



proud past, promising future

CLARK COUNTY
WASHINGTON

AUDITOR
GREG KIMSEY

Department of Community Development

**Implementation of Performance Audit
Recommendations**

Clark County Auditor's Office
Report # F02-1

September 5, 2002

**Department of Community Development
Performance Audit Recommendations
Implementation Status**

Table of Contents

INTRODUCTION..... 3

EXECUTIVE SUMMARY 3

IMPLEMENTATION STATUS..... 6

DEVELOPMENT SERVICES DIVISION RECOMMENDATIONS..... 7

PERFORMANCE MEASURE RECOMMENDATIONS.....13

BUILDING DIVISION RECOMMENDATIONS..... 15

COST-OF-SERVICE FEE RECOMMENDATIONS..... 21

TASK FORCE RECOMMENDATIONS 24

APPENDIX A: RECOMMENDED PERFORMANCE MEASURES 26

APPENDIX B: BUILDING DIVISION CUSTOMER SERVICE RECOMMENDATIONS..... 27

INTRODUCTION

In December 2000, Citygate Associates published the results of its performance audit of Clark County's Department of Community Development (DCD). The performance audit report contained 42¹ recommendations, 6 of which were classified as having strategic importance. According to the audit, these 6 strategic recommendations would have the greatest impact upon DCD'S ability to provide efficient and effective service to its customers.

To implement each recommendation, DCD usually developed a Work Plan that described actions to be taken and a Completion Report documenting that the work was finished. Both documents were subject to approval by the County Administrator. DCD kept the Board of County Commissioners (BOCC) informed regarding implementation plans and status.

EXECUTIVE SUMMARY

THE DEPARTMENT OF COMMUNITY DEVELOPMENT HAS COMPLETED SUBSTANTIAL WORK TOWARD THE GOAL OF IMPLEMENTING THE PERFORMANCE AUDIT'S RECOMMENDATIONS

The Department of Community Development's (DCD) implementation process was comprehensive and well-documented. DCD prepared Work Plans that described in detail the actions necessary to implement the recommendation. DCD then prepared Completion Reports and other documentation evidencing that the work had been finished. Work Plans and Completion Reports were subject to approval by the County Administrator. DCD obtained Board of County Commissioner (BOCC) involvement for recommendations determined to involve policy implications.

DCD has completed or has made substantial progress toward completing implementation of many of the performance audit's recommendations. Implementation status is described in the categories below.

- Complete—18 recommendations. DCD has completed the actions it considers necessary to implement the recommendation. For example, to improve engineering processing time, DCD created an Engineering Division, hired an additional engineer, and developed contracts with consultants to use on specialized projects or to reduce backlogs.
- In Process—18 recommendations. DCD has completed many of the actions it considers necessary to implement the recommendation. In some cases, implementation is a multi-year

¹ Two performance audit recommendations were not considered in this report. These were (1) for Citygate to conduct additional work, and (2) for an Audit Implementation Committee to be formed. The BOCC decided to act as the Audit Implementation Committee.

process. For example, the audit recommended that DCD establish numerous performance measures. DCD has implemented 9 performance measures since the audit, and plans to establish 8 more in 2003 and 2004.

- Not Implemented/Alternative Action Taken—6 recommendations. DCD decided against implementing these recommendations, or took alternative action, for reasons summarized in the following sections.

DCD CONCLUDED THAT FOUR RECOMMENDATIONS SHOULD NOT BE IMPLEMENTED

The recommendations that were not implemented were to

- establish a trust fund deposit system. This would allow DCD to charge a fee to the customer that consisted of DCD's actual costs for the customer's project. DCD concluded this would be too labor and technology intensive, and unfair to some customers.
- tie merit salary payments to employee performance reviews. This recommendation was determined to be unfeasible because union opposition was expected.
- require all inspection requests to follow the formal process (no "on-site" requests for additional inspections allowed). DCD concluded this would increase costs and delay customers.
- give customers "unanticipated service", such as calling them every other Friday with an update on application status. DCD decided that it had implemented some "extra service" ideas, and doubted that there would be any additional utility gained by adopting an unanticipated service concept.

DCD IMPLEMENTED ALTERNATIVES TO TWO RECOMMENDATIONS THAT THE PERFORMANCE AUDIT CONSIDERED OF STRATEGIC IMPORTANCE

The performance audit identified six "Strategic Recommendations" that it concluded would have the greatest impact on DCD's ability to provide efficient and effective service to customers. DCD implemented alternatives to two of these. The recommendations were to

- streamline the process by which applications are determined to be fully complete. DCD concluded that the recommendation would result in more denials of applications, and was unnecessary because of changes already made to improve processing time. In August 2002, DCD advised that it would propose adopting a part of this recommendation. The proposal will be to make the pre-application process voluntary and free.
- assign a Case Manager to move selected applications through the entire permitting process. DCD recommended against using a single Case Manager, and as an alternative implemented a formal briefing process to increase communication between teams as the application moved from one team to another. In August 2002, DCD advised that it would propose using a Case Manager for major economic development projects. DCD said it was testing the idea by using it for the amphitheater project at the Clark County Fairgrounds, and also plans to use it for the Legacy Hospital project.

OBJECTIVES AND SCOPE OF THIS REPORT

The objectives of this assignment were to (1) determine the degree to which DCD had implemented the 42 recommendations made in the December 2000 performance audit, (2) identify and describe the actions DCD has taken to date to implement each recommendation, and (3) identify areas for further review with regard to the effectiveness of DCD's implementation.

The scope of this assignment did not involve assessing the effectiveness of DCD's implementation actions. It is expected that future reviews will assess effectiveness, including issuance of another customer satisfaction survey.

A goal of this assignment was to identify and describe the significant and major actions taken by DCD to implement each of the performance audit's recommendations. The resulting narratives describing DCD's implementation are summaries and are not intended to be complete listings of every action taken.

IMPLEMENTATION STATUS

DCD has been diligent in analyzing and taking action to implement the audit's recommendations. DCD has completed or has made substantial progress on implementing 36 of the performance audit's 42 recommendations. DCD implemented an alternative or decided against implementing the remaining 6 recommendations.

The performance audit's recommendations were grouped into the following categories:

- Development Services Division Workflow
- Performance Measures
- Building Division Workflow
- Cost-of-Service Fees
- Task Forces and Advisory Groups

The following table shows the status of implementation for each performance audit report category.

Performance Audit Report Recommendation Category	Number of Recommendations			
	Completed	In Process	Alternative Implemented	Not Implemented
Development Services Division Workflow	1	7	2	1
Performance Measures	3	1	0	1
Building Division Workflow	5	9	0	1
Cost-of-Service Fees	4	1	0	1
Task Forces and Advisory Groups	5	0	0	0
Total	18	18	2	4

The following sections describe the status of implementation for each recommendation in each of these categories, and provide a summary of actions taken by DCD.

DEVELOPMENT SERVICES DIVISION RECOMMENDATIONS

The performance audit made eleven recommendations in the chapter entitled “Recommendations for Improving the Efficiency and Effectiveness of Development Services Division Workflow”. Six of these were designated as the audit’s most important recommendations—“Strategic Recommendations”—which were those that the auditors concluded would have the greatest impact upon DCD’s ability to provide efficient and effective service to customers.

Strategic Recommendations

The table below shows implementation status for the performance audit’s Strategic Recommendations.

Strategic Recommendations For The Development Services Division	Completed	In Process	Alternative Implemented	Not Implemented
1. Streamline “Deemed Fully Complete” process			X ²	
2. Establish Case Management approach			X ³	
3. Start an Unanticipated Service program				X
4. Hold employees accountable for cycle time and unanticipated service standards		X		
5. Study the feasibility of transferring some Hearing Examiner authority to the Director of DCD		X		
6. Reduce subdivision/plat map and engineering infrastructure review time		X		

² In August 2002, DCD advised that it planned to propose adopting part of this recommendation to the BOCC. The proposal will be to make the pre-application process optional and free.

³ In August 2002, DCD advised that it planned to propose the use of a Case Manager on major economic development projects to the BOCC.

The following summaries highlight actions DCD has taken to implement the Strategic Recommendations.

1. Streamline Deemed Fully Complete Process (Focus management attention on the Deemed Fully Complete process and provide customer choice in order to implement a 30-day cycle-time standard)

The performance audit recommended changes designed to decrease the amount of time applications were in process before DCD judged them to be “fully complete”. The recommended changes included making the “pre-application” portion of the process voluntary; providing an initial review of the proposal (concept review) and establishing a “substantially complete” category to streamline processing.

DCD opposed implementing the recommendation as stated, and discussed the issue in an August 2001 work session with the BOCC. DCD said that the proposed changes would result in more denials of applications; would increase uncertainty in the development process; and were unnecessary because of several changes DCD had made since performance audit data had been gathered. DCD presented several statistics showing timeliness improvements.

DCD credits processing time improvements to a number of changes, including additional staff training; creating informational handouts for customers to clarify requirements; establishing written procedures; discontinuing the Fully Complete conference, and calling customers to obtain minor information needed before issuing the Fully Complete Determination letter.

In its memo summarizing the results of the BOCC work session, DCD states that “After consideration of the data that shows considerable improvement in fully complete processing, the two board members present concluded that they would accept the improvements instituted by the department instead of the Citygate’s recommendation. The project is complete.”

In August 2002, DCD advised that it plans to propose making the pre-application process optional and free. DCD expects to present the proposal to the BOCC in September 2002. If approved, the change could be effective by March 2003.

2. Case Management (Institute a Case Management approach to the development review process for, at a minimum, Type II and Type III applications)

The performance audit recommended that a professional planner be assigned as Case Manager for large projects. The Case Manager would coordinate and move the application through the entire permitting process, irrespective of which DCD division or Clark County department was involved.

In November 2001, DCD recommended against assigning a single Case Manager to projects, stating that “while having merit, it would require a dramatic and expensive restructuring of DCD management, staff, and working relationships.” Alternatively, DCD proposed a formal “handoff briefing” process. The briefings would be given by the transferring team to the next team; for example from Development Services to Engineering, then from Engineering to Inspection. However, in August 2002 DCD advised that it was proposing that a Case Manager be used for major economic development projects.

A DCD file memorandum states that the BOCC rejected the performance audit's case management recommendation in favor of DCD's suggestion that it implement a more formal briefing process. DCD has developed procedures that specify who is responsible for initiating and who leads the handoff briefings; what the briefing should focus on; and who is responsible for inputting briefing results in Permit*Plan.

3. Unanticipated Service (Institute an "Unanticipated Service" program)

The performance audit stated that "customer satisfaction increases most dramatically when a customer receives a service they did not expect." The performance audit recommended that this concept be formally implemented by establishing an Unanticipated Service Program. The audit gave examples of unanticipated service, such as taking the initiative to call customers with large projects at least once every two weeks to discuss application status and concerns.

In addressing this recommendation, DCD assembled a staff team which defined both "unanticipated service" and "customer service". DCD decided to put the implementation process on hold because of manager and staff concerns about the utility of the "unanticipated service" concept. However, DCD believes that other things it is doing show that "unanticipated service" is practiced by staff in other ways. For example, DCD reports that customers are commenting on "above and beyond" service, which indicates the daily use of unanticipated service. Additionally, DCD established the role of public relations manager. Part of the manager's role is to show staff how to work across division boundaries to provide extra services that don't take much time or money, but mean a lot to the customer.

4. Employee Accountability (Hold employees accountable for the achievement of "best practices" cycle-time standards and "unanticipated service")

DCD responded to this recommendation by establishing a work group, which was expected to analyze such issues as how to track progress on cycle time and unanticipated services; positive reinforcement; and consequences for lack of success.

DCD stated, in the memo transmitting the work program to the County Administrator, that this "recommendation insures the implementation of two other recommendations that improve development processes or customer service. The intent is to communicate first to managers, and then to staff, that the changes proposed for cycle time and unanticipated service will be taken seriously. Accountability should be achieved both by reinforcing desired behavior and creating consequences for negative behavior."

DCD reported that implementing this recommendation involves having managers set and communicate clear expectations to employees, and then monitor whether cycle time standards are being met. The next step is having managers identify and respond to the cause if cycle time standards aren't being met. The cause could be employee performance, but could also be workload management or another factor.

DCD reported that managers in Development Services and Engineering Divisions receive and review cycle time reports, and emphasize to staff the importance of meeting standards. In Engineering, DCD is arranging to contract work out to the private sector if timelines aren't being met. Building Division managers monitor cycle times in terms of "number of days out" for plan reviews, but DCD believes the process for keeping track of cycle time requires further improvement.

5. Director's Authority (Study the feasibility of giving to the Director some of the approval authority currently vested in the hearing examiner. Use the hearing examiner for appeals only.)

The performance audit stated that processing time could be reduced if greater administrative authority was given to the DCD Director, with use of the Hearing Examiner only for appeals.

As part of its code restructuring process, DCD plans to propose that the department's Director be allowed to administratively approve land divisions for subdivisions.

6. Engineering Review Time (Reduce cycle-times for subdivision/plat map and infrastructure engineering review from 8 months to 6 months by instituting "all hands" meetings and more effectively managing the Division's use of consulting engineers)

According to DCD, the review of engineering plans and approval of subdivision plats has been a source of complaints from the development community. They say the process takes too long and that staff repeatedly review plans and change the requirements after every review.

DCD's Completion Report for this recommendation included detailed steps to be taken with the goal of monitoring and reporting on plan check cycle time, and attaining established time standards. DCD's Implementation Checklist listed the projects DCD needed to complete. The current status of those projects is as follows:

- Six projects have been established to "Monitor Plan Check Cycle Time". One of these is underway—"creating new engineering and inspection cases in Permit*Plan." The other projects are deferred until the engineering case revisions are implemented.
- Six projects have been established to "Implement Changes in Cycle Time Processes". All of these are either completed or underway.
- The process to "Hire Engineer and Develop Consulting Relationships" is underway. A staff engineer has been hired, and contracts for hiring four consulting engineering firms have been developed.
- The final project addresses the recommendation to accept the stamp of a professional engineer in some cases, in lieu of county review. DCD proposes establishing a task force to study this, and the project is to discuss the idea of a task force with the BOCC.
- A contract to hire a firm to review and make improvements to DCD's Final Site Plan and Final Plat processes is out for bid.

DCD created an Engineering Division for the purpose of enabling closer management attention to engineering functions. Other changes included:

- making plan check cycle time expectations clearer to staff
- briefing the applicant after the first review, so the meaning of the comments is clear
- starting a conference if a plan goes into a 4th review, in order to discuss what is wrong
- hiring an additional engineer
- adding consultant contracts for assistance in the event of emergency, backlogs, or specialized projects

DCD's customers were concerned about the time required to approve final plats and final site plans. DCD is in the process of hiring a consultant who will examine DCD's processes; hold stakeholder interviews; study what other jurisdictions are doing; and recommend improvements and necessary code changes.

DCD reports that the changes it has made have led to improvements in the average number of days that staff use to review construction plans. The reported average was 59 days in 2000 and 49 days in 2001.

Non-Strategic Recommendations

The following table shows the status of performance audit recommendations for the Development Services Division that were not classified as strategic.

Development Services Division Recommendations (Non-Strategic)	Implementation		Alternative Implemented	Not Implemented
	Complete	In Process		
7. Use the chain-of-command	X			
8. Work more effectively with the BOCC		X		
9. Increase private sector knowledge		X		
10. Revise County Code		X		
11. Create two Customer Service supervisory positions		X		

7. Use the Chain-of-Command (Reinforce a functional chain-of-command.)

8. Work more effectively with the BOCC (The Board of County Commissioners and the Department should work together to better define their respective goals and roles in governing the operation.)

These two recommendations were grouped together by DCD for implementation purposes. The performance audit suggested that the relationship between the BOCC and the DCD staff could use improvement and that an open discussion of roles might be helpful. The DCD conducted two separate activities to respond to the recommendations. Team building and role definition exercises were held that led to recommendations for improvement from both a management infrastructure and personnel morale perspective. Results were incorporated in an implementation plan.

DCD's Director advised that the effective working relationship that the County Administrator had developed with the BOCC was instrumental in addressing the coordination issues raised in the performance audit.

9. Private Sector (Increase staff's knowledge of the private sector.)

The performance audit's customer survey identified "knowledge of the private sector" as a problem area. DCD responded with a work program that required quarterly training to be conducted by the private sector. Five training sessions have been conducted since March 2001. The sessions have been held by a title company, a bank, two construction companies, plus a session relating to school construction projects. Employee response to the utility of the training has been positive.

10. Revise County Code (Revise the County Code to authorize the workflow efficiency recommendations made in the performance audit.)

The performance audit recommended revising the County Code to provide for changes it had advised for the Deemed Fully Complete process (see Recommendation #1). These changes included providing for a Concept Review process and allowing for a Substantially Complete process. DCD decided against implementing these changes. However, DCD has decided to propose implementing another recommended change to the BOCC—making the Pre-application process voluntary.

The performance audit also recommended revising the Code to increase the DCD Director's authority to approve major applications. As part of its code restructuring process, DCD plans to propose that the department's Director be allowed to administratively approve land divisions for subdivisions.

11. Reclassify Customer Service Positions (Reclassify two of the existing Community Development Specialist positions into supervisory positions and closely monitor absenteeism and turnover.)

The performance audit recommended reclassifying two existing Community Development Specialist positions into supervisory (lead) positions to address problems in the Customer Service Division. The new supervisors would be responsible for assuring adequate coverage at the Customer Service Division's "Front Counter", which is usually where the first contact a permit applicant has with DCD occurs. Extensive workload and delays at the Front Counter were pointed out as problems in the performance audit.

To implement this recommendation, DCD first filled the Customer Service Manager position that would oversee the two lead positions. DCD expects to fill one lead position, clarify the new hire's roles and responsibilities, and recruit the second lead at a later date.

PERFORMANCE MEASURE RECOMMENDATIONS

The performance audit report listed five recommendations in the chapter entitled “Performance Measures: Are They Being Used in an Effective Manner?” The table below indicates implementation status, followed by summaries of major actions taken.

Performance Measure Recommendations	Implementation		Alternative Implemented	Not Implemented
	Complete	In Process		
12. Establish performance measures		X		
13. Tie merit salary payments to employee performance reviews				X
14. Establish a continual improvement program	X			
15. Do employee exit interviews	X			
16. Survey Long-range Planning Division customers	X			

12. Establish Performance Measures (Develop effective performance measures that relate directly to customer satisfaction with regard to clarity, timeliness, and appropriateness of fees)

The audit recommended that DCD establish performance measures that would improve the timeliness of application processing; clarify the standards developers must follow; and increase customer involvement in fee development.

The report recommended 23 specific performance measures for implementation. The Department’s Completion Report states the following:

- 9 of these measures have been implemented
- 5 are scheduled for implementation in 2003
- 3 are scheduled for implementation in 2004
- 6 will not be implemented

DCD reported that it collects performance data on a routine basis for 5 of the 9 performance measures that have been implemented. Data is available on request for the remaining 4.

In 2002, DCD began publishing a quarterly report that includes tables showing data related to some performance measures, such as the percentage of projects completed with 3 engineering reviews or less.

See Appendix A for a list of performance measures by implementation status.

13. Merit Pay [Require all merit salary increases for department employees to be subject to an annual employee performance review (subject to labor contract negotiations)]

The performance audit found that merit salary increases for non-management employees have been granted automatically, and recommended that the increases be subject to an annual employee performance review.

This recommendation was determined to be unfeasible because of probable union opposition. As an alternative, DCD is working with the Human Resources Department to develop approaches to the underlying issues. The issues identified included poor employee performance not handled adequately by the manager, and the resulting frustration of good employees who must compensate for the poor performers. DCD identified several areas for increased management attention, including use of sick leave and employee work schedule issues.

DCD also believes that additional training will improve employee performance and job satisfaction. Training for building inspectors, support staff, and Community Development Specialists is either underway or under consideration.

14. Exit Interviews (Institute exit interviews for all employees that leave the Department's service.)

The performance audit recommended that exit interviews be conducted by the Human Resources Department, "off-site" from the DCD. The audit report proposed several questions, such as "what were your reasons for departure"; "what improvements do you suggest", and "would you return".

DCD began doing exit interviews in January 2001. The interviews included the questions proposed by the audit report. DCD opted to conduct the interviews itself, and in the department's own facilities.

15. Continual Improvement Program (Institute a Continual Improvement Program administered by the Customer Service Division.)

The audit report recommended that the Continual Improvement Program include an annual survey of the Department's customers, as well as a distribution of customer comment cards to all customers upon completion of their development and/or permit application processing.

DCD developed a "Continuous Improvement Survey Action Plan" which included customer comment cards, telephone and mail surveys, and plans for a phantom shopper. DCD reports that the divisions are holding focus group meetings; that responses on customer comment cards are being tabulated; and that phone surveys are being conducted. Plans have not yet been developed for the use of a "phantom shopper".

16. Long Range Planning Division Customer Satisfaction (Include Project Management Assessment for Long Range Planning work programs.)

The performance audit recommended that this survey be conducted on an ongoing basis, and include such questions as whether the notification process was adequate and whether the staff's technical reports were readable and thorough.

DCD developed a work plan that included a draft customer survey and recommended surveying individuals who had testified at Planning Commission hearings, and individuals who had served as members of task forces. The draft survey covered most of the questions recommended by the audit. Not included was a question asking for the "category of customer" (e.g., homeowner, business owner, community advocate) and a question regarding "the timeliness of staff's responses to questions".

The Long Range Planning Division conducted its first survey in May 2002. The mailing went to 147 persons who participated in long range planning processes, and responses were received from 20. On a scale of 1 (poor) to 6 (excellent) the survey resulted in an average score of 4.38 per response.

BUILDING DIVISION RECOMMENDATIONS

The performance audit made 15 recommendations in the chapter entitled "Recommendations for Improving the Efficiency and Effectiveness of Building Division Workflow." The table below shows implementation status, followed by summaries of major actions taken.

Building Division Recommendations	Implementation		Alternative Implemented	Not Implemented
	Complete	In Process		
17. Turnaround time for Building Plan Review		X		
18. Re-submittal of applications	X			
19. Building Plan Review quality standards/ peer review "Spot Check"		X		
20. Reduce re-inspections	X			
21. Inspections per day		X		
22. Requests for inspections				X
23. Hire support staff	X			
24. More training and equipment		X		
25. Interpretation of Building Code		X		
26. Support standardized Building fees and codes	X			
27. Work with the BOCC and consumer groups to review Building permit fees	X			
28. Set higher customer service expectations		X		
29. Solve computer tracking problems		X		
30. Invest in technological advances		X		
31. Improve Department's website		X		

17. Turnaround Time for Building Plan Review (Adopt and implement a formalized standard for turnaround time of Building Plan Review that is consistent with customer expectations.)

DCD wrote a report from the Permit*Plan system that allowed examination of the elapsed time taken for plan review. DCD staff examined the existing information on elapsed time and formulated new goals—for example, creating a goal for peak and non-peak work periods. Data for 2001 showed that the goal for elapsed time was not met for residential plan reviews. Managers plan to use performance data to assess where they need to place attention.

To assess productivity, DCD is also tracking the number of hours that plans examiners spend on reviews. Goals have been set based on the average number of hours per reviews done between November 2000 and March 2001. Data on plans examiners time will not be available until after the computer conversion in September 2002.

18. Re-submittal of Applications (Establish positive incentives for re-submittals that are returned in a timely manner.)

The performance audit recommended that re-submittals of building plans that are returned in a timely manner be treated as a higher priority. DCD prepared an Action Plan for implementing this recommendation. The DCD plan lists 8 action items and shows 5 as having been completed. Completed items include (1) developing sample residential and commercial Building Plans for guidance regarding what should be in the plans to enable a faster review, and (2) after allowing the first re-submittal to be free, charge an hourly rate for reviewing subsequent re-submittals. DCD decided that the Action Plan items sufficed to implement the recommendation, as an alternative to developing a priority system.

19. Quality of Building Plan Reviews (Set standards for Building Plan Review quality and establish peer review “Spot Check” process to determine staffing needs.)

DCD responded to this recommendation by

- creating a “lead plans examiner” position. The person in this position will work with plan examiners to improve the quality and consistency of plan reviews. This action is considered by DCD to satisfy the peer review portion of the recommendation.
- offering consultation before applications are submitted, in order to improve application quality.
- hiring an additional plans examiner.

20. Reduce Re-inspections (Track re-inspections at the input stage and increase public safety by reducing the number of re-inspections through an efficient multi-enforcement approach.)

To address this recommendation, the Building Division convened a focus group consisting of builders and other stakeholders. The focus group concurred that re-inspections were a problem. Common reasons for their occurrence were

- no inspection card on site
- no building plans posted on site
- no address posted on site
- work, or corrections to work, had not been completed

The group concurred that enforcing the Uniform Building Code would help decrease the number of re-inspections. This included charging an hourly fee, and requiring the fee to be paid at the Community Development Office.

Prior to initiating the fee, DCD advised customers of typical causes of re-inspections. For the six-month period from October 2001 through March 2002, DCD conducted 70 re-inspections for which it collected \$1,853 in total. During that period, DCD reported conducting 46,237 inspections, or 1 re-inspection for every 662 inspections.

21. Inspections per Day (Reduce the excessive number of inspections per day per inspector by increasing inspection staff.)

DCD has been authorized to hire nine building inspectors and one plans examiner. Through July 2002, six inspectors and the plans examiner have been hired. DCD plans to fill the remaining positions not later than November 2002.

22. Requests for Inspections (Require customers to request inspections through the established process.)

DCD reviewed this issue and concluded that overall, builders do not abuse the county process for requesting inspections. DCD concluded that “denying the ability to request additional inspections in the field, or to piggyback adjacent sites, would result in additional cost to the county with return trips and delay for the customers.” DCD inspectors are allowed to add inspections in the field if they save a return trip and are time savers for the inspector or customer. However, “add ons” were to be avoided if the inspector would be significantly delayed in meeting the needs of other customers, or would be late for a scheduled appointment.

23. Hire Support Staff (Provide permanent support staff for the Building Division.)

The performance audit stated that inspectors rely on support staff to receive and record daily inspections, to assign inspections and to act as a dispatcher. The audit noted that customers depend on this position to provide information on inspection status. DCD’s Completion Report states that “A qualified Office Assistant II was hired as a result of the July 19, 2001 interviews. Over 60 applicants responded to the recruitment.”

24. More Training and Equipment (Increase level of training and available equipment for Building Division personnel.)

DCD’s work program involved hiring a consultant, who met with stakeholders and the Building Division personnel assigned to implement this recommendation. The work program involved creating a basic technology improvement plan, and developing employee-specific training plans.

DCD is getting input from employees and the community to identify training needs, and expects to request funding for the new training in the next budget cycle. With regard to technology, DCD budget has been approved for an Interactive Voice Recognition system that works with Tidemark and cell phones, and for the purchase of PC’s for each inspector.

25. Building Code Interpretation (Increase consistency and fairness of Building Code interpretations through education, enforcement, and communication.)

DCD addressed this and the recommendation to “set higher expectations for customer service in the Building Division” together. DCD’s work program lists 9 implementation Action Items. DCD reported that 3 action items have been completed, 4 are in process, and 2 have not been implemented. See Appendix B for a listing of Action Items and implementation status.

26. Standard Building Fees (Support standardized Building fees and codes as feasible.)

DCD supports this recommendation and addressed it as part of the building fee update. DCD stated that it uses the Uniform Building Code (UBC) as much as possible as the basis for determining fees, and then adjusts for local conditions. According to DCD, “Before the fee update, we looked at the county’s combination building fee and looked for a way to “undo” it and

go to a straight UBC approach". However, DCD determined that it would be very difficult to eliminate the combination fee without doing the considerable work necessary to understand the financial ramifications of the change, and then communicating it to customers. DCD decided not to undertake the project because customers do not appear to view combination fees as a problem, and the department had higher priority issues to deal with. However, DCD reported that it still would like to change the combination fees and bring its fee system closer to the UBC. With regard to standardized codes, DCD is using the UBC as its guide as it amends and adds new areas of code.

27. Review Building Permit Fees (Work with the BOCC and consumer groups to review Building Permit fees.)

Implementation of this recommendation involved hiring a consulting firm (Henderson and Young) and holding several stakeholder focus group meetings. DCD identified the need for additional inspectors and an additional plan examiner. The Board approved DCD's recommendation to repeal the 11.7 percent surcharge in place during 2001, replace it with a 27 percent increase in 2002, and add an additional 4 percent in 2003. Because of the time it takes to update all of the fees, DCD did not begin charging the new fees until the middle of March 2002.

With regard to 2003, DCD's fee update process will involve holding focus group meetings, and moving toward using an actual cost basis for fees that involve enough transaction activity to justify it. The fee update will involve adjusting for increased salaries and for

- changes in customer service and code enforcement areas,
- increased funds necessary to cover the costs of the new building, and
- decision packages to support improved technology and training.

28. Customer Service Expectations (Set higher expectations in customer service in the Building Division by new philosophy, training, and measuring performance.)

DCD implemented this recommendation in combination with number 25, above. DCD's Director advised that the Building Division manager he had hired had succeeded in setting higher expectations for customer service and higher performance standards for employees in the division. See Appendix B for the implementation status of the Action Items in DCD's Work Plan.

29. Computer Tracking Problems (Continue to solve department computer tracking problems.)

In 2001, DCD developed an implementation plan to respond to this recommendation, which was directed at problems identified with the use of the Tidemark/Permit*Plan computer program. Major elements of the plan are developing user manuals, providing training, and developing reports and performance measures.

DCD found that a primary problem in this area was inconsistency in staff data entry, which then created errors in the reports. Consequently, DCD decided to focus upon educating staff and solving data entry problems. DCD is also developing a User Guide, with the goals of establishing consistent, efficient, and accurate entry of data into the Permit*Plan database.

The User Guide is to include separate sections for each "case" that DCD has defined. A case is a defined segment of work that DCD accomplishes, such as issuing a Grading Permit; making a Boundary Line Adjustment; doing a Development Inspection; or issuing a Commercial Building Permit. Since each case has a unique sequence of processing steps and data fields, DCD documents each one separately. DCD is working on documenting 53 different case types in the Users Manual. Work on 16 of the 53 has been completed. The remaining 37 are scheduled for completion by November 2002.

30. Technological Advances (Invest in technological advances for the Building Division.)

DCD plans to install an Interactive Voice Response system. The RFP s being prepared, and the department's goal is to have the system in place in December 2002. DCD also plans to provide building inspectors with desktop computers when the department moves into the new office building. Desktop computers will allow the inspectors to review data in Tidemark/Permit*Plan, to write reports, and access the Email system.

31. Department's Website (Continue website improvements.)

DCD's Director advised that it is his goal to work toward more on-line capability, including possibly being able to apply for a permit and pay fees via the Internet.

DCD has begun publishing "e-News", an electronic newsletter sent out to customers and other interested parties over the Internet each month.

Each of DCD's divisions has a website page, and contents are reviewed quarterly. Although the county has not finalized new web direction standards, DCD believes that its website is very close to what the new county design will be.

COST-OF-SERVICE FEE RECOMMENDATIONS

The performance audit made six recommendations in the chapter entitled “Methodology for Calculating Cost-of-Service Fees.” The following table shows implementation status.

Cost-Of-Service Fee Recommendations	Implementation		Alternative Implemented	Not Implemented
	Complete	In Process		
32. Review development services fees annually	X			
33. Increase customer involvement in fee review	X			
34. Improve the cost accounting system		X		
35. Establish a trust fund deposit				X
36. Consolidate fees	X			
37. Assign Program Manager for fees, cost accounting	X			

32. Review Development Service Fees (Annually review development services’ fees and adjust fees as part of the budget development process.)

33. Involve Customers (Increase customer involvement in annual review of cost-of-service fees.)

Implementation of these two recommendations involved hiring a consulting firm, interviewing stakeholders, and holding several public input meetings. Stakeholders commented that they would like to have good information on how fees are established—in particular, they would like to see fees based on “hard” costs.

After conducting its review, the consultant recommended four changes to the development fee process. DCD reported that all four changes have been made or are underway. These are to

- use cost accounting as the basis for pre-application conference fees

- annually revise other fees using cost accounting data
- update surcharge for all fees other than pre-application conferences
- revise fee categories by consolidating 53 existing fees into 21 fees, and establishing 25 new fees, and
- align fee categories with the work order structure. DCD plans to start this as part of the update process to establish fees for 2003.

Stakeholders also commented that they would like to have good information on the level of service they were getting for the fees they pay—such as the amount of time for DCD to process applications. DCD established several performance measures to provide information on timeliness (Appendix A).

34. Track Actual Costs (Improve cost accounting system to accurately track costs of processing applications.)

In response to this recommendation, DCD implemented a cost accounting system which is designed to

- emphasize accurate timekeeping for the kinds of projects that constitute the majority of the department's time and caseload
- track the actual costs incurred on a project-by-project basis for major applications
- track minor applications on an aggregate basis, to arrive at an average cost

In its fee update done in 2001, DCD established an actual cost based fee for pre-application conferences. DCD has a schedule for converting fees based on estimates to fees based on actual costs. The schedule identifies 10 types of planning reviews for conversion in 2002, and an additional 6 for the 2002-2003 period. The schedule shows 12 other types of planning reviews and 4 engineering reviews for conversion to an actual cost basis in later years.

35. Trust Fund Deposit (Use a trust fund deposit system for major projects in lieu of existing fee system.)

The performance audit recommended requiring a deposit, at a level similar to the fees currently collected, for each major application. DCD analyzed this concept and concluded that it would be labor and technology intensive and might place an unfair burden upon some customer groups. Specifically, DCD found that

- it would require an extensive accounting system that would allow the Department to process timesheets each night and know how close to the trust fund balance each project was running, and
- it would increase unpredictability for builders, since fee amounts would be unknown at the project's start.

DCD stated that the trust fund option was considered as part of the fee update process, and that the BOCC rejected a trust fund approach when it accepted DCD's recommendation for a fee surcharge and the establishment of fees based upon cost accounting system data.

36. Consolidate Fees (Consolidate fees where possible and use averages for establishing costs for minor applications.)

The performance audit pointed out that DCD's Development Services Division had more than 100 fee categories. The audit report recommended the consolidation of as many fees as possible to lessen the burden on the cost accounting system. The report also recommended continuing the practice of averaging costs per unit of service for minor applications.

In response to this recommendation, DCD consolidated 53 existing fees into 21 fees, and established 25 new fees. Examples include

- consolidating several fee categories into one category where there was a separate but identical fee for each of several sizes of subdivisions
- eliminating fees in instances where there had been no activity for many years
- combining closely related fees that differed slightly in amount

As part of its analysis, DCD separated fees into preliminary plan review, construction plan review and inspection. This reorganization resulted in some consolidation. It also resulted in the identification of some services for which fees were not charged, resulting in new fees.

37. Assign Program Manager (Make cost accounting and monitoring fee-related productivity a program manager responsibility.)

In response to this recommendation, DCD created a finance position at the program manager level. The Finance Manager is responsible for cost accounting and fee-related issues.

TASK FORCE RECOMMENDATIONS

The performance audit made five recommendations in the chapter entitled “Practices Using Task Forces and Advisory Groups.” The following table and discussion describe implementation status.

Task Force Recommendations	Implementation		Alternative Implemented
	Complete	In Process	
38. Reduce number of task forces	X ⁴		
39. Use administrative public review process in lieu of task forces	X ⁴		
40. Require that all task forces be formally approved by BOCC	X ⁴		
41. Sunset all task forces annually unless specifically extended by BOCC	X ⁴		
42. Encourage DCD staff to provide professional advice to task forces	X		

38. Reduce Task Force Numbers (Reduce task forces and advisory groups from 18 to no more than 12 at any point in time.)

39. Use Public Review Process (Institute an administrative public review process to solicit customer input on proposed regulatory changes, in lieu of forming a new task force or advisory group.)

40. Approve Task Forces (Require all task forces, advisory groups, and administrative review processes to be formally approved by the Board of County Commissioners.)

41. Sunset Task Forces (Annually sunset all task forces and advisory groups unless specifically extended by formal action of the Board of County Commissioners.)

⁴ Since this requires BOCC’s action, DCD’s approach was to provide an annual report with data on task forces and other groups for BOCC to consider in deciding which, if any, specific actions to take.

These recommendations concerned the establishment of, number of, and role of task forces and advisory groups. DCD addressed these as a group, and decided that the best approach was to provide the BOCC with data to use in deciding what actions, if any, to take regarding task forces and other groups. Consequently, DCD recommended that it prepare an annual report to the BOCC on task forces and advisory groups. The County Administrator and the BOCC approved this response to these recommendations.

DCD prepared the first such report for entities in existence during 2001. For each entity included in the report, information is given regarding the date created; whether the body is active or inactive; the scope of work; the entity's budget; the role of staff; and reasons that the entity was formed.

42. Provide Professional Advice (Encourage staff to provide professional advice to all task forces and advisory groups consistent with Board of County Commissioners' policy.)

This recommendation was addressed in the work involving role definition discussed with the Development Services Division recommendation regarding using the chain-of-command (Recommendation #10). Additionally, it was decided that DCD's Director will meet with the chair of any new advisory board or task force to talk about the role of departmental staff. The DCD initiative to improve staff knowledge of the private sector is also expected to be beneficial with regard to providing substantive professional advice.

**APPENDIX A
RECOMMENDED PERFORMANCE MEASURES AND STATUS OF IMPLEMENTATION**

The performance audit report recommended 23 specific performance measures for DCD to implement. DCD has implemented 9 of these since the start of the audit, and has plans to establish 8 more in the future. DCD does not plan to implement the remaining 6. The following table lists the performance measures implemented, planned, and not implemented.

Performance Measure	Implemented	Scheduled To Be Implemented	Not Scheduled for Implementation
Time to deem major applications “fully complete”	X		
Time to do engineering plan checks	X		
Number of re-inspections done	X		
Time to conduct Plan Reviews	X		
Amount of absenteeism and turnover	X		
Institute a Continual Improvement Program	X		
Tracking of planning and engineering work time to the project level	X		
Trends and issues identified during exit interviews	X		
Increases in staff’s knowledge of the private sector	X		
Accuracy of the Division tracking work time to the project level		X	
Effectiveness of the County Code update/revisions with regard to streamlining development review process and improving clarity and consistency		X	
Time and money spent managing projects		X	
Customer satisfaction regarding process management		X	
Percentage of employees receiving merit increases		X	
Effectiveness of Chain of Command for resolving applicant’s problems		X	
Results of increasing Director’s approval authority on customer satisfaction, etc.		X	
BOCC and DCD’s effort to work together		X	
Plan review quality and effectiveness of peer review spot check			X
Effectiveness of new supervisory positions			X
Effectiveness of Case Management			X
Effectiveness of Unanticipated Service program			X
Customer acceptance of fees			X
Hold employees accountable for achievement of “best practices” cycle-time standards and unanticipated service			X

APPENDIX B

**BUILDING DIVISION RECOMMENDATIONS TO
IMPROVE CUSTOMER SERVICE AND
IMPROVE THE CONSISTENCY AND FAIRNESS OF BUILDING CODE INTERPRETATIONS**

Work Plan Action Item	Completed	In Process	Not Implemented
Building Division/Customer Service Division managers attend each others staff meetings	X		
Permit Specialist certification for front counter staff		X	
Plan examiner/building inspector meeting records shared with Customer Service Division			X
Emphasize customer service attributes in hiring front counter staff			X
Customer service attribute training		X	
Formalize process for documenting and responding to customer complaints	X		
Communicate Building Division changes in electronic newsletter and with focus groups		X	
Communicate enforcement changes to customers	X		
Identify key areas needing enforcement attention		X	