March 16, 2020

WINNIPEG CONSTRUCTION ASSOCIATION
Together We Build Manitoba

Executive Policy Committee
City of Winnipeg

Dear Committee members:

I am writing regarding Agenda Item 6 – 'Organizational Improvement Update of the Planning, Property and Development Department' for the March 17 EPC meeting.

I have attended several committee meetings regarding this issue and would have liked to be at this meeting as well, however I am unable to attend in person.

In Summary of our views of the recommendations within the report:

- WCA supports the use of Permit Reserve Funds for the digitization of the permit process
    - Priority should be given to bringing permit applications, payments and inspection bookings online
    - WCA would like to be a part of a small consultation group which meets regularly during the digitization process
    - The City should not rely too much on internal IT services
- WCA would like to have the Department report back to EPC after 6 months, rather than the recommended 1 year
- WCA would support the department in using the appropriate mix of technology to better monitor work related activities of departmental staff, for the protection of industry and departmental staff

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WCA commends the department for the efforts they have made thus far in the improvement process. While it is still early in the process, we can see there are genuine efforts initiated, such as improved to inspectors training, knowledge and consistency. The report outlined in the agenda provides a roadmap to some meaningful improvements for the department.

The Winnipeg Construction Association ***supports the use of Permit Reserve Funds to digitize the permit process.*** It should be acknowledged that the permit reserve fund is money the industry has already paid into the department and should be used for process improvement.

The digitization initiative should prioritize online permit applications, permit payments and booking of inspections. The department should also consult with the industry during the IT development process to ensure the outcome does improve the 'customer experience' for industry. ***WCA would like to volunteer***

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to be a part of a small industry consultation group which meets with the department regularly during the IT development process to provide input.

The department should also ensure they get the right mix of internal and external IT service providers to develop the best product. There should not be an over-reliance on internal IT providers for this important and long overdue process update within the department.

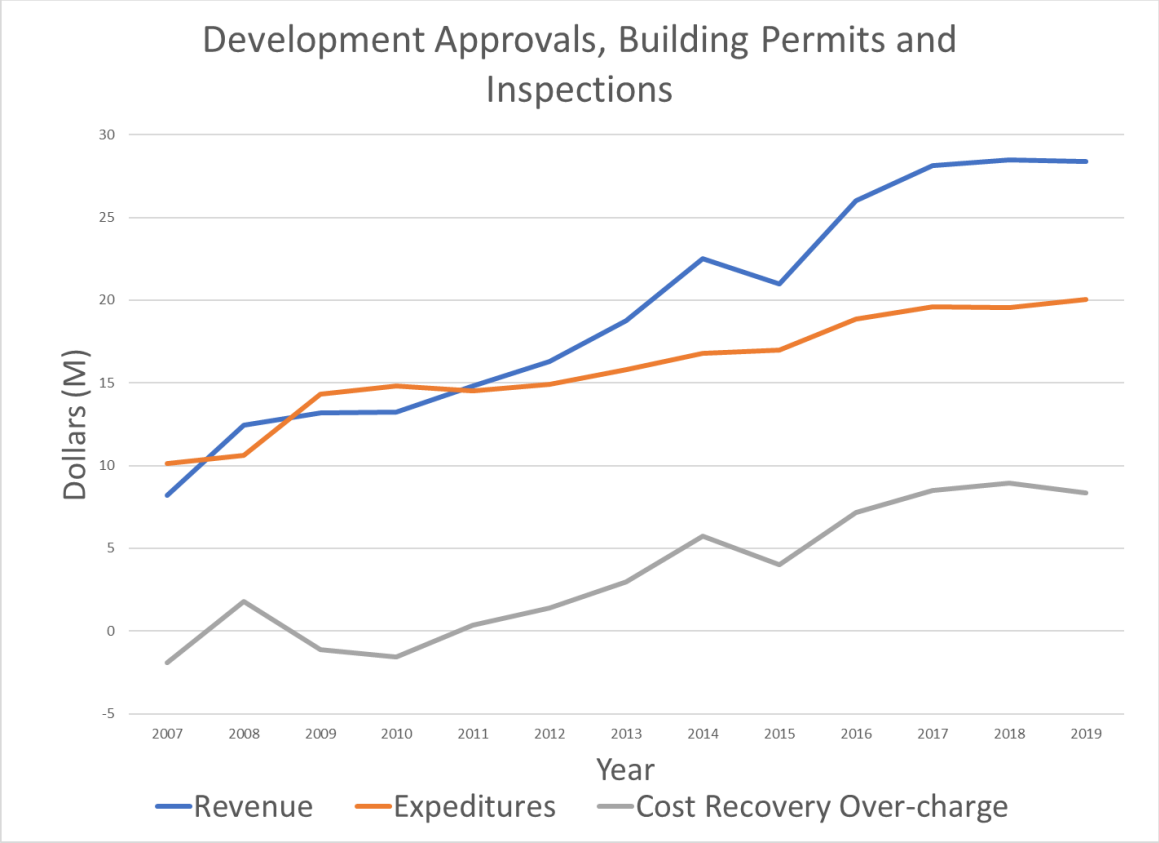
Also, the report recommends an update being provided to the EPC in one year. **We feel that it would be more appropriate to provide updates every 6 months**. There needs to be accountability for the department and we are concerned that a 1 year report will not place enough pressure on the department to initiate these steps with the urgency they deserve.

This report is a result of an investigation into building inspectors behavior and work ethic. The results of that investigation are well known, with part of the problem revealed as a lack of accountability among that group of employees. WCA is of the view that there should be an appropriate use of technology to provide monitoring abilities of field staff. Using this technology will help protect both industry and City employees. For example, a source of frustration for both parties is alleged 'no-shows' for inspections. If there is a disagreement on when an inspector or builder visited a building site the technology can be employed to prove or disprove attendance at a building site at the required time.

Finally, I would like to raise the issue of the value building owners get for current permit fees. In 2015 permit fee review resulted in permit fees increasing substantially to bring those fees in line which other comparable jurisdictions. At the time, WCA did not oppose the change if there was also a reflective increase in the level of service provided. This is not what we have seen.

Since 2009, permit revenue has increased by 115%, while the amount spent on service delivery has increased by 40%. In the past 3 years, the department has collected an overage of $8 million per year more in fees than were spent on permit processing and inspections. ***All money collected for permit fees by the department should be used to deliver services or placed in the permit reserve fund. It should NOT be used to fund general operations of the City.***

Below is a graph clearly showing how permit revenue and expenditures have changed over the past 13 years. Clearly, there was a divergence after the fee adjustment in 2016 where expenditures on service remained flat but permit revenues increased significantly. This is ***unsustainable and unfair to the people and organizations investing in Winnipeg by constructing and renovating buildings.***



I would like to thank you for taking the time to understand the Winnipeg Construction Association views on these important issues. Please feel free to contact me at darryl@winnipegconstruction.ca or 204-775-8664 if you have any questions.

Best regards,



Darryl Harrison
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Winnipeg Construction Association