



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

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**Exhibit A**

**Bureau of Development Services**  
**Business Continuity Plan**  
**December 16, 2015**

**Purpose**

This Bureau of Development Services (BDS) Business Continuity Plan provides direction and guidelines to the bureau in order to respond in a prudent and timely way to significant, persistent financial downturns.

**Definitions**

Economic recession is defined as a period of temporary economic decline during which trade and industrial activity are reduced, generally identified by a fall in GDP in two successive quarters. Economic depression is defined as a long and severe recession in an economy or market.

**Authority**

BDS's Commissioner-in-Charge and the Bureau Director have the authority to activate the Business Continuity Plan.

**Leading Indicators**

BDS monitors its workload parameters and revenue collections on a regular basis. The leading indicators below are intended to help bureau management identify early signs of changes in workload and revenue trends. If any of the leading indicators is activated, BDS will thoroughly analyze the data for any anomalies that may have caused the activation. If no anomalies are found, BDS will notify its Commissioner-in-Charge:

1. Bureau-wide Non-Cumulative Monthly Cost Recovery Rate is below 100%.
2. The number of land use applications received for the most recent 3 months is 7.5% or more below the number of land use applications received for the same period of time in the previous year.
3. The number of final plat applications received for the most recent 3 months is 7.5% or more below the number of final plat applications received for the same period of time in the previous year.
4. The total valuation of all building permit applications received for the most recent 3 months is 7.5% or more below the total valuation of all building permit applications received for the same period of time in the previous year.
5. The total number of building permit applications received for the most recent 3 months is 7.5% or more below the total number of building permit applications received for the same period of time in the previous year.

6. The number of pre-application conferences held for the most recent 3 months is 7.5% or more below the number of pre-application conferences held for the same period of time in the previous year.
7. The number of early assistance appointments for the most recent 3 months is 7.5% or more below the number of early assistance appointments held for the same period of time in the previous year.
8. The number of customers visiting Development Services Center for the most recent 3 months is 7.5% or more below the number of customers for the same period of time in the previous year.

### **Business Continuity Plan Triggers**

The reduction measures outlined below will be triggered by any circumstance in which **any four out of the five** following conditions occur at the same time:

1. The bureau's cumulative cost recovery rate is below 100%;
2. Bureau reserves are below the minimum reserve goal of 35% or approximately 4 months of total expenditures (reserves are below 35% of the total annual budget);
3. Bureau revenues have been declining consistently for the previous 6 consecutive months;
4. The total value of all building permit applications received by the bureau has been declining consistently for the previous 6 consecutive months;
5. The total number of all building permit applications received by the bureau has been declining consistently for the previous 6 consecutive months.

### **Measures**

If the Plan is triggered, operational expenditures will be adjusted as soon as practicable by reducing expenses as needed.

In general, BDS's expenditure reduction measures will be as follows:

- Assess workload needs and staffing levels;
- Prioritize programs and services, and reduce or eliminate lowest priority programs and services as needed;
- Stop all hiring processes; keep positions vacant; realign and consolidate the workforce.

- Reduce Material and Services spending, including but not limited to: office supplies, professional services, operating supplies, subscriptions, training, travel, equipment, and tools;
- Eliminate temporary and seasonal positions;
- Eliminate limited term positions;
- Provide retirement incentive options to employees who are eligible to retire, and subsequently eliminate or restructure positions that become vacant.

Measures outlined above can be implemented in any order or combination depending on the severity and duration of the economic downturn.

Once implemented, the measures outlined above would be monitored and adjusted as necessary to maintain the bureau's financial stability and its ability to provide necessary services to the public.

In addition to the global bureau wide leading indicators and triggers outlines in this policy, the bureau is closely monitoring programmatic financial and workload measures. The bureau routinely on a monthly basis produces programmatic cost recovery and workload measures reports. Programmatic revenue collections, expenditures, cost recovery, and reserve levels are being monitored and analyzed on a monthly basis.

### **Reporting and Distribution**

The bureau will prepare a monthly dashboard report that summarizes both leading indicators and Business Continuity Plan triggers. The dashboard will be shared with the Commissioner in Charge, Bureau Director, and BDS management team on a monthly basis. In addition, the dashboard will be shared on a quarterly or as needed basis with BDS's major stakeholders, including but not limited to: the Development Review Advisory Committee, BDS Budget Advisory Committee, BDS Finance Committee, and BDS Labor Management Committee.

### **Plan Evaluation and Analysis**

The bureau will monitor and evaluate performance of leading indicators and plan triggers on an ongoing basis to test reliability and dependability of these parameters. Business Continuity Plan will become part of an annual budget and 5-year Financial Plan development process. Any changes and adjustments to the plan indicators and triggers, as well as any changes to plan measures, will be made on an annual basis and included in bureau's 5-year Financial Plan.

Business Continuity Plan

Plan Triggers

October 2015

The reduction measures outlined in the Business Continuity Plan will be triggered by any circumstance in which four out of five triggers below are active (red)

**Trigger 1: Cumulative Cost Recovery Rate**

Activated when the cumulative cost recovery rate is below 100%.

Month	Rate	Trigger Status	Action Required	Position Responsible
Oct-15	139.0%	Inactive	No	Finance Section Manager

**Trigger 2: Reserves**

Activated when bureau reserves are below the minimum reserve goal of 35% or 4 months of total expenditures (reserves are below 35% of the total annual budget).

Months	Reserves	Trigger Status	Action Required	Position Responsible
Oct-15	56,330,545	Inactive	No	Finance Section Manager

**Trigger 3: Revenue**

Activated when bureau revenues have been declining consistently for the previous 6 consecutive months.

Months	% Change	Trigger Status	Action Required	Position Responsible
May-Oct	12.7%	Inactive	No	Finance Section Manager

**Trigger 4: Total Valuation of Building Permit Applications Received**

Activated when the total value of all building permit applications received by the bureau has been declining consistently for the previous 6 consecutive months.

Months	% Change	Trigger Status	Action Required	Position Responsible
May-Oct	8.2%	Inactive	No	Permitting Services Division Manager

**Trigger 5: Total Number of Building Permit Applications Received**

Activated when the total number of all building permit applications received by the bureau has been declining consistently for the previous 6 consecutive months.

Months	% Change	Trigger Status	Action Required	Position Responsible
May-Oct	9.3%	Inactive	No	Permitting Services Division Manager

- Trigger status is inactive, no action is required
- Trigger status is active, action is required