

Supports Item No. 4
T&T Committee Agenda
June 28, 2011



ADMINISTRATIVE REPORT

Report Date: June 8, 2011
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RTS No.: 9221
VanRIMS No.: 08-2000-20
Meeting Date: June 28, 2011

TO: Standing Committee on Transportation and Traffic

FROM: General Manager of Community Services in consultation with the General Manager of Engineering, General Manager of Business Planning & Services, General Manager of Financial Services, General Manager of Fire & Rescue Services, General Manager of Human Resources and the Director of Legal Services.

SUBJECT: Funding Request - Permit Processing

RECOMMENDATION

THAT Council approve the funding for staffing and other related costs in Development Services, Planning, Engineering, Real Estate, Facilities Design and Management, Legal Services, Fire and Financial Services to address the increased volume of applications for development;

FURTHER THAT Council approve an increase to the 2011 Operating budget, in the amount of \$0.787 M, fully offset by increased permit fee revenue, with no net impact to the budget, and that the program be reviewed in the context of projected revenue in the 2012 Operating budget with the objective of no net impact to the budget.

GENERAL MANAGER'S COMMENTS

The General Manager recommends approval of the foregoing.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

COUNCIL POLICY

All changes in level of service are to be reported to Council.

SUMMARY

This report outlines the current development climate, application volume, impact on service levels, plans for improvement of permit process and ability to improve current customer service levels.

With a start date of August 1, 2011, the pro rated cost of additional staffing for 2011 is \$.7 M (\$1.76 M annually), plus a one time cost of \$.1 M for furniture, equipment and supplies, for a 2011 total of \$.8 M. New positions will be subject to classification by the General Manager of Human Resources.

Proposed funding for additional staff to support the increased service will be from an increase in the operating budget, offset by an increase in permit revenue. One position will be funded from capital overhead and offset by an increase in permit revenue.

PURPOSE

The purpose of this report is to request approval of funding for an increase in staffing across eight work groups to ensure timely and effective processing of rezoning, development and building applications consistent with the increase in development activity, all within a culture of continued improvement of the permit process.

BACKGROUND

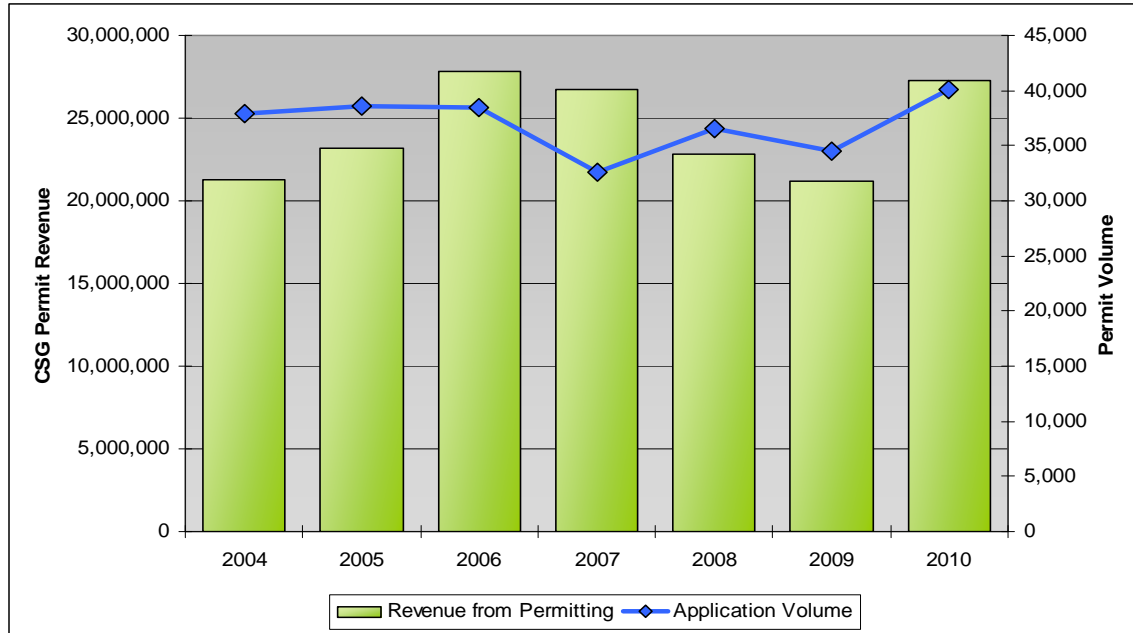
The regulatory environment under which the City operates is one of the most complex in Canada, responding to Council initiatives and priorities that highlight our leadership in areas such as sustainability and urban and social planning. This complexity is particularly evident in the area of land development, where an interdepartmental team of staff is required to analyze rezoning and development applications and work with applicants and the public to bring projects to successful fruition, projects that yield important economic and public benefits for the City.

Customer service has always been a high priority for staff involved in the rezoning and permit processes, with particular attention on maintaining reasonable processing times while attaining quality outcomes. In 2008, the economic downturn changed application volumes and revenue. Major projects were put on hold. Smaller projects became the norm. As a result of this decrease in activity and corresponding budget pressures, staffing measures were implemented that resulted in all departments reducing the number of permit processing staff through a hiring freeze. For a short time, staff were able to focus on related permit processing activities, such as review of regulations and policies, staff training, and improving processes.

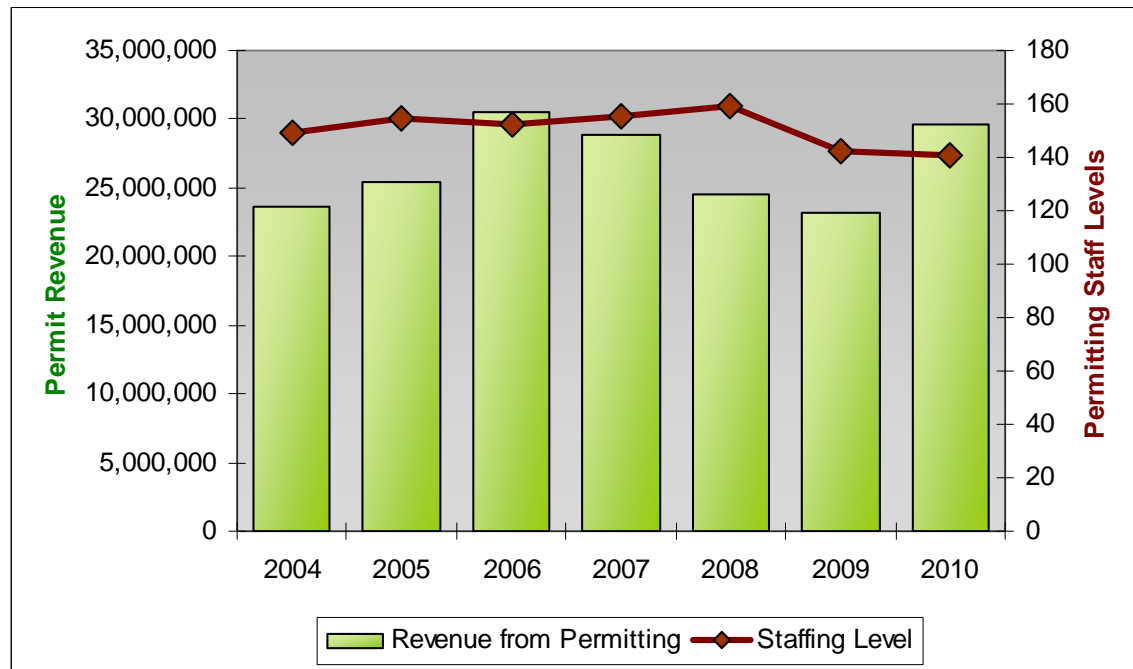
The economic downturn in development activity was, however, relatively short-lived. In the later part of 2009, application activity of all types rose sharply into and throughout 2010, reaching historic high levels. Staffing levels to deal with this increased activity did not increase, and, as a result, have now reached a level making it impossible to maintain application processing times at an acceptable level, challenge staff's ability to ensure high quality outcomes, and leave no time to focus on processing improvements, including regulation review. Customers leaving without service, customer complaints, staff processing times are all increasing often resulting in staff overtime.

The City's application revenue (i.e., fees from rezoning, development, building, landscaping, signs, various Engineering fees, and trades permits) is directly related to development activity. Current applications and revenue have returned to or exceed pre-recession levels (prior to 2008) while staff numbers remained at 2009/2010 levels.

Application Volume & Permit Revenue



Permit Revenue & Permitting Staff (Development Services, Engineering & Planning) Levels



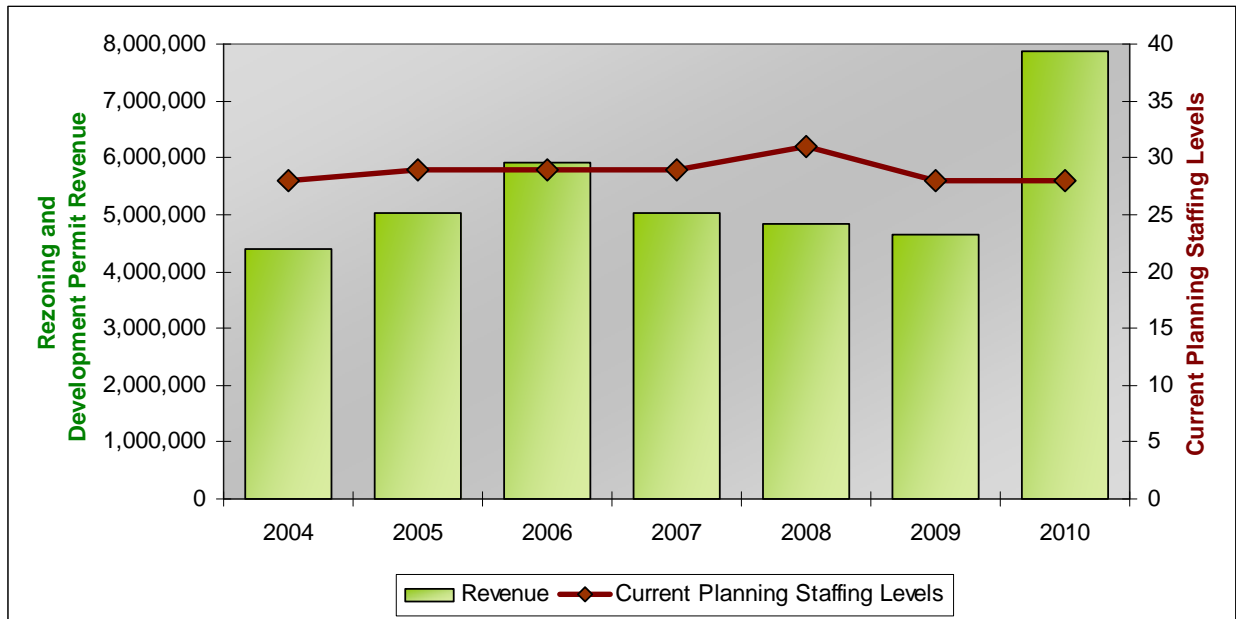
The City has embarked on a major initiative through the Vancouver Services Review (VSR) to transform how permits are processed City wide, focusing on streamlining business processes by bringing processes in line with best practices, and modernizing the technology platform. It is anticipated that, once implemented, the City will realize significant operational benefits and customer service improvements. While these benefits will be realized over the next few years, it is important to continue to ensure timely attention to current permit processing for the home owner who is renovating/ building a single family home or a developer proposing a major downtown development. Delays in processing have financial implications for all developments, regardless of scale.

DISCUSSION

To respond to the need for improved customer service in the face of increasing volumes of applications of all types, staffing levels commensurate with activity levels are required, noting that transformative processing improvements that increase efficiency, interdepartmental integration, and customer service are in progress but not yet implemented.

There are many types of work shared between work groups in the processing of applications. Some are simple while others are very complex. The increase in rezoning applications has added significant work to Development Services, Planning, Engineering, Real Estate, Fire, Facilities Design & Management, Financial and Legal Services. Some Departments, namely Planning, Engineering and Development Services, provide services to all stages of the permit process from rezoning through development and building permits

Rezoning and Development Permit Activity & Planning Staff Levels



On a departmental basis, this funding request for staffing will specifically address the following service needs to keep pace with the increase in application volumes in a timely manner:

Development Services: Counter service for simpler permit types, attention to the details of complex applications and coordination between departments;

Planning: Design development details of rezonings, development and building permits;

Engineering: Provision of sewer and water connection design information as part of the pre-application process for development permits, attention to Enactment conditions on rezonings and design coordination with applicant consultants, particularly for future City assets;

Fire and Rescue: Oversight on building access and egress, availability of rescue service associated with new forms of construction and complex mixed-use projects;

Real Estate: Advice on financial formulas and calculation of Community Amenity Contributions for rezoning applications and density bonused projects;

Facilities, Design & Management: Advice on construction requirements for Community Amenity Contributions on rezonings and density bonused projects and ongoing construction oversight for future City assets;

Financial Services: Financial strategies associated with the public benefits through development to ensure alignment with capital/operating budget processes; and

Legal Services: Preparation of legal agreements to secure public benefits associated with the increase in development activity particularly at rezoning.

The proposed additional funding will be utilized to address staffing needs across these various departments

This funding request for additional staff will also provide an opportunity for cross training of staff, particularly new staff who are replacing more experienced staff due to retirement.

ONGOING PROCESSING IMPROVEMENTS

The current volume of applications with the existing staff component makes it difficult to find time to identify and implement processing improvements that would enhance the customer experience and increase efficiencies. This staffing request emphasizes the reduction of existing wait times, enhancement of interdepartmental coordination and preparation for transformational process improvements - including both business process and infrastructure modernization - which will be addressed as part of the VSR Permits and Licences project. A focused regulation review would yield considerable customer and operational benefits as well, and will be a future CSG priority. The ongoing challenge will be to undertake these important measures while balancing reasonable processing times for customer service, especially if volumes continue at current levels, since the same staff that process applications must also be involved in these improvement initiatives.

Approval of this funding request for additional staffing is essential to bringing service levels to a reasonable service level, and allow increased attention toward the new initiatives that, in time, will transform permit processing at the City.

FINANCIAL IMPLICATIONS

The requested funding of \$1.7 M will support the annual cost of 18 positions (subject to classification by the General Manager of Human Resources) with sign off by a Manager's Minute. The pro rated 2011 cost is estimated to be \$.7 M. A one time cost of \$.1 M for furniture, equipment and supplies is anticipated for 2011, for a total of \$.8 M. These costs are primarily operating costs, with a small amount related to capital costs. For 2011 Operating budget, the increased costs of \$.787 M will be fully offset by increased Building/Development/Trade permit fee revenues, as noted in RTS #09050 (2011 Operating Budget and Capital Budget- 1st Quarter Review). For the 2011 Capital budget the increased cost of \$.03 M will be fully offset by increased Sewer and Water connection permits. The 2011 net impact to the City will be zero.

This program will be reviewed as part of the 2012 budget process and continued if development activities continue.

All staffing requests in this regard are subject to CMT and the City Manager's review.

PERSONNEL IMPLICATIONS

Additional positions will be created in Development Services, Planning, Engineering, Real Estate, Facilities Design and Management, Legal Services, Fire and Financial Services in order to best support the development process. The Vacancy Management Committee and CMT has reviewed and approved 18 additional positions subject to Council approval of funding.

CONCLUSION

The approval of the budget adjustment for additional staffing will allow the departments to keep pace with the increase in development activity in the City and begin the process of transforming our systems and processes.

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