



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, December 20, 2012

DRAC Members Present:

Hermann Colas
Steve Heiteen
Maryhelen Kincaid
Kirk Olsen

Jeff Fish
Dave Humber
Dana Krawczuk
Keith Skille

Dan Gilkison
Rob Humphrey
Ed McNamara

City Staff Present:

Ross Caron, BDS
Matt Grumm, Comm. Saltzman's Office
Paul Scarlett, BDS

Cindy Dietz, Water
Nancy Thorington, BDS

Mark Feters, BDS
Denise Kleim, BDS
Riley Whitcomb, Parks

Guests Present:

John Hasenberg, ORA

Justin Wood, HBA

Greg Thiesen, Port of Portland

DRAC Members Absent:

Keith Jones
Joe Schneider

Rick Michaelson

Michelle Rudd

Handouts

- DRAC Meeting Minutes 11/15/12
- Inter-Bureau Code Change List
- BDS Major Workload Parameters (Monthly/Cumulative)
- Non-Cumulative Cost Recovery Report
- IVR Project Overview

Convene Meeting

DRAC Chair Keith Skille convened the meeting and welcomed DRAC members and attendees. He also introduced new DRAC member Kirk Olsen, who is filling the Large Developers position. DRAC member Joe Schneider (Skanska) has moved to the Large Construction Contractors position. DRAC members and City staff did self-introductions.

Mr. Skille noted that there are still multiple vacancies on the DRAC, representing:

- Environmental Conservation & Green Building
- Neighborhood Coalition Land Use Committees
- Historic Preservation (Rick Michaelson's term is ending this month)

Mr. Skille encouraged DRAC members to continue to forward names of potential DRAC candidates to Mark Feters at BDS (mark.feters@portlandoregon.gov or 503-823-1028).

Mr. Skille's term as DRAC Chair and Rick Michaelson's term as DRAC Vice Chair expire at the end of December. After discussion, DRAC members agreed that Mr. Skille will continue as Chair and Jeff Fish will assume the position of Vice Chair for 2013.

DRAC members reviewed and approved minutes from the November 15, 2012 DRAC meeting.

Director's Report

BDS Director Paul Scarlett gave an update on BDS's financial status and referenced the handouts *BDS Major Workload Parameters* and *Non-Cumulative Cost Recovery Report*.

Mr. Scarlett noted that Mayor-Elect Charlie Hales met yesterday with City bureau directors regarding his transition into office in January. Mayor-Elect Hales said he will take all bureaus into his portfolio around the time bureaus submit their budget requests on Feb. 4. The Mayor-Elect's focus this term will be on core City services.

BDS has had three meetings with its Budget Advisory Committee (BAC). Financially, the bureau's permit revenues are strong, but there is concern regarding General Fund support, particularly one-time support used to support 7 Housing Inspector positions.

Mr. Scarlett has been very happy with the work BDS staff is doing and with improvement in the local and national economies. Work continues to come in, and there has been an increase in NSFR (new single-family residence) applications.

DRAC member Dan Gilkison asked whether BDS is looking to add staff given the workload and revenue increases. Mr. Scarlett said that the bureau's budget request does include new positions, but if approved, they will be added only as revenues to support them are realized.

DRAC member Kirk Olsen asked about the mix of projects that BDS works on, and how the bureau dedicates budget and staff to the different types. Mr. Scarlett said that historically about 60% of the bureau's work is on commercial property, with 40% on residential property. Mr. Scarlett also noted the divisions between commercial, multi-family residential, and 1 & 2 family residential work. NSFR permit applications are now double what they have been the last few years, and larger valuation projects have also increased dramatically.

Mr. Skille asked if all the positions BDS added in FY 2012-13 have been filled, and Mr. Scarlett said that all but 4 or 5 have been filled.

BDS Budget Discussion

BDS Administrative Services Manager Denise Kleim provided an update on the bureau's budget preparation process and reviewed the handouts *Summary of Priority Service Improvement Areas & Requested Additional Staffing for FY 2013-14* and *Requested Positions*. BDS is requesting 16 new positions in its FY 2013-14 budget. Three of the positions are supervisory or lead positions to help with span of control issues, as some current section managers supervise up to 20 employees. BDS has added 56 positions since economic recovery began, but none of those have been supervisory positions. BDS's span of control is larger than all other City bureaus.

For each proposed new position, the bureau has calculated the service level improvements that would be realized. BDS will also be comparing its service levels with those of other jurisdictions, to confirm whether improvements in services are needed. The bureau will also identify performance measures or service level improvements for the proposed supervisory positions. Mr. Olsen suggested the bureau do comparisons with cities outside the region as well as local jurisdictions.

Mr. Scarlett said that the bureau is confident it can support these positions, given its healthy cost recovery rate (144%) and reserves. The bureau is sensitive to employee concerns about long-term stability.

Ms. Kleim gave an overview of the bureau's issue with support from the City's General Fund (GF). GF support for the Neighborhood Inspections program has decreased significantly over the last several years. However, last fiscal year (2012-13) BDS received one-time funding for 6 Housing Inspector positions. For FY 2013-14 all bureaus have been asked to submit a 90% budget request, then submit a separate request for the remaining 10%. Bureaus cannot ask for any new GF money; bureaus can ask for the continuation of one-time funding, but there are very limited one-time funds available. BDS is working with Commissioner Saltzman's office to identify strategies. The current workload for Neighborhood Inspections would justify two more inspectors than are working now.

DRAC member Hermann Colas asked about the data BDS uses to determine appropriate staffing levels. He also inquired whether BDS can hire staff when it knows large projects may be coming, or needs to wait for the work to come in. Mr. Scarlett said that complaint numbers and average response time is used to determine staffing levels for Neighborhood Inspections. Ms. Kleim said that potential large projects with a high likelihood of coming to fruition do get included in the bureau's projections.

DRAC member Rob Humphrey asked how the service level data for plan review is obtained. Mr. Scarlett replied that it is taken from existing TRACS reports (*TRACS is the bureau's permitting database*). Mr. Humphrey said that he supports additional staff if it will improve turnaround times. Mr. Skille suggested that the service level goal (target) be added to the table in the *Summary of Priority Service Improvement Areas* handout.

DRAC member Steve Heiteen expressed concern that along with service improvements, the staff additions will also lead to fee increases. He said that he would like to avoid continued 5-8% annual fee increases, and he encouraged the bureau to keep fees in mind as decisions are made about adding staff. Mr. Scarlett said that the bureau will be very conservative in staff additions, and hopes to be able to "ratchet down" some fees this year. The BAC will also be looking at the impact of staff additions on fees. Mr. Skille echoed Mr. Heiteen's comments, particularly if the bureau's timelines compare favorably with those from other jurisdictions.

DRAC Member Ed McNamara added that BDS has previously said that turnaround timelines will improve when ITAP (Information Technology Advancement Project) is implemented in two years, and suggested that perhaps the bureau can live with the existing timelines for the next two years. Mr. Humphrey said that of jurisdictions in the metro area, Portland is the best as far as organization and timelines. He added that BDS should make sure it is maximizing the efficiency of current employees, programs, and services.

Mr. Olsen said that his customers place a higher priority on time than on fees. Minimizing uncertainty is also important. He asked that the bureau provide not only timeline averages, but also ranges (e.g., the bureau may take 15 days on average to perform a particular service, but actual timelines may range from 10 – 20 days).

John Hasenberg (ORA) asked whether all staff review all types of incoming plans (commercial, residential, etc.), or whether different types of projects are routed to differently-trained reviewers. He suggested that having plans reviewers specialize in different types of project would improve timelines for simpler projects (such as residential remodels). Mr. Scarlett said that plans are assigned based on staff availability and expertise, and he offered to provide more specific information.

Ms. Kleim said that the City is seriously looking at employee pay and benefits given the GF shortfall. There has been a salary freeze for non-represented staff this year (FY 2012-13).

Ms. Kleim noted that by next DRAC meeting (January 17, 2013), the bureau should have projections on revenues and fees.

Mr. Scarlett noted that 47% of BDS staff will be eligible for retirement within the next 5 years, with 36% in the next 3 years. BDS is therefore working on retention and workforce planning. The layoffs during the recession left the bureau with a higher percentage of higher-seniority staff. However, our staff also tends to continue working past retirement eligibility.

Program Updates

Public Works Appeal Board

Mr. Michaelson was the DRAC alternate representative on the Public Works Appeal Board, but since he is leaving the DRAC a new alternate representative is needed to fill a two-year term. The Board meets on alternate Tuesdays, from 3:00 to 5:00 p.m. Since the rule says that the person is "appointed by the DRAC", and not necessarily a DRAC member, and since Mr. Michaelson has indicated a willingness to continue in his role on the board, DRAC members agreed to appoint Rick Michaelson to remain the DRAC-appointed alternate representative.

IVR (Interactive Voice Response) System

BDS's updated IVR system went live yesterday, replacing the previous system and placing it on a new server. For customers, the system should appear largely unchanged. Ms. Kleim referenced the handout *IVR Project Overview*, which also describes the inspection limitation function of the new system. The bureau will do extensive outreach to customers before the limitation function takes effect. The system will also allow customers to pay fees by phone; this function will be rolled out after the first of the year.

ITAP

Ross Caron (BDS) gave a brief overview and an update on the status of ITAP. Last week City Council approved the final vendor selection (Sierra Systems), and the bureau is now entering into contract negotiations with Sierra. BDS hopes to have a signed contract by March 2013, which will allow the scheduled go-live of winter 2014-15. Readiness activities continue, including

process mapping and improvement, updating the property addressing system, data clean-up and conversion, and discussions about how/where the new system will be hosted (City server, vendor server, or in the cloud). Current records are being digitized, and the bureau is working to make those records accessible to the public. Mr. Humphrey said that file size has been an issue with digitization, and asked how that is going. Mr. Caron said that file size has been an issue, particularly with larger plans. The bureau is implementing a lower-resolution system to allow for faster scanning.

Mr. Caron said most process mapping is complete, but several key issues still need to be resolved. Mr. Scarlett said some of the bigger changes will be brought to the DRAC to be reviewed, probably in January or February 2013. Mr. Hasenberg said that for some smaller projects, the option of submitting paper plans (rather than electronic) will be advantageous. Mr. Scarlett said the bureau will be looking at that and making adjustments depending on what works best. Mr. Skille noted that customers will still be able to submit paper plans. Mr. Caron added that to use the system to its full capability, submitting and reviewing plans digitally will be best. Inspectors will have mobile devices in the field that will allow them to access plans digitally.

Mr. Gilkison said the Port of Portland recently went digital with its construction functions. There was resistance initially, but it's working well.

Mr. Skille suggested that a future DRAC meeting include a more detailed discussion of ITAP and implementation questions.

BDS Strategic Plan Update

Ms. Kleim gave a brief update on BDS's strategic planning process and referenced the handouts *BDS Strategic Plan Focus Areas* and *BDS Mission Goals Values*.

The bureau would like to invite the consultant it is using for the strategic plan (Mark Fulop) to the February DRAC meeting to review input from constituent groups. DRAC Member Dana Krawczuk noted that the Programs & Services focus area should include the other bureaus involved in the development review process, and Ms. Kleim said that it will.

BDS Customer Survey

Ms. Kleim noted briefly that BDS will be doing a new telephone customer survey later in 2013. She gave an overview of the survey process and said that the bureau will want input from the DRAC on the focus of the survey and specific survey questions. More information will be provided at future DRAC meetings.

Next DRAC Meeting: Thursday, January 17, 2013, 8:00 a.m. - 9:30 a.m.

Minutes prepared by Mark Feters, BDS