



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

Amanda Fritz, Commissioner
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BDS Budget Advisory Committee (BAC)

Meeting Notes

Tuesday, November 12, 2013

BAC Members Present:

Barb Elwess, BDS
Curt French, BDS Labor Management Committee (LMC)
Will Fuller, Elders in Action
Dan Gilkison, Development Review Advisory Committee (DRAC)
Elisa Harrington, Community Alliance of Tenants (CAT)
Paul Scarlett, BDS Director
Keith Skille, DRAC
Susan Steward, Building Owners & Managers Association (BOMA)

Other City Staff Present:

Mark Feters, BDS
Elshad Hajjyev, BDS
Deborah Sievert Morris, BDS
Christy Owen, City Budget Office
Andy Peterson, BDS
Doug Morgan, BDS
Rebecca Esau, BDS

Guests Present: None

BAC Members Absent:

Lisa Buellesbach, BDS Labor Management Committee (LMC)
Hermann Colas, DRAC

Handouts

1. BDS Director's Budget Goals Memo
2. BDS Organizational Chart
3. BAC Description & Roster
4. FY 2014-15 Budget Preparation Process
5. FY 2013-14 Line Item Budget
6. Explanation of Line Items
7. BudgetSpeak Dictionary
8. Workload Parameters
9. Non-Cumulative Cost Recovery Report

Optional Materials

- FY 2013-14 Requested Budget
- 5-Year Financial Plan

Welcome & Self-Introductions

BDS Director Paul Scarlett welcomed the BAC members and City staff. BAC members and staff introduced themselves to one another. BDS Administrative Services Manager Deborah Sievert Morris reviewed the materials in the handout packet.

Bureau Overview

Mr. Scarlett reviewed the handout *BDS Director's Budget Goals Memo* and gave an overview of the bureau's current financial standing and workload. He highlighted the bureau's improved finances, high workload, and challenges. He expressed excitement for the coming year and appreciation for the service of BAC members.

Commissioner Fritz

Commissioner Amanda Fritz arrived to welcome BAC members. She encouraged BAC members to think about not only budget requests for fiscal year (FY) 2014-15, but for future years as well. She said the BAC should dig into the budget, looking particularly at issues of fairness and equity. She wants input on BDS's ongoing operations, not just the budget request.

She said the City is projecting that \$2-7 million will be available in new one-time General Fund monies in FY 2014-15, plus \$2-7 million in new ongoing monies. She encouraged the BAC to ask for additional General Fund support for BDS. She expressed appreciation for BAC members' work and encouraged them to contact her office if they wanted to discuss ideas.

Bureau Overview (continued)

BDS division managers provided brief overviews of the work and staffing of their respective divisions. Land Use Services Manager Rebecca Esau said that their workload is back to 2008 levels; staffing and dealing with code changes are their primary challenges. Plan Review / Permitting Services Manager Andy Peterson said that his division is struggling to hire and onboard staff quickly enough to deal with significant workload increases, particularly larger projects. He also noted that there will be changes to his staff's work in the next few years as a result of BDS's Information Technology Advancement Project (ITAP).

Will Fuller asked about the process of obtaining reviews from multiple bureaus. Mr. Peterson described the review process and explained that all reviews can be obtained through the Development Services Center (permit center in the 1900 Building).

Interim Inspections Division Manager Doug Morgan described the staffing challenges in Residential Inspections that are keeping them from meeting their goal of completing 98% of inspections within 24 hours of request. He also noted the need for increased General Fund support for the Neighborhood Inspections Team.

Elisa Harrigan asked how training is budgeted. BDS Finance Manager Elshad Hajiyev said that each section has its own training budget, plus Administrative Services has a budget to support training for the entire bureau.

Budget Process

Ms. Sievert Morris reviewed the handout *FY 2014-15 Budget Preparation Process* and gave an overview of BDS's budget development process. She reviewed the budget timeline and the BAC's role in the creation of BDS's budget.

Mr. Scarlett noted that as opposed to recent years, it appears that bureaus will not be asked to submit budget reductions for FY 2014-15. Curt French mentioned that state law prevents permit revenues from being used for programs that enforce local City codes.

Keith Skille asked about a comment Commissioner Fritz had made about adjusting the bureau's hiring process in order to be more flexible. Mr. Scarlett said that traditionally, BDS would ask for new positions in its annual budget requests and then fill those positions in the summer. This meant that new staff were coming onboard and going through training during the busiest time of the year. The bureau is now using the City's Budget Monitoring Processes (BuMPs) to add staff at different points during the year. BuMPs are opportunities for bureaus to make adjustments (including staff additions) to their budgets during the year based on changing needs. There are 2-3 BuMP processes each year.

Mr. Scarlett said that BDS is requesting 15.5 additional positions in the Fall 2013 BuMP, which will go to City Council Wednesday, November 13th. These 15 positions are needed to meet continuing workload increases. Mr. Hajiyev noted that before those positions were requested, the bureau's financial projections were re-run to make sure there would be sufficient revenues to support the positions over the next five years. BAC members and staff discussed the bureau's financial forecasting process and how decisions to add staff are made.

Mr. Hajiyev noted that 15 of the positions will be supported by permit revenues; there is also a request for 0.5 positions to work on the Citywide Tree Code that will be supported by General Fund monies.

Mr. Fuller asked what BDS is doing regarding workforce planning, and whether the bureau would consider using recent retirees to mentor new hires. Ms. Sievert Morris described the bureau's current efforts, including outreach, training, and mentoring.

BDS Finances & Financial Planning

Mr. Hajiyev gave an overview of the bureau's finances and financial planning process, and reviewed the handouts *FY 2013-14 Line Item Budget*, *Explanation of Line Items*, *BudgetSpeak Dictionary*, *Workload Parameters*, and *Non-Cumulative Cost Recovery Report*. He described the challenges in the process of economic forecasting, which is key to the bureau's budget planning. As a result of the recent recession, BDS re-developed its financial models and began meeting with a Financial Advisory Committee composed of economists and industry representatives.

Mr. Hajiyev described the bureau's funding sources and focused on the division of revenues between state-mandated and local code programs. 93% of bureau revenues come from fees, while 3% comes from the City's General Fund and 4% from Intergovernmental Agreements (IGAs) with other City bureaus and agencies. General Fund monies provide 40% of the revenues for the Neighborhood Inspections Team and 16% of revenues for Land Use Services. BDS gets about \$2 million in GF support each year.

He noted that BDS reserves are currently \$24 million, but over \$11 million of that total is committed to ITAP. Revenues increased 26% in FY 2012-13, fueled mostly by increases in multi-family construction.

Questions / Discussion

Ms. Sievert Morris mentioned that the bureau can provide an additional session that would provide more in-depth review of the bureau's line-item budget. Mark Fetters will notify BAC members when a session is scheduled.

Meeting notes prepared by Mark Fetters, BDS