



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

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BDS Budget Advisory Committee (BAC)

Meeting Notes

Tuesday, December 3, 2013

BAC Members Present:

Lisa Buellesbach, BDS Labor Management Committee (LMC)
Hermann Colas, DRAC
Barb Elwess, BDS
Curt French, BDS Labor Management Committee (LMC)
Dan Gilkison, Development Review Advisory Committee (DRAC)
Elisa Harrigan, Community Alliance of Tenants (CAT)
Paul Scarlett, BDS Director
Keith Skille, DRAC
Susan Steward, Building Owners & Managers Association (BOMA)

Other City Staff Present:

Rebecca Esau, BDS
Mark Feters, BDS
Elshad Hajiyev, BDS
Mike Liefeld, BDS
Doug Morgan, BDS
Christy Owen, City Budget Office
Dora Perry, Commissioner Fritz's Office
Andy Peterson, BDS
Deborah Sievert Morris, BDS

Guests Present: None

BAC Members Absent:

Will Fuller, Elders in Action

Handouts

1. 11/12/13 BAC Meeting Notes
2. Citywide FY 2014-15 Budget Outlook
3. FY 2013-14 Line Item Budget
4. Explanation of Line Items
5. Equity Information
6. BDS Equity Dashboard 12-03-13
7. BDS General Fund Allocation FY 2013-14
8. BDS Projected Funding Sources FY 2013-14
9. Land Use Services Division Major Functions
10. LUS Workload, Staffing, & Service Levels
11. Maintaining Portland's Safety & Livability
12. BDS Enforcement Program Summary

Welcome/ Convene Meeting

BDS Director Paul Scarlett welcomed the BAC members and City staff. Mr. Scarlett reiterated the importance of the BAC's work in BDS's budget development process. BAC members reviewed and approved notes from the Nov. 12, 2013 BAC meeting.

Citywide Budget Update

Christy Owen (City Budget Office) gave an update on the Citywide budget and the General Fund and reviewed the handout *Citywide FY 2014-15 Budget Outlook*. She noted that the City Council is still discussing priorities for the budget. The Citywide Budget Kickoff meeting is this afternoon (Dec. 3rd).

BAC Member Elisa Harrigan asked about timing of budget add packages. Ms. Owen said bureaus will submit add packages with their Requested Budgets on February 3, 2014.

BAC Member Hermann Colas asked whether positions vacated through retirements are being automatically filled, or the newly added positions (from the 2013 Fall Budget Monitoring Process) will fill those vacancies. Mr. Scarlett said that positions vacated through retirement are automatically filled since they're budgeted positions, so long as the work performed by those positions remains. The bureau has been struggling to fill some positions, particularly those requiring certifications.

BAC Member Susan Steward asked whether positions will be added to the Facility Permit Program (FPP). Mr. Scarlett said there have been a couple recent retirements that have yet to be filled.

Ms. Harrigan asked what BDS's one-time General Fund monies support. BDS Finance Manager Elshad Hajiyev said those funds support positions in the Extremely Distressed Properties Enforcement Program (EDPEP) and the Citywide Tree Program.

Ms. Owen offered to put BAC members in touch with Josh Harwood if they have more in-depth economic questions.

The handout *Citywide FY 2014-15 Budget Outlook* can be viewed online at <http://www.portlandoregon.gov/cbo/article/469389>.

Budget Details

Mr. Hajiyev reviewed the handouts *FY 2013-14 Line Item Budget, Explanation of Line Items*, and *BDS Projected Funding Sources FY 2013-14*. He went through the line item budget in detail. He noted that the \$2.9 million in External Materials and Services/Professional Services for FY 2013-14 is mostly for ITAP (Information Technology Advancement Project). It was noted that in addition to the ITAP Citizens' Advisory Committee, the City's Technology Oversight Committee (TOC) is also monitoring ITAP.

BAC Member Dan Gilkison asked whether the Technology Services item in the Line Item Budget includes ITAP-related upgrades. Mr. Hajiyev said that it does; \$250,000 is being paid to the City Bureau of Technology Services (BTS) for ITAP, while the majority of ITAP

costs are paid to outside vendors. Mr. Hajiyev noted that ongoing equipment costs related to ITAP have been planned for and will appear in future line item budgets.

Ms. Harrigan asked about the payment to the Bureau of Planning. BDS Land Use Services Manager Rebecca Esau said some of the money is for the Regulatory Improvement Code Amendment Project (RICAP); BDS agreed to pick up the one-time costs for this project. Ms. Harrigan asked how decisions are made about which bureau pays for what. Mr. Scarlett said that on projects like RICAP BDS and the Bureau of Planning and Sustainability (BPS) negotiate who will pay. Generally, each bureau pays for items that involve or impact their work.

Mr. Hajiyev noted that most of the Miscellaneous (External M&S) item is credit card costs. Mr. Colas asked whether credit card fees include interest payments for the bureau's use of credit cards, and whether BDS charges customers more for using credit cards. Mr. Hajiyev replied that the credit card costs do not include interest for the bureau's credit card use. BDS does not charge customers extra for using credit cards, but the costs related to processing cash and checks are rarely accounted for and are roughly equal to what the bureau pays in credit card fees.

Mr. Hajiyev then reviewed the handout *BDS Projected Funding Sources FY 2013-14*. He stressed that state law prohibits BDS from using fee revenues from state-mandated construction programs to support the enforcement of local City codes. He noted that General Fund monies support portions of the Neighborhood Inspections and Land Use Services programs.

BAC Member Keith Skille asked for clarification on how much revenues the FPP and FIR (Field Issuance Remodel) programs contribute, in relation to their costs. Mr. Hajiyev said that both programs are in cost recovery. FPP has revenues of \$2.5 million, while FIR has revenues of \$500,000.

Bureau Budget Goals

General Fund

Mr. Hajiyev reviewed the handout *BDS General Fund Allocation FY 2013-14*, and Ms. Esau distributed and reviewed the handout *Land Use Services Division Major Functions*. Several of these functions are subsidized with General Fund monies in order to keep fees lower for customers. Staff work on a mixture of General Fund-supported and fee-supported tasks. Ms. Esau distributed the handout *LUS Workload, Staffing, & Service Levels*, and reviewed the last page in detail.

Mr. Scarlett noted again that state law prohibits the bureau from using permit fee revenues to support local code enforcement, such as LUS's Zoning Code work. This places an importance on the bureau's General Fund distribution.

Ms. Esau noted that LUS's workload has increased significantly in the last couple years, but staffing levels have not grown at the same rate. BAC members discussed the restrictions on LUS's funding sources and whether LUS might do more to recover costs. Mr. Scarlett discussed the bureau's efforts toward cost recovery since the recession. Mr. Hajiyev said that the bureau has carefully calculated the costs of services and

identified where LUS contributes to plan review and other services supported by permit fee revenues; where that happens, a corresponding portion of those revenues goes to LUS.

Ms. Steward asked whether BDS had ever not received General Fund dollars. Mr. Scarlett said that hasn't happened; prior to 1988, BDS was supported more significantly by the General Fund.

BDS Enforcement Program Manager Mike Liefeld discussed the use of General Fund monies to support the Enforcement Program. He distributed and reviewed the handouts *Maintaining Portland's Safety and Livability* and *BDS Enforcement Program Summary*. He gave an overview of the Enforcement Program's mandate and work.

Ms. Steward asked whether the bureau is proactive in code enforcement. Mr. Liefeld said that resources generally do not allow for proactive enforcement work. The bureau does have a Chronic Offender Program that levies higher levels of fines against property owners that have frequent code violations, but inspections are still made on a complaint basis, rather than proactively. Mr. Liefeld noted that the bureau's preference is that violations get corrected quickly without enforcement action, but that means there is no cost recovery; that is why General Fund support is so crucial to enforcement work.

Ms. Harrigan asked about the inclusion of an educational component to the Neighborhood Inspections program, to educate tenants and landlords of properties in violation regarding City Code requirements and processes. Mr. Liefeld said that the additional inspectors they will be requesting in the budget would help with education. BAC Member Curt French mentioned the bureau's Landlord Training Program, but it doesn't necessarily reach landlords of problem properties. Mr. Scarlett said that customer service is a focus of the bureau and will be part of the budget discussion, and service to landlords and tenants is included.

Equity

Time allowed for only a brief discussion on equity; the topic will be discussed further at the next BAC meeting. Ms. Steward asked how BDS's demographics (from the handout *BDS Equity Dashboard 12-03-13*) compare with the demographics of the city of Portland. Dora Perry (Commissioner Fritz's Office) said that BDS's numbers do not match the city's population, but she did not have specific figures. BAC members and City staff discussed potential sources for Portland demographic statistics.