



CITY OF  
**PORTLAND, OREGON**

**Dan Saltzman, Commissioner**  
1221 S.W. 4<sup>th</sup> Avenue, Room 230  
Portland, Oregon 97204  
Telephone: (503) 823-4151  
Fax: (503) 823-3036  
dan@portlandoregon.gov

January 18, 2013

**TO:** Mayor Charlie Hales  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
City Auditor LaVonne Griffin-Valade  
Sara Lowe, Cith Budget Office

**FROM:** Dan Saltzman  
Commissioner of Public Affairs

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**SUBJECT: Budget Monitoring Report – Winter 2012-13**

Attached is the Winter 2012-13 Budget Monitoring Report for the Bureau of Development Services.

The report includes the following requests:

**Item 1. Winter BMP FY 2012-13 Vacancy Savings Non-General Fund**

The Mayor and the Council in FY 2012-13 Adopted Budget expressed a strong desire to capture vacancy savings in all bureaus. Beginning on July 1<sup>st</sup> 2012 and throughout the fiscal year, each bureau is expected to generate the equivalent of three months' salary savings based on the budgeted amount for the vacant position. For the FY 2012-13 Winter BMP, the vacancy savings for BDS, based on this three month requirement calculated by the City Budget Office analyst, amounted to \$201,512. This request transfers \$201,512 from personnel services to bureau contingency.

**Item 2. Health Fund FY 2012-13 Interagency Agreement (IA)**

This is the IA with the Office of Management and Finance for the reimbursement of benefit costs that were extended for the death of an employee, severance and/or military leave. BDS's portion is \$1,848.

**Item 3. Internal Service Funds Transfer/General Fund Cash Transfer**

As part of OMF's goal to achieve its FY 2012-13 mid-year General Fund discretionary reduction target, the OMF internal service funds are reducing all of its IAs with BDS by a total of \$23,064. Then, OMF is reducing the General Fund cash transfer to BDS by the same amount. BDS only receives approximately 7% of its funding from the General Fund, but all of the impact of the reduced IAs will be born by BDS's General Fund allocation for this one-time reduction.

**Items 4, 5, 6, 7, and 8. Convert 6 Limited Term Positions to Fulltime Regular (Permanent) Positions**

BDS is established as an Operating Fund with more than 90% of its funding supported by permit fees and charges. BDS experienced a sharp decline in permit revenues beginning in the fall of 2008 with the onset of the recession. As permit revenues continued to fall precipitously in 2009, the bureau responded by implementing widespread cost saving measures, spending down bureau reserves, and laying off more than 50% of its employees. Between FY 2008-09 and FY 2009-10, the bureau's workforce was reduced from 315 employees down to 147.

With revenues slowly improving in 2011, BDS began re-building its reserve and hiring back staff to help address some of the most critical customer and stakeholder service needs. However, service levels in many programs remain below optimal levels.

Portland has seen continued growth in construction activity over the past year. The valuation of issued permits in FY 2012-13 as of December 2012 is up 28% compared with same time period in FY 2011-12. This increase is being driven by the volume of multi-family construction and the \$200 million OHSU/OES Life Sciences Building on the South Waterfront,. When adjusted for the Life Sciences Building, the valuation of permit applications is up by approximately 24% from the previous year. The data on both number of issued permits (up 8%) and received permit applications (up 11%) points to signs of stabilization and significant improvement in the construction activity.

As the workload and revenues grew, BDS added 6 limited term positions to respond to the immediate customer service needs spurred by the resurgence in construction. These positions have assisted customers in getting the services that they need. BDS has just completed its workload and revenue projections for the upcoming five years and can continue to fund these positions, therefore the bureau recommends creating permanent positions to replace the limited term positions.

**Development Services Technician II (2 FTE)**

Development Services Technicians are the front line staff of the Bureau, meeting with customers and assessing every building, mechanical, electrical and plumbing permit brought through the Development Services Center (DSC). Year-to-date data reflects a 55% increase in the number of Single Family permits year-over-year; residential additions are up 8% year-to-year, and customer counts in the DSC are up 4% year to year. These two positions were initially created in the fall of 2013 as limited term due to some level of uncertainty regarding the continuation of the economic uptick and subsequent increase in fee permit revenue collections the bureau was experiencing last spring and summer. However, workload continues to grow, both with the Single Family Residential and Commercial work, therefore the bureau recommends creating permanent positions to replace the limited term positions.

**City Planner I Urban Design (1 FTE)**

City Planner I Urban Design staff reviews Design Review and Historical Design Review land use applications. The bureau is experiencing a steady increase in the number of Design Review and Historical Design Review applications (185 applications in 2010, 238 in 2010, and 255 in 2012). The workload increased partially due to the expansion of criteria that triggers Historic Design Review requirement. These reviews now apply to more properties, which in turn generates more

applications that require review. This position was initially created as a limited term position in the fall of 2013. Workload and revenue are increasing, therefore the bureau recommends creating a permanent position to replace the limited term City Planner I Urban Design.

**City Planner II Environmental (1 FTE)**

City Planner II Environmental reviews Greenway, Environmental, and Land Division applications. The bureau is experiencing a steady increase in the number of these types of applications (95 applications in 2011 and 107 in 2012). In addition to that work, the Environmental Review team is also involved with assistance to the City's Capital Improvement Projects via the City's Streamlining Team, and attends regular meetings to provide early assistance for large infrastructure projects such as the Sellwood Bridge project, the Columbia River Crossing project, the Portland-Milwaukie Light Rail Project, Washington Park Reservoirs, brownfield clean-up projects, etc. This position was initially created as a limited term position in the fall of 2013. Workload and revenue are increasing, therefore the bureau recommends creating a permanent position to replace the limited term City Planner II Environmental position.

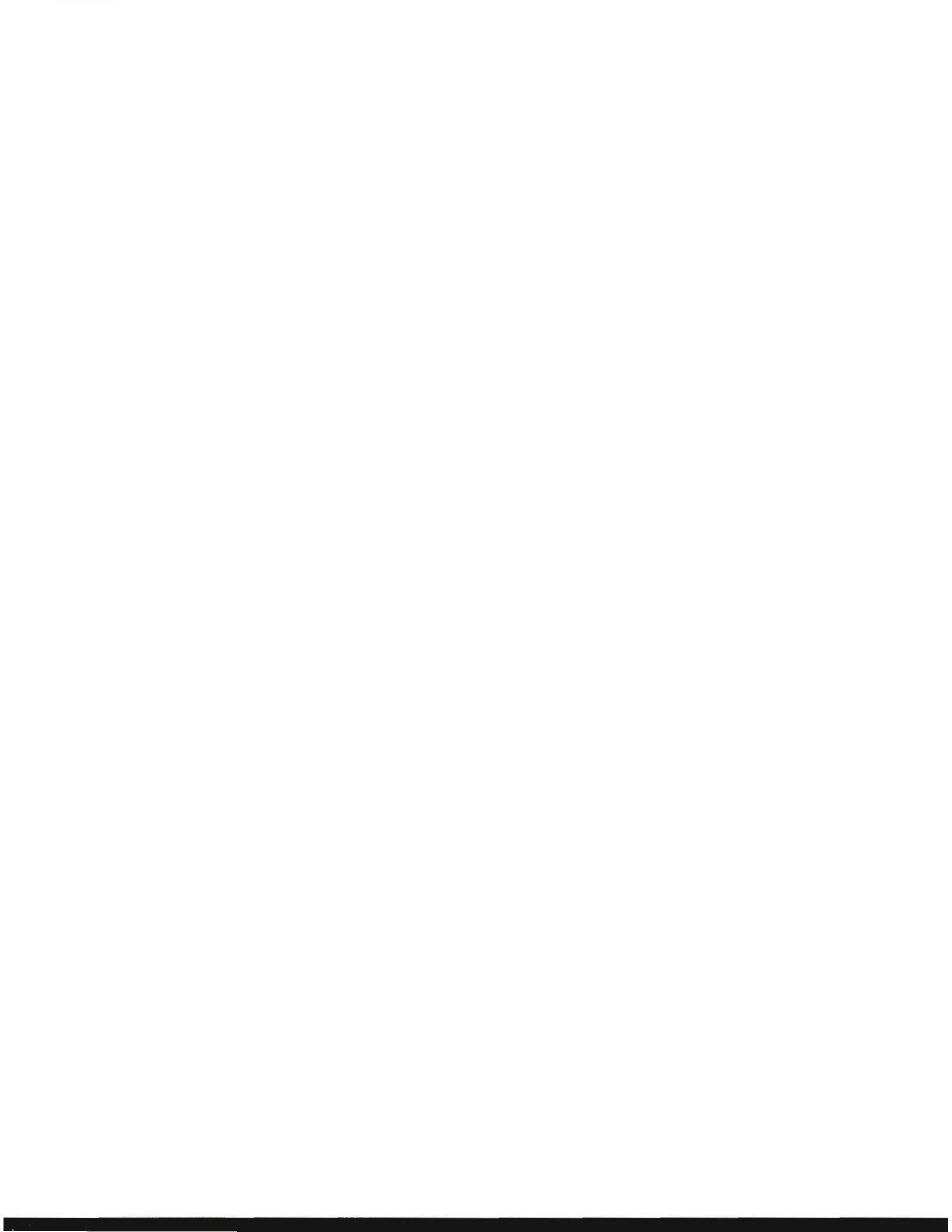
**Office Support Specialist II (1 FTE) – Land Use Services Division**

Office Support Specialist IIs in the Records Management Team set up the applications in TRACS (BDS permit tracking software), scan documents and plans and attach them in TRACS, develop mailing lists for public notices according to parameters set out in the zoning code, and ensure notices are mailed properly as well as posted on the BDS website for the public to view, etc. This position is needed to help the Records Management Team manage the increasing workload associated with the steady increase in the land use review applications. With an increase in Design Review and Historic Design Review applications, the staff is also experiencing an increase in the workload associated with supporting the Design Commission and Historic Landmarks Commission. The position was initially created as a limited term position in the fall of 2013. Workload and revenue are increasing, therefore the bureau recommends creating a permanent position to replace the limited term Office Support Specialist II position

**Office Support Specialist II (1 FTE) – Inspection Services Division**

The Office Support Specialist II provides administrative and support services to the Commercial Inspections Section that conducts structural, mechanical, electrical, and plumbing commercial inspections. This position was initially created as a limited term position in the fall of 2013. The commercial inspections workload is increasing steadily and is consequently resulting in the increased workload for the support staff. Therefore the bureau recommends creating a permanent position to replace the limited term Office Support Specialist II position.

If you have any questions, please contact Denise Kleim, Senior Business Operations Manager, in the Bureau of Development Services at 503-823-7338.



# BUDGET AMENDMENT REQUEST

Bureau of Development Services

PERIOD Winter BuMP

FISCAL YEAR FY 2012-13

## DS\_008 - Winter BMP FY 2012-13 Vacancy Savings

The Mayor and the Council in FY 2012-13 Adopted Budget expressed a strong desire to capture vacancy savings in all bureaus. Beginning on July 1st 2012 and throughout the fiscal year, each bureau is expected to generate the equivalent of three months' salary savings based on the budgeted amount for the vacant position. For the FY 2012-13 Winter BMP, the vacancy savings for BDS, based on this three month requirement calculated by the City Budget Office analyst, amounted to \$201,512. This request transfers \$201,512 from personnel services to bureau contingency.

Dollar Amount: \$0  
Type: Vacancy Savings and Exceptions  
Resources: Bureau Contingency

## DS\_009 - Health Fund FY 2012-13 IA

This is the IA with the Office of Management and Finance for the reimbursement of benefit costs that are associated with the death of an employee, severance and/or military leave. BDS's portion is \$1,848.

Dollar Amount: \$0  
Type: New Request  
Resources: Bureau Contingency

## DS\_010 - Internal Service Funds Transfer/General Fund

As part of OMF's goal to achieve its FY 2012-13 mid-year General Fund discretionary reduction target, the OMF internal service funds are reducing all of its IAs with BDS by a total of \$23,064. Then, OMF is reducing the General Fund cash transfer to BDS by the same amount. BDS only receives approximately 7% of its funding from the General Fund, but all of the impact of the reduced IAs will be born by BDS's General Fund allocation for this one-time reduction.

Dollar Amount: \$0  
Type: Mid-Year Reductions  
Resources: General Fund Discretionary

## DS\_011 - Development Services Technician II (2 FTE)

Development Services Technicians are the front line staff of the Bureau, meeting with customers and assessing every building, mechanical, electrical and plumbing permit brought through the Development Services Center (DSC). Year-to-date data reflects a 55% increase in the number of Single Family permits year-over-year; residential additions are up 8% year-to-year, and customer counts in the DSC are up 4% year to year. These two positions were initially created in the fall of 2013 as limited term due to some level of uncertainty regarding the continuation of the economic uptick and subsequent increase in fee permit revenue collections the bureau was experiencing last spring and summer. However, workload continues to grow, both with the Single Family Residential and Commercial work, therefore the bureau recommends creating permanent positions to replace the limited term positions.

Dollar Amount: \$0  
Type: New Request  
Resources: Bureau Contingency

# BUDGET AMENDMENT REQUEST

Bureau of Development Services

PERIOD Winter BuMP

FISCAL YEAR FY 2012-13

## **DS\_012 - City Planner I Urban Design (1 FTE)**

City Planner I Urban Design staff reviews Design Review and Historical Design Review land use applications. The bureau is experiencing a steady increase in the number of Design Review and Historical Design Review applications (185 applications in 2010, 238 in 2010, and 255 in 2012). The workload increased partially due to the expansion of criteria that triggers Historic Design Review requirement. These reviews now apply to more properties, which in turn generates more applications that require review. This position was initially created as a limited term position in the fall of 2013. Workload and revenue are increasing, therefore the bureau recommends creating a permanent position to replace the limited term City Planner I Urban Design.

Dollar Amount: \$0

Type: New Request

Resources: Bureau Contingency

## **DS\_013 - City Planner II Environmental (1 FTE)**

City Planner II Environmental reviews Greenway, Environmental, and Land Division applications. The bureau is experiencing a steady increase in the number of these types of applications (95 applications in 2011 and 107 in 2012). In addition to that work, the Environmental Review team is also involved with assistance to the City's Capital Improvement Projects via the City's Streamlining Team, and attends regular meetings to provide early assistance for large infrastructure projects such as the Sellwood Bridge project, the Columbia River Crossing project, the Portland-Milwaukie Light Rail Project, Washington Park Reservoirs, brownfield clean-up projects, etc. This position was initially created as a limited term position in the fall of 2013. Workload and revenue are increasing, therefore the bureau recommends creating a permanent position to replace the limited term City Planner II Environmental position.

Dollar Amount: \$0

Type: New Request

Resources: Bureau Contingency

## **DS\_014 - Office Support Specialist II (1 FTE) – Land Use**

Office Support Specialist IIs in the Records Management Team set up the applications in TRACS (BDS permit tracking software), scan documents and plans and attach them in TRACS, develop mailing lists for public notices according to parameters set out in the zoning code, and ensure notices are mailed properly as well as posted on the BDS website for the public to view, etc. This position is needed to help the Records Management Team manage the increasing workload associated with the steady increase in the land use review applications. With an increase in Design Review and Historic Design Review applications, the staff is also experiencing an increase in the workload associated with supporting the Design Commission and Historic Landmarks Commission. The position was initially created as a limited term position in the fall of 2013. Workload and revenue are increasing, therefore the bureau recommends creating a permanent position to replace the limited term Office Support Specialist II position.

Dollar Amount: \$0

Type: New Request

Resources: Bureau Contingency

# BUDGET AMENDMENT REQUEST

Bureau of Development Services

PERIOD Winter BuMP

FISCAL YEAR FY 2012-13

## **DS\_015 - Office Support Specialist II (1 FTE)–Inspections**

The Office Support Specialist II provides administrative and support services to the Commercial Inspections Section that conducts structural, mechanical, electrical, and plumbing commercial inspections. This position was initially created as a limited term position in the fall of 2013. The commercial inspections workload is increasing steadily and is consequently resulting in the increased workload for the support staff. Therefore the bureau recommends creating a permanent position to replace the limited term Office Support Specialist II position.

Dollar Amount: \$0

Type: New Request

Resources: Bureau Contingency