



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

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MEMORANDUM

November 19, 2014

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

From: Paul L. Scarlett, Director

Subject: **BDS Budget Goals for Fiscal Year (FY) 2015-16**

The Bureau of Development Services promotes safety, livability, and economic vitality through the efficient and collaborative application of building and development codes. We are responsible for administering and enforcing twelve State and seventeen City Codes. Currently, BDS has approximately 265 employees housed in four divisions: Inspections/Code Enforcement Services, Permitting/Plan Review Services, Land Use Services, and Administrative Services. About 96% of BDS revenues come from permit and other fees, with the City's General Fund making up the remaining 4% of the bureau's budget.

As in past years, we will include the participation of bureau staff, customers, stakeholders, and the community in the development of our budget. We rely on assistance from all these participants in identifying priorities and recommendations for the continued improvement and success of the bureau.

BDS's Financial Standing

In 2013 and 2014, bureau revenues have increased significantly as the construction industry has experienced strong growth. Our cost recovery rate for FY 2013-14 (July 1, 2013 – June 30, 2014) was 130%, and has been at 137% for the first three months of FY 2014-15. This has allowed us to rebuild our financial reserves to healthy, prudent levels; add staff to respond to the rapidly increasing workload; and proceed with a major information technology upgrade, all while keeping most of our fees constant.

Budget Goals

Our budget request for FY 2015-16 will be structured in order to best help us achieve our budget goals (expanded descriptions are on the next page):

- Provide adequate staffing levels
- Streamline access to services
- Equity – organizationally and in service provision
- Leverage advanced technology
- Maintain fiscal sustainability
- Workforce planning, including training
- Ensure General Fund support for local code enforcement programs

Focusing on these goals will drive our quest to be the best development services agency in the nation.

Budget Goals (expanded)

Provide Adequate Staffing Levels

The growth in the construction industry over the last few years has both enabled and compelled us to add staff positions in order to sustain our service levels and manage a much larger workload. Since Fall 2011, BDS has added approximately 115 positions spread throughout the bureau. A number of these positions are still being filled.

Due to continuing high workloads, we used the City's 2014 Fall Budget Monitoring Process to add 22 fee-supported positions and 2 General Fund-supported positions. In light of this, our FY 2015-16 budget request will focus more heavily on enhancing General Fund support for bureau programs that provide community-wide benefit, including Land Use Services and Neighborhood Inspections. See "General Fund Support for Local Code Programs" below for more details.

As always, I approach our staffing and rebuilding efforts in a measured and steady way, adding staff only when we have sufficient resources to sustain them for the long term. We will continue to use all available methods for adding staff so we can be timely in our response to changes in our workload.

Streamlined Access to Services

We want to create more effective means for customers, employees, and stakeholders to communicate ideas and have collaborative interaction with bureau leaders and with one another. In addition, we want to research and pursue other ideas to improve the various ways in which customers and stakeholders interface with our staff and services such as the bureau's website, written materials, and phone call interactions. In Fall 2014 we conducted customer and community surveys for the first time in six years. In addition, we are currently pilot testing a Customer Call Center, with the eventual goal of answering calls to all main bureau phone lines live, rather than with voicemail.

Equity – Organizationally and in Service Provision

As referenced in many of the other budget goals, we are committed to pursuing equity in our staffing, our programs and services, and our interactions with customers and the community. Specifically, we will seek to expand educational and training opportunities in equity issues for staff; and seek to improve our outreach and accessibility, particularly to underrepresented and disadvantaged communities. We cannot become the best development services agency in the nation without ensuring equal access and opportunities for our staff, customers, and the community. To this end, an Equity Manager was added to the bureau in 2014 to assist us in accomplishing these goals and in reviewing all our programs and activities through an equity lens.

Leverage Advanced Technology

We are well on the road to implementing our Information Technology Advancement Project (ITAP). ITAP is a web-based system that will allow 24/7 online access to BDS's records and services. ITAP will greatly enhance the level of technology in the development review process while improving public access to information. Our selected vendor, Sierra Systems, is currently onsite working on system design with BDS staff. Go-live is scheduled for December 2015. In addition to ITAP, I remain committed to providing technology solutions that meet customer and workplace needs. I encourage you to think about ways that technology can better serve the bureau's goals and the needs of staff, customers, and the community.

Maintain Fiscal Sustainability

To successfully provide excellent programs and services, we must operate in a fiscally sustainable manner. To do this we need to balance several aims:

- Maintain prudent financial reserves to cushion against economic downturns;
- Provide staffing sufficient to meet customers' and stakeholders' needs;
- Pursue cost recovery for services whenever appropriate;
- Set reasonable fees and keep fee increases as low as possible.

All of these competing needs will inform and shape our budget planning.

Workforce Planning, including Training

Like other organizations, we see that our workforce is changing. Approximately 17% of BDS employees are eligible for retirement now and about 32% could retire within 5 years. Addressing this reality will require increased efforts in several areas, including ensuring equitable outreach, recruitment, and hiring processes; outreach to high school and college students regarding career path opportunities; development of future leaders and plans for succession to management, leadership, and technical positions; and relevant training for current employees. In 2015 we will be hiring a Training & Workforce Development Manager to drive this effort and coordinate the work of existing recruitment, onboarding, training, and development staff.

General Fund Support for Local Code Programs

BDS receives financial support from the City's General Fund for local code programs that provide general public benefit, including Land Use Services and Neighborhood Inspections. I will continue to seek General Fund support in order to adequately fund these beneficial programs. Specifically, I will advocate for the conversion of one-time General Fund monies into ongoing support in order to provide stability to programs that provide significant community benefit, such as the Extremely Distressed Properties Enforcement Program.

I appreciate the time and energy that you will dedicate to our bureau's budget planning process and recommendations. Our budget process is just one way that we are working to build and foster strong working relationships with the community, employees, industry, and stakeholders.

Thank you very much for your time and input.