



**City of
Portland, Oregon**
Bureau of Development Services
FROM CONCEPT TO CONSTRUCTION

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FY 2013-14 Budget Preparation Process

October 29, 2012

I. Background

Historically, the Bureau of Development Services (BDS) receives input into its budget process from several sources: the Development Review Advisory Committee (DRAC, BDS's citizen advisory committee), the BDS Labor Management Committee (LMC), BDS employees, and the BDS Budget Advisory Committee (BAC).

Labor Management Committee (LMC) – In the past, the LMC was deeply involved in the preparation of the bureau's budget through LMC Budget Subcommittees that reviewed and made recommendations on the budget request. However, the LMC found that there was little discretionary spending in the bureau's budget and has chosen to not be as deeply involved in the line item details the last few years.

For FY 2013-14, the LMC will be involved with the budget process primarily during their regular meetings. Additionally, the LMC will be provided with detailed financial information, such as budget line items for each bureau division. This will allow for better familiarity with the bureau's operation and aid in the LMC's review and endorsement of the final budget recommendations.

Development Review Advisory Committee (DRAC) – The DRAC reviews the budget at a more global level. DRAC provides input on permit and land use fees and has been involved in ensuring that the development review process works well. Understanding the budgets, service levels, and fees of the other development bureaus continues to be a high priority for DRAC.

Budget Advisory Committee (BAC) – Since the FY 2009-10 budget process, each bureau has been directed to form a Budget Advisory Committee (BAC) that includes representatives from bureau management, labor, customers, citizens, and internal and external stakeholders. To meet this requirement, BDS will convene a BAC with representatives from the following groups:

- Neighborhoods (Citywide Land Use Group)
- DRAC (Development Review Advisory Committee)
- SBAC (Small Business Advisory Council)
- BDS LMC (Labor Management Committee)
- BDS Non-Represented Employees

The primary purpose of the BAC is to evaluate the bureau's budget request in light of the City's budget directions, the bureau's budget direction and goals, and customers' needs. The BAC will meet approximately five times during the budget preparation process (October 2012 – January 2013) and will submit recommendations to the BDS Director. All BAC meetings are open to the public.

Other Groups - In response to City Council's direction to include more citizens in the budget process, BDS invites participation by neighborhood associations and industry. To connect with neighborhood associations, BDS staff meets with the Land Use Chairs to invite their input into the budget process.

II. Changes in the Budget Preparation Process for FY 2013-14

BDS's Financial Situation

In 2012, BDS's revenues have continued to gradually improve from the lows of the recession (2008-2010). The bureau has been re-building financial reserves and slowly adding back staff in order to respond to an increasing workload. The bureau's financial projections indicate continued gradual improvement in FY 2013-14 and beyond.

Financial Advisory Committee

In September 2010, at the direction of City Council, the Office of Management and Finance (OMF) convened the BDS Finance Committee to review the financial feasibility of BDS's Information Technology Advancement Project (ITAP), along with BDS's overall financial projections. This Committee included five members with economic and real estate background and expertise from organizations such as the PDC Small Business Advisory Committee, Portland State University, independent economic consultants, and others.

The Committee met a few more times in the fall of 2011 to review revised financial forecasts as part of BDS's FY 2012-13 budget process, and the Committee will meet again in fall 2012 to give input to BDS's FY 2013-14 financial plan and budget development.

City's Budget Directions

As of October 29, 2012, the City Council has not published its budget directions to City bureaus. This document will be updated as soon as the Council's directions are released.

Bureau's Budget Focus

As BDS seeks financial stability and plans for ongoing economic recovery, the bureau will focus on several key themes:

- Adequate staffing levels
- Cost savings / Program efficiencies
- Technology
- General Fund support
- Workforce and talent development and planning, including training

III. FY 2013-14 Budget Preparation Process

Set the Goals

The Bureau Director will provide both general direction and specific goals for the FY 2013-14 budget process. Overall, the budget should support the bureau's goal of providing the best and highest level of service of any development services department in the country. The budget should ensure that the bureau staff is equipped with the appropriate tools and resources to effectively perform their jobs. Given the bureau's improved financial situation and increased workload, the budget will focus on ensuring that high-priority services and programs are supported, including adequate staffing levels. A key component of BDS's budget planning process is the integration of the budget request with the bureau's 5-Year Financial Plan. Current financial projections call for the bureau's reserve fund to be slowly rebuilt over the next few years. It will be critical for annual budget requests to be structured in order to accomplish the bureau's longer-term financial goals.

Finally, the bureau must continue to be cognizant of customers' needs and find creative, innovative ways to meet those needs and deliver the best service possible.

Establish Budget Advisory Committee (BAC)

As mentioned previously, the bureau will form a BAC composed of representatives from the LMC, DRAC, SBAC, neighborhood associations, and bureau employees.

Seek Input from BDS Employees

Everyone at BDS can be involved in the Budget Process. Section Managers will meet with their staffs to discuss ideas for the FY 2013-14 budget request and ideas to improve services, reduce costs, and/or increase revenues. Budget recommendations from bureau staff will be reviewed by the LMC and the Director.

Seek DRAC Input

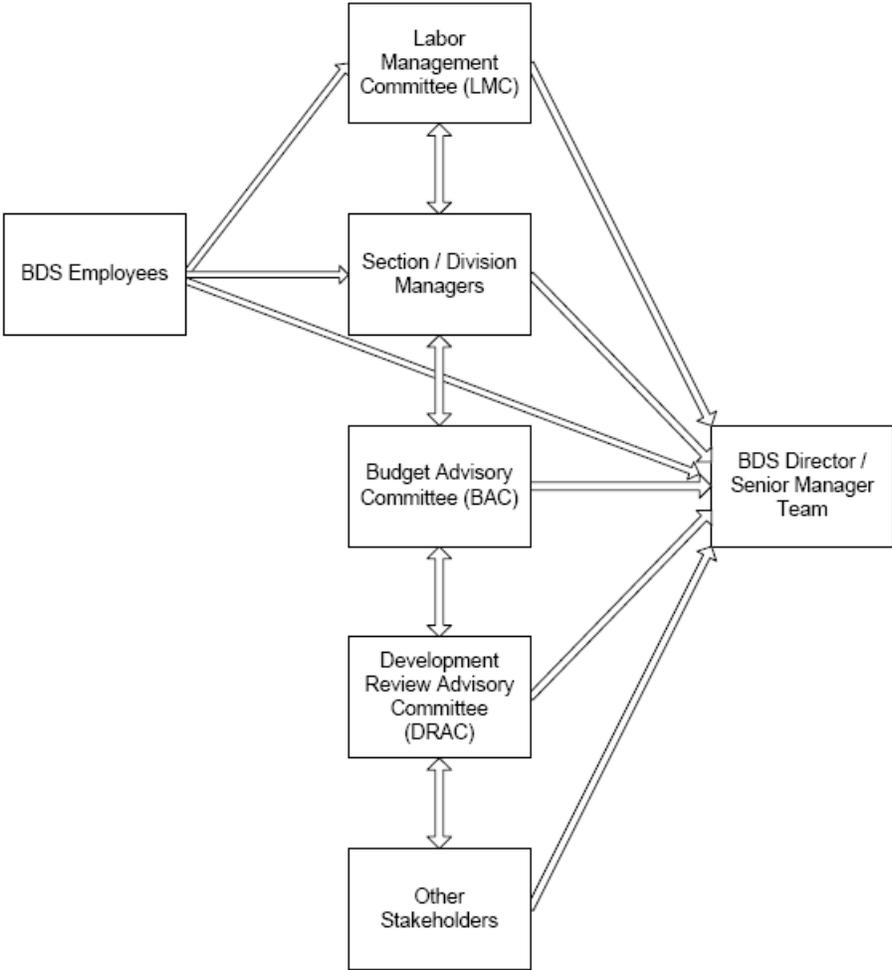
The DRAC will be reviewing the budget at a more global level during its regular monthly meetings from October 2012 – January 2013. The DRAC is very interested in fees and revenues and has been involved in ensuring that the development review process works well. Understanding the budgets of the other development bureaus continues to be a high priority for the DRAC, and those bureaus will make budget presentations at DRAC meetings.

Seek Input From Citywide Land Use Chairs

At some point during the budget planning process, BDS will meet with the Citywide Land Use Chairs and solicit their input into the budget preparation process.

Budget Recommendation and Approval Process

As the following graphic shows, budget recommendations will be shared amongst the various groups and will flow to the BDS Senior Management Team and the Director for final approval:



BDS FY 2013-14 Budget Process Timeline (Projected)

September 2012

- BDS Finance Section provides preliminary forecast

October

- BDS Sr. Team discusses budget priorities, needs, and funding
- Finalize BDS budget process and schedules
- Preliminary BDS revenue forecast
- Formation & first meeting of Budget Advisory Committee (BAC)
- Section Managers discuss budget with their staffs
- Division Managers review performance measures, goals, needs, and priorities.
- BDS Finance Committee reviews BDS Financial Model and Projections

November

- Budget direction from Commissioner & Director
- Section Managers discuss budget with their staffs
- LMC reviews and discusses budget recommendations and proposals
- DRAC reviews and discusses budget recommendations and proposals
- BAC meets

December

- Section and Division Managers review & give feedback on draft personnel & expenditure information
- Citywide budget direction incorporated into BDS budget priorities and decisions, if needed.
- BAC meets
- LMC reviews and discusses budget recommendations and proposals
- DRAC reviews and discusses budget recommendations and proposals
- Meetings with Citywide Land Use Chairs

January 2013

- Final program narratives, performance measures and decision package narratives from Managers to Finance.
- BAC meets
- Update / input meetings with BDS advisory groups.
- Director reviews recommendations from all groups (BAC, DRAC, LMC, employees, Land Use Chairs)

- Budget decisions finalized. Decision packages finalized; budget numbers locked; 5-Year Financial Plan numbers finalized
- BDS line item budget finalized
- Draft 5-Year Financial Plan completed
- BDS budget decisions finalized
- BDS Finance / Admin staff prepare Budget and Financial Plan documents
- **BDS Budget Request & 5-Year Financial Plan submitted (early February 2013)**

February

- City Council teams review bureau budgets

March

- Citywide public forums and meetings on City budget
- BDS budget presentation to City Council
- City Council teams make budget recommendations

April

- City Council work sessions on City budget
- Mayor makes decisions on proposed City budget

May

- **City Council work sessions on City budget**
- **Mayor's proposed budget document published**
- **City Council meets as Budget Committee**

June

- City Council adopts budget

July 1, 2013: FY 2013-14 Budget Takes Effect