



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

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BDS Budget Advisory Committee
Meeting Notes
Tuesday, December 20, 2016

BAC Members Present:

Andre Baugh, Group AGB, Ltd.
Claire Carder, Development Review Advisory Committee
Charles Myrick, BDS
Cristina Palacios, Community Alliance of Tenants
Joe Schneider, Development Review Advisory Committee
Kim Tallant, BDS
Raul Torres, BDS
Rachel Whiteside, BDS

Other City Staff Present:

Ross Caron, BDS Public Information Officer
Ariana Denney, BDS Customer Service & Communication
Mark Fetters, BDS Business Operations
Ray Galinat, BDS Finance
Matt Grumm, Commissioner Saltzman's Office
Elshad Hajiyev, BDS Finance Manager
Doug Le, City Budget Office
Ed Marihart, BDS Enforcement
Krystal Ngene, BDS
Mitch Nickolds, BDS Inspections Manager
Kyle O'Brien, BDS Finance
Janell Piercy, BDS Residential Inspections
Paul Scarlett, BDS Director
Deborah Sievert Morris, BDS Business Operations & Finance Services Manager

BAC Members Absent

Barrett Karnes, REACH CDC
Susan Steward, Building Owners & Managers Association

Handouts

- 11/29/16 Draft BAC Meeting Notes
- Portland Financial Forecast December 2016
- FY 2017-18 Budget Guidance Memo
- Decision Package Development Process
- BDS Organizational Chart BDS Director's Budget Goals Memo
- BDS Organizational Chart
- Economic Outlook
- Equity Assessment Tool Form and Example

1. Welcome

BDS Director Paul Scarlett welcomed BAC members and City staff and convened the meeting.

2. Citywide Budget Update

Doug Le (City Budget Office) reviewed the handout ***Portland Financial Forecast December 2016*** and gave an update on the City's financial projections for the next fiscal year. He then reviewed the handout ***FY 2017-18 Budget Guidance Memo***. City bureaus are being directed to propose 5% cuts in their General Fund monies.

Mr. Le then discussed BDS's budget packages for the current fiscal year. He mentioned a Budget Note that directs BDS to provide the City Council with an updated 5-year financial outlook summary of Land Use Services program revenues and expenditures by April 2017.

Mr. Le distributed and reviewed the handout ***Decision Package Development Process*** and described the more transparent process the Budget Office is implementing to help bureaus craft successful budget decision packages.

BAC Member Cristina Palacios asked if the projected \$18 million in excess one-time General Fund monies could be used by bureaus to offset the required 5% cuts. Mr. Le said they can be, but there are usually far more requests from bureaus than the money available.

BAC Member Andre Baugh asked if it would be possible to see how BDS's requests are ranked with those from other City bureaus. Mr. Scarlett said that historically BDS's requests are ranked lower, along with other non-public safety bureaus. Mr. Le said that the Budget Office produces an Executive Summary that explains their recommendations to City Council regarding bureau decision packages.

BDS Inspections Manager Mitch Nickolds asked how the Budget Office settled on the 5% cut number. Mr. Le said the 5% equals the amount the Budget Office estimates will be needed to meet City Council commitments and other requirements, plus some flexibility for the Council. The first 1% of proposed cuts will definitely be taken; beyond that is uncertain.

3. Economic Outlook

Kyle O'Brien (BDS Finance Services) reviewed the handout ***Economic Outlook*** and discussed current economic conditions and their relevance to BDS. BDS generates its own economic forecasts because almost all of the bureau's revenues (97%) come from permits and other fees, rather than the City's General Fund.

BDS Finance Manager Elshad Hajiyev shared information from the 12/9/16 BDS Financial Advisory Committee meeting. The Financial Advisory Committee is composed of local economists and industry representatives and provides feedback on BDS's financial projections. He said the Committee's consensus was that if inclusionary zoning and similar City policies are not appropriately structured, they can impact housing affordability. This year will be difficult to forecast because of the uncertain impact from code changes, which could be spread out over an extended period of time.

They said that BDS will likely see more development of multifamily projects with less than 20 units, and that some development may move to the suburbs. Economists generally think 2017 will be a strong year economically for the US. They felt that Portland was moving from being a 2nd tier city to being a 1st tier city, on par with Seattle or San Francisco.

The next Financial Advisory Committee meeting will be in January, when they will discuss economic models. Mr. Hajiyev said he will have an initial economic forecast to share at the next meeting on January 18.

4. BDS Equity Goals / Equity Assessment Tool

Mr. Hajiyev and BDS Equity & Policy Manager Dora Perry reviewed the handout ***Equity Assessment Tool Form and Example*** and discussed the equity report that BDS will file with its FY 2017-18 Requested Budget.

Ms. Palacios asked if there is a breakdown of the demographic information that shows each person's job or level within the organization. Ms. Sievert Morris said BDS has demographic information broken down by bureau divisions, and will provide that at the next BAC meeting.

Ms. Palacios asked about the bureau's approach to expand the diversity of its workforce, and who would be preparing the Equity Assessment Tool. Ms. Perry replied that the Equity Assessment Tool isn't an end, but a tool to help the bureau in moving forward with equity. BDS is making sure that all who are involved in preparing the report have a shared understanding of equity and bias. BDS is working hard to increase diversity and encourage all employees to participate in promoting equity.

5. November 29, 2016 Meeting Minutes

Ms. Sievert Morris asked BAC members to review the draft minutes from the November 29, 2016 BAC meeting. Members reviewed and approved the minutes.

6. BDS Budget Focus (discussion)

Ms. Sievert Morris introduced an open discussion time regarding the bureau's budget goals and priorities for FY 2017-18. Mr. Scarlett noted the shift in focus from adding staff positions to filling existing vacant positions and improving the efficiency and effectiveness of bureau programs and services.

Ms. Palacios asked about how the bureau distributes information about code changes. Ross Caron (BDS Public Information Officer) said BDS uses various means, including the *Plans Examiner* newsletter, the City Office of Neighborhood Involvement, the BDS website, Facebook, and Next Door. Mr. Caron said that the Community Alliance of Tenants (Ms. Palacio's organization) could be added to the distribution list for announcements of code and policy changes.

Ms. Palacios said she would like to see BDS add tenant training alongside its Landlord Training program. Mr. Scarlett replied that BDS can provide training on what the bureau does and the services it provides. Ms. Palacios said it would be good to go out into the community and provide training. Mr. Caron added that part of the reason for creating his new division (Public Information & Enforcement Services) was to centralize the bureau workgroups that provide services to the community, including outreach and enforcement.

Mr. Baugh asked whether there will be a long-term impact on the workforce from the Information Technology Advancement Project (ITAP). Mr. Scarlett replied that other jurisdictions that have implemented electronic plan review have seen a significant drop in walk-in customers. Mr. Hajiyev stressed that ITAP will be replacing an old, obsolete system, and will enhance the services provided to customers and the community. Saving money or positions was never a primary goal.

Regarding General Fund support for BDS enforcement programs, Mr. Baugh said that he would argue that the Police Bureau benefits from BDS's enforcement services, since ensuring minimum housing standards has a positive impact on crime. This would add to the importance/priority of BDS's enforcement program in relation to budget requests from other bureaus. Mr. Scarlett said that the BDS BAC has noted this in past years as well.

Next Meeting (Jan. 18)

The next BAC meeting is scheduled for Wednesday, January 18, 2017.

Meeting notes prepared by Mark Feters, BDS