Financial Planning recommendations are subject to revision based on new information that becomes available during the budget process, either from the budget forums, meetings with Commissioners, or the Council budget work sessions.

FINANCIAL PLANNING DIVISION ANALYSIS FY 2012-13 Budget

Bureau of Development Services

Analysis by: Sara Lowe/Bob Tomlinson

I. Overview

D 1 . 0	Revised	Revised	Request Base	Request Total	Percent	
Budget Summary	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	Change	
Resources						
Beginning Fund Balance	\$410,309	\$515,338	\$6,144,097	\$6,144,097	1092.2%	
Licenses & Permits	17,151,773	17,660,488	19,748,569	19,748,569	11.8%	
Charges for Services	5,814,281	5,852,427	7,256,665	7,256,665	24.0%	
Interagency Revenue	1,116,655	855,410	963,577	963,577	12.6%	
Fund Transfers - Revenue	1,907,356	3,031,800	2,091,746	2,577,680	-15.0%	
Bond and Note Proceeds	6,703,552	2,602,149	3,026,079	3,026,079	16.3%	
Miscellaneous Sources	1,886,939	2,030,729	1,707,875	1,707,875	-15.9%	
Total Resources	\$34,990,865	\$32,548,341	\$40,938,608	\$41,424,542	27.3%	
Expenditures						
Personnel Services	\$16,470,096	\$19,216,653	\$18,497,100	\$20,646,888	7.4%	
External Materials and Services	5,570,072	2,511,387	3,109,811	3,199,762	27.4%	
Internal Materials and Services	6,365,168	6,631,671	6,424,232	6,646,773	0.2%	
Capital Outlay	10,000	0	65,000	65,000	N.A.	
Debt Service	2,235,953	755,372	887,336	887,336	17.5%	
Fund Transfers - Expense	2,357,482	2,172,972	835,401	835,401	-61.6%	
Contingency	1,982,094	1,260,286	7,677,351	5,701,005	352.4%	
Unappropriated Fund Balance	0	0	3,442,377	3,442,377	N.A.	
Total Requirements	\$34,990,865	\$32,548,341	\$40,938,608	\$41,424,542	27.3%	
Total Bureau FTE	162.70	182.53	178.92	197.22	8.0%	

Percent Change is the change from FY 2011-12 Revised Budget to FY 2012-13 Total Requested Budget.

II. Key Issues

Financial Forecast and Staffing Levels

In the fall of 2011 BDS worked with its Financial Advisory Committee to review its financial forecast and rate structure. This stakeholder group recommended changes to the forecast and reviewed various scenarios to improve the accuracy of BDS's fund projections, program growth assumptions, and program reserve goals. The 5-year Financial Plan is based on these revised forecast models. Conservative estimates showed that the bureau could support an additional 16.6 FTE in FY 2012-13, as requested in a bureau add package below.

Based on the recommendation from the Financial Advisory Committee, BDS further conducted sensitivity analysis to develop a second version of the Financial Plan that represents the "worst case" scenario where construction activity does not recover within the next five years. This model assumes lower bureau revenues and lower workload, and thus fewer positions being added back to the bureau's workforce.

BDS estimates that revenues will grow slowly over the next few years. Slow economic growth, combined with moderate fee increases, will give BDS the ability to begin rebuilding reserves and gradually hire back staff in order to provide improved levels of service and respond to steady increases in development activity. The table below depicts the proposed BDS fee increases over the next five years.

Projected Fee Increases						
Program	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	
Building/Mechanical	5.0%	5.0%	5.0%	0.0%	0.0%	
Electrical	5.0%	0.0%	0.0%	0.0%	0.0%	
Plumbing	5.0%	5.0%	5.0%	5.0%	5.0%	
Facilities Permits	0.0%	0.0%	3.0%	0.0%	0.0%	
Site Development	0.0%	0.0%	0.0%	3.0%	0.0%	
Environmental Soils	10.0%	10.0%	10.0%	10.0%	10.0%	
Signs	5.0%	5.0%	5.0%	5.0%	5.0%	
Zoning Enforcement	5.0%	5.0%	4.0%	4.0%	3.0%	
Noise	5.0%	5.0%	5.0%	5.0%	5.0%	
Neighborhood Inspections	5.0%	5.0%	5.0%	5.0%	5.0%	
Land Use Services	5.0%	5.0%	5.0%	5.0%	5.0%	

Source: BDS Five-Year Financial Plan fiscal years 2012-13 through 2016-17

In spite of increased fee revenues and incremental staff additions, some BDS fund reserves will remain below targeted levels and the bureau as a whole will remain understaffed. Positions will be added only as sufficient funds are available. Program reserves will continue below the bureau's 10% minimum reserve goal in FY 2012-13 and FY 2013-14. Future reserve goals for several programs will be increased going forward. Financial Planning recommends that reserve goals be closely monitored to ensure fund balances increase to more prudent levels so the bureau has adequate reserves in all programs. Once reserves reach sufficient levels, and if the need to hire additional new staff can be demonstrated, the bureau should be allowed to build on current staffing levels to meet customer demand in future years.

Technology Line of Credit

BDS recently repaid the \$1.5 million inter-fund loan it received from the Bancroft Bond Interest and Sinking Fund as required by Oregon budget law. Subsequently BDS took another \$1.5 million interfund loan from the same fund to mitigate any cash flow problems during the year-end transition from FY 2010-11 to FY 2011-12. This loan plus interest will need to be repaid by June 30, 2012, and BDS should have adequate funds to make the repayment.

As discussed in the Technology Service Improvement section below, BDS is seeking to take out a line of credit to pay for an IT improvement project. The line of credit totals \$6.6 million and needs to be repaid using bureau revenues by June 30, 2015.

Even under the "worst case scenario" the bureau is projected to repay the line of credit over a two-year period beginning in FY 2013-14 in equal installments. After each payment to the line of credit, there is over \$8 million remaining in reserves in both FY 2013-14 and FY 2014-15.

Although it seems counterintuitive, in the worst case scenario most programs achieve financial outcomes comparable to the base case scenario in terms of cost recovery and reserve goals because fewer staff positions are added. As stated above FPD recommends future fund balances be closely monitored to ensure the bureau is capable of meeting all its financial obligations, including payment

to the technology line of credit. Moreover, both the capital and direct expense portions of the project costs need to be watched closely to ensure they do not exceed revenue projections. Total updated project estimates, which include 20% contingency, are \$11.9 million as of February 2012, and are integrated into the bureau's Five Year Financial Plan. FPD should be notified if total project costs increase further.

One-Time General Fund Enhancements

Despite being ninety percent funded by fee based permit revenues, BDS retains several program areas that are supplemented with one-time General Fund revenues, including Neighborhood Inspections, Enhanced Rental Inspections, and Distressed Properties. None of these programs are eligible to be funded using bureau permit revenues and neither the Neighborhood nor Rental Inspections programs bring in enough citation funding to be self-sufficient. These programs will be competing against core city service programs for limited FY 2012-13 General Fund resources in order to maintain current service levels. Inspection programs supported by the General Fund must continue to be prioritized by the bureau in an effort to determine those that provide the highest return for the City.

In recent years, reduced General Fund revenues and the economic downturn have highlighted BDS's reliance upon one-time General Fund dollars to support these citywide livability programs. Since full cost recovery for these projects will not be achievable FPD recommends that the add packages associated with these programs be approved as discussed below.

City Wide Tree Project

The Citywide Tree Project, a multi-bureau effort and council priority, is also jeopardized by limited General Fund resources. Phase I of the Citywide Tree project commenced in July 2011. Phase II, with the goal of enabling multiple bureaus including BDS to administer the newly consolidated tree regulations by February 2013, started shortly thereafter. The bureau was faced with resourcing issues from the outset of Phase II. A request to fund a dedicated staffer was recently approved by council using one-time General Fund dollars since fee revenues are not yet being generated. A formal request to extend the Phase II project end date to June 2013 is currently in the works.

Due to limited General Fund resources, Financial Planning does not recommend funding this project. BDS is advised to move forward with requesting an extension of the implementation date and Council should consider funding the project in future years.

City of Portland

Decision Package Recommendations

(Includes Contingency and Ending Balance)

		Bureau Requested			FPD Analyst Recommendations						
	Bureau Priority	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
Bureau of Development Services											
Reductions											
DS_01 - 4% General Fund Cut	01	(0.15)	(83,670)	0	0	(83,670)	(0.15)	(83,670)	0	0	(83,670)
DS_02 - 6% General Fund Cut	02	(0.07)	(41,835)	0	0	(41,835)	(0.07)	(41,835)	0	0	(41,835)
DS_03 - 8% General Fund Cut	03	(80.0)	(41,835)	0	0	(41,835)	0.00	0	0	0	0
DS_05 - Cut Enhanced Rental Inspection Program	04	(2.00)	0	0	0	0	(2.00)	0	0	0	0
DS_07 - Cut Improve Neighborhood Inspections Progr	r 05	(3.00)	0	0	0	0	(3.00)	0	0	0	0
Total Reductions		(5.30)	(167,340)	0	0	(167,340)	(5.22)	(125,505)	0	0	(125,505)
<u>Unfunded Ongoing</u>											
DS_06 - Add Enhanced Rental Inspection Program	01	2.00	0	164,796	0	164,796	1.00	0	82,398	0	82,398
DS_08 - Add Improve Neighborhood Inspections Prog	JI 02	3.00	0	247,194	0	247,194	1.00	0	82,398	0	82,398
DS_09 - Extremely Distressed Properties Enforcemen	1 03	1.00	0	96,402	0	96,402	1.00	0	96,402	0	96,402
DS_10 - Citywide Tree Project	04	1.00	0	144,882	0	144,882	0.00	0	0	0	0
Total Unfunded Ongoing		7.00	0	653,274	0	653,274	3.00	0	261,198	0	261,198
Bureau Adds											
DS_04 - Improve Overall BDS Service Level	01	16.60	0	0	0	0	16.60	0	0	0	0
Total Bureau Adds		16.60	0	0	0	0	16.60	0	0	0	0
Total Bureau of Development Services		18.30	(167,340)	653,274	0	485,934	14.38	(125,505)	261,198	0	135,693
Summary by Decision Package Type											
Total Reductions		(5.30)	(167,340)	0	0	(167,340)	(5.22)	(125,505)	0	0	(125,505)
Total Unfunded Ongoing		7.00	0	653,274	0	653,274	3.00	0	261,198	0	261,198
Total Bureau Adds		16.60	0	0	0	0	16.60	0	0	0	0
Total Realignments		0.00	0	0	0	0	0.00	0	0	0	0
Grand Total	_	18.30	(167,340)	653,274	0	485,934	14.38	(125,505)	261,198	0	135,693

III. Decision Package Analysis & Recommendations

Reduction Packages

4% General Fund Cut/DS_01, (\$83,670), (0.15) FTE, Bureau Priority #1

BDS proposes reducing the work schedules of three Senior City Planners, decreasing financial support for the nuisance abatement program and lowering staffing levels in the Noise Control Program to meet its four percent General Fund reduction. These cuts will lead to fewer nuisance abatements, a 29% reduction in responses to noise control complaints, and slower turnaround times for Historic Design and building permit plan reviews.

FPD recommends accepting the four percent funding reduction proposal. BDS cannot use additional permit revenues to supplement General Fund programs; therefore, cuts in these areas are necessary. Impacts are anticipated to be relatively minor, with program staffing levels kept largely intact. The affected City Planners will see their schedules reduced from 80 hours to 72 hours and the Nuisance Abatement program reduction will lower service contract funding which is set aside for property clean-up. Negative impacts to overall performance measures are not expected, although negative impacts may be felt locally.

FPD Recommendation: (\$83,670), (0.15) FTE

6% General Fund Cut/DS_02, (\$41,835), (0.07) FTE, Bureau Priority #2

This package compounds on the four percent reduction by proposing even deeper cuts to the Noise Control and Neighborhood Inspections Programs and recommends initial funding decreases to Land Use Services. Specifically, it lessens the hours of two additional Senior City Planners and a City Planner II. Noise Control will receive 14% of the reduction which will further prohibit them from responding to complaints. It is anticipated that over 260 noise complaints will not receive a response and 36 fewer abatements will be performed.

Although this cut would result in significant impacts to both the Noise Control and Nuisance Abatement programs, FPD recommends accepting the reduction in full. The cut is necessary to meet citywide reduction targets. It is recognized that these programs provide significant community benefit, but they are a lower priority than some other core city services.

FPD Recommendation (\$41,835), (0.07) FTE

8% General Fund Cut/DS_03, (\$41,835), (0.08) FTE, Bureau Priority #3

The 8% General Fund reduction builds on the four and six percent cuts by reducing funding in the Noise Control and nuisance abatement programs and allotting fewer hours for three additional Land Use Services staffs. The cuts would lower service levels in the above listed programs and all but eliminate the ability of the Noise Control Program to perform inspections and issue citations. Any revenues previously collected by the Noise program, projected totals for FY 2011-12 include \$149,430, would disappear. There would be 45 fewer nuisance abatements performed by the bureau. Moreover, the reduced work hours for Land Use Services and administrative support would lead to delays in the application set-up process, which takes place prior to them being assigned a planner. This work is supposed to be completed in 24 hours, but currently takes 1-3 business days. If the decision package reductions were approved it would increase to 4-5 business days, which would produce further delays to land use review notifications and decisions.

FPD does not recommend taking this reduction because of the anticipated adverse impacts to the delivery of the Noise Control and Nuisance Abatement programs.

FPD Recommendation: \$00,000, 0.00 FTE

Cut Enhanced Rental Inspections Program/DS_05, (\$0), (2.00) FTE, Bureau Priority #4

This is a technical adjustment to delete two permanent full-time positions that should have been created as limited term positions. DS_06 below reestablishes the positions as limited term and requests continuation of one-time funding for them. FPD recommends approval of this request.

FPD Recommendation: (\$0), (2.00) FTE

Cut Improve Neighborhood Inspections Program/DS_07, (\$0), (3.00) FTE, Bureau Priority #5

This is a technical adjustment to delete three permanent full-time positions that should have been created as limited term positions. DS_08 below reestablishes the positions as limited term and requests continuation of one-time funding for them. FPD recommends approval of this request.

FPD Recommendation: (\$0), (3.00) FTE

Unfunded Ongoing

BDS Inspector Requests Combined - DS_06, \$164,796, 2.00 FTE, Bureau Priority #1, DS_08, \$247,194, 3.00 FTE, Bureau Priority #2, DS_09, \$96,402, 1.00 FTE, Bureau Priority #3

BDS requests reauthorization of funding for 6.0 FTE and \$508,392, needed to maintain existing program operations. The table below details the distribution of one-time General Fund monies along with original funding approval dates.

	FTEs Requested	Funding Requested	General Fund Approved
Enhanced Rental Inspection	2.00	\$164,796	FY09-10, 11-12
Improved Neighborhood Inspections	3.00	\$247,194	FY11-12
Extremely Distressed Properties Enf.	1.00	\$96,402	Fall 2011
Total	6.00	\$508,392	

Enhanced Rental Inspections

The Enhanced Rental Inspections pilot program began in 2009 and has focused largely on monitoring and inspecting East Portland rental properties. In FY 2010-11, 1,549 rental inspections occurred and 3,541 violations were cited and corrected. The majority of citations did not result in monetary fines because the program seeks to have violations corrected whenever possible. Thus, there are not enough revenues generated from citations to fully fund the cost of the program. The program also protects tenants who might be subjected to retaliatory behavior or eviction for reporting their landlord.

Improve Neighborhood Inspections

These positions are responsible for enforcing minimum maintenance standards on residential buildings and addressing exterior maintenance issues on non-residential structures. The positions were included in budgets prior to 2009 and restored in 2010. If these positions are not funded, there

will be 828 fewer initial inspections and 834 fewer dwelling unit inspections, which may lead to increased levels of neighborhood deterioration and declining property values. Citations issued by this program are insufficient to cover the full cost of operations.

Extremely Distressed Properties

This program is relatively new; it was approved at the direction of Council in the fall of 2011 to address the maintenance of distressed properties affected by mortgage related foreclosures. Unmaintained properties have documented negative effects on neighborhoods; examples include but are not limited to, increased criminal activity, elevated risk of fire, and chronic nuisance reports. The position was filled in December 2011 and completed 42 inspections in January and February. Additionally, the program has processed 7 code hearings and executed 3 property vacations since January 1st. They are actively working 16 cases with 20 additional properties being considered for the program.

FPD recommends approving 3.0 FTEs and \$261,198 and has distributed these equally between the three packages. Despite the expected consequences to program performance, FPD believes that approval of all six positions is not feasible based on the city's financial picture and reduced one-time funding. BDS may change the recommended distribution of FTEs based on bureau priorities.

FPD Recommendation: \$261,198, 3.00 FTE

Citywide Tree Project/DS_10, \$144,882, 1.00 FTE, Bureau Priority #4

During the FY 2011-12 budget process, Council approved one-time General Fund revenues to support the hiring of a new FTE to manage the implementation of Phase II of the Citywide Tree Project. BDS proposes extending this funding into FY 2012-13 so the project can continue without interruption.

In FY 2011-12 multiple codes pertaining to the regulation of trees were consolidated and adopted by Council. The project, which seeks to administer and enforce the revised code, began in July 2011. The projects scheduled end date, which is tied to the implementation of the newly revised code, is technically February 2013. There is a proposed request to extend the projects' end date to June 2013; it has yet to be approved by council. Retaining this dedicated resource is important to ensuring that the June 2013 project implementation date is met. Primary responsibilities for this FTE include:

- Process mapping.
- Development of brochures, application forms, and training materials for internal and external customers.
- Incorporating existing tree permitting and code requirements into the existing permit database.

Due to limited General Fund resources, Financial Planning does not recommend funding this project. BDS is advised to move forward with requesting an extension of the implementation date and Council should consider funding the project in future years.

FPD Recommendation: \$0, 0.00 FTE

Add Packages

Improve Overall BDS Service Level/DS_04, \$1,976,346, 16.60 FTE, Bureau Priority #1 BDS requests to add a net increase of 16.6 FTE, using permit revenues, to address changes in workload and increasing customer demand in critical program areas.

In FY 2009-10, BDS faced sharp declines in permit revenues, the result of a severe downturn in the housing and construction sectors of the economy. In an effort to address declining revenues, the bureau was forced to layoff a large number of staff and implement more efficient cost-saving business practices. Having convened a panel of experts to review current economic conditions and make assessments regarding future permit revenues, the financial forecast shows a gradual economic recovery. Thus, BDS is slowly rebuilding fund balances and increasing reserves. Current projections include increases in permit revenues due to higher demand for construction permits and recommended fee increases in future years. In applying the conservative financial model, it appears BDS should be able to absorb the hiring of 16.6 additional staffs. These FTEs are needed to enhance service levels that were damaged by the large staffing cut.

The table below details the additional types of positions that will be hired along with the anticipated improvements to performance measures.

Position Type	Improved Performance Measures
• 0.5 Commercial Plans Examiner	Residential Building Code – Plan Review:
(temporary summer assistance)	New Construction: 10 - 15 days
• 1.0 Commercial Plans Examiner	Residential Building Code – Plan Review:
• 1.0 Engineering Technician	Additions / Alterations: 10 - 15 days
• 1.0 Development Services Project	Commercial Building Code Plan Review:
Coordinator	New Construction: 20 Days Additions/
• 1.0 Development Services Technician II	Alterations: 15 days
• 1.0 City Planner I Urban Design	• Pre-Issuance: 90% processed within 3-4
• 1.0 City Planner I LU Specialty	business days
• 0.2 Office Support Specialist II	Land Use Review Completeness checks
• 0.7 Office Support Specialist II	&
• 0.75 City Planner I	Final Plat Report Turn-around for First
• 1.0 Commercial Plan Examiner	Status Report: 4 weeks
• 0.25 City Planner I	• FPP Projects Days to First Checksheet: 2 business days
• 1.0 Combination Inspector	Property Line Adjustments Days to First
• 1.0 Senior Building Inspector	Checksheet: 15 business days (3 weeks)
• 1.0 Building Inspector II	Lot Confirmations Days to First:
• 1.0 Code Specialist II	Checksheet
• 1.0 Combo Inspector	Over- the- Counter Zoning C, Building
• 0.5 Management Analyst	Code, Plan Review and Permit Issuance:
• 0.1 Office Support Specialist II	Daily Average customer turn away: 1
• 1.0 Principal Management Analyst	Over- the- Counter Building and Zoning
• 0.5 Management Analyst	Code Questions: Daily Average customer
• (0.9) reduce City Planner II, Urban	turn away: 1
Designer	• Residential Inspections: 98% within 24 hrs
	• Commercial Inspections: 98% within 24
TOTAL: 16.6 FTEs	hrs
	Zoning & Noise Inspections: Respond to
	Priority 1&2 cases within 5 business days.

Ability to investigate Priority 3 cases.
 Construction Code Violations, Dangerous
Buildings, and Chapter 13 Inspections:
Respond to Priority 1&2 cases within 5
business days. Ability to investigate Priority 3
cases. Reinstate Chapter 13 Inspection
Program.
Training, Safety, and Human Resources:
Refocus efforts on workforce development,
succession planning, and recruitment
outreach. Increase resources for compliance
with OSHA, state law, HR rules, etc. Ensure
BDS employees are appropriately trained.

Utilizing conservative permit revenue estimates as the allowable fund source, FPD recommends approval of 16.6 FTEs. All of the requested positions can be linked to improved bureau performance and are a step in the right direction for rebuilding the bureau's resources.

FPD Recommendation: \$1,976,346, 16.6 FTE

IV. Capital Improvement Plan Analysis & Recommendations

BDS is in the initial phases of the multi-year Information Technology Advancement Project (ITAP). It is discussed further in the Performance and Accountability section below.

V. Performance and Accountability

Program Summaries and Key Performance Measures

BDS's Program Summary Template was completed as directed. The rankings of BDS's 14 programs are different for the core bureau and community rankings. The Plan Review/Engineering program is the highest ranked core program while Residential Combination Inspections is the highest ranked community program.

BDS's programs are either State-mandated or local programs. The State-mandated programs include Building, Mechanical, Electrical, and Plumbing and are funded almost exclusively through permit fee revenues. The local programs include Land Use Services, Neighborhood Inspections, Environmental Soils, Signs, Noise Control, Zoning Compliance, and Site Development and are funded by a combination of fees, fines/charges, and General Fund resources.

Service Improvement

<u>Technology</u>: Prior year budget and staff reductions at BDS have compelled the bureau to downsize and re-engineer some of its processes. In the course of reshaping the organization, it became clear that BDS's current levels of automation, transparency, and public access to information hinder the bureau's effectiveness and ability to be efficient with limited resources. The bureau had been proceeding with implementing an 18-month plan to improve its technology tools; however, significant cuts in the budget slowed this effort.

On November 10, 2010, the City Council authorized BDS to proceed with an online plan review and permitting system that would provide much greater access to information and services for customers. The original plan included BDS working with the Office of Management and Finance and the City Attorney's Office to negotiate a contract with a pre-approved system vendor; write an

intergovernmental agreement with the State of Oregon; and secure a line of credit to fund the project. When BDS was assigned to Commissioner Saltzman in 2011, the bureau was asked to open the project to bids. BDS began the formal Request for Proposal (RFP) process to secure a system integrator. The RFP was released on February 6, 2012 with vendor responses due April 4, 2012. Bids will be evaluated based on their proposed technical solutions in combination with costs to implement. The winning vendor will be announced and should begin work by December 2012. Although the change in direction will increase the overall project timeline, the solicitation should assist the city with acquiring a qualified vendor at a competitive price.

When completed the proposed online system will include electronic access to all historic permit and land use records for customers and staff, online land use and permit application and plan submittals, electronic plan review, online fee payment and permit issuance, and electronic entry of inspection results and real-time access for field staff and customers.

Currently, five year project cost estimates including system replacement and records digitization is approximately \$11.9 million. Cost estimates and project timelines are expected to be amended again, after the RFP process is complete. This will result in a more clearly defined project and more specific cost estimates including third party quality assurance expenses, and additional expenses to insure the functionality of integration with the City's SAP and corporate GIS systems. BDS has added additional staff with expertise in these areas to maximize this integration and the resulting functionality of the new system.

Neighborhood Inspections & Land Use Services: BDS Land Use Services (LUS), Neighborhood Inspections, and the Noise Control Program provide a benefit to the public and have historically been supported in part by the General Fund. LUS enhances the City's livability through implementation of the Zoning Code. Neighborhood Inspections prevents the deterioration of existing housing and neighborhoods. The Noise Control Program improves neighborhood livability.

All three of these programs have been under-funded and beset by deficits in their reserve funds for several years. Most recently the bureau has reduced services in these areas due to lack of revenues and General Fund support. In addition, due to reductions in the Sign Enforcement Program, the bureau has ceased most sign enforcement that does not involve life/safety issues, and there have been many signs installed that do not meet the intent of the sign code.

Match Staffing to Workload: In the FY 2011-12 Requested Budget, BDS was approved to add up to 13 new staff positions supported by projected increases in permit fees and other non-General Fund revenues. BDS has requested authorization to hire an additional 16.6 FTEs, again using permit revenues, in FY 2012-13. These requests are based upon the bureau's ability to fund the positions in the ongoing years. The expected workload for FY 2012-13 would dictate that even more positions are needed in addition to what is being requested in order to provide an acceptable level of service for the highest priority service improvement areas.

If the add package request is approved, BDS will fill staff positions as workload increases and revenues recover. Customers will see improvements in service levels, including: 95% of combination/residential inspections made within 24 hours of request and 95% of commercial inspections; and residential inspections increasing from 72,000 per year to 76,000.