



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

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## **FY 2016-17 Budget Preparation Process**

**September 16, 2015**

### **I. Background**

Historically, the Bureau of Development Services (BDS) receives input into its budget process from several sources: the Development Review Advisory Committee (DRAC, BDS's citizen advisory committee), the BDS Labor Management Committee (LMC), BDS employees, the BDS Budget Advisory Committee (BAC), and the BDS Financial Advisory Committee.

**Development Review Advisory Committee (DRAC)** – The DRAC reviews the budget at a more global level. DRAC provides input on permit and land use fees and has been involved in ensuring that the development review process works well. Understanding the budgets, service levels, and fees of the other City development bureaus continues to be a high priority for DRAC.

**Labor Management Committee (LMC)** – Generally, the LMC reviews and discusses BDS's budget during its regular monthly meetings. Additionally, the LMC will be provided with detailed financial information, such as budget line items for each bureau division. This will allow for better familiarity with the bureau's operation and aid in the LMC's review and endorsement of the final budget recommendations.

### **BDS Employees**

All BDS employees have opportunities to be involved in the budget development process. BDS work groups meet to discuss budget ideas, and the bureau will hold Budget Drop-In Sessions where employees can directly give their ideas and feedback to bureau budget staff.

**Budget Advisory Committee (BAC)** – All City bureaus are required to form Budget Advisory Committees (BACs) that include representatives from bureau management, labor, customers, citizens, and internal and external stakeholders. The BDS BAC has representatives from the following groups:

- DRAC (Development Review Advisory Committee)
- Development Industry
- BDS (employees and managers)
- Community

The BAC evaluates BDS's budget request in light of the City's budget directions, the bureau's budget direction and goals, and customers' needs. The BAC will meet several times during the budget preparation process (September 2015 – January 2016) and will prepare a report to accompany BDS's Requested Budget. All BAC meetings are open to the public.

**BDS Financial Advisory Committee** – The Financial Advisory Committee is composed of local economists and industry representatives along with City economic and finance staff. The Committee reviews the bureau’s long-range financial projections, which are instrumental in setting parameters for the budget. The Committee has provided valuable feedback and suggestions for improving BDS’s financial planning. The Committee will meet at least twice during the budget planning process.

## **II. Context for the Budget Preparation Process for FY 2016-17**

### **BDS’s Financial Situation**

In the last few years, BDS’s revenues have increased significantly as the construction industry has experienced strong and sustained growth. The bureau has rebuilt its financial reserves and has added numerous staff to respond to an increasing workload. The bureau’s current financial projections indicate continued improvement in FY 2016-17 and beyond.

### **City’s Budget Directions**

Mayor Hales has not yet released his budget directions for FY 2016-17. This document will be updated once his goals are released.

### **BDS’s Budget Goals**

The bureau has several key goals that provide direction and context to its budget planning process:

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

### **III. FY 2016-17 Budget Preparation Process**

#### **Set the Goals**

The BDS Director will provide both general direction and specific goals for the FY 2016-17 budget process. Overall, the budget should support the bureau's goal of providing the best and highest level of service of any development services department in the country. The budget should ensure that bureau staff is equipped with the appropriate tools and resources to effectively perform their jobs. A key component of BDS's budget planning process is the integration of the budget request with the bureau's 5-Year Financial Plan. Current financial projections call for the growth of the bureau's reserve fund to gradually slow over the next few years. It will be critical for annual budget requests to be structured in order to accomplish the bureau's longer-term financial goals.

Finally, the bureau must continue to be cognizant of customers' needs and find creative, innovative ways to meet those needs and deliver the best service possible.

#### **Establish Budget Advisory Committee (BAC)**

As mentioned previously, the bureau will form a BAC composed of representatives from the DRAC, development industry, the community, and bureau employees.

#### **Seek Input from BDS Employees**

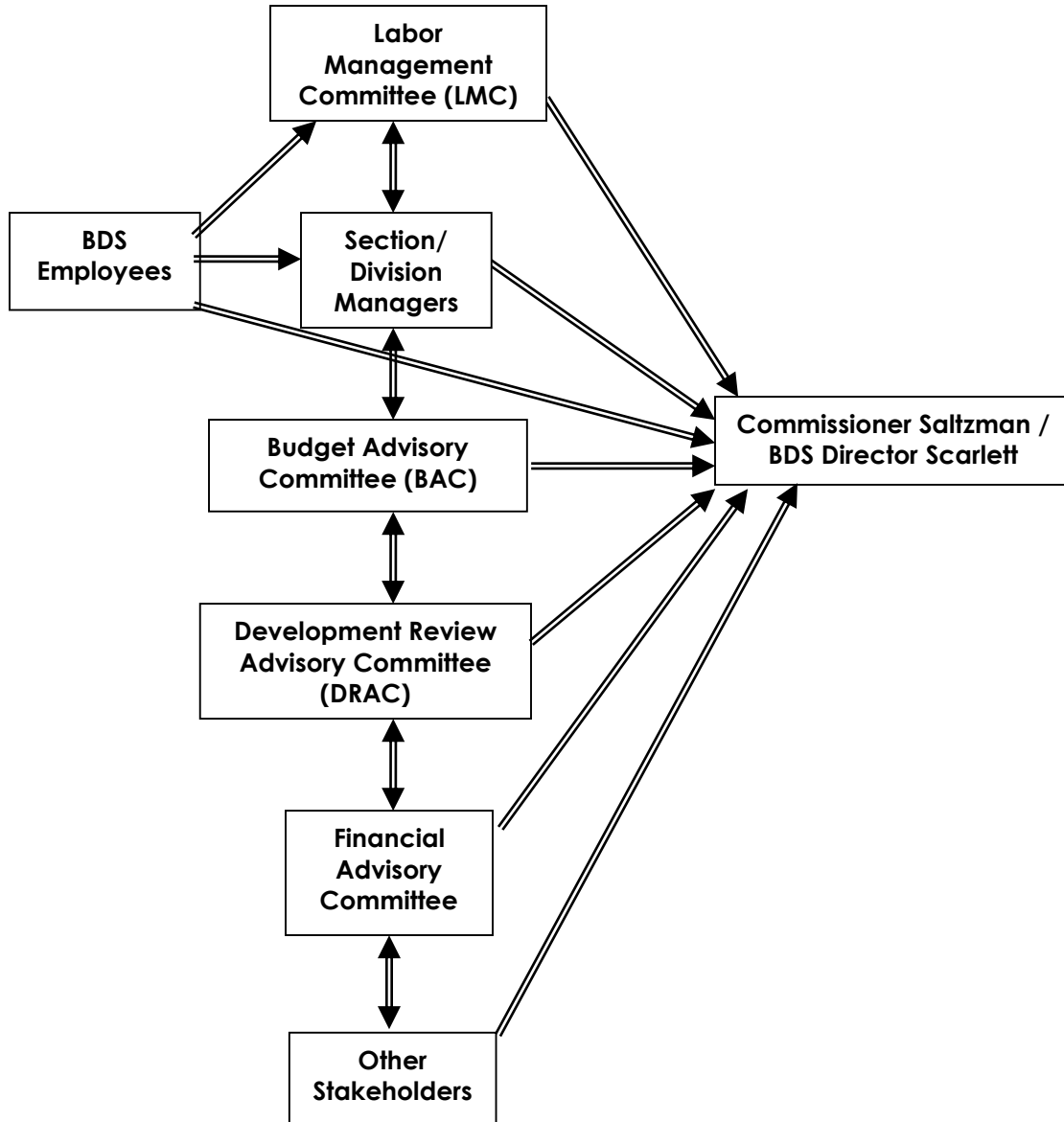
During the fall, BDS Section Managers will meet with their staffs to discuss ideas for the budget request. The bureau will also conduct Budget Drop-In Sessions where employees can directly give their input to management and budget staff.

#### **Seek DRAC Input**

The DRAC will be reviewing the budget at a more global level during its regular monthly meetings from September 2015 – January 2016. The DRAC is very interested in fees and revenues and has been involved in ensuring that the development review process works well. Understanding the budgets of the other development bureaus continues to be a high priority for the DRAC, and those bureaus will make budget presentations at DRAC meetings as well.

### Budget Recommendation and Approval Process

As the following graphic shows, budget recommendations will be shared amongst the various groups and will flow to the BDS Director and Commissioner Saltzman for final approval:



## **BDS FY 2016-17 Budget Process Timeline (Projected)**

### **September 2015**

- BDS Finance Section provides preliminary forecast
- Formation of Budget Advisory Committee (BAC)

### **October**

- Finalize BDS budget process and schedules
- Budget direction from City Council, Commissioner Saltzman, & BDS Director
- BDS Sr. Team discusses budget priorities, needs, and funding
- Preliminary BDS revenue forecast
- Section Managers discuss budget with their staffs
- Division Managers review performance measures, goals, needs, and priorities.
- BDS Finance Committee reviews BDS Financial Model and Projections
- First meeting of Budget Advisory Committee (BAC)

### **November**

- LMC reviews and discusses budget recommendations and proposals
- DRAC reviews and discusses budget recommendations and proposals
- BAC meets

### **December**

- Section and Division Managers review & give feedback on draft personnel & expenditure information
- BAC meets
- LMC reviews and discusses budget recommendations and proposals
- DRAC reviews and discusses budget recommendations and proposals
- Meetings with Citywide Land Use Chairs

### **January 2016**

- Managers submit input on program narratives, performance measures, and decision package narratives
- BAC meets
- Director reviews and decides on recommendations from all groups
- Budget decisions finalized. Decision packages finalized; budget numbers locked; 5-Year Financial Plan numbers finalized
- BDS line item budget finalized
- Draft 5-Year Financial Plan completed
- BDS Finance / Admin staff prepare Budget and Financial Plan documents

### **February**

- **BDS Budget Request & 5-Year Financial Plan submitted (usually first Monday)**
- City Council teams review bureau budgets

### **March**

- Citywide public forums and meetings on City budget
- BDS budget presentation to City Council
- City Council teams make budget recommendations

### **April**

- City Council work sessions on City budget
- Mayor makes decisions on proposed City budget

### **May**

- City Council work sessions on City budget
- Mayor's proposed budget document published
- City Council meets as Budget Committee

### **June**

- City Council adopts budget

**July 1, 2016:      FY 2016-17 Budget Takes Effect**