



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

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MEMORANDUM

November 12, 2013

To: BDS Budget Advisory Committee (BAC)
BDS Employees
BDS Labor Management Committee (LMC)
Development Review Advisory Committee (DRAC)

From: Paul L. Scarlett, Director *PLS*

Subject: BDS Budget Goals for Fiscal Year (FY) 2014-15

The Bureau of Development Services promotes safety, livability, and economic vitality through the efficient and collaborative application of building and development codes. We are responsible for administering and enforcing twelve State and seventeen City Codes. Currently, BDS has approximately 210 employees housed in four divisions: Inspections/Code Enforcement Services, Permitting/Plan Review Services, Land Use Services, and Administrative Services. About 96% of BDS revenues come from permit and other fees, with the City's General Fund making up the remaining 4% of the bureau's budget.

As in past years, we will include the participation of bureau staff, customers, stakeholders, and the community in the development of our budget. We rely on assistance from all these participants in identifying priorities and recommendations for the continued improvement and success of the bureau.

BDS's Financial Standing

In 2012 and 2013, bureau revenues have increased significantly as the construction industry has experienced strong growth. Our cost recovery rate for FY 2012-13 (July 1, 2012 – June 30, 2013) was 145%, and has been at 115% for the first few months of FY 2013-14. This has allowed us to rebuild our financial reserves to healthy, prudent levels; add staff to respond to the rapidly increasing workload; and proceed with a major information technology upgrade, all while keeping most of our fees constant (some fees were even reduced).

Budget Goals

Our budget request for FY 2014-15 will focus on several areas that drive our quest to be the best development services agency in the nation, such as staffing levels, fiscal sustainability, technology, equity, and innovation. I will be recommending that City Council continue to dedicate one-time and ongoing General Fund support to BDS programs that provide important public benefits, specifically our Neighborhood Inspections and Land Use programs. Specific budget goals include (expanded descriptions are on the next page):

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

Provide Adequate Staffing Levels

Over the last couple years, I have approached our staffing and rebuilding efforts in a measured and steady way. We have gradually added staff as workload has increased and only when we have revenues sufficient to sustain those staff for the long term. Our preliminary financial and workload projections indicate some additional positions may be warranted in FY 2014-15, but fewer than the last two years. We will continue to be flexible with our staffing so we can be timely in our response to changes in the development industry and workload.

Streamlined Access to Services

In FY 2014-15 we will focus on creating more effective means for customers, employees, and stakeholders to communicate ideas and have collaborative interaction with bureau leaders and with one another. In addition, we want to research and pursue other ideas to improve the various ways in which customers and stakeholders interface with our staff and services such as the bureau's website, written materials, and phone call interactions to greatly improve access to information and services for customers and the community. This will include conducting ongoing customer service surveys and implementing service improvement suggestions, where possible.

Equity – Organizationally and in Service Provision

As referenced in many of the other budget goals, we are committed to pursuing equity in our staffing, our programs and services, and our interactions with customers and the community. Specifically, we will seek to expand educational and training opportunities in equity issues for staff; and seek to improve our outreach and accessibility, particularly to underrepresented and disadvantaged communities. We cannot become the best development services agency in the nation without ensuring equal access and opportunities for our staff, customers, and the community. An Equity Manager position will be created to assist the bureau in accomplishing these stated goals along with other important related objectives.

Leverage Advanced Technology

We are well on the road to implementing our Information Technology Advancement Project (ITAP). ITAP is a web-based system that will allow 24/7 online access to BDS's records and services. ITAP will greatly enhance the level of technology in the development review process while improving public access to information. Our selected vendor, Sierra Systems, is currently onsite working on system design with BDS staff. Go-live is scheduled for December 2015. In addition to ITAP, I remain committed to providing technology solutions that meet customer and workplace needs. I encourage you to think about ways that technology can better serve the bureau's goals and the needs of staff, customers, and the community.

Maintain Fiscal Sustainability

To successfully provide excellent programs and services, we must operate in a fiscally sustainable manner. To do this we need to balance several aims:

- Maintain prudent financial reserves to cushion against economic downturns;
- Provide staffing sufficient to meet customers' and stakeholders' needs;
- Pursue cost recovery for services whenever appropriate;
- Set reasonable fees and keep fee increases as low as possible.

All of these competing needs will inform and shape our budget planning.

Workforce Planning, including Training

Like other organizations, we see that our workforce is changing. Approximately 20% of BDS employees are eligible for retirement now and about 40% could retire within 5 years. Addressing this reality will require increased efforts in several areas, including ensuring equitable outreach, recruitment, and hiring processes; outreach to high school and college students regarding career path opportunities; development of future leaders and plans for succession to management, leadership, and technical positions; and relevant training for current employees.

General Fund Support for Local Code Programs

BDS receives financial support from the City's General Fund for local code programs that provide general public benefit, including Land Use Services and Neighborhood Inspections. At this time, we do not know how General Fund projections for FY 2014-15 will impact BDS. However, I will continue to seek General Fund support in order to adequately fund these beneficial programs.

I appreciate the time and energy that you will dedicate to our bureau's budget planning process and recommendations. Our budget process is just one way that we are working to build and foster strong working relationships with the community, employees, industry, and stakeholders.

Thank you very much for your time and input.