



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

Dan Saltzman, Commissioner
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BDS Budget Advisory Committee
Meeting Notes
Thursday, October 29, 2015

BAC Members Present:

Shawn Burgett, BDS
Paul Grove, Home Builders' Association
Barrett Karnes, REACH CDC
Maryhelen Kincaid, Development Review Advisory Committee
Mike Liefeld, BDS
Cristina Palacios, Community Alliance of Tenants
Paul Scarlett, BDS
Susan Steward, Building Owners & Managers Association
David Tebeau, BDS
Steve White, Oregon Public Health Institute
Rachel Whiteside, BDS

Other City Staff Present:

Deborah Sievert Morris, BDS Administrative Services Manager
Elshad Hajiyev, BDS Finance Manager
Kyle O'Brien, BDS Finance
Mitch Nickolds, BDS Inspections Manager
Jessica Kinard, City Budget Office
Rebecca Esau, BDS Land Use Services Manager
Andy Peterson, BDS Plan Review/Permitting Services Manager
Ross Caron, BDS Public Information Officer
Matt Grumm, Commissioner Saltzman's Office
Adrienne Edwards, BDS Training & Workforce Development
Mark Feters, BDS Administrative Services

Guests Present:

Dan Saltzman, City Commissioner

BAC Members Absent:

Andre Baugh, Group AGB, Ltd.
Kirk Olsen, Development Review Advisory Committee
Kathy Saunders, BDS

Handouts

- BDS Director's Budget Goals Memo
- BAC Role & Schedule
- BDS Organizational Chart
- FY 2016-17 Budget Preparation Process
- FY 2015-16 Line Item Budget
- Explanation of Line Items
- BudgetSpeak Dictionary
- Workload Parameters
- Non-Cumulative Cost Recovery Report
- Business continuity Plan
- FY 2015-16 BDS Requested Budget
- BDS 5-Year Financial Plan

Welcome/ Convene Meeting

Adrienne Edwards (BDS) welcomed BAC members and City staff. BAC members and City staff introduced themselves.

Ms. Edwards gave an overview of the plan and goals for the meeting and reviewed the meeting agenda.

Commissioner Dan Saltzman

Portland City Commissioner Dan Saltzman welcomed BAC members and thanked them for their work on behalf of BDS. He noted the importance of bureau BACs in helping the City Council make budget decisions. He said that his top priority for BDS is the Information Technology Advancement Project (ITAP) and he wants to make sure the project is completed. Currently ITAP is in a 90-day test period with a specific goal for the project vendor to meet; the outcome of this test will determine the direction of the project going forward. ITAP staff just made a presentation to the City Council yesterday (Oct. 28) with the City's Technology Oversight Committee.

BAC Member Maryhelen Kincaid asked whether the BAC can address the bureau's financial reserves. BDS Director Paul Scarlett said that is one of his budget goals and will be discussed by the BAC.

Bureau Overview

Mr. Scarlett expressed his appreciation for the BAC members and their work on the bureau's budget. BDS depends heavily on input from a wide variety of sources regarding its budget decisions.

Mr. Scarlett reviewed BDS's mission and vision and gave a brief overview of the bureau and its work. BDS has benefitted greatly from the continuing economic recovery. He reviewed the handout **BDS Director's Budget Goals** and discussed his priorities for the bureau. He stressed that he is looking for the BAC's input on priorities and whether there are other areas/goals that should be considered.

BDS is required to submit both a Requested Budget and an updated 5-Year Financial Plan each fiscal year. For FY 2016-17, the submission date for those documents is February 1, 2016.

BAC Member Steve White asked about the timeline for completion of the BDS Equity Roadmap, and whether the Roadmap will influence BDS's budget and the BAC's work. Mr. Scarlett replied that BDS is in the last group of City bureaus to develop Equity Roadmaps. Equity Program staff just finished surveying BDS employees to identify focus areas for the Roadmap, but they don't have a definite timeline yet for completion of the plan. Jessica Kinard (CBO) added that the Mayor's budget guidance hasn't yet been released, and it is unclear whether equity will be a focus for the entire City budget.

Mr. White asked whether the BAC will be able to provide input on the Roadmap. Deborah Sievert Morris said that the focus is on employees initially, but there may be opportunities for input from external stakeholders on the final Roadmap. BAC Member Cristina Palacios said that it will be important for the BAC to have access to the Roadmap, to make sure the BAC is on the right track with budget recommendations. Also, she would like to see how the BAC can prioritize the budget goals so they feed into one another effectively.

Ms. Kincaid asked said that the section on equity in the **BDS Director's Budget Goals** handout mentions customers and stakeholders, but not neighborhoods; she asked that it be modified to include neighborhoods. She noted the importance of educating not just staff but the community as well on equity issues.

Matt Grumm (Commissioner Saltzman's Office) noted that the Information Technology Advancement Project (ITAP – see <http://www.portlandoregon.gov/bds/64136>) will continue to be large budget item for BDS.

Organizational Structure / Key Issues

BDS Division Managers briefly described their divisions' work and discussed current key issues and opportunities, as follows:

- Land Use Services
 - Design review, standards track, challenges with Design Commission capacity
 - Tree Code implementation challenges
 - Working with the Bureau of Planning & Sustainability on changes to the Zoning Code
 - Coordinating with the Housing Bureau on homeless issues and the Zoning Code
 - ITAP
- Inspections Services
 - Optimal staffing – having enough people, fully trained
 - Increase staff diversity
 - Smart phones for all inspectors, with a translation app for communication in the field
 - Construction site erosion control

- Enforcement Program
 - Added staff in the last fiscal year to expand services
- Plan Review / Permitting Services
 - Still filling a number of vacant positions – opportunity to prioritize outreach skills
 - Getting close to optimal staffing
 - Work levels remain high – more projects, more complexity
 - Service levels are improving as new staff is fully trained
 - Would like to expand specialty programs to make them more widely available
 - Space needs – staff spaces, meeting spaces – will have a budget component
 - ITAP
- Administrative Services
 - Trying to support the rapid growth of bureau
 - Supporting TRACS during the ITAP build-up
 - Succession planning

Ms. Kincaid asked what the BAC can do to help BDS hire people faster. The vacant positions present an issue for customers and others and impacts services. Mr. Scarlett said that part of the issue is timing; it can take a long time to fill a vacant position. The other key factor is the competitive job market. The bureau has heard that its wages are not as competitive as they were in the past. This issue has to be addressed between City Labor Relations and the employee unions. Ms. Sievert Morris said the bureau is also pursuing longer-term solutions, such as working with community colleges and creating more entry points.

BAC Member Shawn Burgett asked if BDS is coordinating with other development bureaus so they're staffing up as well; it creates issues when they don't have enough staff. Mr. Scarlett said that this has been discussed with those bureaus. The BAC can advocate for this as well.

Budget Process

Ms. Sievert Morris reviewed the handouts **BAC Role & Schedule** and **FY 2016-17 Budget Preparation Process** and described the process of putting the bureau's budget together.

Mr. Scarlett said that he doesn't yet know what BDS will be asking for in the FY 2016-17 budget. The BAC can help in crafting how BDS approaches the budget; there are opportunities to think creatively about what the bureau can accomplish.

Ms. Kincaid said that it would help to get feedback from staff on what the most important things are. There may be ways to approach problems creatively to address needs for a variety of populations.

Mr. Burgett said that he would like to see BDS be more proactive – be a resource before problems occur, rather than responding after the fact.

BDS Finances & Financial Planning

BDS Finance Manager Elshad Hajiyev gave an overview of the bureau's financial structure and financial planning process. He reviewed or referenced several handouts, including **FY 2015-16 Line Item Budget, Explanation of Line Items, Workload Parameters, and Non-Cumulative Cost Recovery Report**.

Financial projections will be available in late December or early January. The BDS Finance Committee will meet then to review the projections, and they will be shared with the BAC.

The current consensus from economists is that modest growth will continue over the next 2 years, but it is uncertain what will happen after that. The current BDS Financial Plan forecasts 2-3 years of modest growth, and then a correction (not as large as the last recession).

Mr. Hajiyev pointed out the distinction between the bureau's permit fee-supported programs and local enforcement programs supported by the City's General Fund. BDS cannot use permit funds to support local code enforcement programs.

Ms. Palacios asked how the financial projections impact the budget. She said that she believes Oregon's economy will grow more than what economists predict for the next couple years. How can BDS have clear expectations of what will happen so it can be prepared? Mr. Hajiyev said that his projections for the next couple years are influenced by the lack of job growth.

Mr. Hajiyev then reviewed the handout **Business Continuity Plan**, which details how the bureau will respond to future economic downturns. He explained how the Plan will be used. The Plan will be submitted to City Council as a report in the near future.

Mr. Hajiyev and Mr. Scarlett discussed the financial planning process and how it impacts staffing decisions and budgeting. Mr. Scarlett also described the other processes available to make staffing adjustments at different times outside of the annual budget request, such as Budget Monitoring Processes (BMPs) and emergency ordinances.

Discussion / Recap

The next BAC meeting is scheduled for November 19th. BAC members are encouraged to review the handouts from this (Oct. 29th) meeting before the November meeting.

Mr. Scarlett said that he will try to prepare a handout for the next meeting that highlights where the bureau is at regarding the community, creative solutions, and being a proactive resource. He will also work on revising his **Budget Goals Memo** to capture key thoughts from the discussion today. He encouraged BAC members to contact Mark Feters (BDS) with additional input.

Meeting notes prepared by Mark Feters, BDS