



City of Portland, Oregon
Bureau of Development Services
Office of the Director
FROM CONCEPT TO CONSTRUCTION

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MEMORANDUM

Date: October 25, 2011

To: BDS Budget Advisory Committee (BAC)
BDS Employees
BDS Labor Management Committee (LMC)
Development Review Advisory Committee (DRAC)

From: Paul L. Scarlett, Director *PLS*

Subject: BDS Budget Goals for Fiscal Year (FY) 2012-13

The Bureau of Development Services (BDS) plays a vital role in the development of the built and natural environments for the City of Portland. To that end, the bureau promotes safety, livability, and economic vitality through the efficient and collaborative application of building and development codes. The bureau is responsible for administering and enforcing 12 State and 18 City Codes. Currently, there are about 180 BDS employees working diligently to achieve the bureau's goals. They are housed in the Director's Office and the bureau's four divisions: Administrative Services, Plan Review/Permitting Services, Land Use Services, and Inspections Services. The bureau is supported primarily by permit fees (90%), with the City's General Fund making up the rest of the budget.

Over the past year, bureau revenues and expenditures have stabilized since the significant downturn in 2008-09. The bureau has been able to positively respond to workload levels by recalling laid-off staff to fill vacant positions. For FY 2010-11, revenues exceeded costs and the bureau was able to begin rebuilding its depleted reserve. BDS ended the fiscal year on June 30, 2011 with a cumulative cost recovery rate of 107%.

As in past years, this year's budget process will include the participation of bureau staff and outside stakeholders in the development of BDS's Fiscal Year (FY) 2012-13 budget request. This approach will rely on identifying priorities and recommendations for continued improvements to ensure the success of our operations.

The budget request for FY 2012-13 will focus on strategically rebuilding our staffing levels slowly and steadily. We will closely monitor construction activity and our operation to make adjustments as needed, while striving to provide the best service possible. I will again be recommending that City Council continue to dedicate one-time and ongoing General Fund support to BDS programs that provide important public benefits, specifically our Enforcement and Land Use programs.

Goals of the FY 12-13 Budget Request

Similar to the past few years, the FY 2012-13 BDS budget request will focus on the following areas:

- Adequate staffing levels
- Cost recovery/Program efficiencies
- Technology
- General Fund support
- Workforce planning, including training

Adequate Staffing Levels

The new economic realities we face will compel us to approach staffing and rebuilding efforts in a measured and steady way. Our current financial projections show that we could have the capacity to add approximately 6 positions in FY 2012-13 and up to 28 employees over the subsequent 3 years. We will continue to need to be flexible in our staffing so we can be responsive to changes in the development industry and workload.

Cost Recovery/Program Efficiencies

Achieving full program cost recovery, wherever possible, will continue to be one of the bureau's main financial goals. As in past budget cycles, we will seek to make changes in our fee schedules that balance our need for program cost recovery and adequate service levels with the impact that increased fees have on our customers. The bureau will also continue to examine cost saving measures and ways to make our programs and services more efficient and effective, including looking at program structures, processes, innovation, and best practices.

Technology

We are committed to providing technology solutions that meet customer and workplace needs. We have just received authorization from City Council to issue a request for proposal to replace our current permit issuance and tracking system. We have had ongoing discussions with the Office of Management and Finance and have a very feasible financing plan for this important project. In the meantime, our technology staff is working on essential improvements to the current system.

General Fund Support

BDS receives General Fund support for several of its local programs that provide general public benefit, including Land Use Services, Neighborhood Inspections, and Noise Control. We will continue to seek additional General Fund support for FY 2012-13 in order to adequately fund these beneficial programs and restore services that have been reduced.

Workforce Planning and Development

Like other industries, we see that our workforce is changing. Within the next 3 years, 40% of BDS employees will be eligible for retirement. We are focused on maintaining a well-informed, competent and aligned workforce. Unfortunately, over the past several years, we have dramatically reduced our resources devoted to training. In order to prepare for the future of the bureau, we need to focus attention on developing our future leaders. Our goals are to plan for succession to management, leadership, and technical positions, to upgrade the skills of our current employees, and at the same time re-affirm our commitment to diversity.

I appreciate your input into the BDS budget request. Our budget process is just one way that we are working to build and foster strong working relationships with the community, employees, industry, and agency stakeholders.

Thank you very much for your time and diligence.