

CITY COUNCIL OVERSIGHT COMMITTEE MINUTES

June 14, 2018

The City Council Oversight Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 8:30 a.m. in the City Council Executive Conference Room on the 14th day of June, 2018, and notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray 48 hours prior to the beginning of the meeting.

PRESENT: Chairman Allison

ABSENT: Councilmembers Castleberry, Holman and Karjala

OTHER STAFF PRESENT: Mayor Lynne Miller
Councilmember Bill Hickman
Ms. Susan Connors, Planning and Community Development Director
Mr. Bob Christian, Permit Manager
Mr. Terry Floyd, Development Coordinator
Mr. Steve Lewis, City Manager
Mr. Shawn O'Leary, Public Works Director
Ms. Regina Oliphant, Administrative Tech III
Ms. Beth Muckala, Assistant City Attorney
Mr. Scott Sturtz, City Engineer

Item 1, being:

DISCUSSION REGARDING AN EVALUATION OF PERMITTING AND PRIVATE DEVELOPMENT PROCESSES

Mr. Terry Floyd, Development Coordinator, said a review of City business development processes was identified by Council as a short term goal at the August 2017 Council Retreat. More recently the Draft Economic Development Strategic Plan conducted by the Norman Economic Development Coalition (NEDC) recommended the City pursue an evaluation of City processes to identify specific process improvements, assess departmental/division processes and performance, assess staffing levels, and recommend process approvals. He said the Elements of Evaluation are as follows:

- Staff discussed potential elements of an evaluation with firms specializing in these areas – identifying at least three firms
- Scope and specific elements of an evaluation can vary – depending on specific areas
- Cities may elect to evaluate all approval areas associated with the development process, including: Zoning, Platting, Plan Review, Permitting, Inspections and Other property development processes, e.g., Board of Appeals
- Cities can be more targeted in scope – focusing on building permit permitting plan review or land development processes such as zoning and platting
- Recommendations from Draft NEDC Economic Development Strategic Plan and past Council and building/development community discussions and concerns
- Staff recommends targeting an analysis that focuses first, on building permit plan review and trades inspections

Mr. Floyd said in 2013 there was an extensive revision of our subdivisions regulations. He said at that time there were changes to Chapter 19, which shortened timelines by allowing pre-development meetings and Planning Commission meetings to run simultaneously within the same application instead of waiting a month for the Planning Commission meeting after the pre development meeting. He said changes were also made to the final platting process, which became an administrative process from the review perspective to no longer require going to Planning Commission, therefore, moving directly to Council. He said those were changes that took about six to eight months to implement.

Mr. Floyd said although the scope can be pretty broad, discussions with third party firms indicated evaluations generally include the following elements:

- Stakeholder surveys and focus groups to better understand current issues
- Meetings/Discussions with Staff to discuss improvement, processes, etc.
- Assessment of current performance targets – where are we and how are we performing
- Maps outlining processes – graphic representation of the process
- Benchmarking with other communities performance reports – detailing performance of decisions in reaching performance targets (goals)
- Suggested improvements for operations and current Staffing
- Development of actionable recommendations, with costs, feasibility, etc.

He said an evaluation focusing on building permits plan review and trade inspections would also include the following elements, focused on specific process elements related to:

- Examination of current division day-to-day workflow
- Review of processes managed by division – how are they managed
- Use of technology in day-to-day workflow
- Individual interviews with employees within the division
- Review of current documents related to day-to-day processes (organizational charts, work plans, policies, workload statistics)
- Staffing levels
- Recommendations for customer service improvements

He said they would be very comprehensive evaluations that allow staff to know where they are currently and where they can go in the future.

Mr. Floyd said cost, timeline and next steps for evaluations are listed as follows:

- Costs of similar evaluation can range from \$30,000 - \$50,000
- Typically 4-6 months to complete, depending on the scope of the project
- Staff suggests preparing a Request for Qualifications (RFQ) to outline the scope of work and services for a firm to conduct the evaluation.
- After firm selection, potential contract for Council approval later in 2018
- Evaluation could be complete in late 2018 or early 2019
- Funding is allocated and proposed for the FYE 2019 Budget.

Mr. Shawn O'Leary left the meeting at 8:40 a.m.

Chairman Allison said this has been a priority of his since being elected to Council and he would like to look into this process from the beginning to the end. He said he considers it an important element to what we offer as customer service, i.e., when a citizen approaches the City having never done a project before; do we offer our best to them from beginning to the end including after they receive their Certificate of Occupancy. Chairman Allison asked what the timeline is for the new development center at the Central Library and can that be part of the study? He asked if the Fire Plan Review is still located on Lindsey Street at the Norman Investigations Center. He said the last two years they have discussed how this location has a negative impact on customer service. He said he has spoken with the new Fire Chief regarding the re-location but it still has not been done. He said this process should be about the citizens and how they are acquiring their permits, not about a specific department.

Mayor Miller said while thinking about inspections she would like to make sure we are including the Stormwater issues in the study with regard to the flow for the staff members, inspectors, and developers.

Mr. Steve Lewis, City Manager, said Stormwater falls under Public Works but can be added.

Councilmember Hickman said Code Enforcement and Stormwater are areas that should be considered in the study. He said, with regard to Code Enforcement, the city has a very low number of Code Enforcement Officers, but would like to see the comparison of components or data points of costs, time and number of staff members required for the process compared to other cities. He said ultimately customer service or the perception of is the overall outcome Council wants to improve.

Mr. Floyd said the Development Center coming online will make a difference along with the Enterprise Resource Systems (ERP) being implemented. The plan review and submittal with the new ERP system in Planning and Development Services area will allow staff to pursue electronic plan review and submittal. Potentially it could allow staff to implement a kiosk with the Development Center for such services as processing garage sale permits. He said this evaluation can help all this information to come together simultaneously and help make some great strides in those areas.

Chairman Allison said there are many changes coming with the new software and Development Center but how the resources are compiled together is important. He said big items now such as Key Performance Indicator (KPI) and dashboards will allow individuals to walk into Planning and Community Services and view a monitor showing the status of plans and allow comparisons to previous productivity. If discrepancies are present then it will allow staff to look at other variables.

Mayor Miller said Council has been talking about this for a long time and one of the things that helped her was to look at the RFP from other companies, they are the ones that have been doing this, they are the ones that know the kinds of things other communities are looking for and very helpful in deciding the scope of what the City wants to do. She said Council should be careful on what is targeted because we cannot do everything.

Mr. Lewis said when we use the word Code Enforcement, staff can read many things into that. He asked if Council was referring to high weeds, abandoned vehicles, or other types of enforcement. He said he wants to make sure that it is scoped appropriately.

Councilmember Hickman said anything to do with Code Enforcement would be just to get the high level review and the validity, e.g., how many Code Enforcement Officers does the City have compared to population, other cities, and areas the majority of their time spent doing, e.g., high weeds, party houses, etc. That information would allow Council to have a conversation about

staffing and different processes with the aspects of Code Enforcement within the order of magnitude. He said he would also like to look at reorganization within the Planning and Community Development Department; referencing Tulsa and Duncan as examples that have recently moved some of those functions.

Mr. Lewis said reorganization is not within this scope; however, it could be added. He said it is not uncommon in cities our size to have a separate stand-alone Code Department on equal par with Community Development.

Councilmember Hickman said there are many areas of responsibility that fall under the Planning Department and people are wowed by the number of areas falling under the direction of one department.

Mayor Miller said if you look back at the Economic Development Strategic Plan, it puts an emphasis on the development piece as a whole. She said that is more of what she was thinking about and not that inspection issues are not important.

Mr. Lewis said they purposely scope this to match the draft Economic Development Plan recommendations as a starting point.

Chairman Allison asked if permit and other fees are put in the General Fund and Ms. Connors said yes. Chairman Allison said he has questioned this in the past and said when those fees are put in the General Fund and not in a revenue stream for Planning and Community Development it creates some issues in years when you are turning out extreme amounts of work in your department but the same staff as you had in a year after a recession. He is not sure if other cities allocate revenue in particular departments during budgeting times that are showing a projection of an increase of work load on the department with regard to allowing funding for extra staff to assist during those times of need.

Mr. Lewis said that is very unique but something that can be looked at.

Mayor Miller asked what the other side to “unique” is.

Mr. Lewis said this starts another trend for other departments wanting to capture all of its own revenue, e.g., Police Department and Fire Department.

Chairman Allison said he is just trying to determine how to equivalent revenue with the work load during budgeting times.

Mr. Lewis said they try to shift funds by working overtime in order to stay caught up and then of course, they have looked at working with third parties. He said some cities are willing to experiment with letting other entities represent them and Mr. Floyd has done some research on this. He said staff is trying to get some examples of what other cities are doing in this area.

Mr. Floyd said that one of the leading cities in this area is the City of Fort Worth as far as third party plan review. On the commercial side they may use five firms in the area that can do a plan review. They have a whole process by which they allow someone to go a third party for review but they have limited it to Fire, Planning, and Public Works and can almost completely outsource all of the permitting and some of the inspections in some areas.

Mr. Lewis said how this would work is the developer would come in and there would be stable of architectural engineers in the Fort Worth area so they would submit their plans to the third party and they would pay the third party directly. Theoretically they would get an expedited review of the plans.

Mr. Floyd said the firms are pre-qualified to make sure they have the proper credentials to review. He said there are also a series of checks and balances and during his research into their processes he found that periodically a plan reviewer will pull a set of plans to audit; verifying the plans are being reviewed properly and that permits are issued.

Mr. Lewis said it is a good way, from the developer's perspective, to work around the spikes in the work loads.

Chairman Allison said there would be a premium for that. Mr. Floyd said yes, and quite higher than what the City charges per square foot, but gives the citizen options to expedite the process. He said once you choose, whether to use the City process or third party process, you have to stick to the chosen one through the entire process.

Chairman Allison asked if there are any numbers as far as when the second plans examiner was added a couple of years ago. Has the time to complete the process been reduced? Mr. Floyd said he would have to defer to Ms. Connors, but with what he has observed, yes. Ms. Connors said yes, but some projects simply take longer than others.

Mr. Floyd said 23,500 inspections were conducted last year through the department. He said year to date they are just over 10,000 inspections, which gives them an idea of the number of inspections conducted annually. He said in 2017 there were just over 1500 permits issued to include trades, plumbing, and garage sale permits, but as a whole, it is over 1500 permits indicating a large numbers of permits and inspections going through the department.

Councilmember Hickman said he would like to make sure that we are not paying \$30,000 for a repackaged NEDC Economic Development Strategic Plan. Mr. Floyd said this is substantially different and very much a targeted evaluation, where the Economic Development Strategic Plan has a much broader scope. Councilmember Allison said that all that will be provided is the statement, and the research as to why the statement is made, but will not go into executing the fix.

Mayor Miller said the Strategic Plan talks about the problem, here is what the issue is. She said this is an issue that needs to be addressed and there was no recommendation of steps that we should be taking.

Chairman Allison said all the department heads that sign permits do not necessarily report to Ms. Connors, e.g., the fire inspector. He said he can see where there are some bottle neck areas with the way the City has it set up. He said if there is a problem with a fire component and that person does not report to Ms. Connors, she cannot require them to make the necessary changes to complete the process. He asked are there other cities where they all report to one person, e.g., an Assistant City Manager to oversee the whole process, as he thinks this could be very helpful in the future. He said they have heard comments that the Planning Department has their stuff done, but they are waiting on Fire or someone else, and becomes out of the Planning Director's control.

Mr. Lewis said it is very common with a city the size of Norman to have an Assistant City Manager and that person would be over all of development services with a direct line of responsibility over those individuals, not unusual at all.

Councilmember Hickman said before the finalization of the RFQ, he would encourage staff to reach out to Mr. Scott Martin (Chamber of Commerce) and representatives at Builders Association of South Central Oklahoma (BASCO) to make sure what Council is including as the first phase are also the things they agree are the priorities. He said he has heard rumors that they might be willing to contribute to some of the cost or some other private contributors that might be willing to contribute as well and especially if there was agreement on what factors to include.

Mr. Chuck Thompson, Republic Bank President, Chief Executive Officer, said there are three national companies that have websites that rate the process. He said cities upload data into the program and score how others in their peer group compare. He said Bret Sullivan has a lot of the information that went into the collection of data for the community portfolio. He said they stopped doing the community report card two or three years ago, but he is a strong advocate for some of the information, hospital data collection, as well as Republic Bank were certainly happy to pay whatever the cost to get that information assembled again. He said he thought there were lots of customer service data available and he can have the information to you by Monday.

Chairman Allison said some of that information may not need to be included in the study, streamlining the efforts of the vendor, so they would be able to really focus on the internal processes. Mr. Floyd said he would be happy to incorporate the information in as a way to have a starting point to include the thoughts and collection of data.

Items submitted for the record

1. Power Point Presentation entitled City of Norman, Evaluation of City Permitting and Private Development Processes, dated June 14, 2018

ADJOURNMENT:

The meeting adjourned at 9:20 a.m.