

**Report on the Organizational, Effectiveness,  
Efficiency and Turnaround Study**

**CITY OF SPOKANE, WASHINGTON**



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## **INTRODUCTION AND EXECUTIVE SUMMARY**

Matrix Consulting Group, was retained by the City of Spokane to conduct an Organizational, Effectiveness, Efficiency and Turnaround Study for all municipal operations. The report, which follows, presents the results of the study. This study, which began in the late summer of 2006, was designed to provide an assessment of the efficiency and effectiveness of City operations, identifying strengths and improvement opportunities relating to organization, staffing and management.

In this concluding point of the study, the project team has assembled this final report which summarizes our findings, conclusions and recommendations.

### **1. STUDY METHODOLOGY**

In this Organizational, Effectiveness, Efficiency and Turnaround Study for Spokane, the Matrix Consulting Group project team utilized a wide variety of data collection and analytical techniques. The project team conducted the following data collection and analytical activities:

- At the outset of the project, the study team interviewed the Mayor and several members of the City Council. The purpose of these interviews was to develop an initial understanding of the issues and background which led to this study.
- The project team conducted an intensive process of interviewing staff in every department in the City. Members of the project team interviewed over 250 City staff in individual interviews. These interviews included staff at every level in the organization -- managers, supervisors and line staff.
- In order to maximize the employee input into this study, the project team distributed a confidential employee survey which every employee in the City had the opportunity to fill-out and return to the project team. About one-half of the City's employees took this opportunity to provide input through the survey.
- While on site, the project team collected a wide variety of data designed to document workloads, costs, service levels and operating practices.

- The project team developed descriptive summaries, or profiles, of each department in the City -- reflecting organizational structure, staffing, workloads, service levels and programmatic objectives.
- In order to make the assessments of operational strengths and improvement opportunities, the project team developed a set of performance measures, called “best management practices” against which to evaluate current services, workloads and service levels in the City of Spokane. These service and performance measures comprise the main thrust of the ‘issues phase’ of the project. The measures utilized were derived from the project team's collective experience in working with hundreds of cities and other agencies in the Pacific Northwest and throughout the country. The performance measures utilized represent the following:
  - Statements of "effective practices" based on the study team's experience in evaluating operations in other cities. These measures are both qualitative and quantitative.
  - Where they exist, statements reflecting "industry standards" were used to incorporate commonly utilized service delivery approaches in addition to targets developed by national research organizations.
  - In both instances, these measures of efficiency and effectiveness were selected and adjusted to reflect the unique operating and service conditions in Spokane. Such factors as weather, topography and history came into play in the selection of actual performance measures.

The best management practices analysis was a critical task in our approach – organizational strengths were identified in that document as well as ‘minor issues’ which were not dealt with again in this report. This report focuses on the most significant organization, staffing and management issues facing Spokane.

Before beginning the process of describing the immense detail of this final report, the project team wanted to take an opportunity to provide the reader with a summary of what it found in its review of the City’s current situation. The next two sections provide an overall summary of the project’s findings and background to its recent financial

trends which is of relevance in understanding the context in which this study was conducted.

## **2. PROJECT SUMMARY.**

The City of Spokane is at a crossroads. While priding itself in providing a full range of services at a high service level, Spokane continues to face a series of short-term and long-range financial challenges. These pressures have put a premium on the need to ensure that public services are being delivered in a cost effective and efficient manner. As a result, the City is exploring its service delivery system, in part through this study, and examining opportunities to ensure that services are provided as efficiently and cost effectively as possible.

There are many things which the City has accomplished in the recent past to 'turn the ship around'. In reviewing the detailed findings contained in this report, the following points represents some of the major positive themes recognized by the project team:

- The City's struggles with balancing service demands and the cost of providing these services is not unique – virtually every City today is faced with citizen demands for additional services or high levels of service while maintaining or reducing the cost of providing these services.
- The City has not waited for this study to take place. It has taken a number of steps in recent years to increase revenues (e.g., the Levy Lid Lift and utility fees); it has also taken a number of steps in recent years to reduce the cost of service, principally through staffing reductions.
- The City has re-focused its efforts on economic development, realizing dramatic changes to its downtown and other areas with economic potential in recent years.
- The City has increased its attention in infrastructure renewal and maintenance recognizing that the physical condition of the City is an important element of economic development.

- The City has also increased its attention to 'human capital' through training and career development programs as well as improving internal departmental communication and adoption of more participative management styles.

In spite of these major positive attributes of the City, there is much work to be done. In reviewing the detailed findings contained in this project report, the following points represents some of the major improvement opportunity themes:

- Many services are overly decentralized with impacts on the efficient and cost effective control of resources. This is particularly the case in financial services.
- Virtually every department in the City suffers from inadequate management and information systems to monitor operations, costs and services. This especially impacts public safety, public works in Spokane.
- Few departments have developed a comprehensive inventory, assessment and plan for the services which they deliver to the public or internally.
- Most departments have been reactive rather than proactive in their delivery of services.
- There are many revenue enhancement opportunities for services which do not recover their costs or have not been adjusted in many years, such as in development services.
- There are several instances in which a cross-departmental reorganization could result in improvement in services and/or potential to reduce costs. These include:
  - Financial services including accounting and purchasing.
  - The maintenance of public facilities.
  - The organization of recreational services in the City.

These issues constitute the core of this study. They represent opportunities to continue the process of significant change in the City which take years to realize though changes in collective bargaining agreements and public review.

**3. BACKGROUND TO THE ORGANIZATIONAL, EFFECTIVENESS, EFFICIENCY AND TURNAROUND STUDY.**

In order to shed some perspective on some of the reasons for the City to conduct this study, the project team examined and evaluated recent trends in Spokane’s financial condition. We also conducted a comparative assessment of Spokane’s financial condition to other medium-sized cities in the State of Washington. The sections of this Introduction, which follow, provide the results of these assessments.

**(1) Spokane’s General Fund Revenues Have Increased over the Last Three Years at a Rate Faster Than Increases in General Fund Expenditures.**

The project team obtained data on general fund revenue trends in Spokane.

Highlights from an analysis of the data include the following:

- Excluding interfund charges, revenue sources fall roughly into thirds, property taxes, sales taxes and utility taxes, but with property taxes providing the major source of revenue. Property and utility taxes have increased the most in the past three fiscal years.
- General fund revenue has increased from \$116,206,796 in 2004 to \$128,215,258 in 2006 – an increase of 10%.

The following information was adopted based on the City Council-Financial Update developed last year by the Finance Department. The table, below, presents one-year revenue growth in comparison to long-term revenue growth potential.

<b>Categories</b>	<b>One-year Revenue Growth (2006 Budget)</b>	<b>Long Term Revenue Growth</b>
Property Tax	13.59%	2.75%
Sales Tax	1.70%	2.30%
Utility Tax (City Utilities)	22.80%	3.50%
Utility Tax (Private Utilities)	8.59%	3.80%
Other Revenues	N/A	2.00%
<b>Average Growth Rate</b>	N/A	<b>2.50%</b>

Highlights from an analysis of the data include the following:

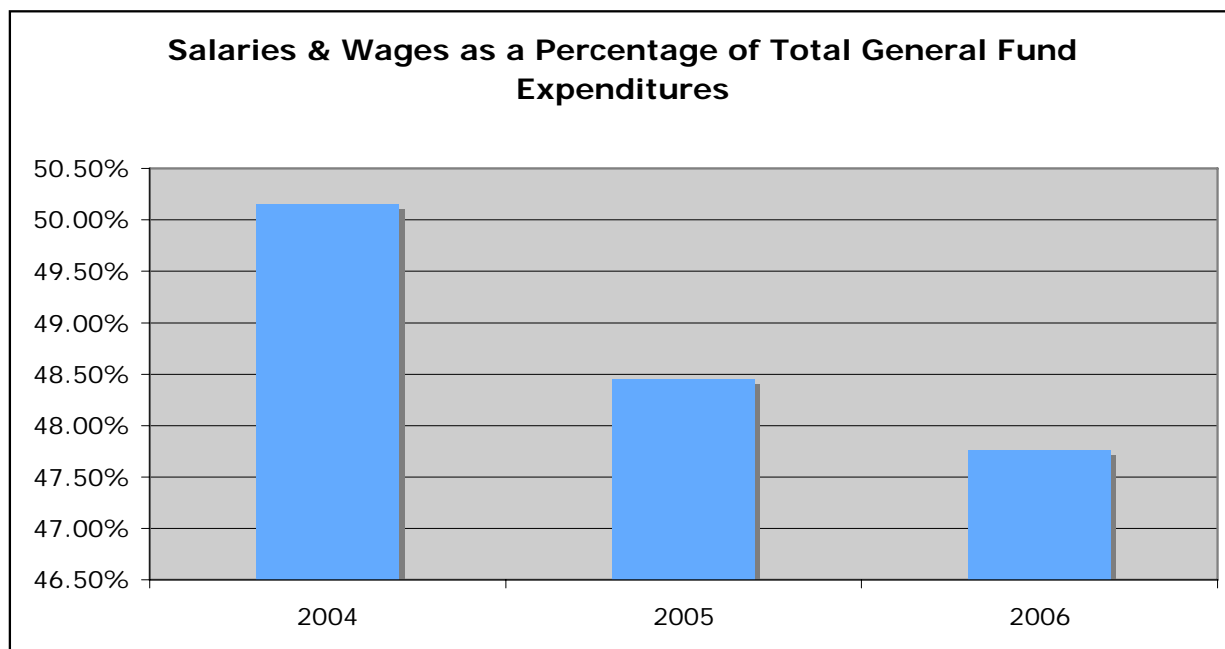
- Property tax has grown by 13.59% with Levy Lid Lift in year 2006.

- On the other hand, long-term growth is estimated to be only 2.75%.
- Also Utility Tax has increased drastically in year 2006, estimated at 22.80% for City Utilities and 8.59% for Private Utilities.

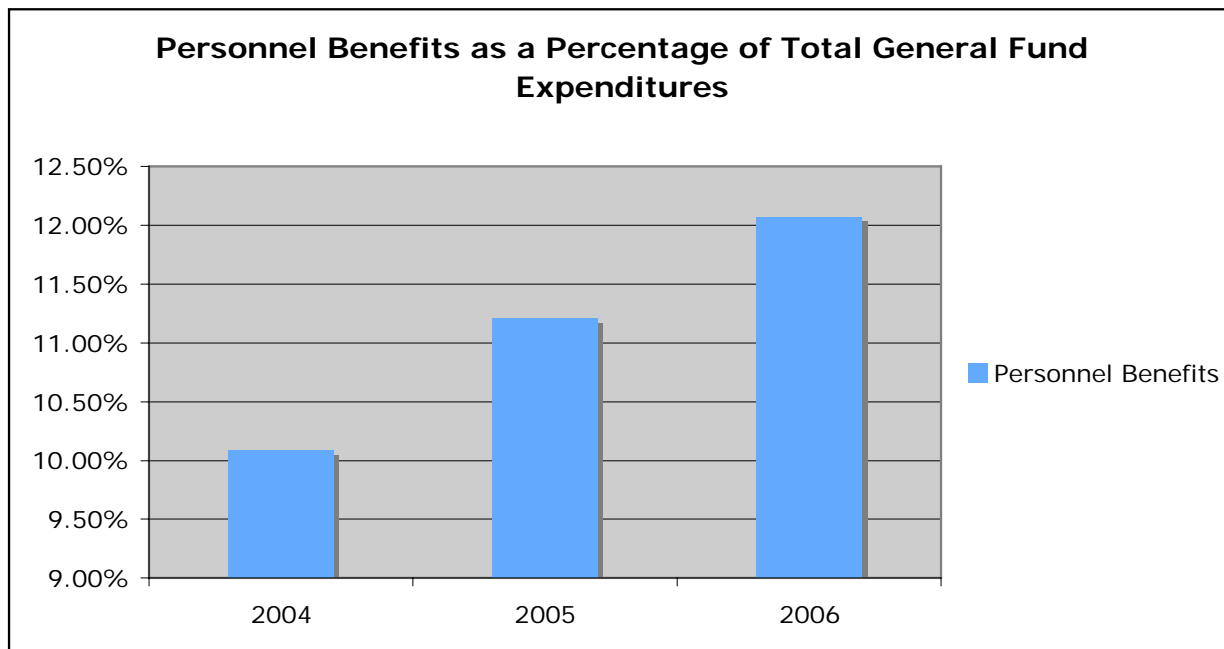
The main reasons for revenue growth was the Levy Lid lift along with increased utility rates. Overall, revenues are estimated by the City to be increasing by 2.5% in the long term.

The project team also obtained data on general fund expenditure trends in Spokane. Highlights from an analysis of the data include the following:

- According to the table presented above, general fund expenditures have increased from \$124,381,717 in 2004 to \$127,021,501 in 2006 – an increase of about 2%.
- According to the information presented in the City’s adopted budget, salaries and wages represent the highest portion of general fund expenditures. However, the portion of the budget which these expenditures represents has declined as shown in the table, below. In year 2004 approximately 50.15% of the total expenditures consisted of salaries and wages. However, in year 2006 47.76% of the total general fund was dedicated to salaries and wages.

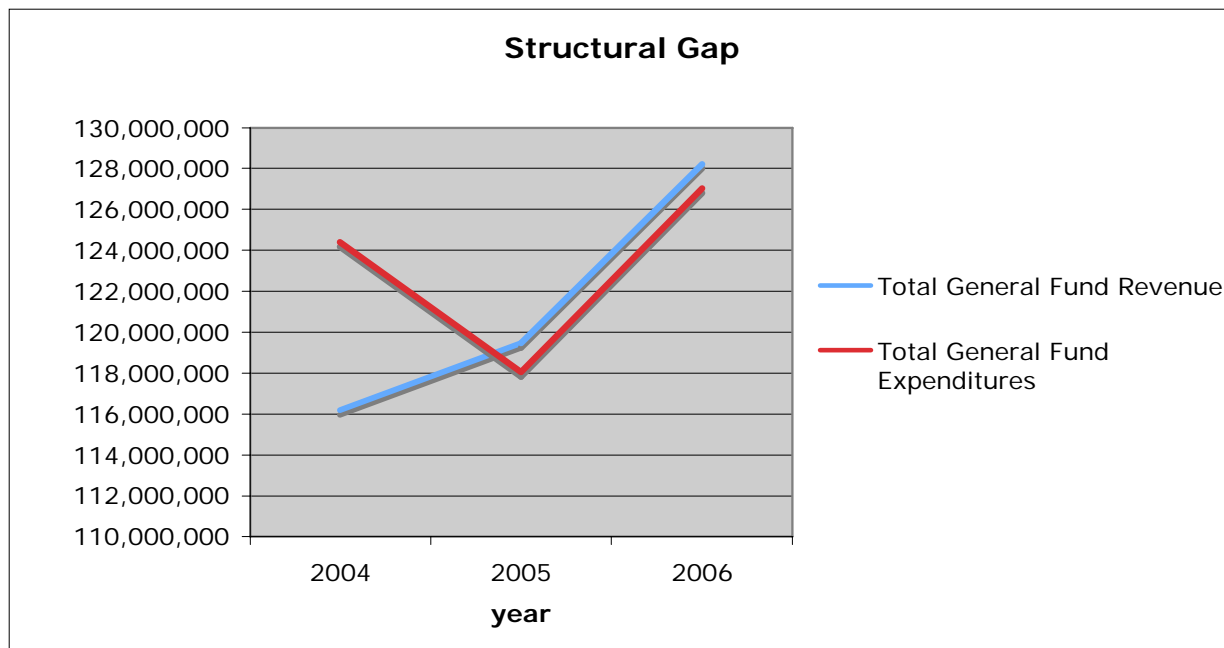


- On the other hand, fringe benefits have increased as a percentage of total general fund expenditures. The following table portrays personnel fringe benefits as a percentage of total general fund expenditures. In year 2004 approximately 10.08% of the total expenditures consisted of personnel benefits. On the other hand, in year 2005 12.07% of the total general fund has been allocated toward personnel benefits.



The following table and graph represent the summary of general fund revenue and expenditure trends over the last three years. The bullet points following the graph summarize this information.

	2004	2005	2006	% Change
<b>Total General Fund Revenue</b>	<b>116,206,796</b>	<b>119,458,237</b>	<b>128,215,258</b>	<b>10%</b>
<b>Total GF Expenditures</b>	<b>124,381,717</b>	<b>118,055,635</b>	<b>127,021,501</b>	<b>2%</b>



In conclusion, while the past year has seen an elimination of the gap in the rates of revenue and expenditure growth, this has been because of special increases in revenue. Expenses are growing at varying rates with salaries expected to grow at 3.50% and fringe benefit expected to increase more rapidly at the rate of 13.50%.

**(2) Spokane’s Financial Health Compares Well with Other Washington Cities.**

The project team obtained data regarding other cities in the state of Washington. After obtaining population data from the Census Bureau the project team compared Spokane to: Tacoma, Vancouver, Bellevue and Everett. The following table presents population levels according to the US Census of Bureau.

City	Population
<b>SPOKANE</b>	<b>196,818</b>
Tacoma	195,898
Vancouver	157,493
Bellevue	117,137
Everett	96,604

The project team obtained budget information from the four comparison cities. It should be noted that such a comparison suffers from differences in what constitutes a

general fund versus a special or enterprise fund in each city. Highlights from an analysis of the data include the following:

- On a per capita basis, the cities' general funds are shown below. As the table shows, Spokane's general fund on a per capita basis is tied for the lowest (with Vancouver) and about one-half of the average.

City	GF / Capita
Bellevue	\$2,134
Tacoma	\$1,787
Everett	\$983
<b>SPOKANE</b>	<b>\$635</b>
Vancouver	\$634
<b>Average</b>	<b>\$1,310</b>

- The project team examined the amount in each city's general fund budget dedicated to salaries and wages. Expressed as a percentage of each city's general fund budget, the following table provides comparative information. As shown in the table above, Spokane's budget dedicated to support general fund salaries and wages (at 49%) is moderately higher than the average of 45%.

City	Salaries as a % of GF Expenditures
Bellevue	24%
Tacoma	51%
<b>SPOKANE</b>	<b>49%</b>
Vancouver	34%
<b>Average</b>	<b>45%</b>

- The project team examined the amount in each city's general fund budget dedicated to fringe benefits. Expressed as percentages of each city's general fund budget and as a percentage of salaries, the following table provides comparative information. As shown in the table, Spokane's budget dedicated to support general fund fringe benefits (at 10%) is below the average of 12%. At 21% of salaries, fringe benefits are also below the average of the comparison cities, in fact they are the lowest among these cities.

City	Benefits as a % of GF Expenditures	Benefits as a % of Salaries
Bellevue	6%	24%
Tacoma	14%	28%
<b>SPOKANE</b>	<b>10%</b>	<b>21%</b>
Vancouver	8%	25%
<b>Average</b>	<b>12%</b>	<b>27%</b>

The conclusions of this analysis are clear – while Spokane’s expenditures dedicated to personnel expenses, these are in line with the expenditures of other cities in the State,

#### **4. STRENGTHS OF SPOKANE’S OPERATING DEPARTMENTS.**

It is important to place any analysis such as this into a complete context. A study such as this one, necessarily focuses much of its attention on improvement opportunities which need to be addressed in a client agency. However, this study process has also identified many positive characteristics for the City of Spokane. This conclusion was established from:

- Our extensive input and interaction from hundreds of personnel in the organization which highlighted staffs’ dedication to service.
- The ‘best practices’ assessment process utilized in this study was also key to understanding that the City has a history of providing high levels of service and a wide range of services in a cost effective manner.

The project team feels that it is important in this Executive Summary to highlight at least some of the positive features of the City. The table, below, summarizes just a few of these positive attributes:

<b>City Attorney</b>
Internal rate of \$65 per hour compared to \$125 to \$350 per hour for outside counsel.
Outside counsel used only in cases of conflict or cases requiring unique skill set which is not cost-effective to maintain in-house.
<b>Civil Service</b>
Civil service utilizes open continuous recruitment for many positions.
<b>Economic Development</b>
Same day inspections are provided.
An automated permit system - Accela Automation – has been acquired.

The building counter acts as one-stop shop for building permit plans; the Planning counter functions as one-stop shop for planning applications.
<b>Finance</b>
Deposits are made daily. All deposits into City's banking system are receipted into FMS through the cashiering system which interfaces with FMS.
Treasurer's Cash performance exceeded Merrill 0-3 Treasury all quarters of 2003 to the present (Q2 06).
All receipts and disbursements are regularly reconciled with the bank and FMS.
<b>Fire</b>
SFD command staff and company officers have been trained in the Incident Command System.
The SFD utilizes ALS capabilities on 6 companies at the present time. ALS ambulance transport is provided by contract with a private company
Every firefighter in the SFD is a CPR instructor and multiple CPR classes are held every year.
The dispatch center operates under strict contractual performance standards. The Spokane call-takers and dispatchers are utilizing Priority Medical Dispatch to determine the type of emergency call and to provide pre-arrival instructions to responding fire and EMS units.
The plans review personnel work in the development services building for the City, as part of a "one-stop" shop for development projects.
The Training Division develops a 12-month training plan consisting of division-level training, special team training, company level training, and individual training, which is made available on the SFD intranet.
<b>General Administration – MIS</b>
Systems are standardized in a Microsoft environment.
The City has standardized equipment and has a replacement plan in place.
<b>General Administration – Justice Functions</b>
There are daily and weekly meetings with all of the Municipal Court management and supervisory staff.
Case files are controlled and audited in the Municipal Court, Probation and Public Defender's Office.
There are written policies and procedures for all functions handled by the Municipal Court; financial functions are segregated from case functions.
The Probation Department coordinates their services on cases with a wide range of outside service providers
<b>General Administration – Library</b>

The cardholder population currently equals 63% of the population; total holdings is currently about 2.84 per capita.
The Spokane Public Library participates in regional and State resource sharing programs. County residents can use the City's Library for an additional fee; City residents can use the County's libraries for free.
The Library has extensive youth oriented programs. It also has special historical and genealogical collections.
<b>Parks and Recreation</b>
The City has a dedicated and involved Park Board, an Urban Forestry Tree Committee and the Spokane Park and Recreation Foundation.
Trees are replaced on a one-for-one basis.
The City has available an on-line registration process for its programs in addition to mail in and walk in services.
The City's golf program is a self-funded enterprise fund.
Administration monitors incident locations throughout the city and recently adjusted the north/south patrol district boundary.
A crime analysis flyer is published with information requests from detectives. Crime Analysis screen reports daily for solvability factors and crime patterns/trends and is available to officers.
Reports are taken over the phone M-F 8-5 by civilians; used to be 24 hours prior to Jan. 2005
SPD is involved in several joint Task Forces – Regional Gang Enforcement, Homeland Security with FBI; Regional Drug Task Force, Federal Drug Task.
SPD is actively involved in working with community and business groups; the COPS Shops partnership is the most significant example. SPD has about 500 volunteers that are involved in the neighborhood COPS Shops.
Reports are scanned into the records management system the same day and hard copies are kept off site at a storage facility.
Replacement target of 100,000 miles for patrol cars; somewhat longer for other staff cars. Take home cars appear to be for appropriate assignments.
<b>Public Works and Utilities</b>
A state-of-the-art fleet management system – Fleet Focus – is utilized. Fleet Management is an Internal Service Fund.
Engineering project managers are responsible for management of the project from “cradle to grave.”
An electronic hand-held citation system was implemented for parking enforcement and the Municipal Court.

Solid Waste charges businesses a variety of fees and charges based on the levels of service provided in both collection and disposal. Rates are calculated in a variety of cost of service areas that include type of service, offered. Rates are reviewed annually and recommendations are made to adjust rates based on this analysis.
Effective preventive maintenance frequency intervals have been established for the water and wastewater systems.
The department has a 20-year financial plan that is used to manage the utilities over the long-term.
The City has a comprehensive program to perform TV analysis of wastewater and stormwater system lines.
Crew sizes are generally within professional guidelines and best practices.

Again, these are just a few of the strengths of the City's organization as identified by the project team.

## **5. SUMMARY OF RECOMMENDATIONS**

The extended exhibit, which follows, provides a list of the principal recommendations made in this report, together with the estimated cost impact. The recommendations have been listed by Department together with a designation of the chapter, section and subsection in which discussion and analysis can be found. For example, the recommendation listed at 1.4(1) designates Chapter 1, Section 4 and Subsection (1).

## **5. ECONOMIC DEVELOPMENT DIVISION**

This chapter presents an analysis of the Economic Development Department including the following:

- The plan of organization for the Department;
- The management systems used by the Department; and
- The levels of staffing for the Department.

The chapter opens with a description of the Department.

### **1. DEPARTMENT SUMMARY**

The Economic Development Division is responsible for planning and implementing long-range strategies to assist the economic vitality of Spokane. The Economic Development Division consists of eight departments including Community Development, Workforce Development, Neighborhood Services, Planning Services, Building Services, Arts and Developer Incentives.

The table below provides a brief summary of the primary programs and services offered by the Economic Development Division.

<b>Unit / Function</b>	<b>Programs</b>
<b>Administration</b>	Provides management and support for the other units in the Economic Development Division.
<b>Community Development</b>	Provides funds for physical improvement projects within lower income sections of the City including housing programs funded with Community Development Block Grant funds, HOME Investment partnership Program and ADDI funds, Section 108 Loan Funds and other grants. Department is totally grant funded.
<b>Workforce Development</b>	Works with Career Path Services, Employment Security Department, Goodwill and Educational Services District 101.
<b>Neighborhood Services</b>	Act as City liaison with representatives of Neighborhood Council bodies to Administration, City Council, Community Assembly and related subcommittees.

<b>Unit / Function</b>	<b>Programs</b>
<b>Code Enforcement</b>	Part of Neighborhood Services, enforces various municipal codes on a complaint basis with particular emphasis on zoning violations; junk vehicles; trash/refuse violations; transient camps; snow, leaf and weed removal; and other chronic nuisances.
<b>Planning Services</b>	Responsible for the planning of the City, preparing and implementing the comprehensive plan, Unified Development Code, and processing current planning applications such as short and long plats, rezoning applications, conditional use permits, etc.
<b>Building Services</b>	Building Services is responsible for (1) providing building inspection services to ensure that residential, commercial and industrial structures conform to applicable codes, ordinances and approved plans, (2) providing residential and commercial building plan review, and (3) issuing building permits.
<b>Arts</b>	Promotes and enhances the presence of art in the City including managing all aspects of the percent for art and art acquisition program for the City; acts as an information clearing house for all non-profit and other art-centric organizations; maintains regional artist database; develops information brochures and maintains an art website; oversees and manages art shows and the gallery in City Hall; maintains custody of the City's art inventory; permits film and television companies, and convenes professional development seminars.
<b>Economic Development Advisor</b>	Works closely with community based economic development groups and organizations. Evaluates and makes recommendations on overall City Economic Development Policies. Evaluates City policies for affects on economic development.
<b>Development Incentives</b>	Responsible for enabling business, facilitating development, and promoting Spokane to support a diverse, vibrant, and sustainable economy by delivering a variety of different programs including Urban Design, support of the Landmarks Commission, provision of coordinated incentives for multi-family housing and incentives for the Brownfield in the University District, Neighborhood Business District Revitalization, and Weights and Measures.

The following sections present the analysis of the Economic Development Department.

## **2. ANALYSIS OF STAFFING**

This section provides an analysis of the workload and staffing levels of the primary service areas of the Department.

**(1) The Staffing Levels of the Building Services Department Are Sufficient to Handle Existing Plan Check and Inspection Workloads.**

The project team analyzed staffing levels by considering the total time required for plan review and inspection based on the number of building permits issued by the Department, and compared this figure to total available plans examiner and inspector hours. The table, below, presents the estimated annual available work hours per Plans Examiner and per Inspector.

<b>Element</b>	<b>Plans Examiner Hours per Year</b>	<b>Inspector Hours per Year</b>
Total Annual Hours	2,080	2,080
Holidays	(88)	(88)
Vacation	(80)	(80)
Sick Leave	(80)	(80)
Training (5 days per year)	(40)	(40)
Subtotal	1,792	1,792
Staff Meetings (1 hour per week)	(48)	(48)
Research and Other Special Projects (4 hours per month)	(48)	(48)
Administrative Time in Office (phone calls, paperwork, etc.) – Inspection assumes 1 hour per day for days reporting to office (i.e., 260 work days less 36 for vacation, sick, training, holidays), Plan Check assumes .5 hours per day.	(112)	(224)
<b>Total Annual Available Hours per FTE</b>	<b>1,584</b>	<b>1,472</b>

In assessing the plan review and inspection staffing requirements for the Building Services Department, the project team utilized review time guidelines developed from its experience with a number of departments across the western United States. Data was collected from the Department to document the number of building permits by type to estimate the workload. The table, below, presents the total number of work hours required for each type of permit and the estimated number of personnel needed to handle this workload based on net availability (gross hours of work scheduled less vacations, holidays, sick time, training, etc.).

Based upon the average 1,584 annual available hours per Plans Examiner and 1,472 annual available hours per Inspector, an estimated eight (8) Plans Examiners and twenty (20) Inspectors are required to effectively respond to the typical or average workload (see the table below), excluding boiler and elevator inspections.

<b>Permit Category</b>	<b>Annual Permit Volume</b>	<b>Inspection Hours per Project</b>	<b>Annual Inspector Hours</b>	<b>Plan Check Hours per Project</b>	<b>Annual Plans Examiner Hours</b>
Building Commercial Addition/Remodel	672	9	6,048	4	2,688
Building Commercial New	106	22	2,332	20	2,120
New Single Family Residences & Duplexes - Custom or Model Home	145	10	1,450	7.00	1,015
New Single Family Residences & Duplexes - Tract Repeat/Production	582	10	5,820	1	582
Building Residential Remodels, Additions, & Garage Permits	2,017	4	8,068	3	6,051
Demolition	78	0.5	39	0	0
Single Electrical Permits	2,511	1.5	3,767	0	0
Mechanical Permits	613	1	613	0	0
Single Plumbing Permits	242	1	242	0	0
Fence	423	1	423	0	0
Grading	15	1	15	0	0
Manufactured Homes	41	2	82	1	41
Swimming Pools	23	1.50	35	1	23
Miscellaneous Activities	163	1	163	0	0
<b>Total Hours</b>			<b>29,096</b>		<b>12,520</b>
<b>Total Staff Required</b>			<b>20</b>		<b>8</b>

The table above indicates that approximately eight (8) Plans Examiners would be needed, on average, to meet workload levels. The Department is understaffed in Plan Review by an estimated two (2) positions. However, the project team does not recommend the addition of two (2) Plans Examiner positions at this time for the following reasons:

- Implementation of Accela Automation requires assistance of the majority of one full time Plans Examiner. Once implementation is complete, the Plans Examiner will be available again for full time plan review activities.

- High rates of turnover in Clerk III positions over the last year has left a gap in over-the-counter plan review assistance for minor residential projects such as garage conversions, residential remodels, and new garages. New staff can be trained and obtain ICC Certification.
- Spokane's Building Services Department is currently experiencing a peak workload that may decrease due to a slowing housing market over the next several years.
- While the current plan check cycle times for completing the first plan check are lengthy – estimated at five to seven weeks – the Assistant Building Official attributed this longer cycle time to the implementation of Accela Automation and the reallocation of a Plans Examiner to the implementation of that system. Prior to the assignment of that position, the cycle time was an estimated three to five weeks. This cycle time is within an acceptable range.
- Some of this workload should be accomplished by the Clerk III's and not the Plans Examiners. This would include, for example, the interior remodels for single-family homes (excluding structural modifications), small tenant improvements (excluding restaurants and structural modifications), etc.

In July of 2004, the City adopted updated International Building Codes (IBC). Prior to adoption, Clerk III positions were trained to perform plan review on all new single-family dwelling permits. Additional plan review requirements for new single family dwellings were included in the updated IBC, thus generating a need for additional training in order for Clerk III's to continue this review function. Due to peak workload and staff turnover, the in-house training never occurred. Bringing Clerk III positions up to date on code requirements in this area will enable them to assist with plan review workload. In addition, as will be noted later, all Clerk III positions should be reclassified and upgraded to Building Technicians and required to obtain ICC Permit Technician Certification within 12 months of hire. One out of four Clerk III positions is scheduled to take the ICC Permit Technician Certification in January of 2007, but the certification requirement currently does not exist for the City of Spokane.

Some of this plan check workload should be outsourced for non-routine, peak, or complex projects.

The table indicates that approximately twenty (20) Inspectors would be needed, on average, to meet workload requirements. Excluding inspectors solely dedicated to routine, annual Boiler / Pressure Vessel Inspections and Elevator / Escalator Inspections, the level of authorized staffing is within one position of meeting these workload requirements. In addition, efficiency in the field will be greatly improved once the Department implements and begins to use its newly acquired Accela Automation permit software, planned to “go live” in January of 2007. This software upgrade from their current system will allow inspection data such as corrections, approvals, and individual inspection times to be entered in the field rather than at the office.

**Recommendation: The existing level of building inspection staffing should not be modified.**

**Recommendation: The existing level of plan review staffing should not be modified.**

**(2) Reclassify and Upgrade the Clerk III's in Building Services to Building Technicians and the Permit Coordinator to Senior Building Technician.**

At present, the four (4) Clerk III positions and the one (1) Permit Coordinator position in the Building Services Department are underutilized. Plans Examiners are being utilized for the plan checking of minor building permits over-the-counter.

The Clerk III's and the Permit Coordinator should be utilized for the plan checking and issuance of these types of minor and miscellaneous building permits over-the-counter. This assignment should recognize the impact of this additional skill and knowledge requirements in a new classification structure for these five positions. This

new classification – Building Technician and Senior Building Technician – should each require certification by the International Code Council as a Building Technician. These five positions should be utilized for the provision of over-the-counter plan checking to increase the level of service for permit applicants and enable Building Services to reassign a Plans Examiner to plan checking of residential and commercial plans of a more significant nature.

This reassignment should only occur after initial training of the Clerk III's. This reassignment could be achieved by the following method:

- The Permit Coordinator should function as a team leader for the Clerk III's to train the staff in the performance of plan checking of minor and miscellaneous building permit plans.
- The Permit Coordinator should provide code and practical plan check training to the Clerk III's for an appropriate period of time.
- A time period should be established for training and the program implemented on a target date. The Chief Building Official should confer with the Clerk III's and the Permit Coordinator to establish the implementation date. The target date should be established realizing that some of the quality expertise will occur with practice. A comfort level can be achieved by realizing that support by the Permit Coordinator is available.

This method will produce quality performing Clerk III's and a Permit Coordinator that are fully capable of plan checking miscellaneous and minor building permit plans.

The estimated cost impact of upgrading these positions is presented in the table below.

<b>Cost Increase</b>		<b>Cost Decrease</b>	
Upgrade and reclassify four Clerk III's and a Permit Coordinator	\$48,000	NA	\$0
<b>Total Cost Increase</b>	<b>\$48,000</b>	<b>Total Cost Decrease</b>	<b>\$0</b>

**Recommendation: Reclassify and upgrade the Clerk III's in Building Services to Building Technicians and the Permit Coordinator to Senior Building Technician.**

**(3) The Level of Staffing in Current Planning Affords Capacity for Additional Workload.**

The project team analyzed staffing levels in Planning Services by considering the total time required for case review based on the number of applications reviewed by the Planning Services Department. The number and types of budgeted positions in Current Planning is presented in the table below

<b>Position</b>	<b>Budgeted FTE</b>
Planner III	1
Planner I/II	3
Plan Specialist	2
Clerk II	1

In 2005, Current Planning processed the following number of applications:

<b>Permit Category</b>	<b>Annual Permit Volume</b>	<b>Average Planner Hours per Project</b>	<b>Total Annual Hours</b>
Accessory Dwelling Units	3	4	12
Admin Zoning Determinations	48	3	144
Appeals	1	4	4
Boundary Line Adjustments	175	2	350
Building App. w/o Ext. Review	1382	0.75	1036.5
Building App. with Ext. Review	1067	3	3201
Cell Towers	1	4	4
CUP's Administrative	7	4	28
CUP's Hearing Examiner	9	16	144
Final Long Plats	10	8	80
Final PUD's	5	20	100
Land Use Plan Amendments	6	10	60
Manufactured Home Permits	5	3	15
Plans-in-Lieu	1	16	16
Preliminary Long Plats	2	26	52
Prelim. PUD's	13	20	260
Rezone	1	16	16
Shoreline Permits	1	26	26
Short Plats	5	5	25
Skywalks	1	12	12
Variance	3	12	36
<b>Total Hours</b>			<b>5621.5</b>
<b>Total Staff Required</b>			<b>3.66</b>

In assessing staffing requirements for Current Planning, the project team utilized staff hour requirements per type of permit developed from its user fee experience

across the Western United States. Dividing the total number of hours needed to process cases by the number of hours available for a typical case planner indicates a need for 3.66 case planners.

Excluding the Planner III and Clerk positions as largely managerial and clerical in nature, respectively, the Current Planning Section is authorized 5 positions to process current workload. An estimated one-half to one Plans Specialist position would be required to perform general public information duties such as telephone calls, counter support, etc.

**Recommendation: The Planning Services Department should not change the number of positions for the Current Planning section at this time.**

**(4) Eliminate the Urban Designer II Position In Development Incentives and Assign Responsibility For Processing Design Review Applications to Current Planning in the Planning Services Department.**

The Development Incentives Department is authorized an Urban Designer II position for urban design. This position has a number of responsibilities including the following:

- Processes design review applications;
- Checks the application to assure it is complete or works with the applicant to develop a complete application, writes the staff report, and presents to the Design Review Committee;
- Provides advice to other City staff;
- Provides staff support for the Design Review Committee; and
- Initiating a Mayor's Design Excellence Awards program

This position was, until recently, assigned to the Planning Services Department. This is typically where responsibility for processing design review applications is

assigned. The design review applications are another type of a development review application. These are typically assigned to the Planning Services Department due to the important integration of this permit with other related permits. In other words, the design review application will typically be one of a number of applications that an applicant will submit to obtain discretionary permit approval. It is important that the same Urban Designer II process all of these permits to eliminate conflicts and assure a cohesive and integrated response to the application.

In addition, the last several years have not experienced a significant number of design review applications, but the number of staff handling these has declined, as indicated below.

- In 2006, there were a total of 25 design review permits (one staff, temporary part time through June);
- In 2005, there were a total of 29 design review permits (one staff person);
- In 2004, there were a total of 21 design review permits (3 staff);
- In 2003, there were a total of 25 design review permits (3 staff).

This is an insufficient workload to warrant a full-time Planner I / II. This number of permits would amount to approximately 400 hours of work annually.

The Urban Designer II position should be eliminated, and responsibility for processing design review applications assigned to Current Planning / Planning Services Department. The annual cost impact of the elimination of this position is presented below.

Cost Increase		Cost Decrease	
NA	\$0	Urban Designer II	\$75,200
<b>Total Cost Increase</b>	<b>\$0</b>	<b>Total Cost Decrease</b>	<b>\$75,200</b>

**Recommendation: Eliminate the Urban Designer II assigned to urban design in the Development Incentives Department.**

**Recommendation: Assign the responsibility for the processing of design review applications to Current Planning / Planning Services Department.**

**(5) Eliminate the Deputy Sealer Position in the Development Incentives Department.**

Spokane is one of two cities in the State of Washington with responsibility for inspecting and certifying weighing and measuring devices such as gas pumps, bar code machines in supermarkets, taxicab meters, scales, etc. The other city is Seattle.

The City recovers \$16,000 annually in revenue for this service. It expends \$100,062 for this service annually in direct costs. These fees cannot be increased.

The City should not provide this service if it cannot fully recover its direct and indirect costs for the program. The City should rely on the State for this service. The Deputy Sealer position should be eliminated. The net annual cost impact of eliminating this program is presented below.

Cost Increase		Cost Decrease	
NA	\$0	Eliminate the Deputy Sealer position	\$84,000
<b>Total Cost Increase</b>	<b>\$0</b>	<b>Total Cost Decrease</b>	<b>\$84,000</b>

**Recommendation: Eliminate the Deputy Sealer position, and rely on the State for inspecting and certifying weighing and measuring devices.**

**(6) The Neighborhood Services Office Provides Appropriate Core Services with Existing Staffing Levels.**

As shown in the Department’s profile attached as an appendix, the Neighborhood Services Office, composed of the Director, Public Information Coordinator and Clerk III, perform numerous duties and responsibilities to fulfill, in part, its fundamental mission of “coordinating city services and engaging citizens in a dialogue with the City of

Spokane.” This staff provides a direct link to the 27 neighborhood councils and their representatives; they staff the monthly Community Assembly, composed of 54 members, and the various sub-committees (e.g. Public Safety/Code Enforcement, Land Use, etc.); and facilitate numerous neighborhood driven initiatives such as the ‘Neighborhood Council Clean-up Program.’ Given the types of services provided, staffing levels could be fluctuated with the attendant increase (or decrease) in service levels. Based on our evaluation, the Office has minimal staff to conduct core services, yet does so in a cost-effective and efficient manner.

**Recommendation: The Neighborhood Service Office should maintain existing staffing levels.**

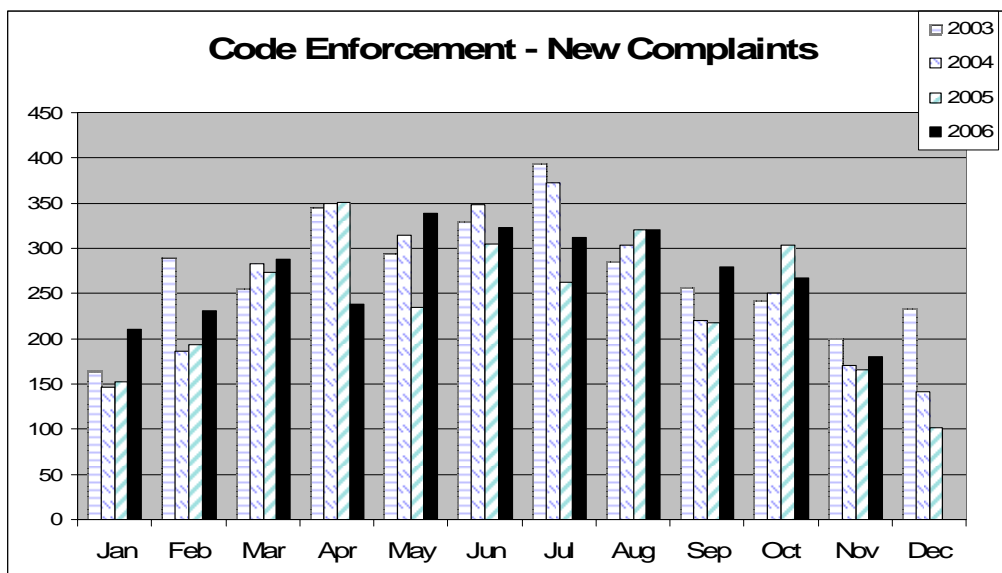
**(7) Code Enforcement Specialists Operate Effectively with Existing Staffing Levels and the Number of Personnel Are Sufficient to Perform Reactive-Based Enforcement with a Voluntary Compliance Emphasis.**

The Code Enforcement Department’s five (5) enforcement specialists perform numerous duties and responsibilities as outlined in the appendix’s profile. In sum, however, the following general duties drive any code enforcement organization’s workload and the resulting staffing levels:

- New complaints from the community regarding potential code violations (e.g. trash, junk vehicles, etc.) which result in a case file. These complaints are resolved through several means, discussed in more depth in a later section, including violation letters, field inspections, citations, etc. Unresolved complaints become “old complaints”.
- Field inspections based on case files which result in various outcomes such as confirmed resolution, additional letters, a citation, etc.
- Caseload, which represents an enforcement specialists new and old case files, eventually need to be resolved and closed.
- Proactive enforcement activities which will be discussed in more detail in a later section.

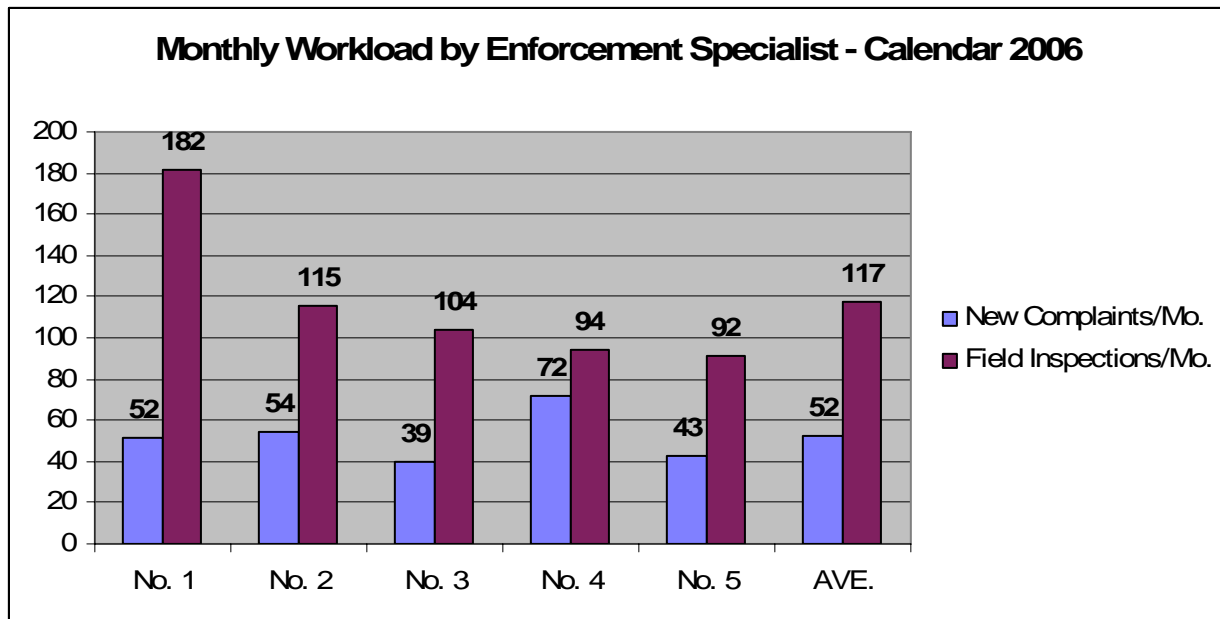
- Specialized assignments or abatements as directed by management.

The Code Enforcement's new complaints have remained relatively consistent for the past four calendar years as demonstrated by the bar graph below. Complaints have ranged from nearly 3,300 complaints in 2003 to a low of approximately 2,900 in calendar 2005.



Complaints generate caseloads that result in workload such as field inspections. Field inspections result in varied enforcement activities (e.g. letters or citations), may be follow-up inspections to ensure compliance, etc. The graph on the following page indicates that field inspections conducted by the enforcement specialists ranged from approximately 92 to over 182 per month.

A combination of new complaints (i.e. new cases) and field inspections represent a significant portion of enforcement specialist workload. The following graph shows the breakdown of this workload by month by position, as well as the overall monthly performance output.



Incorporating the data in the above graph and an estimated annual availability of code enforcement specialists after scheduled and unscheduled leave, approximately 18.5 days are available per month to conduct all assigned duties and responsibilities. This results in nearly three (3) new complaints per specialist per workday and over six (6) inspections per workday. This core business workload, in conjunction with other duties and responsibilities outlined in the profile in the appendix, demonstrate a more than reasonable amount of work for each enforcement specialist, particularly given complaint/case handling and inspections are not the only duties and responsibilities of the enforcement staff.

Finally, caseload represents the workload of enforcement specialists who are conducting follow-up investigations on new complaints and older cases. The ratio of completed/closed cases to new complaints is indicative of a decreasing or increasing number of old cases. Ratios over 1.00 represent a shrinking number of old cases whereas ratios below 1.00 represent an increasing number of old cases and potential

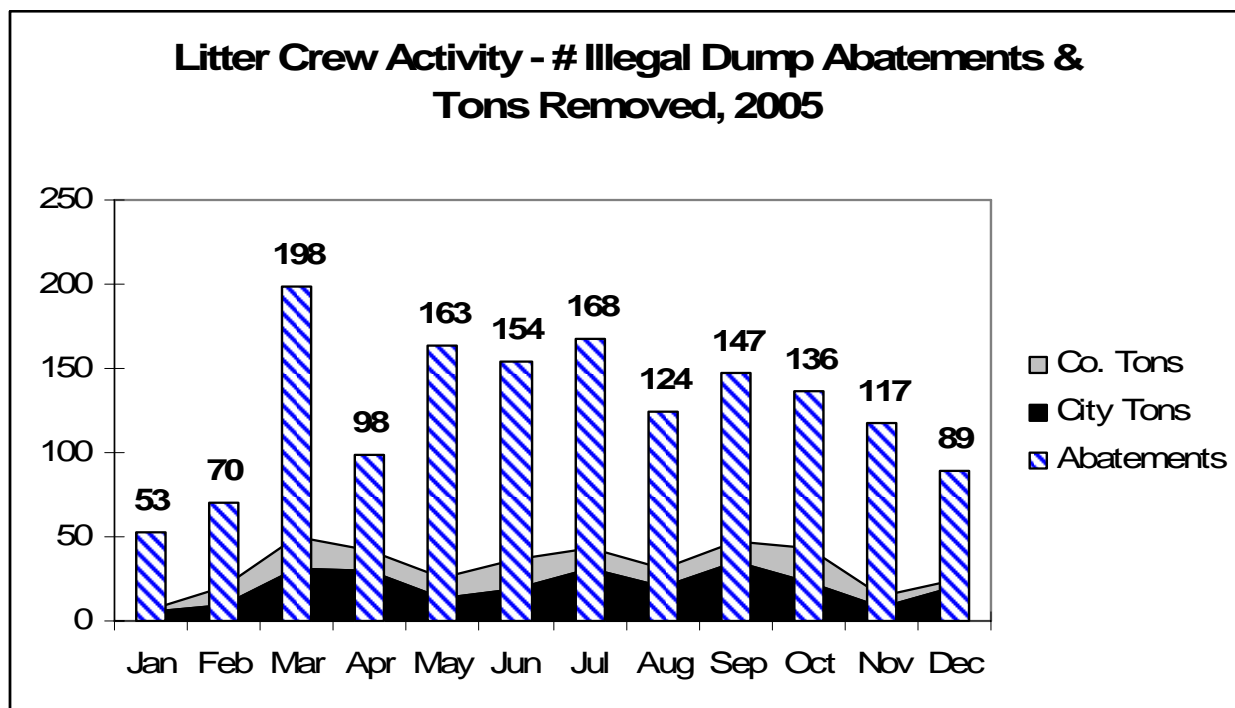
resource, operational or management issues. For the first eleven months of 2006 there were 3,065 completed/closed cases with 2,989 new complaints registered for a “performance ratio” of 1.02—this is an effective operational target as a stand-alone benchmark.

Based on the totality of data available to the project team, including relatively consistent workload patterns over the past four years, monthly performance metrics and case ratios, and assignment of other special duties as described in the appendix’s profile, the present level of enforcement specialist staffing is satisfactory. This assumes the City wishes to maintain the existing reactive and voluntary compliance code enforcement stance using current operational procedures and expecting existing performance outcomes (e.g. case turnaround time). It should be noted that changes in operational philosophy and procedures, which are elective, can result in modified staffing patterns. These will be discussed in a following section.

**Recommendation: Maintain existing enforcement specialist staffing levels. Additional proactive enforcement activities may warrant future increases in staff.**

**(8) The Litter Control Crew is Appropriately Staffed.**

The Litter Control Crew, funded through regional revenues, performs private property trash abatements for scoff-laws, clean-up of illegal dumping on City Right-of-Ways, transient camp clean-up, and other ancillary duties. This crew is an effective method for ultimately resolving code violations. A significant portion of workload is related to the number of illegal dump abatements and the tons of litter collected. These are demonstrated in the graph below.



In calendar year 2005 the crew responded to over 1,500 abatements, averaging 126 abatements and 32 tons removed per month. Based on an estimated 18.5 day work month, this translates into an average of nearly seven (7) abatements per work day removing nearly 3,500 pounds daily. Based on a crew size of four to five personnel, this level of performance is certainly reasonable and demonstrates an appropriate staffing level given present workload. No staffing changes should be recommended without establishing this performance metric and collecting such data.

**Recommendation: Maintain existing litter crew staffing levels.**

**(9) Clerical Support and the Planner II, Given Existing Workload, Are Sufficient Staffing to Support the Code Enforcement Section.**

Based on a review of the duties and responsibilities of the Code Enforcement Section’s three clerical support staff and the Planner II position, sufficient workload is available to justify present staffing levels. The Code Enforcement Supervisor is in the

process of revising some of the Planner II's duties and responsibilities including more direct supervision of clerical staff and providing back-up to enforcement specialists in their absence. These revisions are progressive, and should be expedited.

**Recommendation: Maintain existing clerical/planner staffing levels.**

### **3. ANALYSIS OF ORGANIZATIONAL STRUCTURE**

This section provides an analysis of the organizational structure of the Division.

#### **(1) The Code Enforcement Department Needs to Further Clarify Reporting Relationships.**

The Department organizational structure is generally effective, yet there are a few opportunities for improvement. Key elements of the Department's organizational structure are noted:

- Managerial and supervisory reporting relationships reflect a reasonable structure.
- Although code enforcement services were recently re-located, Code Enforcement is currently well supervised and has clear lines of authority and responsibility.
- The Code Enforcement Section's Litter Crew is presently funded by the Spokane Regional Solid Waste System – a quasi-department of the City overseen by the Director of Solid Waste Management. Largely as a consequence of this revenue stream, the Director has some input relative to the foreperson/crews duty assignments despite the fact that this unit operates in an enforcement capacity and is designed to abate trash violations on private property and public right-of-ways in the City and County.
- The Planner II is tasked with directly supervising clerical support but as yet to fully embrace this function. The Code Enforcement Supervisor does not have the capacity to regularly supervise these additional staff given her present span of control.

**Recommendation: The City should clarify reporting relationships regarding assignments to the Code Enforcement Section's Litter Crew. Despite funding from the Regional Solid Waste System, the Litter Crew is acting in an enforcement capacity county-wide and should receive work direction only from the Code Enforcement Supervisor.**

**Recommendation: The Planner II should take full responsibility for the day-to-day supervision of the clerical staff. Such duties and responsibilities should be incorporated into the position's annual performance evaluation.**

**(2) Streamline the Plan of Organization for the Development Incentives Department.**

An important criteria in evaluating the organizational structure for a department is the cohesiveness of the functions of the department and avoiding duplication and overlap with the services delivered by another department.

The Development Incentives Department is a mix of services, many of which duplicate and overlap the services delivered by other departments. The Development Incentives Department delivers such overlapping services as noted below:

- The Department is authorized an Urban Designer II that processes design review applications. Checks the application to assure it is complete or works with the applicant to develop a complete application, writes the staff report, and presents to the Design Review Committee. This position also is a technical resource to the City on a variety of issues. As noted previously, this overlaps the work performed by the Planning Services Department, and there is insufficient workload to warrant a full-time position for this assignment. The elimination of this position, and the reassignment of the responsibility for processing design review applications was previously recommended in this chapter.
- The Department is authorized a Neighborhood Project Manager, a temporary employee, responsible for administering and applying for grants related to economic development in the neighborhood business districts and other ongoing neighborhood center projects, such as transportation enhancement improvements and initiating a neighborhood business centers program modeled after the "Main Streets" program. This overlaps with the work and the purpose of the Economic Development Advisor.
- The Department is authorized a Deputy Sealer responsible for inspecting and certifying weighing and measuring devices such as gas pumps, bar code machines in supermarkets, taxicab meters, scales, etc. This position was recently reassigned from the Building Services Department. The work of this position better matches other services provided by the Building Services Department that are also provided by the State, but that the City has chosen to provide – elevator and boiler inspections. The Deputy Sealer position matches

the mission and goals of the Building Services Department, not the Development Incentives Department, if the City decides to retain the delivery of this service and not eliminate the position as recommended earlier.

- The Department is authorized a GIS Programmer. This position is responsible for supporting the Economic Development Division in the development of GIS layers and maps including developing an intergovernmental site selector web site that identifies what property is available for development and the constraints in developing that property. This position matches the mission and goals of the Economic Development Advisor, not the Development Incentives Department.

The mission of the Development Incentives Department should be focused on historic preservation and the provision of economic incentives for multi-family development.

**Recommendation: The Neighborhood Project Manager should be reassigned to the Economic Development Advisor.**

**Recommendation: The Deputy Sealer for inspecting and certifying weighing and measuring devices should be reassigned to the Building Services Department if the City decides to retain delivery of the service and not eliminate the position as recommended earlier.**

**Recommendation: The GIS Programmer should be reassigned to the Economic Development Advisor.**

**Recommendation: The mission of the Development Incentives Department should be focused on historic preservation and the provision of economic incentives for multi-family development.**

#### **4. ANALYSIS OF MANAGEMENT**

This section provides the project team's analysis of the management systems in place that direct the services of the Department.

##### **(1) Opportunities Exist for the Building Services Department to Issue More Selected Building Permits Over the Internet.**

At the present time, Building Site Plan and Single Plumbing Permit applications can be completed on-line, saved to storage, and submitted via email. Additional opportunity exists in using Internet based application submittals to improve customer

service, reduce counter traffic, and free up staff resources for other tasks. On-line permit application should be available, and encouraged, for all permits that do not require a plan check. These would include:

- Single electrical permits such as: Electrical Service upgrade/repair or replacement;
- Single mechanical permits;
- Residential remodel projects without structural changes;
- Residential and commercial re-roofs, excluding projects with flat roofs;
- Fence permits. These require a site plan review in addition to the application. Site plans can also be submitted via Internet.

Every opportunity to enable a permit to be applied for over the Internet should be explored to increase processing times, reduce walk-in traffic, and provide convenience to the public.

**Recommendation: The Building Services Department should develop on-line permit application processes for various minor administrative permits that do not require a plan check.**

**(2) Increase the Types of Building Permits Issued Over-the Counter to Include Moderately Complex Development.**

Building Services currently issues the following projects over-the-counter:

- Single Mechanical, Plumbing, and Electrical permits;
- Residential room additions;
- Residential remodels / interior work. Interior modifications without structural changes;
- New residential garage;
- Residential garage conversion. Changing a garage to a living space;
- Residential outdoor pools;

- Residential patio enclosures and trellises;
- Fences;
- Siding and window replacement; and
- Residential and commercial new roof framing over existing roof (without major structural work), excluding projects with flat roofs.

The extent of permits issued over-the-counter can be increased to include moderately complex development projects.

The project team does not expect that over-the-counter building permits would be issued for such permits as new multi-family, new commercial, or new single family. However, the project team does expect that over-the-counter permits can also be issued for small commercial projects such as the following:

- Office Space: Tenant Improvements for office space less than 4,000 square feet.
- Retail: Interior modifications for retail space less than 1,500 square feet.

For commercial projects to be issued over-the-counter, the following restrictions should apply:

- There will be no storage of hazardous materials of any amount in the space;
- The proposed tenant improvement should not contain any alterations to the structural system of the building (e.g. openings into bearing or shear walls, changes to floor system, etc.). Structural modifications required to install roof mounted mechanical equipment should be exempted pending plans examiner verification;
- The proposed tenant improvement should not contain any alterations or modification to fire-rated walls; and
- The application does not require any special Fire Department processing.

The project team would expect that the Department should be able to increase

the number of building permits issued over-the-counter using these criteria.

**Recommendation: The Building Services Department should increase the number of building permits issued over-the-counter to include small commercial projects.**

**(3) Establish Cycle Time Objectives for Plan Review of Building Permits.**

The Building Services Department has not developed formal, published cycle time objectives for processing of permits submitted to their Department.

The Department is aware of its processing time for most permit applications, and is currently experiencing delays due to peak workload and Accela Automation implementation. The following table displays the Department’s current cycle times against it’s typical cycle times for first review of projects requiring plan submittal:

<b>Permit Type</b>	<b>Typical Cycle Time (in weeks)</b>	<b>Current Cycle Time</b>
New Single Family Dwelling	1	1
All Commercial Projects (New Buildings or Improvements)	3 to 4	5 to 7

Current processing time is longer than average for the Department, driven by peak workloads and the implementation of Accela Automation permit software. Implementation of Accela requires dedication of almost one full time Plans Examiner.

Builders are constantly looking for ways to decrease their time to market and increase the efficiency of their business to improve their bottom line. To the same effect, Spokane’s Building Services Department should strive to shorten turnaround times on plan submittals in order to continuously improve efficiency, customer service and cost effectiveness. Established cycle times, when implemented and monitored against performance, provide the following benefits:

- Clear communication by the City to its customers of expected review timelines before a project begins.

- Reinforcement of the need for complete application submittals to expedite review processes.
- Continuous process improvement for Building Services as a result of tracking performance against established objectives. City staff can now plan how to meet cycle time expectations, perform the work accordingly, measure their performance, and act on findings to improve process.

Cycle time objectives targeted by the Building Services Department should fall within best management practices for residential and commercial plan checking. They should also incorporate a significant degree of differentiation to reflect the complexity of construction. For example, the target for processing a plan for a residential re-roof should be different than a plan for a commercial structure larger than 10,000 square feet. Possible timelines are presented in the table below.

<b>Category Order of Complexity</b>	<b>Building Permit Type</b>	<b>Performance Target (In Weeks)*</b>	<b>Spokane's Current Performance</b>
1 (Miscellaneous Small Permits)	<ul style="list-style-type: none"> <li>• Patios and Covers</li> <li>• Re-roof</li> <li>• Minor Res. Additions (No structural)</li> <li>• Pools</li> <li>• Minor Electrical, Mechanical, Structural and Plumbing</li> </ul>	Over the Counter	Over the Counter
2	<ul style="list-style-type: none"> <li>• SFD, 1 DU</li> <li>• Res. Addition (With structural calcs)</li> <li>• Tenant Improvements</li> </ul>	1-2	<ul style="list-style-type: none"> <li>• Residential – 1 week</li> <li>• Commercial – 5 to 7 weeks</li> </ul>
3	<ul style="list-style-type: none"> <li>• Small Residential Projects (&lt;20 DU)</li> <li>• Office/Commercial &lt;10,000 sq. ft.</li> </ul>	3 Weeks	<ul style="list-style-type: none"> <li>• Residential – 1 week</li> <li>• Commercial – 5 to 7 weeks</li> </ul>
4 (Large Project)	<ul style="list-style-type: none"> <li>• Residential &gt;20 DU</li> <li>• Office/Commercial &gt;10,000 sq. ft.</li> </ul>	4 Weeks	<ul style="list-style-type: none"> <li>• Residential – 1 week</li> <li>• Commercial – 5 to 7 weeks</li> </ul>

\*Time required for first plan check. Second plan check target would be one-half of these targets.

These performance target timelines reflect best practices in other cities in the Western United States. Once Building Services establishes similar objectives, the timelines should be reviewed and accepted by the Building Official and City Manager. The objectives should be published to the Department's website and actual performance against these targets measured. Monitoring performance can be easily tracked using the City's Accela Automation permitting software if data is entered according to objectives.

The Assistant Building Official should be held accountable for management of the open permit inventory. The Assistant Building Official should utilize the planning and scheduling system to:

- Evaluate employee productivity;
- Balance workload among different plan reviewers;
- Determine the amount of staff time that could be reasonably expected to be consumed on various types of projects or activities; and
- Quantify the amount of backlog and the anticipated completion date of various applications given all work in progress.

This system should be utilized to "manage" the workload including reviewing actual progress versus scheduled deadlines and facilitate the shifting of work assignment and schedules in the face of changing priorities or workload. One of the products of this system should be a monthly report to identify workload for each staff both in number of plan reviews, estimated hours to handle these reviews, and identification of actual processing time versus scheduled both on a permit-by-permit basis and year-to-date.

**Recommendation: The City should establish formal cycle time objectives for plan review.**

**Recommendation: The City should monitor performance against the objectives for continuous process improvement using Accela Automation.**

**Recommendation: The City should publish their cycle time objectives on the Department's website.**

**Recommendation: The Department should generate monthly reports on performance against stated cycle time objectives.**

**(4) Implement a Case Management System in Building Services.**

The purpose of a case management system should be to make visible the amount of staff hours and calendar time required to analyze and reach a decision on permit applications submitted to Building Services. The specific objectives related to the system are as follows:

- To establish a process whereby specific staff hours and calendar day targets are set for each application.
- To generate data sufficient to assess the performance of both individuals as well as the Building Services Department in comparison to those targets.
- To provide a data base from which staffing requirements can be analyzed and budget requests can be justified during the annual budget process.

Overall data provided by the system should be sufficient to:

- Indicate when caseload exceeds the time requirements and commitments of the staff assigned to the Building Services Department.
- Show the impact of overload on the amount of calendar days required to process cases or applications.

A case management system can be efficiently implemented using Accela Automation, and will assist the Department in tracking performance against cycle time objectives discussed above.

**Recommendation: Building Services should establish and implement a case management system and use Accela Automation to help analyze staff hours and calendar time required for processing applications.**

**(5) Use Combination Inspectors to Conduct Building Inspections of Residential Construction and Commercial Tenant Improvements.**

Building Services currently uses specialized inspectors to accomplish its compliance and inspection efforts related to commercial, residential and inspection codes. Out of 21 authorized full time inspector positions:

- Nine are responsible for building and/or plumbing inspections on a city-wide basis
- Eight are responsible for building and/or electrical and/or mechanical inspections on a city-wide basis.
- Two positions are currently vacant, planning to be filled by either an Electrical/Mechanical, or Building/Plumbing specialized inspector.

Although Spokane's Building Inspectors may be able to inspect more than one trade at a time, they do not qualify as "Combination Inspectors" according to national standards. The International Code Council certifies inspectors as Residential or Commercial Combination Inspectors once they have passed, in total, the required Building, Electrical, Mechanical, and Plumbing exams.

The use of combination inspectors is standard practice amongst most small to mid-size cities. There are a number of advantages to the use of combination inspectors:

- **Utilization of combination dwelling inspectors enhances the efficiency of inspection services.** A combination inspector increases the efficiency of inspection operations as the inspector can make all of the plumbing, mechanical, electrical, and building inspections in a single stop. With specialized inspectors, three different inspectors – a Building Inspector, a Plumbing/Mechanical Inspector, and an Electrical Inspector – would all have to inspect the structure during three different stops. This results in increased non-productive travel time and reduces the number of potential inspections per day.

- **The combination dwelling inspector provides continuity of contact with the contractor and better public relations.** The use of a combination inspector removes stumbling blocks to the timeliness of inspection services for contractors. A combination inspector can approve the electrical, building, and plumbing/mechanical work; three different inspectors do not have to make three different inspection stops to approve the construction work performed by the contractor.
- **The use of combination dwelling inspectors will enable the Building Services Department to better accommodate inspection vacancies.** The use of a combination inspector approach rather than inspection specialists significantly reduces the workload impact of vacant inspection positions since there is a broader pool of inspectors to allocate the workload amongst.

The use of combination inspectors is not unusual. A number of cities, including the City of Bellevue, Washington, utilize combination inspectors to increase their building department's flexibility in responding to inspection requests and handling inspection workload.

While the Inspectors currently assigned to the Department possess a number of certifications, the project team recommends that the Building Services Department fully utilize the combination building inspector approach for at least two areas of inspections. These include residential construction (including multi-family) and commercial tenant improvements. The application of combination inspectors has the potential for broader application beyond these two areas depending on the complexity of the construction.

The International Codes Council (ICC) provides certification examination for combined inspection. This course concentrates on the examination questions and answers rather than field application. The Building Services Department should facilitate the completion of this certification by all of its inspectors.

In addition, a system of ongoing training is needed for these inspection staff to function as combination inspectors. The Building Official should develop a training program for each of these staff based upon a training needs assessment.

Initially, two existing inspector positions can be certified as combination inspectors and then provide initial ongoing training. These two staff should be utilized to provide the day-to-day inspection training to the other inspection staff in an approach as follows:

- Select one Inspector to be trained and to perform combined residential inspections or tenant improvement inspections, and team this inspector with one of the ICC-certified Combination Inspectors.
- Have each ICC-certified Combination Inspector provide code and practical field training to the group for an appropriate period of time with code training in the mornings and group field inspections in the afternoon.
- Establish a time period for training and implement the program on a target date (40 – 60 days). Confer with the inspectors to establish the implementation date. Establish the target date realizing that some of the quality expertise will occur with practice. A comfort level can be achieved by realizing that team support is available within the group where each Inspector has specific expertise.

It should be noted that the Department will implement new requirements for new hires. Currently, personnel hired at the entry level are only required to obtain or possess a specialty certification (e.g. electrical, plumbing, mechanical, building). Current inspection personnel should be trained to the same level of certification to ensure consistency.

**Recommendation: The Building Services Department should provide the training necessary to its Inspectors to enable them to function as Combination Inspectors for residential and commercial inspections.**

**Recommendation: The City should adopt a policy requiring ICC Combination Inspector Certification within a certain time period after hire.**

**(6) Operating Fees Charged by the Building Services Department for Processing of Building Permit Applications Should Recover all Costs Associated with Providing Services.**

The financial policies surrounding cost recovery developed by the Finance Director for consideration of the City Council should include a policy for *full cost* recovery of processing building permit applications. The underlying rationale to charge full cost for these fees, especially for Building Services, is simply that the City is providing services to a business or individual who is gaining a high degree of personal and financial benefit from the services.

Financial policies should also adjust fee tables annually using a cost adjustment factor (CPI, labor, etc.), and undergo a comprehensive cost of services study every three to five years. A three to five year time period is enough to provide for major staffing or structural changes that can affect the overall cost structure of an organization.

The City should raise its fees for Boiler / Pressure Vessel and Elevator / Escalator inspections. There are currently two full time specialized inspector positions dedicated solely to providing these inspections, and the program generates approximately \$110,000 in annual revenue. When one considers direct and indirect costs associated with this program, which approximate \$165,000, the City is under-recovering its costs.

Washington State also provides Boiler / Pressure Vessel and Elevator / Escalator inspection services to jurisdictions within Spokane County, outside of the City of Spokane's limits. As a "Class A" City, the City of Spokane can choose to provide these services themselves, or rely on the State's program. The City has chosen to provide

these services; it should fully recover its costs for these services. The City of Spokane is one of two cities in Washington that provides elevator inspections: the other City is Seattle.

The annual revenue impact of raising these fees is presented in the table below.

<b>Revenue Increase</b>	
Increase Boiler / Pressure Vessel and Elevator / Escalator inspection fees	\$65,000
<b>Total Revenue Increase</b>	<b>\$65,000</b>

**Recommendation: The City should update the Building Services Department’s fee tables annually using a cost adjustment factor.**

**Recommendation: Building Services should undergo a comprehensive cost of services study every three to five years to keep up with staffing or structural changes that can affect the overall cost structure of the organization.**

**Recommendation: The City should increase the fees for Boiler / Pressure Vessel and Elevator / Escalator inspections.**

**(7) Charge Plan Review Fees for New Single Family Dwelling projects.**

Part of recovering all costs associated with providing building services is charging for all services offered. The City currently does not charge for plan review on new single-family dwelling projects, but does provide plan review services associated with each project.

In some circumstances, it is reasonable for a jurisdiction to set fees at a level that does not reflect the full cost of providing services. Criteria for this type of policy are generally:

- Charging or increasing a fee will result in a decrease of quantity of services applied for.
- Offering free or subsidized services will encourage certain activity or behavior (for example minimal fees for water heater replacements).
- Legal considerations, such as state limits on the amount allowed to be charged.

- Offering free or subsidized services will allow an identified group to participate in services that they cannot afford.
- Offering free or subsidized services will support activities, which benefit not only the individual receiving the services, but a significant portion of the community at large.

In the City of Spokane’s case, subsidizing plan review on new single-family dwelling projects is not justified by any of the above criteria.

A common practice for establishing plan review fees on residential projects is to set the fee at some percentage of the building permit (inspection) fee, which is based on adopted construction valuation tables. Most jurisdictions in the Western United States set their plan review fees at 65% to 80% of the building permit fee. Also common practice is to provide a “discount” on the plan review of repetitive models within a residential tract development. The underlying logic for the discount is that plan review services required on repetitive models are far less complex than the review of the model itself. For example, a commonly seen fee structure in the West would charge 65% of the building permit fee for plan review of each original model, and then 25% for each repeat of the original.

According to the staff analysis of Building Services, approximately one full time Plans Examiner is dedicated to the review of new single-family dwelling permits. Revenue generated from plan review fees would recover for the full direct and indirect cost of providing these services. The annual revenue impact of raising these fees is presented in the table below.

<b>Revenue Increase</b>	
Charge plan check fees for residential plan checking	\$95,000
<b>Total Revenue Increase</b>	<b>\$95,000</b>

**Recommendation: The City should adopt a policy to charge plan review fees on all new single-family development projects.**

**Recommendation: The City should adopt a policy to provide a discount on the plan review of repetitive models within a residential tract development.**

**(8) Charge Development Impact Fees to Help Finance the Expansion of Infrastructure and Accommodate New Growth.**

Development Impact Fees are defined as one-time assessments for recovering the capital costs imposed on local governments by new growth, and are commonly assessed on top of building permit fees as a per dwelling unit (residential) or per square foot (commercial) charge. Development Impact Fees are governed by principles established in both state and federal law.

A list of potential Development Impact Fee categories next to the City of Spokane's current charges follows:

<b>Development Impact Fee Category</b>	<b>City of Spokane</b>
General Government	No
Public Works	No
Police	No
Fire and Emergency Services	No
Open Space and Regional Parks	No
Community Parks	No
Community Facilities	No
Library	No
Storm Drainage	No
Transportation (local and regional)	Under analysis by the City
Arterial Streets	No

The table above demonstrates that the City has significant opportunity to assess additional Development Impact Fees to help finance growth related infrastructure. Impact fees can be charged as long as there is a rational nexus between both the charge levied and the infrastructure needs imposed, as well as development's appropriate share of cost.

**Recommendation: The City should develop additional supporting infrastructure requirements to enable adoption of additional Development Impact Fees to finance growth-related infrastructure.**

**(9) The Fees Charged by the Planning Services Department for Processing of Current Planning Applications Should Be Increased.**

At present, the Planning Services Department collects approximately \$240,000 annually in fees for the processing of current planning applications or a cost recovery of 27%. The costs of processing these applications amounts to approximately \$900,000 annually in direct departmental costs, excluding city wide overhead. The residents of the City as a whole are clearly subsidizing the costs of the processing of these applications. The fees charged by the department for the processing of these applications should be increased.

Unlike a Building Services operation, it is commonly considered more reasonable for jurisdictions to adopt policies to set Planning fees at a level that does not reflect the full cost of providing services. Criteria for this policy decision are generally based on the fact that the Planning Services Department operates as a “gate-keeper” for Developer Services review, and the jurisdiction may want to encourage increased communication with developers at the beginning of a project for conformance to design guidelines and standards, community interaction, etc. The project team recommends that the City adopt a policy of at least 60% to 80% of full cost recovery for Planning Services.

The financial policies developed by the Finance Director for the consideration of the Mayor and City Council should include a policy regarding recovery of the costs of processing current planning applications. Upon approval by the Mayor and Council of

this policy, the Planning Services Director should develop a proposed increase in fees for the consideration of the Mayor and City Council.

The estimated revenue impact of increasing the Planning Service fees, as recommended, is presented in the table below.

<b>Revenue Increase</b>	
Increase planning fees	\$390,000
<b>Total Revenue Increase</b>	<b>\$390,000</b>

**Recommendation:** The financial policies developed by the Finance Director for the consideration of the Mayor and City Council should include a policy for recovery of the costs of processing current planning applications.

**Recommendation:** Upon approval by the City Council of this policy, the Planning Services Director should develop a proposed increase in fees for the consideration of the Mayor and City Council.