

CITYGATE ASSOCIATES, LLC

SACRAMENTO ■ FOLSOM ■ WALNUT CREEK ■ MONTEREY

MANAGEMENT CONSULTANTS

■ ■
PERFORMANCE REVIEW
OF THE
**COMMUNITY
DEVELOPMENT
DEPARTMENT**
OF
**THE CITY OF
MODESTO**

FINAL REPORT

AUGUST 2001
■ ■

CITY of
MODESTO



Community Development Department

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EXECUTIVE SUMMARY

A. INTRODUCTION TO THE PERFORMANCE REVIEW REPORT

This report presents the results of a Performance Review of the City of Modesto Community Development Department conducted by Citygate Associates, LLC. Citygate conducted the study between January 2001 and May 2001 at the request of the City Manager and the prior Community Development Director. The scope of the study included the development-related activities in the following divisions within the Community Development Department:

- ◆ Building and Development Services
- ◆ Planning.

Citygate Associates' Performance Review did not include the Business Development Office Division within the Department. The Administrative Division was observed solely as it relates to their development-related support role in terms of personnel and fee management.

The U.S. General Accounting Office, in their publication *Government Auditing Standards*, states that:

"A **performance audit** (review) is an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making by parties with responsibility to oversee or initiate corrective action."

The City of Modesto's Community Development Department is responsible for:

- ◆ Preparing, maintaining and implementing the City of Modesto General Plan, and all other land use-related long range plans in the City.
- ◆ Guiding the physical development of the City of Modesto including all public and private development projects. The Department reviews development proposals and plans to determine if the proposed development will be a permitted use and meets site development standards.
- ◆ Issuing building, plumbing, heating/cooling, and electrical permits. This also includes reviewing plans and conducting inspections for the work allowed under these permits.

Within the scope of this Performance Review, Citygate assessed the efficiency and effectiveness of the Department's activities, particularly those in the Building and Development Services and Planning Divisions that relate to the review and approval of land use development and building permits. We evaluated the use of performance measures in the Department, and examined the methodology used to determine the cost of services provided by the Department. In key functional areas, we also surveyed and compared the Department to comparable agencies where benchmarking and the identification of best practices were helpful.

To execute this Performance Review, Citygate first analyzed the mission of the Department and its overall philosophy, and assessed the congruence of these critical guidelines with the orientation of the City Council, citizens, developers, and departmental customers. We then analyzed the Department's organization structure, management systems, organizational relationships, allocation of employees and other resources, data management, personnel management and training, records management, communications, information systems, and facilities and equipment.

B. OVERVIEW OF CUSTOMER SURVEY

Citygate Associates developed a separate 44-question survey instrument aimed at evaluating the Department's level of customer satisfaction. The questions were aimed at examining staff approach, the quality of services, various processes, and potential solutions. The survey form also solicited comments and suggestions for improvement. A copy of the survey instrument and the detailed survey results are presented in the **Appendix** to this report.

With the aid of Community Development Department staff, the survey was distributed to a randomly selected sample of customers of the Department. Surveys were returned to the Modesto City Clerk/Auditor's Office and forwarded unopened to Citygate staff, who then tabulated and analyzed the survey responses.

The survey instrument allowed respondents to describe themselves within four separate categories of customers, which characterized the type and frequency of interactions they had with the Department. Not only did respondents indicate the type of customer they were, but they also identified the types of development or construction in which they were involved.

Customers were asked to rate the Community Development Department in the following areas:

Courtesy

Responsiveness

Empathic / Positive Attitude

Knowledge / Skills

Dependability / Reliability

Consistency

Fairness / Objectivity

Problem Solving Ability

Returning Phone Calls

Quality of Advice

Understanding of Private Business

Decision-making Capability

Level of Discretion

Overall Performance

The **Planning Division** received good marks on the closed-ended questions. On all individual survey items but one, the mean score for all responses was at or above average. The combined mean score for all survey items based on the 1 to 5 scale was 3.53. This equates to a grade of B+ overall. Ten items even scored a mean of 3.8 or higher, which equates to an A- grade. This is unusually favorable, based on Citygate Associates' experience with other Community Development Departments.

The open-ended questions supported the results in the closed-ended section. Forty-seven percent of new respondents provided written comments. Of those commenting, 57 percent were complimentary of the Division's service or performance. Respondents indicated that they were treated courteously, were listened to, that staff was responsive, had a positive attitude and a high level of discretion. They also appreciated the application completeness process and liked the counter service area. Two other processes were believed to be better than average: land-use approval through the Planning Commission, and the site development review process. The Division's "overall" performance was also well rated.

The **Building and Development Services Division** received notably good marks in the closed-ended questions. On all individual survey items, the mean score for all responses was at or above average. The combined mean score for all survey items based on the 1 to 5 scale was 3.57. This, again, equates to a grade of B+ overall. Seven items scored above a mean of 3.8, which equates to an A- grade. This is unusually favorable, based on Citygate Associates' experience with other Community Development Departments.

The open-ended questions were consistent with the findings in the closed-ended section. Thirty percent of the respondents provided written comments. Of those commenting, 32 percent were complimentary of the Division's service or performance. The remaining comments pointed to specific areas needing improvement, e.g. permit processing time, phone permit system, counter assistance, commercial plan check, etc.

As mentioned above, seven items showed a mean score over 3.8. These are areas in which customers perceive the Division's service to be quite good. According to these responses the Division is courteous, knowledgeable, timely, thorough, and exercises proper discretion.

C. OVERVIEW OF CITYGATE ASSOCIATES OBSERVATIONS

Citygate Associates found that the Department enjoys the benefit of many talented and dedicated employees. These employees will embrace the constructive changes set forth in this report, and with the support of the City Manager, the Deputy City Manager, Department Director and the City Council, will accomplish significant results. The City of Modesto Community Development Department is well positioned to significantly improve its efficiency and effectiveness.

Citygate believes, based on the survey data, that the Modesto Community Development Department conducts its business in a manner that is satisfactory to its customers. As mentioned above, both the Planning Division and Building Division scored high marks with their customers. Customer satisfaction is an important indicator of the Department's efficiency and effectiveness; however, it is not the only indicator. This is because many of the indicators are simply not visible to customers.

Citygate observed that the work environment in the Modesto Community Development Department in many respects is productive relative to other departments we have examined. The offices are modern, clean, and well organized. Staff has access to contemporary computer-based technologies, notwithstanding the considerable difficulties that have been experienced with the permit tracking system (Tidemark).

Citygate Associates also observed that administrative systems are in place and operational. Such systems include procurement procedures, personnel rules, and budget controls.

Notwithstanding the high marks from Department customers, Citygate found the Department's top management performance and accountability expectations in several program areas to be low. Personnel management practices have been lax, particularly in the area of progressive discipline. Published performance measures that are in use are limited and often meaningless to both the management and non-management staff.

We identified very significant problems in the area of interdepartmental coordination. Visible examples from the past, which we believe are resolved, include the problems associated with the Community Facility Districts (CFDs) program and the "hot-taps" problem. The ineffective application of the permit tracking system (Tidemark) remains a significant impediment to quality interdepartmental coordination.

In addition, Citygate Associates found the Cost-For-Service fee program to be significantly out of date and historically poorly coordinated.

Citygate Associates believes the City Manager and his top staff view this Performance Review with an appropriate "sense of urgency." This commitment, when combined with needed financial and human resources, will yield positive results for the organization and the community.

D. STRATEGIC RECOMMENDATIONS

Citygate Associates has made thirty-two (32) recommendations for improvement within this Performance Review Report. We consider **five (5)** of these recommendations to be strategically important. Citygate believes that these five recommendations will, if implemented, have the greatest impact upon the Department's ability to provide efficient and effective service to its customers in those program areas that have the most affect upon the customer's experience with the Department.

The strategic recommendations target problems in what Citygate Associates believes are the **most critical areas for improvement**, which include the following:

- 1. Interdepartmental Coordination.**
- 2. Performance management.**
- 3. Cost-For-Services (fees) management.**

The **five** strategic recommendations are explained below.

- 1. Institute effective performance measures that relate directly to key customer satisfaction indicators identified in the Customer Survey.**

Citygate Associates recommends that the Department augment its performance measures currently used in the City budget with performance measures that are directly linked to the customer satisfaction indicators discussed in the body of this report.

In terms of interdepartmental coordination and engineering plan check review, we suggest that reasonable and achievable cycle-time standards be established for each of the City's departments/divisions/sections responsible for reviewing planning applications (tentative and final parcel maps and tract maps, site plan reviews, etc.), and infrastructure improvement plans. These cycle-times should be clearly understood by all parties involved in the process: reviewing staff; department heads; and customers. The cycle-times should be monitored, analyzed and reported on at least a quarterly basis. Shortcomings should be identified and mitigated. Successes should be celebrated.

With regard to project status, we suggest that the Department track how often it pro-actively calls customers to report the status of their application or plan review. "Proactively" means not waiting for the customer to call staff. This high-impact approach to providing excellent customer service is explained more fully in the Citygate recommendation regarding "**Unanticipated Service.**"

With regard to Building plan check review, we suggest that formal cycle-time standards be established for each type of building permit. These cycle-times should be clearly understood by all parties involved in the process: reviewing staff; department heads; and customers. The cycle-times should be monitored, analyzed and reported on at least a quarterly basis. Shortcomings should be identified and mitigated. Successes should be celebrated.

With regard to clear and consistent development standards, this can best be monitored by surveying customers that have gone through the planning, engineering or building permit processes. This can be achieved by using "Customer Comment Cards," however, detailed customer surveys specifically designed around the City's complex set of development and building standards can also be used.

2. The Planning Division should establish an interdepartmental development review team.

The interdepartmental Development Review Team should meet weekly for one to two hours, depending on the workload and agenda, and should be comprised of representatives from planning, engineering, utilities, traffic, Public Safety, Operations & Maintenance, the Finance Department's CIP group and economic development staff for commercial/industrial projects. The core responsibilities of the team should include:

- ◆ Improve interdepartmental coordination of development in the City.
- ◆ Provide pre-application review of development applications for complex projects, as needed.
- ◆ Provide formal review of development applications for the purpose of attaching conditions of approval.
- ◆ Discuss upcoming Commission and Council development related agenda items
- ◆ Refine and coordinate the development and application of standard conditions, particularly with regard to drainage and landscaping.
- ◆ Trouble shoot commercial/industrial projects.

- ◆ Monitor the financial and O&M impact of pending and approved projects.
- ◆ Monitor and enforce special conditions for projects under construction through the use of a Zone Clearance, Certificate of Occupancy or utility release system.
- ◆ Effectively manage the tract map finalization process.

Most importantly, all phases of major project applications should be reviewed by the Development Review Team prior to the issuance of Certificates of Occupancy or utility releases.

Instituting a development review team, coupled with a systematic case management approach to doing business, will yield effective, efficient “triage-like” desired results.

3. Institute an “Unanticipated Service” program.

Instituting an “Unanticipated Service” program in the Planning Division, Building and Development Services Division and the Engineering Section is likely to be the single most effective approach to increasing customer satisfaction and reducing, if not eliminating, complaints from applicants.

Under the recently approved new organizational structure, the Engineering and Transportation Department has assumed greater responsibility for infrastructure plan review. In addition, the Director has appointed a technical employee to serve as an ombudsman to coordinate the day-to-day review of applications and plans that are actively circulating between the divisions. We view this as a very positive step in the right direction. However, we also believe this position should be upgraded, given more authority and directly report to the Engineering and Transportation Department Director.

In our experience, when applicants are kept informed they are less likely to assume the worst with regard to the perceived lack of interdepartmental cooperation. Conversely, when applicants are not kept informed they are likely to assume the worst with regard to what is happening to their application and their project. It is axiomatic that in the absence of information customers fill in the blank with negative perceptions. This negative perception can take hold and be very difficult to reverse, irrespective of the City’s efforts to improve systems and procedures.

The principle of “Unanticipated Service” is a simple one:

“Customer satisfaction increases most dramatically when a customer receives a service they did not expect.”

The “Unanticipated Service” principle is not as frequently used in the public sector, particularly as part of an overall strategy to improve customer satisfaction. Yet it is even simpler to successfully employ in the public sector because customer expectations are often low. Examples of how it could be used in City of Modesto include the following:

1. The Director sends a personal letter to the Department’s most active applicants and consultants describing to them improvements and changes that are underway in the Department.
2. The Case Manager calls applicants at least every other Friday to let them know the status of their application and to identify and discuss how issues can best be resolved in a

mutually satisfactory manner. **The applicant is also asked if he or she has any concerns regarding the application's status.**

3. The developer and/or construction superintendent receives a letter from the Chief Building Official asking how the building permit process might be made more efficient and effective.

4. Annually review cost-for-service fees (planning, engineering, building) and make adjustments as warranted as part of the budget development process.

Citygate Associates recommends that the Department institutionalize its review of cost-for-service fees on an annual basis well in advance of the City budget development process in order to achieve several important objectives:

- ◆ To increase the level of timely information provided to the City Council such that the Council is not faced with draconian scenarios for the Department during the review of the annual City budget.
- ◆ To adjust the Department's fees to reflect reasonable increases in the cost of doing business (labor, utilities, supplies and services, etc.)
- ◆ To establish an ever-increasing level of accuracy in full cost accounting to build customer confidence.
- ◆ To provide accurate and understandable information so that the City Council can make informed policy decisions as to the appropriate level of cost-for-service recovery and/or support from the City's General Fund.

Citygate Associates recommends that the Department begin its annual review of fees in July, immediately after the close of the fiscal year. Further, we recommend that the cost-for-service fee review be completed prior to December 31st of each year.

Citygate Associates further recommends that cost-of-service fees be reviewed annually with a high level of customer involvement and scrutiny in order to increase credibility and accountability. During this review, the City should identify ongoing auditing costs associated with maintaining the accuracy and integrity of the fee program. These auditing costs should be recovered through overhead charges allocated to the fee program.

Simply put, it is a realistic expectation that the City Council be able to annually modify fees following a brief and civil public hearing. This is the case in many local jurisdictions that have been able to achieve "best practices" through a high level of customer input and a high level of cost accounting accuracy and candor.

Citygate Associates has presented in the body of this report a recommended, detailed methodology for the annual review of cost-for-service fees.

5. Remedy the permit tracking system (Tidemark) problem as soon as possible.

It is important that the Department, with the full assistance and commitment of the City's information systems managers, remedy the permit tracking system problem as soon as possible so as not to diminish staff's efforts to faithfully and effectively implement many of the recommendations in this Performance Report.

At the time the City of Modesto was selecting software to acquire a building permit system, it was thought that using the Tidemark system would be best because the County was using it. Some staff members have never fully accepted Tidemark because they believe the selection was forced upon them. Staff has been inconsistent in entering data into the system, so it is difficult to track projects and permits through the system. At the same time, it should be noted that in Citygate Associates' experience in working with other community development departments, the Tidemark software can be difficult to successfully implement.

It is unlikely that replacing Tidemark would result in much of an improvement in the use of the information in the permitting system. No permitting system will be successful until there is a clear definition of what is expected from the system and a clear understanding of the work flows and user needs of the various staff involved in the development process. Tidemark has been widely purchased by various cities in California, and it is unlikely that Modesto's needs vary significantly from these other cities. In all probability, the Tidemark software could be reconfigured to make it very functional.

In order to achieve the efficiencies and effectiveness that are possible in a permit tracking system, and to protect the City's substantial investment in Tidemark, the following steps should be taken:

1. Form a development process and information team (users group) made up of representatives from the involved departments: Community Development; Engineering and Transportation; Operations and Maintenance, City Attorney's Office, and Finance (GIS) to clearly define the information needs of all departments. A Procedures Manual should be developed to define the process to be used by all organizations within the City, including procedures for consistently inputting data into the system and the data needed from the reporting system.
2. Consider linking Tidemark to an information service that maintains parcel maps, land use, and owner information.
3. Hire a full time systems analyst to maintain and to implement changes to the Tidemark system. The analyst should focus on the activities and menu features to streamline the various operating groups within the City. The analyst could also maintain and improve the reporting system.
4. Promote an active and ongoing City users group to keep the system current and to meet changing needs.
5. Participate in any external Tidemark users groups as a vehicle for lobbying for upgrades to the system and to take advantage of any training offered by the group.
6. Conduct periodic and regular training on the maintenance and use of Tidemark.
7. Follow the example of several Silicon Valley cities and link Tidemark to the Internet.
8. Five years after all the above recommendations have been implemented, then reevaluate the functionality of Tidemark.

The above recommendations will establish a reliable programmatic-based, rather than episodic-based, supply of data to apply to many management and information sharing tasks in the Department.

E. OTHER IMPORTANT RECOMMENDATIONS

In addition to the strategic recommendations detailed above, Citygate Associates recommends:

- ◆ Remedy the permit tracking system (Tidemark) problem as soon as possible.
- ◆ Increase the use of the Department's Website to improve customer service.
- ◆ Hire, designate, or reclassify existing personnel to create a Deputy Director position.
- ◆ Institute a Continual Improvement Program administered by the Deputy City Manager and the Community Development Department's new Deputy Director.
- ◆ Increase staff's knowledge of the private sector.
- ◆ Improving the cost accounting system at the project level to more accurately track major applications.
- ◆ Work through the local Building Industry Association by conducting a series of focus group meetings to identify specific issues that underlie their concerns.
- ◆ Continuously keep customers informed of process changes through newsletters, emails bulletins, and flyers.
- ◆ Develop flowcharts, brochures, and fact-sheets for each application process to inform applicants about the City's regulatory processes and procedures.

F. CITYGATE ASSOCIATES' ACTION PLAN

This study contains approximately thirty-two (32) recommendations. This number of recommendations is typical for an organization this size. Our recommendations are numerous, and they vary significantly from "mandatory or critical" to "not critical, but will improve operations."

A listing of our recommendations and a blueprint for their implementation are presented in the following Action Plan. This Action Plan contains:

- ◆ The priority of each recommendation
- ◆ The suggested implementation timeframe
- ◆ The anticipated benefits of each recommendation
- ◆ The responsible organization.

The legend at the bottom of each page of the Action Plan defines the level of each priority indicated by the letters "A" through "D." It is important to note that priorities have been established independent of the suggested timeframe. For example, a recommendation may have the highest priority (indicated by the letter "A") but may require an estimated six months to implement. Conversely, a recommendation with the letter "C" priority, which indicates that the recommendation is not critical but will improve operations, may have a two-month timeframe, since the estimated implementation effort would not require an extended period of time.

Moreover, the timeframe is independent of actual time. For example, an “A” priority will take six months regardless of when it is initiated. Initiation of a recommendation is based on the priority given, as well as local factors.

It is also important to note that an “A” priority, which indicates that the recommendation is deemed “mandatory or critical,” should not be interpreted to mean that the recommendation is “mandated” by a statute or regulation--it is simply an “urgent” recommendation of high priority.

The timeframes indicated in the Action Plan do not necessarily mean the anticipated completion dates for the implementation of each recommendation. The responses from the Department may indicate how much implementation progress can be made within the defined timeframes. Therefore the timeframes given are estimates.

Citygate evaluates the implementation process of other studies it has conducted in other organizations and finds that a common implementation timeframe is two years. Given resource adjustments, we believe the Department could complete substantial initiation of all recommendations within two years.

Each recommendation is numbered according to the section of the report in which it is presented, followed by the chronological number of that recommendation within the section. Therefore, Recommendation No. II-1 appears in Section II of the report as the first recommendation.

ACTION PLAN

<i>Recommendation</i>	<i>Priority A/B/C/D</i>	<i>Time Frame for Implementation</i>	<i>Anticipated Benefits</i>	<i>Responsible Organization</i>
II. THE PLANNING DIVISION RECOMMENDATIONS FOR IMPROVEMENT				
<u>Recommendation No. II-1</u> The Planning Division should establish an interdepartmental development review team.	A	2 Months	<ul style="list-style-type: none"> • Increased interdepartmental coordination • Increased customer satisfaction 	City Manager's Office
<u>Recommendation No. II-2</u> City management should hold other city departments accountable for participation on the development review team.	A	2 Months	<ul style="list-style-type: none"> • Increased interdepartmental coordination • Performance accountability 	City Manager's Office
<u>Recommendation No. II-3</u> Include project management assessment for advanced planning section work programs.	B	2 Months	<ul style="list-style-type: none"> • Performance accountability • Increased customer satisfaction 	Planning Division
<u>Recommendation No. II-4</u> Systematically and routinely revise all planning forms/applications.	B	6 Months	<ul style="list-style-type: none"> • Increased customer satisfaction 	Planning Division

LEGEND

- A Recommendation mandatory or critical
- B Strongly recommended
- C Not critical, but will improve operations
- D Recommended, but additional study required

<i>Recommendation</i>	<i>Priority A/B/C/D</i>	<i>Time Frame for Implementation</i>	<i>Anticipated Benefits</i>	<i>Responsible Organization</i>
III. THE BUILDING AND DEVELOPMENT SERVICES DIVISION RECOMMENDATIONS FOR IMPROVEMENT				
<u>Recommendation No. III-1</u> Institute aggressive <u>engineering</u> plan check cycle-time standards	B	2 Months	<ul style="list-style-type: none"> • Increased customer satisfaction 	Engineering Division
<u>Recommendation No. III-2</u> Monitor <u>engineering</u> plan check cycle-times.	A	2 Months	<ul style="list-style-type: none"> • Increased customer satisfaction 	Engineering Division
<u>Recommendation No. III-3</u> Encourage High-quality Public Improvement Plans.	B	6 Months	<ul style="list-style-type: none"> • Increased efficiency • Increased customer satisfaction 	Engineering Division
<u>Recommendation No. III-4</u> Formalize <u>building</u> plan check review cycle-time standards.	B	2 Months	<ul style="list-style-type: none"> • Increased customer satisfaction 	Building Division
<u>Recommendation No. III-5</u> Monitor <u>building</u> plan check review cycle-times.	B	2 Months	<ul style="list-style-type: none"> • Increased customer satisfaction • Increased employee morale 	Building Division
<u>Recommendation No. III-6</u> Systematically and Routinely Revise all Building and Engineering Forms/Applications.	B	6 Months	<ul style="list-style-type: none"> • Increased customer satisfaction 	Engineering Division Building Division

LEGEND

- A Recommendation mandatory or critical
 B Strongly recommended
 C Not critical, but will improve operations
 D Recommended, but additional study required



<i>Recommendation</i>	<i>Priority A/B/C/D</i>	<i>Time Frame for Implementation</i>	<i>Anticipated Benefits</i>	<i>Responsible Organization</i>
<u>Recommendation No. III-7</u> Improve the Division's approach to returning phone calls.	A	1 Month	<ul style="list-style-type: none"> • Increased customer satisfaction • Increased employee morale 	Building Division
<u>Recommendation No. III-8</u> Conduct a compensation study for the positions of Building Inspector I and II.	B	2 Months	<ul style="list-style-type: none"> • Increased employee morale • Improve organizational efficiency 	Building Division Human Resources
IV. DEPARTMENT-WIDE RECOMMENDATIONS FOR IMPROVEMENT				
<u>Recommendation No. IV-1</u> The Department should hire, designate, or reclassify existing personnel to create a Deputy Director position.	A	6 Months	<ul style="list-style-type: none"> • Performance Accountability • Improve interdepartmental coordination 	City Manager's Office
<u>Recommendation No. IV-2</u> Institute effective performance measures that relate directly to key customer satisfaction indicators identified in the Customer Survey.	A	3 Months	<ul style="list-style-type: none"> • Performance Accountability • Improve interdepartmental coordination 	Planning Division Building Division
<u>Recommendation No. IV-3</u> Institute a Case Management approach to the development review process.	B	3 Months	<ul style="list-style-type: none"> • Improve credibility of the Department with its customers 	Development Review Team

LEGEND

- A Recommendation mandatory or critical
- B Strongly recommended
- C Not critical, but will improve operations
- D Recommended, but additional study required

<i>Recommendation</i>	<i>Priority A/B/C/D</i>	<i>Time Frame for Implementation</i>	<i>Anticipated Benefits</i>	<i>Responsible Organization</i>
<u>Recommendation No. IV-4</u> Assign the Deputy City Manager responsibility for improving inter-departmental coordination.	A	1 Month	<ul style="list-style-type: none"> • Improve interdepartmental coordination 	City Manager's Office
<u>Recommendation No. IV-5</u> Institute an "Unanticipated Service" program.	A	3 Months	<ul style="list-style-type: none"> • Increase customer satisfaction 	Building Division Planning Division
<u>Recommendation No. IV-6</u> Institute a Continual Improvement Program Administered by the Deputy City Manager and the Community Development Department's new Deputy Director.	B	6 Months	<ul style="list-style-type: none"> • Increase efficiency and credibility 	Deputy Director
<u>Recommendation No. IV-7</u> Increase staff's knowledge of the private sector.	C	12 Months	<ul style="list-style-type: none"> • Improve operational efficiencies • Improve employee morale • Improve Customer Satisfaction 	Building Division Planning Division
<u>Recommendation No. IV-8</u> The Development Review Team, working through the local Building Industry Association, should conduct a series of focus group meetings to identify specific issues that underlie their concerns.	B	12 Months	<ul style="list-style-type: none"> • Improve Customer Satisfaction 	Building Division Planning Division

LEGEND

- A Recommendation mandatory or critical
- B Strongly recommended
- C Not critical, but will improve operations
- D Recommended, but additional study required



<i>Recommendation</i>	<i>Priority A/B/C/D</i>	<i>Time Frame for Implementation</i>	<i>Anticipated Benefits</i>	<i>Responsible Organization</i>
<u>Recommendation No. IV-9</u> Continuously keep customers informed of process changes through newsletters, emails bulletins, and flyers.	B	12 Months	<ul style="list-style-type: none"> • Improve Customer Satisfaction 	Building Division Planning Division
<u>Recommendation No. IV-10</u> Develop flowcharts, brochures, and fact sheets for each application process to inform applicants about the City's regulatory processes and procedures.	B	12 Months	<ul style="list-style-type: none"> • Improve Customer Satisfaction 	Building Division Planning Division
<u>Recommendation No. IV-11</u> Install and maintain an informational kiosk for the distribution of flowcharts, brochures, and fact-sheets for each application process.	B	12 Months	<ul style="list-style-type: none"> • Increased customer satisfaction 	Planning Division Building Division
<u>Recommendation No. IV-12</u> Management of the City's Community Facilities Districts (CFDs) should be transitioned out of the City Attorney's Office.	B	36 Months	<ul style="list-style-type: none"> • Appropriate assignment of administrative functions 	City Attorney's Office
<u>Recommendation No. IV-13</u> Develop and Adopt formal standards for the formation, development and administration of future Community Facility Districts.	A	6 Months	<ul style="list-style-type: none"> • Increase operational efficiencies 	City Manager's Office City Attorney's Office Engineering Division Finance Department

LEGEND

- A Recommendation mandatory or critical
- B Strongly recommended
- C Not critical, but will improve operations
- D Recommended, but additional study required

<i>Recommendation</i>	<i>Priority A/B/C/D</i>	<i>Time Frame for Implementation</i>	<i>Anticipated Benefits</i>	<i>Responsible Organization</i>
<u>Recommendation No. IV-14</u> Annually review cost-for-service fees (planning, engineering, building) and make adjustments as warranted as part of the budget development process.	A	12 Months	<ul style="list-style-type: none"> • Lower General Fund subsidy of development activities. • Development pays its way. 	Administrative Team
<u>Recommendation No. IV-15</u> Improve the cost accounting system to more accurately track cost of processing development applications, plan reviews and building permits.	A	12 Months	<ul style="list-style-type: none"> • Lower General Fund subsidy of development activities. • Development pays its way. 	Administrative Team
<u>Recommendation No. IV-16</u> Use a trust fund deposit system for major projects in-lieu of the existing fee system.	A	12 Months	<ul style="list-style-type: none"> • Lower General Fund subsidy of development activities. • Development pays its way. 	Administrative Team
<u>Recommendation No. IV-17</u> Consolidate fees where possible and use averages for establishing costs associated with minor applications.	B	12 Months	<ul style="list-style-type: none"> • Lower General Fund subsidy of development activities. • Development pays its way. 	Administrative Team

LEGEND

- A Recommendation mandatory or critical
- B Strongly recommended
- C Not critical, but will improve operations
- D Recommended, but additional study required



<i>Recommendation</i>	<i>Priority A/B/C/D</i>	<i>Time Frame for Implementation</i>	<i>Anticipated Benefits</i>	<i>Responsible Organization</i>
<u>Recommendation No. IV-18</u> Assign lead responsibility for managing cost accounting, and monitoring fee related work productivity, to the Deputy Director.	B	1 Month	<ul style="list-style-type: none"> • Lower General Fund subsidy of development activities. • Development pays its way. 	Administrative Team
<u>Recommendation No. IV-19</u> Remedy the permit tracking system (Tidemark) problem as soon as possible.	A	6 Months	<ul style="list-style-type: none"> • Increase operational efficiencies • Improve employee morale 	Administrative Team
<u>Recommendation No. IV-20</u> Increase the use of the Department's Website to improve customer service.	B	6 Months	<ul style="list-style-type: none"> • Increase operational efficiencies • Increased Customer Satisfaction 	Administrative Team

LEGEND

- A Recommendation mandatory or critical
- B Strongly recommended
- C Not critical, but will improve operations
- D Recommended, but additional study required

I. INTRODUCTION TO STUDY

A. THE CITY OF MODESTO

Located in California's fertile Central Valley, Modesto was founded in 1870 by the Central Pacific Railroad near the Tuolumne River. The City was incorporated in 1884 and has grown to over 185,000 residents. It is the seat of Stanislaus County and has traditionally served as the



regional center for the area. State Highway 99 runs through Modesto, making it easily accessible from throughout California.

Modesto is located in the heart of one of the nation's most important agricultural areas—the San Joaquin Valley. Dairy products, almonds, apricots, melons, tomatoes, wine grapes, peaches, walnuts and poultry products are some of the top commodities. Modesto also

ranks third in California for manufacturing. Many major companies are represented including E & J Gallo Winery, Foster Farms Poultry, Frito-Lay Snack Foods, Americ Disc, Procter & Gamble, and Continental PET plastics.

Modesto has a Council-City Manager form of government. The seven members of the City Council are elected at large. Municipal services are provided through a number of departments, including:

- ◆ Community Development Department
- ◆ Finance Department
- ◆ Fire Department
- ◆ Recreation and Neighborhood Services
- ◆ Personnel Department
- ◆ Police Department
- ◆ Operations and Maintenance Department
- ◆ Engineering and Transportation Department.

B. STUDY SCOPE AND OBJECTIVES

The City of Modesto engaged the services of Citygate Associates, LLC to conduct an assessment of the Community Development Department's development review and building inspection processes. Two divisions were involved in this project:

- ◆ Planning Division
- ◆ Building & Development Services Division.

The objective of the study is to analyze and make recommendations on improving the economy, efficiency and effectiveness of the City's planning, and building permitting and inspection processes. Further study objectives included responding to the following questions:

- ◆ The time to process similar applications may fluctuate. Can benchmarks or standards be established that define the length of time normally required to process certain types of development applications? What circumstances would cause delays in meeting such standards?
- ◆ While emphasis has been placed on reviewing the application and permit processes, the functioning of the entire department, as it relates to planning and building, is under review. How smoothly does work flow through the department? Can efficiencies be gained?
- ◆ Communication needs to be examined. How does information flow to/from other City departments or outside agencies? How is accountability to external customers managed across departmental and divisional lines? Are priorities clearly articulated by supervisors to staff?
- ◆ With respect to staffing, are there areas where the department requires additional expertise or training? What is required to catch up on the backlog of planning projects? Does the management staff need additional supervisory training?
- ◆ Mission and goals of the City.
- ◆ Mission and policies of the Community Development Department.
- ◆ Communication among staff and customers.
- ◆ Current and future performance measures.
- ◆ Support systems.
- ◆ Organization of the system components.
- ◆ Management arrangement and effectiveness.
- ◆ Customer satisfaction.
- ◆ Allocation of employees and other resources.
- ◆ Personnel management, supervision, and reporting.
- ◆ Staffing, budgeting and training.
- ◆ Workload trends.

- ◆ Physical layout of the Department.

Within the above scope and objectives, Citygate set its own goals that, once accomplished, would help determine if the Divisions are successfully providing their services in an efficient, effective, timely and responsive manner. These goals included:

- ◆ Analyzing the goals of the City’s review process and the overall philosophy of the Community Development Department, and assessing the congruence of these critical guidelines with the orientation of the City Council as well as the needs of the public and the development community.
- ◆ Assessing whether the Department provides a set of clearly defined, comprehensive services that are well planned and executed.
- ◆ Reviewing the aspects within the Department that are most critical to successful organizational performance.

Citygate also set a goal of providing realistic and implementable recommendations to help the Department improve its overall effectiveness and meet the needs of the City Council, other City departments, and the customers and citizens that it serves. The study scope included neither financial nor compliance audits.

C. STUDY APPROACH

In conducting our study and to address the study objectives described above, we outlined an approach that would facilitate the effective gathering of the necessary information. This process included:

- ◆ Meeting with the City Manager to initiate the study.
- ◆ Preparing an employee orientation brochure and conducting an employee orientation session.
- ◆ Interviewing the Mayor, several City Council members, City Attorney, City Clerk/Auditor, Department Director, Division Heads, and Supervisors.
- ◆ Interviewing a variety of employees of the Department.
- ◆ Assisting City staff in conducting an Employee Survey of all employees.
- ◆ Conducting Customer Focus Groups of developers, subcontractors, and neighborhood representatives.
- ◆ Performing walkthroughs of offices and facilities.
- ◆ Reviewing relevant documents and records.
- ◆ Conducting two Customer Surveys for a sample of customers from the Planning Division, and Building and Development Division.
- ◆ Developing Process Flow Matrices of Core Division Processes to determine “as is” operations.

- ◆ Performing analyses for collected data including interviews, surveys, and statistics.
- ◆ Conducting a preliminary findings conference.
- ◆ Assisting City staff in performing benchmark comparisons of staffing and services as practiced in cities comparable to Modesto.
- ◆ Reviewing the activities of the Planning Division and the Building and

Modesto's Early History

From its earliest days, Modesto (Spanish for modesty) has been a community dedicated to growth, progress and the quality of community life.

In 1870, when it became generally known where the new town of Modesto was to be located, there was a stampede of businesses, dwellings, furniture and people rapidly moving to the one-mile square railroad town. Modesto became the end of the railroad line November 8, 1870, and it took another two years to construct the tracks as far as Merced. When newcomers got off the train here they saw a community of approximately 25 buildings, either hastily built or moved from other locations when the Central Pacific Railroad announced its selection of the Modesto site. It was a bleak settlement on the plains without trees or vegetation but an abundance of wind-blown sand. By 1910, Modesto's population was estimated at 4,500. City fathers referred to the young community as the "most metropolitan and classy of its size in California." Modesto soon became known as the "Rose City" and the "Garden City" because of its many rose bushes and well-manicured lawns.

Emphasis was placed on education and cultural amenities—schools and theaters received priority treatment. The local media boasted of the academic achievements of the city's students, and of the first-rate theatrical productions and entertainers.

In 1912, the downtown Modesto Arch, located at 9th and I streets, was built for a cost of \$1,200. The illuminating arch holds 668 lights, stands 25 feet high at its center, and spans 75 feet across I Street. Details of a 1911 contest reveal that the slogan for the arch, "Water, Wealth, Contentment, Health," was selected by a committee of the Modesto Business Men's Association. They paid Sam Harbaugh \$3 for his winning slogan.

Excerpted from the City of Modesto web site.

Development Division in the context of best practices to determine if opportunities exist to enhance organizational performance through the re-engineering of processes, management activity, resource allocation, and organizational changes.

Throughout this process, it was our policy to review findings of the study with multiple sources in order to validate findings and data used in the report. The data were also presented and discussed with management personnel to allow an opportunity to provide evidence concerning aspects of the report that they felt were in error.

D. THE COMMUNITY DEVELOPMENT DEPARTMENT

The Community Development Department encourages and regulates development projects within the city. It is organized to fulfill functions related to development projects from initial concept, through planning, zoning, building plan check, inspection and final occupancy.

The Community Development Department's mission is as follows:

To plan for, encourage and facilitate private investment in the community by coordinating those municipal activities that affect such investment.

The Department has three divisions: Planning, Building and Development Services and Business Development. Brief descriptions of these divisions follow.

The **Planning Division** works with the building blocks of development. It facilitates the processing of zoning requests, subdivisions and annexations. It plans for the future by designating areas for residential, commercial and industrial growth through the City's General Plan and the specific planning process.

The **Building and Development Services Division** oversees all commercial and residential construction

throughout the City. This includes building plan review, permits, public improvement review and building inspection.

The **Business Development Division**, *which is not within the scope of this performance review*, encourages economic development and job creation through many types of programs. Its objectives are to retain existing businesses, attract new industries that support and diversify the City's economic base and increase personal income through job creation. The division is also responsible for the City's redevelopment program.



The Tynan Hotel circa 1911

The Community Development Department works to create “a proactive attitude toward development activities by supporting and initiating projects that lead to the economic well being of Modesto and its residents. [It] develops governs to preserve existing neighborhoods and investments, while eliminating blighting influences.”¹ The Department’s proposed resources for fiscal year 2000-01 include \$5,179,438 and 49 Full-time Equivalent (FTE) personnel. For the same budget year, the Department is expected to generate \$3,292,347 in revenue, which is equivalent to 63.6 percent of its budgeted expenditures.

¹ City of Modesto, 2000-2001 Annual Budget.

II. PLANNING DIVISION

A. *PLANNING DIVISION OVERVIEW*

The Planning Division manages all services that facilitate the development and implementation of Modesto's future through long- and short-range planning. The Division's purpose is to enhance the health, safety, and welfare of the community by supporting, facilitating, and expediting private investment, and effectively planning for future needs.

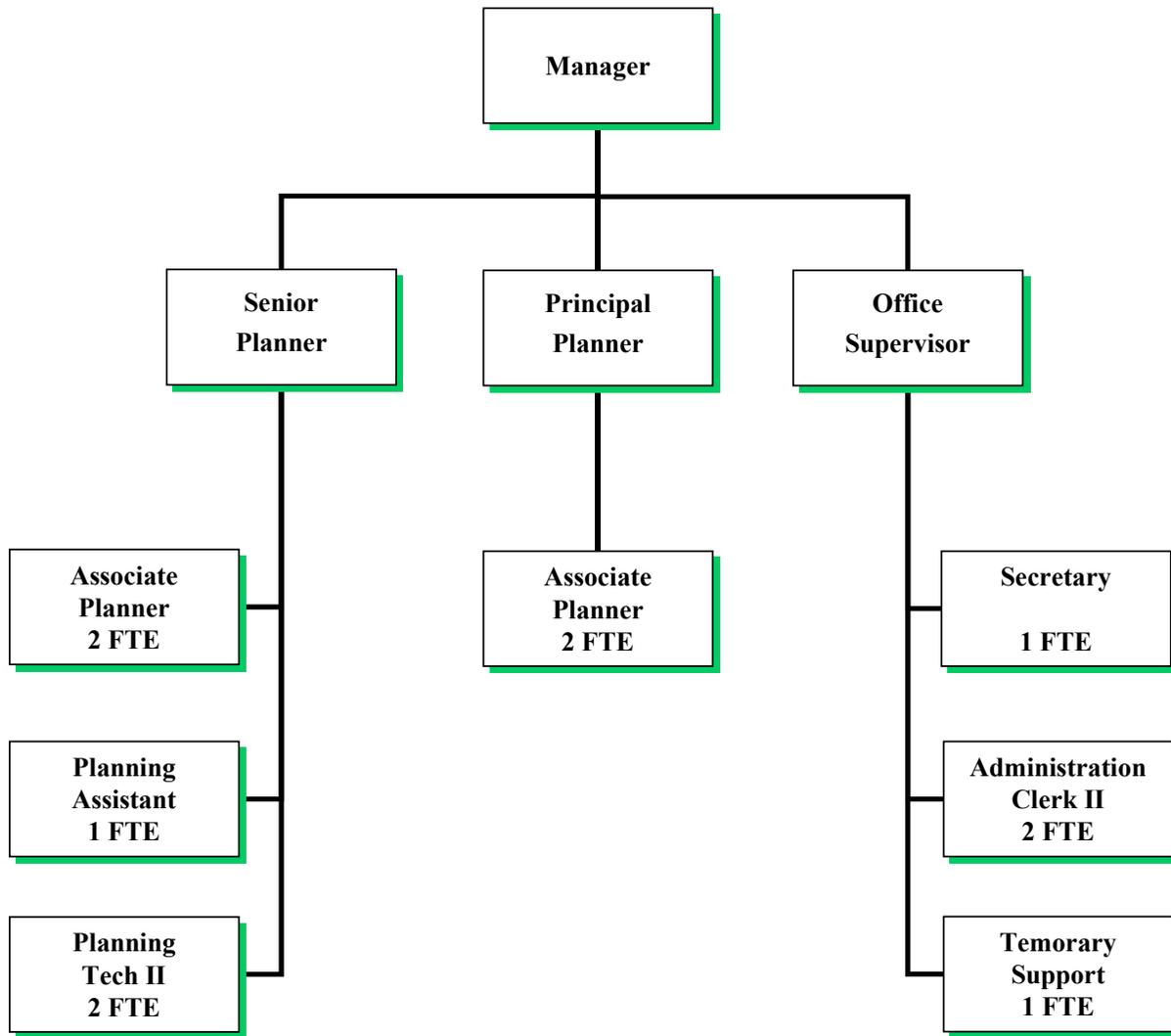
The Planning Division administers the City's land use planning and entitlement system, manages and coordinates the General Plan, Specific Plans and Finance Plans. The Division also assists in managing the City's Capital Improvement Program, California Environmental Quality Act reviews, and manages the implementation of plans through annexation, zoning, permit variances, subdivision maps, etc. In addition, the Division serves as staff to the Planning Commission and the Board of Zoning Adjustment.

The Division has identified a number of current and ongoing goals for the fiscal year 2000-01:

- ◆ Create and manage an ongoing and systematic process for the development and refinement of Modesto's vision
- ◆ Maintain the integrity of the City's General Plan
- ◆ Develop strategies and networks facilitating regional efforts that create collective opportunities and/or solve problems common to all
- ◆ Create and maintain a system that provides recommendations for the City's capital investment strategy in growth areas and the existing city, based on a logical set of priorities that maximizes community benefits
- ◆ Provide efficient services to applicants for General Plan amendments, specific plans and amendments, annexation this and community facilities district (CFD) formation
- ◆ Provide rapid processing of land use entitlement consistent with state planning law including annexation, rezonings, tentative subdivision maps, use permits, variances, precise plans, development agreements, and site plan reviews
- ◆ Build an effective interdepartmental team of planners, engineers, inspectors, and support staff to facilitate private investment in the community
- ◆ Provide friendly and supportive customer service and expedite processing of targeted projects of economic development significance
- ◆ Continue to build on the One-Stop Permit Shop concept.

City of Modesto Community Development Department Planning Division

Organization Chart by Position

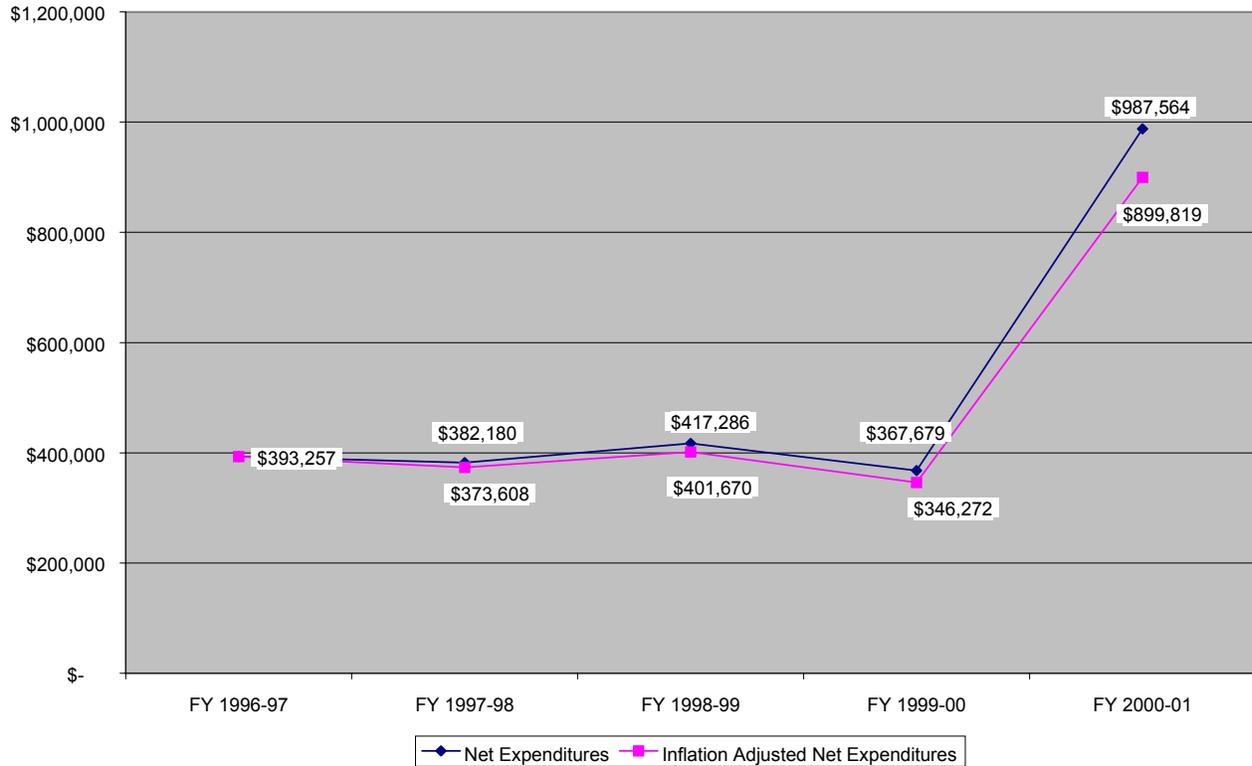


B. PLANNING BUDGET TREND

The Planning Division has proposed expenditures for fiscal year 2000-01 of \$987,564 with a staff of 14 FTEs. In fiscal year 1996-97, the Division's expenditures were \$393,257. The figure below shows the trend in real and inflation adjusted dollars (1996). From fiscal year 1996-97 through 1999-00, the Division's staffing remained constant at six FTEs. In the current fiscal

year, the Division is adding eight FTEs, six of which are being transferred from the Building and Development Services Division. This largely accounts for the 169 percent increase in the Division's budget since last year. In 1996 constant dollars, the Division's expenditures decreased by total of 11.9 percent between fiscal year 1996-97 and 1999-00.

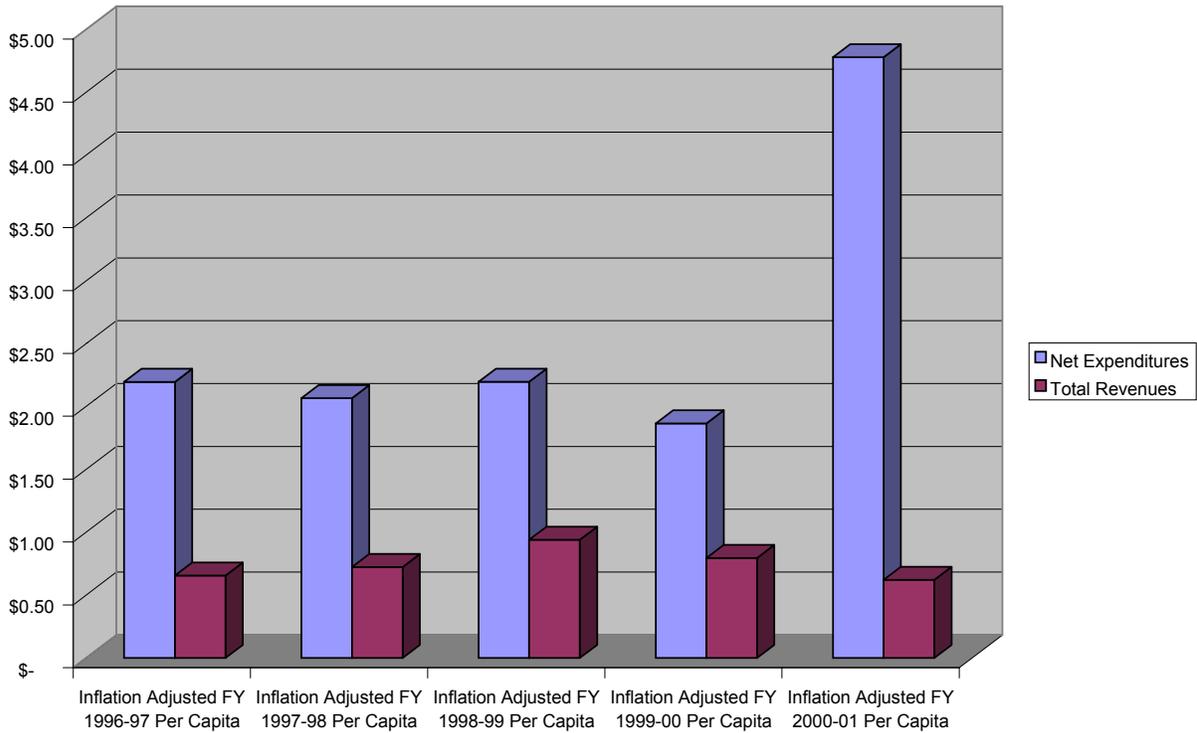
Planning - Net Expenditures in Real and Constant 1996 Dollars



On an inflation adjusted per capita basis, the Division's expenditures decreased by a total of 15 percent between fiscal year 1996-97 and 1999-00. Per capita expenditures for the current fiscal year are budgeted to increase by when 156 percent (adjusted for inflation).

In fiscal year 2000-01, the Division is expected to generate \$128,120 in revenue, which is equivalent to 13 percent of its budgeted expenditures. In 1996-97, revenues amounted to approximately 29.8 percent of expenditures. Over the past five fiscal years, the revenue generated by the Division has increased by 9.3 percent in real dollars. When adjusted for inflation and per capita growth, the revenue has actually decreased by 5.3 percent. The figure below relates the Division's net expenditures to the revenue it generates adjusted for inflation and per capita growth.

Planning - Inflation Adjusted (to 1996) Per Capita Expenditures vs. Revenues



Low Cost Recovery Ratio

In reviewing the financial reports for the Planning Division, Citygate Associates observed that the 13 percent level of cost recovery is exceptionally low. The Planning fees have not been adjusted in eight (8) years. Most cities have a policy that new development will pay its own way and, therefore, they charge cost-for-service fees based on so-called “full cost recovery.” Although each city defines “full cost recovery” somewhat differently, recovery rates in the 70 percent to 85 percent range are very typical throughout the State. Using FY 2000-01, for example, had there been a cost recovery rate in place of 70 percent the Division would have recaptured over \$563,000 in revenues. This is a significant amount of money, which reflects an unhealthy dependence upon the City’s General Fund. It also places the Planning Division in the position of having to compete for scarce General Fund resources, which we believe has had a significant negative impact on staffing levels in the division.

It should be noted that the scope of work of this Performance Review did not include a survey of fees charged in comparable agencies.

C. PLANNING WORKLOAD TRENDS AND STAFFING

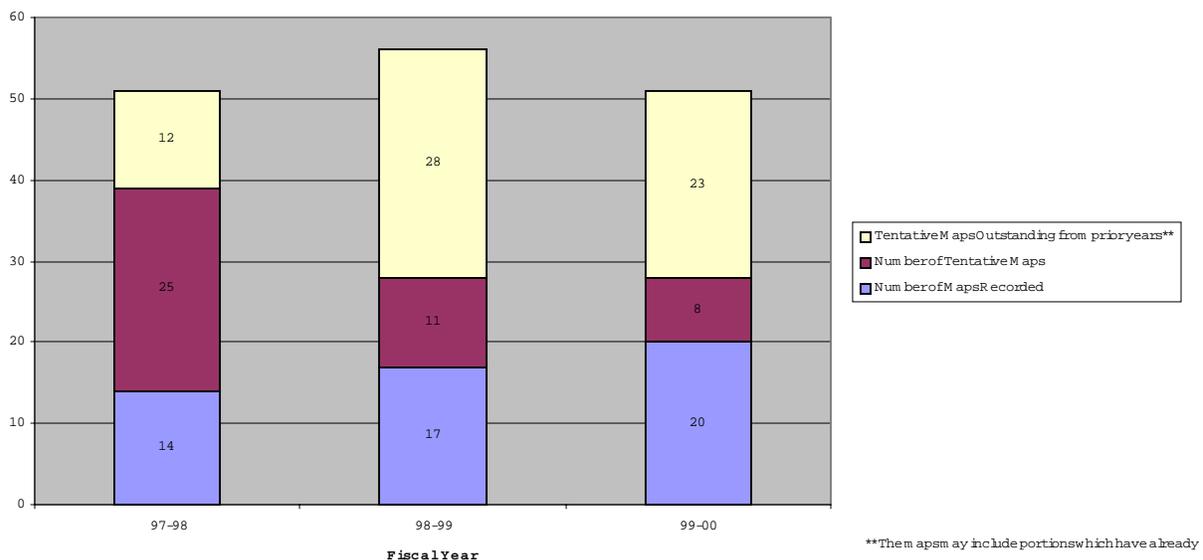
Workload Trends

In order to analyze and understand the Planning Division’s workload activities over the past several years, Citygate Associates examined existing records that were made available to us. We found the records, which came from several sources, to be conflicting to some degree. As a result, rather than consistently reporting five years of workload activity history, which is our standard “window”, we were only able to ascertain three to four years of data. This lack of consistent data is, we believe, attributable to several factors: the Department has gone through several reorganizations during the last five years; the computer-based permit tracking system (Tidemark) is not performing well for staff; and, varied use of application/permit terminology.

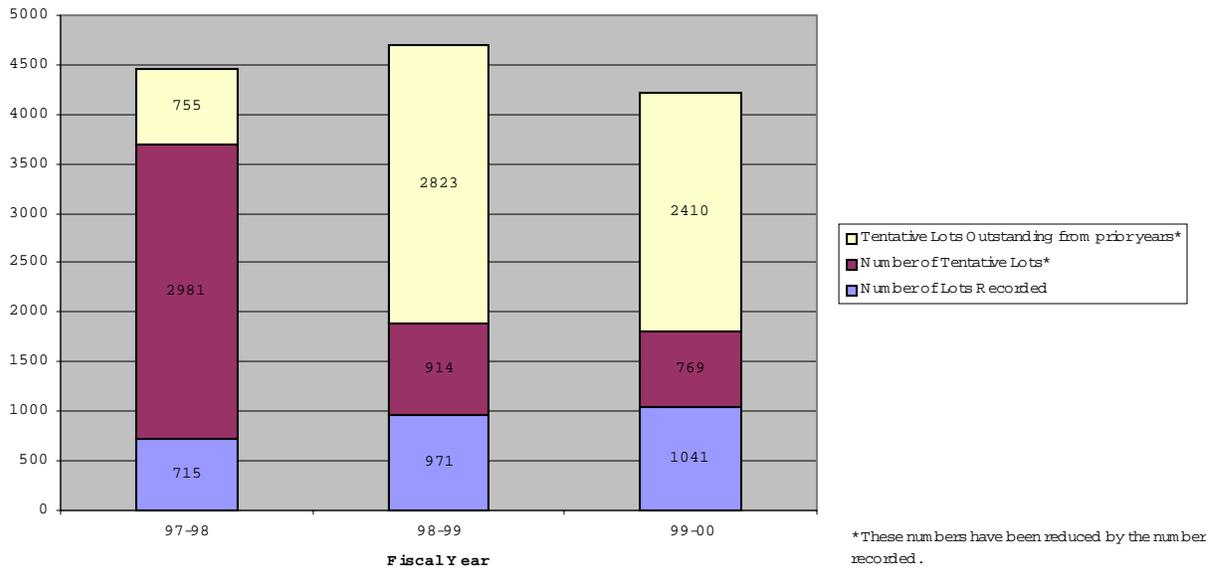
During the past four years the Planning Division processed 412 zoning and related applications. The data indicates that this workload has remained relatively steady over the past three years, ranging from a high of 128 zoning related applications in FY 1997-98 to a low of 94 such applications in FY 1999-00. Administrative Plan Reviews have rose steadily from a low of 50 applications in FY 1996-97 to a high of 114 applications in FY 1999-00.

The data indicates a significant increase in workload activity beginning in FY 1997-98 with the filing of twenty-five (25) maps. This increase in activity most likely reflects the economic upturn that followed the recession of the early 1990’s. In the following two years, FY 1998-99 and FY 1999-00, the tentative mapping workload dropped off somewhat but still remained steady with nineteen (19) tentative map applications being filed during this two-year period. In FY 1997-98, the Planning Division finalized only 755 lots. In the two years following, final mapping increased dramatically to 5,233 lots.

Planning Workload for Subdivision Maps



Planning Workload in Terms of Lots Mapped



Staffing Levels

The Planning Division has a compliment of ten (10) professional and para-professional planners. Six (6) of these positions are presently assigned to the Current Planning Section while three of the positions are assigned to the Advanced Planning Section. The Planning Division Manager oversees both sections in the Division. In addition, the Division employees four (4) permanent and one (1) temporary support staff personnel.

Several factors should be considered in order to determine the appropriate level of staffing in the Planning Division: workload, customer satisfaction, employee satisfaction and comparability to other agencies in the region.

As detailed in the Customer Survey section of this report, the Division generally receives high marks from its customers. In addition, during our interviews we discovered little in the way of anecdotal evidence that would support a finding of inadequate staffing.

As detailed in the Employee Survey section of this report, there exists a level of frustration on the part of employees with regard to workload. Not to diminish this factor, but such frustration is common in most organizations, both public and private. Citygate Associates found no evidence of employees in the Division resigning their positions due to workload frustrations. The majority of employees in the Division have been employed with the City of Modesto for over five years, while several have been employed for over ten years.

Citygate Associates has reviewed the workload data presented in the Comparable Cities survey that was conducted by the City in conjunction with this Performance Review. The level of staffing and volume of applications in Modesto is comparable to the levels indicated in the comparable cities in the survey, as illustrated below:

COMPARABLE CITIES SURVEY

FY 1999-2000

<u>City</u>	<u>Planners ⁽¹⁾</u>	<u>Applications ⁽²⁾</u>	<u>Applications / Planner</u>
Bakersfield	13	135	10
Pleasanton	10	492	49
Santa Rosa	22	498	23
Stockton	13	215	17
Tulare	2	89	45
Visalia	8	108	14
West Sacramento	10.25	67	7
MODESTO	10	218	22
Average	11.031	228	23

⁽¹⁾ Includes all degreed planners and paraprofessional planners in the department.

⁽²⁾ Includes all planning applications, permits, zone changes and General Plan work.

Citygate Associates concludes, given the above data and the high marks received from Planning Division customers in the Customer Survey, that the staffing of planners in the Division is currently appropriate.

Notwithstanding the above, Citygate Associates observed that there exists a substantial backlog of work in the Advanced Planning Section. This backlog includes such projects as:

- ◆ Updating the Housing Element of the General Plan.
- ◆ Comprehensive Zoning Code review/update (last revised 10 years ago).
- ◆ Develop Design Guidelines.
- ◆ Update the Downtown Plan.
- ◆ Comprehensive plans for other business districts: Yosemite Boulevard; McHenry Avenue.
- ◆ Updating various Specific Plans.
- ◆ Update the Annexation Policy.
- ◆ Update the Fiscal Impact Model.
- ◆ Update the General Plan.

D. PLANNING CUSTOMERS' PERSPECTIVE

Citygate Associates' customer survey indicates that most customers perceive the Division to be performing its services very well. Customers believe employees are courteous, that employees

listen, that they are responsive and have a positive attitude. Areas for improvement, which were limited, include interdepartmental coordination, keeping the customer informed about the status of their application, and staff's level of understanding of the private sector. The lowest scores, quite clearly, came from those customers describing themselves as single-family residential developers.

E. PLANNING EMPLOYEES' PERSPECTIVE

Overall, Citygate Associates observed that Planning Division employees are a cohesive group of employees with a strong sense of purpose. The employee survey indicates there is a level of concern with regard to: fair and equal division of work among co-workers; the Division not having clear written policies and procedures; and, not being able to achieve the goals and objectives of the Division due to low staffing levels. The survey data indicates a belief that the Division operates under a "crisis management" system. Also, employees believe the computer-based permit tracking system (Tidemark) is very inadequate.

F. RECOMMENDATIONS FOR IMPROVEMENTS

The Planning Division's external customers indicate a need for improvement in the areas of interdepartmental coordination.

The Planning Division does not have an effective system for inter-divisional, inter-departmental review of development applications. There is no formal pre-application process (with or without a fee) or a weekly internal Development Review Committee for early assistance or establishment of special Conditions or Approval.

The Department has not been able to establish a high level of cooperation, teamwork and accountability with other Departments (Engineering & Transportation, Finance Department and Operations and Maintenance).

Recommendation No. II-1: The Planning Division should establish an interdepartmental development review team.

The interdepartmental Development Review Team should meet weekly for one to two hours, depending on the workload and agenda, and should be comprised of representatives from the City Attorney's Office, Planning, Building, Engineering, Utilities, Traffic, Public Safety, Operations & Maintenance, the Finance Department's CIP group and Economic Development staff for commercial/industrial projects. The core responsibilities of the team should include:

- ◆ Improve interdepartmental coordination of development in the City.
- ◆ Provide pre-application review of development applications for complex projects, as needed.
- ◆ Provide formal review of development applications for the purpose of attaching conditions of approval.
- ◆ Discuss upcoming Commission and Council development related agenda items

- ◆ Refine and coordinate the development and application of standard conditions, particularly with regard to drainage and landscaping.
- ◆ Trouble shoot commercial/industrial projects.
- ◆ Monitor the financial and O&M impact of pending and approved projects.
- ◆ Monitor and enforce special conditions for projects under construction through the use of a Zone Clearance, Certificate of Occupancy or utility release system.
- ◆ Effectively manage the tract map finalization process.
- ◆ Disseminate information regarding development review policies and procedures to other staff members in the City, and provide training as needed.

Most importantly, all phases of major project applications should be reviewed by the Development Review Team prior to the issuance of Certificates of Occupancy or utility release.

Recommendation No. II-2: City management should hold other city departments accountable for participation on the development review team.

It is our understanding that the Community Development Department at one point in time held interdepartmental Development Review Team meetings. Over a period of time, interest and participation on the Team waned for one reason or another. Reportedly, some of the Team members felt the meetings were redundant and too time consuming. As mentioned earlier in this report, the Department’s customers cited the lack of “interdepartmental coordination” as their number one concern. This being the case, Citygate Associates strongly recommends that the Development Review Team be re-instituted immediately. Moreover, we believe that attendance at these meetings is important and should be mandatory.

In addition, Citygate Associates recommends that the Development Review Team at least initially be lead by the newly appointed Deputy City Manager. The Deputy City Manager should work with the Team members, and the Community Development and Engineering & Transportation department directors, to ensure effective management of the Development Review Team.

Recommendation No. II-3: Include project management assessment for advanced planning section work programs.

Citygate Associates recommends that the Advanced Planning Section conduct a survey, on an ongoing basis, of those Department customers that have been impacted by or have participated in the Division’s various work programs. We recommend that the Administrative Division of the Department conduct the survey. The survey, at a minimum, should query customers regarding the following:

- ◆ Category of customer (e.g., homeowner, business owner, consultant, community advocate, etc.)
- ◆ The adequacy of the notification process.

- ◆ The thoroughness and readability of staff's technical reports.
- ◆ The objectivity of staff's presentations.
- ◆ The fairness in which meetings were conducted.
- ◆ The timeliness of staff's responses to questions.
- ◆ The customer's satisfaction with the amount of elapsed time required to process the application.

Recommendation No. II-4: Systematically and routinely revise all planning forms / applications.

Staff should at least annually revise and bring up-to-date all forms, informational tools, applications and checklists. According to employees, forms are currently out of date and could be improved to better explain requirements and to be user-friendlier. Forms and applications must continually be reviewed and updated.

III. BUILDING AND DEVELOPMENT SERVICES DIVISION

A. BUILDING AND DEVELOPMENT SERVICES DIVISION OVERVIEW

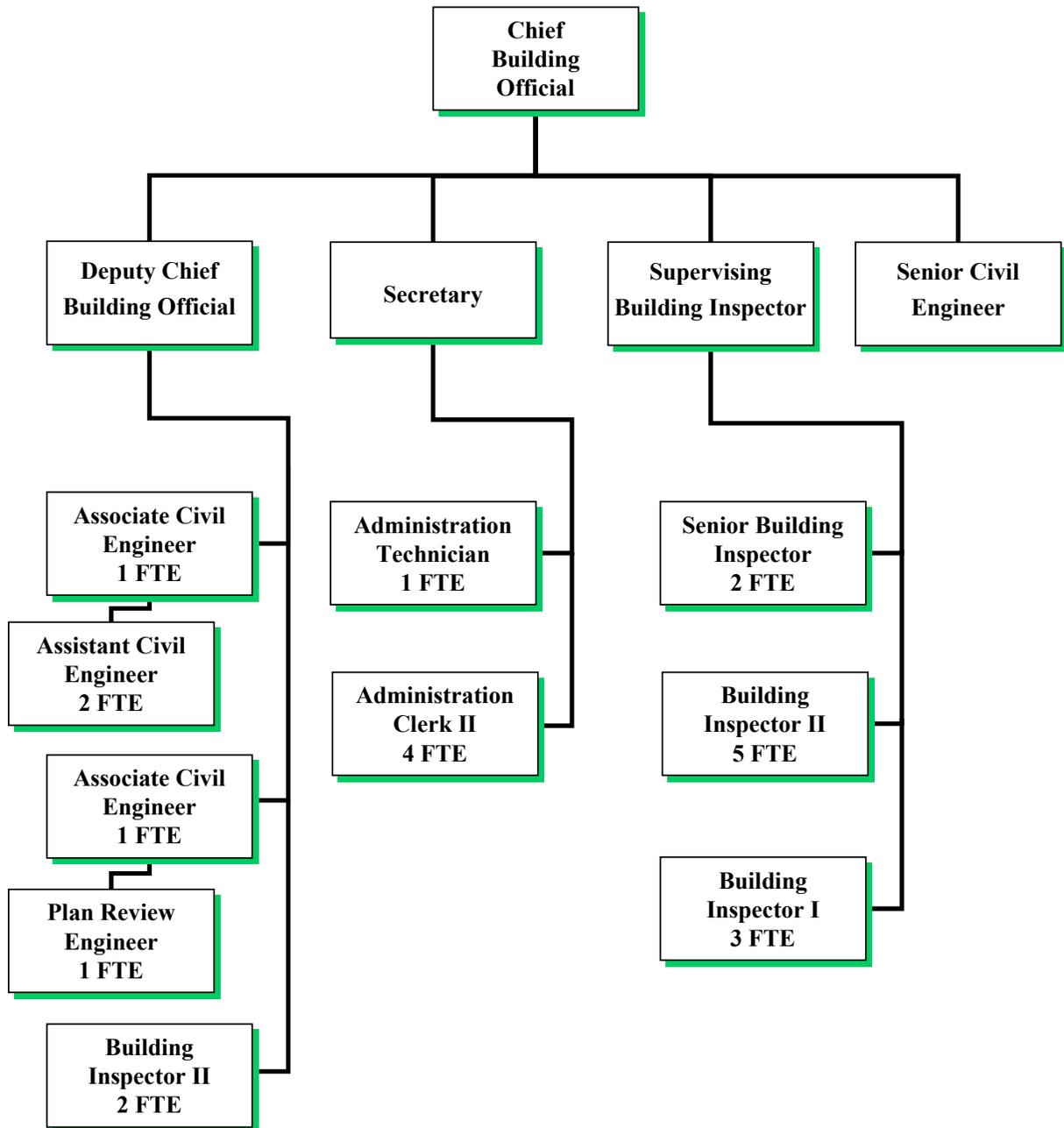
The Building and Development Services Division administers the City's development controls by providing building inspections of construction projects, processing permits, coordinating development applications, and reviewing zoning, subdivision and annexation petitions. The Division's purpose is to enhance the health, safety, and welfare of the community by supporting, facilitating, and expediting private investment. The Division reviews both public and private construction projects, including public improvements associated with private development. It also provides staff for the Board of Building Appeals and the Disabled Access Appeals Board.

The Division has identified a number of current and ongoing goals for the fiscal year 2000-01:

- ◆ Rapid review and processing of improvement plans, subdivision maps, and parcel maps, which facilitate the orderly development of off-site improvements and the subdivision of land.
- ◆ Complete plan checking and inspection of building projects within established time frames.
- ◆ Building an effective team of engineers, inspectors, and support staff to facilitate private investment in the community.
- ◆ Provide friendly and supportive customer service and expedited processing of targeted projects and economic development significance.
- ◆ Continue to build on the One-Stop Permit Shop concept.
- ◆ Participate fully in the City/County project to facilitate implementation of an efficient permit center; the City and County have purchased the same permit software to facilitate this effort.

(Note to the Reader: The engineering plan review program was very recently transferred out of the Building and Development Services Division and into the Engineering & Transportation Department. Citygate Associates chose to finish the performance review from the point-of-view prior to the reorganization, with the understanding that our observations and recommendations would be made available to the newly responsible Department.)

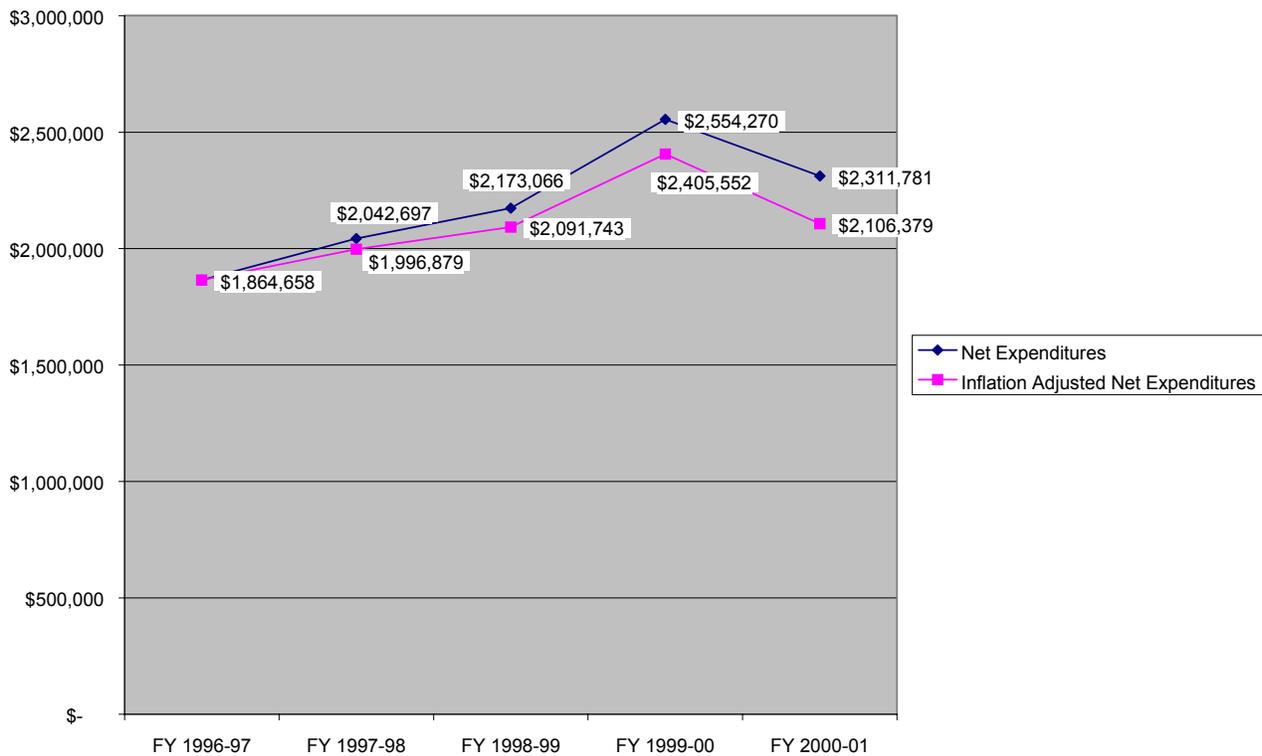
City of Modesto
Community Development Department
Building and Development Services Division
Organization Chart by Position



B. BUILDING DIVISION BUDGET TRENDS

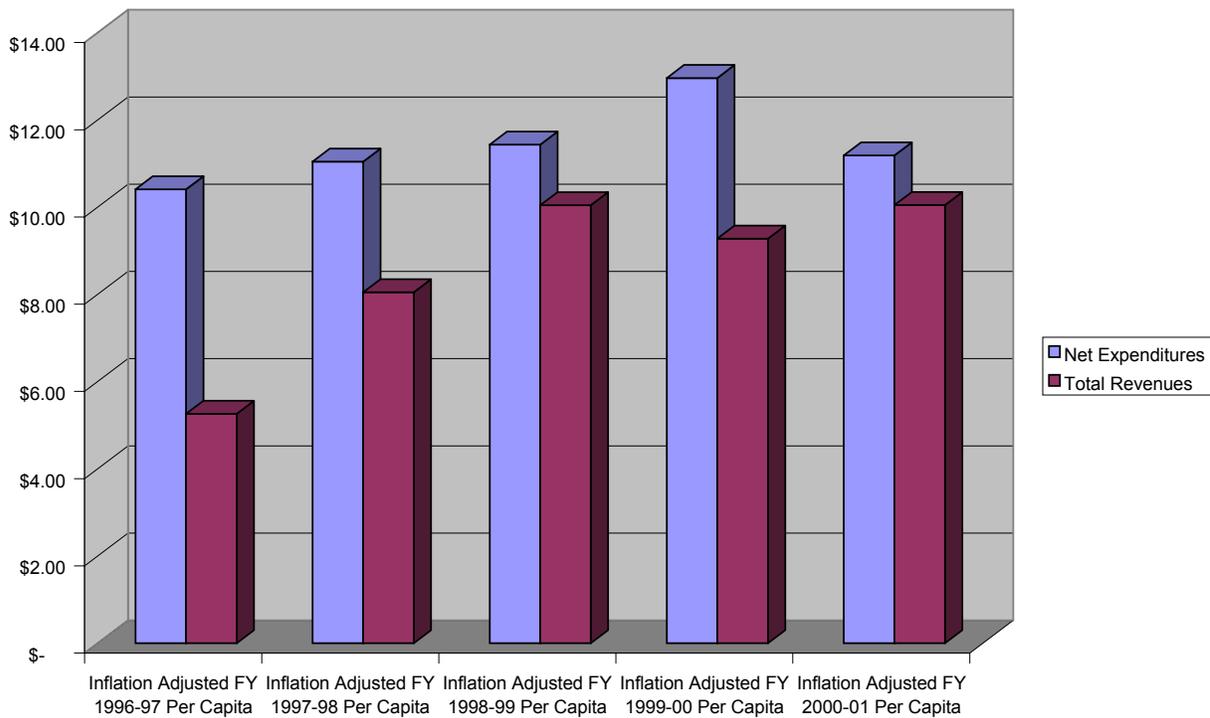
The Building and Development Services Division has proposed expenditures for fiscal year 2000-01 of \$2,311,781 with a staff of 27 FTEs. In fiscal year 1996-97, the Division's expenditures were \$1,864,658. The figure below shows the trend in real and inflation adjusted dollars (1996). In 1996 constant dollars, the Division's expenditures increased by a total of 29 percent between fiscal year 1996-97 and 1999-00. Expenditures for the current fiscal year are budgeted to decrease by 12.4 percent. The Division's staff has been reduced by six FTEs through the transfer of these positions to the Planning Division. This resulted in a \$400,715 reduction in employee services expenditures. On an inflation adjusted per capita basis, the Division's expenditures increased by a total of 24.5 percent between fiscal year 1996-97 and 1999-00. Expenditures for the current fiscal year are budgeted to decrease by 13.7 percent.

Building & Development Services - Net Expenditures in Real and 1996 Constant Dollars



In fiscal year 2000-01, the Division is expected to generate \$2,076,546 in revenue, which is equivalent to 89.8 percent of its budgeted expenditures. In 1996-97, revenues only amounted to approximately 51 percent of expenditures. Over the past five fiscal years, the revenue generated by the Division has increased by 120 percent in real dollars. When adjusted for inflation and per capita growth, the revenue increase remains high at 91 percent. The figure on the following page relates the Division's net expenditures to the revenue it generates adjusted for inflation and per capita growth.

Building & Development Services - Inflation Adjusted (to 1996) Per Capita Expenditures vs. Revenues



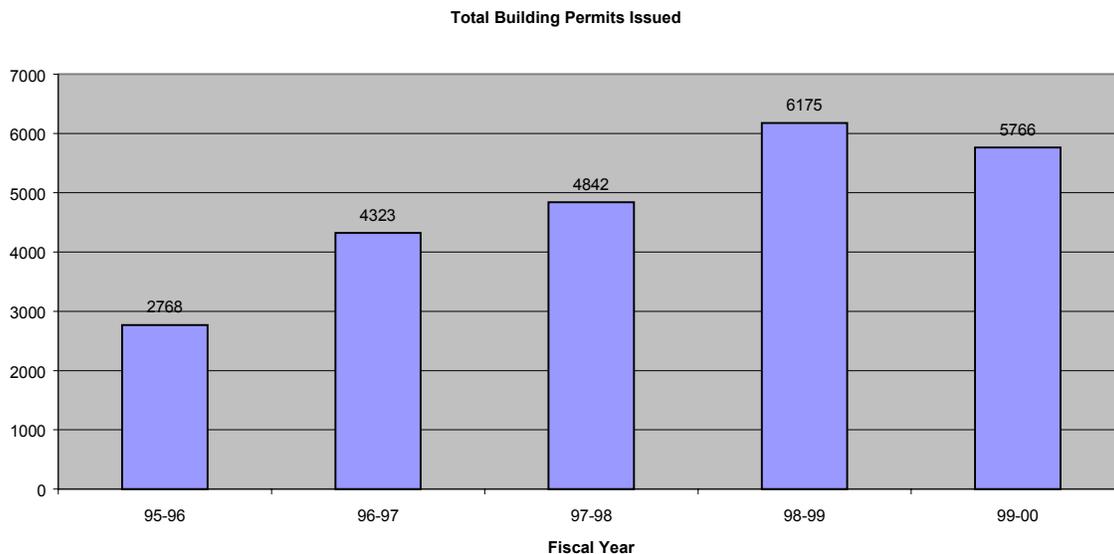
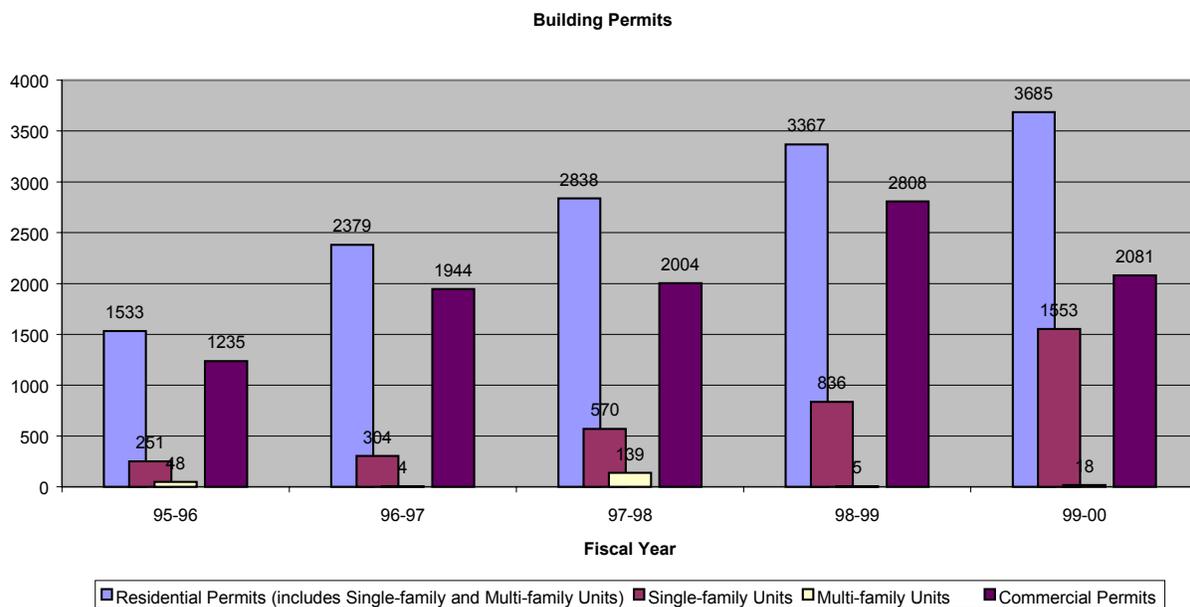
Cost Recovery Ratio

Although the cost recovery ratio is currently 89.9 percent, which is quite favorable as compared to the Planning Division, it could be higher. Many cities in California have building fee revenues well in excess of building program expenditures during periods of rapid growth. State law requires that fees not exceed the cost of providing services; however, this requirement need not be met on a step-by-step basis throughout the development review process: planning; engineering; permitting. Therefore, cities with sophisticated cost accounting procedures demonstrate that overall fees do not exceed the overall costs of review and approval programs. From an equity standpoint, it is more desirable to have higher fees at the end of the development review process, when development risk is at its lowest point, and to have lower fees at the beginning of the process. This supports the argument that it is appropriate, if not desirable, to have building fees subsidize the city's planning and engineering functions.

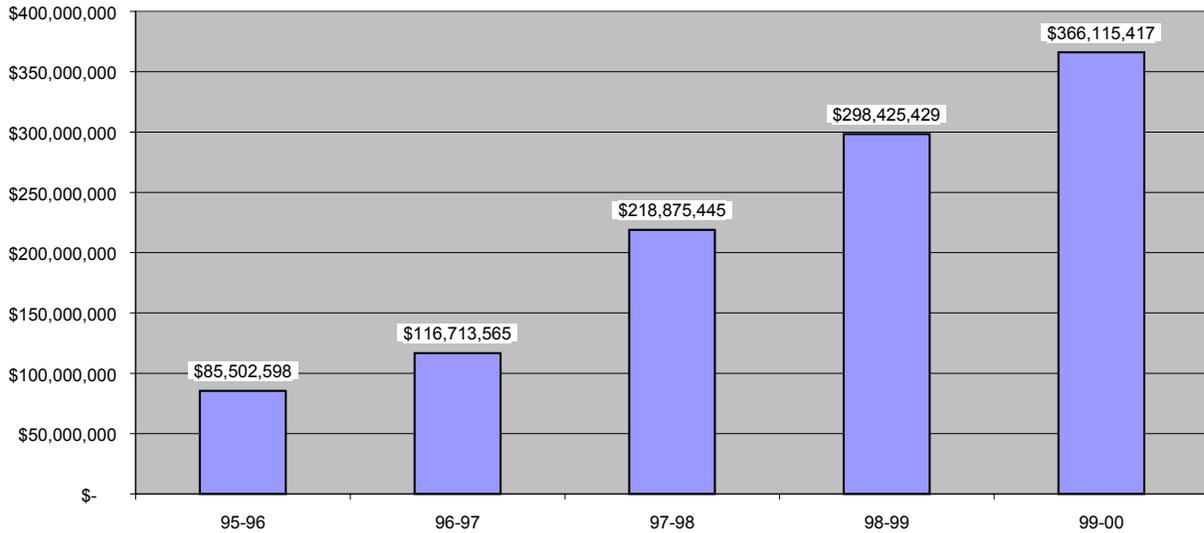
C. BUILDING WORKLOAD TRENDS AND STAFFING

Workload Trends

Over the past five years, the Building Division has experienced a steady rise in its workload. Residential permits rose annually at the rate of 28 percent on average during this period of time. Although commercial and industrial permits dropped off somewhat during FY 1999-2000, in the prior four years commercial and industrial permit activity rose annually at the rate of 32 percent. During this same period of time, the annual value of permitted construction rose from a low of \$85.5 million in FY 1995-96 to a high of \$366.1 million in FY 1999-2000. This represents an impressive increase of over 328 percent in five years.



Valuation of Construction

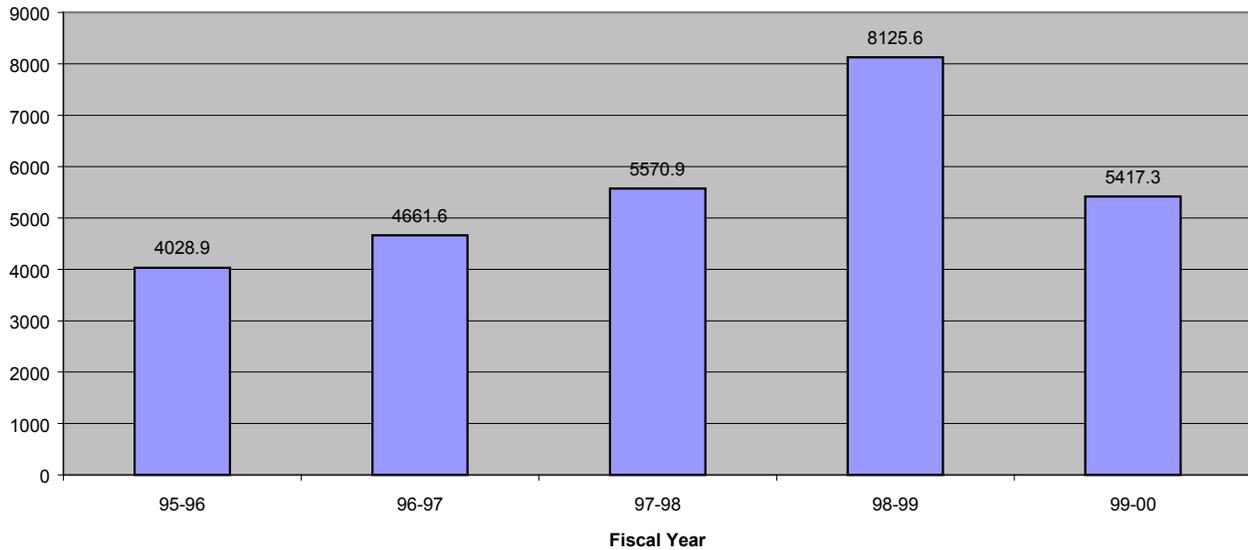


Staffing Levels

The Building Division has a budgeted staffing level of twenty-seven (27) full-time employees. Eight (8) employees are assigned to the Development Services Section of the Division, while eleven (11) employees are assigned to the Building Inspection Section. The Division has six employees serving in support capacities, one senior civil engineer assigned to fee calculation, and one Chief Building Official.

Staffing levels have remained relatively constant over the past five years. However, during this same period, the “inspections per inspector” have risen approximately 34.5 percent. More importantly, the total value of each project inspected has risen dramatically. In FY 1995-96 the construction value of each “inspection per inspector” totaled, on average, \$8.6 million. By FY 1999-2000 the value of each “inspection per inspector” rose dramatically to \$36.6 million. This clearly indicates that the projects being inspected by the Division have become substantially larger and, in turn, more complex.

Number of Inspections per Inspector



In order to respond to this marked increase in permit volume and complexity, the Division initiated recruitment for two Building Inspector II positions. However, the recruitments have not been successful. According to management staff, several qualified prospective applicants were offered the positions, but were not accepted. Staff indicated that according to the applicants the employment offers were turned down because the City's salary and benefit package was not competitive.

Citygate Associates reviewed the workload data presented in the Comparable Cities survey that was conducted by the City in conjunction with this Performance Review. As illustrated in the following table, the level of "Permits Per Inspector" in Modesto is 30.8 percent greater than the average among the surveyed cities. Even with the addition of the two budgeted, but unfilled, inspector positions, the level of "Permits Per Inspector" in Modesto will be 10.8 percent above the average.

**COMPARABLE CITIES SURVEY: Building
FY 1999 - 2000**

<u>City</u>	<u>Inspectors (1)</u>	<u>Permits Issued</u>	<u>Permits/Inspector</u>
Bakersfield	15	6854	457
Pleasanton	12	6000	500
Santa Rosa	6	4829	805
Stockton	18	7511	417
Tulare	3	1392	464
Visalia	9	2717	302
West Sacramento	3	1784	595
MODESTO	11	7327	666
Average (2)	9	4802	509

(1) Includes all inspectors and supervisors

(2) Excludes Modesto

As detailed in the Employee Survey section of this report, there exists a level of frustration on the part of employees with regard to workload. Not to diminish this factor, but such frustration is common in most organizations, both public and private. Citygate Associates found no evidence of employees in the Division resigning their positions due to workload frustrations. The majority of employees in the Division have been employed with the City of Modesto for over five years, while several have been employed for over ten years.

Quality Control

As detailed in Customer Survey chapter of this report, the Building & Development Services Division scored high marks from its customers. This being the case, Citygate Associates examined the quality control techniques that are used by the Division to make sure that “happy customers” didn’t mean that the Code is not being vigorously enforced. Toward this end, Citygate Associates observed that managers and supervisors in the Division employ several important quality control techniques, including the following:

- ◆ Each inspection zone of the City is covered by two Building Inspectors, at a minimum. This ensures that more than just one individual is ultimately responsible for the sign-off of building permits.
- ◆ Assignment to inspection zones is, without prior notice, rotated on a periodic basis. This ensures that the relationship between inspectors and builders is conducted on a professional basis. We note that this is a “best practice” used throughout the industry.
- ◆ Senior Building Inspectors conduct onsite inspections on a “back up” basis when Building Inspectors are off work for a day. This happens on a regularly basis because of the Division’s 4/10 work schedule. The practice provides an opportunity for supervisors to double-check inspections, if needed.
- ◆ The Supervising Building Inspector (section leader) conducts quarterly “coaching sessions” with each inspector to review their knowledge and approach to inspections.

According to the Division’s management staff, in the past the Senior Building Inspectors conducted spot check inspections as an additional measure of quality control. However, because Senior Building Inspectors have their own permit workload assignments, these spot check inspections have been temporarily suspended until such time that the Division has reaches its full compliment of personnel.

D. BUILDING DIVISION CUSTOMERS’ PERSPECTIVE

The Building and Development Services Division received notably good marks overall in the Customer Survey. Customers believe employees are courteous, that employees listen, that they are responsive and have a positive attitude. Areas for improvement, which were limited, include interdepartmental coordination relating to engineering plan review, keeping the customer informed as to the status of their applications and permits, and staff’s level of understanding of the private sector.

E. BUILDING DIVISION EMPLOYEES’ PERSPECTIVE

Overall, Citygate Associates observed that Building Division employees are a cohesive group with a strong sense of purpose. The employee survey indicates there is a level of concern with regard to: fair and equal division of work among co-workers; not being able to achieve the goals and objectives of the Division due to low staffing levels; and, the compensation program and promotion process not rewarding them for higher than average performance. Also, employees believe the computer-based permit tracking system (Tidemark) is very inadequate

F. RECOMMENDATIONS FOR IMPROVEMENTS

Under the recently approved new organizational structure, the Engineering and Transportation Department has assumed greater responsibility for infrastructure plan review. In addition, the Director has appointed a technical employee to serve as an ombudsman to coordinate the day-to-day review of applications and plans that are actively circulating between the divisions. We view this as a very positive step. However, we also believe this position should be upgraded, given more authority and directly report to the Engineering and Transportation Department Director.

Recommendation No. III-1: Institute aggressive engineering plan check cycle-time standards.

As noted earlier in this report, the engineering plan check function was recently transferred from the Building & Development Services Division into the Engineering & Transportation Department.

Citygate Associates observed that the City does not have formal engineering plan check cycle-time standards. In addition, Citygate Associates was not able to obtain records regarding the volume and type of engineering plan reviews conducted by the City. The services provided under this function include coordination, review and approval of development related improvement plans for public infrastructure, such as streets, utilities (sewer and water), storm drainage, grading and landscaping. Staff indicated that no cycle-time system exists due to the lack of personnel to operate the system efficiently. As a result, Citygate Associates was not able to obtain any cycle-time records relative to this stage in the development review process.

Engineering plan check review crosses many divisional and interdepartmental lines of responsibility. Plan review, as a general category, was noted as an area for improvement throughout the Department. Moreover, customer concerns regarding inter-department coordination suggests that the City take a more formal and aggressive approach to managing the engineering plan check review process.

Citygate Associates recommends that the Department organize itself, and utilize private consulting engineering services on a limited basis, if necessary, to attain target engineering plan check cycle times, as follows:

<u>Plan Type</u>	<u>1st Check</u>	<u>2nd Check</u>
Residential	two weeks	one week
Commercial	one week	3-5 days
Industrial	one week	3-5 days
Grading	two days	none

If the submittals are not approved after two rounds of plan checking, then there is a problem that demands the attention of the Department's supervising chief engineer and the principals for the project. The developer should be invited to attend an all-hands meeting at the Department offices for a final resolution meeting. At this stage, if the applicant's consultants and staff are performing their respective duties properly, the plans should be approved "at the counter."

It is important to note that engineering plan review is an exceptionally important step in the development review process. It is at this stage of review that the City has the opportunity to ensure that the public infrastructure, which the City will ultimately own and operate, is designed properly. Design deficiencies caught at this stage are easier to fix than during construction, much less after the City has accepted the public improvement.

This stage in the development review process will become even more critical as the City moves to upgrade its storm drainage and landscaping standards.

Recommendation No. III-2 Monitor engineering plan check cycle-times.

Once cycle-time standards are adopted, it is important that they be monitored, analyzed and reported on a regular basis. This requires the use of daily logs, accurate transmittal memoranda and use of the computer-based permit tracking system. If the permit tracking system is not capable of performing this cycle-time logging function, then it should be performed manually or by way of an off-line software program developed by the Department.

Monitoring cycle-time records is a fundamental management tool for understanding whether or not additional personnel are required to perform engineering plan check review. Attempting to get a handle on staffing requirements without such information leads to weak, anecdotally-based requests for additional resources.

Cycle-time standards are also useful tool when determining the appropriateness of City cost-for-service fees.

Recommendation No. III-3: Encourage High-quality Public Improvement Plans.

According to staff, the City's engineers must coordinate the developer's design professionals during engineering plan review. The City's engineers go through all comments and redline one set of plans with any needed descriptions in a comment letter. Staff at this point tries to resolve any conflicts between different reviewers and also uncovers any plan conflicts. Staff indicated that the applicants often use the City to quality control their plans since it is often that staff finds that plans do conflict. According to staff, the role of the City in this process is that of coordinator for Developer's professionals to make sure that there are no contradictions in what is being proposed. One reason developers do not submit more thorough plans because the process takes a long time. Therefore, the incentive is to get plans into the system as soon as possible even if plans aren't as thorough as they could be. These inaccurate plans increase staff review time and more often than not result in additional submittals.

A decreased process time will help relieve this problem, but staff can begin to notify those individuals that have hired these engineers (and their respective client/owner) that plans are flawed and that the review time will increase by two weeks. This notification would emphasize

that the City is attempting to do its part and that it needs cooperation from the development community.

The same assertive approach should be used when an applicant wants to change plans during the first routing of plans and the relevant review body must be contacted for an update.

Recommendation No. III-4: Formalize building plan check review cycle-time standards.

As detailed in the Customer Survey chapter of this report, the timeliness of plan review was one of the few areas identified for improvement by the Division’s customers.

The Building Division currently has informal cycle-time standards for processing building plan check reviews, as follows:

<u>Plan Type</u>	<u>1st Check</u>	<u>2nd Check</u>	<u>3rd Check</u>
Residential	two weeks	one week	not necessary
Commercial	two weeks	3-5 days	not necessary
Industrial	two weeks	3-5 days	not necessary
Tenant Improvements	2 to 3 days	none	

It is recommended that the City formally adopt the above building plan review cycle-time standards.

Recommendation No. III-5: Monitor building plan check review cycle-times.

Although the Division has set cycle-time standards, it is difficult if not impossible for staff to monitor them because of the shortcomings of the existing computer-based permit tracking system (Tidemark). It is reasonable to assume that the Division’s inability to track and monitor plan review cycle-times contributed to the low marks from its customers.

Although the Division does keep accurate records with regard to permits issued, Citygate Associates was not able to obtain records regarding the specific volume and type of building plan reviews conducted by the City.

The Division’s current plans with regard to the improving the computer-based permit tracking system have been placed on hold. Staff has indicated that the decision has been made to look for a system that will “integrate for the entire City.” Although this is undoubtedly a good approach for the long term, it will not meet the Division’s current needs in this important area of customer service.

As an interim improvement, Citygate Associates recommends that the Division at least track cycle-times for all newly constructed commercial and industrial projects. Residential projects, based on the Customer Survey data, are not as problematic as commercial and industrial projects. Generally, in residential track development the builder submits a set of unit types for review at

the onset of construction. Once the plans for each unit type are approved, permits are issued quickly because they are repeated throughout the residential project. It is our understanding that the Division gives priority to commercial and industrial tenant improvement plan checks, and there is no indication that significant problems exist in this area of plan review.

On an interim basis, since the current computer-based permit tracking system is not capable of performing this cycle-time logging function, it should be performed manually or by way of an off-line software program developed by the Department.

Recommendation No. III-6: Systematically and Routinely Revise all Building and Engineering Forms/Applications

Staff should at least annually revise and bring up-to-date all forms, informational tools, applications and checklists. According to employees, forms are currently out of date and could be improved to better explain requirements and to be more user-friendly. Forms and applications must continually be reviewed and updated.

Recommendation No. III-7: Improve the Division's approach to returning phone calls.

According to the Customer Survey, the Division scores relatively low marks when it comes to returning phone calls in a timely fashion. According to management staff, the current practice is to forward all general Code related and plan review calls to the plan checker assigned to the front counter on any given day. Depending on the level of activity at the public counter, it is not uncommon for calls to be stacked up twenty to thirty deep on the automated voice mail system.

It is Citygate Associates understanding that the Division is aware of this problem and is taking steps to improve the situation by changing its approach to the assignment of concurrent counter coverage and plan check review.

Recommendation No. III-8: Conduct a compensation study for the positions of Building Inspector I and II.

As noted above, the Building Division has not been able to recruit qualified individuals for the positions of Building Inspector I and II. Management staff believes, based on their discussions with prospective applicants, that the compensation package is too low to attract individuals to the unfilled positions.

Citygate Associates recommends that the City conduct a compensation study for the positions of Building Inspector I and II. We further recommend that the compensation package be adjusted, if indicated, in order to attract qualified applicants to these positions.

IV. DEPARTMENT-WIDE OBSERVATIONS AND RECOMMENDATIONS

A. ADMINISTRATION OF THE DEPARTMENT

During the course of Citygate Associates' review of the Department we observed what we would describe as generally weak administration of day-to-day operations. Several important administrative functions need attention. These areas include:

- ◆ Improving interdepartmental coordination.
- ◆ Improving the "final release" of projects (i.e., making sure all conditions of approval have been met, all public improvements are properly installed, and all fees have been paid).
- ◆ Adopting of meaningful performance measures that are directly linked to customer satisfaction.
- ◆ Dealing with lingering personnel problems.
- ◆ Managing the Department's fee-for-services program.

Generally speaking, cities hire Community Development directors based on the applicant's knowledge of planning and ability to move the community forward through difficult, often controversial land use issues. The Director must present oneself to the community in a way that furthers consensus around the Council's vision for the future. Hiring for these traits is understandable and certainly appropriate. However, it is very rare for such an individual to possess these visionary skills and at the same time have strong administrative abilities. It happens, but rarely, based on our experience. Such has been the case in the City of Modesto.

Given this reality, it is important that the Director be surrounded by an exceptionally strong administrative support system. This can best be achieved by a Deputy Director that is responsible for day-to-day management of administration for the Department. Such an individual should possess strong personnel management skills, report writing skills, financial management skills, and process management skills. We found this resource to be lacking in Modesto's Community Development Department.

Recommendation No. IV-1: The Department should hire, designate, or reclassify existing personnel to create a Deputy Director position.

The Deputy Director position would be responsible for the following:

- ◆ Serve on the Development Review Team.
- ◆ Establish and monitor cycle-time standards.
- ◆ Monitor workload standards for the Department and individuals.
- ◆ Establish and monitor three-year workload projections.
- ◆ Establish and monitor annual work program elements (special studies).

- ◆ Administer the Department’s employee performance review system, train/coach and use of progressive discipline.
- ◆ Manage a Continual Improvement Program for the Department.
- ◆ Monitor and improve internal and external customer satisfaction.
- ◆ Formulate and or implement Community Development programs as assigned by the Director.

B. USE OF PERFORMANCE MEASURES

Effective performance measures vary among local government jurisdictions. Most agencies collect a high level of data, but few agencies use this data in an effective manner. Specifically, few agencies focus their data on service delivery that is directly related to the customer. For example, most agencies collect the following data:

- ◆ Revenues generated by the department.
- ◆ Expenditures made by the department.
- ◆ Development applications processed by the department.
- ◆ Building permits issued by the department.
- ◆ Plan checks conducted by the department.

Progressive agencies use performance measures that are designed to efficiently and effectively address customer satisfaction. Few customers care about the revenues and expenditures made by the Department or the number of development permits that have been processed in a given year. On the other hand, our experience indicates, and the data Citygate gathered in the Customer Survey confirms, that Community Development Department customers care most about the following:

- ◆ Interdepartmental coordination.
- ◆ Project status.
- ◆ Engineering plan check review.
- ◆ Building plan check review.
- ◆ Clear and consistent development standards.

Moreover, the above list reflects the priorities of most applicants, particularly the priorities of professional development companies. Developers rarely applaud the level of fees in any jurisdiction, but they will tolerate reasonable fees, and often even tolerate high fees, if their applications are processed quickly and in a clear and consistent manner. As a rule, applicants will even tolerate some lack of clarity and inconsistency as long as their application is handled in an expeditious manner. Truly, time is money to most applicants.

Conversely, small project applicants are very fee sensitive. Because they are less experienced than professional land developers, “Mom and Pop” applicants often view land use requirements as unclear and confusing, if not overwhelming. It is common for small applicants to be under capitalized and to have not provided sufficient resources in their limited budgets to absorb large

unexpected fees. On the other hand, because they do not have large land holding costs and expensive overhead to maintain, processing time is less of a concern to the small, one-time, applicant.

The City of Modesto Community Development Department informally tracks the cycle times of core activities to some degree. These activities include:

- ◆ The time it takes to provide the initial Deemed Complete, or Deemed Incomplete, notice on a planning application.
- ◆ The time it takes for an application that has been Deemed Complete to be acted upon by the decision-making authority.
- ◆ How long it takes to complete the environmental impact analysis (CEQA) of a proposed project.
- ◆ The time it takes to conduct infrastructure improvement plan checks by the engineering section.
- ◆ The time it takes to conduct building plan check reviews.
- ◆ The time it takes to respond to a request for building inspection.
- ◆ It would be more accurate to describe the above Performance Measures as very informal, rather than to describe them as standards by which Department and employee performance is measured. For example, the Department does not keep very accurate records of these various deadlines and does not use meeting the deadlines as a means to measure the timeliness of the service being delivered to its customers. Moreover, the records were, to the extent they exist, difficult to obtain by Citygate Associates.
- ◆ In addition, the Department reports various “Performance Measures” in its annual Department budget in the form of Workload Measures and Demand Indicators. This data provides the reader with year-to-year comparisons of various activities such as:
 - Number of building permits issued, by type.
 - Number of inspections performed.
 - Number of development applications processed, by type.
 - Number of engineering plan checks reviewed.

These types of indicators set forth in the Department’s Annual Budget as “Performance Measures” are very helpful in illuminating workload and staffing issues, but they do little to address customer satisfaction.

Moreover, Citygate Associates noticed that the cycle-time performance measures reported in the City’s budget consistently indicate an achievement rate of 95 percent to 98 percent. We are of the opinion that these achievement rates, in many instances, are not reliable.

Recommendation No. IV-2: Institute effective performance measures that relate directly to key customer satisfaction indicators identified in the Customer Survey.

Citygate Associates recommends that the Department augment its performance measures currently used in the City budget with performance measures that are directly linked to the customer satisfaction indicators discussed previously in this report.

In terms of interdepartmental coordination and engineering plan check review, we suggest that reasonable and achievable cycle-time standards be established for each of the City's departments/divisions/sections responsible for reviewing planning applications (tentative and final parcel maps and tract maps, site plan reviews, etc.), infrastructure improvement plans. These cycle-times should be clearly understood by all parties involved in the process: reviewing staff; department heads; customers. The cycle-times should be monitored, analyzed and reported on at least a quarterly basis. Shortcomings should be identified and mitigated. Successes should be celebrated.

With regard to project status, we suggest that the Department track how often it pro-actively calls customers to report the status of their application or plan review. Proactively means not waiting for the customer to call staff. This high-impact approach to providing excellent customer service is explained more fully in the Citygate Associates recommendation regarding “**Unanticipated Service.**”

With regard to Building plan check review, we suggest that formal cycle-time standards be established for each type of building permit. These cycle-times should be clearly understood by all parties involved in the process: reviewing staff; department heads; customers. The cycle-times should be monitored, analyzed and reported on at least a quarterly basis. Shortcomings should be identified and mitigated. Successes should be celebrated.

With regard to clear and consistent development standards, this can best be monitored by surveying customers that have gone through the planning, engineering or building permit processes. This can be achieved by using “Customer Comment Cards,” however, detailed customer surveys specifically designed around the City's complex set of development and building standards is more effective.

Recommendation No. VI-3: Institute a Case Management approach to the development review process.

Citygate Associates recommends that the Department institute a “Case Management” approach to processing applications. Our research indicates that applicants can become frustrated because no one individual is responsible for handling an application from the beginning of the development review process until completion of construction. This shows up in the customer survey as a lack of interdepartmental coordination.

Citygate Associates recommends that all major applications be assigned a professional planner as a Case Manager. Further, it is recommended that a Case Management assignment log be widely distributed throughout the organization. The Case Manager should be assigned the responsibility to move the application through the entire permitting process, from Pre-Application to recordation of the Plat Map, and when applicable, to occupancy. The Case Manager for a given application should be made known to the applicant at the earliest stage of the development review process as possible. From this point on in the process, the Case Manager will be given the authority to take the initiative in order to:

1. Keep the applicant informed on a proactive basis;
2. Assist the applicant in developing a complete application;
3. Keep track of the application as it moves through the complex review process;
4. Move the application along throughout the process by identifying and resolving issues as they arise, irrespective of which division or department the application confronts an obstacle;
5. Establish and maintain credible working relationships with staff and managers in all program areas;
6. Keep managers informed with regard to assistance that is needed to resolve issues in a timely manner;
7. Deliver “Unanticipated Service” to the applicant; and,
8. Serve as the primary contact for those members of the public, City staff, and the Commissioners seeking information regarding the application and the project.

The Case Management system would not require any change in the Department’s organizational structure.

The skills, duties and responsibilities as defined in the City’s job classification system for planners are consistent with the Case Management approach to administration of the City’s development permitting process. No new job descriptions or additional compensation is warranted.

Recommendation No. IV-4: Assign the Deputy City Manager responsibility for improving interdepartmental coordination.

From a practical standpoint, instituting a Development Review Team and a Case Manager system will not solve all the interdepartmental issues that exist or that might arise in the future. Issues will emerge that require a “view of the world” that goes beyond simply planning matters or engineering matters, which often are in conflict, so that reasonable compromises can be made in an efficient and effective manner. Currently, when conflicting issues arise, they tend to get bogged down in the bureaucracy. This leads to an increase in customer dissatisfaction. The City needs to have an individual intimately involved in the development review process that has the knowledge and authority to resolve such issues. Citygate Associates recommends this responsibility be vested in the new Deputy City Manager position.

Recommendation No. VI-5: Institute an “Unanticipated Service” program

Instituting an “Unanticipated Service” program in the Planning Division, Building & Development Services Division and the Engineering Section is likely to be the single most effective approach to increasing customer satisfaction and reducing, if not eliminating, complaints from applicants.

In our experience, when applicants are kept informed they are less likely to assume the worst with regard to the perceived lack of interdepartmental cooperation. Conversely, when applicants are not kept informed they assume the worst with regard to what is happening to their application and their project. It is axiomatic that in the absence of information customers fill in the blank with negative perceptions. This negative perception can take hold and be very difficult to reverse, irrespective of the City’s efforts to improve systems and procedures.

The principle of “Unanticipated Service” is a simple one:

“Customer satisfaction increases most dramatically when a customer receives a service they did not expect.”

The “Unanticipated Service” principle is successfully used in the private sector on a routine basis. Examples of its use in the private sector would include the following:

- ◆ Two weeks after you bring home your suit from Nordstrom the salesclerk gives you a call and asks you if you are satisfied, reminds you that alterations are free and gives you the date of their next sale.
- ◆ You get a call from the hotel room service manager asking you if your food was delivered warm and to your liking.
- ◆ You buy one grocery item at the regular price and you get one free.

The “Unanticipated Service” principle is not as frequently used in the public sector, particularly as part of an overall strategy to improve customer satisfaction. Yet it is even simpler to successfully employ in the public sector because customer expectations are often low. Examples of how it could be used in City of Modesto include the following:

1. The Director sends a personal letter to the Department’s most active applicants and consultants describing to them improvements and changes that are underway in the Department.
2. The Case Manager calls applicants at least every other Friday to let them know the status of their application and to identify and discuss how issues can best be resolved in a mutually satisfactory manner. **The applicant is also asked if he or she has any concerns regarding the application’s status.**
3. The developer receives a letter from the Case Manager, representing the entire Development Review Team, at the conclusion of the entitlement hearing or infrastructure plan review process, wherein he or she is asked how the Department(s) might improve their efficiency and effectiveness.

4. The developer and/or construction superintendent receives a letter from the Chief Building Official asking how the building permit process might be made more efficient and effective.

Recommendation No. IV-6: Institute a Continual Improvement Program Administered by the Deputy City Manager and the Community Development Department's new Deputy Director.

Citygate Associates recommends that the Department take the lead on administering an interdepartmental Continual Improvement Program focused solely upon the development review process. Such a program would involve conducting an annual survey of the Department's customers, using Citygate Associates' customer survey results as a baseline, to ascertain and understand processing problems that may be reoccurring.

We further suggest that the Administration Division take the lead, working with the Department's Planning and Building division managers, on working to improve steps in the development review process as identified through the use of customer comment cards and an annual customer survey.

Recommendation No. IV-7: Increase staff's knowledge of the private sector.

A thorough knowledge of Departments' customer needs is an essential ingredient to improving the Department's overall effectiveness and efficiency. Most staff members have little direct experience working in the real estate development industry. As a result, few staff members understand the real impact of their decisions, particularly with regard to time and money.

Citygate recommends that selected individual members of the Planning, Engineering and Building staff spend at least one week per year dedicated to increasing their knowledge of the private sector. This can be accomplished in several ways, for example:

1. Managers can attend a development company's annual strategy or budget development meeting.
2. Staff members can attend a development company's weekly staff meetings.
3. Engineering and planning staff can attend a development consultant's project management meeting(s).
4. Staff can spend time at a development company's offices in order to help the developer, or developer's consultants, prepare a complete application for a large project.

Citygate believes that increasing staff's knowledge of the private sector will have a positive impact upon staff's ability to provide quality customer service. By working directly with their customers, staff will begin to understand the constraints under which the development industry operates when trying to construct a project according to established margins of profit. Moreover, staff will begin to understand the "sense of urgency" that is experienced by the Department's customers.

Recommendation No. IV-8: The Development Review Team, working through the local Building Industry Association, should conduct a series of focus group meetings to identify specific issues that underlie their concerns.

As detailed in the Appendix to this Report (see Customer Survey Results), the single-family residential developers are the least satisfied group of Department customers. This being the case, Citygate Associates recommends that the Department make a special effort to become familiar with the concerns of this group of customers. Specifically, we recommend that a series of focus group meetings be held with representative of the Building Industry Association to identify specific issues that underlay their concerns. A specific improvement plan should be developed in consultation with the building industry. Performance indicators should be developed, agreed upon and monitored through future customer surveys.

Recommendation No. IV-9: Continuously keep customers informed of process changes through newsletters, emails bulletins, and flyers

The Department should establish a “user” list of routine customers and provide them with any new information or changes. Customers in focus groups specified that they would especially appreciate being apprised of Development Code changes. The Department could contact this group through newsletters, flyers, and email bulletins.

Recommendation No. IV-10: Develop flowcharts, brochures, and fact sheets for each application process to inform applicants about the City’s regulatory processes and procedures.

The Department is in great need of more flowcharts, brochures, and other publications to describe the City’s processes. Department staff in various instances described customers as not understanding the development process, which impacts timeliness. For example, customers may not understand during the completeness process that items requested are required and failure to include these items will cause the application to not go forward in the process. Educating the customer is the responsibility of staff and every effort should be made to accomplish this quickly and easily. If customers understand the process and the various steps involved they will less likely have false expectations for processing times and may even have more of an appreciation for the process. These informational tools will not only aid customers in understanding the processes, but will also aid staff in understanding the entire process. These tools will increase consistencies in providing information.

Recommendation No. IV-11: Install and maintain an informational kiosk for the distribution of flowcharts, brochures, and fact-sheets for each application process.

The Department currently has very little in the way of informational handouts to describe current regulations and application processes. Installing an informational kiosk would eliminate this shortcoming and go a long ways towards improving customer service. Moreover, updating

flowcharts, brochures and fact-sheets provides staff an opportunity to continually review and improve the development review processes.

C. COMMUNITY FACILITY DISTRICTS (CFDs)

The City, in the past, ineffectively managed the City's Community Facilities Districts. Many of the problems experienced several years ago were directly tied to the City's "Pay-As-You-Go" approach to CFD management. This is evidenced by the following problems that have occurred:

- ◆ Under-funded infrastructure within CFD service areas.
- ◆ No funding or authority to collect fees to cover operating and maintenance costs associated with landscaping along collector streets within the CFD service areas.
- ◆ No funding or authority to collect fees to cover operating and maintenance costs associated with some storm drainage facilities.
- ◆ Difficulties associated with accurately, and in a timely fashion, reimbursing developers for the installation of various public improvements.
- ◆ Difficulties in maintaining credible financial records.

As a result, the City Attorney's Office assumed, with City Council approval, the lead responsibility for administering this program. In 1998, the City Council formally appointed the Assistant City Attorney and the City Clerk as "Administrators" of the CFD's in order to improve the efficiency and effectiveness of the City's CFD program.

The City Attorney's Office recently hired an engineer in order to assist in the day-to-day administration of the CFD program.

Recommendation No. IV-12: Management of the City's Community Facilities Districts (CFDs) should be transitioned out of the City Attorney's Office.

Management of CFDs is essentially an administrative function, as opposed to a legal function, and should eventually be the responsibility of the City's Finance Department, with the active support from Planning, Engineering and the City Attorney. Given the importance and complexity of the CFD program, the lead responsibility should be assigned to a top-level position in the Finance Department. We recommend that the Deputy Finance Director position, which is currently not filled by a permanent employee, eventually be assigned this role.

We recommend that this transition take place over a period of two to three years in order to insure quality control and to give sufficient time to make sure adequate staffing is in place in the Finance Department. Further, we recommend that the Deputy City Manager/Development participate in order to facilitate interdepartmental coordination.

Recommendation No. IV-13: Develop and Adopt formal standards for the formation, development and administration of future Community Facility Districts.

Citygate Associates observed that the City has developed a high level of in-house expertise in the right and wrong ways to form, develop and administer CFD's. It would be in the City's interest to use this expertise to develop high quality standards for the management of future CFD's. These standards should be designed to protect the City's long-term public interest over the life of development project and, most importantly, to protect the long-term interests of future residents and businesses. These CFD management standards may be initially unpopular with the development community. However, over time, such standards will add considerable benefit to the community and increase property values for homeowners and developers alike.

CFD management standards should be set forth in an Ordinance and should include, at a minimum, the following:

- ◆ A limitation on using "Pay-As-You-Go" financing.
- ◆ A requirement for using debt financing to insure that full installation of backbone infrastructure takes place prior to demand.
- ◆ A limited process for waiving or modifying application of the CFD management standards.

D. REVENUE MANAGEMENT

Recommendation No. IV-14: Annually review cost-for-service fees (planning, engineering, building) and make adjustments as warranted as part of the budget development process.

Citygate Associates recommends that the Department institutionalize its review of cost-for-service fees on an annual basis well in advance of the City budget development process. An inter-departmental Revenue Team (Planning, Building, Engineering, Finance) should be established to do this work. An annual review of all fees and charges, and adjustments by the Council, if warranted, will achieve several important objectives:

- ◆ To increase the level of timely and consistent information provided to the City Council such that the Council is not faced with draconian scenarios for the Department during the review of the annual City budget.
- ◆ To adjust the Department's fees to reflect reasonable increases in the cost of doing business (labor, utilities, supplies and services, etc.)
- ◆ To establish an ever-increasing level of accuracy in full cost accounting to build customer confidence.
- ◆ To provide accurate and understandable information so that the City Council can make informed policy decisions as to the appropriate level of cost-for-service recovery and/or support from the City's General Fund.

Citygate Associates recommends that the Department begin its annual review of fees in July, immediately after the close of the fiscal year. Further, we recommend that the cost-for-service fee review be completed prior to December 31st of each year.

Citygate Associates further recommends that cost-of-service fees be reviewed annually with a high level of customer involvement and scrutiny in order to increase credibility and accountability.

Simply put, it is a realistic expectation that the City Council be able to annually modify fees following a brief and civil public hearing. This is the case in many local jurisdictions that have been able to achieve “best practices” through a high level of customer input and a high level of cost accounting accuracy and candor.

Citygate Associates recommends the following methodology for the annual review of cost-for-service fees:

Step One: Gather the Financial Facts

Community Development and Finance department staffs assemble fee revenue and expense data from the immediately prior fiscal year. In order to increase credibility, only “actual” revenues and expenses should be used for establishing fees, as opposed to projected costs-of-living and/or cost-of-doing-business increases. This means the fees to some extent will always lag one year behind, but only one year. In addition, the Departments should provide a user friendly, yet detailed, analysis of the revenue and expense data, which:

1. Identifies financial and service level trends;
2. Explains one-time anomalies;
3. Articulates the City’s cost recovery policies with regard to cost-for-service fees; and,
4. Identifies the City’s ongoing auditing costs associated with maintaining the accuracy and integrity of the fee program, for inclusion in overhead charges.
5. Discusses issues that need to be addressed during the fee review process.

The analysis should not propose any specific fee modifications, but rather should simply indicate that the City Council will be considering the need for such modifications at a future public meeting.

Step Two: Distribute the Analysis to the Department’s Customers

The analysis should be mailed to all Department customers who processed major applications (Site Plan Reviews, new Commercial/Industrial construction, new residential construction, Subdivisions, and major building permits) during the past year. In addition, a summary of the analysis should be placed in the local paper of general circulation along with an invitation to interested parties to obtain copies of the full analysis at the Department offices or on the Department website. A courtesy copy of the analysis should be sent in advance to the City Council.

Step Three: Meet With Department Customers To Reach A Consensus

Hold several informational meetings to receive and respond to customer input. The first meeting would be designed to identify customer concerns and to answer questions regarding the revenue and expense analysis. The second meeting would include proposed revisions to the fee schedule based upon the findings included in the analysis and concerns and issues raised by customers in

the first meeting. Further input would be solicited from the participating customers. The third meeting would be designed to reach a consensus with regard to any proposed revisions to the fee schedule and, if necessary, to identify policy options regarding those issues for which there is not a consensus.

Step Four: Review And Approval By The City Council.

After having completed the series of meetings with the Department's customers, staff should take its recommendations to the Council for formal approval of the fees for the upcoming year and seek authority to develop its departmental budget based upon the revised fee schedule. Invitations to the Council meeting should be sent, along with copies of the staff report, to the customers who have participated in the fee review process.

Step Five: Develop The Department Budget For The Coming Year

Once the preliminary, proposed fee schedule for the upcoming year has been developed, with the benefit of early customer input, staff proceeds with preparing the annual budget for the Department. Included in the budget document is an explanation of the proposed fee adjustments, supporting documentation and a summary of how the proposed fee schedule responds to customer input.

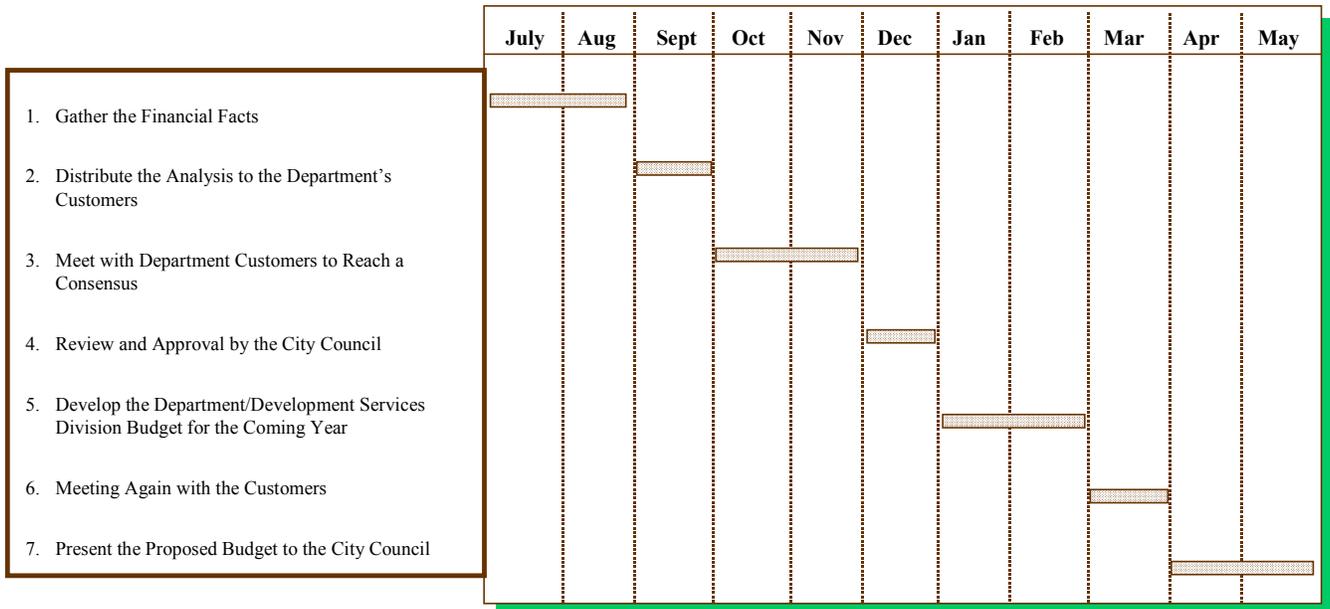
Step Six: Meet Again With The Customers

After completing the proposed Department budget for the coming year, and with the approval of the City Manager, an additional information sharing meeting with those customers who participated in the earlier three fee review meetings would be held. The meeting should be designed to discuss the proposed fee adjustments within the context of the budget. The meeting's theme should be "what the customers will be receiving for their money."

Step Seven: Present The Proposed Department Budget To The City Council

The Department budget would then be forwarded to the City Council sometime in April/May, as is the current practice.

**RECOMMENDED COST-
OF-SERVICE FEE
REVIEW SCHEDULE**



Recommendation No. IV-15: Improve the cost accounting system to more accurately track cost of processing development applications, plan reviews and building permits.

Currently the Community Development Department does not use work order system to track the amount of time planners and engineers spend on various types of applications. Citygate Associates believes that “best practices” require each staff member directly involved in the review of a given application to record the hours he or she spends working on a Conditional Use Permit, Variance, Site Plan Review, Subdivisions, building permits or other types of permit applications. This approach is used so that the Department can calculate the hours that are spent on any given application type. The hours spent working on an application type is divided by the volume of the application type to approach an average per application cost. This, in turn, becomes the basis for establishing cost-for-service fees.

Although this is a rational approach, it does not get at the underlying customer’s desire to know how much time is being spent on his or her particular application. The Department’s customers are used to cost accounting and fee structures that rely upon project cost centers so that they can tell any individual customer, at any point in time, the level of expense that has been incurred on a customer’s account. This is an essential element to any professional services business. The Department would increase its credibility with its customers if it used a project accounting system that tracked cost in a similar manner. This is a common practice in high-growth cities that are committed to lower Community Development’s reliance upon the City’s General Fund:

Tracking at the major projects level would allow for actual-cost cost accounting for those projects constituting 70 percent of the Development Services Division’s fee revenue. At the

same time, it could be developed in a manner that is efficient and simple for staff, thereby increasing overall accuracy.

Recommendation No. IV-16: Use a trust fund deposit system for major projects in-lieu of the existing fee system.

Citygate Associates further recommends that the Department use a trust fund deposit system for major projects (e.g., Site Plan Reviews and Tentative Tracts) in-lieu of the existing fee system. This should be implemented at such point in time that the Department, its customers, the City Council and the Finance Department are satisfied that the Department's cost accounting system is sound and reliable.

Under a trust fund deposit system the City would establish a required deposit, at a level similar to the fees currently collected, for each major application received by the Department. The purpose of the trust fund deposit is to fully cover the Department's costs for any given application depending on how much time is actually spent processing the application. This allows the applicant to only pay for the time staff actually spends working on his or her individual application. If more time is required than covered by the deposit, work stops and an additional deposit is made. The Department's staff should monitor all accounts and send a courtesy notice to applicants when their trust fund deposit is 90 percent expended. If ultimately less time is spent working on the application than expected, the applicant receives a refund of the unused amount of the deposit. Through this approach, the applicant is assured that he or she is not paying for someone else's processing costs. Further, it creates an incentive for applicants to submit complete applications. At the same time, it becomes staff's objective to return fee deposits and they are held accountable for doing so as often as possible.

Citygate Associates believes that establishing a trust fund deposit system for major project applications would over time further the City Council' goal of minimizing reliance upon the City's General Fund.

Recommendation No. IV-17: Consolidate fees where possible and use averages for establishing costs associated with minor applications.

Citygate Associates recommends that Department endeavor to consolidate as many specific fees as possible in order to lessen the burden of the cost accounting system. Currently, Planning and engineering have over 37 different fee categories.

Once this consolidation is in place, the Department should average costs per unit of service as the basis for establishing its fees for minor applications. This approach, which is less precise than the approach described above for major applications, is reasonable particularly in light of the fact that it represents a relatively small percentage of the Department's overall fee revenues.

Recommendation No. IV-18: Assign lead responsibility for managing cost accounting, and monitoring fee related work productivity, to the Deputy Director.

The Department's ability to track costs associated with any given development application and effectively monitor work productivity is fundamental to maintaining credibility with its customers and the City Council. Currently, this responsibility is unassigned. Given the importance of this program, Citygate Associates recommends that the Director's office take a more direct role in managing the cost accounting program, monitoring fee related work productivity and, ultimately reducing the Department's reliance upon the General Fund.

This can be achieved by the Director assigning these responsibilities to the new Deputy Director. These responsibilities will include training staff to assure compliance with the cost accounting system, working with the Finance Department to refine the accuracy of the cost accounting, and taking the lead on the annual review of fees as outlined in the above methodology. In addition, the Deputy will take action whenever necessary, through its personnel management and evaluation process, to hold employees accountable with regard to their performance under the new cost accounting program. Further, the Deputy Director should be charged with monitoring fee related work productivity in the Department, and providing weekly reports to the Director.

E. OBSERVATIONS REGARDING TECHNOLOGY APPLICATIONS

Throughout our engagement Citygate Associates had the opportunity to observe the extent to which the Department has planned for and uses modern technology systems. In general, we believe the Department is current in this regard. Computers and up-to-date software applications are in place and being used. Modern graphics, E-mail communication, electronic scheduling and cellular technology are used throughout the Department.

Recommendation No. IV-19: Remedy the permit tracking system (Tidemark) problem as soon as possible.

A notable exception to the above positive observations, as noted in several sections in this Report, is the Department's application of the permit tracking system. Throughout the Department staff reported difficulties with inputting data and downloading meaningful management information reports using the Tidemark system.

As detailed in this report, Citygate Associates recommends that the various application and plan review cycle times be established and monitored. We believe these recommendations are fundamental to the Department's ability to successfully increase customer satisfaction in the future, particularly in the all-important area of interdepartmental coordination. Regrettably, given the current ineffective use of the existing permit tracking system, this monitoring will necessarily rely upon manually generated management reports until application of the Tidemark system is improved.

It is important that the Department, with the full assistance and commitment of the City's information systems managers, remedy this permit tracking system problem as soon as possible so as not to diminish staff's efforts to faithfully and effectively implement many of the recommendations in this Performance Report.

Based on our discussions with key personnel in the Community Development Department and Finance Department, we believe that understanding the history of the permit tracking system in Modesto is a key to understanding the problem. Stanislaus County uses the Tidemark permitting ..

system. At the time the City of Modesto was selecting software to acquire a building permit system, it was thought that using the Tidemark system would be best because the County was using it. Some staff members have never fully accepted Tidemark because they believe the selection was forced upon them. As a result they have been less than energetic in implementing the software and they often complain about it. At the same time it should be noted that in Citygate Associates' experience in working with other community development departments, the Tidemark software can be difficult to successfully implement.

Moreover, as originally set up Tidemark was customized per City requests. All standardized reports were removed from the system and the City paid a consultant to customize the reports. Staff has been inconsistent in entering data into the system. It is difficult to track projects, developers, or permit type through the system.

To date, the City has not taken advantage of many important Tidemark features. For example:

- ◆ Case Notes – Case notes are not being entered into Tidemark. Case notes contain informal information about a case or project.
- ◆ Documents – the Department is not using the document feature. This feature assists in management of documents associated with cases, parcel maps, people, organizations or activities. Typical documents would include e-mail processing notes, CAD drawings, scanned graphics, spreadsheets, and presentations.
- ◆ Conditions – The Department is not recording and maintaining the conditions feature. The condition feature is intended to manage conditions placed upon cases or projects. It can be set up to place a hold on a case or project until the condition is met. Other staff using inquiry would not know there is a condition placed upon the case or project prior an action taking place.
- ◆ Case Tags – The Department is not using case tags to track supplemental information about a case.
- ◆ Keeping Track of Time – The Department is not using the keeping track of time feature. This feature, among other things, can print a time sheet. This is important in order to accurately, and efficiently, track the time staff spends on various core programs, such as plan review.
- ◆ To Do Lists – Staff is not using the To Do List feature. This feature is used to track assignments and activities. Staff can prepare multiple lists, which can be date driven to manage their time.
- ◆ GIS – There is no link to the City's GIS system. Tidemark is set up to link Arcview and GIS.
- ◆ Activities Feature – The activity feature is not utilized effectively. The Tidemark activities feature links certain work tasks to each case type. In addition particular menus and conditions can be linked to a particular task. For example, a hold can be placed on releasing a permit until conditions are met. This feature also allows tailoring of the workflow for each case type.

Other California cities are using Tidemark. It should be noted that ten (10) Silicon Valley cities got together to standardize their permitting process and to select an approach that would allow .. electronic permitting. They evaluated a number of building permitting software applications

including Tidemark, Hansen Information Systems, Sierra Computer Systems, OpenData Systems, Kiva Systems, Eden Systems, CRW and Associates, and Advantage Software. They selected Tidemark. Among the cities selecting Tidemark were San Carlos, Santa Clara, Mountain View, Milpitas, Palo Alto, Sunnyvale, and Fremont.

It is unlikely that replacing Tidemark would result in much of an improvement in the use of the information in the permitting system. No permitting system will be successful until there is a clear definition of what is expected from the system and a clear understanding of the work flows and user needs of the various staff involved in the development process. Tidemark has been widely purchased by various cities in California, and it is unlikely that Modesto's needs vary significantly from these other cities. In all probability, the Tidemark software could be reconfigured to make it very functional.

In order to achieve the efficiencies and effectiveness that are possible in a permit tracking system, and to protect the City's substantial investment in Tidemark, the following steps should be taken:

1. Form a development process and information team (users group) made up of representatives from the involved departments: Community Development; Engineering and Transportation; Operations and Maintenance, City Attorney's Office, and Finance (GIS) to clearly define the information needs of all departments. A Procedures Manual should be developed to define the process to be used by all organizations within the City, including procedures for consistently inputting data into the system and the data needed from the reporting system.
2. Consider linking Tidemark to an information service that maintains parcel maps, land use, and owner information.
3. Hire a full time systems analyst to maintain and to implement changes to the Tidemark system. The analyst should focus on the activities and menu features to streamline the various operating groups within the City. The analyst could also maintain and improve the reporting system.
4. Promote an active and ongoing City users group to keep the system current and to meet changing needs.
5. Participate in any external Tidemark users groups as a vehicle for lobbying for upgrades to the system and to take advantage of any training offered by the group.
6. Conduct periodic and regular training on the maintenance and use of Tidemark.
7. Follow the example of several Silicon Valley cities and link Tidemark to the Internet.
8. Five years after all the above recommendations have been implemented, then reevaluate the functionality of Tidemark.

Recommendation No. IV-20: Increase the use of the Department's Website to improve customer service.

The Department has a location on the City's Website that includes general information about the Department. Specific information regarding economic development, redevelopment and advanced planning programs is also provided.

Citygate Associates recommends that over the next year the Department make a concerted effort to add practical, user-friendly features to the Website. These features should include:

- ◆ A Department calendar of events
- ◆ The Planning Commission agenda
- ◆ Planning Commission minutes
- ◆ The Modesto Municipal Code, selected development zoning related sections
- ◆ Parcel information
- ◆ General Plan Land Use information
- ◆ Development application forms
- ◆ Building permit application forms
- ◆ Uniform Building, Electrical and Plumbing Code and local requirements
- ◆ List of publications (special studies, environmental impact reports, specific plans, etc.)

Citygate Associates suggests that including the above materials on the Department Website would bring the City of Modesto up to the average level of Website service as compared to other cities in California of comparable size.

Additional services such as online permit filing and payment of fees should be incorporated into the Department Website at such time that proven and secure software applications become generally available in the industry.

V. CUSTOMER SURVEY RESULTS

A. PLANNING DIVISION

Citygate Associates developed a separate 43-question survey instrument for the Planning Division aimed at evaluating customer satisfaction. The questions were aimed at examining staff approach, the quality of services, various processes, and potential solutions. The survey form also solicited comments and suggestions for improvement. A copy of the survey instrument is presented in **Appendix A**. Detailed survey results are presented in **Appendix B** and **C**.

With the aid of Community Development Department staff, the survey was distributed to a randomly selected sample of 91 recent customers of the Planning Division. Surveys were returned to the Modesto City Clerk/Auditor’s Office and forwarded unopened to Citygate staff, who then tabulated and analyzed the survey responses. Twenty-one surveys were returned in all, for an overall response rate of 23.1 percent. Due to an error at the distribution stage, we received five Building and Development Services surveys in Planning Division return envelopes. These surveys were rejected because it was impossible to determine which of the two Divisions’ samples these customers belonged to. In addition, one survey was returned blank. A total of 15 valid survey responses were tabulated for a valid response rate of 16.5 percent.

The survey instrument allowed respondents to describe themselves within four separate demographics that characterized the type and frequency of interactions they had with the Planning Division. Not only did respondents indicate the type of customer they were, but they also identified the types of construction in which they were involved. A breakdown of the respondent composition is presented in the following table. Totals may exceed 100 percent due to rounding.

RESPONDENT COMPOSITION

Respondent Type	Percentage of Respondents
Developer/Builder	39%
General Contractor/Sub-Contractor	0%
Consultant	62%
Type of Construction	
Single Family Detached	43%
Single Family Attached/Multi-family	21%
Commercial/Industrial	36%
Reason for Interaction	
New Construction Project	93%
Modification to Existing Project	7%
Frequency of Interaction	
Frequent Customer	87%
One-time Customer	13%

The majority of questions to which customers responded were based on a scale of 1 to 5, where 1 indicated a low rating, 3 was average, and 5 indicated a high rating. Other questions were in a Yes/No format.

Summary

The Planning Division received good marks overall in the closed-ended questions. On all individual survey items but one, the mean score for all responses was at or above average. The mean score for all survey items based on the 1 to 5 scale combined was 3.53. Ten items even scored a mean of 3.8 or higher.

One demographic group showed lower scores overall: those involved in Single-Family Detached projects. This group included six respondents (43 percent of all respondents) and had a mean score for all survey items based on the 1 to 5 scale combined of 2.99. We also observed that on 15 questions, the Single-Family Detached category showed mean scores below the midpoint; this occurred far fewer times in the other demographic categories. The most serious concerns focused on coordination between departments, processing times, and the Division's understanding of private business.

Over half (57 percent) of the respondents reported that new changes were required by the Division after the initial plan check.

The open-ended questions supported the findings in the closed-ended section. Forty-seven percent of new respondents provided written comments. Of those commenting, approximately 57 percent were complimentary of the Division's service or performance. The remainder tended to comment on inefficient services or policies.

Highest Scoring Items

As mentioned above, ten items had an average score of 3.8 or higher (displayed in the table below). These are areas in which customers perceive the Division's service to be quite good. It appears that the Planning Division has created a customer service environment that is appreciated by many. Respondents felt that they were treated courteously, were listened to, that staff was responsive, had a positive attitude and a high level of discretion. They also appreciated the application completeness process and liked the counter service area. Two other processes were believed to be better than average: land-use approval through the Planning Commission, and the site development review process. The Division's overall performance was also well rated.

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
1a. How do you rate the Division's staff in the following areas? Courtesy	4.33	0.0%	6.7%	6.7%	33.3%	53.3%	15
3a. How do you rate the following processes/activities: Process for listening to customer concerns	4.13	6.7%	0.0%	13.3%	33.3%	46.7%	15

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
2a. How Modesto compares to other jurisdictions or compares to your expectations of government services. Counter Service Area	4.07	0.0%	0.0%	35.7%	21.4%	42.9%	14
3g. How do you rate the following processes/activities: Land-use approval process with planning commission	4.00	0.0%	0.0%	35.7%	28.6%	35.7%	14
3e. How do you rate the following processes/activities: Site development review process	3.92	0.0%	0.0%	46.2%	15.4%	38.5%	13
1b. How do you rate the Division's staff in the following areas? Responsiveness	3.87	6.7%	6.7%	26.7%	13.3%	46.7%	15
1m. How do you rate the Division's staff in the following areas? Level of discretion	3.86	0.0%	7.1%	28.6%	35.7%	28.6%	14
1c. How do you rate the Division's staff in the following areas? Positive Attitude	3.80	6.7%	6.7%	26.7%	20.0%	40.0%	15
1n. How do you rate the Division's staff in the following areas? Overall performance	3.80	6.7%	6.7%	26.7%	20.0%	40.0%	15
3d. How do you rate the following processes/activities: Application completeness process	3.80	0.0%	0.0%	46.7%	26.7%	26.7%	15

Lowest Scoring Items

The table below shows the seven lowest average scores, six of which are still at or above average. These items indicate a few areas where the Division may be able to improve its performance. In all but two demographic categories (one had only one respondent, the other had no respondents for this item), customers found interdepartmental coordination to be wanting. The timeliness of re-checks and staff's written comments were no better or worse than the average planning agency. Although customers did not find fault with the Division's decision-making capabilities, its communication on project status, or its understanding of private business,

the distribution of responses for these items indicates that many customers would like to see the Division improve in these areas.

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
2n. How Modesto compares to other jurisdictions or compares to your expectations of government services. Coordination between departments	2.25	33.3%	25.0%	25.0%	16.7%	0.0%	12
2i. How Modesto compares to other jurisdictions or compares to your expectations of government services. Timeliness of re-checks	3.00	7.7%	30.8%	23.1%	30.8%	7.7%	13
2k. How Modesto compares to other jurisdictions or compares to your expectations of government services. Timeliness of staff written comments	3.00	7.1%	21.4%	42.9%	21.4%	7.1%	14
1l. How do you rate the Division's staff in the following areas? Decision-making capability	3.08	15.4%	23.1%	30.8%	0.0%	30.8%	13
2o. How Modesto compares to other jurisdictions or compares to your expectations of government services. Communication on project status	3.14	14.3%	14.3%	28.6%	28.6%	14.3%	14
2q. How Modesto compares to other jurisdictions or compares to your expectations of government services. Overall process	3.14	7.1%	21.4%	28.6%	35.7%	7.1%	14
1k. How do you rate the Division's staff in the following areas? Understanding of private business	3.20	13.3%	26.7%	6.7%	33.3%	20.0%	15

It is interesting to compare the ratings of overall staff performance (the 8th highest mean score) and the ratings of overall process (6th lowest score). It appears that the Division’s customers do not associate the Division’s performance in terms of the overall process, which is less well rated, with staff’s performance.

Looking within Specific Demographic Categories

Citygate sought to identify whether there were any pockets of dissatisfaction lurking within the overall positive response. We approached this analysis from a variety of angles:

- ◆ We compared the means for each question within certain in demographic categories.
- ◆ Within each demographic, we identified means of less than 3.0.

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
2n. How Modesto compares to other jurisdictions or compares to your expectations of government services. Coordination between departments	1.67	50.0%	33.3%	16.7%	0.0%	0.0%	6
1k. How do you rate the Division's staff in the following areas? Understanding of private business	2.17	33.3%	50.0%	0.0%	0.0%	16.7%	6
2i. How Modesto compares to other jurisdictions or compares to your expectations of government services. Timeliness of re-checks	2.33	16.7%	50.0%	16.7%	16.7%	0.0%	6
2g. How Modesto compares to other jurisdictions or compares to your expectations of government services. Turnaround times for plan review	2.40	20.0%	40.0%	20.0%	20.0%	0.0%	5
1e. How do you rate the Division's staff in the following areas? Dependability/Reliability	2.50	33.3%	16.7%	33.3%	0.0%	16.7%	6

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
1l. How do you rate the Division's staff in the following areas? Decision-making capability	2.50	33.3%	16.7%	33.3%	0.0%	16.7%	6
2k. How Modesto compares to other jurisdictions or compares to your expectations of government services. Timeliness of staff written comments	2.50	16.7%	33.3%	33.3%	16.7%	0.0%	6
2q. How Modesto compares to other jurisdictions or compares to your expectations of government services. Overall process	2.50	16.7%	33.3%	33.3%	16.7%	0.0%	6
1g. How do you rate the Division's staff in the following areas? Fairness/Objectivity	2.60	20.0%	0.0%	80.0%	0.0%	0.0%	5
1f. How do you rate the Division's staff in the following areas? Consistency	2.67	33.3%	16.7%	16.7%	16.7%	16.7%	6
2h. How Modesto compares to other jurisdictions or compares to your expectations of government services. Thoroughness of initial plan review	2.67	16.7%	33.3%	16.7%	33.3%	0.0%	6
2o. How Modesto compares to other jurisdictions or compares to your expectations of government services. Communication on project status	2.67	16.7%	33.3%	33.3%	0.0%	16.7%	6
1h. How do you rate the Division's staff in the following areas? Problem solving ability	2.83	16.7%	16.7%	50.0%	0.0%	16.7%	6

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
2d. How Modesto compares to other jurisdictions or compares to your expectations of government services. Pre-application conference requirement	2.83	0.0%	33.3%	50.0%	16.7%	0.0%	6
3f. How do you rate the following processes/activities: Facilities review process	2.83	16.7%	16.7%	50.0%	0.0%	16.7%	6

It should be noted that with a small sample, one response can carry the mean below the midpoint. In the table above, we can observe that many of the responses with means of 2.5 or greater were either distributed evenly to both sides of the midpoint or were distributed for the most part at the midpoint. However, the responses above do show some thematic consistency. This group of respondents believed that the Planning Division’s staff does not understand private business or what is important to private businesses. As we discussed previously with respect to Developer/Builders’ opinions of the Building and Development Services Division, we believe that the low marks received in the areas of quick, timely, and reliable service (items 2i, 2g, 1e, and 2k) are closely related to the perceived misunderstanding of private business.

This group of respondents also rated very poorly Modesto’s coordination between departments (1.67). It is likely that this indicates a lack of interdepartmental communication or ineffectual communication. The communication issue may also be echoed in item 2o, communication on project status, by the slightly below average score received (2.67).

Other Concerns and Potential Solutions

Nearly all respondents report they received accurate initial information from the Division. Neither of the solutions suggested for accelerating development process showed strong support. It is notable that 57 percent reported that the Division required new changes to the project after the initial plan check.

	Percent responding Yes	Percent responding No	Number
4a. Answer yes or no: Initial information given to me by the Planning Division was accurate.	92.9%	7.1%	14
4b. Answer yes or no: The Division required new changes to the project after initial plan check.	57.1%	42.9%	14

	Percent responding Yes	Percent responding No	Number
4c. Answer yes or no: If it were guaranteed that an increase in fees would increase timeliness and quality of services, I would support a fee increase.	41.7%	58.3%	12
4d. Answer yes or no: I would support a faster, more streamlined development process, even if it meant more "clear and objective" requirements and fewer negotiations.	38.5%	61.5%	13

Open-ended Comments

The open-ended questions supported the findings in the closed-ended section. Forty-seven percent of new respondents provided written comments. Of those commenting, approximately 57 percent were complimentary of the Division’s service or performance. The remainder tended to comment on inefficient services or policies. The table below presents customers’ comments and suggestions. The comments have been condensed and edited.

COMMENTS
Planning Division gets high marks. The building department has problems in decision-making and level of discretion. There should be a special person to coordinate the permit process on large projects.
I conduct permit and entitlement work in a number of cities, and the City of Modesto is only surpassed by a few others.
Planning process is OK. Final maps take too much time. Outside consultant not reasonable. Doesn’t know area or local requirements for improvement plans. Too many chiefs and too few Indians.
I have dealt with the Planning Department for 30 years and find them to be knowledgeable and informative. The Building Inspection Department has also been very helpful. I don’t know how these departments could improve.
There is a high level of distrust by City staff of their customers, the public. City staff seems to have an uncanny focus on making money. City staff has gotten larger over the last 15 years, but they accomplish less.
City should update its policies for infrastructure planning studies required for projects that are consistent with the General Plan and/or with adopted specific plan.
My experiences with the Planning Department have been extremely positive.

B. BUILDING AND DEVELOPMENT SERVICES DIVISION

Citygate Associates developed a 44-question survey instrument for the Building and Development Services Division aimed at evaluating customer satisfaction. The questions were aimed at examining staff’s approach to providing core services, the quality of services, various



processes, and potential solutions. The survey form also solicited comments and suggestions for improvement. A copy of the survey instrument is presented in **Appendix D**. Detailed survey results are presented in **Appendix E** and **F**.

With the aid of Community Development Department staff, the survey was distributed to a randomly selected sample of 400 recent customers of the Building and Development Services Division. Surveys were returned to the Modesto City Clerk/Auditor’s Office and forwarded unopened to Citygate staff, who then tabulated and analyzed the survey responses. Eighty-five surveys were returned in all, of which three were blank; therefore, the response rate for surveys returned was 21.5 percent, while the valid response rate was 20.5 percent.

The survey instrument allowed respondents to describe themselves within three separate demographics that characterized the type of interactions they had with the Building and Development Services Division. Not only did respondents indicate the type of customer they were, but respondents also identified the types of construction in which they were involved. A breakdown of the respondent composition is presented in the following table. Totals may exceed 100 percent due to rounding.

RESPONDENT COMPOSITION

Respondent Type	Percentage of Respondents
Developer/Builder	25%
General Contractor/Sub-Contractor	65%
Consultant	10%
Type of Construction	
Single Family Detached	42%
Single Family Attached/Multi-family	9%
Commercial/Industrial	49%
Reason for Interaction	
New Construction Project	49%
Modification to Existing Project	51%

The majority of questions to which customers responded were based on a scale of 1 to 5, where 1 indicated a low rating, 3 was average, and 5 indicated a high rating. Other questions were in a Yes/No format.

Summary

The Building and Development Services Division received notably good marks overall in the closed-ended questions. On all individual survey items, the mean score for all responses was at or above average. The mean score for all survey items based on the 1 to 5 scale combined was 3.57. Seven items even scored above a mean of 3.8.

Although Developer/Builders ratings were generally good, they appear to be the group that harbors the greatest level of dissatisfaction with the Division. We found that the Developer/Builders (20 respondents) had a slightly lesser opinion of the Division on most survey items than General Contractor/Subcontractors and Consultants. We also found that Developer/Builders showed mean scores below the midpoint on seven questions whereas this only occurred a total of three times in all other demographic categories. The areas receiving ..

below average marks for Developer/Builders involved speed of processing for certain processes, communication, and Division staff's inadequate understanding of private business.

Customers of the Building and Development Services Division show significant interest in options that may lead to quicker processing, as long as it does not involve a fee increase. Optional express processing garnered favorable opinions from nearly 3 out of every 4 respondents in our sample.

The open-ended questions supported the findings in the closed-ended section. Thirty percent of the respondents provided written comments. Of those commenting, 32 percent were complimentary of the Division's service or performance. The remaining comments were diverse but typically pointed to specific areas needing improvement, e.g. permit processing time, phone permit system, counter assistance, commercial plan check, etc.

Highest Scoring Items

As mentioned above, seven items showed a mean score over 3.8. These are areas in which customers perceive the Division's service to be quite good. According to these responses the Division is courteous, knowledgeable, timely, thorough, and exercises proper discretion.

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
1a. How do you rate the Division's staff in the following areas? Courtesy	4.11	2.5%	6.2%	12.3%	35.8%	43.2%	81
3g. How do you rate the following processes/activities: Thoroughness of first inspection.	3.88	2.6%	3.9%	28.9%	31.6%	32.9%	76
3f. How do you rate the following processes/activities: Payment processing system.	3.87	5.3%	8.0%	18.7%	30.7%	37.3%	75
3h. How do you rate the following processes/activities: Practical discretion of inspectors.	3.87	3.9%	2.6%	28.6%	32.5%	32.5%	77
2m. How Modesto compares to other jurisdictions or compares to your expectations of government services. Timeliness of inspections.	3.86	2.6%	5.2%	24.7%	39.0%	28.6%	77

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
1d. How do you rate the Division's staff in the following areas? Knowledge/Skills	3.84	2.5%	11.1%	16.0%	40.7%	29.6%	81
3b. How do you rate the following processes/activities: Completeness of initial plan check review.	3.81	7.7%	2.6%	24.4%	32.1%	33.3%	78

Lowest Scoring Items

Although the following means could hardly be construed as bad, the table below exhibits the five lowest scoring items from the survey responses. These are areas where customers perceive that improvements could be made. Customers believe that although the Division is performing well, there may be room to improve the speed of execution of certain processes, staff's understanding of private business, and the communication on project status.

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
2k. How Modesto compares to other jurisdictions or compares to your expectations of government services. Communication on project status.	3.18	5.4%	10.8%	50.0%	28.4%	5.4%	74
2h. How Modesto compares to other jurisdictions or compares to your expectations of government services. Use of concurrent review.	3.22	4.2%	11.1%	47.2%	33.3%	4.2%	72
1k. How do you rate the Division's staff in the following areas? Understanding of private business	3.24	15.0%	11.3%	26.3%	30.0%	17.5%	80

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
2f. How Modesto compares to other jurisdictions or compares to your expectations of government services.	3.24	6.7%	14.7%	36.0%	33.3%	9.3%	75
Turnaround of plan review.							
1b. How do you rate the Division's staff in the following areas? Quickness/Speed	3.26	13.6%	12.3%	22.2%	38.3%	13.6%	81

Looking within Specific Demographic Categories

Citygate sought to identify whether there were any pockets of dissatisfaction lurking within the overall positive response. We approached this analysis from a variety of angles:

- ◆ We compared the means for each question within certain demographic categories.
- ◆ Within each demographic, we identified means of less than 3.0.

We found that the Developer/Builders (20 respondents) had a slightly lesser opinion of the Division on most survey items than the General Contractor/Subcontractors and Consultants. We also found that Developer/Builders showed mean scores below the midpoint on seven questions whereas this only occurred a total of three times in all other demographic categories.

The following table shows the seven items that Developer/Builders scored below 3.0. The questions and themes are similar to the five lowest scores discussed above. They focus on rapidity of execution and communication with customers.

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
1b. How do you rate the Division's staff in the following areas? Quickness/Speed	2.70	25.0%	20.0%	20.0%	30.0%	5.0%	20
1i. How do you rate the Division's staff in the following areas? Returning phone calls	2.85	5.0%	35.0%	40.0%	10.0%	10.0%	20
1k. How do you rate the Division's staff in the following areas? Understanding of private business	2.74	15.8%	21.1%	36.8%	26.3%	0.0%	19

	Average	Percent responding 1	Percent responding 2	Percent responding 3	Percent responding 4	Percent responding 5	Number
2e. How Modesto compares to other jurisdictions or compares to your expectations of government services. Timeliness of plan review.	2.84	26.3%	10.5%	26.3%	26.3%	10.5%	19
2f. How Modesto compares to other jurisdictions or compares to your expectations of government services. Turnaround of plan review.	2.89	10.5%	21.1%	36.8%	31.6%	0.0%	19
2h. How Modesto compares to other jurisdictions or compares to your expectations of government services. Use of concurrent review.	2.84	10.5%	10.5%	63.2%	15.8%	0.0%	19
2k. How Modesto compares to other jurisdictions or compares to your expectations of government services. Communication on project status.	2.79	10.5%	10.5%	68.4%	10.5%	0.0%	19

Developer/Builders, when asked about the speed and timeliness of certain tasks, believe the Division and its staff provide below average service. They cite the following:

- ◆ Quickness/Speed of staff in general
- ◆ Timeliness of plan reviews
- ◆ Turnaround time for plan reviews
- ◆ Use of concurrent review

In addition, Developer/Builder customers believe the Division does not communicate as well as it should in two specific areas:

- ◆ Communication of project status
- ◆ Returning phone calls

These two issues are probably closely related.

Division staff also received low marks with regard to their understanding of private business. The understanding of private business issue is likely linked to business' desire that the Division's interventions be timely, quick, and communicated effectively, both for the sake of their clients and their own profitability. Delays lead to reduced profitability and irritated clients. Delays ..

siphon profits through accumulated project administration time (project management, project status communication, client communication, etc.) during the period of delay, and ineffective deployment of employees.

Other Concerns and Potential Solutions

Customers of the Building and Development Services Division show significant interest in options that may lead to quicker processing, as long as it does not involve a fee increase. Optional express processing garnered favorable opinions from nearly 3 out of every 4 respondents in our sample.

Roughly 1 out of every 7 customers reported that initial information provided by the Division was inaccurate. It also appears from the responses above that the Division’s services have not generally justified any increase in the cost of doing business in Modesto.

	Percent responding Yes	Percent responding No	Number
4a. I would welcome the option to purchase "express" processing.	73.7%	26.3%	76
4b. Initial information given to me by Building Services was accurate.	84.4%	15.6%	77
4c. If it were guaranteed that an increase in fees would increase timeliness and quality of services, I would support a fee increase.	33.8%	66.2%	77
4d. I would support a faster, more streamlined building plan review, even if it meant more "clear and objective" requirements and fewer negotiations.	65.3%	34.7%	75
4e. I charge my clients more for services I perform in Modesto.	17.1%	82.9%	76

Open-ended Comments

The open-ended questions supported the findings in the closed-ended section. Thirty percent of the respondents provided written comments. Of those commenting, approximately 32 percent were quite complimentary of the Division’s service or performance. The remaining comments were diverse but typically pointed to specific areas needing improvement, e.g. permit processing time, phone permit system, counter assistance, commercial plan check, etc. The table below presents customers’ comments and suggestions. The comments have been minimally condensed and edited.

COMMENTS
Residential Plan Check is quick. Commercial Plan Check is slow and complicated.

COMMENTS
Building Division staff is overworked. Planning Division is overworked. Need more help.
Cost of permits is higher than in anywhere else in 6 county area. Phone permit system, which was to streamline process, doesn't work. Modesto is the only jurisdiction where you can't get status of a permit over the phone.
Very good service – no complaints
Overall performance much better than most cities. Some field inspections could be better done by contractors.
Phone permit system doesn't work.
All City building codes and fees should be the same as the County.
Takes too long to get a permit processed.
Three inspectors that I had were great.
City of Modesto and City of San Jose are two of the best Building Departments due to knowledgeable plan checking.
Phil Testa has been a great help.
Need to have an arbitration function for when Builder/Contractor and City reach an impasse.
Counter agents need to be better trained to guide you through the process.
All permits should be issued at the same time.
Computer that processes permits is slow. Not all inspectors follow building codes.
Commercial side of plan check needs more counter help. Need to provide better guidance as to whom to contact in each division.
Inspection process for landscape is difficult because it is subbed out. Field inspectors are good. Difficult to get encroachment permits. Overall, Department is excellent.
Phone in permit system needs to be faster.
Need a department that would react to the needs of the industry in our community, both in time and understanding.
It takes 2-3 weeks to get a return phone call.
Modesto is one of the best departments around. Communication with field inspectors is major shortfall. Rotation of inspectors causes lack of ability to plan when an inspection might occur.
Built patio cover on my own home. Permit was easy to obtain. Inspection a pleasure.
Make all counter staff available at all times. Counter staff should make counter customers priority. Phone clients should come second.
People interaction at counter is poor. Inspectors need to be fair and helpful.
Look into on-line permit applications; it works well with other cities. Speed up process of plan checking.

VI. EMPLOYEE SURVEY RESULTS

A. PLANNING DIVISION

Citygate Associates developed a separate 43-question survey instrument for the Planning Division aimed at evaluating employee perspectives on a range of issues. The questions were aimed at examining management of the Department and Division, policies and procedure, workload distribution, compensation, customer attitudes, roles, responsibilities, goals, objectives, technology applications, limitations to performing good, the quality of services, and various administrative processes. The survey form also solicited comments and suggestions for improvement. A copy of the survey instrument is presented in **Appendix H**. Detailed survey results are also presented in **Appendix H**.

With the aid of Community Development Department staff, the survey was distributed to all employees in the Department. Surveys were returned directly to Citygate staff. The results of the survey were confidentially tabulated by Modesto’s City Clerk/Auditor’s staff. The Employee Survey had a response rate of 100 percent.

Employees responded to the statements in the questionnaire based on a range from “strongly disagree,” which was valued as one (1) point, to “strongly agree”, which was valued as five (5) points. Participants also had an opportunity to provide comments and suggestions for improvements in the Department.

Highest Agreement

Question	Average
12. I have the necessary skills to perform the tasks associated with my position.	4.40
35b. Service to the public is strongly emphasized in...my Division.	4.30
35a. Service to the public is strongly emphasized in the Department.	4.20
41. I believe customer inquiries regarding a project’s status are responded to in a reasonable amount of time.	4.11
1. I am actively encouraged to try creative approaches to my work, even to the point of taking the initiative.	3.90
14a. The coordination of functions between my division and other divisions is good.	3.90
19. I feel positive about the Department and believe it is a good place to work.	3.90

25. Ordinances and/or policies I am responsible for administering are reasonable and enforceable (if applicable).	3.88
38. I believe the Department has a positive “we can work with you to get your project processed” approach.	3.82
40. Customers wait a reasonable amount of time for comments from this Department on whether plans have been approved or to find out about needed changes.	3.71

Lowest Agreement

Question	Average
21. The current promotion process rewards me for higher than average levels of performance.	2.38
22a Given the level of staffing within my division, the goals and objectives of the division are achievable.	2.56
29a I believe my division does not operate under a crisis management approach.	2.60
39. Staff often does not identify problems until after final approval.	2.63
13. Clear, written policies and procedures are in place to assist me in the performance of my job responsibilities.	2.67
32. Overall, the Department’s computer tracking systems address my project tracking needs.	2.67
5b. I believe the workload within my department is equally divided among my co-workers.	2.75
16. The performance evaluations I have received have been completed in a timely manner.	2.75
Left blank intentionally	
43. In general, I am pleased with the overall application, permit, and inspection processes.	2.86

B. BUILDING AND DEVELOPMENT SERVICES DIVISION

Citygate Associates developed a separate 43-question survey instrument for the Building & Development Services Division aimed at evaluating employee perspectives on a range of issues. The questions were aimed at examining management of the Department and Division, policies and procedure, workload distribution, compensation, customer attitudes, roles, responsibilities,



goals, objectives, technology applications, limitations to performing good, the quality of services, and various administrative processes. The survey form also solicited comments and suggestions for improvement. A copy of the survey instrument is presented in **Appendix I**. Detailed survey results are also presented in **Appendix I**.

With the aid of Community Development Department staff, the survey was distributed to all employees in the Department. Surveys were returned directly to Citygate staff. The results of the survey were confidentially tabulated by Modesto’s City Clerk/Auditor’s staff. The Employee Survey had a valid response rate of 100 percent.

Employees responded to the statements in the questionnaire based on a range from “strongly disagree,” which was valued as one (1) point, to “strongly agree”, which was valued as five (5) points. Participants also had an opportunity to provide comments and suggestions for improvements in the Department.

Highest Agreement

Question	Average
12. I have the necessary skills to perform the tasks associated with my position.	4.61
35b. Service to the public is strongly emphasized in...my Division.	4.50
35a. Service to the public is strongly emphasized in the Department.	4.38
16. The performance evaluations I have received have been completed in a timely manner.	4.26
30. I believe that serving the Department’s external customers is one of the biggest challenges of the Department.	4.19
1. I am actively encouraged to try creative approaches to my work, even to the point of taking the initiative.	4.09
3. I receive clear and specific direction from my supervisor(s) regarding my work assignments.	4.09
11. It is clear to me what my role is in the process of the larger task that is to be performed.	4.04
6a. The goals and objectives of my division manager are reasonable.	4.00
2a. The management style of my division manager contributes to the productivity of my work unit.	3.95

Lowest Agreement

Question	Average
42. I believe inspectors rarely find errors in the field that should have been caught during the plan checking process.	2.19
32. Overall, the Department's computer tracking systems address my project tracking needs.	2.25
21. The current promotion process rewards me for higher than average levels of performance.	2.26
20. The current compensation process rewards me for higher than average levels of performance.	2.30
14b. The coordination of functions between my department and other departments is good.	2.41
22a. Given the level of staffing within my division, the goals and objectives of the division are achievable.	2.64
14a. The coordination of functions between my division and other divisions is good.	2.67
22b. Given the level of staffing within my department, the goals and objectives of the department are achievable.	2.89
39. Staff often does not identify problems until after final approval.	2.95
29a. I believe my division does not operate under a crisis management approach.	3.06