



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

**Development Review Advisory Committee**  
**MINUTES**  
**Thursday, January 17, 2013**

**DRAC Members Present:**

Hermann Colas  
Steve Heiteen  
Dana Krawczuk  
Keith Skille

Jeff Fish  
Keith Jones  
Kirk Olsen

Dan Gilkison  
Maryhelen Kincaid  
Michelle Rudd

**City Staff Present:**

Ross Caron, BDS  
Mark Fetters, BDS  
Elshad Hajiyev, BDS  
Andy Peterson, BDS  
Nancy Thorington, BDS  
Sandra Wood, BPS

Cindy Dietz, Water  
Matt Grumm, Comm. Saltzman's Office  
Denise Kleim, BDS  
Paul Scarlett, BDS  
Riley Whitcomb, Parks

Rebecca Esau, BDS  
Kurt Krueger, PBOT  
Nagla Toma, BDS  
Christopher Wier, PBOT

**Guests Present:**

Phil Damiano  
Ed McNamara, Mayor Hales' Office

Lisa Frisch, PBA

Melissa Hayden, Security Signs  
Rick Michaelson, Inner City Prop.

**DRAC Members Absent:**

Dave Humber

Rob Humphrey

Joe Schneider

**Handouts**

- DRAC Meeting Minutes 12/20/12
- Inter-Bureau Code Change List
- BDS Customer Service Survey 2013 - Preliminary Ideas for Discussion
- BDS Major Workload Parameters (Monthly/Cumulative)
- Non-Cumulative Cost Recovery Report
- BDS FY 2013-14 Requested Positions
- FY 2013-14 Requested Budget Decision Packages
- Preliminary Summary of Financial Plan
- Summary of Priority Service Improvement Areas and Requested Additional Staffing for FY 2013-14

## **Convene Meeting**

DRAC Chair Keith Skille convened the meeting and welcomed DRAC members and attendees. DRAC members and attendees made self-introductions. DRAC members reviewed and approved minutes from the December 20, 2012 DRAC meeting.

Mr. Skille mentioned that four vacancies remain on the DRAC, and he encouraged DRAC members to continue to contact Mark Feters (BDS) with recommendations.

Mr. Skille and BDS Director Paul Scarlett then recognized outgoing DRAC members Ed McNamara and Rick Michaelson, whose DRAC membership was completed at the end of December 2012. Mr. Scarlett thanked them for their service on the DRAC and expressed appreciation for their contributions to the City's work. He presented them with framed certificates of appreciation and letters from himself and Commissioner Saltzman.

## **BDS Customer Survey Discussion**

BDS Administrative Services Manager Denise Kleim gave a brief update on BDS's plan to conduct a large-scale customer survey in 2013. She introduced Nagla Toma (BDS), who will be the project manager for the survey contract and process, and she reviewed the handout *BDS Customer Service Survey 2013 – Preliminary Ideas for Discussion*. The survey will be completed by telephone, with an option to complete the survey online as well. Ms. Kleim then asked DRAC members for their thoughts and feedback.

DRAC member Jeff Fish asked that the DRAC be able to review the survey questions before the survey takes place. He suggested that it will be important to ascertain the specifics of why customers are satisfied or dissatisfied with bureau services.

DRAC member Steve Heiteen said it would be good to identify whether survey respondents are frequent or infrequent customers, because their feedback may differ based on their familiarity with the development review process. DRAC member Dan Gilkison said the questions should capture the specific kind of development each respondent is doing.

Mr. Skille suggested the survey question whether respondents have used similar services in other jurisdictions, and if so ask them to compare those services with BDS's. This could be a source of ideas for BDS. DRAC member Michelle Rudd stressed that it will be important to ensure the anonymity of respondents. If respondents know they will not be identified, they will be more honest in their responses.

Ms. Kleim said that a definite timeline isn't in place, but the bureau hopes to put out a request for proposals (RFP) in late February.

## **Director's Report**

Mr. Scarlett gave an update on the bureau's financial status and reviewed the handouts *Major Workload Parameters* and *Non-cumulative Cost Recovery Report*. BDS is in a much stronger financial position and is now working on improving service levels by strategically adding staff. Staff overtime continues to be high in some programs, indicating the need for additional positions. The bureau has exhausted the recall of former employees and now is using open recruitments to fill positions.

Mr. Scarlett said that as staffing grows, the bureau is able to return to projects that were put on hold during the recession, such as the customer survey and the BDS strategic plan. The bureau is still looking at the hours of service in the Development Services Center (DSC) and is talking

with the other development bureaus about possible changes. Mr. Scarlett will be discussing these matters with Mayor Hales' Chief of Staff today.

Mr. Heiteen suggested asking current employees if they would prefer working more overtime, rather than moving to add positions. There would be savings on overhead costs. Mr. Scarlett replied that overtime is regulated by union contracts, and that some staff has been reluctant to work overtime.

DRAC member Maryhelen Kincaid asked whether the increase in permit valuations is due to an increase in large projects or other factors. Mr. Hajiyev said that there has been a shift to larger projects in the last couple years, and that has driven the higher valuations. He added that the valuation data covers building, site development, and commercial zoning permits; other types of permits (electrical, mechanical, plumbing, etc.) are not included.

Mr. Gilkison asked if the bureau could produce a report showing the range of timelines for permit issuance. BDS Plan Review/Permitting Services Manager Andy Peterson said the bureau can produce such a report, but the timelines are dependent on both the City and applicants; some applicants submit complete, code-compliant plans and respond quickly to checksheets, while other applicants are very slow to respond.

DRAC members discussed the decrease in the number of Land Use final plats and potential reasons for the drop. Some speculated that the housing market is part of the cause, and that the numbers may pick up as the market continues to improve. Mr. Fish noted that the value of infill lots has increased about \$20,000 in the past year. Mr. Peterson noted that the number of new single-family residence (NSFR) permits is up about 35% from last year, but valuations have increased much more significantly. NSFR submittals continue to average 14-15 per week, which is nearly double the rate from a year ago.

### **BDS Budget Discussion**

Ms. Kleim gave an update on BDS's Fiscal Year (FY) 2013-14 budget request and reviewed several handouts:

- FY 2013-14 Requested Positions
- FY 2013-14 Requested Budget Decision Packages
- Preliminary Summary of Financial Plan
- Summary of Priority Service Improvement Areas and Requested Additional Staffing for FY 2013-14

BDS staff met with the bureau's Financial Advisory Committee this past Monday and with its Budget Advisory Committee yesterday. There is good confidence in the bureau's financial models, which show that workload will continue to increase and that service level gaps will worsen without additional staff.

Ms. Kleim noted that the bureau will be converting 6 existing Limited Term positions to permanent positions, but that will be done through the City's Winter Budget Monitoring Process (BuMP), rather than through the FY 2013-14 budget request.

She also summarized the bureau's request regarding General Fund monies, which support the Neighborhood Inspections, Noise Control, and Land Use programs. All bureaus have been instructed to submit 90% budgets for their General Fund appropriations, then to request that the remaining 10% be added back. Bureaus have also been told that they can request the continuation of existing one-time General Fund monies. There is no guarantee that requests for the 10% of ongoing funds or for the continuation of one-time funds will be granted.

Ms. Kincaid asked about the 12 new positions and the current number of bureau employees. Mr. Scarlett said that the 12 positions will put the bureau at around 200 employees.

Ms. Kleim described the bureau's process for developing its econometric model for financial projections. The model looks at trends in the region, then makes adjustments based on specific trends in Portland. The BDS Financial Advisory Committee reviewed the bureau's model and agreed that it was a good approach. The model shows that BDS can afford both ITAP (Information Technology Advancement Project) implementation and adding staff to address workload needs. Improvements in the economy and the industry will allow for these efforts to progress without significant fee increases in the near term. For FY 2013-14, building, mechanical, electrical and facilities permit fees not increase, and Site Development fees will decrease by 5%. BDS plans fee changes over a five-year period, so the bureau will not need to make large fee increases in succeeding years to "make-up" for the minimal changes in FY 2013-14.

Mr. Fish noted that a handout at the BAC meeting yesterday showed each bureau program's reserve balance, which helped to explain the fee changes. In general, programs with proposed fee increases have lower (or negative) reserve balances. Mr. Skille said the proposed fee changes are good news for the industry and will be well-received.

Mr. Scarlett noted that the DRAC will not meet again until after BDS submits its Requested Budget, and that usually the DRAC submits a letter of recommendation with BDS's budget. Mr. Grumm suggested that the DRAC could submit a letter after the budget submittal. DRAC members asked BDS staff to prepare a draft letter of recommendation for DRAC members to review at the February DRAC meeting. Mr. Skille asked that the handout from the BAC that shows fee projections for the next five years be shared with DRAC members.

Mr. Scarlett said the bureau can provide more details on the General Fund cuts it will be required to make. Mr. Skille reminded DRAC members of their previously expressed desire to see sustained (or increased) General Fund support for BDS's local code enforcement programs, since they provide general public benefit. Mr. Grumm said that Mayor Hales is focused on core services, so the DRAC's advocacy for General Fund support for BDS local code programs will be very important. It was noted that BDS's 10% General Fund cut would be about \$173,000. Riley Whitcomb (Parks) said that Parks would lose about \$4 million, while Sandra Wood (BPS) estimated that BPS would lose about \$750,000.

**Next DRAC Meeting: Thursday, February 21, 2013, 8:00 a.m. - 9:30 a.m.**  
Minutes prepared by Mark Feters, BDS