PERFORMANCE CONCEPTS CONSULTING

TOWNSHIP OF SELWYN

Building & Planning Services Review

Final Report

Submitted by:

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Submitted to:

Township of Selwyn

**Building & Planning
Review Ad-hoc Committee**

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1.0 Preamble

Performance Concepts was retained by the Township of Selwyn in Q4 2019 to execute a comprehensive Building and Planning services review. Township Council initiated the Building and Planning services review and established an Ad-hoc Committee to oversee the project. The Ad-hoc Committee is composed of the following mix of Township elected officials and engaged members of the public:

- Mayor Andy Mitchell (Chair)
- Deputy Mayor Sherry Senis
- Dan Caldwell
- Roger Glover
- Richard Hagg
- Randy Kingdon
- Cindy Windover

The Ad-hoc Committee has been supported by the Township CAO, the Manager of Building & Planning and the Manager of Community and Corporate Services/Clerk. Other Township staff have participated in the review; providing clarity and insights around current operations, development approvals processes, information management tools, and cost/revenue budgets.

Selwyn's Building and Planning service delivery review was initiated prior to the Township's COVID-19 emergency declaration.

The conventional (preferred) approach to a well-executed service delivery review would have involved an ongoing series of in-person interactions between the consulting team, Adhoc Committee members, Township staff, and development approvals applicants and stakeholders. These ongoing in-person interactions would have provided important insights around performance improvement opportunities, and would have informed our team's package of recommendations.

The COVID-19 state of emergency has required major revisions in the initial (preferred) approach to the review. Council interviews, some staff interviews and all stakeholder consultations moved to online platforms with limited scope for interactions. A planned interactive open house (facilitated by the consulting team) to secure public feedback on a suite of performance improvement recommendations has been cancelled. Instead, a less dynamic opportunity to provide comments/feedback on the posted draft report has been put in place.

COVID-19 has impacted the execution of the review but it has not compromised the findings nor the recommendations moving forward.

Performance Concepts acknowledges the grit and resilience of Selwyn Township Council and staff in moving this important project forward while simultaneously coping with the operational and public safety challenges posed by the pandemic.

2.0 Executive Summary

The Building and Planning Services review was initiated in Q4 2019 and completed in Q2 2020. Despite the disruptive impacts of the COVID 19 state of emergency, the Review was informed by wide ranging stakeholder feedback secured via on-line surveys and interactive working sessions. Draft Findings/Recommendation were informed by on-line public feedback before being finalized in this Final Report. The Review has been overseen by an Ad-hoc Committee established by Council; featuring a mix of elected officials and Selwyn residents committed to an improved development approvals model.

This Final Report prepared by Performance Concepts advances a transformational evidence-based package of 25 Findings/Improvement Recommendations for focussed and relentless implementation by Township staff and Council. Performance Concepts' impartial 3rd party Recommendations package has been stress-tested with Township staff, the Ad-hoc Committee members, and a broad range of stakeholders.

Performance improvement recommendations are wide ranging; spanning fees modernization and cost recovery, optimized business processes, a high value-added staff investment, organization design, IT platform modernization, KPI derived performance reporting, and the fostering of a customer service culture.

An Implementation Roadmap has been phased over two years; with all 25 recommendations triaged into either Do NOW or Do SOON categories. Funding sources to support implementation have been identified where required. The recommended pace of implementation is challenging, but definitely achievable if Council, staff and building industry stakeholders commit to the change management vision set out in the following pages.

3.0   Introduction & Methodology Overview

3.1   Introduction/Context for the Review: Positioning Selwyn to Efficiently Manage Growth

Selwyn Township is forecast to experience steady growth over the coming decade. The 2018 Development Charges background study conducted by Watson and Associates forecasts 2,538 new residents and over 1,300 new residential dwelling units by 2028. In order to ensure timely and efficient processing of forecast development approvals volumes (Planning + Building), the Township prudently decided during Q4 2019 to review its current performance in executing interconnected Planning Act and Building approvals. An Ad-hoc Committee was struck by Council to oversee the review and Performance Concepts Consulting was retained following an RFP process.

3.2   Documenting Selwyn's "As Is" Model for Approving Development

Performance Concepts has undertaken a comprehensive "As Is" evaluation of Selwyn's development approvals process. The "As Is" evaluation has included the staffing model, business processes, organization structure, revenue generation from fees, and IT/data management aspects of both the Planning and Building segments of the overall development approvals model. The "As Is" evaluation combined an objective data driven investigation with subjective interviews with Township staff, County staff, ORCA staff and all members of Township Council.

3.3   Technology Toolkit for Leveraging Efficient Development Approvals

The Township's RFP specifically required 3rd party consideration of new internet portal/workflow tool solutions by Performance Concepts; to leverage streamlined application processing and progress tracking across a modernized development approvals model for Selwyn. Performance Concepts has executed the required due diligence review of various IT solutions available in the marketplace to modernize development approvals in Selwyn as per the terms of the RFP. The results of this due diligence IT tool review have informed the package of go-forward recommendations contained in this Final Report.

3.4   Stakeholder Perspectives

Despite the limitations imposed by the COVID 19 state of emergency, Selwyn staff and the Performance Concepts team have been able to work together to execute robust stakeholder consultation using on-line tools and meeting platforms. Stakeholder consultation has been undertaken with the distinct but interrelated planning approvals and building approvals models mind; via two separate online surveys of applicants using the popular Survey Monkey tool. Findings and analysis from these two surveys are set out in this Final Report. Performance Concepts also conducted an online working session with experienced building industry "repeat applicants" who interact with Selwyn on an ongoing basis. These

repeat applicants included developers, builders, contractors and various consultants. The results of the online working session with repeat applicants (using the mentimeter.com dialogue/polling tool) have also been captured in the Final Report.

3.5   As Should Be Performance Plan for Planning Approvals

Findings and recommendations for an improved "As Should Be" Planning approvals model for Selwyn have been developed by the Performance Concepts team. The "As Should Be" recommendations address staff resourcing, streamlined application processing, fees design and cost recovery, new IT tools to leverage efficiency, and sustainable organization design.

3.6   As Should Be Performance Plan for Building Approvals

Findings and recommendations for an improved "As Should Be" Building approvals model for Selwyn have been developed by the Performance Concepts team. The "As Should Be" recommendations address staff resourcing, streamlined application processing, fees design and cost recovery, new IT tools to leverage efficiency, and sustainable organization design.

3.7   Public Feedback on Draft Findings/Recommendations

A draft package of Findings/Recommendations were reviewed by the Ad-hoc Committee and placed on the Township website for public consideration and feedback. Participants in the earlier on-line surveys and the industry on-line working session were invited by the Township to consider the draft recommendations prepared by Performance Concepts to ensure their input was properly considered.

3.8   Final Recommendations Package

An integrated final set of set of Findings/Recommendations was prepared by Performance Concepts and is featured in this Final Report.

3.9   Implementation Roadmap

An Implementation Roadmap has been prepared to support Council and Township staff as they convert "on paper" recommendations into actual operational improvements and positive real-world change. The Roadmap creates a staged implementation plan. Recommendations are triaged into Do NOW, Do SOON and Do LATER phases. The Roadmap contains a Performance Concepts implementation "check-in" with Council and staff at the mid-year point in 2021.

| 4.0 | # Planning Approvals "As Is" Performance Profile |

| 4.1 | ## Service Delivery Model & Staffing Profile |

The development approvals process (DAP) service delivery model in Selwyn Township is largely mandated by provincial legislation and an overarching policy framework. The service delivery model features a complex set of rules, actors and application-driven approvals instruments. Actors include Peterborough County, ORCA, Selwyn Township and a range of provincial agencies. Approvals instruments include (but are not limited to) the following:

- Lot creation (Severances)
- Lot creation (Sub-division)
- Re-zoning
- Site Plan Control
- Minor Variances
- Condominium
- Conservation Authority development permits

These common approvals instruments are applied to residential and non-residential development proposals. The County, ORCA and Selwyn Township interact in differing roles for the various approvals instruments. The local decision-making rules are set out in official plans and zoning bylaws. Local approvals decisions (with the exception of ORCA permits) can be appealed to the LPAT.

In an effort to inform and guide local residents and development applicants, Performance Concepts has prepared a development approvals "primer" reference document. This document entitled "Development Approvals in Ontario: The Applicant Journey" has been reviewed with the Ad-hoc Committee and is appended to this Final Report. The primer also addresses the Building Code/Building Permits back-end of the development approvals journey that follows planning approvals.

The Township staffing model for processing planning approvals is relatively lean in its current configuration. A Registered Planner oversees the official plan/zoning policy framework and also processes all development applications. The Planner is supported at the counter by admin staff who can assist in application intake, but all technical matters and substantive applicant questions require the attention of the Planner. Currently the Manager of Building and Planning (who is not a registered Planner) provides overall leadership and interacts with applicants on a more strategic level. Township Finance and IT staff provide operational support to the Building and Planning department. Outside consulting support for environmental and engineering peer reviews and technical advice are retained as required – typically funded via applicant draw-down deposits.

4.2   **Planning Fees & Cost Recovery**

Performance Concepts has conducted a comprehensive cost recovery review of the Township's fee schedule for planning applications. This comprehensive cost recovery review is appended to this Final Report. The figure below sets out the cost recovery review framework. Selwyn planning fees have been compared against two sets of municipal comparators; immediate neighbouring municipalities and a group of apples-to-apples comparators from across the province. Evaluations of planning fee design, fee $ amounts, and fee impacts on hypothetical development projects/scenarios have been undertaken.

Scope of Peer Comparator Analysis

Peers
5 Ontario Municipalities from RFP
Selwyn Municipal Neighbours

How is Selwyn positioned?

Should Selwyn re-position?

Growth Pays for Growth
Versus Economic Development
Perspective of low fees

- Planning + Building Fees cost recovery
- Fee design
- Fee $ amounts
- Fee Impacts on selected Development Scenarios
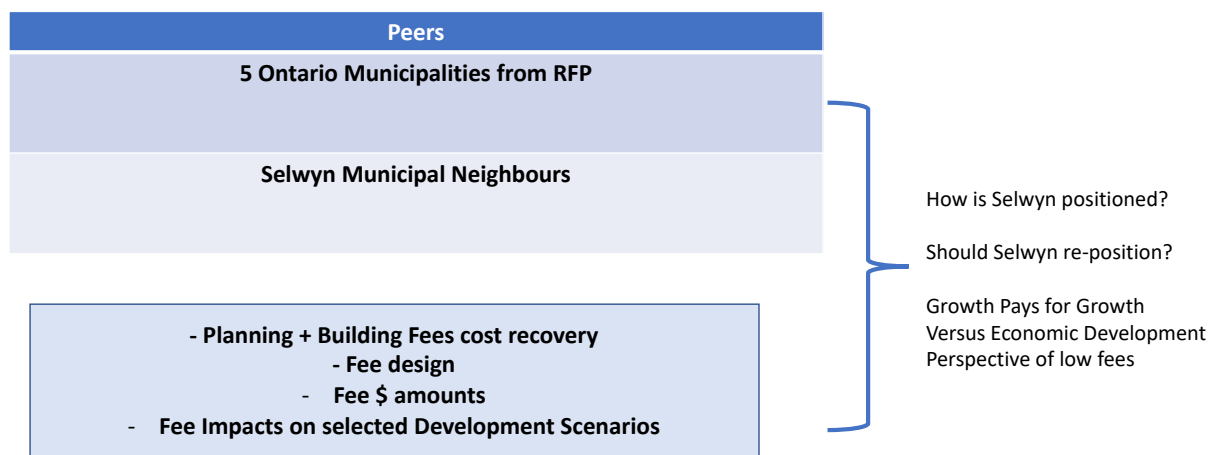
The following figure provides an overall summary of the cost recovery review conducted by Performance Concepts. The recommendations section of this report will address the question of go-forward cost recovery targets that will re-balance fees-based $ support versus property tax-based $ support.

Selwyn Planning Fee Positioning

- Selwyn 2018 Planning fee cost recovery (45%) slightly above Peer/Neighbour averages - but below growth municipality recovery levels across Ontario
- Selwyn planning fees recover slightly more billable hours of work than averages of Peers or close-by Neighbours
- Key question: is there a corporate willingness to re-position the Township's DAP cost recovery; thereby lowering the existing property taxpayer's subsidy for new development?

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4.3   Application Processing Workflows

Planning applications typically involve the following sequential workflow/process milestones:

1. Mandatory or optional pre-consultation meeting to explore the viability of a project and establish the checklist of submission requirements for a complete application.

2. Application submission that includes a mix of forms, technical drawings, special studies, fees payment. The mix of submission requirements ties back to pre-consultation and varies by application category.

3. Application deemed complete within a maximum of 30 days as per the Planning Act. Actual timeframes required to deem a submission complete will vary by application category and complexity.

4. Internal technical review and circulation to external agencies for input. For applications to the Township (Site Plan, Minor Variances, Re-zoning) Selwyn staff coordinate necessary technical review cycles in collaboration with staff from the County, ORCA and other provincial agencies as required. For applications to the County (Sub-division and Severances) Selwyn participates as a key commenting agency; especially given the realities of servicing solutions that fall under the Township's jurisdiction for proposed Sub-divisions.

5. Mandatory public participation for Re-zonings, Sud-divisions, Minor Variances.

6. Council approvals and signed development agreements. Selwyn Council either delegates targeted application approvals to staff, approves applications via resolution, or uses the Committee of Adjustment to deal with Minor Variances. Selwyn Council also endorses development agreement conditions that are submitted to the County for ultimate approvals of Subdivisions and Severances - thus creating a 2-step governance approvals model for lot creation involving Selwyn and County Councils.

7. Registration on title of Site Plans and newly created lots via Severance or Sub-division.

8. This sequential workflow can be applied to stand-alone planning applications, or to "combo packs" of applications such as Site Plan/Re-zoning or Sub-division/Re-zoning or OPA/Re-zoning/Sub-division.

Application Intake Efficiencies at the Counter

When executing this sequential workflow, the front-end components are critically important. Accepting only complete applications of reasonable quality will ensure that the timelines for technical review are not prolonged unnecessarily. Quality control is essential at the point of application intake. If the Township's sole planner is forced to spend significant amounts of time at the counter exercising quality

control over sub-standard applications or dealing with "planning 101" questions for the public, then the overall "billable hour" capacity of the Planner to process well prepared applications is compromised.

This counter driven service delivery challenge is not unique to Selwyn. It has been experienced by Planning and Building departments across the province. A proven remedy implemented by municipalities has been to create a *Planning/Building Permit Tech* position deployed at the counter to oversee application completeness/quality control and public Q&A interactions. This *Permit Tech* is not just an admin position; instead the position features a range of planning and building technical competencies in order to protect senior staff like the Township Planner from time-consuming counter interactions. Freed from the counter, the Township's Planner can then focus on more complex, higher value-added work associated with more demanding planning application files. The Permit Tech can also supply coverage for time periods where the Planner is away from the office.

Opportunity for Overlapping Planning & Building Approvals Workflows

Selwyn currently executes its Planning and Building application approval workflows in a sequential fashion; Planning application processes are completed before Building processes are initiated. This sequential linkage between Planning and Building approvals models is typical of many Ontario municipalities.

However, most Ontario growth municipalities have adopted an overlapping approach to executing Planning and Building workflows. The overlapping approach focuses on Site Plans and Minor Variances. Once a Minor Variance has been approved by the Committee of Adjustment, a 20-day appeal period kicks-in. During that appeals period a building permit application can be submitted, and plans examination can be undertaken by Building staff. At the end of the Minor Variance appeals period, a "just in time" building permit can be issued if plans examination has been completed. This overlapping process significantly reduces the number of required business days to process the combination of a Minor Variance and a building permit.

In the case of a Site Plan application, an overlapping process "trigger point" for accepting a building permit application occurs well before Site Plan final approval. By the end of the Site Plan 2nd technical circulation cycle, the engineering/servicing and grading solutions have been worked out and the zoning setback/coverage requirements have been met. The viability of the building footprint has been established. At this point the building permit application can be considered in parallel with the Site Plan development agreement being prepared/signed by the applicant/executed by the Clerk and Mayor/Registered on title. This overlapping process significantly reduces the number of required business days to process the combination of a Site Plan and a building permit. The time savings is especially valuable to applicants near the end of a building season when the window of opportunity to get a foundation into the ground is shrinking.

5.0   Building Approvals "As Is" Performance Profile

5.1   Service Delivery Model & Staffing Profile

Selwyn Township regulates construction by executing the full legislated range of Ontario Building Code Act Part 3 and Part 9 building permits/mandatory inspections. The various streams of residential and ICI new buildings/additions/renovations all culminate in occupancy being granted and permits closed (eventually).

The Chief Building Official oversees all aspects of the Building service delivery model; while also overseeing the Township's By-law Enforcement service. The current CBO serves as the senior Manager responsible for the entire Building and Planning department.

Day-to-day Building service delivery is executed by the CBO, two Building Inspectors and an admin staff member servicing the counter. The Inspectors are fully credentialed to deal with all required Part 3 and Part 9 permits/inspections. Inspectors work seamlessly as generalists across the files; dealing with plans examination and field inspection functions in a flexible approach where neither inspector "owns" the file. This creates consistent file coverage and is a major factor in achieving timeframes compliance.

The CBO is confident that the currently configured staffing model has resulted in legislated permit decision and inspection notification timeframes being met consistently by Selwyn (commonly referred to as the Bill 124 timeframes or the Bill 124 clock) .

It should also be noted that Selwyn carries a significant number of "open permits" where occupancy has been granted but a final inspection to close the file has not been requested by the permit holder. These open files can create an urgent "transaction completion problem" at the point of sale of a house or commercial property. The "open file" problem is widespread across the Ontario municipal community.

Performance Concepts has concluded that the current staffing complement for Building services has been adequate to meet the historic levels of permit applications experienced in Selwyn.
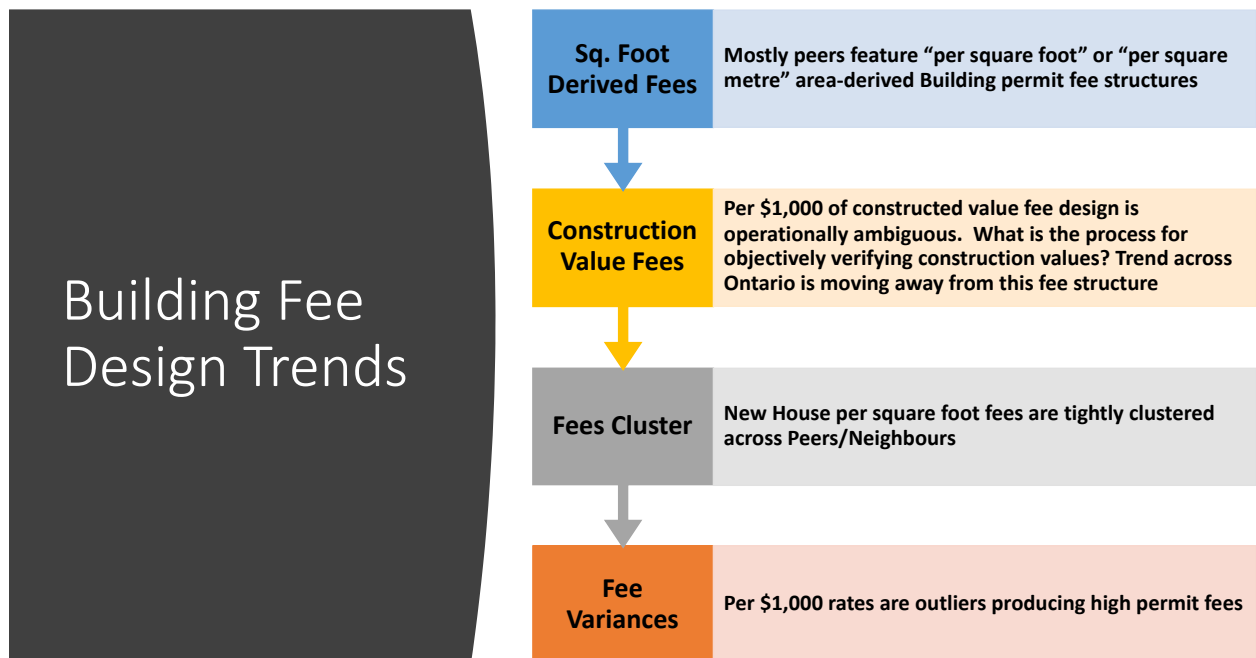
5.2   **Building Fees & Cost Recovery**

Building fees across Ontario are designed according to one of the following two models:

- A "per square foot" building permit fee based on standardized construction values per square foot
- An "% estimated construction value" based building permit fee (i.e. no square footage fee denominator) with the applicant submitting the project construction value for fees calculation.

Across Ontario the trend has moved away from construction value derived fees towards square footage building fees. Construction value fees are subjective; applicants may contend that similar construction projects/structures have different construction costs/values. Building staff can become involved in contentious negotiations around "gamed" construction values put forward by applicants to reduce permit fees. Square footage-based fees eliminate the ambiguity around fees owing; thereby reducing conflict and streamlining the cost recovery process. It is possible to mathematically convert construction value fees into square footage fees in a revenue neutral fashion for a municipality.

Selwyn currently relies on a "% construction value" building permit fee design.

Building Fee Design Trends		
Sq. Foot Derived Fees	Mostly peers feature "per square foot" or "per square metre" area-derived Building permit fee structures
Construction Value Fees	Per $1,000 of constructed value fee design is operationally ambiguous. What is the process for objectively verifying construction values? Trend across Ontario is moving away from this fee structure
Fees Cluster	New House per square foot fees are tightly clustered across Peers/Neighbours
Fee Variances	Per $1,000 rates are outliers producing high permit fees

Selwyn building permit fee comparisons are set out in the table below. The fees have been calculated across the comparators for a 2,500 square foot house with a $500k construction value. The building permit fees in Selwyn are significantly higher than the comparators based on the % construction value denominator in the Township fee structure.

Building Fees: Design + New House Development Scenario

	Selwyn	Pelham	Wilmot	Napanee	Springwater	Clearview	Peers Average
New House 2,500 square feet + $500k Construction Value	$7,270	$3,575	$3,500	$4,500	$2,725	$2,923	$3,445
	$14.54/$1,000	$1.43/sq. ft.	$1.40/sq. ft.	$9/$1,000	$1.09/sq. ft.	$2,572 Base + $1.17/sq. ft. > 2,200	

The Selwyn Building permit fees model features a healthy reserve fund balance that is available to fund upcoming technology investments. Future reserve fund contributions can be re-directed to fund ongoing operational/staffing upgrades; without the need to adjust fee levels upwards in the short to medium term.

Selwyn Building Fee Positioning

- Key question: Is there a corporate willingness to modernize the Township's Building fee structure to a per sq. foot basis?
    i)   Thereby falling in line with province-wide best practices.
    ii) Eliminating the operational risk of applicants "gaming" the existing construction value fee with low-ball values.
- Building fees are relatively high and the Reserve Fund Balance of $800k + is overfunded
- Unless Reserve Fund drawn down with appropriate spending/investments, time is fast approaching when Building fees should be frozen or even reduced

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5.3 Application Processing Workflows

The Building service delivery channel is defined by the following workflow critical path:

1. Building permit application intake (quality control using complete application checklist)
2. If applicable law not in place, applicant counselled to obtain necessary approvals (e.g. Site Plan, Zoning, Minor Variance, ORCA and health department permits). Application turned away pending applicable law requirements met.
3. If applicable law in place and permit application submission items (as per checklist) are accounted for then application accepted, permit fees paid.
4. Within 2 business days application deemed complete/incomplete.
5. If incomplete, the deficiencies are noted and communicated. The Bill 124 clock is turned off and application can proceed off the clock once missing information is provided.
6. If complete, Bill 124 clock remains on and a permit decision is required of Selwyn according to the legislated timeframes (e.g. 10 business days for a house).
7. Permit decision (approval/refused) is communicated to applicant at the end of plans examination process; with Bill 124 clock-on applications also meeting timeframes. If the permit is being refused, a deficiencies notification itemizing all Code compliance deficiencies must be sent to the applicant. Building staff re-set the permit decision timeframe clock at 10 days when completing the review of any residential file after deficiencies have been corrected by the applicant.
8. Permit is approved; Development Charges must be paid by the applicant and applicant receives a written/electronic copy of the permit.
9. As construction progresses, mandatory inspection notifications must be sent to the Township by the applicant. Inspections must be scheduled and occur within 2 business days after the day notification is received by the Township. Selwyn admin staff handle inspection scheduling centrally, and then assign the inspections to the Inspectors in geographically efficient bundles whenever possible.
10. Inspections are executed and the results (pass/fail/deficiencies) are recorded and supplied to the applicant. Future inspection scheduling is dependent on passing all previously required inspections.
11. Following all mandatory inspections, an occupancy inspection can take place – culminating in an occupancy permit. Minor inspection matters not impacting occupancy can be held over for a final inspection.
12. Applicants request a final inspection. Execution of this inspection closes the file and transfers the property onto the MPAC assessment roll. A failure to execute a final inspection can delay the transfer of a property onto the MPAC assessment roll. Tax rates for properties already on the tax roll are therefore higher than they should be.

Selwyn deliver Building services consistent with this industry-standard critical path. While staff are confident Bill 124 timeframes are being met, there is no definitive workflow tracking tool in place to generate reports that confirm timeframe compliance. The Township is in the process of remedying this timeframe tracking/reporting shortcoming with the pending rollout of permitting workflow software.

6.0   Technology Leveraging Development Approvals Performance: Portal + Workflow Toolkit

6.1   E-Portal + Workflow Tracking Software for Monitoring Application Processing

As per the Township RFP, Performance Concepts has undertaken a functionality assessment of development approvals portal/workflow software options for Selwyn.

The Performance Concepts stage1 assessment of development approvals process (DAP) workflow tool solutions considered the following commercial packages: City View, AMANDA, Microsoft Dynamics 365. Stage 1 also considered Kingston's in-house DASH e-portal solution for development applications. These various e-portal/workflow software solutions were evaluated using the following checklist of functionality requirements.

	City View (e.g. NPCA)	AMANDA Version 7 (e.g. Burlington/Oakville)	Dynamics 365 (e.g. Vaughan)	Kingston's DASH	Central Square/Diamond (Permitting or Community Development)
Portal	Yes…proven rollout at NPCA (P. Concepts client)	Yes…portal is very new…no longer term performance evaluation possible	Yes…cloud or server environment (P. Concepts client)	Yes…cloud environment since 2015-16	Yes…cloud or server environment with virtual City Hall
Integration	NPCA has not integrated with Financials	Problematic integration…takes lots of effort/time/$	Demonstrated integration with multiple ERP operating platforms	Proven… implemented since 2015 (e.g. fees payment)	Proven deep integration in cloud and server environments
Workflow Functionality	Mixed reviews…App seems better than desktop…decent workflow reporting on timeframes possible	Widespread difficulties securing easy/timely reports… involved/complex non-intuitive configuration efforts to get workflow	Exceptional/superior workflow (state of art). Powerful/easy analytics out of the box.	Strong portal functionality… unclear re. backroom workflow power	Permitting module workflow very limited…strong on documentation but not reporting timeframes.
Value for $	Expensive…rollout with portal + Licenses were $200k+ for NPCA	Expensive/outdated… only existing/longtime "hooked users" are renewing. Definite No-Go.	Subscription based cost flows per user. Estimated $30-$40k annually for 10-15 users plus 1-time configuration project costs ($100k). Maybe too much tool for Selwyn's needs?	Unclear if purchasable…was developed in-house…unclear what functionality exists beyond a solid/proven portal (more research would be required)	High marks on integration. Portal is low risk since linked to ERP. Permitting module is bare minimum required. Community Planning model functionality (an extra module) will be vetted in time for January 30th meeting.

The Performance Concepts stage 2 assessment focused on the Central Square/Diamond portal/permits module purchased by Selwyn (as part of a broader ERP software solution) during the course of this Review. Performance Concepts has undertaken a Diamond Permitting functionality assessment coordinated with Township staff and the Diamond system contractor. A proof of concept demo of Diamond Permitting was organized, and the results incorporated into the overall assessment by Performance Concepts. The Diamond permitting module already purchased by Selwyn as part of a new ERP solution meets the functional requirements set out by Performance Concepts at the beginning of the stage 1 evaluation.

7.0 Stakeholder Consultation & Performance Feedback

7.1 Council Interviews

Interviews with all members of Council explored Building and Planning performance via discussions of Strengths, Weaknesses, Opportunities and Threats. Councillor perspectives were informed by resident/applicant feedback they have received over the years. Councillors identified a range of performance improvement opportunities around service levels, work processes and fostering a customer service culture that moves past "No" and identifies collaboration pathways to "Yes" when it comes to building permits/inspections.

7.2 Broad Pool of "One Timer" Applicants: Online Survey Results

The Survey Monkey survey of Building permit applicants garnered 130+ responses. A detailed question-by-question data analysis is appended to this Final Report. Highlights from the survey analysis include the following:

- A large majority of applicants found Building staff (as opposed to online support tools/documents) most helpful in navigating the approvals process;
- Strong support for a future e-permitting online solution
- Confirmation of timely inspection scheduling
- 7 in 10 respondents reported no unusual delays in the Building permit/inspections process
- Approximately 7 in 10 residents rated the overall Building experience favourably

The Survey Monkey survey of Planning approvals applicants garnered 20-40 responses depending on the question. A question-by-question data analysis is appended to this Final Report. Highlights from the survey analysis include the following:

- A large majority of applicants found Building staff (as opposed to online support tools/documents) most helpful in navigating the approvals process;
- Strong support for a future e-permitting online solution
- Strong approval for pre-consultation
- A majority reported unexpected delays with their applications
- Almost half of respondents indicated dissatisfaction with the overall Planning approvals experience

7.3   "Repeat" Construction Industry Applicants: Facilitated Mentimeter.com Working Session

Approximately ten "repeat" building industry representatives participated in an online interactive working session to provide performance feedback on Planning and Building service delivery performance improvement opportunities in Selwyn. Participants raised many of the same performance improvement opportunities already identified in Council member interviews.

In contrast to the feedback contained in the "one timer" online survey results, the "repeat" applicants who participated in the online working session were relatively satisfied with the Planning process culture/results but were critical of the deficiencies of the Building customer service culture. The customer service culture in Building was described as inflexible, excessively regulatory and unconcerned with collaborating with an applicant to get projects to "yes".

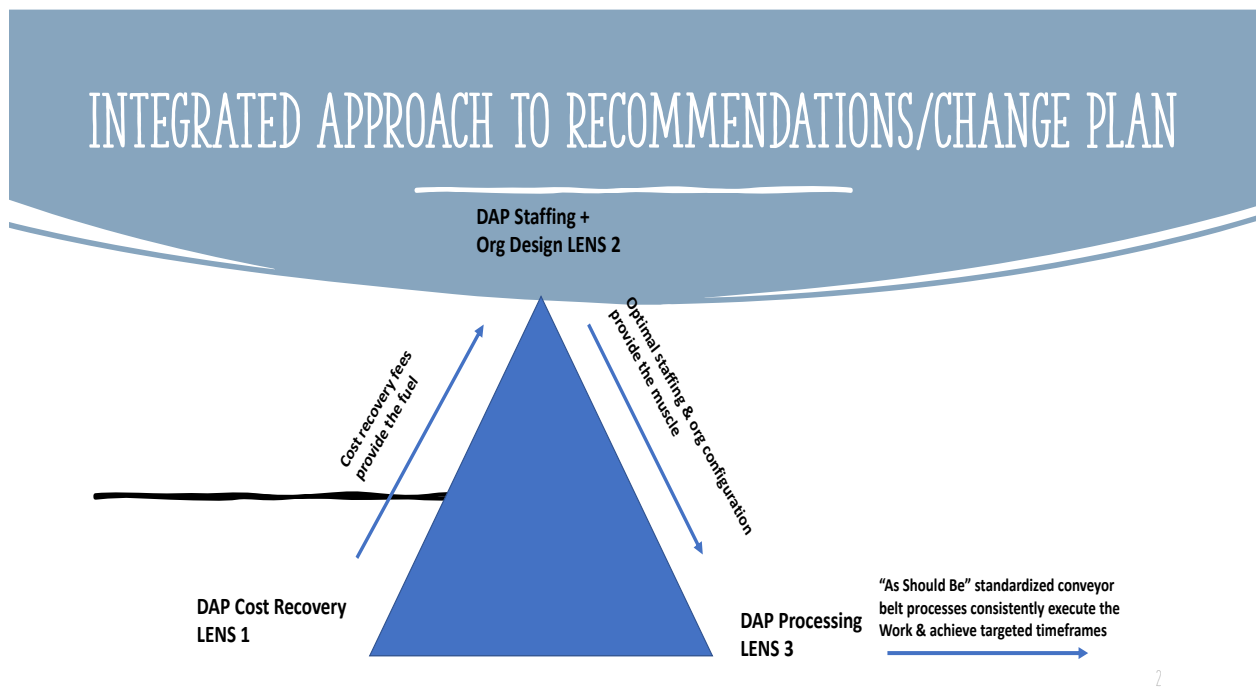Follow-up one-on-one interviews with "repeat" applicants (unable to attend the online workshop) provided feedback consistent with the online working session.

The perspectives offered by "repeat" applicants in Selwyn are informed by their experiences in other jurisdictions. This may help explain the differing feedback supplied by "one time" applicants who's experience with development approvals are limited to Selwyn.

8.0	# Building & Planning "As Should Be" Performance Improvement Findings/Recommendations

Findings/Recommendations prepared by Performance Concepts are set out in a sequence of performance lenses described in the figure below.

INTEGRATED APPROACH TO RECOMMENDATIONS/CHANGE PLAN

DAP Staffing +
Org Design LENS 2

Cost recovery fees provide the fuel

Optimal staffing & org configuration provide the muscle

DAP Cost Recovery LENS 1

DAP Processing LENS 3

"As Should Be" standardized conveyor belt processes consistently execute the Work & achieve targeted timeframes

Cost recovery recommendations will supply the fuel to drive performance improvement. Staffing and org design recommendations will provide the muscle. "As Should Be" process improvements will secure actual results consistent with measurable performance targets.

8.1   **Cost Recovery Performance Lens**

PLANNING FEES/COST RECOVERY

Review Findings	Recommendations
• Selwyn planning fee cost recoveries are slightly above peer/neighbour averages; but below growth municipality recovery levels across Ontario • Selwyn fees cover slightly more billable hours of work than average of peers or neighbours • Current cost recovery hovers around 45%...therefore existing taxpayers are paying a majority share of Selwyn's development processing costs	1. *Selwyn should develop a 3-year phased approach to expanding the portion of Planning development processing costs recovered from applicants. This phasing should commence in budget year 2022; recognizing a Post-COVID 19 freeze on fees is prudent for budget year 2021.* 2. *The above referenced multi-year phase-in of improved fees recovery should "soft land' around 66% of overall annual planning application processing costs. This cost recovery target falls within the norm for Ontario growth municipalities.* 3. *Specific cost-recovery targets each core application category can/should be developed by Township staff.*

BUILDING FEES/COST RECOVERY

Review Findings	Recommendations
• Building fees are relatively high and the Reserve Fund Balance of $800k + is high & growing over time • Unless the Reserve Fund drawn down with appropriate spending/investments, the time fast approaching when Building fees should be reduced • Building permit fees based on applicant-submitted construction values do not represent "best practice" in fee design; the trend across Ontario is towards "square foot/square metre" based building permit fees	4. *Selwyn building permit fees should be frozen across the board for the 2021-2023 budget years.* 5. *Existing Selwyn Building Reserve Funds should be used to finance recommended one-time IT workflow tool investments associated with the Diamond public portal (for application uploads) and the configuration of the Diamond permitting module. The reserve fund $ should provide necessary funding for a development approvals IT capital project in the 2021 budget.* 6. *Staff should re-design the current outdated "% construction value" fee into a standardized "square metre" fee consistent with best practice fee design across Ontario. This revenue-neutral fee design change should be implemented by Q3 2021.*

8.2   **Staffing/Resourcing Sustainability**

STAFFING/
RESOURCING
SUSTAINABILITY

Review Findings	Recommendations
• Selwyn delivers the staff-driven component of its Planning approvals model via a single accredited planner. The Township's planner must toggle back-and-forth between ongoing customer service duties/support at the counter and the timely processing of complex and non-complex applications. There is no built-in coverage/secondary resource for any short-term or longer-term absence of the planner – whether it be scheduled or sudden. • Selwyn's Building Inspectors also spend significant amounts of time at the counter dealing with technical customer matters beyond the scope of current administrative staff. Especially during peak construction season Building Inspectors can improve their in-the-field productivity by spending less time at the counter. • The combination of a one-planner staffing model + forecast application volumes in Selwyn + Bill 108 timeframe compression represents a risk to timely/sustainable application processing.	7. *Selwyn should establish a new position in its Planning/Building department; a front-counter "Development Approvals Technician". The position should be primarily funded (2/3 FTE) from the Township's building permit revenue stream that is currently flowing annually into the Building Reserve Fund. Given the negative impact of COVID 19 pandemic on 2020 building fee revenues, initial funding of 2/3 of the new Development Approvals Technician in the 2021 budget should be secured via a one-time draw-down from the $800k + Building Reserve Fund balance.* 8. *The initial occupant of the new position should be multi-disciplinary; a certified Ontario planner with cross-trained building permit technical training/expertise. Recruitment may be challenging, and supplemental training required. Customer service technical support at the counter for planning and building application intake will free-up senior staff for high value-added work on development files/applications. The Development Approvals Technician will also provide planning application processing support and coverage for the Township Senior Planner.*

STAFFING/ RESOURCING SUSTAINABILITY

Review Findings	Recommendations
• There does not appear to be a planned/structured staffing succession model for the Building and Planning department. Potential senior staff retirement in the foreseeable future has created the need for carefully considered contingency planning. • The current Building & Planning department leadership configuration has a building credentialed Manager overseeing a blended planning and building team of credentialed and non-credentialed employees. An alternate approach to consider for succession purposes is a credentialed planner to lead the blended planning and building staff team; a team that would include a new Chief Building Official reporting to a new upgraded Director.	9. *Council should direct the CAO to prepare a succession planning strategy/report for the Building & Planning department. The CAO's succession planning strategy should be flexible and encompass a range of go-forward org structure and staff reporting scenarios; at minimum evaluating the status-quo CBO-led department structure versus an alternate structure featuring an accredited planner as an upgraded Director for the department. The CAO's report should also consider in-house promotion versus outside staffing options for a replacement CBO.*

8.3   **Fostering a Customer Service Culture**

PROMOTING CUSTOMER SERVICE CULTURE

Review Findings	Recommendations
• Council interviews and external stakeholder consultations undertaken as part of this review have produced a rather complex two-track storyline re. the customer service culture around development approvals. • The first track storyline is largely positive. A substantial majority of the 100+ building permit "one time" applicants who responded to the consulting team's on-line survey described their building permit experience positively. • The second track storyline is aggressively negative and focused on the Township's Building Inspectors. It was gleaned from a much smaller sample of building industry "repeat applicants". This critique does not focus on Building Inspector competence per se; but rather on attitude and culture problems. Inspectors are criticized for being officious, unhelpful and unduly rigid; unwilling to work towards compliance and instead opting for "No" without advice for applicants on how to get to "Yes". Technical inconsistencies and customer service attitude differences between the two Building Inspectors were noted repeatedly. More than one of the "repeat applicants" indicated an intention to "never build in Selwyn again" as a result of their negative customer service experience.	10. *Enhanced customer service training should be delivered to all frontline Building and Planning staff before the end of Q2 2021.* 11. *Annual Building and Planning frontline staff performance reviews should include a written assessment of customer service performance versus clearly documented corporate expectations. The Township has a range of HR compliance/corrective options for staff who repeatedly fail to meet performance appraisal written expectations. These corrective options should be decisively exercised in the case of Building and Planning department staff with documented customer service performance problems in two consecutive appraisals.* 12. *An annual stakeholders feedback survey/working session should be jointly chaired by the Mayor and CAO to gauge progress in building a balanced regulatory/ customer service culture in the Selwyn Building and Planning department.* 13. *Building staff's current 10-day timeframe for residential permit applications that have been removed from the Bill 124 clock (because of minor/limited technical deficiencies) should be adjusted to "no more than 5 business days" in the interests of fair customer service. Residential applications where major/substantial deficiencies have been identified should continue to be subject to the 10-day timeframe for a permit decision.*

8.4 **Streamlining Planning & Building Workflows**

OPTIMIZING PLANNING SERVICE DELIVERY WORKFLOWS

Review Findings	Recommendations
Strengthening Pre-consultation: Selwyn has an opportunity to strengthen the consistency and effectiveness of its pre-consultation process for planning applications. Stakeholders have criticized pre-consultation as sub-optimal despite staff's best efforts. Municipal best practices around pre-consultation are as follows: • Robust mandatory pre-consultation featuring engagement from all involved agencies; • Following the pre-consultation meeting the applicant receives a well-documented "complete application" technical checklist of requirements that provide clarity and clear the path to a timely complete application submission. Action-oriented clarity driven pre-consultation agreements signed by applicants and the municipality are an emerging best practice for growth municipalities.	14. Council should direct Selwyn staff to implement mandatory pre-consultation for site plans/condos/sub-divisions/re-zonings. Pre-consultation should culminate in a signed pre-consult agreement between the Township and the applicant. The pre-consult agreement will clearly set out the prescriptive technical requirements/studies etc. required for an applicant to submit a complete application. The agreement will also set out the anticipated fees/deposits/ securities associated with the required planning application(s). At the conclusion of pre-consultation Township staff should also provide a non-binding estimated approvals timeframe to the applicant; based on a complete, high quality submission package. 15. Failure by an applicant to provide the agreed upon requirements/studies etc. set out in the signed pre-consult agreement should constitute an incomplete application submission. Incomplete application submissions should not be accepted by Selwyn over the counter or over any future application e-portal.

OPTIMIZING PLANNING SERVICE DELIVERY WORKFLOWS

Review Findings	Recommendations
Differentiated Site Plan Agreement Requirements & Standards: Both Council members and multiple external stakeholders have expressed frustration with Selwyn's application of "urban" service levels re. Site Plan requirements (e.g. paved parking lots) for projects located in distinctly non-urban settings. Not unreasonably, staff have noted the absence of any distinct or differentiated urban/non-urban catchment areas where differing site plan service levels could be justified. The creation of differentiated growth area and non-growth area Site Plan amenity/infrastructure requirements is technically feasible, Differentiated service level standards could address stakeholder concerns re. "one size fits all" expensive urban standards without compromising the quality of the built form in the growth area.	16. *Council should address Township staff to bring forward a report (supported by appropriate mapping) to set-out growth and non-growth catchment areas for Site Plan approvals. The report should also codify growth area service standards such as paved parking and other appropriate amenities. This report should be received by Council no later than Q1 2021.*

WHO DOES WHAT RESTRUCTURING RE. SUB-DIVISION APPROVALS

Review Findings	Recommendations
• Sub-division "Who Does What" Roles Between Selwyn and Peterborough County: • Selwyn's historic and forecast volumes of development are among the highest in Peterborough County. Despite the fact the County has legislated approval authority for sub-division approvals, the bulk of the technical work is undertaken by Selwyn. Sub-division development agreement conditions around water, wastewater, stormwater and grading/drainage are developed by the Township and endorsed by Township Council. These conditions are then approved, virtually without exception, by the County. The County admin function in collecting/coordinating agency technical comments has been absorbed by local municipalities across Ontario that have received delegated approvals authority. • The process in Selwyn could be streamlined via the elimination of time-consuming "double governance" approval of subdivisions and subsequent phases/agreement conditions by both Township and County Councils. This streamlining could be achieved via delegated sub-division approval to Selwyn by the County; recognizing that the County may choose to retain its sub-division approvals in other low growth, less active local municipalities.	17. *Selwyn Council should direct the CAO to initiate a joint review with the County to examine/document the processing timeframe impacts of delegated sub-division approvals to Selwyn and any other interested local municipalities in Peterborough County. The Township CAO should report back back during Q1 2021 and seek Council direction around a formal delegation request.*

OPTIMIZING BUILDING SERVICE DELIVERY WORKFLOWS

Review Findings	Recommendations
Overlapping Building Permit Applications with Minor Variance Approvals:	18. Selwyn should adopt an overlapping Minor Variance/Building permit application process. The business rules for the process should be as follows:
• Selwyn current uses a sequential approach to the hand-off between Minor Variance approval and initiating a Building permit application. No building permits are received prior to the end of the Minor Variance appeals period.	• Once the Committee of Adjustment approves the Minor Variance, the applicant should be notified that a building permit application will be accepted during the appeal period. This building permit application will not trigger the Bill 124 clock since applicable law is not in place.
• However, numerous Ontario municipalities make use of an overlapping Minor Variance/Building permit application hand-off to reduce overall timeframes leading to building permit issuance.	• Plans examination will proceed, and the building permit decision will be issued within 3 business days of the end of the Minor Variance appeal period if no appeal has been received.
• Once the Minor Variance has been approved by the Committee of Adjustment a 20-day appeal period begins. A building permit application can be made during the appeal period. A just-in-time building permit can be issued after the appeal period if there are no appeals.	

OPTIMIZING BUILDING SERVICE DELIVERY WORKFLOWS

Review Findings	Recommendations
Overlapping Building Permit Applications with Site Plan Approvals: • Selwyn current uses a sequential approach to the hand-off between Site Plan approval and initiating a Building permit application. No building permits are received prior to Site Plan applicable law completion. This approach is typical of small/low growth municipalities. • However, numerous Ontario municipalities make use of an overlapping Site Plan/Building permit application hand-off to reduce overall timeframes leading to building permit issuance. These municipalities do so in one of two ways: - Discretionary acceptance of building permit applications during the Site Plan process for low risk/dependable repeat applicants; - Acceptance of overlapping building permits only when the Site Plan process has approved the building footprint (typically via engineering sign-off on drawing). This approach permits all building permit applicants to proceed with an application once the process trigger has been met.	19. *Selwyn should adopt an overlapping Site Plan/Building permit application process (at the discretion of the applicant). The business rules for the process should be as follows:* • *Once Township staff or their engineering consultant signs off on the building footprint contained in the site drawings, the applicant should be notified that a building permit application will be accepted. This building permit application will not trigger the Bill 124 clock since applicable law is not in place.* • *Plans examination will proceed, and the building permit decision will be issued within 3 business days of the site plan development agreement being approved and final site plan documents signed by staff (delegated) or the Clerk/Mayor (non-delegated).*

8.5   Leveraging Technology to Support Applicants

LEVERAGING PERFORMANCE IMPROVEMENT VIA TECHNOLOGY

Review Findings	Recommendations
• As per the Township RFP, Performance Concepts has undertaken a functionality assessment of development approvals portal/workflow tool options. • The Performance Concepts stage1 assessment considered the following commercial packages: City View, AMANDA, Dynamics 365. Stage 1 also considered Kingston's in-house DASH portal solution. These packages were compared to a checklist of functionality requirements. • The Performance Concepts stage 2 assessment focused on the Diamond portal/permits module purchased by Selwyn during this review. Performance Concepts has undertaken a functionality dialogue with Township staff and the Diamond system contractor. A proof of concepts demo was organized, and the results incorporated into the overall assessment. The Diamond permitting module meets the functional requirements set out by Performance Concepts at the beginning of stage 1.	20. *Selwyn should use the "Events" functionality in the Diamond permitting module to track key process milestones (date stamped) across all planning and building permit categories. Diamond's unhelpful calendar day timeframe measurement "out of the box" should be adjusted during implementation to track business days that are relevant to process time reporting.* 21. *The Diamond Virtual City Hall e-portal should be configured to accept planning and building permit applications and all associated drawings/documentation. Fillable PDF forms are advisable.* 22. *Standardized timeframe performance reports should be configured for all key planning and building permit categories. Actual Township processing timeframes should be measured in "controllable business days" (net of time the file is controlled by applicants). Actual timeframes should be compared to complete application target timeframes.* 23. *Selwyn timeframe processing targets should be informed by Bill 108 LPAT appeal timeframes for core planning application categories (except Site Plan)*

8.6 **Key Performance Indicators (KPIs)**

BILL 108 IS A GAME CHANGER – RELENTLESS TIMEFRAME PRESSURE!

- **Bill 108 legislated process changes merge elements of previous OMB + LPAT models**

- **Compressed Planning Act timeframes for triggering a "no-decision" appeal by applicants**

	Pre-Bill 139	Bill 139	Bill 108
Official Plan/Official Plan Amendment	180 days	210 days	120 days
Zoning By-law Amendment	120 days	150 days	90 days
Draft Plan of Subdivision	180 days	180 days	120 days

Also applies to OPA/Re-zoning Combo-pack

* **Site Plan Control Section 41 "no decision" timeframe for triggering an LPAT appeal is <u>30 days</u>**

The following development approvals process (DAP) KPIs have been developed for Selwyn to set go-forward performance targets and report on actual results versus targets.

Proposed DAP KPIs

	Input KPIs	Output KPIs	Outcome (Quality) KPIs
Planning DAP	# deployed/ budgeted Planning/ Engineering DAP application processing hours	% deployed/budgeted Planning/Eng. DAP hours expended/consumed by files (utilization rate) Cost per expended/consumed file hour of "billable" output	1. Average # controllable business days to execute "deemed complete" files (by Planning DAP application category) versus target timeframe 2. Annual Applicants Survey/Builders Focus Group (1-5 Performance Rating)
Building DAP	# deployed/ budgeted Building DAP application processing hours	% deployed/budgeted Building DAP hours actually expended on files (utilization rate) Cost per expended/consumed file hour of "billable" output	1. # business days to issue Permit decision (by Building Part 3/9 categories) versus Bill 124 target timeframe 2. % On-time Inspections versus Bill 124 Notification 2-day timeframe 3. Annual Applicants Survey/Builders Focus Group (1-5 Performance Rating)

MEASURING SERVICE DELIVERY RESULTS

Review Findings	Recommendations
• Selwyn currently does not track or report against a comprehensive set of Key Performance Indicators for planning and building approvals. • Selwyn does not currently engage in public results reporting of actual application processing timeframes against target timeframes for the core categories planning applications. • Bill 124 compliance reporting for building permits does not address timeframe performance for applications processed "off the Bill 124 clock". • Performance Concepts has designed a suite of development approvals KPIs that fall into three categories: DAP Inputs, DAP Outputs, DAP Outcomes. Specific KPIs have been included in the technical appendix and highlighted in the body of the report. All KPIs can be produced via Diamond permitting module	24. *As part of the annual budget process Selwyn Council and staff should commit to the following measurable service delivery objectives:* • *Stable/adequate Township capacity to process development applications* • *Timely/consistent processing and decisions that achieve targeted timeframes (measured by workflow tool countdown clocks)* • *Strive to secure Building community accountability/transparency with timelines & value-for-money* 25. *Selwyn should commit to implementing ongoing tracking in Diamond + annual public reporting of the suite of KPIs recommended by Performance Concepts in this report.*

9.0 Implementation Roadmap

Selwyn Council and staff will need to develop a relentless commitment to execution in order to implement the Recommendations contained in this Final Report. A phased approach to implementation is required. Successful change management requires pressure to implement; but not overwhelming pressure that creates organizational paralysis. Virtually all of the Recommendations set out in this Final Report should be implemented within two years. The Do LATER implementation category should only include Recommendations that could be deferred if unique circumstances emerge to validate a pause.

9.1 Do *NOW* Implementation Priorities (Year 1)

- Initiate the multi-year Planning and Building cost recovery recommendations as part of the 2021 budget cycle (*Recommendations 1-6*). Phased implementation of these cost recovery improvement recommendations will continue across the 2021-2023 budget cycles. The "per square foot" restructuring of the Township's Building fees should be completed in 2020.

- The new Permit Tech position (*Recommendations 7-8*) should be implemented via the 2021 budget cycle. Job description preparation and recruitment should be completed by year-end 2020.

- Customer Service Culture *Recommendations 10-11* should be implemented across 2021 according to staff training and performance appraisal schedules determined by the CAO and provided to Council in a "For Information" report in Q4 2020. Customer Service Culture *Recommendation 13* dealing with residential permit timeframes should be implemented immediately.

- *Recommendations 14-15* dealing with mandatory pre-consultation should be implemented no late than Q1 2021. Sub-division pre-consult requirements for Selwyn (a written agreement to provide checklist complete application requirements) should be imbedded into the County pre-consult process if possible.

- *Recommendations 18-19* dealing with overlapping Planning approvals/Building permit applications should be implemented by staff no later than Q1 2021 after communicating this new processing efficiency opportunity to building industry stakeholders.

9.2   **Do *SOON* Implementation Priorities (Year 2)**

- *Recommendation 9* requiring a succession planning strategy/report from the CAO to Council should be executed no later than Q1 2022.

- The initial round of the *Recommendation 12* annual stakeholders feedback survey and working session should be completed no later than Q2 2022.

- *Recommendation 16* dealing with urban/non-urban Site Plan standards should be implemented no later than the end of Q1 2022.

- *Recommendation 17* dealing addressing the feasibility of delegated approval of Sub-division approvals to Selwyn by the County should result in a report back to Council by the end of Q3 2022.

- *Recommendations 20-23* establishing a development approvals e-portal and rolling out the Diamond Permitting module to support ongoing performance reporting should be fully executed by the end of Q4 2021.

- The performance measurement framework Recommendations 24-25 should result in "go live" KPI tracking and internal reporting no later than Q1 2022. The initial round of annual public reporting of measurable results versus performance targets should occur at year-end 2022.

9.3   **Do *LATER* Implementation Priorities (Year 3)**

Do LATER implementation priorities should only be necessary if COVID 19 or other unforeseen events compromise the Do NOW and Do SOON implementation critical path set out above.

9.4   **Implementation $ Investments**

This Final Report sets out a Building reserve funding solution for the technology investments associated with Recommendations 20-23 (E-portal + Diamond Permitting toolkit).

Building reserve funds can also be used to fund 2/3 of the new Development Permit Tech position (including recruitment and specialized cross training for building services skill set); with the remainder coming from a mix of planning fees and property taxes. Property tax impact is expected to be minor/negligible in the 2021 budget and beyond.

If Performance Concepts is retained by Council in 2021 to conduct a mid-point implementation progress assessment, an estimated $10k implementation expense should be planned for the 2021 budget cycle.

10.0   # Technical Appendices