

August 10, 2006 - Council Retreat of Permit Processing and Audit Implementation

Slide 1

Good morning. Thank you for this opportunity to talk about permit processing and the audit implementation and to look at some policy questions and to look ahead at next steps.

Slide 2

Aspirations

That we resolve some policy issues today and identify the path to resolve others. We have identified 14 questions and you may have additional ones. They are in no particular order. We do not expect an answer to all of them today. We do hope to provoke some thought and look for continued dialogue.

Identify five things from this retreat, if implemented, would really add value to our County process?

Slide 3 - Here are the questions we see:

- 1) Do we complete implementing the Zucker Audit in 2007?
Staffing, space, training, consultants, and other resources
- 2) Should PALS be able to expend excess revenues, rebate fees, or reduce fees?
- 3) Should PALS have a flexible expenditure authority with triggers based on incoming permit volumes?

Slide 4

4) What is the best way to keep Council abreast of progress? What numbers are significant?

5) Are there other things we need to do beyond Zucker? When do we accomplish them?

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6) How should we treat infrequent users? Do we limit our time with them or beef up the department to walk them through? How about information only customers?

7) What can we do about the proliferation of regulations and the resulting complexity of our jobs?

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8) May we go to two effective dates per year for new rules?

9) What do we make of the anecdote? Turn it into an opportunity/

10) What reports do we need from our new computer system or from the Business Intelligence software that IT is launching? How do we prioritize that list?

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11) Is staffing sufficient in our partner departments?

12) What is the future of LUACs if the charter amendments are passed?

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13) How far can we push overtime and third party consultants?

14) Can anything be done with the donut policy? (We cannot use County funds to purchase any food for our customers) Staff have been buying them.

Slide 9

We're going to touch on most of these issues this morning. The presentation is loosely organized like this.

- Organization of the Permitting Functions
- Historical PALS staffing levels (note that these are approved staffing, not actual)
- The Effect of Regulations on the Permitting Process
- The Effect of Workload on performance Targets (note that you are talking about old performance targets, not Paul's new ones)
- The Process (Birth of a permit)
- Process Changes
- Method for Choosing Budget Priorities
- Status of Implementation"
- Budget Priorities For 2007

Slide 10

I was asked to touch on how we are organized. There are three Executive Departments that work together on permit processing. PW&U has oversight on sewers and traffic issues. Emergency Management and the Fire Marshals office enforce the International Fire Code for new construction as well as annually inspecting commercial businesses for safety. PALS has oversight for building and land use permits, storm water run off, and environmental protection.

The Health Department is also closely linked with the permitting process. On-site sewers and food services are our primary links.

Slide 11

PALS is made up of four Divisions and several Sections. Carol Johnson manages the development center which consists of the permit counter, lobby, and various support staff.

I am the building Official with responsibility over building code plan review and field inspection, LAN support and PALS Plus development, and coordinating the reporting of our progress on the implementation of the Audit.

David Rosenkranz, is the Assistant Director and has oversight for four Sections. Current Planning, supervised by Vicki Diamond is responsible for land use applications. Any division of land, conditional use permits, shoreline permits are a few.

Development Engineering or DENG supervised by Mitch Brels is responsible for storm water control, steep slope and other geotechnical review, grading and filling, and road construction.

Resource Management supervised by Kathleen Larrabee reviews for wetlands and other critical or sensitive environmental impacts.

And lastly Code Enforcement supervised by Diana Ranes.

The last Division is Advance Planning managed by Chip Vincent. They are responsible to facilitate development of Comp Plan amendments and Community plans and the coordination of code changes.

Slide 12 Staffing, Where are we and where were we?

Slide 13 Where have we been with staffing? In 1993 we had 137 employees. At that time the Fire Marshal's office was in PALS. They left in 1996 and from 1996 to 2004 we ranged from 123 to 131 employees.

In 2005 staffing increased by 19 employees, 13 for Directions and 6 for the Audit. In 2006 another 6 Audit recommended employees were added.

This graph and the next couple of slides address question #7 on complexity and #8 on when code become effective. This graph charts the adoption of significant code changes. The top row of pink squares represents the adoption of the Comp Plan and the annual updates to it.

The next line of orange triangles represent the adoption of Community Plans. In 2002 and 2003 two community plans were adopted.

In 1997 a major revision to the Storm Water Manual was adopted. That was the beginning of the backlog issues for DENG. Additional staffing was requested to handle this code change but none was allocated. I think we actually went down a half an FTE.

2005 was a challenging year also. Major revisions to 4 different regulations were adopted. A comp Plan amendment, the Directions Package, Subdivision regulations, and Mid-County Community Plan. This was the same year we started the Audit implementation effort.

The lower line notes the adoption of the State Building Code every three years. The exception was 2001 when they skipped a cycle as the Legislature changed from the Uniform to the International Building Codes.

Slide 14

To recap the code changes, the orange were the 2005 changes. Two community plans on 2002 and 2003. And building codes every 3 years.

Slide 15 Policy question 8

More changes on the horizon. The Shoreline regulations are being updated over the next couple of years.

The Storm water manual is being revised. And, community plans are still being developed as well as working on action plans from already adopted plans. The code landscape keeps changing.

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Code change challenges. The reason we are bringing this to your awareness is the burden it places on plan reviewers. The application date locks in the code for an application. It is not unusual for a reviewer to be reviewing multiple applications in the same week in the same neighborhood and have them on different codes. Every time you touch a review you need to check the application date to see which codes apply. This is very time consuming and can be confusing. There is also the challenge of keeping multiple sets of ordinances. This is doubly challenging for outsourcing of plan reviews.

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- Can code changes be coordinated to one or two times a year?
#8 The State Building Code is always adopted on July 1st.
- A standardized annual implementation date helps applicants and staff be ready.

Slide 18

One additional note on staffing and performance. In 2005 as staffing was hired and trained and as consultants began taking some reviews, our performance rose. By year's end we were getting all reviews out on time. In early 2006 we were getting most of the reviews out on time and began to see a moderate backlog. Most sections appear to be operating within or close to their performance targets of 95% on time. 95% on time means there may be some small number of late reviews. Let's look at the July numbers.

Slide 19 Policy questions #4 and #10

As you can see from the small number of late reviews that three of the four sections are operating within or very near the 95% efficiency target service levels. We are making some revisions to the PALS Plus report and hope to have the performance reports ready soon.

The DENG number is from only one of three review types they track. They keep track of single family reviews which was 96% on time with zero backlog. Survey or engineering review of final plats, short plats, boundary line adjustments, which was 88% on time with zero backlog and Area Reviews the review of land use cases (preliminary plats, conditional use permits, administrative use permits, which was 52% on time with 34 backlog. As I noted earlier there are 5 positions proposed for DENG in the 2007 budget request. #1

Slide 20

New applications for this year continue strong. As you can see Building Division and DENG have the largest fluctuation in new applications per month. Those fluctuations add to the difficulty in maintaining a performance standard. At time you need to be at 100% to absorb a sharp increase the following month. What I need to add (and this relates to question #4 What numbers are important) is history and what we have been calling the blue line. What is the volume our staffing model is based on.

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Annually single family permits can vary by several hundred. In the early 90s there was a 4 or 5 year cycle where business turned down sharply. In the last several years the down cycle has moderated and last year we had the very large spike in activity. This year looks like we will be around 3000, which after last year is average. Policy questions #2 and #3 might address how to handle this kind of fluctuation.

Slide 22 The Permit Process

Slide 23

The Process, it's a complex process. You are not expected to be able to read this chart. It is intentionally reduced to get an overall view. A consultant came in several years ago and mapped the process on a time line. Each reviewing Section has a process. Many are interrelated. A building permit may need to wait for DENG to complete a geotechnical review on a steep slope before I can finish the building permit. There is a lot of interaction between sections.

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Hugh, asked for a simplified version. Here is a very simple version. Applicants present their plans and other documents to a Permit Technician who begins to enter the information into the computer. The Permit techs are cross trained and can handle a wide range of questions. When they need clarification they call on Technical support from the parent Sections, who will come to see them and the applicant and make a decision. Once the application is deemed to be complete it is electronically routed to all reviewing sections.

During the Section review it may go back to the applicant for revisions. Ultimately it is approved and is issued. Land use applications would add any required neighborhood and public meeting into the flow chart as well as external State Agency reviews.

Slide 25 Prioritized reviews Triage

- Usually 1st in 1st out, but not always.
 - Applications are normally sorted into minor and major or quickies. Example:
 - Building plans examiner may take several days to review a new high school.
 - During that time they will break and take small projects like cell phone towers, small tenant improvements and move them along.

Slide 26

Process change, this year we have begin looking at how to change the intake process. With help and direction from the Oversight Committee we have visited other jurisdictions and brought in additional customers to look at the process. On page 166 figure 18 shows a proposed Development Center Flow Chart. Here in blue is a revision to the proposal that we plan to implement on September 18th. Just over three months early. We believe this wall allow us to get to a 20 minute wait.

Both versions proposed less counter review in order to get to more customers. One industry concern is that less counter review may create more plan review issues. Our goal is to reduce the counter review but not the quality.

Slide 27 Infrequent Users – policy questions #6

- Schools, Churches, Mom and Pop.
 - New process picks them up.
- Information Only
 - Not staffing up to handle this volume

Slide 28

Implementation was very intentional. We decided that we needed to have our customers part of the process.

- Customer involvement through establishment of an Audit Oversight Committee.
- Setting annual priorities. We set out to implement the Audit in 3 years. The OC helped direct what we should do in each of the years. Top 8 for 2005 was an example.

Managed change. To work on change while keeping up with training for regulatory changes and workload.

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Top 8

1. Reduction of the Permit Backlog
2. Additional Space and Lobby Functionality
3. Implement Project Manager Approach/System
4. Team Approach for Plan/Ordinance Preparation

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5. Solve Building Inspector Concerns
6. Encourage LUACs Early Participation.
7. Determine Level of Staff Support for LUACs.
8. Return Phone Calls the Same Day

Slide 31 Audit Status:

- 79 are **Completed**
 - 41 are **Ongoing**. Considered done with an element that requires ongoing monitoring.
 - 5 are **Not Implemented**. After review it was determined not to implement.
- 61 are **In Progress** of review for implementation this year.
- 16 are **Outside PALS**. Recommendations are for other Departments.
- 32 are **Not Started**.

Slide 32 Pie chart – We had a 3 year plan to implement the Audit. If we can complete the 61 in progress we will be slightly ahead of schedule.

Slide 33 - Examples of some of the Not Started.:

- Create integrated time system and payroll system. #17.
- Develop a public awareness program. Not started #24.
- Transfer Environmental Coordinator to Current #56.
- Meet with applicant 20 days after NOA is mailed #63.
- Mail information to applicant within 28 days of NOA #64.
- Tech support planner to do SEPA review for some Bldg Pmts #70.

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Budget Priorities

Slide 35 #1

Fully Implemented:

- Budget priorities. Budget priorities for 2007 were crafted for Executive and Council consideration assuming the policy decision will be to fully implement the Audit by the end of 2007. Those priorities include:
 - 8 Additional Staff
 - Funds for consultant review and staff training
 - Complete the space remodel with adequate furniture
- One option we are going to review with the Oversight Committee is to over staff in a few key areas for 2 to 3 years.

Slide 36 Why Over-Staff?

- To be able to pull 4 to 6 people off the front lines to review, amend, create new, or all of the above all the processes and codes used to get applications turned into permits.
- Having a few staff members meet twice a month for an hour or two will get you some good band aides but may not get what is best for our customers at the most efficient cost.

Slide 37

- 1) Do we complete implementing the Zucker Audit in 2007?
- 2) Should PALS be able to expend excess revenues, rebate fees, or reduce fees?
- 3) Should PALS have a flexible expenditure authority with triggers based on incoming permit volumes?

The Audit on page 69 in Recommendation 10, set out some Policy issues concerning fees and services.

Slide 36 - Policy Question #1 (not in priority order)

On page 16 of the Audit in Table 3 a staffing recommendation was laid out. Next to it is a table showing where we are now. You will note that the column for 2005 and 2007 have an asterisk by the total. That's because they don't add up.

In 2005 we added a structural engineer to Building Division based on recommendation 45 on page 108. That position was not included in Table 3.

In 2006 we added an additional 6 positions from the recommended list.

In 2007 we are proposing to complete the hiring process by requesting the final 8 positions. The second Assistant Director is not included in the total. We are looking at a way to accommodate the intent without adding a position. The bulk of these positions (5) are for DENG.

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Audit recommendation 10 raised several policy questions.

- PALS fees and budgets should follow the following guidelines:

The development and permitting activities should be 100% fee supported.

Any excess fees should not go to the General Fund but should go into a reserve account for any downturn in development activity.

Staffing levels and related budgets should correspond to workload.

- However, this will require a better way to calculate workload and staffing demands.

Over time it may be appropriate to add the 8% external overhead to the fee structure. However, given the current need to improve

- PALS productivity and needed fee increases, any attempt to capture this 8% should be delayed until performance meets industry expectations. (*Priority 2*)

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A related question is, should PALS have a set of reserve funds for the long term well being of the department. These might include a reserve for:

- technology improvements (3 year replacement cycle)
 - staff training and education,
 - services owed (deferred revenue – multi year projects)
- to maintain a core staffing level to deal with annual and multi-year work load cycles.

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- What have other jurisdictions done in this regard?
- What can we learn from their experience?

Slide 42

- We have all heard them.
 - I had to wait all day just to ask a question.
 - When they arrived they were informed that might be the case and were given options. Come Back later, pagers. (Doughnuts – Coffee on staff \$\$)
 - Every time I resubmit I get a new list of corrections.
 - Almost always because instead of making corrections they redesigned the project and the reviewer had to start over.
- Good success with MBA. Call us when it happens!

Slide 43

- That we resolve some policy issues today and identify the path to resolve others.
- Identify five things from this retreat, if implemented, would really add value to our County process?