Agenda – Council – March 20, 2020

Report – Executive Policy Committee – March 17, 2020

Item No. 3 Organizational Improvement Update for the Planning, Property and Development Department

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2020, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the following adjustments included in the 2020 – 2023 multi-year preliminary budget be received as information:

    A. $4.2M (Class 5 estimate) has been included in the 2020 preliminary Capital Budget and five year forecast for the digitalization of the Planning, Property and Development Department permitting processes, funded through the Permit Reserve.

    B. $823,000 of operating costs, beginning in 2021, increasing to $1.4 million on an annualized basis in 2022, for the digitalized permitting process, will be funded by surplus permit fee revenues in each year.

    C. That as part of the development of continuous improvement tools, such as Lean Management, and the continuation of operational reviews, $50,000 annually has been allocated to the Operating Budget of the Office of the Chief Administrative Officer for external process reviews of City departments starting in 2021.

    D. $135,000 annually has been allocated beginning in 2021 for the Human Resource Service Department Operating Budget, including one additional FTE and additional consulting dollars, to support the creation of course content for the City Leadership Training program.

2. That the action undertaken to date by the Public Service, the proposed set of By-Law changes, and the Planning, Property and Development Department Continuous Improvement Plan all be received as information.

3. That the Public Service provide an update to Executive Policy Committee on the City-wide ongoing initiatives in March 2021.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Executive Policy Committee – March 17, 2020

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2020, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

Darryl Harrison, Director, Stakeholder Engagement and Advocacy, Winnipeg Construction Association, submitted a communication dated March 16, 2020, with respect to the matter.

COUNCIL DECISION:

On September 26, 2019, Council concurred in the recommendation of the Executive Policy Committee, which included the following recommendation:

2. That the Winnipeg Public Service report back to Council by March 2020 with updates on the implementation and changes within departments that have been prompted by the investigation.

ADMINISTRATIVE REPORT

Title: Organizational Improvement Update for the Planning, Property and Development Department

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Kiernan	M. Ruta	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

Over the past six months, an interdepartmental committee of the Public Service, supported by external consultants and facilitators, has been actively engaged in moving forward on the action items that were presented to Council in September 2019 to make improvements within the Planning, Property & Development Department (PP&D). Significant progress has been made to date as indicated in Appendix 2, including:

- Field activity management – including audits of mileage claims, oversight of daily activities and a KPMG lean audit workshop conducted relating to inspections,
- Permits process – including definition of intake permit procedures, implementation of permits direct on-line, automating customer calls to staff, and a further KPMG lean audit workshop providing guidance on the permit area, and
- Commercial inspections – development of risk based certification/declaration program.

Moving forward, the committee has identified that there is more work to be done, which will require additional time and funding, to ensure continued improvement within PP&D, as well as the entire City. Those improvements include:

- an investment in technology to move to a fully digital permitting process which will improve service for customers by providing timely and efficient information, and automating internal departmental processes,
- an investment in Human Resource Services to create course content for the City Leadership Training program, and
- funding to support the ongoing engagement of an external consultant to complete process reviews for all City departments with field staff.

While it will take time to implement all the proposed improvements within PP&D, it is important to recognize that the department is also focused on ensuring continuity in operations and function, while simultaneously making major changes and improvements. The City is committed to delivering improved customer service, and wants to see positive improvements for both customers and staff. Through the work already completed, it has become clear that response times and dispute resolution, clarified and streamlined processes, consistency of inspections, and alternative verifications of work were major concerns for industry and customers.

In addition to the summary above, PP&D strategically aligned with the proposed Red Tape Reduction initiative undertaken by the Office of Public Engagement, which identified customer service improvements and bylaw amendments that could be made to improve service delivery. There has also been an opportunity to consider alignment with recommendations related to the Provincial review of Planning, Zoning, and Permitting in Manitoba. PP&D also continues to regularly meet with its Industry Advisory Group, which is comprised of key stakeholders associated with the commercial construction industry in the Winnipeg area, to seek feedback on operational changes and proposed future operational adjustments.

The Public Service will provide an update to Executive Policy Committee on the City-wide ongoing initiatives in March 2021.

RECOMMENDATIONS

1. That the following adjustments included in the 2020 – 2023 multi-year preliminary budget be received as information:
    A. $4.2M (Class 5 estimate) has been included in the 2020 preliminary Capital Budget and five year forecast for the digitalization of the Planning, Property & Development Department permitting processes, funded through the Permit Reserve.
    B. $823,000 of operating costs, beginning in 2021, increasing to $1.4 million on an annualized basis in 2022, for the digitalized permitting process, will be funded by surplus permit fee revenues in each year.
    C. That as part of the development of continuous improvement tools, such as Lean Management, and the continuation of operational reviews, $50,000 annually has been allocated to the Operating Budget of the Office of the CAO for external process reviews of City departments starting in 2021.
    D. $135,000 annually has been allocated beginning in 2021 for the Human Resource Service Department Operating Budget, including one additional FTE and additional consulting dollars, to support the creation of course content for the City Leadership Training program.

2. That the action undertaken to date by the Public Service, the proposed set of By-Law changes, and the Planning, Property & Development Department Continuous Improvement Plan all be received as information.

3. That the Public Service provide an update to Executive Policy Committee on the City-wide ongoing initiatives in March 2021.

4. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On September 26, 2019, Council directed the Winnipeg Public Service to report back by March 2020 with updates on the implementation and changes within departments as prompted by the investigation into allegations of improper conduct within the Planning, Property & Development Department (PP&D).

IMPLICATIONS OF THE RECOMMENDATIONS

Additional capital and operating funding is required to improve systems and inspections procedures for the benefit of industry and citizens of the City of Winnipeg.

In support of improved customer and client service, the online and digitalization of the permit and inspections process, land development, and planning services, will be fully implemented by 2022 leading to an approximate reduction of 10 FTE positions and yearly savings of approximately $1M per annum. These savings are reflected in PP&D's current 2020 multi-year budget submission. Similarly, the financial impacts of the above recommendations have been included in the 2020 multi-year preliminary budget.

HISTORY/DISCUSSION

Over the past 12 months, the City of Winnipeg's (City) Planning, Property & Development Department (PP&D) has made fundamental changes to how they are doing business, following allegations of improper conduct levelled against inspectors which surfaced in April 2019. Substantial progress has been made over the past 12 months with solid plans for the work to continue in the coming months. The changes focused on three key aspects of their operations, people, processes, and technology, to improve workplace behaviour and to improve the experience for their customers.

When the allegations initially surfaced, PP&D management realized that immediate improvements needed to be made within the department while they awaited the results of a more formal investigation. They initiated action on a number of items, including:

- Requiring field staff to provide a detailed daily log of the day's activities outside of the office for their supervisors, including tracking what time they left the office, time arrived on site, time they left the site, break times (start and end), and time they left work for home at end of day,
- Documenting flex start time arrangements,
- Requiring field staff to wear City-issued shirts/uniforms,
- Audits of daily logs and mileage claims,
- Requiring field staff to submit a list of daily planned inspections before departing the office to perform inspections,
- Requiring field staff to enter field notes into online tracking forms in real time, and
- Hiring three additional support clerk positions to support the Commercial Planning Examination & Inspections Branch with the implementation and scheduling of appointments for external calls, similar to the process that was already in place in the Housing & Existing Buildings Branch.

Further initiatives undertaken prior to this report, including items ongoing to date, are detailed in Appendix 2.

From April 2019 to July 2019, a formal investigation was conducted into the allegations and the results were presented to Council on September 26, 2019. The investigation concluded that there was merit to the allegations of staff misuse of time, inadequate supervisory oversight, concerns with productivity, and a lack of formal scheduling processes within PP&D's

Development & Inspection Division, specifically the Commercial Planning Examination & Inspections Branch and the Housing & Existing Buildings Branch.

As a result of the investigation's findings, and to address significant staff turnover, PP&D's Development & Inspections Division developed an Interim Management Strategy (the Strategy) for the Commercial Planning Examination & Inspections Branch. The Strategy was specifically designed to keep projects moving despite lower than normal staffing levels by focusing inspection resources on major and/or complex projects and areas of higher potential risk for construction defects, enabling projects to proceed where potential risks can be mitigated.

For example, inspections were provided by PP&D staff for projects with a higher level of risk, while allowing for the use of professional certifications, such as Architects and Engineers and declaration letters by Licensed Contractors, in lieu of inspections for projects with a lower level of risk. This helped ensure that projects were not unnecessarily delayed while the department dealt with the ramifications of lower than normal staffing levels.

In addition, open ended interim occupancy permits were issued for projects that were requiring a final inspection prior to occupancy, so that no delays occurred. A risk-based auditing program was also established for permits processed under this plan to ensure compliance with codes, standards, and by-laws and to assess long term implications for streamlined approvals.

Council Report Action Items

In September 2019, the Interim CAO presented a list of action items to Council, with the goal of addressing improvements that required the support of senior leaders from across the City. These action items looked at improvements that could be made within PP&D but also could help improve service delivery across the entire Public Service.

Over the past six months a committee of senior City leaders, led by the Interim CAO, has:

- Prioritized which departments will have a review of field operations upon completion of the current review of PP&D. These reviews will ensure that there is consistency in procedures for field staff, and the management of field staff.
- Completed a cross jurisdictional scan of other comparable sized municipalities, including Calgary, Edmonton, Ottawa, Regina, Halifax, Hamilton, Mississauga, and Saskatoon, to determine how they measure productivity and estimate inspection timeframes. Based on the information received, PP&D identified a number of best practices to pilot or implement to improve service delivery including tracking of key performance indicators with the goal of providing service delivery timeframes using historical data. Information on the number of open permits, completed permits, and permits per district are now available on the City's Open Data Portal, with more datasets to be made available in the coming months.
- Reviewed PP&D field staff start times, end times, and break times. Based on consultation with PP&D's Industry Advisory Group (IAG), it was clear that there was a need for earlier inspection times as well as evening inspections on an emergency basis. Operational changes have now been made to accommodate earlier scheduled start times for field staff, and these changes were made within the terms of the existing collective agreements.
- Determined that the use of private vehicles for field staff in PP&D should continue, as there are significant cost implications associated with the move to fleet vehicles. The costing analysis for this is detailed in Appendix 9. While PP&D has decided to continue

the use of personal vehicles, they have made changes to help identify the staff and vehicles while they are on City business, including:
    - requiring City of Winnipeg placards to be visible on vehicles,
    - requiring inspections field staff to wear City of Winnipeg branded uniforms, and
    - using location technology on devices assigned to employees, which assists with understanding work patterns, start and end times, site visit appointment times, and the location of staff for safety purposes.
- Engaged external consultants, KPMG, to review services and processes within PP&D which helped to inform the development of the PP&D Continuous Improvement Plan (Appendix 5) outlining additional work that needs to be completed within the department over the next year.
- Undertook a review of the department structure and management. Moving forward, a structural realignment of PP&D's Development & Inspections Division will take place to provide clear lines of accountability to the department Director and management team for development and inspection services within the Housing and Commercials portfolios. The department has also hired new staff to fill vacancies within this Division.
- Reviewed technology, administrative standards, policies, and protocols used within City departments to manage staff activities and productivity. This review resulted in implementation of a number of new technological initiatives including the implementation of SafetyLine which provides real-time location for employees who are working alone.
- Created a framework for a new Leadership Training program to help employees who are transitioning from co-worker to supervisor or new leader.

Further details on the September 2019 action items are available in Appendix 1.

Additional Work Completed

In addition to the items identified above, additional work has been completed over the past six months as the committee found opportunities for additional consultation to occur and for improvements to be made beyond what was originally identified in September 2019. There was strategic alignment with proposed Red Tape Reduction initiatives undertaken by the Office of Public Engagement, which identified customer service improvements and bylaw amendments that could be made to improve service delivery within PP&D. There was also an opportunity to look at alignment with recommendations related to the Provincial review of Planning, Zoning, and Permitting in Manitoba.

Industry Consultation

On June 7, 2019, PP&D met with their Industry Advisory Group (IAG), which is comprised of key stakeholders associated with the commercial construction industry in the Winnipeg area, to seek feedback on operational changes and proposed future operational adjustments.

Following the September 2019 report to Council, PP&D undertook three additional meetings with industry representatives between November 2019 and January 2020.

In December 2019 the Director of PP&D hosted a three hour workshop, facilitated by an external third party, with the IAG. Key questions examined with IAG members during the workshop included:

- What is critical to ensuring quality in the permitting and inspections process from an industry perspective?

- Which steps within the permitting and inspections process pose the greatest challenges for industry?
- What are potential solutions, ideas and opportunities to improve the permitting and inspections process?

The workshop helped to identify a number of potential ways to support and improve upon current processes. Details of the IAG workshop, including recommendations and feedback, can be found in Appendix 4.

In January 2020, a draft of the PP&D Continuous Improvement Plan (Appendix 5) was shared with the IAG to receive their feedback prior to implementation. The IAG feedback is reflected in Appendices 3 and 4.

Red Tape Reduction
In January 2019, the Executive Policy Committee directed the Office of Public Engagement to "work directly with the Canadian Federation of Independent Business, business owners, and other stakeholders to identify a list of the top ten outdated by-laws or regulations Council could update or eliminate to make doing business in the city more efficient…".

Process improvements for PP&D that were identified during the public engagement on Red Tape Reduction were discussed with the IAG, and have been incorporated into the action plan outlined in Appendix 10. They included:

- Greater use of self-certification by the industry for low risk projects, and under professional seal (architects, engineers) for other works,
- Improvement and tracking of home based businesses related to expiry of condition use orders,
- Greater clarity related to when occupancy permits and engineering for signs are required and on requirements for code application in renovations with existing buildings,
- Consistency with the inspections process and staff and industry support on code requirements and applications, and
- Resolution opportunities for a quick appeal process on code interpretation and application.

By-law Amendments
As part of the larger overall review, all by-laws, policies, and legislative provisions which fall under the responsibility of PP&D have been reviewed through the lens of feedback received from the development industry. This list has been prioritized by reviewing the current adequacy of the existing by-law, concerns identified by the development industry, human resourcing levels in both PP&D and Legal Services, and available funding.

The top priorities for update are:

- OurWinnipeg Plan By-law,
- Complete Communities Direction Strategy By-law,
- Development Procedures By-law,
- Downtown Winnipeg Zoning By-law, and
- Winnipeg Zoning By-law.

It is expected that recommended amendments to the first three by-laws will be completed and ready for Council consideration by July of 2020. It is anticipated that reviews of The Downtown and Winnipeg Zoning By-laws would be complete and ready for Council consideration in 2021.

Additional by-laws requiring amendments are outlined below:

By-law Name	By-law No.	Date Enacted	Public Service Recommendation	Priority
Complete Communities Direction Strategy By-law	68/2010	7/20/2011	Complete review and rewrite	Underway
Development Procedures By-law	160/2011	12/14/2011	Complete review and rewrite	Underway
Our Winnipeg Plan By-law	67/2010	4/30/2014	Complete review and rewrite	Underway
Downtown Winnipeg Zoning By-law	100/2004	6/23/2004	Complete review and rewrite	High
Winnipeg Zoning By-law	200/2006	12/19/2007	Complete review and rewrite	High
Subdivision Standards By-law	7500/99	9/22/1999	Review & update following resolution of the litigation surrounding the Impact Fees By-law	Medium
Winnipeg Building By-law	4555/87	5/6/1987	Complete review and rewrite	Medium
Airport Vicinity Protection Area Secondary Plan By-law	6378/94	5/25/1994	Review and amend as required	Low
Board of Adjustment By-law	5894/92	3/4/1992	Review and amend as required	Low
Street Names By-law	115/2011	9/28/2011	Minor review and update required	Low

Provincial review of Planning, Zoning, and Permitting within Manitoba
On June 11, 2019, the Province of Manitoba released the Planning, Zoning and Permitting in Manitoba Report with recommendations that included:

1. Accelerate the pace at which the Winnipeg Metro Region is moving to adopt a coordinated approach to development. Establish a Working Group that includes representatives from the municipalities, metropolitan region, province and the private sector;
3. Enact legislation that establishes “service standards” (including specified and enforceable timelines) for all levels of permitting and zoning applications across the province; and
12. The Province should work collaboratively with the City of Winnipeg to achieve rapid progress on specific, known projects or objectives of shared interest.

In recognition of the interest within the Province of Manitoba to improve planning and permitting processes province-wide, representatives from the Province were also invited to attend the IAG workshop in December 2019. The Director of PP&D also hosted a half-day event with representatives from the Province in December 2019 to provide an overview of key permitting processes and continuing process improvement activities. PP&D has also collaborated with the Province on the proposed Capital Region plan, with weekly meetings occurring to address issues including the adoption of the most current national building codes.

PP&D continues to meet regularly with the Province to review and provide feedback on Provincial recommendations related to planning and permitting processes, and other areas of mutual interest. Concurrently, PP&D is collaborating with consultants and staff from the Winnipeg Metro Region to provide input as a new Winnipeg Metro Region Growth Management and Servicing Plan is developed.

Next Steps

Strategic investment in process improvement is essential to continued improvement and future success within the Public Service. Although initial progress has been made within PP&D through the introduction of new technology to support many processes and provide visibility into field staff service delivery, more needs to be done to meet evolving business and industry needs. Moving forward, operational improvements within PP&D are prioritized based on their potential to improve service delivery while resulting in cost reductions and improved customer service.

Technology

Based on the work done by KPMG and insight gained through IAG feedback, processes within PP&D need to be redesigned and automated to improve service delivery.

PP&D and the Innovation, Transformation & Technology Department (INV) have identified a project to be undertaken that will develop new internal process and automate services within the Permits and Inspections divisions. Further analysis will need to be completed on this project in order to fully develop the plan and costing. At this time, INV estimates the project will cost $4.2M (Class 5) and will take 34 months to complete. The project will be funded out of the Permit Reserve Fund, and use of this fund for this purpose is supported by the IAG. The capital detail sheet is attached as Appendix 8.

The project is comprised of these major elements:

- Analysis phase in 2020 will determine the roadmap/plan to achieve the required business outcomes and produce the Class 3 estimate required to proceed to solution procurement, with the intent of maximizing use of the current property-based permitting system, also known as AMANDA ($72K internal and external staff costs);
- Foundational business process re-engineering will be performed concurrent to procurement activities to prepare for automation of the permit processes ($143K internal and external staff costs); and
- Solution implementation will require extensive business and technical resources over an 18 month period as the optimized business processes are deployed within the selected solution ($1.871M software costs and $2.095M external resource and staff costs).

The $4.2M investment will:

- Enhance customer experience with submission of all permit types available online;
- Improve ease of understanding of permit requirements with all relevant information presented when permit is submitted;
- Improve customer service with full visibility into the permit status at all times;
- Increase predictability of permit results with inspection processes designed for maximum consistency;
- Improve appointment scheduling with all client groups able to request and manage appointments based on their availability;
- Implement an effective and timely dispute resolution mechanism with transparency and accountability for all stakeholders;
- Reduce development costs associated with regulatory processing through a significant reduction in permit processing times,

- Provide additional Open Data on permit and inspection activities available to all stakeholders based on key performance indicators; and
- Increase accuracy, speed, and stakeholder information, while lowering costs.

Operating costs for the enhancements are estimated to be $1.4M annually, once fully implemented in 2022 and surplus permit revenue will be applied to offset these operating costs. PP&D has also included annual operating efficiency savings of $1.0M in its multi-year budget submission starting in 2023.

Continuous Improvement

To facilitate ongoing improvement the PP&D has created the Continuous Improvement Plan (Appendix 5). In support of the plan, PP&D will:

- Continue to review the initiatives with the IAG and other key industry stakeholder groups,
- Develop a program plan schedule and assign resource, and
- Remain fully engaged in the continued transition to digital services.

Timing

The timing of all next steps are outlined below:

	START	DUE	2019				2020				2021				2022				2023			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PLANNING PROPERTY & DEVELOPMENT																						
Communications and Customer Feedback	Q1 2020	Q4 2020																				
KPI Development, Reporting and Performance Management - D&I	Q1 2020	Q4 2020																				
Services Reviews/Process Redesign including actions from KPMG and IAG Workshops and Red Tape Initiative)	Q1 2020	Q4 2020																				
Strategic Initiatives (e.g. Provincial Recommendations)	Q1 2020	Q2 2021																				
Expansion of Digital Services (Including online permitting and online information services)	Q1 2020	Q4 2022																				
INNOVATION and PP&D																						
Digitialization Requirements Analysis	Q1 2020	Q4 2020																				
Business Process Re-engineering	Q3 2020	Q2 2021																				
Implementation of Digitilization Solution	Q2 2021	Q4 2022																				
HUMAN RESOURCE SERVICES																						
Create and begin delivery of Serving the Public in a Digital World and Transitioning from Coworker to Leader courses	Q3 2019	Q3 2020																				
Create task force for departmental operation reviews, including training on workplace culture/restoration	Q1 2020	Q4 2020																				
Create and begin delivery of Leadership Training Program - Supervisor Level 1	Q3 2020	Q4 2021																				
Work with CAO & PPD to consider reorganization ideas for PPD	Q3 2020	Q4 2020																				
Finalize and implement three-phase orientation material across the City	Q3 2020	Q1 2021																				
Start operational and management team reviews in Public Works	Q3 2020	Q4 2021																				
Create and begin delivery of Leadership Training Program - Manager Level 2	Q1 2021	Q2 2022																				
Create and begin delivery of Leadership Training Program - Senior Manager Level 3	Q1 2021	Q2 2023																				
Continue to work with CAO to conduct reviews and consider reorganzation ideas for all City departments	Q1 2020	Q4 2022																				

Financial

Funding of the recommended improvements to PP&D will be required from both the Capital and Operating Budgets. The Class 5 estimate for the digitalization of PP&D permitting processes is $4.2M.

The $4.2M capital cost of the digitalization of the permitting process and the additional expected operating expenses will be offset with Capital transfers from the Permit Reserve. The IAG supports the use of the Permit Reserve for these initiatives. The purpose of the Permit Reserve is to mitigate revenue shortfalls and fund temporary staffing needs during busy periods and through economic boom cycles. The Permit Reserve is also meant to provide a source of funds for service and system improvements. The source of funds for the Reserve is the excess of certain permit revenues in the department compared to budget in any given year. The balance in the Reserve is capped at $2.0M and any surplus funds over and above the cap are included in tax-supported departmental operations. As of December 31, 2019, the balance in the Reserve is $2.0M.

The system is also expected to require annual operating costs of $1.4M for product licensing, beginning in 2022. PP&D expects that permit revenue will cover the cost of licensing. There is a risk of insufficient funding in the Permit Reserve and from operations. If this occurs PP&D will review other internal options in meeting its obligations.

Once the permit and inspections process is fully digitized, it will result in an approximate reduction of 10 FTE positions within PP&D and an annual savings of approximately $1.0M in 2023. This is reflected in PP&D's multi-year budget submission beginning in 2023. Due to the timeframe associated with the digitalization the impacts to current staff will be addressed through normal churn and attrition associated with current positions.

The recommendations also include a permanent FTE at the WAPSO 3 Level for Human Resource Services to facilitate the creation of content for City Wide Leadership training, plus an additional $35,000 annually for supplemental training support. This funding would be incorporated into ongoing operating costs for HRS for a total annual cost of $135,000.

In addition the recommendations include $50,000 annually in the Office of the CAO to engage external consultants to conduct additional field operations reviews across City departments, similar to those conducted within PP&D. This work will commence in 2021 as part of the development of continuous improvement tools, such as Lean Management, and the continuation of operational reviews.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 3, 2020

Project Name:

First Year of Program **2020**

Implementation of Improvements Resulting from Investigation of Improper Conduct within Planning, Property and Development

	2020	2021	2022	2023	2024
Capital					
Capital Expenditures Required	$ 1,215,000	$ 1,947,000	$ 931,000	$ 88,000	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 1,215,000	$ 1,947,000	$ 931,000	$ 88,000	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	1,215,000	1,947,000	931,000	88,000	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ 1,215,000	$ 1,947,000	$ 931,000	$ 88,000	$ -
Total Additional Capital Budget Required	$ 4,181,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 1,008,000	$ 1,596,000	$ 1,596,000	$ 1,596,000
Less: Incremental Revenue/Recovery	7,000	916,000	1,440,000	1,414,000	1,411,000
Net Cost/(Benefit)	$ (7,000)	$ 92,000	$ 156,000	$ 182,000	$ 185,000
Less: Existing Budget Amounts	(7,000)	92,000	156,000	182,000	185,000
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures totaling $4.181 million represent the Class 5 estimated cost of the Digital Permitting Project ("Project") to be incurred over a 34-month period beginning in May 2020. Funding for the Project is from the Permit Reserve Fund (see sample Capital Detail Sheet - Appendix 8). Direct costs in 2021 consist of an estimated $823,000 in licensing/processing costs, consultant services of $50,000 in the Office of the CAO for evaluation of other departments and $135,000 in Corporate HR for City-wide leadership training ($100,000 for the additional FTE + $35,000 for consultant services). Direct costs from 2022 to 2024 are for licensing/processing ($1.411 million), leadership training ($135,000) and consultant services ($50,000). Licensing/processing costs are included in the operating budget net of revenues assuming full cost recovery. In 2021, costs and revenues will be adjusted to present gross amounts but still reflecting full cost recovery. The City-wide leadership training and consultant services costs are included in the draft budget submission and disclosed above as existing budget amounts. Salaries savings in 2023 of approximately $1.0 million are anticipated due to implementation of the Project and these savings are included in the draft budget submission. Incremental revenues/recoveries consist of regulation fee revenues due to growth (assumed equivalent to licensing/process costs) and capital overheads recovered be Corporate Finance on the $4.181 million capital expenditures.

"Original signed by"
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:
Innovation, Transformation & Technology
Human Resource Services Department
Customer Service & Communications
Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

This report is consistent with OurWinnipeg Section 01-3 'Prosperity' Direction 1 – 'Provide efficient and focused civic administration and governance.' Specifically it complies with the enabling strategy to "continuously pursue innovative, streamlined service delivery and decision-making processes."

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Office of the CAO
Division: N/A
Prepared by:
Date: March 3, 2020

Attachments:

Appendix 1 – Council Report Action Items
Appendix 2 – PP&D Development & Inspections Process Improvement Activities completed or ongoing to date
Appendix 3 – LEAN Audit Workshop Details
Appendix 4 – Industry Advisory Group Workshop details
Appendix 5 – PP&D Continuous Improvement Plan
Appendix 6 – Jurisdictional Scan of Permitting Productivity Measures and Inspection Time Frames
Appendix 7 – PP&D Development and Inspections Alignment
Appendix 8 – Digital Permitting Capital Detail Sheet
Appendix 9 – PP&D Fleet Costing Analysis
Appendix 10 – Red Tape Review