

CITY COUNCIL RESEARCH REPORT

**Performance Audit of
The City of Saint Paul's
Building Permit, Plan Review
and Inspections Functions**



Saint Paul City Council
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Review and Inspections
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May 2000

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INTRODUCTION

The City Council, as the governing body of the City of Saint Paul, is responsible for establishing City policies and ensuring that City practices are consistent with these policies. As the body responsible for approving the City Budget and authorizing the tax levy, the Council must also assess the efficiency and effectiveness of City operations. Therefore, the City Council established a Performance Audit Program in the fall of 1996 to help it fulfill these legislative oversight and budgetary responsibilities and it directed Council Research to conduct performance audits of City operations. Performance audits analyze the consistency of departmental practices with City policies, as well as provide insight into how policy directives are implemented. The performance audit also examines whether an organization's practices are efficient and reflective of those used by high-performing organizations.

The City Council is very interested in the value received by citizens for the money expended. Taxpayers rightly expect that money provided for services will be spent to achieve the best result possible with the least expenditure of public funds. The efficiency and effectiveness of government operations and processes can be assessed in many ways. One common approach is for auditors to examine an organization at a micro-level to try to determine if the organization is following sound procurement practices, properly protecting its resources, and complying with laws and regulations. This micro-level approach to auditing is closely related to financial auditing and is often conducted by accountants who spend a great deal of time and effort examining the inner workings of the organization. While we accept there are situations where this type of micro-level auditing is appropriate, such as when fraud is suspected, we believe a higher level audit is most appropriate here. The City Council is less concerned with the minutia of daily operations of its departments and more concerned with knowing if its departments and offices are top-quality organizations whose operations are efficient, effective and in compliance with appropriate laws and policies. If they are not, the Council is interested in knowing what can be done to remedy any deficiencies preventing the department or office from achieving a level of excellence.

SCOPE OF PERFORMANCE AUDIT

This audit is an examination of the policy compliance, efficiency and effectiveness of the permitting, trade inspections and plan and zoning review activities of the Office of License, Inspections and Environmental Protection (LIEP).¹ Future references to LIEP in the audit will refer to only these activities, not the entire organization. The office and functions selected for review were identified by the City Council because of the importance of LIEP's activities in relation to promoting and protecting the City's housing and building stock. The structure and functions of LIEP will be described in more detail in a following section.

¹ The audit does not examine other functions performed by LIEP, which include Animal Control, Gambling Enforcement, Environmental Health, License Inspections or License Investigation and Compliance Checks.

RESEARCH METHODS

Policies pertaining to the functions of LIEP were gathered from the Saint Paul Administrative Code, the Saint Paul Legislative Code, City Council resolutions, the Land Use and Housing Chapters of the City's Comprehensive Plan, as well as LIEP's own internal plans, policies and budget objectives. It is not Council Research's intent to make specific findings on every individual policy statement. Rather, we focus on groups of policies that relate to specific functional areas within LIEP (permitting, plan review or inspections),² and have grouped them according to the most relevant quality category. It is our belief this approach is more useful to both policy makers and participants in understanding how to improve the efficiency, effectiveness and compliance of the organization.

We believe the best way to assess the level of organizational development is to ask those most knowledgeable about the organization—the people who work in the organization. We believe that the people who work in LIEP best know the strengths and weaknesses of their organizations and will, when asked, candidly report their opinions. Therefore, we have gone directly to LIEP staff to ask them about their work. We were able to survey 67 of 73 (92%) LIEP staff involved in the permitting/ customer service areas, plan review and zoning and trade inspections, and we also conducted 35 interviews with LIEP staff members. The findings and recommendations in this report are based on these surveys and interviews as well as an examination of written materials on LIEP's practices.

ORGANIZATIONAL ASSESSMENT

A key aspect of an organization's performance is its compliance with the laws and directives under which it is required to operate. Governmental agencies have a high level of responsibility to operate within the parameters established by governing bodies, as well as within parameters established by the organization itself. Because LIEP is a regulatory agency, it not only has to comply with regulations as do all City departments, it also has to enforce regulations to which developers, builders, home and business owners and contractors have to comply. Quite often, these policies can be closely linked to the quality of an organization's operations. Throughout this report, we will illustrate how compliance with certain policies does or could enhance the efficiency and effectiveness of LIEP. A listing of policies, practices and documents reviewed is in Appendix A of this report.

The efficiency and effectiveness of LIEP's permitting, plan review, zoning, and inspections functions are evaluated using an Organizational Quality Assessment. While there are several methods to evaluate effectiveness and efficiency, our approach is based on work done by the organizers of the Malcolm Baldrige National Quality Award who identified the characteristics of a high-performing organization.

The study of high-performing organizations has typically identified seven characteristics believed to be essential for an organization to achieve excellence. These criteria have been identified from

² For a complete listing of all policies reviewed, please see Appendix A.

studies over many years and are widely accepted as indicators of organizational excellence. The criteria used by the Malcolm Baldrige National Quality Award and the Minnesota Quality Award to assess organizational development and to identify quality organizations are summarized in the table below. For the purposes of this audit we have split the category of Training and Development into two separate discussions for a more useful discussion of both areas. None of the quality categories stand alone. Each impacts the other, and all are essential to achieving a high level of performance. Quite often improvement in one quality category will positively impact another. For example, improvement in the category of Information and Analysis often significantly impacts both Results and Improvement Processes.

Assessment Categories

Quality Category	Key Concepts	Discussed on Pages:
Planning	Internal Plans Plan Development Plan Dissemination & Implementation	9 - 14
Leadership	Mission, Vision, Values Stakeholder Relationships Staff Recognition	15 - 24
Training	Training & Education Resource Allocation Employer Commitment	25 - 27
Development	Employee Contribution Work Environment Labor-Management Relationship Employee Evaluation	28 - 32
Information and Analysis	Collection of Data Analysis of Data Effective Use of Automation Systems	33 - 37
Improvement Practices	Identification of Potential Improvements Implementation of Improvements Evaluation of Improvement Practices	38 - 41
Customer Focus	Customer Identification & Knowledge Managing Customer Relationships Customer Service Practices Customer Service Standards	42 - 49
Results	Organizational Outcomes Financial Outcomes Customer Satisfaction Use of Performance Indicators	50 - 52

Each of these quality categories is a chapter in the report, and each chapter is comprised of the following discussions:

- Ratings
- Policy discussion, Findings, Recommendations
- Quality discussion, Findings, Recommendations

In addition to the Results chapter, which focuses on organizational outcomes, an overview of performance measures and their potential application in LIEP is provided in the Performance Measures. Performance measurement in this performance audit means the regular collection of specific information about the effectiveness, quality and efficiency of services and programs.³ The suggested measures will enable LIEP to evaluate on its own whether the resources expended (labor or financial resources) on an activity are used efficiently, have the intended effect and result in a quality outcome. Measures can be based on information obtained from written records, observations by specially trained staff or through surveys of customers. This performance audit will examine existing performance measures and suggest other performance measures. However, the audit will not perform the actual measurements.

Criteria Ratings

We have gathered a wealth of information about the permitting, plan review, zoning and inspection activities of LIEP while conducting this performance audit. Although capturing all of this information in any rating system is impossible, we believe a rating system will help decision-makers grasp the essence of the information. We have developed a simple summary rating system we believe conveys the essence of our findings. We intend these ratings to reflect what interview subjects have told us about LIEP. While organizations and processes consist of individuals, we intend the ratings to reflect current organizational practices and they should not be interpreted as judgements about individuals.

The rating system used for policy compliance is simple and straightforward using a plus (+) sign, indicating LIEP is substantially in compliance with the relevant policies, or a minus (-) sign indicating LIEP is not in compliance. If it is not found in compliance, recommendations will be made to assist the organization in achieving compliance.

The summary ratings for the quality categories are intended to portray both the level of development and the level of integration of each quality criterion. Development, in this performance audit, means the extent to which high-valued characteristics are in evidence. High-value characteristics are ones in which the criteria being examined are systematic, manifest, proactive, fact-based, and evaluated. Integration refers to the extent criteria are practiced. It is possible, indeed likely, for criteria to be practiced in some parts of the organization, but not in others.

The summary ratings used for quality assessment are:

- ★★★★ Criteria fully developed and practiced throughout the organization.
- ★★★ Criteria well developed and practiced throughout most of the organization.
- ★★ Criteria present and practiced in some parts of the organization.
- ★ Criteria sometimes present, occasionally practiced in parts of the organization.

³ The Urban Institute (1980). *Performance Measurement: A Guide for Local Elected Officials*. Washington D.C.: The Urban Institute, p. 1.

OVERVIEW OF LIEP

Before discussing the findings of the audit, it is necessary to give a brief overview of the Office of License, Inspections and Environmental Protection (LIEP). LIEP was formed in 1992 as a result of the consolidation of Environmental Health, the Building Inspection and Design Division (BIDD), the License Division and Animal Control. Four reasons were offered for the merger:⁴

1. The need for improved customer service and the creation of a 'one-stop-shop' for businesses.
2. The desire to provide customer service training for inspectors and to improve the coordination of services.
3. The need to review and update the City's regulations.
4. A desire to reduce the overall costs of enforcement in order to save money."

The graph on the following page illustrates the current organizational structure of LIEP. The blue boxes indicate the areas of LIEP that were examined in this audit. LIEP currently has just over 100 employees, and an adopted year 2000 budget of \$9,136,890. The vast majority of LIEP's revenues are from license and permit fees collected. Only about 15% of LIEP's year 2000 budget is money allocated from the City's general fund.

Permitting, Plan Review, Site Plan Review and Inspections

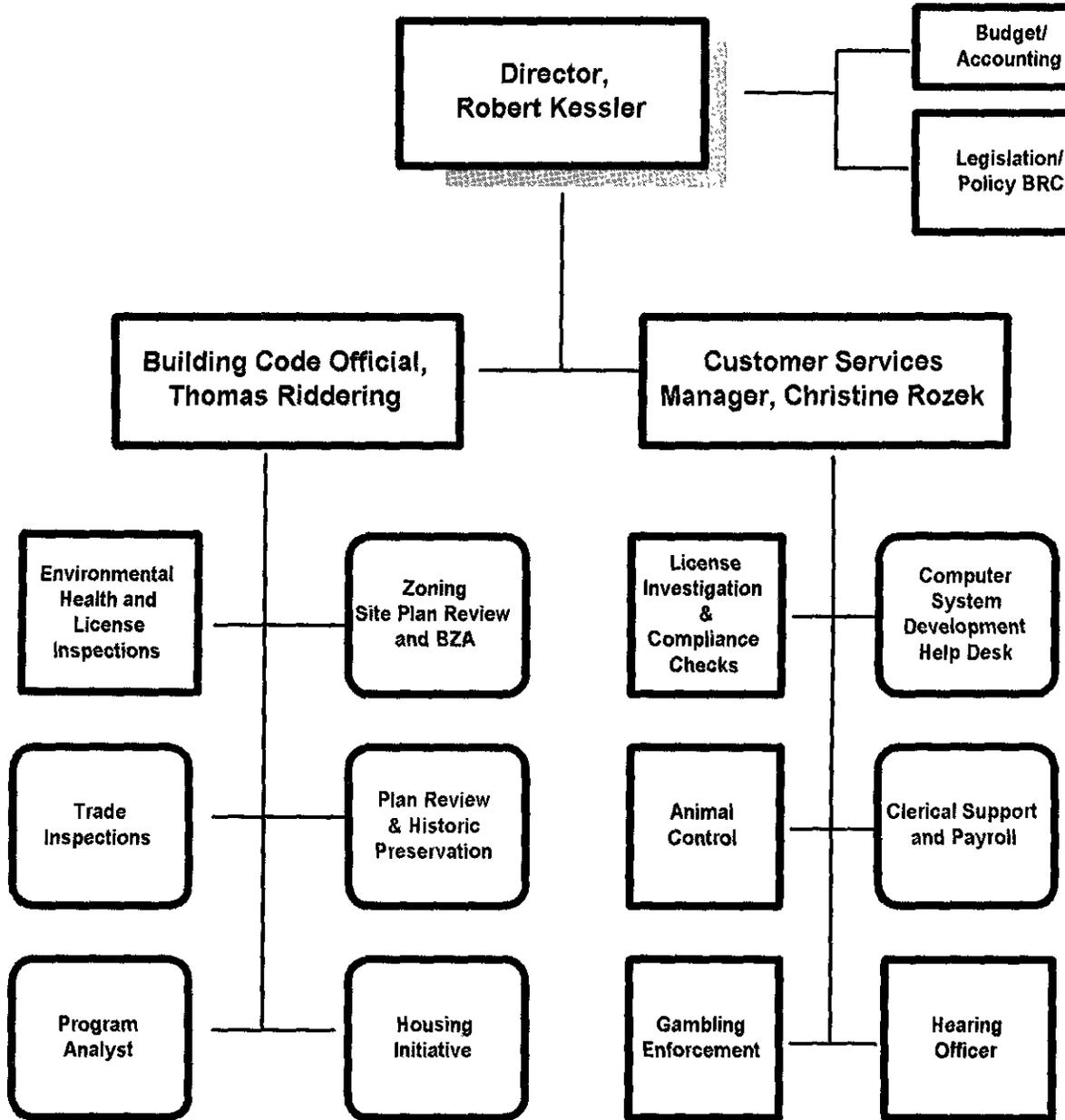
The graphics on the page 8 illustrates the permitting process, from entering the office to filling out a permit application to completing the work and receiving a certificate of occupancy or compliance, if required. The permitting, plan review and inspections activities are closely intertwined. Typically, the first point of contact for a customer is with a member of permitting/customer service staff. A customer will either call with questions or come in to obtain information and apply for a building permit. A permit is required for all structural revisions for residences, garages, carports, decks and similar structures or buildings. Non-structural revisions or remodeling projects may also require a permit if the labor value and the cost of the materials exceeds \$300. Permits can be paid for with cash, check or charge, and payments are accepted in person or by fax, phone or mail. The fee schedule is established in City Code, and is based on the fee schedule in the 1994 Uniform Building Code.⁵

Staff must verify the information contained in the permit application, such as the address, the contractor's license, whether the building is a dangerous structure or nuisance building. The address file is currently used to verify this information, but it will be eventually available through the new computer systems.

⁴ Information taken from Robert Kessler, Director of LIEP, letter to employees, May 18, 1992.

⁵ City code states that refunds can be given for permit fees if the work was not started within a given amount of time, and or if the fee was calculated incorrectly. Project values can also be reassessed according to Code, and new fees charged or refunds given. Finally, fees can be imposed for work that is started prior to obtaining a permit. Typically LIEP finds out about such work through contractors, neighbors, or when inspectors are out in the field and they see work occurring without a permit.

LIEP ORGANIZATIONAL CHART



Indicates Area Covered by Performance Audit

In most cases, a customer must submit building plans and possibly site plans for review in order to obtain the necessary permits.⁶ The few cases in which plans are not required include roofing, soffit and fascia improvements and furnace replacements. LIEP staff involved in plan review include the plan reviewers, site plan reviewers, the structural engineer and the inspectors, though they are not all involved in reviewing every plan. The following table shows their involvement.

LIEP Staff Involved in Plan Review —

Plan Reviewers	All plans not requiring significant structural changes or changes in use of the property
Site Plan Reviewer	Commercial, multi-family additions, new construction, changes in use of the property
Structural Engineer	All significant structural changes or additions
Trade Inspectors	Complex building plans

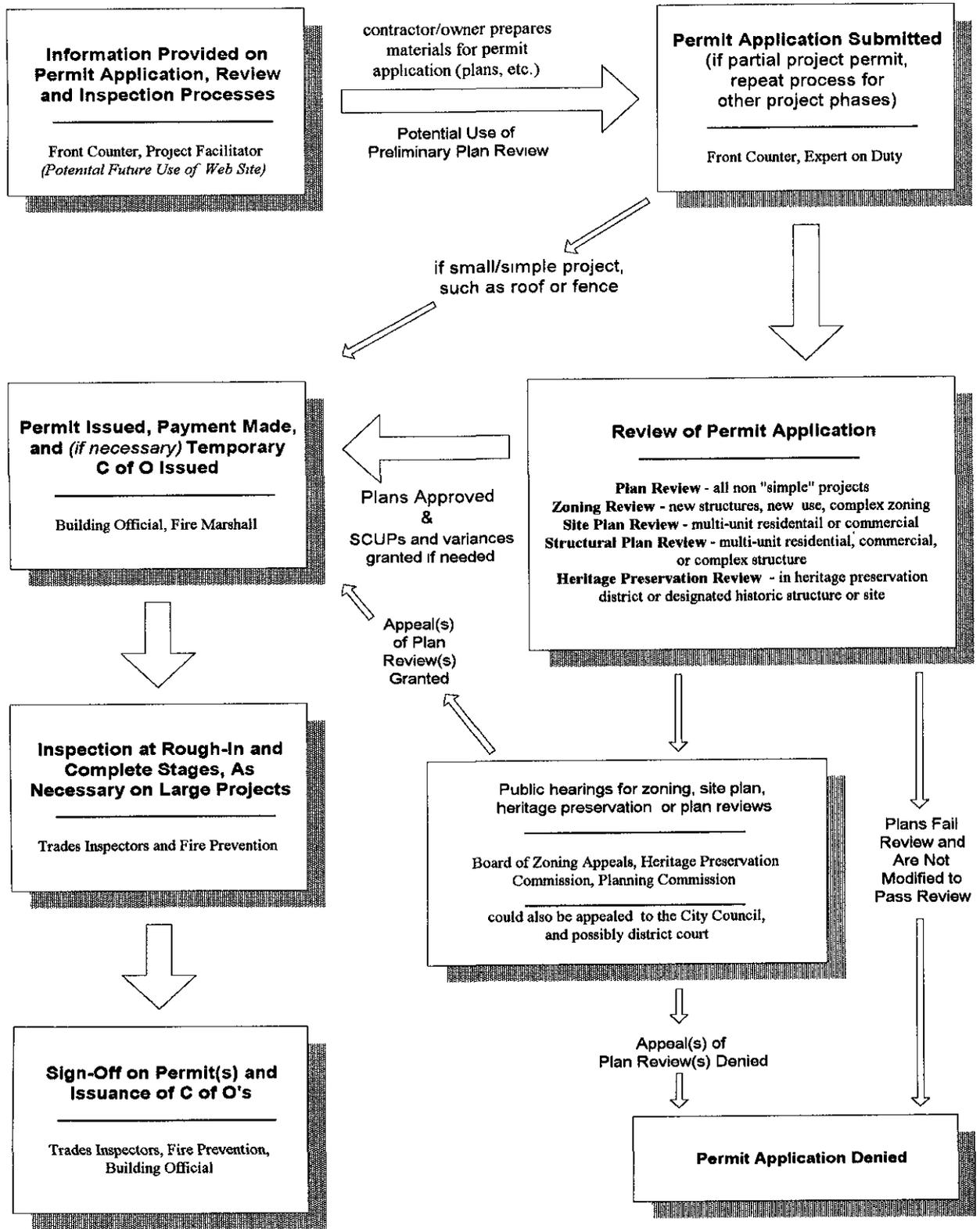
The site plan reviewer also coordinates an interdepartmental review team that includes representatives from Zoning, Public Works, the Water Utility, and Police and Fire departments, as appropriate. The applicant will meet with staff two to three weeks after the site plan is submitted. At this meeting questions can be answered and revisions offered. Staff also work diligently to assist applicants if their plans do not meet code standards.⁷ District Councils may also be involved if the project will have an impact on the surrounding area. While site plan review is occurring, the trade inspectors may be involved in reviewing specific plans designed to show the electrical, plumbing, mechanical or other relevant work. In some cases, the plan review process is on-going, such as for the Minnesota Wild Arena which is a large construction project and requires a variety of different plans. The site plan reviewer also prepares staff reports for site plans that are reviewed by the Planning Commission and he handles any subsequent appeals to the City Council. This staff person also serves as backup staff for the Board of Zoning Appeals.

Once the plans have been reviewed and the permits issued, the inspectors will do an initial inspection. Depending on the type of project, there are given points at which a project must be inspected. The contractors or property owners are responsible for calling LIEP to arrange for an inspection at the appropriate time. In general, inspections are required at the "rough-in" stage and upon project completion. However, inspections are done weekly at bigger construction projects such as the Lawson Commons building and the Minnesota Wild Arena. Once the work is completed and approved, the inspector signs the back of the permit, signs the copy of the permit kept in LIEP's files, and submits it to clerical staff to be formally closed out. LIEP issues the temporary certificate of occupancy, if required, upon permit closure. If the Fire Department is also performing inspections of the project, they are notified of LIEP's approval of the project. The temporary certificate of occupancy will not be issued until the Fire Department has also signed off on the permits. LIEP issues only the *temporary* certificate of occupancy; periodic (annual/biennial) inspections and ongoing certificates of occupancy are issued by the Fire Department.

⁶ Building plans indicate all internal or structural work, site plans show existing and proposed conditions of the property (such as site layout, grading, drainage and utilities, landscaping), and building information (such as height, type of construction, sprinklers, and elevation). In limited cases, a tree preservation plan must also be submitted.

⁷ It is possible that plans cannot feasibly meet code standards. In those cases, the zoning code provides a couple of options to allow for uses other than those specifically stated in the code, namely variances and special condition use permits (SCUPs).

Permit, Plan Review and Inspection Process



PLANNING

KEY PLANNING CONCEPTS:

- Internal Plans
- Plan Development Participation
- Plan Dissemination & Implementation

Policy Alignment: —

Quality Rating: ★★

Planning is an activity that incorporates a strong future orientation and a willingness to make long-term commitments to stakeholders. High-performing organizations actively engage in planning and recognize the impact not only of internal changes, but also of environmental factors on the organization. Planning considers resource allocation, economic projections, future needs of employees, future customer needs and expectations, technological developments, and stakeholder requirements. Plans can be long- or short-term, and can be issue specific, organization-wide, departmental-wide or unit-wide. In order to be effective, plans need to be carried out and updated frequently. Comprehensive plans are also considered policy documents.

LIEP's Internal Plans

LIEP has a history of engaging in planning activities. In the mid-1990's, LIEP developed a number of plans to enable and enhance its streamlining efforts. While these plans were reactionary (they were necessary to meet the objectives for consolidation and mandates from the Mayor's Office), LIEP was addressing a problem, namely integrating functions, and did the appropriate planning to manage the changing circumstances. The plans LIEP produced were:

- Business Process Redesign Project (1994-1996)**, which consisted of the following plans:
 - Functional Redesign Report/Plan (Business Process Redesign Project), 1994**
A high-level plan that identified common data and info used across all LIEP functions. Its objective was to design work processes around shared, property-based information. It focused on customer service delivery and sought to replace repetitive, duplicative, and labor intensive administrative processes. (The Business Review Council has in many ways collaborated in doing much of the work of identifying unnecessary regulations and duplicate processes.)
 - Administrative Redesign Report/Plan, 1994**
The focus of this plan was on service delivery processes and line employees as customers. It sought to replace administrative processes that were repetitive, duplicative and labor intensive through information sharing and technology support tools.
 - Change Management Plan 1994-1996**
This plan had 5 objectives for which steering teams were developed to work on:
 - reduce processing time for permits and licenses;
 - reduce number of and increase collections on delinquent license renewals;
 - reduce cost to businesses by reducing time to obtain permit and license;
 - eliminate redundancy and complexity in local codes; and
 - reduce paperwork and eliminate forms.
- Strategic Action Plan, 1996**
This plan was required as part of the Office's annual budget.

Since 1996, LIEP has not done any long-term strategic planning. All recent planning is very short-term and meant to address very specific issues such as the computer systems. However, these plans focused only on the steps to make the new computer systems operational. They did not include plans to help LIEP transition from the old methods of operation to new ones. Extensive work on basic automation of LIEP's services appears to have consumed much of the office's creative energy in recent years, and LIEP, in effect, has used the automation as an excuse not to plan. An attitude also exists in LIEP that it is difficult to do planning because of the regulatory nature of the Office's functions and the constraints LIEP faces as a governmental entity. However, a number of factors could have been considered in LIEP's planning such as the growth in construction and the current vitality of the economy.

Overall, LIEP is currently engaging in very limited planning activities. However, LIEP held a retreat in late 1999 to look at areas that still need to be addressed. They identified three areas of importance for focused improvement efforts: communication, staff and training, and technology. There is no clear product yet from this retreat, such as specific activities, or a clear commitment from the organization to follow through. However, LIEP reports that individual staff member commitments have been made to facilitate and lead committees to work on the areas identified for improvement. Nonetheless, in light of the current City culture which does not value planning, the fact they are still engaging in planning efforts is noteworthy.

The Saint Paul Zoning Code, in Chapter 64.400, requires the zoning code be reviewed every five years. LIEP and PED staff report that routine text amendments are done on a regular basis, but the zoning code has not been examined or reevaluated. PED maintains primary responsibility for fulfilling this requirement, though LIEP shares responsibility for implementing the requirements of the zoning code. Had LIEP engaged in a planning process that considers its responsibilities related to the zoning code, it may have addressed this and, therefore, been in compliance.

Saint Paul Comprehensive Plan

LIEP activities are directly related to the City's Comprehensive Plan, particularly the Land Use and Housing Chapters. For example, an objective of the Land Use Plan is to "ensure that building supports broader city-building goals," and "make a contribution to the neighborhood and public realm."⁸ Clearly, activities related to this goal would require permits, plan reviews and site plan reviews, and inspections. LIEP's site plan review activities could easily incorporate such objectives into their criteria. However, it is clear from staff statements that while certain staff members try to incorporate these objectives, they feel they can only apply them to a certain extent because the Comprehensive Plan is not adequately incorporated into LIEP's practices.

Not only does LIEP fail to actively pursue the objectives of the Comprehensive Plan, they also fail to use it to identify changing circumstances and priorities. LIEP does not see a direct relationship between its activities and the objectives of the Plan. They do not consider the Comprehensive Plan when preparing their own internal plans and look for areas of change or growth in activities. Rather, it is used by a few select staff members to a limited extent as they perform their duties. To LIEP, the Plan fails to have the same level of authority as the code, though in reality the Comprehensive Plan has the same effect of law when used in the review process as justification for City actions and decisions.

⁸ Land Use Plan, page 17.

LIEP tends only to minimally respond and react to the Comprehensive Plan, but is not a part of the plan formulation process. It is also apparent there are conflicts between some strict requirements of the zoning code and the objectives of the Plan. If LIEP were involved in the plan formulation process, these conflicts may be more readily and easily resolved, and the code and Plan would be more compatible.

Policy Compliance Findings

Finding #1: LIEP did a great deal of internal planning in the mid-1990's. Recent planning activities have been very limited.

Finding #2: LIEP followed through on many of its planning objectives. An example of this is LIEP's 1996 Strategic Action Plan, where LIEP has done an admirable job of following through on many of its objectives, such as trying to respond to inquiries within 48 hours, providing information to customers through meetings, written material, classes (such as the January 20, 2000 session held for small contractors), testing, and developing two project facilitator positions.⁹

Finding #3: Many of LIEP's activities relate directly to the City's Comprehensive Plan, but LIEP is not involved in developing the Plan.

Finding #4: LIEP does not view the Comprehensive Plan as a policy document to which it must comply.

Finding #5: LIEP does not use the Comprehensive Plan as a guide when making its own organizational plans.

Finding #6: LIEP did not prepare adequate plans in regard to the transition from a system that involved paper and an outdated, non-Y2K compliant computer system to a fully automated system. This type of work process analysis and planning at all levels of the organization would have assisted LIEP in its difficult and complex transition.

Policy Compliance Recommendations

Recommendation # 1: *PED should perform, in conjunction with LIEP, a thorough analysis of the current Zoning Code. In order to be in compliance with current City Code, this should be done every five years. The analysis should consider the Code's compatibilities with the City's Comprehensive Plan and other development priorities, and the Code should be modified accordingly.*

Recommendation # 2: *Both PED and LIEP need to take more responsibility for including LIEP in the development processes for the City's Comprehensive Plan. By taking responsibility for development, LIEP will feel more responsible for the objectives of the Plan, and will incorporate the Comprehensive Plan into its own internal plans and practices.*

⁹ One objective that has not been implemented will be discussed in the Development section.

LIEP's involvement in the planning and implementation processes of the City's comprehensive plans will enable it to make more recommended changes to the zoning code, so that the code and the plans are compatible and mutually enforceable. In cases where the zoning code and the Comprehensive Plan are not compatible, LIEP should consider granting variances, equivalencies, or bringing the problem to the Business Review Council for further review and recommendations.

Recommendation # 3: *LIEP should incorporate objectives of the Comprehensive Plans into its plans for its own operations. By doing so, LIEP will ensure it considers future changes and remains flexible and uses opportunities to ensure the building stock of the City is solid, safe and contributes to the vitality of the City.*

The Quality of Planning

Planning was evaluated above on a policy compliance level, but an examination of planning from a quality perspective is also essential to ensure that planning activities are effective and efficient. If the activities are not evaluated, then the planning efforts will be futile and the plans will mean nothing to staff.

Knowledge of Plans

According to the survey results, there seems to be a disconnect between those who do not know about planning efforts or are not involved in planning and those who are. According to the survey, one-half the staff surveyed do not know if plans exist. This question received the highest level of "don't know" responses of all the survey questions. Further analysis of this group of respondents gave us no indication that some staff members or groups of staff were purposely omitted from planning activities.

Plan Development Participation

From survey responses, it appears only a few key line staff are consistently involved in planning. For example, according to the survey, 85% of plan review staff are not aware of any of LIEP's planning efforts. From interviews, it seems staff are not actively recruited to participate in planning. We heard many comments echoing the sentiment that "if you want to be involved, you can be." Involvement in planning clearly has to be self-motivated. This is somewhat problematic, as employee participation in planning at all levels is valuable to an organization as often the line-staff are in the most direct contact with customers and other outside influences. Their input and perspective may be more aligned with the realities of daily operations, and they may have ideas on how to do things better in the future. It also enhances their ability to understand how their work contributes to the future of the organization. However, it should be noted many organizations struggle with how to involve all employees in important decision-making processes. Clearly, not every employee can be directly involved in writing the planning, but they should be given the opportunity to provide input before the plan is finalized. It was also clear the Budget Office, PED and the City Attorney's Office are not involved in LIEP's planning, though they are key stakeholders and participants in LIEP's activities.

Plan Dissemination and Implementation

The recent limited planning efforts that have taken place could not be based on data analysis because LIEP did not have comprehensive data, partially due to its antiquated computer systems. Staff indicate the new computer systems will allow them to collect more comprehensive data. Finally, it is evident the plans created in the mid-90's have not been analyzed to determine areas of success, failure, or continued development and inclusion in other plans for the future.

What LIEP now considers to be plans, such as progress updates on the new information systems, are disseminated through e-mail, meetings and monthly newsletters. As for implementation, according to the survey, 40% of staff "don't know" how often plans are implemented. In the past, committees have implemented various aspects of the plans, particularly the quick fixes that were identified.

While not considered LIEP plans, some LIEP staff are involved in the planning activities of related organizations. Some inspectors are involved in code planning for their respective trades at the national, state and local level. They meet to discuss how to implement changes in the codes, which happen every three years. The Heritage Preservation Commission does an annual workplan, which is commendable given that it is a citizen commission with very limited staffing. Very few voluntary commissions in the City of Saint Paul do such planning.

Planning Quality Findings

Finding #7: Many staff are unaware of plans made by LIEP.

Finding #8: Only a few staff are involved in planning. It seems staff have to actively pursue opportunities to contribute to planning. Leadership rarely seeks out employee participation in terms of cultivating involvement from those traditionally not involved.

Finding #9: There is an apparent lack of connection between information gathering, analysis, results evaluation and planning. LIEP does not measure results and therefore cannot plan as effectively based on their outcomes. In other words, they do not look at where they have been, so it is difficult to know where they are going.

Finding #10: Many LIEP staff, particularly inspectors, are involved in planning efforts of the professional organizations to which they belong.

Planning Quality Recommendations

Recommendation # 4: *LIEP should resume proactive planning, including assessing the current landscape and future economic, social, human resources, political, and technical impacts on LIEP's work.*

- LIEP must understand the connection between planning and resource allocation to prevent situations such as the one currently occurring with staff being overworked, resulting in a highly stressful work environment because technological, economic, and*

human resource changes were not comprehensively planned. Closer monitoring of outside influences will assist in projecting changes in workload and resources, such as those resulting from increased construction in recent years.

- ❑ *Outcome measurement must be incorporated into future planning. LIEP must look at the results of past planning efforts for lessons learned and areas to continue to work on. They must also look at results of past quick fixes to determine effectiveness and remaining issues to be resolved resulting from the changes.*
- ❑ *LIEP should involve other stakeholders, such as the City Attorney's Office, Planning and Economic Development and Public Works in planning process to incorporate the requirements of other departments and develop an understanding as to how the work of LIEP affects other departments.*

Recommendation # 5: LIEP should involve staff in defining organizational goals and offer ways for staff to contribute to them. LIEP needs to find ways to include less-involved staff in decision-making and make them more aware of planning and improvements taking place in the office and how they can contribute. LIEP should not wait for them to approach management, as history shows they will not.

LEADERSHIP

KEY LEADERSHIP CONCEPTS:

- Mission, Vision, Values
- Stakeholder Relationships
- Staff Recognition

Policy Compliance: +

Quality Rating: ☆☆ 1/2

Senior organizational leaders need to set direction, create a customer focus, establish and articulate a clear vision and communicate and make visible the values of the organization. Reinforcing values and expectations requires personal commitment and involvement. Leaders need to take part in the creation of strategies, systems and methods for achieving excellence. These systems and methods need to guide all activities and decisions of the organization. Leaders must also recognize the role of stakeholders in these processes, and maintain positive relationships with them. Finally, staff need to be recognized for their contributions to the organization and to its mission, vision and values.

Many of an organization's policies and practices are derived from strong leadership principles. In this discussion, we look at three leadership areas in which LIEP has developed policies and practices: mission and vision, internal practices, and stakeholders. Good leadership works to ensure that all in the organization understand the organization's purpose – its mission – and where the organization is going – its vision. Good leaders also articulate values clearly and exemplify them on a daily basis. Strong leadership forms meaningful relationships with stakeholders and maintain good communication and cooperation between the two.

Mission and Vision

LIEP has spent a great deal of time developing and refining its vision/mission statement, which is:

"To be a unified, customer service organization, which promotes a healthy and safe environment through information and enforcement of codes and ordinances."

The vision of a unified customer service organization was derived from a desire by then Mayor Scheibel to meet the following four objectives, as mentioned in the introduction:

1. The need for improved customer service and the creation of a 'one-stop-shop' for businesses.
2. The desire to provide customer service training for inspectors and to improve the coordination of services.
3. The need to review and update the City's regulations.
4. A desire to reduce the overall costs of enforcement in order to save money."

The mission and vision will be discussed more fully in the Quality of Leadership discussion, starting on page 22, but it should be noted that the leadership of LIEP has placed a high level of importance on ensuring that the mission statement is understood and communicated, a highly commendable practice. The Director of LIEP is also very concerned with ensuring that staff

understand his expectations for them, and these expectations have been clearly articulated in written form, and, according to some staff, modeled by senior leadership. Not only does the Director have expectations for his management staff, the managers also have clearly articulated expectations for him. One key piece missing from the expectations is a values statement for all staff, which will be discussed in more detail in the Quality of Leadership discussion.

Internal Policies

LIEP has developed a number of internal policies to make for more efficient and understandable operations. These policies are contained in a policy manual which has not yet been finalized, though all staff have the policies and receive updates as changes are made. Staff also have a LIEP information booklet which is useful for finding answers to basic questions or determining which staff member to contact for the correct answer to complicated questions. Certainly this is an efficient practice as the information is readily available to all staff and allows them to answer questions immediately and correctly.

Stakeholders

Positive stakeholder relationships are essential to maintaining strong leadership. Leadership must be able to identify its stakeholders. Stakeholders are "any person, group, or organization that can place a claim on an organization's attention, resources, or output or is affected by that output."¹⁰ Customers also fall under the definition of a stakeholder. LIEP's customers include contractors and citizens who apply for permits and go through the plan review, permitting and inspection processes. They are discussed in more detail in the Customer Focus section of this audit. Listed below are many of LIEP's stakeholders followed by a discussion of the stakeholders with whom LIEP interacts the most:

- | | |
|---|--|
| <input type="checkbox"/> Fire Department | <input type="checkbox"/> Citizen Service Office and Property Code Enforcement |
| <input type="checkbox"/> Saint Paul Regional Water Services (formerly the Saint Paul Water Utility) | <input type="checkbox"/> Problem Properties Committee and Enforcement Coordination Committee |
| <input type="checkbox"/> Public Works Department | <input type="checkbox"/> Business Review Council (BRC) |
| <input type="checkbox"/> Planning and Economic Development (PED) | <input type="checkbox"/> City Council |
| <input type="checkbox"/> Community Organizations | <input type="checkbox"/> Other levels of government |
| <input type="checkbox"/> Design Center | <input type="checkbox"/> Mayor |
| <input type="checkbox"/> Police Department | |

Fire Department

LIEP has developed a strong relationship with the Fire Department, namely the Fire Marshal and the Fire Prevention and Inspection unit. Clearly, this is due to the efforts of the LIEP Director and the Fire Marshal to maintain open communication and mutual respect between the two organizations. The Fire Department is primarily responsible for the enforcing the fire code, and LIEP enforces the building code, though the two codes do overlap in a few areas. For example, the building code addresses smoke issues, but the building inspectors will defer to the Fire Department in making determinations as to whether a building meets code on smoke issues. The

¹⁰ Bryson, John. *Strategic Planning for Public and Non-Profit Organizations*. Jossey-Bass, 1995 page 27.

Fire Department will also defer to LIEP when a situation is more of a building code issue than a fire safety concern. While it would seem logical that good communication between the two is essential, it appears as though the positive relationship between the two Saint Paul departments is somewhat unusual.¹¹

Saint Paul Regional Water Services

Some overlap exists between the responsibilities of LIEP and Saint Paul Regional Water Services regarding the enforcement of the plumbing code. Traditionally, LIEP has done inspections of the plumbing inside the building, and Regional Water has performed inspections for the plumbing from the water main up to the building for new construction projects only. Regional Water deals only with drinking water; LIEP handles the waste and ventilation. However, ultimately, the Building Official has the responsibility for ensuring the plumbing code is enforced. Both departments currently issue permits relevant to the inspections they perform. While this has not caused any serious problems to date, the practice of both departments enforcing the same code should be examined for potential efficiency improvements.

Public Works

LIEP must also interact with other city departments such as Public Works. Part of the interaction is through site plan review. The site plan reviewer in LIEP has done an excellent job of convening a group that meets biweekly to review site plans. This review group has decreased the time it takes to review site plans and increased coordination and communication between the departments. All involved parties should be commended for their participation in this group.

LIEP and Public Works both retain some responsibility for individual sewage treatment systems. LIEP would like to see these treatment systems eliminated over time, though LIEP has stated Public Works has not been as proactive in promoting sewer systems. City code does not require that individual sewage treatment systems be eliminated, though the City's Comprehensive Sewer Plan, written in 1980 and currently being updated, states as policy that the City should "phase out septic tanks after sewers are made available in newly developed areas." In an interesting twist, LIEP is proactively pursuing the objectives of this Chapter of the Comprehensive Plan, unlike the Land Use and Housing Chapters.

Department of Planning and Economic Development (PED)

In addition to the site plan review group, LIEP and PED also collaborate on business development projects, but it has been suggested further collaboration between all departments who work with small businesses should occur. Small businesses may approach PED or PED's Business Resource Center for funding and other development questions, while they approach

¹¹ The reality is often poor communication and turf battles between building and fire departments. This is particularly apparent at the state level, which was discussed in detail in a report on the State Building Code by the Minnesota Office of the Legislative Auditor. (Minnesota Office of the Legislative Auditor. *State Building Code, A Program Evaluation Report*. 7 January, 1999). The Department of Administration, responsible for the Building Code, and the departments of Public Safety and Public Service, responsible for the Fire Code and Energy Code respectively, have not coordinated their efforts well. The codes were not adopted at the same time, and consequently there were some conflicting requirements. Had coordination occurred, the code conflicts could have been resolved prior to adoption and implementation, thus reducing the confusion for builders who have to comply with all codes.

LIEP for licensing and possibly permitting, plan review and inspections. Therefore, it would be beneficial to both the departments and the small business owner if there was greater communication and collaboration between the parties.

PED and LIEP also have a common interest in building construction and rehabilitation projects. It is clear from many of LIEP's budget objectives they would like to be involved in these projects, but they have not yet developed the relationship with PED or with neighborhood organizations to be as effective as they would like. LIEP also stated they would like to know more about development projects PED is considering. PED states that many of these projects never progress beyond the development stage, therefore it would only create unnecessary work for LIEP. The poor information-sharing practices between PED and LIEP are probably due, in part, to the poorly shared information systems. The new computer systems in LIEP provide potential for increased data sharing between PED, LIEP and other offices such as Code Enforcement, provided they all have access to the systems. More information would allow all involved parties to track the status of these rehabilitation projects, as well as other concerns and projects.

Community Organizations

In a similar vein, various community organizations are stakeholders of LIEP. Community Development Corporations (CDCs) are stakeholders that are involved in building rehabilitations and the identification of "improvement areas" in which Code Enforcement, LIEP, the neighborhood, and any other relevant departments or groups collaborate to improve the building stock of an area. CDCs also have the option of working with LIEP to obtain a building evaluation. According to LIEP, this is rarely done, although it could be a very valuable tool for the CDCs. District Councils are often involved with LIEP, especially when projects have to go through a public review process.

Saint Paul Design Center

This inter-agency group is composed of several city staff from Public Works, PED and Parks and Recreation. They also have a number of outside partners, including Public Art Saint Paul, the Capital City Partnership, the Riverfront Corporation, the Port Authority and Ramsey County. The Design Center is technically overseen by the Riverfront Corporation. The Board and the Director of the Riverfront Corporation manage the policy work. If the Mayor is in disagreement with the Riverfront Corporation, the Design Center serves the interests of the Mayor.

Since the creation of the Design Center, there has been some confusion over its regulatory authority. It does not exert regulatory authority, but rather serves as a consultant and advisor to downtown design projects. LIEP maintains the regulatory authority for ensuring the buildings are safe. The Design Center makes recommendations to LIEP, at which point LIEP could choose to make the recommendations part of the design, or they could choose to ignore them. It is reported that the Design Center and LIEP have a good working relationship, and that LIEP recognizes the importance of the Design Center in ensuring downtown structures meet the objectives of the Saint Paul on the Mississippi Development Framework. The Design Center is working to be seen as part of a business-friendly environment in Saint Paul and less of a regulatory body.

Business Review Council

The Business Review Council (BRC) is composed of representatives from City staff, labor, neighborhood councils, residents with relevant experience, and Saint Paul business owners and organizations. The BRC meets monthly, and has two subcommittees, the Business Issues Committee and the General Legislation Committee, that also meet monthly. The BRC has been most active in identifying unnecessary licensing regulations. They were recently involved in reaching an agreement with the taxicab industry in Saint Paul to increase the number of licensed taxis in the City and allow a rate increase. LIEP provides the staff support for the BRC, and other departments, such as PED and Public Works, also participate and provide support as necessary. The BRC is involved in only a limited capacity in the permitting, plan review, site plan review and inspections processes of LIEP.

Citizen Service Office, Property Code Enforcement and the Police Department

Citizen complaints are often funneled through the Citizen Service Office to the appropriate departments. Therefore, some zoning complaints go through this office to reach LIEP, and the two offices must share information. On a broader scale, LIEP and Property Code Enforcement, a section of the Citizen Service Office, interact in a number of ways. LIEP inspects vacant buildings to determine the building code violations that must be addressed to bring the building into compliance. LIEP will inspect later to determine if those issues have been addressed. Code Enforcement inspects them for property maintenance code violations, and maintains the vacant building list for the city. LIEP and Code Enforcement must interact to ensure that when a permit is pulled for work on a vacant building, that the permit is not closed until the building meets the minimum property maintenance requirements. Code Enforcement and LIEP's Animal Control Unit also cooperate extensively in rodent baiting efforts. Finally, LIEP and Code Enforcement must interact on building projects which have become "problems" because of the long time it takes for their completion, and the nuisance these projects create for neighbors. Notably, these two offices view this issue very differently. Code Enforcement believes there are many such projects which are long-term problems, while LIEP holds that there are only a half a dozen such cases.

City Council

LIEP leadership is also responsible for communicating with the legislative body of the City, the City Council. The City Council is certainly a stakeholder in LIEP's activities, as many of the policies passed by the Council directly affect LIEP, and the Council is also responsible for approving LIEP's budget. The City Council is also the final arbiter on many LIEP decisions such as appeals from the Heritage Preservation Commission, Planning Commission and Board of Zoning Appeals. Maintaining open communication is essential to the vitality of the department. Overall, this relationship is handled relatively well. The BRC communicates with the Council on a regular basis, and LIEP uses the BRC to communicate many of its concerns and issues, particularly related to licensing, to the Council.

However, LIEP is also responsible for communicating directly with the Council, particularly at this time as a result of funding provisions for the new computer systems, known as ECLIPS and

AMANDA.¹² LIEP has done some updates for the Council, though they do not appear to adequately address the problems LIEP encountered in regard to the ECLIPS and AMANDA systems.¹³ LIEP has fallen far behind on its implementation dates for the systems, and has been open about it, though not entirely clear about the reasons for the delay. Written documentation given to the Council does not entirely explain the problems LIEP faced with its original software developer, Online Services, Inc. Nor does the documentation explain the transition in the software name from ECLIPS to ECLIPS II to AMANDA, which is an off-the-shelf software that CSDC, Inc., the current contracted software developer, sells for permitting and inspections. The original ECLIPS project was to include what AMANDA does. To differentiate it from the original Online project it was call ECLIPS II before LIEP contracted with CSDC, Inc. While this may seem insignificant, it is actually an important piece to comprehending the current situation in LIEP. LIEP has not updated the Council on the status of the computer systems since April, 1999, though they have since implemented major portions of the programs.

Other Levels of Government

LIEP essentially enforces state law through enforcement of the building codes. However, the state retains some responsibility. With few exceptions, LIEP maintains all responsibility for inspections within the City, including inspection of most state property in Saint Paul and Saint Paul School District property. One outstanding exception is the permitting and inspections process for tank installation and removal. The City is required to issue permits for above-ground tank installations, but the State Fire Marshal is required to issue a letter of approval to the contractor. The State Fire Marshal is responsible for inspecting them, but it is not clear that this is happening, and it appears that no one is doing inspections.

The City of Saint Paul is also represented at the state level on a number of committees, including the Minnesota Uniformity Committee, which is a group that shares common equivalencies and code interpretations.

The State gives primary responsibility to the City for hearing appeals to the Building Code. Appeals are generally dealt with at the department level before they go to a Legislative Hearing Officer. However, the City Code does not allow Saint Paul's Legislative Hearing Officer to grant waivers to the state building code. The *Uniform Building Code*, which the state building code is based upon, requires all municipalities establish a local board of appeals. However, the Minnesota Legislative Auditor reports that few municipalities have done this. Minnesota Statutes also state that anyone who disagrees with the final decision of a municipality may appeal that decision to the Commissioner of Administration. Some concern exists that perhaps another method should be used to hear appeals to the building code at the city level.

LIEP is also required to submit annual reports the State Historic Preservation Office on heritage preservation activities, per our local government agreement. These reports are tardy by several years. In the interview process, this was attributed to a significant staff shortage in the heritage preservation area. However, LIEP management indicate the reason for the lateness is that these reports are a low priority.

¹² ECLIPS is an acronym for Electronic Computerizes License, Inspection and Permitting System. AMANDA is an acronym that stands for Automated Management of Data and Applications.

¹³ The new computer systems are discussed in more detail in the Information and Analysis section.

LIEP also has to interact with the federal government either when the federal government is doing a building project in Saint Paul or when a project is taking place in a floodplain. In the first case, as with private parties, the federal government is required to pull permits for all work as is required by law. However, LIEP reports the federal government refuses to pull permits or to let the City inspect its projects. The other situation where the City works with the federal government is if a non-governmental project is taking place within a flood plain. Federal agencies, such as the Federal Emergency Management Administration and the Army Corp of Engineers, will then become involved in permitting and inspections. With these projects, the Site Plan Reviewer coordinates the involvement of the necessary parties.

Leadership Policy Compliance Findings

Finding #11: LIEP has developed a mission/vision statement.

Finding #12: LIEP has developed internal policies which are widely circulated.

Finding #13: LIEP has a wide variety of stakeholders, some of whom it works with very well, and others with whom the relationship needs to be further developed or clarified.

Finding #14: LIEP has not kept the City Council as up-to-date as it should on the progress of the automation or the problems LIEP has encountered in implementing the systems.

Finding #15: Some of LIEP's responsibilities overlap with those of other governmental entities. Sometimes these are not coordinated effectively.

Finding #16: The City appears not to be in compliance with state law as it has not established a local board of appeals to hear appeals to decisions of the building code official. Appeals can be heard by the Legislative Hearing Officer, though the Hearing Officer is denied the authority to grant waivers to the building code by the City Code. However, in the State Auditor's report on this subject, the State did not seem concerned with this lack of local appeal boards.

Finding #17: LIEP has been tardy on reports it is supposed to submit annually to the State of Minnesota's Historic Preservation Office .

Leadership Policy Compliance Recommendations

Recommendation # 6: *At a minimum, communication between LIEP and the State Fire Marshal needs to be improved so they can insure that inspections, installations, and removal of fuel storage tanks are occurring. In order to ensure compliance the approval should come from the City, rather than from the state, leaving all responsibility at the City level. LIEP should work with the State Fire Marshal to determine procedural and legislative changes required to bring this about.*

Recommendation # 7: *LIEP and Saint Paul Regional Water Services need to clarify their roles relating to the plumbing code. As the Building Official has ultimate responsibility for enforcing the plumbing code, perhaps LIEP should conduct the inspections currently performed by Regional Water. This may lead to enhanced efficiency for both entities.*

Recommendation # 8: LIEP should market its service of providing building evaluations to community development corporations. This valuable tool would enhance the relationship between CDCs and the City and ensure that rehabilitations address building code problems appropriately.

Recommendation # 9: LIEP and the Design Center should clarify their respective roles and level of authority and clearly explain them to permit applicants.

Recommendation # 10: LIEP and the City Attorney's Office need to clarify whether the City is in compliance with state law regarding appeals of decisions of the building code official.

Recommendation # 11: LIEP and PED should take leadership in developing a quarterly interdepartmental meeting for all staff who work with small businesses.

Recommendation # 12: LIEP should meet with Code Enforcement and other appropriate City agencies to discuss and find solutions to the issue of long-term incomplete projects in the City's neighborhoods.

Recommendation # 13: LIEP needs to come into, and remain in, compliance with state reporting requirements for both its building code and heritage preservation activities.

Recommendation # 14: LIEP should provide the City Council at regularly scheduled intervals, a complete explanation of the current automation situation including funding, hours spent on the project, timeline and reasons for the lengthened timeline.

See also Recommendations 4 and 5 on inclusion in planning activities.

Quality of Leadership

Vision and Mission

As mentioned previously, the vision and mission have to be clearly articulated from the top of the organization down. This is a vitally important characteristic of a high-performing organization. In the case of the City, the Mayor has ultimate responsibility for communicating his vision to staff, whether this is communicated directly from him or through department and office directors. According to the survey responses, the Mayor's vision is ineffectively communicated to staff. However, based on a January 20, 2000 presentation at LIEP's training for small contractors (held after the survey was conducted), it was evident the Mayor does have a vision of enhanced customer service which portrays LIEP as an easy place to do business—a one-stop shop. Clearly, a vision exists, but the Mayor has either failed to find a way to communicate this to LIEP, or management has failed to articulate the Mayor's vision to staff. On the other hand, according to the majority of survey responses, the Director and managers effectively convey the Office's mission and vision. But, it must also be mentioned that one-quarter of LIEP staff surveyed feel the Director and managers do not effectively convey the mission and vision.

From interviews with staff, it seems there is some confusion between the definition of vision and mission. Part of this may stem from LIEP management, who use the words "mission" and "vision" interchangeably in internal documents. Therefore, most interview responses indicated

that the mission and vision are the same for LIEP. Upon closer examination, Council Research determined that the mission statement does not fit exclusively into either category. By definition, "a mission outlines an organizational purpose while a vision goes on to describe how the organization should look if it is working extremely well in relation to its environment and its key stakeholders."¹⁴ A vision incorporates the mission, values, goals, strategies and performance criteria. According to staff, this vision/mission comes from the Director, though it does not seem to be integrated into the practices of the organization. It appears the employees do not understand how their responsibilities contribute to achieving the mission and vision, at least partially because there are no clear objectives directly linked to the mission.

LIEP reports that as a part of the recent planning retreat it clarified its organizational vision, in order to make it "more inspiring and challenging." LIEP also reports that it has established core organizational values. However, in the interview process which followed this retreat, no staff mentioned any specific vision—distinct from the mission, or organizational values.

Values

By definition, values are a "desirable code of behavior to which the organization adheres or aspires."¹⁵ Despite the lack of a clear values statement in LIEP, staff reported that the managers and the Director effectively convey the values of the organization, another characteristic of high performing organizations. Interviewees responded that values are exemplified through the actions of the Director and the values applied to policy decisions. During the interview process the values of good customer service and timeliness were emphasized, though rarely was anything more specific stated. Values statements that were articulated were essentially the same as the mission statement. LIEP clearly places a high value on offering good customer service, although it does not have a clear and uniformly identified set of well-articulated values. However, one-quarter of the staff felt the managers and Director were not effective in conveying the values of the organization.

Staff Recognition

Another essential component of effective leadership is staff recognition. Overall, it was reported the Director and managers do a good job of recognizing staff. This seemed to be particularly true for plan review staff, 92% of whom felt managers and the Director do a good job recognizing staff. LIEP clearly places a high value and emphasis on employee recognition. In interviews, many staff mentioned they feel recognized through the respect they are shown and level of decision-making authority they are given by their colleagues and by management. Management also expressed they are trying to determine the best ways to recognize staff without being patronizing. Management currently use both informal methods to recognize staff, such as "I Love AMANDA" buttons (AMANDA is one of the new computer systems) and polo shirts, and more formal methods such as an employee-of-the-month program. The City also had a city-wide employee of the month program, but it appears to have been terminated. LIEP staff expressed frustration with the termination, particularly since one of their own employees had been nominated for the program. In response, LIEP started its own program.

¹⁴ Bryson, page 155.

¹⁵ Ibid. p. 77.

Leadership Quality Findings

Finding #18: The Mayor has not effectively communicated his vision directly to LIEP staff.

Finding #19: LIEP Director and managers are good at communicating the organization's mission to staff.

Finding #20: LIEP does not have clearly articulated values.

Finding #21: LIEP management do a good job of recognizing staff contributions. They continue to seek better methods to recognize staff.

Leadership Quality Recommendations

Recommendation # 15: LIEP should evaluate its mission statement to ensure it answers the following questions:

- Who are we? What distinguishes LIEP from other City departments?
- What do we do?
- For whom do we do it?
- Why do we do it?

Recommendation # 16: LIEP should identify objectives to put the mission statement into action and also identify specific objectives for each area of LIEP. This will enhance employee understanding of how their particular responsibilities help meet those objectives and thus fulfill the mission. Finally, LIEP should identify specific organizational values under which all employees operate and exemplify them at all levels of the organization.

TRAINING

KEY TRAINING CONCEPTS:

- Education & Training Resource Allocation
- Employer Commitment

Policy Compliance: +

Quality Rating: ★★

The Malcolm Baldrige Quality system pairs the concepts of training and development. We have chosen to split training and development into two subsections because our findings warrant two separate discussions.

Employee success depends on having opportunities for personal learning and opportunities to develop and practice skills. "Personal learning can result in more satisfied and versatile employees, greater opportunity for organizational cross-functional learning, and an improved environment for innovation."¹⁶ Providing training and education is also a good way to demonstrate commitment to employees.

Employees in successful organizations are provided the tools they need to produce quality services. These same employees are given encouragement and the resources to develop a set of skills that allows them to contribute more effectively to the organization over time. Training can help employees better serve customers. Successful organizations also link the training and development of their employees to the organization's goals and priorities. This linkage occurs through the development and implementation of a long-term strategic plan tied to basic organizational values.

Training Objectives and Policies

LIEP has clearly placed a high level of importance on training. One of the stated goals of its 1996 Strategic Plan was "to provide continuing education and training that achieves customer service goals and ensures competency in new technologies, codes, regulations and procedures." Objectives to achieve this goal include providing adequate funding for training, ensuring that the training staff receive is appropriate, and completing an educational plan for every employee. The Director also stressed the importance of providing relevant and meaningful training particularly when it is difficult to add more staff.

LIEP provides a great deal of information to its new employees. New front-counter employees receive a packet of information which contains LIEP policies, time cards, and other human resource information. New inspectors are paired with more experienced inspectors during the initial weeks of their employment with LIEP. Employees also have a comprehensive LIEP handbook that assists them in answering customer questions.

LIEP provides a substantial amount of both financial and time resources for staff to obtain training, and they have developed educational plans for all employees. Counter staff have

¹⁶ 2000 Criteria for Performance Excellence, Baldrige National Quality Program.

received customer service training and have also been cross-trained to handle both permit and license applications. Inspectors have received trade-specific training primarily through the Minnesota Department of Administration or through their particular trade associations. Plan examiners have also received some general training in the basics of the electrical and mechanical codes, and are able to do structural reviews for residential projects and basic zoning reviews. With the implementation of the new computer systems, many staff have received relevant training in order to utilize the systems and train other staff members.

Some concerns have been raised by LIEP staff and by other City staff that too many training resources have been focused on the trade inspectors, while other staff have more limited training opportunities. Some of this may simply be because there are more training opportunities available for inspectors due in part to certification requirements.

Training Policy Compliance Findings

Finding #22: LIEP has invested significant financial and human resources in training.

Finding #23: The LIEP handbook is a very comprehensive and useful tool to which all staff have access.

Finding #24: Each employee has an annually-updated educational plan.

Finding #25: Counter staff are cross-trained in permitting and licensing. Other staff have received some limited cross-training.

Finding #26: Too many training resources may be allocated to the trades inspectors, potentially limiting training opportunities for other staff.

Training Policy Recommendation

Recommendation # 17: LIEP should reassess where resources are allocated for training to determine if some staff have less access to training than others, and whether this is appropriate. LIEP should also determine if, and how, the training is affecting workload allocation.

Quality of Training

LIEP employees were asked their opinion on the effectiveness of LIEP's use of education and training opportunities. The survey results indicate that 98% of staff feel LIEP "effectively" or "very effectively" uses education and training opportunities. This speaks very well for the organization and demonstrates its willingness to invest in its employees. From the interviews, it was apparent that training is widely available and encouraged. Some staff, such as the inspectors, are required to obtain a certain amount of training to maintain their licenses. LIEP provides the funding and the time for this training. Commendably, this Office sets aside a relatively large amount of its budget for these necessary training activities. Also mentioned previously, there is some internal cross training for front counter staff, but not in the other areas.

Finally, the development of the Project Facilitator positions has assisted the organization in having at least two staff operate as "generalists." The Project Facilitator I works as a generalist in the licensing area, although she is somewhat knowledgeable in plan review and inspections as well. The yet-to-be-filled Project Facilitator II position will be a generalist in permitting, review and inspections area.

Training Quality Finding

Finding #27: Through the survey, we found the vast majority of LIEP staff feel the resources provided by LIEP are "somewhat effective" or better. As mentioned above, training is widely encouraged and available, though more so for trade inspectors than for other staff.

Training Quality Recommendations

Recommendation # 18: *LIEP needs to encourage all staff in all work areas to pursue relevant training and provide the resources whenever possible.*

Recommendation # 19: *More cross-education of all LIEP functions would be valuable. Staff tend to have limited knowledge of the functions of work areas beyond their own. Having a good working knowledge of the other functional areas will assist staff in answering customer questions and coordinating efforts to prevent problems.*

DEVELOPMENT

KEY DEVELOPMENT CONCEPTS:

- Employee Contribution
- Work Environment
- Labor/Management Relationship
- Employee Evaluation

Policy Compliance: —

Quality: ★★

An organization's success depends largely on the knowledge, skills, innovation, creativity and motivation of its employees. Valuing employees means committing to their development, satisfaction, and well-being. High performing organizations often provide opportunities within the organization for development and growth. Organizational knowledge is shared so employees can better serve customers and contribute to achieving the organization's goals and objectives. Development also includes building internal partnerships with employees through means such as labor-management cooperation and the creation of a supportive work environment for all employees.

Development Policies

One of LIEP's goals from its 1996 Strategic Action Plan was to improve employee morale in all areas of the Office of LIEP. This goal included the following objectives:

- Encourage managers to nominate employees for recognition. (As mentioned previously, LIEP does a good job of recognizing staff.)
- Use the Labor Issues Focus Group to resolve job and morale concerns. (This group is no longer meeting.)

Relating to the last objective, one of LIEP's 1998 Budget Objectives was to "Monitor employee views and ideas for improvements and develop a labor-management partnership to address areas of mutual concern." Clearly, this labor-management partnership has not come to fruition. The need for such a group will be more clearly articulated in the following quality discussion.

Development Policy Findings

Finding #28: LIEP addressed the need to improve employee morale in its 1996 Strategic Action Plan, but has not followed through on some important objectives to reach this goal.

Finding #29: LIEP does not have an active labor-management group.

Development Policy Recommendations

Recommendation # 20: LIEP should follow through on its commitment to open communication between staff and management and discuss together issues related to morale and other

workplace concerns. This could involve increased management attendance at work-group or team meetings, as well as more proactive involvement of staff not traditionally involved in organization-wide discussions.

Recommendation # 21: *LIEP should reconvene a labor-management group to actively pursue issues of mutual concern. Clear guidelines and expectations should be established so meetings are a place for cooperation, not confrontation and complaining. Leaders should emphasize this is a non-grievance discussion forum. The leaders of the group will also need to engage the problems encountered by the first labor-management group, such as too many participants — The last group had two representatives from each bargaining unit in LIEP which may have made the group too unwieldy and ineffective.*

Quality of Development

Staff Contribution to Organizational Goals and Processes

It was clear through the survey results staff feel disconnected from decision-making in LIEP. When asked about opportunities to contribute to decisions made about operations and procedures in LIEP, 58% of staff surveyed stated there were few to no opportunities. We found very similar results to the question regarding opportunities to contribute to the organization's goals. We examined more closely the overall responses of the group that stated few to no opportunities exist to contribute to decisions regarding operations and procedures to determine whether this group's responses differed from the general population. Their responses are highlighted in the following chart.

Responses and characteristics of staff who felt there were few to no opportunities to contribute to decisions —

When asked about opportunities to contribute to decisions made about operations and procedures of LIEP, 58% of staff felt there were few to no opportunities. Common characteristics and responses of this group:

- Tenured and representative of all work areas surveyed;
- Generally less involved in professional organizations;
- See work environment as slightly more negative than the general population;
- Significantly less aware of data collection practices and whether the data is used effectively;
- More negative on the usefulness of ECLIPS, AMANDA, and other computer systems;
- Generally see less monitoring and responsiveness of customer needs and satisfaction; and
- Unaware of any results measurement in LIEP, and don't know if goals are achieved.

It appears this group is less involved in the organization. This may be due partially to management not involving them in the decision-making process, and partially due to their own lack of motivation to be involved. One interviewee suggested management creates the "big picture" and staff have to decide how to fit in. This sentiment was reflected in comments from other interviews where staff expressed that opportunities exist, but that staff have to pursue those

opportunities. However, one of the expectations the Director has of LIEP managers is that they “involve employees in decision making; seek input.” Involvement may also vary by work unit—different units within the Office seem to have different means to garner staff input. Some use very formal methods, such as staff meetings, while other supervisors visit informally with their staff on a daily basis. Some methods may be more effective than others and the effectiveness of methods will vary by employee.

Work Environment

Nearly two-thirds of the LIEP staff surveyed feel the environment is “conductive” or “very conductive” to the well-being of all staff. However, 36% of staff stated they feel the environment is “not conducive” to the well-being of all staff. While it is alarming that one-third of the staff feel this way, it is also important to note this negativity could impact the rest of the staff. This group’s responses are explored in the following table.

Responses of staff who felt the work environment was not conducive to well-being and growth of all staff —

36% of LIEP staff surveyed felt the work environment was not conducive to the well-being and growth of all staff. This group typically gave more negative responses to nearly every question. General responses of this group:

- See less planning in their work area and staff involvement in planning;
- Feel the Mayor, Director, and managers do not effectively convey a clear vision, mission, or values;
- Do not feel encouraged to participate in professional organizations;
- Less positive about labor-management relationship;
- Less involved in decisions made about operations, procedures, and goals of LIEP;
- See less monitoring and responsiveness to customer needs and satisfaction; and
- Less aware of the results measurement activities of LIEP, less knowledgeable as to whether LIEP compares its results with other organizations, and less knowledgeable as to whether or not LIEP meets its goals.

Possible explanations for the less conducive work environment include stress due to increased workloads and computerization, staff shortages, and the high volume of construction over the past couple of years. It was also reported by a number of people that there is a division between those in the Office willing to make changes and those who prefer the old methods of operation. An uneven workload distribution between sections may exist in LIEP. Some sections, such as plan review, seem to have more work than staff. The lack of planning by LIEP may also be contributing to the stress level. LIEP has not done an adequate job of anticipating and planning for the changing workloads resulting from increased construction, the health of the economy, and the automation of the office. Another possible explanation for the lower rating of the work environment may be the lack of empowerment some staff feel, which makes the environment more stressful. Some staff expressed a sense that their needs and input are largely ignored by decision-making staff, notably those involved in developing and implementing the ECLIPS and AMANDA systems. Other external factors beyond LIEP’s control may also affect morale such

as potential privatization/competition of city services and drawn-out labor negotiations. LIEP management report the reason some staff feel the work environment is not conducive to their well-being is the changeover to a new computer system, although Council Research believes the dynamics are significantly more complex.

Finally, with respect to work environment, another survey question asked how the Director and managers are at creating a work environment that is equally supportive of all employees regardless of race, color, class, gender, age, national origin, sexual orientation or physical ability. Fully ninety percent of the staff surveyed stated they are "fairly good" to "very good" at creating a supportive work environment.

Labor-Management Relationship

The lack of a formal labor-management partnership was mentioned in the policy compliance section of Development. This lack of partnership may have an impact on the staff's view of the relationship. Overall, most staff feel the labor-management relationship is mediocre or fair, although one-fourth of staff say labor and management "work together poorly." This group's responses are examined in more detail in the following table. There is a general sense from other City staff who frequently interact with LIEP that within LIEP, particularly within the trades inspection area, loyalty is to the union first and then to the City. This attitude may influence the way staff perform their duties, as discussed further in the Customer Focus section. It should be mentioned that LIEP management is not exclusively responsible for the bargaining unit's relationship to the City. Contract negotiation is not conducted by LIEP, but rather by the Office of Labor Relations. However, LIEP management is directly involved in the grievance resolution process for LIEP staff. Notably, an examination of the number and type of grievances filed by LIEP employees shows they are similar to those of other departments, taking into account department size. So this reportedly poor relationship does not manifest itself in grievances filed.

Responses from staff who believe labor & management work together poorly—

One-fourth of staff feel that labor and management "work together poorly." This group's responses are consistently more negative than LIEP staff is, in general, in all categories. Listed below are some key findings of the responses of this group:

- Not aware of the Mayor's vision for LIEP, do not believe the director conveys the vision effectively, do not see the director or managers as conveying the mission or values of the organization effectively;
- View the work environment as not conducive to the well-being of staff;
- State the overall work environment for persons of protected classes is not good to fairly good;
- See few to no opportunities to contribute to decisions;
- Not aware of what data is collected for permitting, plan review, or inspections;
- Do not know if the computer systems meet the needs of LIEP;
- Not aware of any systematic internal evaluation in LIEP;
- Not aware of any monitoring of changes in customer needs or satisfaction performed by LIEP, and feel that at best LIEP is "partially responsive" to changes in customer needs and satisfaction; and
- Unaware of any results measurement and goal achievement in LIEP.

Labor representatives within LIEP may view themselves as having less of a role in decision-making. At the same time, some management staff also expressed a sense of hopelessness about their ability to work with the unions. Unions are seen as an obstacle rather than as a partner. Unions may also perpetuate this feeling by being adversarial and uncooperative. These attitudes may permeate throughout the organization, hampering the relationship. An example of this situation is the creation and implementation of the Project Facilitator positions, recommended in the 1994 Functional Redesign Plan. In 1998, the Process Redesign Change Management Committee was reorganized into a formal labor-management committee to address union concerns regarding the creation of these positions. The proposal was held up in this committee as the unions could not agree on who would represent the Project Facilitator positions.

Employee Evaluation

The majority of surveyed employees responded their performance is reviewed annually. LIEP continues to make a concerted effort to review employee evaluation methods for their usefulness. Sixty percent of respondents feel the evaluations are somewhat useful or better, the other 40% feel they are not useful.

Development Quality Findings

Finding #30: Over half of the surveyed LIEP staff say there are "few" to "no opportunities" to contribute to the organization's decisions about operations and procedures. The same statistic exists for opportunities for staff to contribute to the goals of the organization.

Finding #31: Two-thirds of staff feel the work environment is "somewhat conducive" to "very conducive" to the well-being of all staff. The other one-third of staff who feel the work environment is "not conducive" have a more negative view of the organization in general.

Finding #32: Ninety percent of staff surveyed feel the Director and managers have created a supportive work environment for people of protected classes.

Finding #33: The labor-management relationship is mediocre to fair. One-quarter of LIEP staff surveyed feel the two groups work together poorly. This group gave consistently more negative responses to survey questions than LIEP staff as a whole.

Development Quality Recommendation

Recommendation # 22: *LIEP should address work environment issues. The proposed Labor-Management Committee should discuss both the factors negatively impacting the environment and what specific steps can be taken to decrease the stress level experienced by many staff. Additionally, this group could examine what specifically could be done to make LIEP a more supportive work environment for those who feel it is not currently supportive.*

INFORMATION AND ANALYSIS

KEY INFORMATION & ANALYSIS CONCEPTS:

- Data Collection
- Analysis of Data
- Effective Use of Automation Systems

Policy Compliance: —

Quality Rating: ★^{1/2}

Information and analysis is the foundation of a performance management system. Relevant information relates to customers, services, employees, and costs. Analysis of this data should be used for evaluation, decision-making and operational improvement within the organization. Data are used to determine trends, projections, and cause and effect. They also support planning, performance reviews, comparisons and benchmarks.

Automation Policies

Given LIEP's activities related to permitting, plan review and inspections, one might expect a great deal of data to be collected on functions such as permit fees collected, inspections completed and change orders written – among numerous other functions. In the past, LIEP has collected data on the number of inspections conducted, permit values, permit revenues and other budgetary data. However, LIEP is currently collecting very little data beyond the budgetary information to support its operations. Some of this is due to the changing information systems in LIEP from a dBase system that was not Y2K compliant to ECLIPS and AMANDA. The dBase system did not allow communication between functions such as licensing and permitting. Therefore, LIEP began, back in 1995, to look for a new information system that would be useful across activities. To this end, they contracted with Online Business Systems, Inc. in late 1995 to design a system that would integrate the licensing, permitting, plan review, zoning and inspections processes, known as ECLIPS. The goal was "to install a custom designed computer system that will allow a single point of contact for the customer, a single request (application) for information, and a 48-hour maximum response time to customer requests."¹⁷

Unfortunately, Online failed to deliver a product in a reasonable, specified amount of time and the contract was terminated. In early 1999, LIEP contracted with CSDC Systems, Inc. to design ECLIPS 2, which is now known as AMANDA. The system is in the early stages of operation. A great deal of information remains to be loaded into the system and other functions to be completed before AMANDA is entirely operational. LIEP is over one year behind schedule on implementation of the system, though they remain within budget. The following table outlines each system's budget to date.

	Paid	Balance
ECLIPS (Online Business Systems)	\$697,228	\$0
AMANDA (CSDC)	\$319,712	\$211,099

¹⁷ LIEP report to the City Council, April 1, 1997.

The problems with office automation have also pushed back the implementation dates for the hand-held computers for the inspectors. LIEP is hopeful that some inspectors will be able to begin using them this year, with the remainder in use in 2001. The hand-held computers will allow inspectors to retrieve inspections records and issue and log written citations in the field.

Other City departments have also expressed interest in implementing AMANDA. LIEP is currently assisting the Fire Department with developing the system for fire inspections, and PED and Citizens Service Office have also expressed interest in utilizing the system. A unified system would allow all departments access to the same property information through the shared address files. This would create efficiencies for City operations and improve communication between the various departments. A City-wide GIS team is also working to identify software that would interface between AMANDA and GIS. The current software, Arcview, is cost prohibitive to install City-wide (about \$1000 - \$1500 per copy), thus only a limited number of people have access to it. Other, far less expensive programs exist, and the GIS group is developing specifications for these products. Such a program would allow all departments that currently use or will be using AMANDA to access the same information from the GIS system.

Information and Analysis Policy Compliance Findings

Finding #34: In the past, LIEP collected some information on the number of inspections conducted and some budgetary data such as permit values and permit revenues. Currently, no data is collected or analyzed beyond required budgetary data.

Finding #35: LIEP staff should be given a great deal of credit for taking on the task of automating the Office's information systems. It has involved many staff hours to monitor the contracts as well as develop and learn new systems. It has also required that staff not directly involved in developing the systems take on responsibilities formerly assigned to the staff now working on developing the new computer systems. Staff have shown a strong commitment to the project.

Finding #36: The anticipated implementation dates of 2000 and 2001 for hand-held computers for inspectors seems lengthy given the potential usefulness and efficiency of hand-held computers. It does not appear that specific plans are in place to begin the implementation of the hand-helds or train inspectors to effectively use them.

Finding #37: Other departments are interested in implementing AMANDA. LIEP is providing them with staff assistance.

Finding #38: A City-wide GIS team is working to identify economically feasible software that would interface between AMANDA and GIS.

Information and Analysis Policy Compliance Recommendations

Recommendation # 23: *The City of Saint Paul should provide the financial resources to allow for the purchase of an economical software package that would interface between the GIS system and AMANDA. This would allow broad access to GIS for all departments utilizing the*

AMANDA system and enhance the ability to coordinate activities and information between various departments.

Recommendation # 24: Not only must LIEP work to implement hand-held computers as soon as possible due to their usefulness, LIEP must also train its inspectors to integrate the hand-held computers into their work practices. Inspectors must make it a practice to load all inspections comments into the database so other inspectors have the same information. Inspectors should also begin the practice of looking up information to ensure they are providing permittees with accurate information.

Quality of Information and Analysis

Data Collection and Analysis

From the interviews, it was clear LIEP did have data on paper and in the old computer systems, though it was rarely compiled for analysis. When data was collected, it was primarily basic performance statistics, such as the number of inspections done, and used for balancing workload. LIEP is also collecting data on revenue received from permits and the value of the permitted projects. This data is used for budget preparation. LIEP is not currently doing any further data compilation. One-third to one-half of LIEP staff surveyed stated they do not know what data is collected on the customer service/permitting, plan review, and inspections processes. One-third of staff do not know if data is used effectively. Of those who answered the question, they believe data is used "somewhat effectively." Therefore, the data that is collected is not widely shared or used by many staff.

Staff Awareness of Automation

We found staff to be generally unaware of the effectiveness of LIEP's automation efforts. When asked if needs were met through ECLIPS:

- One-half of staff surveyed do not know if LIEP's needs are met.
- Of those who do know if LIEP's needs are met, the average answer was "few needs are met."
- Over one-third of staff indicated "needs are not met."

We received somewhat similar responses to the same questions regarding AMANDA:

- One-third of LIEP staff surveyed don't know if needs are met through AMANDA.
- Of those who do, the majority stated that "few of the needs are met."
- 37% indicated "needs are not met."

We also asked about the other information systems in the office (word processing, e-mail, Internet access). In this case, we found one-quarter of LIEP staff do not know if needs are met, and, of those who do, the most common response was "few of the needs are met."

We anticipated finding that needs may not yet be met with AMANDA, but were somewhat surprised with the responses regarding ECLIPS and the other computer systems. There may be a number of reasons for these findings:

- ❑ They could be a result of the problems with the company originally hired to design ECLIPS, and that once AMANDA, the second phase of the ECLIPS project, is fully operational, more needs will be met.
- ❑ Most staff surveyed do not work directly with ECLIPS, and may have heard only complaints of some staff.
- ❑ We heard in interviews that it sometimes takes longer to perform routine tasks now with ECLIPS and AMANDA. Interviewees suggested that it will take time to learn the new systems, and once staff are comfortable with the systems, efficiency will be improved.
- ❑ Some staff are resistant to change and rather unwilling to learn the new systems.
- ❑ Planning for LIEP's information systems may not have been sufficiently inclusive of all users such as inspectors and counter staff. Some staff stated their input was not considered in the development of ECLIPS. Additionally, they report that when problems have arisen with ECLIPS, they were not addressed because information systems staff were working on AMANDA.

The move toward increased automation is a highly commendable task. The development of the address files and their integration with the GIS system will be very beneficial to the City. However, the City needs to be more proactive in pursuing GIS City-wide. Other departments will also be utilizing AMANDA: Fire, Citizens Services Office, Public Works and PED. LIEP also has staff members in each area who are on-site experts in the computer systems and can answer questions. This is a very good practice and likely helps to alleviate some frustration on the part of end-users.

Information and Analysis Quality Findings

The Future of LIEP's Information and Analysis - ☆☆☆

We felt it necessary to not only rate LIEP on their current information and analysis activities, but also speculate on a future rating if they are able to successfully implement systems and follow through on statements made in the interviews. Therefore, if we were to audit LIEP one year from now, we anticipate they have the *potential* to receive three stars. However, if they do not effectively use their computer systems to collect and analyze data, we do not believe their assessment would improve. The automation should:

- ❑ assist with fee justification based on data and workload analysis;
- ❑ provide inspectors with an inspections results database allowing them to provide consistent information to property owners and contractors; and
- ❑ give other departments such as PED, Public Works, and the Fire Department comprehensive data that will allow them to coordinate activities.

Finding #39: LIEP currently does very little data collection or analysis.

Finding #40: Staff are generally unaware of what data is collected and how it is used.

Finding #41: Staff do not feel the ECLIPS or AMANDA system currently meets their needs.

Finding #42: Great potential exists for LIEP to perform meaningful data collection and analysis and improve its performance by utilizing new automated system. LIEP should be given credit for taking on such a task.

Information and Analysis Quality Recommendations

***Recommendation # 25:** LIEP should clearly identify the information gathering potential of the new computer systems and the usefulness of the data. (See previous box for suggestion). Data collected and analyzed should be related to the mission and objectives of the organization.*

***Recommendation # 26:** LIEP should analyze the effectiveness of the computer systems. One method to analyze the effectiveness would be to follow-up with staff based on survey responses indicating the systems are not useful. LIEP should encourage and gather input on the systems and respond to the input, even if it is not possible to immediately address all concerns or suggestions.*

See also Recommendation #41 in Results and the Performance Measures Chapter.

IMPROVEMENT PRACTICES

KEY PROCESSES FOR IMPROVEMENT PRACTICES:

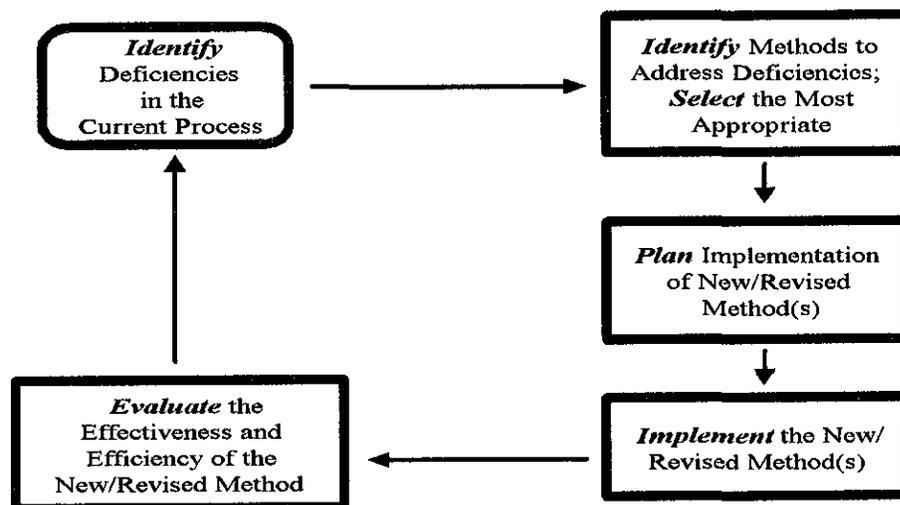
- Identification of Potential Improvements
- Implementation of Improvements
- Evaluation of Improvement Efforts

Policy Compliance: +

Quality Rating: ★¹/₂

Improvement practices occur when an organization considers the design, management and improvement of internal organizational processes. Similarly, improvement processes such as internal evaluation should be part of daily work within the organization, and should seek to eliminate problems at the source and be driven by opportunities to improve. Improvements may enhance value through new and better services, increased responsiveness, and a higher level of efficiency. Notably, the development of new services may or may not be an improvement practice, depending on whether it meaningfully improves services already provided by the organization. Improvement processes must contain cycles of planning, implementation and evaluation which require information and methods for assessing progress. All practices of an organization should be continually evaluated to identify problems and successes, and should be incorporated into an organization's daily practices. These practices are charted in the following diagram.

The Improvement Process



Quick Fixes and Past Improvement Efforts

The very development of LIEP was an improvement practice. The City saw the need to combine functions to increase efficiency and better meet citizens' needs. Historically, LIEP itself has been very active in engaging in improvement practices. Since its inception in 1992, LIEP has developed plans and action steps to address both major and minor problems and processes.

Many of these were developed in the mid-1990's along with the Office's Strategic Action Plan and its Functional Redesign Report. LIEP's past improvement efforts include the report titled *119 Targets for Redesign*, which was part of the Business Process Redesign Project. This report also identified a number of "Quick Fixes," many of which were implemented. Certainly, it was not possible to implement all of them either because it simply was not feasible or perhaps even necessary. LIEP should be acknowledged not only for such a proactive effort to improve its operations, but also for involving many levels of staff in these improvement efforts. Indeed, all of the quick fixes were identified by employee work teams.

Improved Automation

The most visible of LIEP's improvement practices is its current automation efforts. The new computer systems will have a number of valuable features including: access to the City's address files; the ability to track plans currently in the review process; and checkoff lists for plan reviewers and inspectors allowing them to quickly note deficiencies or compliance. While these are good practices which will likely have a positive impact on its functions, LIEP did very little planning to handle activities and problems created by automation, such as increased workloads, stress and the inability to effectively collect data during the transition period. It also remains to be seen how much evaluation LIEP will do of the systems once they have been implemented, particularly given LIEP's historical lack of internal evaluation, discussed later in this section.

Project Facilitators and Experts-on-Duty

The Project Facilitator positions were originally identified as part of LIEP's Functional Redesign Plan, and have taken a long time to implement. The Project Facilitator positions were originally designed to encompass a wide range of functional knowledge in zoning, environmental health, licensing, construction and heritage preservation and to track larger projects and serve as a resource for customer questions. Since then, LIEP determined that some of the functions should be separated to allow for specialization. Currently, a Project Facilitator I assists businesses in obtaining the necessary licenses, and will also help them through the permitting, plan review and inspections process if necessary. The position is primarily focused on the licensing aspect and reports to the Customer Services Manager. The Project Facilitator II, soon to be hired, will be the primary contact person for customers for permitting, plan review and inspections. This position will report to the supervisor for Plan Review and Historic Preservation. Currently plan reviewers track their own projects, so it is unclear how responsibilities will be shared between the Project Facilitator II and the plan review staff.

LIEP also has a policy designating a daily expert-on-duty who is available to handle customer calls and walk-in customers. The expert-on-duty answers questions when the person who usually handles those questions is unavailable or when technical issues are encountered that front counter staff are unable to handle. The expert-on-duty is a commendable practice and valuable to the organization.

Recent Improvement Practices

LIEP has not—actively—identified new improvement practices since the mid-1990's. Perhaps more importantly, LIEP has not reviewed the effectiveness of its past efforts. Improvements have to be evaluated in order to determine their worth and to learn from past efforts. While LIEP

typically does not evaluate the effectiveness of its improvement efforts, LIEP has taken one particular experience to heart: the problems encountered with Online Services, Inc. during the development of the ECLIPS system. LIEP used the experience with Online to formulate a more effective contract with CSDC Systems, Inc. With the new contract, LIEP decided to use an off-the-shelf system which could be customized internally as necessary primarily utilizing their own staff. They also wrote the new contract to better protect the interests of LIEP.

LIEP has incorporated a number of their improvement practices into their annual budget objectives, and LIEP should be given credit here for their efforts. One such example is their 2000 Budget Ongoing Performance Indicator which lists their complaint response time (for zoning complaints) in days as four, down from nine in 1997. Clearly, LIEP focused efforts on this as part of their goal of increased customer service. Other performance indicators, though, have not been monitored and do not have supporting information to show the indicator has been met. Without supporting data, the indicators are meaningless.

LIEP staff have also been very active in reducing plan review and site plan review times. As mentioned previously in the Leadership chapter, the site plan reviewer coordinates the interdepartmental site plan review group, which has effectively reduced review time and increased communication. The plan reviewers also make it their goal to turn plan reviews around quickly and return them to the applicant as soon as possible. And certainly, front-counter staff have also pursued methods to decrease the time it takes to issue permits, and are able to issue "express" permits for simple projects such as basic re-roofing projects.

Heritage Preservation staff in LIEP should also be commended for their efforts in developing some Heritage Preservation brochures which will be sent this spring to every resident of the City's Heritage Preservation districts. The brochures explain the benefits and responsibilities of living in such districts. These same staff members are currently working to have Heritage Preservation information included on the Truth-in-Housing forms, though this has taken longer than anticipated due to lack of staff resources.

Improvement Practices Policy Compliance Findings

Finding #43: In the past, LIEP has actively engaged in developing improvement practices.

Finding #44: Most current improvement initiatives are manifestations of past improvement efforts. Examples are the office automation efforts and the project facilitator positions.

Finding #45: While LIEP has committed to improvement, it has not evaluated the results of its efforts, and, therefore, cannot say with any certainty that changes in practices have led to actual improvements. They did, however, learn from the experience with Online Services, Inc., and used that experience to create a contract that better serves the interests LIEP.

Finding #46: Select sections and staff members in LIEP are working on improvement practices such as plan review with its interdepartmental review team and heritage preservation with its informational brochures.

Improvement Practices Policy Compliance Recommendations

Recommendation # 27: LIEP should involve itself in a complete improvement practices process that includes planning, implementation and evaluation of its improvements.

Recommendation # 28: LIEP needs to use data analysis to evaluate the effectiveness of its improvement practices. So far, they have little documentation to substantiate claims of improvement other than anecdotal evidence.

Quality of Improvement Practices

Internal Evaluation

As mentioned above, an important component of improvement practices is evaluation of current practices. It was clear from interviews and surveys that there is very little systematic evaluation taking place in LIEP. Alarming, 72% of survey respondents stated they “don’t know” if LIEP systematically evaluates its activities. Of those who did know, they stated it was once a year. Most evaluation in LIEP seems to be very informal – essentially reacting to a problem when it arises and devising a method to address the problem, but not really searching for the source of the problem. It is entirely possible staff who stated evaluation is done annually were considering their annual reviews as the systematic evaluation of LIEP. It is also possible that the high number of “don’t know” responses may be a result of respondents not understanding the meaning of systematic evaluation. We consider systematic evaluation to be periodic measurement and examination of organizational results. An example is a car owner calculating miles per gallon under different circumstances. The responses in this category are similar to those in Planning, with a large percentage of staff saying they don’t know how often evaluation occurs or what the results are.

Improvement Practices Quality Findings

Finding #47: LIEP staff are largely unaware of any internal evaluation taking place in LIEP.

Finding #48: LIEP has not prepared concrete plans to implement its larger improvement practices, such as the automation efforts.

Improvement Practices Quality Recommendations

Recommendation # 29: It is apparent that LIEP has few formalized and widely understood goals. Therefore, LIEP staff should be involved in defining improvement practices, setting goals and evaluating activities. (Goal setting is discussed in the planning, leadership and results quality sections). Improvement practices should link activities to goals and objectives. They should also help organizations achieve their goals and objectives.

See also Recommendation #41 in Results and the Performance Measures Chapter.

CUSTOMER FOCUS

KEY CUSTOMER FOCUS CONCEPTS:

- Customer Identification & Knowledge
- Managing Customer Relationships
- Customer Service Practices
- Customer Service Standards

Policy Compliance: —

Quality Rating: ★★½

Attention to customer needs is critical for achieving organizational excellence. Through the creation and management of relationships with their customers, organizations which excel in customer satisfaction obtain information on customer service requirements, expectations and satisfaction. Knowing the requirements of its customers enables an organization to develop standards which are designed to enhance customer satisfaction. For these standards to be effective, they must be understood and followed by everyone in the organization.

In recent years, LIEP has placed a great deal of emphasis on providing good customer service, although there are still some areas in which LIEP could improve. It deserves mention that developing a culture of providing good customer service requires a cultural shift from a rigid code and "rule" enforcement emphasis to a more customer focused approach. Recently published research indicates that the burden associated with regulation is not inspection per se, but the manner in which enforcement is carried out. "Bringing about the right kind of building code enforcement is more difficult than taking a meat axe to regulations and enforcement staffs, which has been the rallying cry of those who wail against regulatory burdens."¹⁸

Improvement in this area also requires that staff understand the importance of customer service training and that good customer service skills can be learned or enhanced. Some members of LIEP's staff do not believe good customer service can be learned, so management has felt the only option in these cases is simply to model good customer service in the hope that staff will mimic that behavior.

LIEP's Customers

LIEP considers its primary customers to be those who apply for building permits and go through the plan review and inspections processes. They have improved a number of their services and practices to better meet these customers' needs. Unfortunately, few people outside LIEP know of these improved services. Marketing these services may improve code compliance and assist LIEP in enhancing its one-stop-shop image. For example, LIEP offers an express site plan review if the customer is anxious to begin the project. LIEP also provides preliminary plan reviews, issues express permits for such things as roofs, and offers one-hour free parking while visiting LIEP. Marketing these valuable services to the general population could be beneficial in assisting property owners and contractors in understanding that the process of obtaining a

¹⁸ Raymond J. Burby, Peter J. May, Emil E. Malizia, and Joyce Levine, *Building Code Enforcement Burdens and Central City Decline*. *Journal of the American Planning Association*, Vol. 66, No.2, Spring 2000. page 155.

building permit is not nearly as cumbersome as they might expect. Certainly word-of-mouth is also an important method for sharing this information as many contractors work with each other on various projects and are likely to share experiences.

A very useful marketing tool, largely neglected by LIEP, is the Internet. Not only could LIEP's website be used for marketing, but also for providing services directly to customers, such as building permits, zoning and code information, plan review and inspections results. LIEP has as one of its objectives, identified in its 1996 Strategic Action Plan, to "Develop a Home Page on the Internet to provide information to our customers and a means to accommodate remote transactions 24 hours per day" by the end of 1996. Online Business Systems, Inc. was to develop this resource, but their contract was terminated prior to completion. The fact their web site is essentially useless to customers demonstrates a gap in LIEP's efforts to become a customer-focused organization.

Customer Service Practices

Permitting/Customer Service Section

In general, LIEP's first point of customer contact is the front-counter staff. Property owners and contractors will most likely call LIEP to ask questions or come to the front counter to apply for a permit. LIEP has a number of informational sheets available answering basic questions about requirements for certain types of projects, and sample plans indicating the minimum building requirements for common projects such as stairways and garages. It was reported by other LIEP staff that the front-counter employees are very good at providing customer service and are always willing to make changes that improve customer satisfaction. LIEP has also designed a system to issue express permits for simple and straight-forward projects such as roofing and fences. LIEP will also issue "early start" permits which allow a project to begin before all permits have been issued. An example would be issuing a foundation permit for a building before the mechanical plans have been approved. In some cases, LIEP also maintains accounts for contractors or businesses that frequently pull permits, and simply deducts the permit fees from that account.

Plan Review and Zoning Site Plan Review Section

While the plan reviewers and site plan reviewers have few formal customer service guidelines, they all attempt to review plans as quickly and accurately as possible. Another very positive customer-oriented practice is the aforementioned preliminary plan review process, during which LIEP staff meet with developers, contractors, or property owners to go over plans informally to look for any potential problem areas. This allows the plan submitter to make changes to the plans prior to formal review, at which point changes become more expensive to make and the process takes longer. The hardest step for many people is initially gathering the right information for plan review. The preliminary plan review provides them the opportunity to find out what they still need before they pay any fees or spend a lot of time changing plans and adding information. If necessary, staff will also perform a preliminary site plan inspection.

Plan Review staff meet with plan submitters to discuss the necessary changes upon formal review of the plans, and will follow up the meeting with a letter explaining the required changes. Plan reviewers will also call the applicant if they do not meet with them. Staff should be commended for this customer-focused practice.

Inspections Section

Council Research found several areas where inspections policies could be clarified across trades groups. We also found several situations in which a policy would be helpful in creating clearer expectations for both the inspectors and the customers. Customer service standards would also assist in alleviating some of this confusion.

LIEP does not have a policy pertaining to providing customers with appeals information. Some inspectors provide verbal information when they give the correction orders; others provide written information when they send out change orders. The lack of clarity may be causing confusion for the customer. Without a clear policy and a uniform practice, customers will not receive the same information in a consistent manner.

Council Research found through the interview process that some inspectors do not suggest equivalencies when they require changes. They simply say "you can't do that." Inspectors have a great deal of latitude, as they are given the authority to grant equivalences provided the intent of the code has been met. Interviews with LIEP staff indicated some inspectors will grant equivalences themselves, others will defer to their supervisor or to the building official, and others simply avoid granting them if to hide at all possible. However, it is important to also mention that although consistency in use of equivalencies is necessary, a "business-friendly" approach demands that inspectors maintain a fair amount decision-making authority in the field.¹⁹

Linked to the lack of equivalencies granted may be an attitude of a few inspectors that contractors and property owners are attempting code violations from them. In many cases, it could simply be an oversight or the property owners or contractor's lack of knowledge. If the inspector took time to explain why the code infraction is a life/safety issue, contractors or property owners may willingly comply. It is possible that the less flexible inspectors may lack a sense of accountability for their actions. Some inspectors do not appear to feel accountable to anyone except themselves and operate seemingly in a vacuum. They know many contractors fear retaliation if they complain about an inspector. A couple of business owners mentioned to Council Research they have felt sufficiently intimidated by particular inspectors that they did not complain about an inspection, when they otherwise would have. These problems may be linked to comments from other City staff who interact with LIEP's inspectors and customers that some inspectors serve the interests of their own trade associations before the interests of LIEP or the City. Some inspectors forego more customer-friendly actions because they view safety as their main objective and use enforcement as their primary method of obtaining compliance. It must also be mentioned that many of LIEP's inspectors are interested in working with contractors and property owners. The few who are not damage relationships between the City, its residents and businesses.

Another problematic practice in inspections is the final inspection. Most inspectors will sign the back of the permit indicating the work meets code standards. Some inspectors will leave either a yellow card, if they are unable to sign-off on the permit because changes still need to be made, or a green card if they are unable to get in to inspect a project because no one is home. Most communication appears to be with the contractor. While this is certainly important, it would be beneficial to the owner if they were given the same information as the contractor, particularly when a permit cannot be closed out due to remaining required changes.

¹⁹ "Business-friendly supervisory practices emphasize the attainment of enforcement goals while giving inspectors a considerable degree of freedom in how they interact with contractors and developers." Burby, et al, *Ibid.* p. 155.

One final problem discovered with the inspections process is that not all inspectors readily identify themselves by either showing or wearing a badge stating they are an inspector for the City of Saint Paul. This has caused some wariness and concern by property owners who find an unfamiliar person on their property. Notably, it is LIEP policy that all inspectors verbally make known their presence and purpose as soon as is practical at the work site. Certainly wearing a badge to a site that an inspector visits on a regular basis may seem unnecessary, but it would aid all workers on site in identifying the inspector. However, we found during our field visits with inspectors that the inspectors immediately identified themselves to the contractors or property owners.

The Housing Initiative

Another customer-focused improvement practice is the Housing Initiative, which is an effort to increase the number of housing units in Saint Paul. Part of the Initiative is to speed housing projects through the site plan review process and lower the permit and plan review fees. Reportedly, the Initiative has been marketed through newsletters, seminars, newspaper reporters, the BRC, and relevant organizations.

Initially, the community received misleading information regarding the purpose of the Housing Initiative. The original resolution establishing the Housing Initiative, presented by LIEP and approved by the City Council and Mayor, stated the amount of fees for all housing units approved from September 1, 1999 to August 31, 2000 would be cut in half. Two problems existed with the resolution. First, LIEP cut the fees for new housing projects only, not for rehabilitation projects, which caused some confusion. Second, the permit and plan review fee cuts were instituted through a resolution, not through an ordinance as is required, as Council Research discovered. The problems were corrected in late 1999 through passage of an ordinance cutting the fees in half during this time period for new construction only.

Customer Service Policy Compliance Findings

Finding #49: LIEP has improved a number of practices which benefit customers, but they have not marketed them effectively. We found a number of good customer-focused practices such as:

- express permits;
- handouts with basic information particularly beneficial to first-time applicants;
- pre-paid permit fee accounts;
- express site plan reviews;
- preliminary plan reviews and inspections; and
- early start authorization.

Finding #50: LIEP has not effectively developed its website to allow for online permit applications, zoning and building code information, plan review, inspections results notification and Housing Initiative information.

Finding #51: LIEP encountered a number of problems with the Housing Initiative, such as the definition of applicable projects and the legislative authority required to implement the program.

Finding #52: Only a few trade inspectors wear badges visually identifying themselves on-site during inspections. While it is policy that all inspectors identify themselves and carry

identification, a policy requiring them to wear a badge may assist contractors and building owners in more readily identifying the inspector.

Finding #53: No uniform procedure exists for giving customers appeals process information.

Finding #54: No uniform process exists for granting equivalencies, and some trade inspectors are resistant to granting them.

Finding #55: Some inspectors seem to hold the attitude that contractors and property owners are trying to hide violations from them. This attitude sometimes results in antagonistic behavior toward the contractor or property owner.

Finding #56: No uniform process exists for leaving final inspection information with a contractor or property owner.

Customer Service Policy Compliance Recommendations

Recommendation # 30: *Develop marketing strategies for promoting the express permits, the preliminary plan review process, pre-paid permit accounts, parking reimbursement and any other customer-focused practices.*

Recommendation # 31: *LIEP is one of the City agencies which has the most direct contact with residents and businesses seeking information, and stands to benefit greatly from having as much information as possible on its web page. Completion of the web site should be a high priority for LIEP, particularly in light of the goal to have it completed by the end of 1996. Information that should be available to customers on-line includes:*

- permit applications and permit status information;*
- inspections results;*
- general building code and zoning information, similar to the paper handouts available;*
- information on special programs and projects, such as the Housing Initiative;*
- a Frequently-Asked-Questions (FAQ) page; and*
- an "ask-the-inspector" page in which visitors could post general questions to trade inspectors.*

Recommendation # 32: *LIEP should develop a policy requiring trade inspectors to wear an identification badge at all times while performing inspections.*

Recommendation # 33: *LIEP should develop a policy for granting equivalencies which is known and used by all inspectors in an effort to make the practice fair, consistent and useful. The City Attorney should be involved in developing this policy to ensure it is legally sound. The development of these policies will enhance LIEP's image in the City.*

Recommendation # 34: *LIEP should work to change the attitude of its inspectors who believe that contractors and property owners are trying to hide something from them. They should immediately cease threatening property owners with retaliation, which is contrary to LIEP policy, but is reported to happen from time to time.*

Recommendation # 35: LIEP should develop a process for leaving information with both property owners and contractors upon final inspections, particularly when changes are still required before the permit can be closed.

Recommendation # 36: LIEP should look at the practices of building inspections departments in other cities for possible customers service improvements. One suggestion would be maintaining evening hours one or two nights a week to make it easier for homeowners who work during the day to apply for permits, such as is the practice in San Diego.

Quality of Customer Focus

Customer Identification

It is vital that employees in an organization identify a uniform group of customers in order to best serve the interests of their customers. Within LIEP, both survey and interview respondents identified very similar customers: property owners, citizens and contractors. LIEP staff indicated that sometimes these different customers have competing interests, which are difficult to balance. What a contractor wants may not be in the best interest of the citizens, and LIEP staff are required to make determinations based on life-safety criteria, rather than on what the "customer at the desk" may want.

Customer Knowledge

Customer knowledge consists of understanding the customers needs and desires, and having mechanisms in place to monitor those needs and desires. The survey indicated that many staff feel customer needs and satisfaction are monitored occasionally, though approximately one-third of staff are not aware of how often this is done. Interviews and documents indicate LIEP has done customer service surveys in past years and is preparing to do another one in 2000. The last survey, done in 1998, was not useful due to a low response rate.²⁰ LIEP also tracks complaints and gets information on customer needs through professional associations, word-of-mouth, correspondence and elected officials. Most information gathering on customer needs and satisfaction is informal. LIEP does little to anticipate the future needs of customers.

Customer Relations

Staff indicated through the survey that LIEP is "mostly responsive" to changes in customer needs and satisfaction, though again, one-half to one-third of staff do not know how responsive LIEP is. One staff member in an interview described very well what good customer service is for LIEP:

- being as responsive and timely as possible;
- being as proactive as possible by going to housing fairs and having a LIEP booth at fairs and at home improvement stores to answer questions;

²⁰ Evaluation of this experience could help LIEP in making future improvements to the survey process.

- meeting with contractor groups to get information and feedback;
- holding classes on code compliance;
- meeting with engineers to go over plans before work begins; and
- answering questions.

The lack of planning affects LIEP's ability to respond to customer needs and satisfaction thoroughly. Planning takes into account potential changes in needs that result from changing economic, technological and social factors and other influences. Associated with this lack of planning is the slow development of the Internet site for LIEP. The ability to look up permits, apply for permits, and receive zoning and other information over the Internet would be invaluable to many of LIEP's customers. However, LIEP has focused very little energy on developing this resource.

Some staff also mentioned the struggle between enforcement and customer service. They seem to be unsure of how to provide good customer service while also enforcing codes effectively. Many staff stated good customer service is defined in the LIEP employee performance evaluation form, although they could provide no universally understood definition. The lack of a useful, well-known definition of good customer service indicates a gap between the vision of senior leaders and the implementation of that vision.

Customer Service Standards

Formal customer service standards help all staff understand what is expected of them by the organization and by their customers. About half the staff indicated there are customer service guidelines for LIEP, but about one-third do not know of their existence. Staff surveyed indicated "some" customer service standards are written, though one-half of staff didn't know of their existence. Staff also felt customer service guidelines are "somewhat widely circulated," again with one-half of staff not knowing of their existence.

The customer service guidelines LIEP has in place are "mostly understood" and followed frequently. The survey question relating to how often customer service guidelines are followed received one of the highest average scores of all the survey questions, indicating staff felt very strongly that the guidelines are followed. Interviews also indicated that staff are very good at providing customer service, and take great pride in this aspect of their work.

Customer Focus Quality Findings

Finding #57: LIEP staff consistently identified property owners, citizens and contractors as their primary customers.

Finding #58: Staff are either unaware of customer needs and satisfaction monitoring or feel it is done only occasionally.

Finding #59: A useful customer service survey has not been done in three years, though LIEP is preparing to conduct one in 2000.

Finding #60: The lack of planning may affect LIEP's ability to effectively respond to changes in customer needs and satisfaction.

Finding #61: LIEP has few formal written customer service standards.

Customer Focus Quality Recommendations

Recommendation # 37: *LIEP should consider other options besides an annual or biennial survey for monitoring customer needs and satisfaction. Some suggestions include survey cards issued with the Certificate of Occupancy or when a permit is closed. Another option is to focus on evaluating one activity per month. For example, give surveys to everyone who applies for a permit in February, in March give surveys to everyone who has a site plan review, and in August to everyone who receives an inspection. This way, not all sections are burdened with conducting a survey at the same time. If another, organization-wide survey is desired, LIEP should consider consulting with organizations which have been successful in reaching a high response rate from their customers.*

Recommendation # 38: *LIEP should formalize customer service standards, such as plan review's three day turn-around for basic plan reviews. This would help all staff understand the customer service standards and how their work contributes to the goals set by the organization.*

Recommendation # 39: *LIEP should provide more customer service training for inspectors to help them understand how they can provide good customer service and good code enforcement.*

Recommendation # 40: *Develop an idea/complaint/compliment line and/or e-mail address that would allow customers to directly communicate with LIEP at their own convenience and at any time, rather than just through the annual customer survey.*

See also the Performance Measures Chapter.

RESULTS

Policy Compliance: —

Quality Rating: ★

KEY RESULTS CONCEPTS:

- Organizational Outcomes
- Financial Outcomes
- Customer Satisfaction
- Use of Performance Indicators

Results is the section of the Malcolm Baldrige system which deals with an organization's ability to determine if and how well it is accomplishing its mission. Results should focus on creating and balancing value for all stakeholders, whether they be customers, employees, suppliers, the general public or individual neighborhoods. The use of performance indicators, also known as performance measures, offers an effective means to communicate both short- and long-term priorities and provide a focus for improving results. Results measurement should be the last phase in an ongoing cycle involving goal setting, planning, the execution of plans and improvement practices. Using results information in this way, can help staff provide the best service in the most efficient way possible. Decision and policy makers can also use results information to monitor the provision of services on the public's behalf, ensuring government accountability.

LIEP received its lowest rating in this performance audit in the Results area. This is particularly problematic in that the Malcolm Baldrige system weights Results the most heavily of its seven categories. In recent years, the Results category in the Malcolm Baldrige award program has been given between 40% and 60% of the total points available. The reasons for LIEP's low rating are discussed in detail below. However, Council Research also believes there is potential for improvement in this area in the near future due to computer system improvements. Those possibilities are discussed on page 36. Finally, the essence of Results is a system of performance indicators. Although the presence and use of performance indicators is covered in this chapter, the following chapter, beginning on page 53, is dedicated exclusively to performance indicators for LIEP.

We did not include a separate discussion of policies in the Results area, only a quality assessment discussion. Results policies are embedded in the City's annual budget process, as well as other places, and are discussed in detail in the Performance Indicators chapter.

Results Measurement in LIEP

Results measurement requires adequate information systems, a carefully thought-out system of indicators and consistent, periodic measuring. As discussed at length in earlier sections of this report, LIEP has nearly completed its transition to using the ECLIPS and AMANDA systems. These systems have the potential to provide a variety of data for the organization to analyze. The challenge will be determining what is good and useful information for the day-to-day management of operations, and what are good indicators of how the organization is performing. Finally, it cannot be overemphasized that measures of results can and often do involve assessments which are not quantitative in nature. Not all useful things can be "counted," but they do need to be taken into account, documented and reported over time.

LIEP has historically gathered and analyzed some information on its performance. This is exemplified in past years' budgets and in the annual reports prepared by the former Building Inspection and Design Division. However, in recent years, these activities have ceased almost completely. LIEP continues to only estimate all vital organizational statistics, except for the revenue derived from licenses and permits.²¹ For 1998 and 1999, there are no firm numbers in the budget indicating the annual number and type of permits, the number and type of plan reviews conducted or inspections performed. However, it must be noted that in the budget process, the Mayor's Budget Office did not review LIEP's performance indicators with staff to determine their usefulness in portraying LIEP's workload. This is perplexing given the reportedly high volume of construction and rehabilitation in Saint Paul in recent years. However, this lack of measurement is symptomatic of inadequate performance measurement and accountability standards on a Citywide basis.

Given this lack of information and analysis, it is not surprising that over half the staff surveyed do not know how often LIEP measures its results. In fact, this survey question elicited the highest proportion of "don't knows" of all 46 of the surveys questions. Of those who did answer, the most common response was "occasionally." Not surprisingly, most staff are unaware of comparisons between LIEP and other, similar organizations. The interviews conducted also indicated that when comparisons are made, they tend to be anecdotal.

Despite the lack of specific performance measures, the most common response to the survey question on how often LIEP meets its goals was "frequently" for those who answered the question. This question received one of the highest average responses of all survey questions. In a follow-up survey question, Council Research asked how staff knew they were meeting their goals. The majority of the written answers indicated staff knew they were meeting the organization's goals because of 1) positive customer feedback received in customer surveys and in person; and 2) the quality of the City's building stock.²² Notably, these are two areas where some specific performance measures can and have been done.

It also became apparent in the performance audit process that staff had valid concerns about the use of performance indicators. Some were concerned that activities which could not be easily "measured" would lose value. Others thought it would be near impossible to measure the final "results" of LIEP's activities—such as a quality building stock and urban landscape which is likely to have a useful life well into the future. Therefore, they believed the organization would then begin to shift its focus to work "outputs," such as the number of inspections conducted or plans reviewed, which can be easily tabulated, but may not speak to the quality of work performed. The Performance Indicators chapter will provide guidelines and suggestions for alleviating these concerns and creating useful performance measures.

²¹ From permit revenue information, LIEP can determine the approximate value of all projects undertaken.

²² There are several indicators of the quality of the City's building stock. These include, among others: 1) the class ratings for the City's commercial office space; 2) the *Housing Survey* conducted by PED in the 1980s; 3) results of the Certificate of Occupancy Program which provides minimum standards for buildings; and 4) post major storm assessments done both by the public and private sectors.

Results Quality Findings

Finding #62 There has been a significantly reduced focus on examining the results of organizational activities recently. This lack of emphasis may seem justified because past performance measures had little meaning and held little value for their users. However, meaningful measures can be developed. This seems to be true not only for LIEP, but also more broadly throughout the City.

Finding #63 In spite of the lack of performance indicators, staff use the ones they have available (customer surveys and building data) to determine if they are meeting the LIEP's goals.

Finding #64 LIEP's emphasis on customer service is clearly internalized by many staff.

Finding #65 Despite the poor rating given in this area, Council Research believes LIEP is poised to develop a meaningful performance measurement system. Many of the "building blocks" are in place to make a useful performance measurement system in LIEP. The new information management systems will have the capability to provide many types of information to staff. These information management systems will also act as a catalyst for changing and rethinking some work processes. For example, the use of handheld computers by inspectors will significantly change the flow of information from the field to the central office, and from one inspector to another. LIEP is also in the process of initiating another cycle of planning, albeit a much less formal undertaking than used in the past. These events combine to make this an ideal time for the organization to develop new performance measures which will meet its needs. If LIEP fully takes advantage of these circumstances and pursues an inclusive process for developing performance measures, the rating would improve substantially.

Results Quality Recommendation

Recommendation # 41: *LIEP needs to develop a meaningful performance indicators system for determining how well they are meeting the organization's goals. This process needs to overtly take into account issues which may not be "measurable," but which also need to be documented and reported over time. The development process should also be inclusive and incorporate staff ideas. A performance measurement system should function not only to give feedback to managers and policy makers, but also to staff who rely on it to provide them regular feedback on individual activities. All of the organization's stakeholders have an interest in knowing how well the organization is meeting its goals. Examples of specific measures are outlined in the next chapter. Additionally, the Mayor's Office should much more actively monitor performance indicators used in the budget and assist the City's departments in developing more meaningful indicators.*

Performance Measures

Performance indicators are a means by which an organization determines the degree to which it is achieving its mission. Not everything an organization does and seeks to accomplish can be quantified, but rather there are some measures that are good indicators of its success. LIEP's mission is clear, and it bears restating here. It is "to be a unified customer service organization, which promotes a healthy and safe environment through information and enforcement of codes and ordinances." In this chapter we will explore how LIEP seeks to inform itself, its customers and its stakeholders about how well it achieves its mission. This chapter is intended to provide a basis for discussion and assist LIEP in refining the measures currently in use. LIEP is just now completing implementation of AMANDA, the information system which will track much of the needed data for performance measurement. Therefore, it is a critical juncture for LIEP in the consideration of these issues.

Council Research has approached this examination of performance indicators with several assumptions in mind. First, we believe the City Council has a vested interest in examining performance indicators as a part of the budget review process. The use of performance indicators gives the Council a clear picture of what has been accomplished in past years, and expectations for future years. They meaningfully connect dollars spent and the services expected of City government. Indeed, as the Council deliberated upon "managed competition proposals," the need to translate City activities into meaningful performance indicators became very apparent. The development of such indicators is necessary to make clear to anyone—employees or private vendors—just what performance is required. Second, we believe performance indicators can be useful management tools for communicating with staff about expectations. However, we also put forward the notion that staff must be a part of the creation of performance indicators and see their usefulness in their daily work lives. The people who will, in practice, provide information for performance indicators are also profoundly affected by what the indicators may reveal. Finally, although we recognize there are limitations in what performance indicators can communicate about the success of an organization, there is little else available to provide "a gauge" on progress. The logical alternative, comprehensive program evaluations, are time consuming and expensive when compared to tracking performance indicators. Also, such evaluations do not necessarily provide for incremental improvement.

Two problematic performance indicator issues came to light in the audit process. First, the Director indicated that 1997 was the last year they used actual figures for the budget process—after which time LIEP has been using conservative estimates. It should be taken into account that the Office was undergoing a significant transition from a mix of computer and paper information management systems, to its new automated systems, ECLIPS and AMANDA. In this environment it may well have been difficult to piece together and tabulate the required information. However, it was not clear in the budget that estimates were being used, which is particularly apparent in reviewing 1998 data in the 2000 proposed budget, where no such notation was provided. Council Research views this situation as particularly problematic because the Council was informed that we have recently been experiencing record construction years in Saint Paul. At the same time, the impact of this increase was not reflected in data, projections or estimates provided by LIEP, although the workload had clearly increased. The second problematic issue is that the Budget Office does not, as a practice, review the performance indicator information provided in the budget. Yet, it is likely most staff and the Council assume

this a standard practice, and, therefore, believe the Budget Office knows, understands and monitors these indicators.

LIEP has, of course, some performance indicators in its budget. They are organized by activity area, and we have followed this organization in our discussion: customer service and permitting, plan review, zoning and inspections. Notably, sometimes the objectives and indicators in one area of LIEP's budget will overlap with those of another. In those cases, we cover the topic in the area to which the objective relates most clearly. For each area, we have looked for performance indicator coverage of the following:

- customer service, which includes timeliness, helpfulness and accuracy;
- efficiency, which includes timeliness, costs and staff time; and
- effectiveness, which includes quality and results from activities.

Permitting/Customer Service

LIEP has made improving its customer service in all parts of the organization a priority. This emphasis on providing excellent customer service can be measured, as is demonstrated in the excerpted portion of the Customer Service activity budget in the following box. In that budget activity we see a performance indicator stating that customer service surveys should show that 95% of customers will be satisfied. The data for this performance indicator have been garnered from some informal surveys conducted by staff. PED also conducts a biennial business survey, with specific questions pertaining to LIEP services. With respect to the other customer service indicator, number of complaints registered in the area of customer service, it was not clear to the audit team how, and if, such complaints were compiled and tracked. Given that reported complaints have been zero for several years, perhaps a more meaningful indicator should be developed, such as tracking "counter" errors in the processing of permits and licenses.

There are several indicators in this budget activity which speak to efficiency. Among these are the number of permits and licenses issued, and files maintained. While these are no doubt useful in some regards, given that the Office has been using estimates, these numbers have little value when examined over time. They also give little indication of the effort involved to generate permits. Therefore, another area which may be useful to pursue is to examine the average amount of time it takes to process permits and licenses. For example, it would be useful for stakeholders and customers to know that for a simple project, such as a roof or fence, 75% or 90% of customers will need only ½ hour to obtain a permit. Such a measure need not be done on a daily basis, but surveyed periodically. Similar measures could be developed for projects requiring plan review or zoning staff involvement. Initiation of such measures would make meaningful the following objective from LIEP's 1998 budget: "Since the initiation of the Process Redesign effort in 1994, LIEP has realized a reduction in processing time for permits and licenses, a reduction in the number of delinquent license renewals, an increase in collection for these renewals, and a decrease in the time required to obtain permit and license services from the City." The problem was well-articulated by one tenured manager interviewed who said "I know it's true, but I don't know how to prove it."

Customer Service 2000 Budget (*omits non audit area activities*) —

<p>Ongoing Program Objectives</p> <ul style="list-style-type: none"> <input type="checkbox"/> Continue to provide accurate information and excellent customer to both internal and external customers. <input type="checkbox"/> Continue implementation of process redesign to simplify internal procedures as well as external process (ordinance changes). <input type="checkbox"/> Develop a written policy and procedure manual for all customer service functions. <p>2000 Projects</p> <ul style="list-style-type: none"> <input type="checkbox"/> Design, distribute and report on Customer Service Survey for LIEP customers. <input type="checkbox"/> Continue and complete the ECLIPS project by the implementation of AMANDA and performance enhancements. 	<p>Performance Indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Customer service survey satisfaction results <input type="checkbox"/> Complaints registered in the areas of customer service <input type="checkbox"/> Ordinance changes enacted <input type="checkbox"/> Procedures revised <p>Customer Service Statistics:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Permits Issued <input type="checkbox"/> Competency Certificates issued <input type="checkbox"/> Number of trade licenses issued <input type="checkbox"/> Licenses issued (all types) <input type="checkbox"/> Number of property files maintained <input type="checkbox"/> Purchase orders and vouchers processed
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Finally, the Customer Service Activity Performance Plan has a performance indicator which states that 50 procedures will be revised in 1999 and 30 in 2000. The audit team was perplexed as to the value of counting the number of procedures changed. Change is expected to be ongoing, usually leading to improvements in other performance indicators. Although we compliment LIEP on trying to improve its procedures, we believe other performance indicators would better capture this concept.

Zoning and Site Plan Review

Although the budget activity discussed in the above paragraphs bore the title "customer service," other areas in LIEP also have customer service concepts embedded in their work activities, including Zoning and Site Plan Review. There is only one specific customer service performance indicator in the budget for Zoning and Site Plan Review. It states the average response time for zoning complaints will be 4 days. This is an excellent indicator that LIEP may wish to enhance. The indicator could also speak to average complaint resolution times, or indicate that some percentage of zoning violation complaints are responded to in 4 days. Also in the area of customer service, LIEP has been striving to streamline and shorten the site plan review process. There were no performance indicators addressing these efforts in the 2000 budget. However, it seems evident that LIEP could be clear about the average length of time for site plan reviews, once LIEP has all the required materials. It also seems reasonable that other customer service indicators should be developed for zoning activities, such as looking at average or expected turn-around times on projects and also customer survey results. Finally, an excellent customer service practice is that all applicants who go through the site plan review process receive both a call and a letter explaining the results.

As was the case in customer service and permitting, some statistics are maintained on the staff's workload. These include counts of site plans reviewed, zoning variances processed, appeals processed, and zoning histories researched to determine legality of use. And again, while these

indicators have some value, actual figures have not been gathered in recent years. Also, there is little indication of the staff effort involved in performing these activities. Such an indicator could be used for monitoring workload, as well as developing minimum or maximum time expectations for customers.

Perhaps the most logical measure of the effectiveness of zoning and site plan review is compliance with the City's Zoning Code and adherence to the specifications of approved site plans. Compliance with the City's Zoning Code can be gauged best by using zoning complaints and zoning histories researched to determine compliance. Relatedly, monitoring the types of variances and appeals can give indications of the effectiveness of the Zoning Code in addressing current circumstance in the community. If a particular type of appeal is received repeatedly, it may indicate procedures could be streamlined or revised to better handle the problems. It could also mean the Code is unnecessarily restrictive in a given area. For example, the Zoning Code provides for "planned development districts." All staff interviewed indicated this section of the code was so difficult to use they avoided it, if at all possible, and tried to use other portions of the code to achieve similar ends.

LIEP Operations: Zoning/Site Plan Review 2000 Budget —

Ongoing Program Objectives:	
<input type="checkbox"/> To provide prompt, thorough zoning information to the public; to assist those businesses and property owners applying for permits or licenses, explaining the processes necessary to meet zoning code requirements.	<input type="checkbox"/> To staff the Board of Zoning Appeals, preparing staff reports, and providing information to Board members, applicants and neighbors.
<input type="checkbox"/> To investigate and enforce zoning regulations. 1) Responding to complaints, 2) Assuring compliance with conditions placed on approved site plans, variances, special and nonconforming use permits and business licenses, and 3) using the Housing Court and District Court when appropriate to achieve compliance.	<input type="checkbox"/> To certify zoning compliance for new construction and alterations, licenses, and certificates of occupancy, for which fees are collected through permits, licenses and certificates of occupancy fees.
<input type="checkbox"/> To review site plans, both preliminary and formal, and coordinate the interdepartmental site plan review process.	Performance Indicators:
	<input type="checkbox"/> site plans reviewed <input type="checkbox"/> zoning variances and appeals processed <input type="checkbox"/> zoning histories researched to determine legality of use <input type="checkbox"/> complaint response time in days

Plan Review

Plan Review, like Customer Service and Permitting, has contact at the counter with customers every day, in addition to the more in-depth reviews of plans. It is a very customer-oriented work group and is perceived by peer groups to be effective in both applying appropriate codes and helping customers. Strangely, it has no customer service performance indicators of its own in the budget, although some used by Customer Service and Permitting have relevance to this activity as well. Through the audit process it became clear that Plan Review had several concrete performance indicators it relied upon on a daily basis, although these do not appear in the budget, and we were not clear if they were ever overtly measured. First, there has been an emphasis on shortening approval time for permit applications. Second, there is an expectation that plan reviews for new single- and two-family houses will be completed within 72 hours of receiving

complete plans. No doubt, the use of checklists in the AMANDA system will both facilitate faster plan review times, and make their measurement possible. Third, LIEP does offer a service of providing "partial project permits," where a customer can get part of a project reviewed and permitted while plans for other parts of the project are still in development. This is an especially helpful practice for large, complicated projects. LIEP may be able to develop performance measures to better gauge how often this is used.

Plan review has several performance indicators in the budget related to efficiency. These indicators include: the numbers of permits issued, plans examined, historical permits received, inspections made, and the annual construction value for Saint Paul. These indicators suffer from the same problems discussed earlier; namely, they have not actually been counted for several years and they have no context in terms of effort necessary to accomplish them. Benchmarks and standards should be developed to make these indicators more meaningful. Plan Review may also wish to examine the code to develop ideas for potential performance indicators. For example, the audit team was informed that plan check time specified in the Legislative Code, Chapter 33.04(c)—the City has 180 days to do a plan check—never expires without a permit being issued. Clearly, such indicators have the added benefit of demonstrating compliance with applicable laws. Finally, there are occasionally performance measures in this area which have no meaning, and therefore no useful value. For example, the resolution establishing the Housing Initiative (CF#99-815) states that one performance indicator of the Initiative is "number of new housing units approved within 72 hours of receipt of complete plans: 500-700." This indicator has no context, and as we discovered, there is no way to measure such an improvement, because the Office has no data for recent years.

The effectiveness of Plan Review activities is ultimately determined in combination with the effectiveness of Inspections. Literally, effectiveness needs to be measured in terms of the improved safety and habitability of structures in the City because of the application of building and other codes. As mentioned in the Results section, there are some ways the quality of the City's building stock can be measured over time. Taking into account the other influences on the quality of building stock, such as aging, we know at least a portion of the quality is attributable to the use of building codes.

Although the quality of the City's building stock is ultimately the best measure to determine the effectiveness of Plan Review, there are other measures that could be made inside the Office which would also be appropriate for examining individual plan review activities. For example, staff mentioned an informal indicator of the quality of their work is the number of plan review

LIEP Operations: Plan Review 2000 Budget —

Ongoing Program Objectives

- To assure safety of citizens through construction standards compliance.
- To educate customers to achieve code compliance without controversy or unnecessary expense.
- To maintain adequate records to demonstrate efficiencies in administration and compliance to construction standards.
- To maintain professional standards of technical ability while being accessible by and accountable to our customers and the public.
- To maintain relationships with organizations and agencies to assure Saint Paul remains a respected leader in code and design professions.

2000 Budget Objective-

- Continue to work on the design and implementation of the new computer system for permits and inspections.
- The Office has participated in and will continue to be active in public forums such as the Home Tour, District Council Home Fairs, etc., where citizens have a chance to work with the inspectors and plan reviewers in a more neutral environment.
- Our present computer system and the new system under development will enable us to ensure that our level of service will continue to improve.

- Our challenge is to balance the requirement for continuing education against the needs of our customers. Our goal will be to allow sufficient opportunities for this education while maintaining adequate staffing levels to ensure quick response to our customers.
- We have several inspectors who are involved with National Code organizations. These groups develop the codes that are adopted by Minnesota, and directly affect the construction in Saint Paul. In order to ensure fair codes both now and in the future, our inspectors will strive to maintain their participation level for the future.
- There are several inspectors on the task group whose responsibility is the analysis of various software packages for the office-wide computer system. These participants will be fully involved until the end of the project.

Performance Indicators:

- Through monitoring of the permit volume and valuation, we (LIEP) can verify that all construction projects are inspected to protect the citizens of Saint Paul.
- The number of permits issued, construction value in millions, plans examined, historical permits received; and
- Total inspections made.

mistakes discovered in the field. Tracking such an indicator would be a useful management undertaking to determine the circumstances under which mistakes are made, as well as the types of mistakes. Also, as is the case with the suggestion that Zoning monitor the types of appeals it processed, it would also be useful in the same way for both Plan Review and Inspections to monitor information on the granting of equivalencies. Finally, staff indicated that when customers come in for preliminary plan reviews, they have a better understanding of expectations. Customers are then able to "get it right the first time" which decreases the time, effort and money in the spend in plan review process. It also likely decreases total staff time expended on the project. Clearly, preliminary plan reviews make the plan review process more effective, and their use could be measured.²³

²³ The Customer Focus Chapter discusses the importance of promoting the Preliminary Plan Review process on page 43.

Inspections

Inspectors differ from the other LIEP staff in that they tend to see the customer out in the field, and not at the front counter or in a meeting. However, the customer focus considerations they have are very like those of the rest of the Office. Inspections has only one goal in the budget specifically addressing customer service; "to maintain professional standards of technical ability while being accessible by and accountable to our customers and the public." The value of this budget objective lies not with its ability to describe performance expectations, but rather in that it articulates a problem in the inspections area that staff clearly feel conflicted about "enforcing the code" or "providing customer service." It would be very useful for the Inspections area to begin addressing this using specific customer service performance indicators. In order to develop these indicators, they would benefit from reviewing customer service surveys done by LIEP and PED. These would help to identify areas of concern to customers.

In the area of timeliness, it is clearly an informal goal of staff to complete reports and arrive for appointments in a timely fashion. Both of these activities will be much easier to document with the advent of the AMANDA computer system. In terms of the reports of inspection findings, the use of handheld computers in the field will help significantly with the timely "processing" of inspection findings. This will help both from a management perspective, in that information will be immediately available to other trades inspectors, and it will also be more quickly available to the customer, in the event they are not on site to hear the inspection report verbally.

Providing customers with information on the appeals process and sharing information and ideas on appropriate "equivalencies" is central to good customer service. Council Research heard consistently that information on appeals process is provided to the customer when change work orders or stop work orders are given. However, there was inconsistency in that some inspectors and trades would provide this information verbally and in letter form, while others would provide it only in a letter. This inconsistency between staff work processes should be eliminated, with a focus on providing the customer with appeal information in both settings. The use of the AMANDA system and hand held computers in the field could provide a reminder in the form of an item on one of the check-off lists. Council Research also became aware that some staff and trades are much more likely to discuss equivalencies²⁴ with contractors and property owners than are others. The Office's approach to discussing and granting equivalencies should be consistent across trade groups and among staff members. The AMANDA system has the potential to monitor this and help the Office in developing a measurable standard.

As with the other work areas we examined, Inspections does little to measure the efficiency of its operations. There was one objective in the year 2000 LIEP budget which spoke to efficiency, which was "to maintain adequate records to demonstrate efficiencies in administration and compliance to construction standards." Although such information is likely maintained, we saw no use of the information which acted to demonstrate efficiencies. The only performance indicator in the budget related to efficiency is the number of inspections conducted, and this has been an estimate in recent years. It would be very useful to know the number of inspections by type and trade, and time invested in them. At the very least, the average number of inspections

²⁴ Equivalencies are alternative methods for accomplishing a task or project that meet the intent of the Code, although they may not be specifically described in the Code. An example is the use of a piece of sheet metal screwed to the back of a standard wood door in order to make it a "one-hour fire door." This accomplishes the end of fire safety and saves the building owner money in the purchase of a new one-hour fire door.

and average times involved could be used for planning. Also, the advent of AMANDA makes possible the tracking of activities in a way that takes into account the complexity of the task. LIEP did this type of analysis in 1998 in preparing a proposal for the addition of a plumbing inspector position.²⁵ Clearly, they understand the importance of such information in describing staff's workload.

LIEP Operations: Inspections 2000 Budget —

<p>Ongoing Program Objectives:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Our present computer system and the new one under development will enable us to ensure that our level of service will continue to improve. <input type="checkbox"/> Through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect the citizens of St. Paul. <input type="checkbox"/> To maintain adequate records to demonstrate <i>efficiencies in administration and compliance</i> to construction standards. <input type="checkbox"/> To maintain professional standards of technical ability while being accessible by and accountable to our customers and the public. <input type="checkbox"/> Through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect citizens of St. Paul. 	<p>Ongoing Program Objectives for NHS/Vacant Buildings:</p> <ul style="list-style-type: none"> <input type="checkbox"/> To maintain housing stock by returning vacant buildings to sound structures. <input type="checkbox"/> Inspect Vacant, Boarded and Abandoned buildings for code violations, issuing permits, and reinspecting for compliance. <input type="checkbox"/> Maintain and improve neighborhoods by inspecting one and two-family homes for improvement areas and aiding owners in prioritizing repairs within the limited funds available. <input type="checkbox"/> Identify and work toward preserving desirable buildings and significant structures within neighborhoods. <input type="checkbox"/> Perform inspections and building evaluations for PED, East Side Neighborhood Development Corporation, West 7th Street Federation, Neighborhood Housing Services Programs, Non-Profit Corporations, or any other organization needing these services.
<p>2000 Budget LIEP Strategic Plan Statement:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Maintain quality services in light of the ever increasing construction levels (Three record construction years in a row) with a minimum increase in staff. <input type="checkbox"/> Implement the use of project facilitators to navigate customers through the license, permit, and/or zoning processes and continue Process Redesign Initiative to continually streamline procedures and eliminate unnecessary regulations. <input type="checkbox"/> Integrate new ECLIPS system with other departmental systems through a single address file, to achieve a fully seamless provision of service for the City's customers. 	<p>Performance Indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Inspection totals for original and repeat inspections <p>2000 Budget LIEP Operations performance indicator:</p> <ul style="list-style-type: none"> <input type="checkbox"/> "we have several staff involved with National Code organizations"
<p>Performance Indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect the citizens of St. Paul. <input type="checkbox"/> Construction value in millions <input type="checkbox"/> Total inspections made 	<p>2000 Budget LIEP Operations Objective:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Identify and work toward preserving buildings and significant structures within neighborhoods.

²⁵ Robert Kessler Memo to Joe Reid, January 26, 1998.

The effectiveness of inspection services can be measured in a fashion similar to the effectiveness of the other services we have discussed. There are two instances in the budget where the issue of effectiveness is engaged. First, as an ongoing objective, the LIEP budget states "through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect citizens of Saint Paul." While inspecting all construction projects surely does act to protect the citizens of Saint Paul, this can not be monitored using permit volume and valuation data. These data, together with the actual number of permits, do give an indication of the complexity of the work undertaken. However, it is the number of permits which most accurately estimates the number of projects requiring inspection. LIEP should modify its objective accordingly.

Second, the 2000 Budget LIEP Strategic Plan Statement states as a goal to "maintain quality services in light of the ever increasing construction levels (three record construction years in a row) with a minimum increase in staff." This is an excellent goal, which takes into account a changing environment—dramatic increases in construction. However, there are no performance indicators connected to it which demonstrate the quality of LIEP's work. Such goals can be constructed at several levels. At one level, they could speak to the quality of the building stock, as we discussed earlier. They could also measure the consistent quality of inspections in spite of increased work volume. These indicators could include the average length of inspections, and the types of inspections findings.

On a more pedestrian level, LIEP may wish to add effectiveness performance indicators in the following areas:

- Number of correction notices which need to be re-issued;
- Number of mistakes in the various inspection activities, which would be collected by supervisors;
- The number of stop work orders and number of times work is required to be redone;
- The average length of time buildings are on the vacant buildings list before Certificate of Compliance issuance or demolition; and
- The effectiveness of the Housing Initiative at increasing housing construction, as discussed in the Information and Analysis chapter on pages 33 through 37. Notably, a recent article suggests the following: "...a central city that had adopted a business-friendly philosophy of enforcement could have increased both the amount and the value of single-family detached housing by about 9% over the period 1985-1995. Commercial rehabilitation could have increased about 4% in the number of buildings and about 5% in the value of construction."²⁶ This research could help the Housing Initiative establish useful benchmarks to measure their progress at meeting their program goals. However, it does indicate that progress is slow, and research attributes improvements to enforcement philosophy, rather than fee levels.

²⁶ Burby, et al, Ibid., page 152.

CONCLUSION

Overall Council Research found the quality criteria present and practiced in some parts of the organization. LIEP is also generally in compliance with the policies that govern its activities. Where deficiencies were found, we believe staff have the skills and interest to address them. Notably, staff were very helpful in the performance audit process both in the interview process in sharing their time and ideas, and later in responding to questions. What follows is a summary of our findings.

Planning

LIEP did a great deal of planning during the mid-1990s to accomplish the merger of previously separate operations that formed the Office. This planning took several forms. It addressed the actual co-location of these operations, necessary cross-training of counter staff, the rationalization of administrative procedures between the previously distinct units, and the improvement of information support systems. Virtually no planning has taken place in recent years and LIEP views itself to be in a "plan implementation" mode, rather than a "planning" mode. The enormous amount of staff time spent on implementing first ECLIPS, and then AMANDA have also left staff with the impression there is little time for planning. It is also apparent that few staff have been involved in planning activities. Broader participation in plan development will help staff become more aware of the existence of plans and give them a sense of ownership in the plans' success. LIEP has also not been involved with the development of Comprehensive Plan chapters affecting its work, and has not taken these plans into account in their decision-making on individual building projects. Council Research found that planning activities in LIEP would act to better allocate the resources of this office and prepare it for changing circumstances, such as the record construction years recently experienced.

Leadership

Our examination found several aspects of LIEP's leadership policies and practices to be very good. Namely, the commitment of senior leaders to provide a clear mission and vision for the organization was quite apparent. This is in spite of survey results indicating a lack of vision provided by the Mayor. Council Research noted that staff repeatedly commented on the concerted efforts of leaders to recognize individual and team contributions. Finally, LIEP leadership in recent years has acted to cultivate key stakeholder relationships, such as with the advent of the Business Review Council. However, there is still more effort required in this area, especially in terms of communication and inclusiveness in planning activities which should be taking place. LIEP and the City are out of compliance with two state reporting requirements and the requirements for a local board of appeals.

Training

Staff training in LIEP received the highest quality rating. LIEP clearly emphasizes training and education for its staff, and sees its importance in the context of diminishing staff numbers. LIEP should be lauded for its training and education efforts and continue them. In terms of improving this area, LIEP should consider doing more cross-education of all its staff, so they may develop a better understanding of the roles and responsibilities of their peers within the Office. LIEP should also examine the allocation of training resources.

Development

Staff development was an area in LIEP in which Council Research had a mix of good and problematic findings. The survey indicated somewhere between one-fourth and one-fifth of staff believe the work environment is not conducive to their well-being, that the labor management relationship is poor, and there are few or no opportunities for them to contribute to the organizations goals and work procedures. While it is good that three-fourths to four-fifths do not share these perceptions, it is problematic that there is a fairly large core of people who rate these areas poorly. LIEP leadership must find a way to engage these staff and their concerns. Council Research suggests LIEP proactively involve them in planning activities, rather than waiting for volunteers. Also, re-instituting a labor-management group of some type to identify specific changes which would address problem areas would likely be helpful.

Information and Analysis

LIEP has been undergoing significant changes in the area of information management in recent years. Council Research is ambivalent in many ways in its findings. While undertaking the formidable task of automating the management of its information is commendable, several aspects of implementing ECLIPS and AMANDA could have been better handled, such as communication with the Council on progress. There are several types of problems we found in this area, some of which are attributable to LIEP directly, and other which are more Citywide in nature. However, these new information systems do give LIEP the ability to perform meaningful analysis of its undertakings in the future. Therefore, we have taken the unusual step of indicating that it has the potential of significantly increasing its rating in this area if improvements are made.

Improvement Practices

LIEP did not fare well in Council Research's examination of its improvement practices. These mediocre findings are largely attributable to LIEP's lack of planning and evaluation activities, and currently poor information and analysis capabilities, which are integral components in the improvement process. History shows the Office has an adequate basic understanding of improvement processes, as this is demonstrated in the "quick fixes" undertaken in the mid-1990s.

Customer Focus

The merger of separate operations into LIEP was the result of an increasing awareness—both in City government and in the community—of the need for a more customer focused approach. The merger also provided a means to “refocus” LIEP activities with customers in mind. Much credit should be given to all involved for their efforts in this area. As with most organizational initiatives, however, customer focus efforts need tending and continued refinement. There is still a problem in the organization with the perceived conflict of providing “code enforcement” service, as opposed to “customer service.” These concepts need not be conflicting and LIEP must strive to clarify their vision in this area. Also, some new customer services are called for, such as a dramatically improved web page.

Results

Given the recently poor quality of information used in LIEP, it is not surprising it received a poor Results rating. LIEP needs to take time to figure out what are good performance indicators of their work. This is a critical juncture for the Office to undertake this project, as ECLIPS and AMANDA are just now capable of providing meaningful data for these measures.

Performance Indicators

The performance indicators and objectives used in the budget process in recent years have been neglected both by LIEP and the Budget Office. Using performance indicators in an ongoing cycle of planning, evaluation and improvement could significantly assist LIEP in years to come. It will help for purposes of internal management, where there is almost no information on workloads, activities or outcomes. Meaningful performance measures are also key for a government agency to remain accountable to its customers and stakeholders.

APPENDIX A: RESOURCES

Council Resolutions:

- Council File 94-293 / acceptance of grant funds for LIEP Process Redesign
- Council File 94-1550 / establishment of Business Review Council
- Council File 97- 1214 / establishment of funding for the Design Section
- Council File 97-1314 / acceptance of report on Design Section and release of contingency funds
- Council File 98-588 / establishing pay rate for "City Building Official"
- Council File 98-609 / establishing pay rate for "Plan Review Coordinator"
- Council File 98-1076 / establishing pay rate for "City Building Official"
- Council File 98-1077 / establishing pay rate for "LIEP Help Desk Coordinator"
- Council File 99-287 / authorizing contract and copyright agreement with U of M Press and the HPC
- Council File 99-357 / no developer fee associated with any multi-unit housing project shall exceed certain guidelines
- Council File 99-553 / changing portion of salary plan and rates of compensation for the Building Inspector
- Council File 99-587 / directing the HPC to develop a Heritage Preservation Site and Building Designation Workplan
- Council File 99-815 / approval of special one year pilot program to reduce costs and speed approvals for new housing construction

Saint Paul City Charter and the Legislative and Administrative Code:

- Chapter 5 Permit Fees
- Chapter 18 Legislative Hearing Officer
- Chapter 19 Power of Inspectors to Enforce Provisions of Code
- Chapter 33 Building Code and Inspection
- Chapter 34 Minimum Property Maintenance Standards for All Structures and Premises
- Chapter 37 Installation or Connection of Gas Equipment
- Chapter 38 Elevators, Hoists, Lifts and Moving Stairways
- Chapter 43 Vacant Buildings
- Chapter 48 Condominium and Conversion Condominium Notice Filing Requirements
- Chapter 50 Individual Sewage Treatment Systems
- Chapter 60 Zoning Code-Adoption; Purpose; Definition; Districts Uses and Requirements
- Chapter 61 Zoning Ordinance-Schedule of Regulations Limiting Heights, Bulk, Density, and Area by Zoning Districts
- Chapter 62 Zoning Code - General Provisions
- Chapter 64 Zoning Code - Administration and Enforcement; Amendments; Miscellaneous Provisions
- Chapter 65 Zoning Code - River Corridor
- Chapter 66 Zoning Code - Signs
- Chapter 67 Zoning - Subdivision Regulations
- Chapter 68 Zoning Code - Wetland Conservation
- Chapter 72 Floodplain Management Regulations
- Chapter 73 Heritage Preservation Commission
- Chapter 74 Heritage Preservation Districts and Programs
- Chapter 76 Sewers and Drains
- Chapter 92 Water Code-Plumbing

Chapter 95 Water Code-General Provisions
Chapter 310 Uniform License Procedures
Chapter 326 Building Contractors
Chapter 368 Wrecking of Buildings
Chapter 369 Building Trades Business Licenses
Chapter 370 Building Trades Certificates of Competency
Chapter A-6 Service Availability Charges

Budget Documents

Office of License, Inspections and Environmental Protection 2000 Adopted Budget
Office of License, Inspections and Environmental Protection 1999 Adopted Budget
Office of License, Inspections and Environmental Protection 1999 Adopted Budget
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Books / Miscellaneous Documents

The Urban Institute (1980). *Performance Measures: A Guide for Local Elected Officials*. Washington D.C., The Urban Institute.

Raymond J. Burby, Peter J. May, Emil E. Malizia, and Joyce Levine, *Building Code Enforcement Burdens and Central City Decline*. Journal of the American Planning Association, Vol. 66, No.2, Spring 2000.

Bryson, John (1995). *Strategic Planning for Public and Non-Profit Organization*. Jossey-Bass.

2000 Criteria for Performance Excellence, Baldrige National Quality Program.

City of Saint Paul's Comprehensive Plan / Land Use and Housing Chapters

APPENDIX B: LIST OF RECOMMENDATIONS

Planning Recommendations

Recommendation # 1: PED should perform, in conjunction with LIEP, a thorough analysis of the current Zoning Code. In order to be in compliance with current City Code, this should be done every five years. The analysis should consider the Code's compatibilities with the City's Comprehensive Plan and other development priorities, and the Code should be modified accordingly.

Recommendation # 2: Both PED and LIEP need to take more responsibility for including LIEP in the development processes for the City's Comprehensive Plan. By taking responsibility for development, LIEP will feel more responsible for the objectives of the Plan, and will incorporate the Comprehensive Plan into its own internal plans and practices.

LIEP's involvement in the planning and implementation processes of the City's comprehensive plans will enable it to make more recommended changes to the zoning code, so that the code and the plans are compatible and mutually enforceable. In cases where the zoning code and the Comprehensive Plan are not compatible, LIEP should consider granting variances, equivalencies, or bringing the problem to the Business Review Council for further review and recommendations.

Recommendation # 3: LIEP should incorporate objectives of the Comprehensive Plans into its plans for its own operations. By doing so, LIEP will ensure it considers future changes and remains flexible and uses opportunities to ensure the building stock of the City is solid, safe and contributes to the vitality of the City.

Recommendation # 4: LIEP should resume proactive planning, including assessing the current landscape and future economic, social, human resources, political, and technical impacts on LIEP's work.

- ❑ LIEP must understand the connection between planning and resource allocation to prevent situations such as the one currently occurring with staff being overworked, resulting in a highly stressful work environment because technological, economic, and human resource changes were not comprehensively planned. Closer monitoring of outside influences will assist in projecting changes in workload and resources, such as those resulting from increased construction in recent years.
- ❑ Outcome measurement must be incorporated into future planning. LIEP must look at the results of past planning efforts for lessons learned and areas to continue to work on. They must also look at results of past quick fixes to determine effectiveness and remaining issues to be resolved resulting from the changes.
- ❑ LIEP should involve other stakeholders, such as the City Attorney's Office, Planning and Economic Development and Public Works in planning process to incorporate the requirements of other departments and develop an understanding as to how the work of LIEP affects other departments.

Recommendation # 5: LIEP should involve staff in defining organizational goals and offer ways for staff to contribute to them. LIEP needs to find ways to include less-involved staff in decision-making and make them more aware of planning and improvements taking place in the office and how they can contribute. LIEP should not wait for them to approach management, as history shows they will not.

Leadership Recommendations

Recommendation # 6: *At a minimum, communication between LIEP and the State Fire Marshal needs to be improved so they can insure that inspections, installations, and removal of fuel storage tanks are occurring. In order to ensure compliance the approval should come from the City, rather than from the state, leaving all responsibility at the City level. LIEP should work with the State Fire Marshal to determine procedural and legislative changes required to bring this about.*

Recommendation # 7: *LIEP and Saint Paul Regional Water Services need to clarify their roles relating to the plumbing code. As the Building Official has ultimate responsibility for enforcing the plumbing code, perhaps LIEP should conduct the inspections currently performed by Regional Water. This may lead to enhanced efficiency for both entities.*

Recommendation # 8: *LIEP should market its service of providing building evaluations to community development corporations. This valuable tool would enhance the relationship between CDCs and the City and ensure that rehabilitations address building code problems appropriately.*

Recommendation # 9: *LIEP and the Design Center should clarify their respective roles and level of authority and clearly explain them to permit applicants.*

Recommendation # 10: *LIEP and the City Attorney's Office need to clarify whether the City is in compliance with state law regarding appeals of decisions of the building code official.*

Recommendation # 11: *LIEP and PED should take leadership in developing a quarterly interdepartmental meeting for all staff who work with small businesses.*

Recommendation # 12: *LIEP should meet with Code Enforcement and other appropriate City agencies to discuss and find solutions to the issue of long-term incomplete projects in the City's neighborhoods.*

Recommendation # 13: *LIEP needs to come into, and remain in, compliance with state reporting requirements for both its building code and heritage preservation activities.*

Recommendation # 14: *LIEP should provide the City Council at regularly scheduled intervals, a complete explanation of the current automation situation including funding, hours spent on the project, timeline and reasons for the lengthened timeline.*

Recommendation # 15: *LIEP should evaluate its mission statement to ensure it answers the following questions:*

- Who are we? What distinguishes LIEP from other City departments?*
- What do we do?*
- For whom do we do it?*
- Why do we do it?*

Recommendation # 16: *LIEP should identify objectives to put the mission statement into action and also identify specific objectives for each area of LIEP. This will enhance employee understanding of how their particular responsibilities help meet those objectives and thus fulfill the mission. Finally, LIEP should identify specific organizational values under which all employees operate and exemplify them at all levels of the organization.*

Training Recommendations

Recommendation # 17: LIEP should reassess where resources are allocated for training to determine if some staff have less access to training than others, and whether this is appropriate. LIEP should also determine if, and how, the training is affecting workload allocation.

Recommendation # 18: LIEP needs to encourage all staff in all work areas to pursue relevant training and provide the resources whenever possible.

Recommendation # 19: More cross-education of all LIEP functions would be valuable. Staff tend to have limited knowledge of the functions of work areas beyond their own. Having a good working knowledge of the other functional areas will assist staff in answering customer questions and coordinating efforts to prevent problems.

Development Recommendations

Recommendation # 20: LIEP should follow through on its commitment to open communication between staff and management and discuss together issues related to morale and other workplace concerns. This could involve increased management attendance at work-group or team meetings, as well as more proactive involvement of staff not traditionally involved in organization-wide discussions.

Recommendation # 21: LIEP should reconvene a labor-management group to actively pursue issues of mutual concern. Clear guidelines and expectations should be established so meetings are a place for cooperation, not confrontation and complaining. Leaders should emphasize this is a non-grievance discussion forum. The leaders of the group will also need to engage the problems encountered by the first labor-management group, such as too many participants — The last group had two representatives from each bargaining unit in LIEP which may have made the group too unwieldy and ineffective.

Recommendation # 22: LIEP should address work environment issues. The proposed Labor-Management Committee should discuss both the factors negatively impacting the environment and what specific steps can be taken to decrease the stress level experienced by many staff. Additionally, this group could examine what specifically could be done to make LIEP a more supportive work environment for those who feel it is not currently supportive.

Information and Analysis Recommendations

Recommendation # 23: The City of Saint Paul should provide the financial resources to allow for the purchase of an economical software package that would interface between the GIS system and AMANDA. This would allow broad access to GIS for all departments utilizing the AMANDA system and enhance the ability to coordinate activities and information between various departments.

Recommendation # 24: Not only must LIEP work to implement hand-held computers as soon as possible due to their usefulness, LIEP must also train its inspectors to integrate the hand-held computers into their work practices. Inspectors must make it a practice to load all inspections comments into the database so other inspectors have the same information. Inspectors should also begin the practice of looking up information to ensure they are providing permittees with accurate information.

Recommendation # 25: LIEP should clearly identify the information gathering potential of the new computer systems and the usefulness of the data. (See previous box for suggestion). Data collected and analyzed should be related to the mission and objectives of the organization.

Recommendation # 26: LIEP should analyze the effectiveness of the computer systems. One method to analyze the effectiveness would be to follow-up with staff based on survey responses indicating the systems are not useful. LIEP should encourage and gather input on the systems and respond to the input, even if it is not possible to immediately address all concerns or suggestions.

Improvement Practices Recommendations

Recommendation # 27: LIEP should involve itself in a complete improvement practices process that includes planning, implementation and evaluation of its improvements.

Recommendation # 28: LIEP needs to use data analysis to evaluate the effectiveness of its improvement practices. So far, they have little documentation to substantiate claims of improvement other than anecdotal evidence.

Recommendation # 29: It is apparent that LIEP has few formalized and widely understood goals. Therefore, LIEP staff should be involved in defining improvement practices, setting goals and evaluating activities. (Goal setting is discussed in the planning, leadership and results quality sections). Improvement practices should link activities to goals and objectives. They should also help organizations achieve their goals and objectives.

Customer Focus Recommendations

Recommendation # 30: Develop marketing strategies for promoting the express permits, the preliminary plan review process, pre-paid permit accounts, parking reimbursement and any other customer-focused practices.

Recommendation # 31: LIEP is one of the City agencies which has the most direct contact with residents and businesses seeking information, and stands to benefit greatly from having as much information as possible on its web page. Completion of the web site should be a high priority for LIEP, particularly in light of the goal to have it completed by the end of 1996. Information that should be available to customers on-line includes:

- permit applications and permit status information;
- inspections results;
- general building code and zoning information, similar to the paper handouts available;
- information on special programs and projects, such as the Housing Initiative;
- a Frequently-Asked-Questions (FAQ) page; and
- an "ask-the-inspector" page in which visitors could post general questions to trade inspectors.

Recommendation # 32: LIEP should develop a policy requiring trade inspectors to wear an identification badge at all times while performing inspections.

Recommendation # 33: LIEP should develop a policy for granting equivalencies which is known and used by all inspectors in an effort to make the practice fair, consistent and useful. The City Attorney

should be involved in developing this policy to ensure it is legally sound. The development of these policies will enhance LIEP's image in the City.

Recommendation # 34: *LIEP should work to change the attitude of its inspectors who believe that contractors and property owners are trying to hide something from them. They should immediately cease threatening property owners with retaliation, which is contrary to LIEP policy, but is reported to happen from time to time.*

Recommendation # 35: *LIEP should develop a process for leaving information with both property owners and contractors upon final inspections, particularly when changes are still required before the permit can be closed.*

Recommendation # 36: *LIEP should look at the practices of building inspections departments in other cities for possible customers service improvements. One suggestion would be maintaining evening hours one or two nights a week to make it easier for homeowners who work during the day to apply for permits, such as is the practice in San Diego.*

Recommendation # 37: *LIEP should consider other options besides an annual or biennial survey for monitoring customer needs and satisfaction. Some suggestions include survey cards issued with the Certificate of Occupancy or when a permit is closed. Another option is to focus on evaluating one activity per month. For example, give surveys to everyone who applies for a permit in February, in March give surveys to everyone who has a site plan review, and in August to everyone who receives an inspection. This way, not all sections are burdened with conducting a survey at the same time. If another, organization-wide survey is desired, LIEP should consider consulting with organizations which have been successful in reaching a high response rate from their customers.*

Recommendation # 38: *LIEP should formalize customer service standards, such as plan review's three day turn-around for basic plan reviews. This would help all staff understand the customer service standards and how their work contributes to the goals set by the organization.*

Recommendation # 39: *LIEP should provide more customer service training for inspectors to help them understand how they can provide good customer service and good code enforcement.*

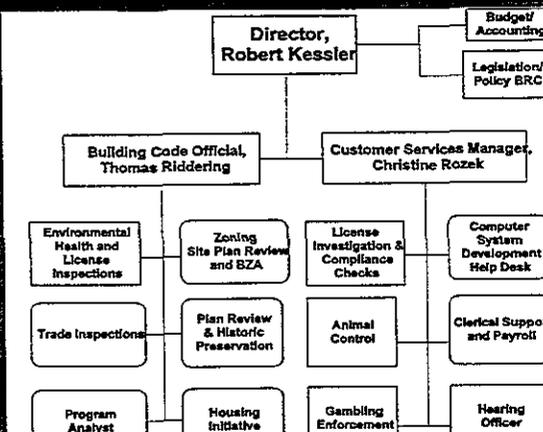
Recommendation # 40: *Develop an idea/complaint/compliment line and/or e-mail address that would allow customers to directly communicate with LIEP at their own convenience and at any time, rather than just through the annual customer survey.*

Results Recommendation

Recommendation # 41: *LIEP needs to develop a meaningful performance indicators system for determining how well they are meeting the organization's goals. This process needs to overtly take into account issues which may not be "measurable," but which also need to be documented and reported over time. The development process should also be inclusive and incorporate staff ideas. A performance measurement system should function not only to give feedback to managers and policy makers, but also to staff who rely on it to provide them regular feedback on individual activities. All of the organization's stakeholders have an interest in knowing how well the organization is meeting its goals. Examples of specific measures are outlined in the next chapter. Additionally, the Mayor's Office should much more actively monitor performance indicators used in the budget and assist the City's departments in developing more meaningful indicators.*

Performance Audit of The City of Saint Paul's Building Permit, Plan Review & Inspections Functions

Council Research Report
May 2000



Research Methods

- 67 Surveys Analyzed
 - 92% return rate
- 35 Interviews Conducted
 - Majority were LIEP Staff
 - Some key stakeholders

Ratings Key

- Policy Compliance
 - + substantially in compliance with policies
 - not in compliance with policies
- Quality Assessment
 - ☆ criteria sometimes present, occasionally practiced
 - ☆☆ criteria present and practiced to some extent
 - ☆☆☆ criteria well-developed and practiced
 - ☆☆☆☆ criteria fully developed and practiced

Planning

Key Concepts

- City Plan Policy Consistency
- Plan Quality Concepts
 - Internal Plans
 - Plan Development
 - Plan Dissemination and Implementation

Planning

Ratings

- Policy Compliance —
- Quality ☆☆

Planning

Findings

- LIEP's Internal Planning in Mid-1990's was Very Good
 - Business Redesign Project
 - 1996 Strategic Plan
- Little / No Planning Recently

Planning

Findings

- Saint Paul Comprehensive Plan
 - LIEP was not involved in development
 - Not LIEP's practice to consult Comp Plan when reviewing building plans

Planning

Recommendations

- Revisit Past Organizational Plans with Broad Staff Participation and Dissemination
- Play a Stronger Role in Comp Plan Development
- Incorporate Comp Plan into Decision-Making

Leadership

Key Concepts

- Compliance with Leadership-Related Policies
- Leadership Quality Concepts
 - Mission, Vision, Values
 - Stakeholder Relationships
 - Staff Recognition

Leadership

Ratings

- Policy Compliance +
- Quality ☆☆☆½

Leadership

Findings

- Good Stakeholder Relationships
 - Clarification needed in some stakeholder relationships
 - Some policy misalignment
 - Saint Paul Regional Water Services
 - State Fire Marshal
 - Design Center
 - PED Quarterly Small Business Meeting
 - Code Enforcement

Leadership

Findings

- Clear Mission and Vision
- No Clear Objectives Linked to Mission
- Good Staff Recognition

Leadership

Recommendations

- Clarify Stakeholder Relationships and Mutual Responsibilities
- Link Organizational Objectives to Mission and Vision
 - See Results and Performance Measures

Leadership

Recommendations

- Link Organizational Objectives to Mission and Vision
 - Establish Useful Performance Measures

Training

Key Concepts

- Training and Education Resource Allocation
- Employer Commitment

Training

Ratings

- Policy Compliance +
- Quality ☆☆☆

Training

Findings

- Significant Resources Invested
- LIEP Handbook is a Good Tool
- Yearly Updated Employee Educational Plan
- Counter Staff Cross - Trained

Training

Recommendations

- Review Allocation of Training Resources Across Staff Groups
- Emphasize More Cross-Education

Development

Key Concepts

- Staff Development Policy Compliance
- Staff Development Quality Concepts
 - Employee Contribution
 - Work Environment
 - Labor-Management Relationship
 - Employee Evaluation

Development

Ratings

- Policy Compliance —
- Quality ☆☆

Development

Findings

- Unfulfilled 1996 Strategic Plan Objective to Address Employee Morale
- Labor-Management Group Inactive
- Work Environment Good Overall, But...
 - Up to 1/3 of staff say work environment is poor
 - Similar proportion (1/4) feel labor-management relationship is "poor"

Development

Findings

- Over ½ of staff feel "few" to "no opportunities" to contribute to organizational decisions or goals
- Negativity evenly spread across all work units and tenure levels
- 90% of Staff Feel Work Environment is Supportive of Staff in Protected Classes

Development

Recommendations

- Engage Disaffected Staff and Discuss Their Concerns
- Reinstigate Labor-Management Committee Incorporating Lessons of Past

Information & Analysis

Key Concepts

- Data Gathering & Analysis Policy Compliance
- Info & Analysis Quality Concepts
 - Data Collection
 - Analysis of Data
 - Effective Use of Information Systems

Information & Analysis

Ratings

- Policy Compliance —
- Quality ☆ ½

Information & Analysis

Findings

- ECLIPS & AMANDA Systems Operational as of April 2000
 - Software provider contract changes poorly communicated
 - Hand-held field computers critical for trades inspectors
 - Little data available during transition periods
 - Performance Measures need to be developed

Information & Analysis

Recommendations

- Relate Data Collection & Analysis to Goals & Objectives
- LIEP Has Potential to Dramatically Improve Info & Analysis Assessment if Recommendations Pursued
- Make Handheld Field Computers Top Priority for Trade Inspectors

Improvement Practices

Key Concepts

- Improvement Practices Policy Compliance
- Improvement Practices Quality Concepts
 - Identification of Potential Improvements
 - Implementation of Improvements
 - Evaluation of Improvement Efforts

Improvement Practices

Ratings

- Policy Compliance +
- Quality ☆½

Improvement Practices

Findings

- LIEP Strives to Incorporate Improvements Regularly
 - 119 Targets for Redesign
 - Project Facilitator
 - ECLIPS & AMANDA
- LIEP Doesn't Gather Info On or Evaluate Improvement Efforts

Improvement Practices

Recommendations

- LIEP Should Gather Info On and Evaluate Improvement Efforts
 - Continue, change, or cease improvement efforts based on these evaluations
- Improvement Practices Should Link Activities to Goals and Objectives

Customer Focus

Key Concepts

- Customer Service Policy Compliance
- Customer Focus Quality Concepts
 - Customer identification and knowledge
 - Managing customer relationships
 - Customer service practices
 - Customer service standards

Customer Focus

Ratings

- Policy Compliance —
- Quality☆☆ ½

Customer Focus

Findings

- LIEP Understands Who its Customers Are
- LIEP hasn't surveyed customers recently
- Number of Practices Benefit Customers
- Ineffective Marketing of Practices
- Poor Web Site Development and Use

Customer Focus

Findings

- Housing Initiative Poorly Communicated Initially
- Appeals Process Inconsistently Communicated

Customer Focus

Recommendations

- Clarify Customer Service Philosophy
 - Clarify policies relating to granting equivalencies
- Develop Web Site and Market Services
 - Express permits
 - Preliminary plan review
 - Parking reimbursement

Results

Key Concepts

- Results Policy Compliance
- Results Quality Concepts
 - Organizational Outcomes
 - Financial Outcomes
 - Customer Satisfaction
 - Use of Performance Indicators

Results

Ratings

- Policy Compliance —
- Quality ☆

Results

Findings

- Throughout City, Reduced Emphasis on Organizational Outcomes in Recent Years
- LIEP Has Few Performance Indicators
 - Use the few available to determine whether goals are met
- LIEP is Poised to Develop a Meaningful Performance Measurement System

Results

Recommendations

- LIEP Needs to Develop a Meaningful Performance Indicators System to Determine How Well They are Meeting Organizational Goals

Performance Measures

- Necessary for Accountability to Elected Officials and the General Public
- Used to Gauge Progress on Achieving Organizational Goals

Performance Measures

- Customer Service
- Efficiency
- Effectiveness

Performance Measures

- Timeliness
- Helpfulness
- Accuracy
- Cost: Staff and Capital
- Quality

ORIGINAL

Council File # 00-496

Green Sheet # 104503

RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

20

Presented by _____

Referred To _____ Committee Date _____

RESOLUTION ACCEPTING THE COUNCIL RESEARCH
PERFORMANCE AUDIT OF THE CITY OF SAINT PAUL'S
BUILDING PERMIT, PLAN REVIEW AND INSPECTION FUNCTIONS

- 1 WHEREAS, the Saint Paul City Council directed the preparation of the Council Research *Performance*
- 2 *Audit of the City of Saint Paul's Building Permit, Plan Review and Inspections Functions*, as a part of
- 3 its Performance Audit Program established in Council File # 95-1392; now therefore be it resolved
- 4 RESOLVED, that the Saint Paul City Council hereby accepts the Council Research *Performance Audit of*
- 5 *the City of Saint Paul's Building Permit, Plan Review and Inspections Functions*.

	Yeas	Nays	Absent
Benanav	✓		
Blakey	✓		
Bostrom	✓		
Coleman	✓		
Harris	✓		
Lantry	✓		
Reiter	✓		
	7	0	0

Requested by Department of: _____

By: _____

Form Approved by City Attorney

By: _____

Adopted by Council: Date May 24, 2000

Adoption Certified by Council Secretary

By: [Signature]

Approved by Mayor for Submission to Council

By: _____

Approved by Mayor: Date _____

By: Adopted without Mayor's signature of approval

DEPARTMENT/OFFICE/COUNCIL
Council Research

DATE INITIATED
5/17/2000

GREEN SHEET

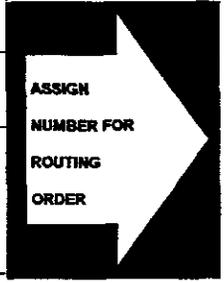
No 104503

CONTACT PERSON & PHONE
Marcia Moermond, 266-8570

Initial/Date

Initial/Date

MUST BE ON COUNCIL AGENDA BY (DATE)
5/24/2000 *Discussion*



<input type="checkbox"/>	DEPARTMENT DIRECTOR	<input type="checkbox"/>	CITY COUNCIL
<input type="checkbox"/>	CITY ATTORNEY	<input type="checkbox"/>	CITY CLERK
<input type="checkbox"/>	FINANCIAL SERVICES DIR.	<input type="checkbox"/>	FINANCIAL SERVICES CTG
<input type="checkbox"/>	MAYOR (OR ASSISTANT)	<input type="checkbox"/>	

TOTAL # OF SIGNATURE PAGES _____ (CLIP ALL LOCATIONS FOR SIGNATURE)

ACTION REQUESTED

Council acceptance of the Council Research *Performance Audit of the City of Saint Paul's Building Permit, Plan Review and Inspections Functions.*

RECOMMENDATION Approve (A) or Reject (R)

- _____ PLANNING COMMISSION
- _____ CIB COMMITTEE
- _____ CIVIL SERVICE COMMISSION
- _____
- _____
- _____

PERSONAL SERVICE CONTRACTS MUST ANSWER THE FOLLOWING QUESTIONS:

1. Has this person/firm ever worked under a contract for this department?
YES NO
2. Has this person/firm ever been a city employee?
YES NO
3. Does this person/firm possess a skill not normally possessed by any current city employee?
YES NO
4. Is this person/firm a targeted vendor?
YES NO

Explain all yes answers on separate sheet and attach to green sheet

INITIATING PROBLEM ISSUE, OPPORTUNITY (Who, What, When, Where, Why)

ADVANTAGES IF APPROVED

DISADVANTAGES IF APPROVED

DISADVANTAGES IF NOT APPROVED

TOTAL AMOUNT OF TRANSACTION \$ _____

COST/REVENUE BUDGETED (CIRCLE ONE) YES NO

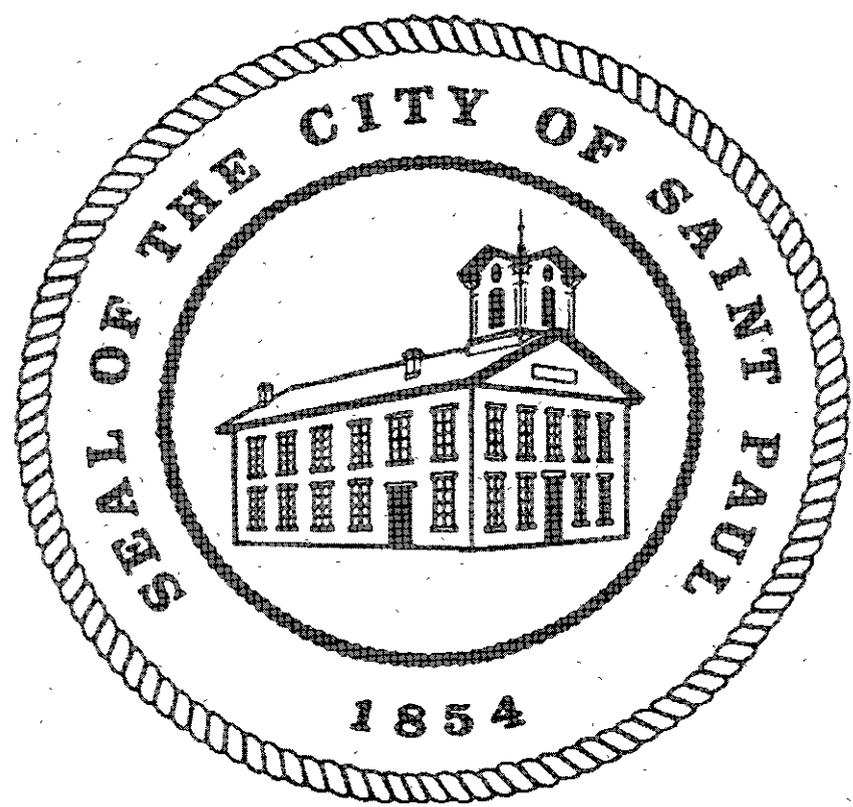
FUNDING SOURCE _____

ACTIVITY NUMBER _____

FINANCIAL INFORMATION (EXPLAIN)

CITY COUNCIL RESEARCH REPORT

**Performance Audit of
The City of Saint Paul's
Building Permit, Plan Review
and Inspections Functions**



Saint Paul City Council
Council Investigation and Research Center
Saint Paul, Minnesota

**Saint Paul City Council
City Council Investigation &
Research Center
Saint Paul, Minnesota 55102**

651.266.8560

<http://www.stpaul.gov/council/circ.html>

**Performance Audit of
The City of Saint Paul's
Building Permit, Plan
Review and Inspections
Functions**

May 2000

Director

Gerry Strathman

Policy Analysts

Jennifer Dunn

Marcia Moermond

Kenneth L. Smith

Questions?

If you have questions regarding this
report please contact

Gerry Strathman at

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INTRODUCTION

The City Council, as the governing body of the City of Saint Paul, is responsible for establishing City policies and ensuring that City practices are consistent with these policies. As the body responsible for approving the City Budget and authorizing the tax levy, the Council must also assess the efficiency and effectiveness of City operations. Therefore, the City Council established a Performance Audit Program in the fall of 1996 to help it fulfill these legislative oversight and budgetary responsibilities and it directed Council Research to conduct performance audits of City operations. Performance audits analyze the consistency of departmental practices with City policies, as well as provide insight into how policy directives are implemented. The performance audit also examines whether an organization's practices are efficient and reflective of those used by high-performing organizations.

The City Council is very interested in the value received by citizens for the money expended. Taxpayers rightly expect that money provided for services will be spent to achieve the best result possible with the least expenditure of public funds. The efficiency and effectiveness of government operations and processes can be assessed in many ways. One common approach is for auditors to examine an organization at a micro-level to try to determine if the organization is following sound procurement practices, properly protecting its resources, and complying with laws and regulations. This micro-level approach to auditing is closely related to financial auditing and is often conducted by accountants who spend a great deal of time and effort examining the inner workings of the organization. While we accept there are situations where this type of micro-level auditing is appropriate, such as when fraud is suspected, we believe a higher level audit is most appropriate here. The City Council is less concerned with the minutia of daily operations of its departments and more concerned with knowing if its departments and offices are top-quality organizations whose operations are efficient, effective and in compliance with appropriate laws and policies. If they are not, the Council is interested in knowing what can be done to remedy any deficiencies preventing the department or office from achieving a level of excellence.

SCOPE OF PERFORMANCE AUDIT

This audit is an examination of the policy compliance, efficiency and effectiveness of the permitting, trade inspections and plan and zoning review activities of the Office of License, Inspections and Environmental Protection (LIEP).¹ Future references to LIEP in the audit will refer to only these activities, not the entire organization. The office and functions selected for review were identified by the City Council because of the importance of LIEP's activities in relation to promoting and protecting the City's housing and building stock. The structure and functions of LIEP will be described in more detail in a following section.

¹ The audit does not examine other functions performed by LIEP, which include Animal Control, Gambling Enforcement, Environmental Health, License Inspections or License Investigation and Compliance Checks.

RESEARCH METHODS

Policies pertaining to the functions of LIEP were gathered from the Saint Paul Administrative Code, the Saint Paul Legislative Code, City Council resolutions, the Land Use and Housing Chapters of the City's Comprehensive Plan, as well as LIEP's own internal plans, policies and budget objectives. It is not Council Research's intent to make specific findings on every individual policy statement. Rather, we focus on groups of policies that relate to specific functional areas within LIEP (permitting, plan review or inspections),² and have grouped them according to the most relevant quality category. It is our belief this approach is more useful to both policy makers and participants in understanding how to improve the efficiency, effectiveness and compliance of the organization.

We believe the best way to assess the level of organizational development is to ask those most knowledgeable about the organization—the people who work in the organization. We believe that the people who work in LIEP best know the strengths and weaknesses of their organizations and will, when asked, candidly report their opinions. Therefore, we have gone directly to LIEP staff to ask them about their work. We were able to survey 67 of 73 (92%) LIEP staff involved in the permitting/ customer service areas, plan review and zoning and trade inspections, and we also conducted 35 interviews with LIEP staff members. The findings and recommendations in this report are based on these surveys and interviews as well as an examination of written materials on LIEP's practices.

ORGANIZATIONAL ASSESSMENT

A key aspect of an organization's performance is its compliance with the laws and directives under which it is required to operate. Governmental agencies have a high level of responsibility to operate within the parameters established by governing bodies, as well as within parameters established by the organization itself. Because LIEP is a regulatory agency, it not only has to comply with regulations as do all City departments, it also has to enforce regulations to which developers, builders, home and business owners and contractors have to comply. Quite often, these policies can be closely linked to the quality of an organization's operations. Throughout this report, we will illustrate how compliance with certain policies does or could enhance the efficiency and effectiveness of LIEP. A listing of policies, practices and documents reviewed is in Appendix A of this report.

The efficiency and effectiveness of LIEP's permitting, plan review, zoning, and inspections functions are evaluated using an Organizational Quality Assessment. While there are several methods to evaluate effectiveness and efficiency, our approach is based on work done by the organizers of the Malcolm Baldrige National Quality Award who identified the characteristics of a high-performing organization.

The study of high-performing organizations has typically identified seven characteristics believed to be essential for an organization to achieve excellence. These criteria have been identified from

² For a complete listing of all policies reviewed, please see Appendix A.

studies over many years and are widely accepted as indicators of organizational excellence. The criteria used by the Malcolm Baldrige National Quality Award and the Minnesota Quality Award to assess organizational development and to identify quality organizations are summarized in the table below. For the purposes of this audit we have split the category of Training and Development into two separate discussions for a more useful discussion of both areas. None of the quality categories stand alone. Each impacts the other, and all are essential to achieving a high level of performance. Quite often improvement in one quality category will positively impact another. For example, improvement in the category of Information and Analysis often significantly impacts both Results and Improvement Processes.

Assessment Categories

Quality Category	Key Concepts	Discussed on Pages:
Planning	Internal Plans Plan Development Plan Dissemination & Implementation	9 - 14
Leadership	Mission, Vision, Values Stakeholder Relationships Staff Recognition	15 - 24
Training	Training & Education Resource Allocation Employer Commitment	25 - 27
Development	Employee Contribution Work Environment Labor-Management Relationship Employee Evaluation	28 - 32
Information and Analysis	Collection of Data Analysis of Data Effective Use of Automation Systems	33 - 37
Improvement Practices	Identification of Potential Improvements Implementation of Improvements Evaluation of Improvement Practices	38 - 41
Customer Focus	Customer Identification & Knowledge Managing Customer Relationships Customer Service Practices Customer Service Standards	42 - 49
Results	Organizational Outcomes Financial Outcomes Customer Satisfaction Use of Performance Indicators	50 - 52

Each of these quality categories is a chapter in the report, and each chapter is comprised of the following discussions:

- Ratings
- Policy discussion, Findings, Recommendations
- Quality discussion, Findings, Recommendations

In addition to the Results chapter, which focuses on organizational outcomes, an overview of performance measures and their potential application in LIEP is provided in the Performance Measures. Performance measurement in this performance audit means the regular collection of specific information about the effectiveness, quality and efficiency of services and programs.³ The suggested measures will enable LIEP to evaluate on its own whether the resources expended (labor or financial resources) on an activity are used efficiently, have the intended effect and result in a quality outcome. Measures can be based on information obtained from written records, observations by specially trained staff or through surveys of customers. This performance audit will examine existing performance measures and suggest other performance measures. However, the audit will not perform the actual measurements.

Criteria Ratings

We have gathered a wealth of information about the permitting, plan review, zoning and inspection activities of LIEP while conducting this performance audit. Although capturing all of this information in any rating system is impossible, we believe a rating system will help decision-makers grasp the essence of the information. We have developed a simple summary rating system we believe conveys the essence of our findings. We intend these ratings to reflect what interview subjects have told us about LIEP. While organizations and processes consist of individuals, we intend the ratings to reflect current organizational practices and they should not be interpreted as judgements about individuals.

The rating system used for policy compliance is simple and straightforward using a plus (+) sign, indicating LIEP is substantially in compliance with the relevant policies, or a minus (-) sign indicating LIEP is not in compliance. If it is not found in compliance, recommendations will be made to assist the organization in achieving compliance.

The summary ratings for the quality categories are intended to portray both the level of development and the level of integration of each quality criterion. Development, in this performance audit, means the extent to which high-valued characteristics are in evidence. High-value characteristics are ones in which the criteria being examined are systematic, manifest, proactive, fact-based, and evaluated. Integration refers to the extent criteria are practiced. It is possible, indeed likely, for criteria to be practiced in some parts of the organization, but not in others.

The summary ratings used for quality assessment are:

- ★★★★ Criteria fully developed and practiced throughout the organization.
- ★★★ Criteria well developed and practiced throughout most of the organization.
- ★★ Criteria present and practiced in some parts of the organization.
- ★ Criteria sometimes present, occasionally practiced in parts of the organization.

³ The Urban Institute (1980). *Performance Measurement: A Guide for Local Elected Officials*. Washington D.C.: The Urban Institute, p. 1.

OVERVIEW OF LIEP

Before discussing the findings of the audit, it is necessary to give a brief overview of the Office of License, Inspections and Environmental Protection (LIEP). LIEP was formed in 1992 as a result of the consolidation of Environmental Health, the Building Inspection and Design Division (BIDD), the License Division and Animal Control. Four reasons were offered for the merger:⁴

1. The need for improved customer service and the creation of a 'one-stop-shop' for businesses.
2. The desire to provide customer service training for inspectors and to improve the coordination of services.
3. The need to review and update the City's regulations.
4. A desire to reduce the overall costs of enforcement in order to save money."

The graph on the following page illustrates the current organizational structure of LIEP. The blue boxes indicate the areas of LIEP that were examined in this audit. LIEP currently has just over 100 employees, and an adopted year 2000 budget of \$9,136,890. The vast majority of LIEP's revenues are from license and permit fees collected. Only about 15% of LIEP's year 2000 budget is money allocated from the City's general fund.

Permitting, Plan Review, Site Plan Review and Inspections

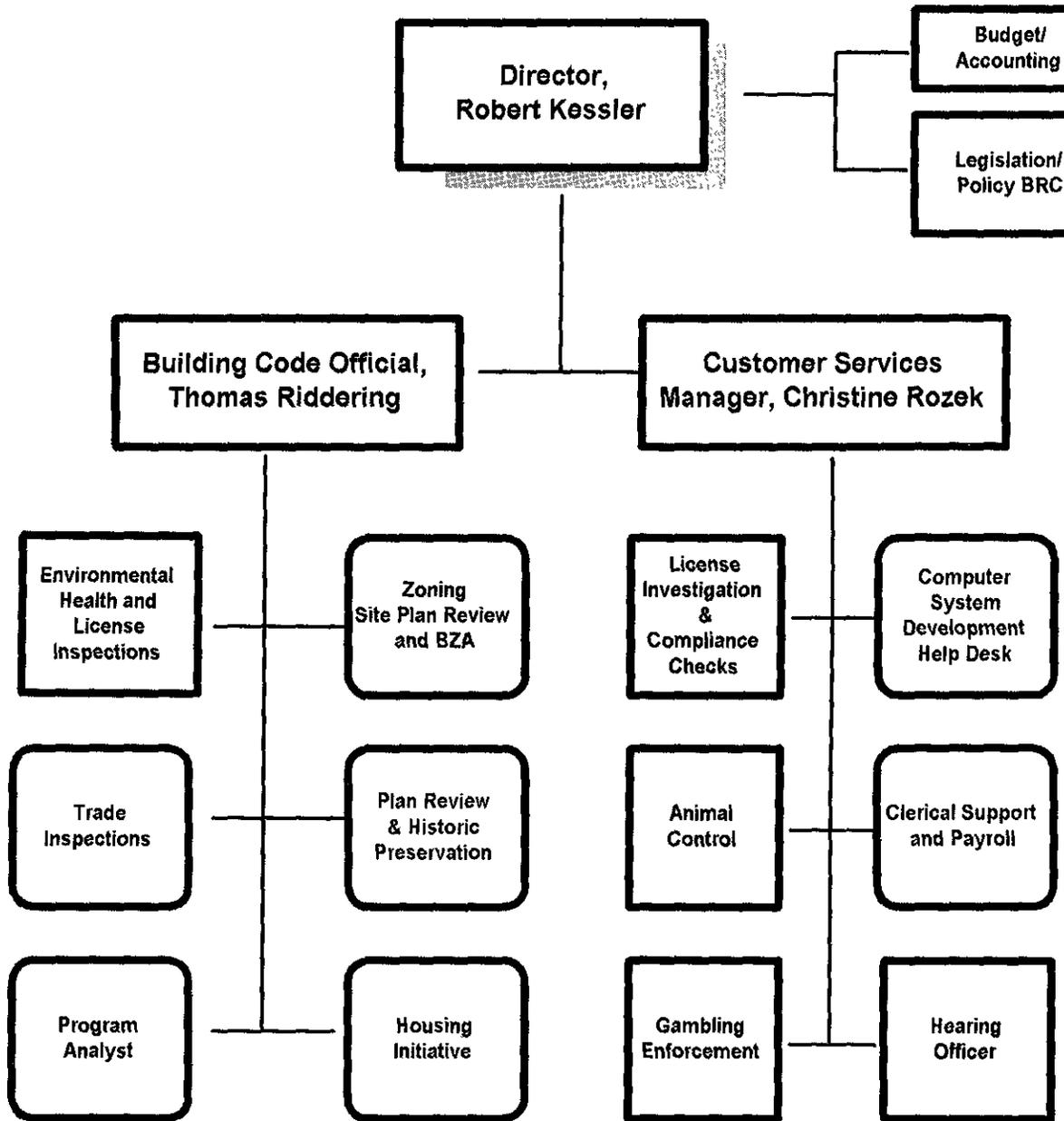
The graphics on the page 8 illustrates the permitting process, from entering the office to filling out a permit application to completing the work and receiving a certificate of occupancy or compliance, if required. The permitting, plan review and inspections activities are closely intertwined. Typically, the first point of contact for a customer is with a member of permitting/customer service staff. A customer will either call with questions or come in to obtain information and apply for a building permit. A permit is required for all structural revisions for residences, garages, carports, decks and similar structures or buildings. Non-structural revisions or remodeling projects may also require a permit if the labor value and the cost of the materials exceeds \$300. Permits can be paid for with cash, check or charge, and payments are accepted in person or by fax, phone or mail. The fee schedule is established in City Code, and is based on the fee schedule in the 1994 Uniform Building Code.⁵

Staff must verify the information contained in the permit application, such as the address, the contractor's license, whether the building is a dangerous structure or nuisance building. The address file is currently used to verify this information, but it will be eventually available through the new computer systems.

⁴ Information taken from Robert Kessler, Director of LIEP, letter to employees, May 18, 1992.

⁵ City code states that refunds can be given for permit fees if the work was not started within a given amount of time, and or if the fee was calculated incorrectly. Project values can also be reassessed according to Code, and new fees charged or refunds given. Finally, fees can be imposed for work that is started prior to obtaining a permit. Typically LIEP finds out about such work through contractors, neighbors, or when inspectors are out in the field and they see work occurring without a permit.

LIEP ORGANIZATIONAL CHART



Indicates Area Covered by Performance Audit

In most cases, a customer must submit building plans and possibly site plans for review in order to obtain the necessary permits.⁶ The few cases in which plans are not required include roofing, soffit and fascia improvements and furnace replacements. LIEP staff involved in plan review include the plan reviewers, site plan reviewers, the structural engineer and the inspectors, though they are not all involved in reviewing every plan. The following table shows their involvement.

LIEP Staff Involved in Plan Review —

Plan Reviewers	All plans not requiring significant structural changes or changes in use of the property
Site Plan Reviewer	Commercial, multi-family additions, new construction, changes in use of the property
Structural Engineer	All significant structural changes or additions
Trade Inspectors	Complex building plans

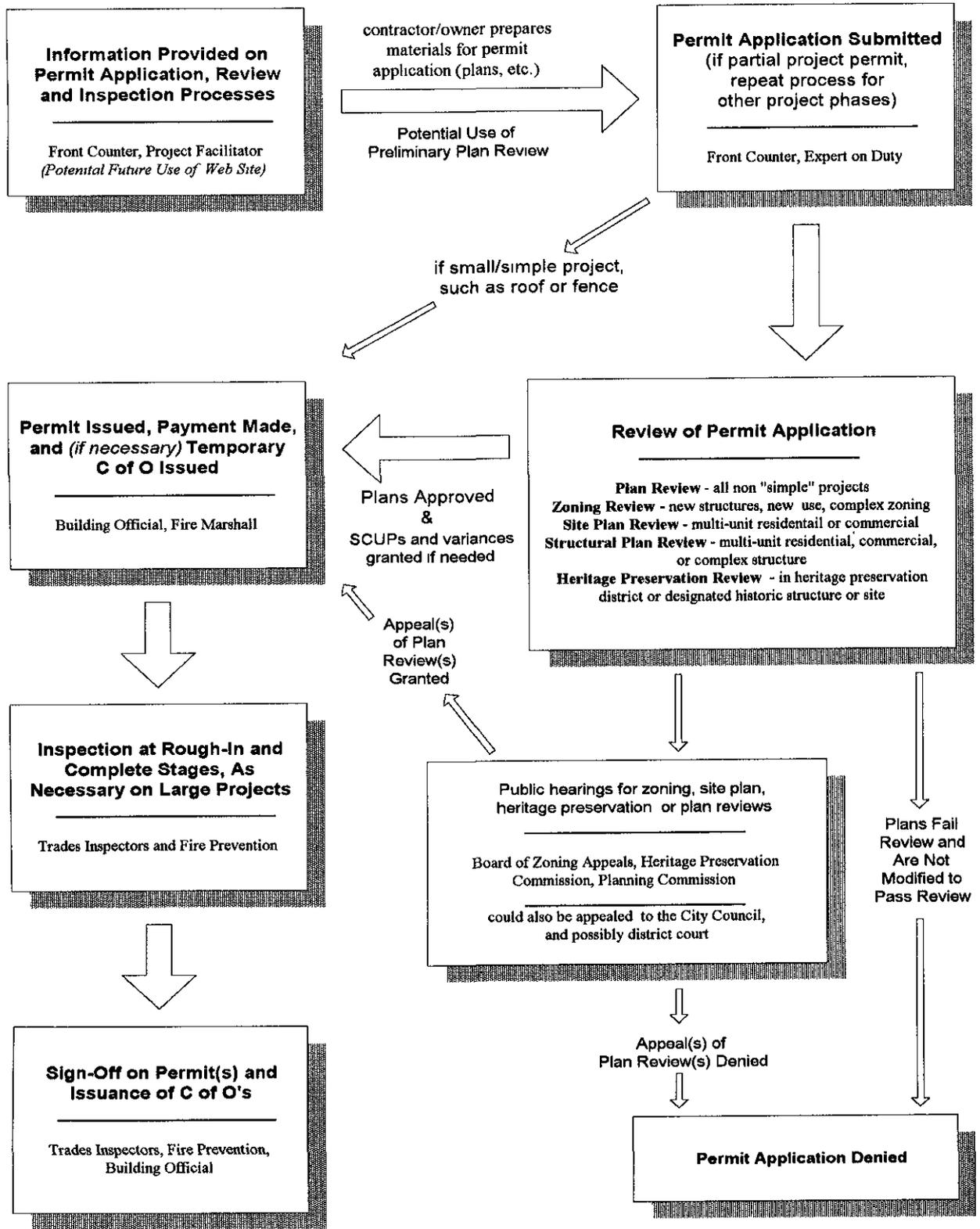
The site plan reviewer also coordinates an interdepartmental review team that includes representatives from Zoning, Public Works, the Water Utility, and Police and Fire departments, as appropriate. The applicant will meet with staff two to three weeks after the site plan is submitted. At this meeting questions can be answered and revisions offered. Staff also work diligently to assist applicants if their plans do not meet code standards.⁷ District Councils may also be involved if the project will have an impact on the surrounding area. While site plan review is occurring, the trade inspectors may be involved in reviewing specific plans designed to show the electrical, plumbing, mechanical or other relevant work. In some cases, the plan review process is on-going, such as for the Minnesota Wild Arena which is a large construction project and requires a variety of different plans. The site plan reviewer also prepares staff reports for site plans that are reviewed by the Planning Commission and he handles any subsequent appeals to the City Council. This staff person also serves as backup staff for the Board of Zoning Appeals.

Once the plans have been reviewed and the permits issued, the inspectors will do an initial inspection. Depending on the type of project, there are given points at which a project must be inspected. The contractors or property owners are responsible for calling LIEP to arrange for an inspection at the appropriate time. In general, inspections are required at the "rough-in" stage and upon project completion. However, inspections are done weekly at bigger construction projects such as the Lawson Commons building and the Minnesota Wild Arena. Once the work is completed and approved, the inspector signs the back of the permit, signs the copy of the permit kept in LIEP's files, and submits it to clerical staff to be formally closed out. LIEP issues the temporary certificate of occupancy, if required, upon permit closure. If the Fire Department is also performing inspections of the project, they are notified of LIEP's approval of the project. The temporary certificate of occupancy will not be issued until the Fire Department has also signed off on the permits. LIEP issues only the *temporary* certificate of occupancy; periodic (annual/biennial) inspections and ongoing certificates of occupancy are issued by the Fire Department.

⁶ Building plans indicate all internal or structural work, site plans show existing and proposed conditions of the property (such as site layout, grading, drainage and utilities, landscaping), and building information (such as height, type of construction, sprinklers, and elevation). In limited cases, a tree preservation plan must also be submitted.

⁷ It is possible that plans cannot feasibly meet code standards. In those cases, the zoning code provides a couple of options to allow for uses other than those specifically stated in the code, namely variances and special condition use permits (SCUPs).

Permit, Plan Review and Inspection Process



PLANNING

KEY PLANNING CONCEPTS:

- Internal Plans
- Plan Development Participation
- Plan Dissemination & Implementation

Policy Alignment: —

Quality Rating: ★★

Planning is an activity that incorporates a strong future orientation and a willingness to make long-term commitments to stakeholders. High-performing organizations actively engage in planning and recognize the impact not only of internal changes, but also of environmental factors on the organization. Planning considers resource allocation, economic projections, future needs of employees, future customer needs and expectations, technological developments, and stakeholder requirements. Plans can be long- or short-term, and can be issue specific, organization-wide, departmental-wide or unit-wide. In order to be effective, plans need to be carried out and updated frequently. Comprehensive plans are also considered policy documents.

LIEP's Internal Plans

LIEP has a history of engaging in planning activities. In the mid-1990's, LIEP developed a number of plans to enable and enhance its streamlining efforts. While these plans were reactionary (they were necessary to meet the objectives for consolidation and mandates from the Mayor's Office), LIEP was addressing a problem, namely integrating functions, and did the appropriate planning to manage the changing circumstances. The plans LIEP produced were:

- Business Process Redesign Project (1994-1996)**, which consisted of the following plans:
 - Functional Redesign Report/Plan (Business Process Redesign Project), 1994**
A high-level plan that identified common data and info used across all LIEP functions. Its objective was to design work processes around shared, property-based information. It focused on customer service delivery and sought to replace repetitive, duplicative, and labor intensive administrative processes. (The Business Review Council has in many ways collaborated in doing much of the work of identifying unnecessary regulations and duplicate processes.)
 - Administrative Redesign Report/Plan, 1994**
The focus of this plan was on service delivery processes and line employees as customers. It sought to replace administrative processes that were repetitive, duplicative and labor intensive through information sharing and technology support tools.
 - Change Management Plan 1994-1996**
This plan had 5 objectives for which steering teams were developed to work on:
 - reduce processing time for permits and licenses;
 - reduce number of and increase collections on delinquent license renewals;
 - reduce cost to businesses by reducing time to obtain permit and license;
 - eliminate redundancy and complexity in local codes; and
 - reduce paperwork and eliminate forms.
- Strategic Action Plan, 1996**
This plan was required as part of the Office's annual budget.

Since 1996, LIEP has not done any long-term strategic planning. All recent planning is very short-term and meant to address very specific issues such as the computer systems. However, these plans focused only on the steps to make the new computer systems operational. They did not include plans to help LIEP transition from the old methods of operation to new ones. Extensive work on basic automation of LIEP's services appears to have consumed much of the office's creative energy in recent years, and LIEP, in effect, has used the automation as an excuse not to plan. An attitude also exists in LIEP that it is difficult to do planning because of the regulatory nature of the Office's functions and the constraints LIEP faces as a governmental entity. However, a number of factors could have been considered in LIEP's planning such as the growth in construction and the current vitality of the economy.

Overall, LIEP is currently engaging in very limited planning activities. However, LIEP held a retreat in late 1999 to look at areas that still need to be addressed. They identified three areas of importance for focused improvement efforts: communication, staff and training, and technology. There is no clear product yet from this retreat, such as specific activities, or a clear commitment from the organization to follow through. However, LIEP reports that individual staff member commitments have been made to facilitate and lead committees to work on the areas identified for improvement. Nonetheless, in light of the current City culture which does not value planning, the fact they are still engaging in planning efforts is noteworthy.

The Saint Paul Zoning Code, in Chapter 64.400, requires the zoning code be reviewed every five years. LIEP and PED staff report that routine text amendments are done on a regular basis, but the zoning code has not been examined or reevaluated. PED maintains primary responsibility for fulfilling this requirement, though LIEP shares responsibility for implementing the requirements of the zoning code. Had LIEP engaged in a planning process that considers its responsibilities related to the zoning code, it may have addressed this and, therefore, been in compliance.

Saint Paul Comprehensive Plan

LIEP activities are directly related to the City's Comprehensive Plan, particularly the Land Use and Housing Chapters. For example, an objective of the Land Use Plan is to "ensure that building supports broader city-building goals," and "make a contribution to the neighborhood and public realm."⁸ Clearly, activities related to this goal would require permits, plan reviews and site plan reviews, and inspections. LIEP's site plan review activities could easily incorporate such objectives into their criteria. However, it is clear from staff statements that while certain staff members try to incorporate these objectives, they feel they can only apply them to a certain extent because the Comprehensive Plan is not adequately incorporated into LIEP's practices.

Not only does LIEP fail to actively pursue the objectives of the Comprehensive Plan, they also fail to use it to identify changing circumstances and priorities. LIEP does not see a direct relationship between its activities and the objectives of the Plan. They do not consider the Comprehensive Plan when preparing their own internal plans and look for areas of change or growth in activities. Rather, it is used by a few select staff members to a limited extent as they perform their duties. To LIEP, the Plan fails to have the same level of authority as the code, though in reality the Comprehensive Plan has the same effect of law when used in the review process as justification for City actions and decisions.

⁸ Land Use Plan, page 17.

LIEP tends only to minimally respond and react to the Comprehensive Plan, but is not a part of the plan formulation process. It is also apparent there are conflicts between some strict requirements of the zoning code and the objectives of the Plan. If LIEP were involved in the plan formulation process, these conflicts may be more readily and easily resolved, and the code and Plan would be more compatible.

Policy Compliance Findings

Finding #1: LIEP did a great deal of internal planning in the mid-1990's. Recent planning activities have been very limited.

Finding #2: LIEP followed through on many of its planning objectives. An example of this is LIEP's 1996 Strategic Action Plan, where LIEP has done an admirable job of following through on many of its objectives, such as trying to respond to inquiries within 48 hours, providing information to customers through meetings, written material, classes (such as the January 20, 2000 session held for small contractors), testing, and developing two project facilitator positions.⁹

Finding #3: Many of LIEP's activities relate directly to the City's Comprehensive Plan, but LIEP is not involved in developing the Plan.

Finding #4: LIEP does not view the Comprehensive Plan as a policy document to which it must comply.

Finding #5: LIEP does not use the Comprehensive Plan as a guide when making its own organizational plans.

Finding #6: LIEP did not prepare adequate plans in regard to the transition from a system that involved paper and an outdated, non-Y2K compliant computer system to a fully automated system. This type of work process analysis and planning at all levels of the organization would have assisted LIEP in its difficult and complex transition.

Policy Compliance Recommendations

Recommendation # 1: *PED should perform, in conjunction with LIEP, a thorough analysis of the current Zoning Code. In order to be in compliance with current City Code, this should be done every five years. The analysis should consider the Code's compatibilities with the City's Comprehensive Plan and other development priorities, and the Code should be modified accordingly.*

Recommendation # 2: *Both PED and LIEP need to take more responsibility for including LIEP in the development processes for the City's Comprehensive Plan. By taking responsibility for development, LIEP will feel more responsible for the objectives of the Plan, and will incorporate the Comprehensive Plan into its own internal plans and practices.*

⁹ One objective that has not been implemented will be discussed in the Development section.

LIEP's involvement in the planning and implementation processes of the City's comprehensive plans will enable it to make more recommended changes to the zoning code, so that the code and the plans are compatible and mutually enforceable. In cases where the zoning code and the Comprehensive Plan are not compatible, LIEP should consider granting variances, equivalencies, or bringing the problem to the Business Review Council for further review and recommendations.

Recommendation # 3: *LIEP should incorporate objectives of the Comprehensive Plans into its plans for its own operations. By doing so, LIEP will ensure it considers future changes and remains flexible and uses opportunities to ensure the building stock of the City is solid, safe and contributes to the vitality of the City.*

The Quality of Planning

Planning was evaluated above on a policy compliance level, but an examination of planning from a quality perspective is also essential to ensure that planning activities are effective and efficient. If the activities are not evaluated, then the planning efforts will be futile and the plans will mean nothing to staff.

Knowledge of Plans

According to the survey results, there seems to be a disconnect between those who do not know about planning efforts or are not involved in planning and those who are. According to the survey, one-half the staff surveyed do not know if plans exist. This question received the highest level of "don't know" responses of all the survey questions. Further analysis of this group of respondents gave us no indication that some staff members or groups of staff were purposely omitted from planning activities.

Plan Development Participation

From survey responses, it appears only a few key line staff are consistently involved in planning. For example, according to the survey, 85% of plan review staff are not aware of any of LIEP's planning efforts. From interviews, it seems staff are not actively recruited to participate in planning. We heard many comments echoing the sentiment that "if you want to be involved, you can be." Involvement in planning clearly has to be self-motivated. This is somewhat problematic, as employee participation in planning at all levels is valuable to an organization as often the line-staff are in the most direct contact with customers and other outside influences. Their input and perspective may be more aligned with the realities of daily operations, and they may have ideas on how to do things better in the future. It also enhances their ability to understand how their work contributes to the future of the organization. However, it should be noted many organizations struggle with how to involve all employees in important decision-making processes. Clearly, not every employee can be directly involved in writing the planning, but they should be given the opportunity to provide input before the plan is finalized. It was also clear the Budget Office, PED and the City Attorney's Office are not involved in LIEP's planning, though they are key stakeholders and participants in LIEP's activities.

Plan Dissemination and Implementation

The recent limited planning efforts that have taken place could not be based on data analysis because LIEP did not have comprehensive data, partially due to its antiquated computer systems. Staff indicate the new computer systems will allow them to collect more comprehensive data. Finally, it is evident the plans created in the mid-90's have not been analyzed to determine areas of success, failure, or continued development and inclusion in other plans for the future.

What LIEP now considers to be plans, such as progress updates on the new information systems, are disseminated through e-mail, meetings and monthly newsletters. As for implementation, according to the survey, 40% of staff "don't know" how often plans are implemented. In the past, committees have implemented various aspects of the plans, particularly the quick fixes that were identified.

While not considered LIEP plans, some LIEP staff are involved in the planning activities of related organizations. Some inspectors are involved in code planning for their respective trades at the national, state and local level. They meet to discuss how to implement changes in the codes, which happen every three years. The Heritage Preservation Commission does an annual workplan, which is commendable given that it is a citizen commission with very limited staffing. Very few voluntary commissions in the City of Saint Paul do such planning.

Planning Quality Findings

Finding #7: Many staff are unaware of plans made by LIEP.

Finding #8: Only a few staff are involved in planning. It seems staff have to actively pursue opportunities to contribute to planning. Leadership rarely seeks out employee participation in terms of cultivating involvement from those traditionally not involved.

Finding #9: There is an apparent lack of connection between information gathering, analysis, results evaluation and planning. LIEP does not measure results and therefore cannot plan as effectively based on their outcomes. In other words, they do not look at where they have been, so it is difficult to know where they are going.

Finding #10: Many LIEP staff, particularly inspectors, are involved in planning efforts of the professional organizations to which they belong.

Planning Quality Recommendations

Recommendation # 4: *LIEP should resume proactive planning, including assessing the current landscape and future economic, social, human resources, political, and technical impacts on LIEP's work.*

- LIEP must understand the connection between planning and resource allocation to prevent situations such as the one currently occurring with staff being overworked, resulting in a highly stressful work environment because technological, economic, and*

human resource changes were not comprehensively planned. Closer monitoring of outside influences will assist in projecting changes in workload and resources, such as those resulting from increased construction in recent years.

- ❑ *Outcome measurement must be incorporated into future planning. LIEP must look at the results of past planning efforts for lessons learned and areas to continue to work on. They must also look at results of past quick fixes to determine effectiveness and remaining issues to be resolved resulting from the changes.*
- ❑ *LIEP should involve other stakeholders, such as the City Attorney's Office, Planning and Economic Development and Public Works in planning process to incorporate the requirements of other departments and develop an understanding as to how the work of LIEP affects other departments.*

Recommendation # 5: LIEP should involve staff in defining organizational goals and offer ways for staff to contribute to them. LIEP needs to find ways to include less-involved staff in decision-making and make them more aware of planning and improvements taking place in the office and how they can contribute. LIEP should not wait for them to approach management, as history shows they will not.

LEADERSHIP

KEY LEADERSHIP CONCEPTS:

- Mission, Vision, Values
- Stakeholder Relationships
- Staff Recognition

Policy Compliance: +

Quality Rating: ☆☆ 1/2

Senior organizational leaders need to set direction, create a customer focus, establish and articulate a clear vision and communicate and make visible the values of the organization. Reinforcing values and expectations requires personal commitment and involvement. Leaders need to take part in the creation of strategies, systems and methods for achieving excellence. These systems and methods need to guide all activities and decisions of the organization. Leaders must also recognize the role of stakeholders in these processes, and maintain positive relationships with them. Finally, staff need to be recognized for their contributions to the organization and to its mission, vision and values.

Many of an organization's policies and practices are derived from strong leadership principles. In this discussion, we look at three leadership areas in which LIEP has developed policies and practices: mission and vision, internal practices, and stakeholders. Good leadership works to ensure that all in the organization understand the organization's purpose – its mission – and where the organization is going – its vision. Good leaders also articulate values clearly and exemplify them on a daily basis. Strong leadership forms meaningful relationships with stakeholders and maintain good communication and cooperation between the two.

Mission and Vision

LIEP has spent a great deal of time developing and refining its vision/mission statement, which is:

"To be a unified, customer service organization, which promotes a healthy and safe environment through information and enforcement of codes and ordinances."

The vision of a unified customer service organization was derived from a desire by then Mayor Scheibel to meet the following four objectives, as mentioned in the introduction:

1. The need for improved customer service and the creation of a 'one-stop-shop' for businesses.
2. The desire to provide customer service training for inspectors and to improve the coordination of services.
3. The need to review and update the City's regulations.
4. A desire to reduce the overall costs of enforcement in order to save money."

The mission and vision will be discussed more fully in the Quality of Leadership discussion, starting on page 22, but it should be noted that the leadership of LIEP has placed a high level of importance on ensuring that the mission statement is understood and communicated, a highly commendable practice. The Director of LIEP is also very concerned with ensuring that staff

understand his expectations for them, and these expectations have been clearly articulated in written form, and, according to some staff, modeled by senior leadership. Not only does the Director have expectations for his management staff, the managers also have clearly articulated expectations for him. One key piece missing from the expectations is a values statement for all staff, which will be discussed in more detail in the Quality of Leadership discussion.

Internal Policies

LIEP has developed a number of internal policies to make for more efficient and understandable operations. These policies are contained in a policy manual which has not yet been finalized, though all staff have the policies and receive updates as changes are made. Staff also have a LIEP information booklet which is useful for finding answers to basic questions or determining which staff member to contact for the correct answer to complicated questions. Certainly this is an efficient practice as the information is readily available to all staff and allows them to answer questions immediately and correctly.

Stakeholders

Positive stakeholder relationships are essential to maintaining strong leadership. Leadership must be able to identify its stakeholders. Stakeholders are "any person, group, or organization that can place a claim on an organization's attention, resources, or output or is affected by that output."¹⁰ Customers also fall under the definition of a stakeholder. LIEP's customers include contractors and citizens who apply for permits and go through the plan review, permitting and inspection processes. They are discussed in more detail in the Customer Focus section of this audit. Listed below are many of LIEP's stakeholders followed by a discussion of the stakeholders with whom LIEP interacts the most:

- | | |
|---|--|
| <input type="checkbox"/> Fire Department | <input type="checkbox"/> Citizen Service Office and Property Code Enforcement |
| <input type="checkbox"/> Saint Paul Regional Water Services (formerly the Saint Paul Water Utility) | <input type="checkbox"/> Problem Properties Committee and Enforcement Coordination Committee |
| <input type="checkbox"/> Public Works Department | <input type="checkbox"/> Business Review Council (BRC) |
| <input type="checkbox"/> Planning and Economic Development (PED) | <input type="checkbox"/> City Council |
| <input type="checkbox"/> Community Organizations | <input type="checkbox"/> Other levels of government |
| <input type="checkbox"/> Design Center | <input type="checkbox"/> Mayor |
| <input type="checkbox"/> Police Department | |

Fire Department

LIEP has developed a strong relationship with the Fire Department, namely the Fire Marshal and the Fire Prevention and Inspection unit. Clearly, this is due to the efforts of the LIEP Director and the Fire Marshal to maintain open communication and mutual respect between the two organizations. The Fire Department is primarily responsible for the enforcing the fire code, and LIEP enforces the building code, though the two codes do overlap in a few areas. For example, the building code addresses smoke issues, but the building inspectors will defer to the Fire Department in making determinations as to whether a building meets code on smoke issues. The

¹⁰ Bryson, John. *Strategic Planning for Public and Non-Profit Organizations*. Jossey-Bass, 1995 page 27.

Fire Department will also defer to LIEP when a situation is more of a building code issue than a fire safety concern. While it would seem logical that good communication between the two is essential, it appears as though the positive relationship between the two Saint Paul departments is somewhat unusual.¹¹

Saint Paul Regional Water Services

Some overlap exists between the responsibilities of LIEP and Saint Paul Regional Water Services regarding the enforcement of the plumbing code. Traditionally, LIEP has done inspections of the plumbing inside the building, and Regional Water has performed inspections for the plumbing from the water main up to the building for new construction projects only. Regional Water deals only with drinking water; LIEP handles the waste and ventilation. However, ultimately, the Building Official has the responsibility for ensuring the plumbing code is enforced. Both departments currently issue permits relevant to the inspections they perform. While this has not caused any serious problems to date, the practice of both departments enforcing the same code should be examined for potential efficiency improvements.

Public Works

LIEP must also interact with other city departments such as Public Works. Part of the interaction is through site plan review. The site plan reviewer in LIEP has done an excellent job of convening a group that meets biweekly to review site plans. This review group has decreased the time it takes to review site plans and increased coordination and communication between the departments. All involved parties should be commended for their participation in this group.

LIEP and Public Works both retain some responsibility for individual sewage treatment systems. LIEP would like to see these treatment systems eliminated over time, though LIEP has stated Public Works has not been as proactive in promoting sewer systems. City code does not require that individual sewage treatment systems be eliminated, though the City's Comprehensive Sewer Plan, written in 1980 and currently being updated, states as policy that the City should "phase out septic tanks after sewers are made available in newly developed areas." In an interesting twist, LIEP is proactively pursuing the objectives of this Chapter of the Comprehensive Plan, unlike the Land Use and Housing Chapters.

Department of Planning and Economic Development (PED)

In addition to the site plan review group, LIEP and PED also collaborate on business development projects, but it has been suggested further collaboration between all departments who work with small businesses should occur. Small businesses may approach PED or PED's Business Resource Center for funding and other development questions, while they approach

¹¹ The reality is often poor communication and turf battles between building and fire departments. This is particularly apparent at the state level, which was discussed in detail in a report on the State Building Code by the Minnesota Office of the Legislative Auditor. (Minnesota Office of the Legislative Auditor. *State Building Code, A Program Evaluation Report*. 7 January, 1999). The Department of Administration, responsible for the Building Code, and the departments of Public Safety and Public Service, responsible for the Fire Code and Energy Code respectively, have not coordinated their efforts well. The codes were not adopted at the same time, and consequently there were some conflicting requirements. Had coordination occurred, the code conflicts could have been resolved prior to adoption and implementation, thus reducing the confusion for builders who have to comply with all codes.

LIEP for licensing and possibly permitting, plan review and inspections. Therefore, it would be beneficial to both the departments and the small business owner if there was greater communication and collaboration between the parties.

PED and LIEP also have a common interest in building construction and rehabilitation projects. It is clear from many of LIEP's budget objectives they would like to be involved in these projects, but they have not yet developed the relationship with PED or with neighborhood organizations to be as effective as they would like. LIEP also stated they would like to know more about development projects PED is considering. PED states that many of these projects never progress beyond the development stage, therefore it would only create unnecessary work for LIEP. The poor information-sharing practices between PED and LIEP are probably due, in part, to the poorly shared information systems. The new computer systems in LIEP provide potential for increased data sharing between PED, LIEP and other offices such as Code Enforcement, provided they all have access to the systems. More information would allow all involved parties to track the status of these rehabilitation projects, as well as other concerns and projects.

Community Organizations

In a similar vein, various community organizations are stakeholders of LIEP. Community Development Corporations (CDCs) are stakeholders that are involved in building rehabilitations and the identification of "improvement areas" in which Code Enforcement, LIEP, the neighborhood, and any other relevant departments or groups collaborate to improve the building stock of an area. CDCs also have the option of working with LIEP to obtain a building evaluation. According to LIEP, this is rarely done, although it could be a very valuable tool for the CDCs. District Councils are often involved with LIEP, especially when projects have to go through a public review process.

Saint Paul Design Center

This inter-agency group is composed of several city staff from Public Works, PED and Parks and Recreation. They also have a number of outside partners, including Public Art Saint Paul, the Capital City Partnership, the Riverfront Corporation, the Port Authority and Ramsey County. The Design Center is technically overseen by the Riverfront Corporation. The Board and the Director of the Riverfront Corporation manage the policy work. If the Mayor is in disagreement with the Riverfront Corporation, the Design Center serves the interests of the Mayor.

Since the creation of the Design Center, there has been some confusion over its regulatory authority. It does not exert regulatory authority, but rather serves as a consultant and advisor to downtown design projects. LIEP maintains the regulatory authority for ensuring the buildings are safe. The Design Center makes recommendations to LIEP, at which point LIEP could choose to make the recommendations part of the design, or they could choose to ignore them. It is reported that the Design Center and LIEP have a good working relationship, and that LIEP recognizes the importance of the Design Center in ensuring downtown structures meet the objectives of the Saint Paul on the Mississippi Development Framework. The Design Center is working to be seen as part of a business-friendly environment in Saint Paul and less of a regulatory body.

Business Review Council

The Business Review Council (BRC) is composed of representatives from City staff, labor, neighborhood councils, residents with relevant experience, and Saint Paul business owners and organizations. The BRC meets monthly, and has two subcommittees, the Business Issues Committee and the General Legislation Committee, that also meet monthly. The BRC has been most active in identifying unnecessary licensing regulations. They were recently involved in reaching an agreement with the taxicab industry in Saint Paul to increase the number of licensed taxis in the City and allow a rate increase. LIEP provides the staff support for the BRC, and other departments, such as PED and Public Works, also participate and provide support as necessary. The BRC is involved in only a limited capacity in the permitting, plan review, site plan review and inspections processes of LIEP.

Citizen Service Office, Property Code Enforcement and the Police Department

Citizen complaints are often funneled through the Citizen Service Office to the appropriate departments. Therefore, some zoning complaints go through this office to reach LIEP, and the two offices must share information. On a broader scale, LIEP and Property Code Enforcement, a section of the Citizen Service Office, interact in a number of ways. LIEP inspects vacant buildings to determine the building code violations that must be addressed to bring the building into compliance. LIEP will inspect later to determine if those issues have been addressed. Code Enforcement inspects them for property maintenance code violations, and maintains the vacant building list for the city. LIEP and Code Enforcement must interact to ensure that when a permit is pulled for work on a vacant building, that the permit is not closed until the building meets the minimum property maintenance requirements. Code Enforcement and LIEP's Animal Control Unit also cooperate extensively in rodent baiting efforts. Finally, LIEP and Code Enforcement must interact on building projects which have become "problems" because of the long time it takes for their completion, and the nuisance these projects create for neighbors. Notably, these two offices view this issue very differently. Code Enforcement believes there are many such projects which are long-term problems, while LIEP holds that there are only a half a dozen such cases.

City Council

LIEP leadership is also responsible for communicating with the legislative body of the City, the City Council. The City Council is certainly a stakeholder in LIEP's activities, as many of the policies passed by the Council directly affect LIEP, and the Council is also responsible for approving LIEP's budget. The City Council is also the final arbiter on many LIEP decisions such as appeals from the Heritage Preservation Commission, Planning Commission and Board of Zoning Appeals. Maintaining open communication is essential to the vitality of the department. Overall, this relationship is handled relatively well. The BRC communicates with the Council on a regular basis, and LIEP uses the BRC to communicate many of its concerns and issues, particularly related to licensing, to the Council.

However, LIEP is also responsible for communicating directly with the Council, particularly at this time as a result of funding provisions for the new computer systems, known as ECLIPS and

AMANDA.¹² LIEP has done some updates for the Council, though they do not appear to adequately address the problems LIEP encountered in regard to the ECLIPS and AMANDA systems.¹³ LIEP has fallen far behind on its implementation dates for the systems, and has been open about it, though not entirely clear about the reasons for the delay. Written documentation given to the Council does not entirely explain the problems LIEP faced with its original software developer, Online Services, Inc. Nor does the documentation explain the transition in the software name from ECLIPS to ECLIPS II to AMANDA, which is an off-the-shelf software that CSDC, Inc., the current contracted software developer, sells for permitting and inspections. The original ECLIPS project was to include what AMANDA does. To differentiate it from the original Online project it was call ECLIPS II before LIEP contracted with CSDC, Inc. While this may seem insignificant, it is actually an important piece to comprehending the current situation in LIEP. LIEP has not updated the Council on the status of the computer systems since April, 1999, though they have since implemented major portions of the programs.

Other Levels of Government

LIEP essentially enforces state law through enforcement of the building codes. However, the state retains some responsibility. With few exceptions, LIEP maintains all responsibility for inspections within the City, including inspection of most state property in Saint Paul and Saint Paul School District property. One outstanding exception is the permitting and inspections process for tank installation and removal. The City is required to issue permits for above-ground tank installations, but the State Fire Marshal is required to issue a letter of approval to the contractor. The State Fire Marshal is responsible for inspecting them, but it is not clear that this is happening, and it appears that no one is doing inspections.

The City of Saint Paul is also represented at the state level on a number of committees, including the Minnesota Uniformity Committee, which is a group that shares common equivalencies and code interpretations.

The State gives primary responsibility to the City for hearing appeals to the Building Code. Appeals are generally dealt with at the department level before they go to a Legislative Hearing Officer. However, the City Code does not allow Saint Paul's Legislative Hearing Officer to grant waivers to the state building code. The *Uniform Building Code*, which the state building code is based upon, requires all municipalities establish a local board of appeals. However, the Minnesota Legislative Auditor reports that few municipalities have done this. Minnesota Statutes also state that anyone who disagrees with the final decision of a municipality may appeal that decision to the Commissioner of Administration. Some concern exists that perhaps another method should be used to hear appeals to the building code at the city level.

LIEP is also required to submit annual reports the State Historic Preservation Office on heritage preservation activities, per our local government agreement. These reports are tardy by several years. In the interview process, this was attributed to a significant staff shortage in the heritage preservation area. However, LIEP management indicate the reason for the lateness is that these reports are a low priority.

¹² ECLIPS is an acronym for Electronic Computerizes License, Inspection and Permitting System. AMANDA is an acronym that stands for Automated Management of Data and Applications.

¹³ The new computer systems are discussed in more detail in the Information and Analysis section.

LIEP also has to interact with the federal government either when the federal government is doing a building project in Saint Paul or when a project is taking place in a floodplain. In the first case, as with private parties, the federal government is required to pull permits for all work as is required by law. However, LIEP reports the federal government refuses to pull permits or to let the City inspect its projects. The other situation where the City works with the federal government is if a non-governmental project is taking place within a flood plain. Federal agencies, such as the Federal Emergency Management Administration and the Army Corp of Engineers, will then become involved in permitting and inspections. With these projects, the Site Plan Reviewer coordinates the involvement of the necessary parties.

Leadership Policy Compliance Findings

Finding #11: LIEP has developed a mission/vision statement.

Finding #12: LIEP has developed internal policies which are widely circulated.

Finding #13: LIEP has a wide variety of stakeholders, some of whom it works with very well, and others with whom the relationship needs to be further developed or clarified.

Finding #14: LIEP has not kept the City Council as up-to-date as it should on the progress of the automation or the problems LIEP has encountered in implementing the systems.

Finding #15: Some of LIEP's responsibilities overlap with those of other governmental entities. Sometimes these are not coordinated effectively.

Finding #16: The City appears not to be in compliance with state law as it has not established a local board of appeals to hear appeals to decisions of the building code official. Appeals can be heard by the Legislative Hearing Officer, though the Hearing Officer is denied the authority to grant waivers to the building code by the City Code. However, in the State Auditor's report on this subject, the State did not seem concerned with this lack of local appeal boards.

Finding #17: LIEP has been tardy on reports it is supposed to submit annually to the State of Minnesota's Historic Preservation Office .

Leadership Policy Compliance Recommendations

Recommendation # 6: *At a minimum, communication between LIEP and the State Fire Marshal needs to be improved so they can insure that inspections, installations, and removal of fuel storage tanks are occurring. In order to ensure compliance the approval should come from the City, rather than from the state, leaving all responsibility at the City level. LIEP should work with the State Fire Marshal to determine procedural and legislative changes required to bring this about.*

Recommendation # 7: *LIEP and Saint Paul Regional Water Services need to clarify their roles relating to the plumbing code. As the Building Official has ultimate responsibility for enforcing the plumbing code, perhaps LIEP should conduct the inspections currently performed by Regional Water. This may lead to enhanced efficiency for both entities.*

Recommendation # 8: LIEP should market its service of providing building evaluations to community development corporations. This valuable tool would enhance the relationship between CDCs and the City and ensure that rehabilitations address building code problems appropriately.

Recommendation # 9: LIEP and the Design Center should clarify their respective roles and level of authority and clearly explain them to permit applicants.

Recommendation # 10: LIEP and the City Attorney's Office need to clarify whether the City is in compliance with state law regarding appeals of decisions of the building code official.

Recommendation # 11: LIEP and PED should take leadership in developing a quarterly interdepartmental meeting for all staff who work with small businesses.

Recommendation # 12: LIEP should meet with Code Enforcement and other appropriate City agencies to discuss and find solutions to the issue of long-term incomplete projects in the City's neighborhoods.

Recommendation # 13: LIEP needs to come into, and remain in, compliance with state reporting requirements for both its building code and heritage preservation activities.

Recommendation # 14: LIEP should provide the City Council at regularly scheduled intervals, a complete explanation of the current automation situation including funding, hours spent on the project, timeline and reasons for the lengthened timeline.

See also Recommendations 4 and 5 on inclusion in planning activities.

Quality of Leadership

Vision and Mission

As mentioned previously, the vision and mission have to be clearly articulated from the top of the organization down. This is a vitally important characteristic of a high-performing organization. In the case of the City, the Mayor has ultimate responsibility for communicating his vision to staff, whether this is communicated directly from him or through department and office directors. According to the survey responses, the Mayor's vision is ineffectively communicated to staff. However, based on a January 20, 2000 presentation at LIEP's training for small contractors (held after the survey was conducted), it was evident the Mayor does have a vision of enhanced customer service which portrays LIEP as an easy place to do business—a one-stop shop. Clearly, a vision exists, but the Mayor has either failed to find a way to communicate this to LIEP, or management has failed to articulate the Mayor's vision to staff. On the other hand, according to the majority of survey responses, the Director and managers effectively convey the Office's mission and vision. But, it must also be mentioned that one-quarter of LIEP staff surveyed feel the Director and managers do not effectively convey the mission and vision.

From interviews with staff, it seems there is some confusion between the definition of vision and mission. Part of this may stem from LIEP management, who use the words "mission" and "vision" interchangeably in internal documents. Therefore, most interview responses indicated

that the mission and vision are the same for LIEP. Upon closer examination, Council Research determined that the mission statement does not fit exclusively into either category. By definition, "a mission outlines an organizational purpose while a vision goes on to describe how the organization should look if it is working extremely well in relation to its environment and its key stakeholders."¹⁴ A vision incorporates the mission, values, goals, strategies and performance criteria. According to staff, this vision/mission comes from the Director, though it does not seem to be integrated into the practices of the organization. It appears the employees do not understand how their responsibilities contribute to achieving the mission and vision, at least partially because there are no clear objectives directly linked to the mission.

LIEP reports that as a part of the recent planning retreat it clarified its organizational vision, in order to make it "more inspiring and challenging." LIEP also reports that it has established core organizational values. However, in the interview process which followed this retreat, no staff mentioned any specific vision—distinct from the mission, or organizational values.

Values

By definition, values are a "desirable code of behavior to which the organization adheres or aspires."¹⁵ Despite the lack of a clear values statement in LIEP, staff reported that the managers and the Director effectively convey the values of the organization, another characteristic of high performing organizations. Interviewees responded that values are exemplified through the actions of the Director and the values applied to policy decisions. During the interview process the values of good customer service and timeliness were emphasized, though rarely was anything more specific stated. Values statements that were articulated were essentially the same as the mission statement. LIEP clearly places a high value on offering good customer service, although it does not have a clear and uniformly identified set of well-articulated values. However, one-quarter of the staff felt the managers and Director were not effective in conveying the values of the organization.

Staff Recognition

Another essential component of effective leadership is staff recognition. Overall, it was reported the Director and managers do a good job of recognizing staff. This seemed to be particularly true for plan review staff, 92% of whom felt managers and the Director do a good job recognizing staff. LIEP clearly places a high value and emphasis on employee recognition. In interviews, many staff mentioned they feel recognized through the respect they are shown and level of decision-making authority they are given by their colleagues and by management. Management also expressed they are trying to determine the best ways to recognize staff without being patronizing. Management currently use both informal methods to recognize staff, such as "I Love AMANDA" buttons (AMANDA is one of the new computer systems) and polo shirts, and more formal methods such as an employee-of-the-month program. The City also had a city-wide employee of the month program, but it appears to have been terminated. LIEP staff expressed frustration with the termination, particularly since one of their own employees had been nominated for the program. In response, LIEP started its own program.

¹⁴ Bryson, page 155.

¹⁵ Ibid. p. 77.

Leadership Quality Findings

Finding #18: The Mayor has not effectively communicated his vision directly to LIEP staff.

Finding #19: LIEP Director and managers are good at communicating the organization's mission to staff.

Finding #20: LIEP does not have clearly articulated values.

Finding #21: LIEP management do a good job of recognizing staff contributions. They continue to seek better methods to recognize staff.

Leadership Quality Recommendations

Recommendation # 15: LIEP should evaluate its mission statement to ensure it answers the following questions:

- Who are we? What distinguishes LIEP from other City departments?
- What do we do?
- For whom do we do it?
- Why do we do it?

Recommendation # 16: LIEP should identify objectives to put the mission statement into action and also identify specific objectives for each area of LIEP. This will enhance employee understanding of how their particular responsibilities help meet those objectives and thus fulfill the mission. Finally, LIEP should identify specific organizational values under which all employees operate and exemplify them at all levels of the organization.

TRAINING

KEY TRAINING CONCEPTS:

- Education & Training Resource Allocation
- Employer Commitment

Policy Compliance: +

Quality Rating: ★★

The Malcolm Baldrige Quality system pairs the concepts of training and development. We have chosen to split training and development into two subsections because our findings warrant two separate discussions.

Employee success depends on having opportunities for personal learning and opportunities to develop and practice skills. "Personal learning can result in more satisfied and versatile employees, greater opportunity for organizational cross-functional learning, and an improved environment for innovation."¹⁶ Providing training and education is also a good way to demonstrate commitment to employees.

Employees in successful organizations are provided the tools they need to produce quality services. These same employees are given encouragement and the resources to develop a set of skills that allows them to contribute more effectively to the organization over time. Training can help employees better serve customers. Successful organizations also link the training and development of their employees to the organization's goals and priorities. This linkage occurs through the development and implementation of a long-term strategic plan tied to basic organizational values.

Training Objectives and Policies

LIEP has clearly placed a high level of importance on training. One of the stated goals of its 1996 Strategic Plan was "to provide continuing education and training that achieves customer service goals and ensures competency in new technologies, codes, regulations and procedures." Objectives to achieve this goal include providing adequate funding for training, ensuring that the training staff receive is appropriate, and completing an educational plan for every employee. The Director also stressed the importance of providing relevant and meaningful training particularly when it is difficult to add more staff.

LIEP provides a great deal of information to its new employees. New front-counter employees receive a packet of information which contains LIEP policies, time cards, and other human resource information. New inspectors are paired with more experienced inspectors during the initial weeks of their employment with LIEP. Employees also have a comprehensive LIEP handbook that assists them in answering customer questions.

LIEP provides a substantial amount of both financial and time resources for staff to obtain training, and they have developed educational plans for all employees. Counter staff have

¹⁶ 2000 Criteria for Performance Excellence, Baldrige National Quality Program.

received customer service training and have also been cross-trained to handle both permit and license applications. Inspectors have received trade-specific training primarily through the Minnesota Department of Administration or through their particular trade associations. Plan examiners have also received some general training in the basics of the electrical and mechanical codes, and are able to do structural reviews for residential projects and basic zoning reviews. With the implementation of the new computer systems, many staff have received relevant training in order to utilize the systems and train other staff members.

Some concerns have been raised by LIEP staff and by other City staff that too many training resources have been focused on the trade inspectors, while other staff have more limited training opportunities. Some of this may simply be because there are more training opportunities available for inspectors due in part to certification requirements.

Training Policy Compliance Findings

Finding #22: LIEP has invested significant financial and human resources in training.

Finding #23: The LIEP handbook is a very comprehensive and useful tool to which all staff have access.

Finding #24: Each employee has an annually-updated educational plan.

Finding #25: Counter staff are cross-trained in permitting and licensing. Other staff have received some limited cross-training.

Finding #26: Too many training resources may be allocated to the trades inspectors, potentially limiting training opportunities for other staff.

Training Policy Recommendation

Recommendation # 17: LIEP should reassess where resources are allocated for training to determine if some staff have less access to training than others, and whether this is appropriate. LIEP should also determine if, and how, the training is affecting workload allocation.

Quality of Training

LIEP employees were asked their opinion on the effectiveness of LIEP's use of education and training opportunities. The survey results indicate that 98% of staff feel LIEP "effectively" or "very effectively" uses education and training opportunities. This speaks very well for the organization and demonstrates its willingness to invest in its employees. From the interviews, it was apparent that training is widely available and encouraged. Some staff, such as the inspectors, are required to obtain a certain amount of training to maintain their licenses. LIEP provides the funding and the time for this training. Commendably, this Office sets aside a relatively large amount of its budget for these necessary training activities. Also mentioned previously, there is some internal cross training for front counter staff, but not in the other areas.

Finally, the development of the Project Facilitator positions has assisted the organization in having at least two staff operate as "generalists." The Project Facilitator I works as a generalist in the licensing area, although she is somewhat knowledgeable in plan review and inspections as well. The yet-to-be-filled Project Facilitator II position will be a generalist in permitting, review and inspections area.

Training Quality Finding

Finding #27: Through the survey, we found the vast majority of LIEP staff feel the resources provided by LIEP are "somewhat effective" or better. As mentioned above, training is widely encouraged and available, though more so for trade inspectors than for other staff.

Training Quality Recommendations

Recommendation # 18: *LIEP needs to encourage all staff in all work areas to pursue relevant training and provide the resources whenever possible.*

Recommendation # 19: *More cross-education of all LIEP functions would be valuable. Staff tend to have limited knowledge of the functions of work areas beyond their own. Having a good working knowledge of the other functional areas will assist staff in answering customer questions and coordinating efforts to prevent problems.*

DEVELOPMENT

KEY DEVELOPMENT CONCEPTS:

- Employee Contribution
- Work Environment
- Labor/Management Relationship
- Employee Evaluation

Policy Compliance: —

Quality: ★★

An organization's success depends largely on the knowledge, skills, innovation, creativity and motivation of its employees. Valuing employees means committing to their development, satisfaction, and well-being. High performing organizations often provide opportunities within the organization for development and growth. Organizational knowledge is shared so employees can better serve customers and contribute to achieving the organization's goals and objectives. Development also includes building internal partnerships with employees through means such as labor-management cooperation and the creation of a supportive work environment for all employees.

Development Policies

One of LIEP's goals from its 1996 Strategic Action Plan was to improve employee morale in all areas of the Office of LIEP. This goal included the following objectives:

- Encourage managers to nominate employees for recognition. (As mentioned previously, LIEP does a good job of recognizing staff.)
- Use the Labor Issues Focus Group to resolve job and morale concerns. (This group is no longer meeting.)

Relating to the last objective, one of LIEP's 1998 Budget Objectives was to "Monitor employee views and ideas for improvements and develop a labor-management partnership to address areas of mutual concern." Clearly, this labor-management partnership has not come to fruition. The need for such a group will be more clearly articulated in the following quality discussion.

Development Policy Findings

Finding #28: LIEP addressed the need to improve employee morale in its 1996 Strategic Action Plan, but has not followed through on some important objectives to reach this goal.

Finding #29: LIEP does not have an active labor-management group.

Development Policy Recommendations

Recommendation # 20: LIEP should follow through on its commitment to open communication between staff and management and discuss together issues related to morale and other

workplace concerns. This could involve increased management attendance at work-group or team meetings, as well as more proactive involvement of staff not traditionally involved in organization-wide discussions.

Recommendation # 21: *LIEP should reconvene a labor-management group to actively pursue issues of mutual concern. Clear guidelines and expectations should be established so meetings are a place for cooperation, not confrontation and complaining. Leaders should emphasize this is a non-grievance discussion forum. The leaders of the group will also need to engage the problems encountered by the first labor-management group, such as too many participants — The last group had two representatives from each bargaining unit in LIEP which may have made the group too unwieldy and ineffective.*

Quality of Development

Staff Contribution to Organizational Goals and Processes

It was clear through the survey results staff feel disconnected from decision-making in LIEP. When asked about opportunities to contribute to decisions made about operations and procedures in LIEP, 58% of staff surveyed stated there were few to no opportunities. We found very similar results to the question regarding opportunities to contribute to the organization's goals. We examined more closely the overall responses of the group that stated few to no opportunities exist to contribute to decisions regarding operations and procedures to determine whether this group's responses differed from the general population. Their responses are highlighted in the following chart.

Responses and characteristics of staff who felt there were few to no opportunities to contribute to decisions —

When asked about opportunities to contribute to decisions made about operations and procedures of LIEP, 58% of staff felt there were few to no opportunities. Common characteristics and responses of this group:

- Tenured and representative of all work areas surveyed;
- Generally less involved in professional organizations;
- See work environment as slightly more negative than the general population;
- Significantly less aware of data collection practices and whether the data is used effectively;
- More negative on the usefulness of ECLIPS, AMANDA, and other computer systems;
- Generally see less monitoring and responsiveness of customer needs and satisfaction; and
- Unaware of any results measurement in LIEP, and don't know if goals are achieved.

It appears this group is less involved in the organization. This may be due partially to management not involving them in the decision-making process, and partially due to their own lack of motivation to be involved. One interviewee suggested management creates the "big picture" and staff have to decide how to fit in. This sentiment was reflected in comments from other interviews where staff expressed that opportunities exist, but that staff have to pursue those

opportunities. However, one of the expectations the Director has of LIEP managers is that they “involve employees in decision making; seek input.” Involvement may also vary by work unit—different units within the Office seem to have different means to garner staff input. Some use very formal methods, such as staff meetings, while other supervisors visit informally with their staff on a daily basis. Some methods may be more effective than others and the effectiveness of methods will vary by employee.

Work Environment

Nearly two-thirds of the LIEP staff surveyed feel the environment is “conductive” or “very conductive” to the well-being of all staff. However, 36% of staff stated they feel the environment is “not conducive” to the well-being of all staff. While it is alarming that one-third of the staff feel this way, it is also important to note this negativity could impact the rest of the staff. This group’s responses are explored in the following table.

Responses of staff who felt the work environment was not conducive to well-being and growth of all staff —

36% of LIEP staff surveyed felt the work environment was not conducive to the well-being and growth of all staff. This group typically gave more negative responses to nearly every question. General responses of this group:

- See less planning in their work area and staff involvement in planning;
- Feel the Mayor, Director, and managers do not effectively convey a clear vision, mission, or values;
- Do not feel encouraged to participate in professional organizations;
- Less positive about labor-management relationship;
- Less involved in decisions made about operations, procedures, and goals of LIEP;
- See less monitoring and responsiveness to customer needs and satisfaction; and
- Less aware of the results measurement activities of LIEP, less knowledgeable as to whether LIEP compares its results with other organizations, and less knowledgeable as to whether or not LIEP meets its goals.

Possible explanations for the less conducive work environment include stress due to increased workloads and computerization, staff shortages, and the high volume of construction over the past couple of years. It was also reported by a number of people that there is a division between those in the Office willing to make changes and those who prefer the old methods of operation. An uneven workload distribution between sections may exist in LIEP. Some sections, such as plan review, seem to have more work than staff. The lack of planning by LIEP may also be contributing to the stress level. LIEP has not done an adequate job of anticipating and planning for the changing workloads resulting from increased construction, the health of the economy, and the automation of the office. Another possible explanation for the lower rating of the work environment may be the lack of empowerment some staff feel, which makes the environment more stressful. Some staff expressed a sense that their needs and input are largely ignored by decision-making staff, notably those involved in developing and implementing the ECLIPS and AMANDA systems. Other external factors beyond LIEP’s control may also affect morale such

as potential privatization/competition of city services and drawn-out labor negotiations. LIEP management report the reason some staff feel the work environment is not conducive to their well-being is the changeover to a new computer system, although Council Research believes the dynamics are significantly more complex.

Finally, with respect to work environment, another survey question asked how the Director and managers are at creating a work environment that is equally supportive of all employees regardless of race, color, class, gender, age, national origin, sexual orientation or physical ability. Fully ninety percent of the staff surveyed stated they are "fairly good" to "very good" at creating a supportive work environment.

Labor-Management Relationship

The lack of a formal labor-management partnership was mentioned in the policy compliance section of Development. This lack of partnership may have an impact on the staff's view of the relationship. Overall, most staff feel the labor-management relationship is mediocre or fair, although one-fourth of staff say labor and management "work together poorly." This group's responses are examined in more detail in the following table. There is a general sense from other City staff who frequently interact with LIEP that within LIEP, particularly within the trades inspection area, loyalty is to the union first and then to the City. This attitude may influence the way staff perform their duties, as discussed further in the Customer Focus section. It should be mentioned that LIEP management is not exclusively responsible for the bargaining unit's relationship to the City. Contract negotiation is not conducted by LIEP, but rather by the Office of Labor Relations. However, LIEP management is directly involved in the grievance resolution process for LIEP staff. Notably, an examination of the number and type of grievances filed by LIEP employees shows they are similar to those of other departments, taking into account department size. So this reportedly poor relationship does not manifest itself in grievances filed.

Responses from staff who believe labor & management work together poorly—

One-fourth of staff feel that labor and management "work together poorly." This group's responses are consistently more negative than LIEP staff is, in general, in all categories. Listed below are some key findings of the responses of this group:

- Not aware of the Mayor's vision for LIEP, do not believe the director conveys the vision effectively, do not see the director or managers as conveying the mission or values of the organization effectively;
- View the work environment as not conducive to the well-being of staff;
- State the overall work environment for persons of protected classes is not good to fairly good;
- See few to no opportunities to contribute to decisions;
- Not aware of what data is collected for permitting, plan review, or inspections;
- Do not know if the computer systems meet the needs of LIEP;
- Not aware of any systematic internal evaluation in LIEP;
- Not aware of any monitoring of changes in customer needs or satisfaction performed by LIEP, and feel that at best LIEP is "partially responsive" to changes in customer needs and satisfaction; and
- Unaware of any results measurement and goal achievement in LIEP.

Labor representatives within LIEP may view themselves as having less of a role in decision-making. At the same time, some management staff also expressed a sense of hopelessness about their ability to work with the unions. Unions are seen as an obstacle rather than as a partner. Unions may also perpetuate this feeling by being adversarial and uncooperative. These attitudes may permeate throughout the organization, hampering the relationship. An example of this situation is the creation and implementation of the Project Facilitator positions, recommended in the 1994 Functional Redesign Plan. In 1998, the Process Redesign Change Management Committee was reorganized into a formal labor-management committee to address union concerns regarding the creation of these positions. The proposal was held up in this committee as the unions could not agree on who would represent the Project Facilitator positions.

Employee Evaluation

The majority of surveyed employees responded their performance is reviewed annually. LIEP continues to make a concerted effort to review employee evaluation methods for their usefulness. Sixty percent of respondents feel the evaluations are somewhat useful or better, the other 40% feel they are not useful.

Development Quality Findings

Finding #30: Over half of the surveyed LIEP staff say there are "few" to "no opportunities" to contribute to the organization's decisions about operations and procedures. The same statistic exists for opportunities for staff to contribute to the goals of the organization.

Finding #31: Two-thirds of staff feel the work environment is "somewhat conducive" to "very conducive" to the well-being of all staff. The other one-third of staff who feel the work environment is "not conducive" have a more negative view of the organization in general.

Finding #32: Ninety percent of staff surveyed feel the Director and managers have created a supportive work environment for people of protected classes.

Finding #33: The labor-management relationship is mediocre to fair. One-quarter of LIEP staff surveyed feel the two groups work together poorly. This group gave consistently more negative responses to survey questions than LIEP staff as a whole.

Development Quality Recommendation

Recommendation # 22: *LIEP should address work environment issues. The proposed Labor-Management Committee should discuss both the factors negatively impacting the environment and what specific steps can be taken to decrease the stress level experienced by many staff. Additionally, this group could examine what specifically could be done to make LIEP a more supportive work environment for those who feel it is not currently supportive.*

INFORMATION AND ANALYSIS

KEY INFORMATION & ANALYSIS CONCEPTS:

- Data Collection
- Analysis of Data
- Effective Use of Automation Systems

Policy Compliance: —

Quality Rating: ★^{1/2}

Information and analysis is the foundation of a performance management system. Relevant information relates to customers, services, employees, and costs. Analysis of this data should be used for evaluation, decision-making and operational improvement within the organization. Data are used to determine trends, projections, and cause and effect. They also support planning, performance reviews, comparisons and benchmarks.

Automation Policies

Given LIEP's activities related to permitting, plan review and inspections, one might expect a great deal of data to be collected on functions such as permit fees collected, inspections completed and change orders written – among numerous other functions. In the past, LIEP has collected data on the number of inspections conducted, permit values, permit revenues and other budgetary data. However, LIEP is currently collecting very little data beyond the budgetary information to support its operations. Some of this is due to the changing information systems in LIEP from a dBase system that was not Y2K compliant to ECLIPS and AMANDA. The dBase system did not allow communication between functions such as licensing and permitting. Therefore, LIEP began, back in 1995, to look for a new information system that would be useful across activities. To this end, they contracted with Online Business Systems, Inc. in late 1995 to design a system that would integrate the licensing, permitting, plan review, zoning and inspections processes, known as ECLIPS. The goal was "to install a custom designed computer system that will allow a single point of contact for the customer, a single request (application) for information, and a 48-hour maximum response time to customer requests."¹⁷

Unfortunately, Online failed to deliver a product in a reasonable, specified amount of time and the contract was terminated. In early 1999, LIEP contracted with CSDC Systems, Inc. to design ECLIPS 2, which is now known as AMANDA. The system is in the early stages of operation. A great deal of information remains to be loaded into the system and other functions to be completed before AMANDA is entirely operational. LIEP is over one year behind schedule on implementation of the system, though they remain within budget. The following table outlines each system's budget to date.

	Paid	Balance
ECLIPS (Online Business Systems)	\$697,228	\$0
AMANDA (CSDC)	\$319,712	\$211,099

¹⁷ LIEP report to the City Council, April 1, 1997.

The problems with office automation have also pushed back the implementation dates for the hand-held computers for the inspectors. LIEP is hopeful that some inspectors will be able to begin using them this year, with the remainder in use in 2001. The hand-held computers will allow inspectors to retrieve inspections records and issue and log written citations in the field.

Other City departments have also expressed interest in implementing AMANDA. LIEP is currently assisting the Fire Department with developing the system for fire inspections, and PED and Citizens Service Office have also expressed interest in utilizing the system. A unified system would allow all departments access to the same property information through the shared address files. This would create efficiencies for City operations and improve communication between the various departments. A City-wide GIS team is also working to identify software that would interface between AMANDA and GIS. The current software, Arcview, is cost prohibitive to install City-wide (about \$1000 - \$1500 per copy), thus only a limited number of people have access to it. Other, far less expensive programs exist, and the GIS group is developing specifications for these products. Such a program would allow all departments that currently use or will be using AMANDA to access the same information from the GIS system.

Information and Analysis Policy Compliance Findings

Finding #34: In the past, LIEP collected some information on the number of inspections conducted and some budgetary data such as permit values and permit revenues. Currently, no data is collected or analyzed beyond required budgetary data.

Finding #35: LIEP staff should be given a great deal of credit for taking on the task of automating the Office's information systems. It has involved many staff hours to monitor the contracts as well as develop and learn new systems. It has also required that staff not directly involved in developing the systems take on responsibilities formerly assigned to the staff now working on developing the new computer systems. Staff have shown a strong commitment to the project.

Finding #36: The anticipated implementation dates of 2000 and 2001 for hand-held computers for inspectors seems lengthy given the potential usefulness and efficiency of hand-held computers. It does not appear that specific plans are in place to begin the implementation of the hand-helds or train inspectors to effectively use them.

Finding #37: Other departments are interested in implementing AMANDA. LIEP is providing them with staff assistance.

Finding #38: A City-wide GIS team is working to identify economically feasible software that would interface between AMANDA and GIS.

Information and Analysis Policy Compliance Recommendations

Recommendation # 23: *The City of Saint Paul should provide the financial resources to allow for the purchase of an economical software package that would interface between the GIS system and AMANDA. This would allow broad access to GIS for all departments utilizing the*

AMANDA system and enhance the ability to coordinate activities and information between various departments.

Recommendation # 24: Not only must LIEP work to implement hand-held computers as soon as possible due to their usefulness, LIEP must also train its inspectors to integrate the hand-held computers into their work practices. Inspectors must make it a practice to load all inspections comments into the database so other inspectors have the same information. Inspectors should also begin the practice of looking up information to ensure they are providing permittees with accurate information.

Quality of Information and Analysis

Data Collection and Analysis

From the interviews, it was clear LIEP did have data on paper and in the old computer systems, though it was rarely compiled for analysis. When data was collected, it was primarily basic performance statistics, such as the number of inspections done, and used for balancing workload. LIEP is also collecting data on revenue received from permits and the value of the permitted projects. This data is used for budget preparation. LIEP is not currently doing any further data compilation. One-third to one-half of LIEP staff surveyed stated they do not know what data is collected on the customer service/permitting, plan review, and inspections processes. One-third of staff do not know if data is used effectively. Of those who answered the question, they believe data is used "somewhat effectively." Therefore, the data that is collected is not widely shared or used by many staff.

Staff Awareness of Automation

We found staff to be generally unaware of the effectiveness of LIEP's automation efforts. When asked if needs were met through ECLIPS:

- One-half of staff surveyed do not know if LIEP's needs are met.
- Of those who do know if LIEP's needs are met, the average answer was "few needs are met."
- Over one-third of staff indicated "needs are not met."

We received somewhat similar responses to the same questions regarding AMANDA:

- One-third of LIEP staff surveyed don't know if needs are met through AMANDA.
- Of those who do, the majority stated that "few of the needs are met."
- 37% indicated "needs are not met."

We also asked about the other information systems in the office (word processing, e-mail, Internet access). In this case, we found one-quarter of LIEP staff do not know if needs are met, and, of those who do, the most common response was "few of the needs are met."

We anticipated finding that needs may not yet be met with AMANDA, but were somewhat surprised with the responses regarding ECLIPS and the other computer systems. There may be a number of reasons for these findings:

- ❑ They could be a result of the problems with the company originally hired to design ECLIPS, and that once AMANDA, the second phase of the ECLIPS project, is fully operational, more needs will be met.
- ❑ Most staff surveyed do not work directly with ECLIPS, and may have heard only complaints of some staff.
- ❑ We heard in interviews that it sometimes takes longer to perform routine tasks now with ECLIPS and AMANDA. Interviewees suggested that it will take time to learn the new systems, and once staff are comfortable with the systems, efficiency will be improved.
- ❑ Some staff are resistant to change and rather unwilling to learn the new systems.
- ❑ Planning for LIEP's information systems may not have been sufficiently inclusive of all users such as inspectors and counter staff. Some staff stated their input was not considered in the development of ECLIPS. Additionally, they report that when problems have arisen with ECLIPS, they were not addressed because information systems staff were working on AMANDA.

The move toward increased automation is a highly commendable task. The development of the address files and their integration with the GIS system will be very beneficial to the City. However, the City needs to be more proactive in pursuing GIS City-wide. Other departments will also be utilizing AMANDA: Fire, Citizens Services Office, Public Works and PED. LIEP also has staff members in each area who are on-site experts in the computer systems and can answer questions. This is a very good practice and likely helps to alleviate some frustration on the part of end-users.

Information and Analysis Quality Findings

The Future of LIEP's Information and Analysis - ☆☆☆

We felt it necessary to not only rate LIEP on their current information and analysis activities, but also speculate on a future rating if they are able to successfully implement systems and follow through on statements made in the interviews. Therefore, if we were to audit LIEP one year from now, we anticipate they have the *potential* to receive three stars. However, if they do not effectively use their computer systems to collect and analyze data, we do not believe their assessment would improve. The automation should:

- ❑ assist with fee justification based on data and workload analysis;
- ❑ provide inspectors with an inspections results database allowing them to provide consistent information to property owners and contractors; and
- ❑ give other departments such as PED, Public Works, and the Fire Department comprehensive data that will allow them to coordinate activities.

Finding #39: LIEP currently does very little data collection or analysis.

Finding #40: Staff are generally unaware of what data is collected and how it is used.

Finding #41: Staff do not feel the ECLIPS or AMANDA system currently meets their needs.

Finding #42: Great potential exists for LIEP to perform meaningful data collection and analysis and improve its performance by utilizing new automated system. LIEP should be given credit for taking on such a task.

Information and Analysis Quality Recommendations

Recommendation # 25: LIEP should clearly identify the information gathering potential of the new computer systems and the usefulness of the data. (See previous box for suggestion). Data collected and analyzed should be related to the mission and objectives of the organization.

Recommendation # 26: LIEP should analyze the effectiveness of the computer systems. One method to analyze the effectiveness would be to follow-up with staff based on survey responses indicating the systems are not useful. LIEP should encourage and gather input on the systems and respond to the input, even if it is not possible to immediately address all concerns or suggestions.

See also Recommendation #41 in Results and the Performance Measures Chapter.

IMPROVEMENT PRACTICES

KEY PROCESSES FOR IMPROVEMENT PRACTICES:

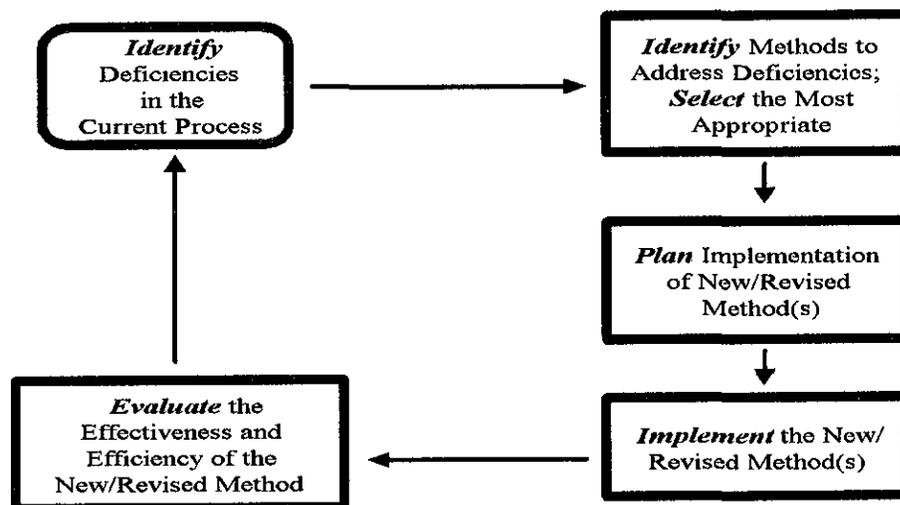
- Identification of Potential Improvements
- Implementation of Improvements
- Evaluation of Improvement Efforts

Policy Compliance: +

Quality Rating: ★¹/₂

Improvement practices occur when an organization considers the design, management and improvement of internal organizational processes. Similarly, improvement processes such as internal evaluation should be part of daily work within the organization, and should seek to eliminate problems at the source and be driven by opportunities to improve. Improvements may enhance value through new and better services, increased responsiveness, and a higher level of efficiency. Notably, the development of new services may or may not be an improvement practice, depending on whether it meaningfully improves services already provided by the organization. Improvement processes must contain cycles of planning, implementation and evaluation which require information and methods for assessing progress. All practices of an organization should be continually evaluated to identify problems and successes, and should be incorporated into an organization's daily practices. These practices are charted in the following diagram.

The Improvement Process



Quick Fixes and Past Improvement Efforts

The very development of LIEP was an improvement practice. The City saw the need to combine functions to increase efficiency and better meet citizens' needs. Historically, LIEP itself has been very active in engaging in improvement practices. Since its inception in 1992, LIEP has developed plans and action steps to address both major and minor problems and processes.

Many of these were developed in the mid-1990's along with the Office's Strategic Action Plan and its Functional Redesign Report. LIEP's past improvement efforts include the report titled *119 Targets for Redesign*, which was part of the Business Process Redesign Project. This report also identified a number of "Quick Fixes," many of which were implemented. Certainly, it was not possible to implement all of them either because it simply was not feasible or perhaps even necessary. LIEP should be acknowledged not only for such a proactive effort to improve its operations, but also for involving many levels of staff in these improvement efforts. Indeed, all of the quick fixes were identified by employee work teams.

Improved Automation

The most visible of LIEP's improvement practices is its current automation efforts. The new computer systems will have a number of valuable features including: access to the City's address files; the ability to track plans currently in the review process; and checkoff lists for plan reviewers and inspectors allowing them to quickly note deficiencies or compliance. While these are good practices which will likely have a positive impact on its functions, LIEP did very little planning to handle activities and problems created by automation, such as increased workloads, stress and the inability to effectively collect data during the transition period. It also remains to be seen how much evaluation LIEP will do of the systems once they have been implemented, particularly given LIEP's historical lack of internal evaluation, discussed later in this section.

Project Facilitators and Experts-on-Duty

The Project Facilitator positions were originally identified as part of LIEP's Functional Redesign Plan, and have taken a long time to implement. The Project Facilitator positions were originally designed to encompass a wide range of functional knowledge in zoning, environmental health, licensing, construction and heritage preservation and to track larger projects and serve as a resource for customer questions. Since then, LIEP determined that some of the functions should be separated to allow for specialization. Currently, a Project Facilitator I assists businesses in obtaining the necessary licenses, and will also help them through the permitting, plan review and inspections process if necessary. The position is primarily focused on the licensing aspect and reports to the Customer Services Manager. The Project Facilitator II, soon to be hired, will be the primary contact person for customers for permitting, plan review and inspections. This position will report to the supervisor for Plan Review and Historic Preservation. Currently plan reviewers track their own projects, so it is unclear how responsibilities will be shared between the Project Facilitator II and the plan review staff.

LIEP also has a policy designating a daily expert-on-duty who is available to handle customer calls and walk-in customers. The expert-on-duty answers questions when the person who usually handles those questions is unavailable or when technical issues are encountered that front counter staff are unable to handle. The expert-on-duty is a commendable practice and valuable to the organization.

Recent Improvement Practices

LIEP has not—actively—identified new improvement practices since the mid-1990's. Perhaps more importantly, LIEP has not reviewed the effectiveness of its past efforts. Improvements have to be evaluated in order to determine their worth and to learn from past efforts. While LIEP

typically does not evaluate the effectiveness of its improvement efforts, LIEP has taken one particular experience to heart: the problems encountered with Online Services, Inc. during the development of the ECLIPS system. LIEP used the experience with Online to formulate a more effective contract with CSDC Systems, Inc. With the new contract, LIEP decided to use an off-the-shelf system which could be customized internally as necessary primarily utilizing their own staff. They also wrote the new contract to better protect the interests of LIEP.

LIEP has incorporated a number of their improvement practices into their annual budget objectives, and LIEP should be given credit here for their efforts. One such example is their 2000 Budget Ongoing Performance Indicator which lists their complaint response time (for zoning complaints) in days as four, down from nine in 1997. Clearly, LIEP focused efforts on this as part of their goal of increased customer service. Other performance indicators, though, have not been monitored and do not have supporting information to show the indicator has been met. Without supporting data, the indicators are meaningless.

LIEP staff have also been very active in reducing plan review and site plan review times. As mentioned previously in the Leadership chapter, the site plan reviewer coordinates the interdepartmental site plan review group, which has effectively reduced review time and increased communication. The plan reviewers also make it their goal to turn plan reviews around quickly and return them to the applicant as soon as possible. And certainly, front-counter staff have also pursued methods to decrease the time it takes to issue permits, and are able to issue "express" permits for simple projects such as basic re-roofing projects.

Heritage Preservation staff in LIEP should also be commended for their efforts in developing some Heritage Preservation brochures which will be sent this spring to every resident of the City's Heritage Preservation districts. The brochures explain the benefits and responsibilities of living in such districts. These same staff members are currently working to have Heritage Preservation information included on the Truth-in-Housing forms, though this has taken longer than anticipated due to lack of staff resources.

Improvement Practices Policy Compliance Findings

Finding #43: In the past, LIEP has actively engaged in developing improvement practices.

Finding #44: Most current improvement initiatives are manifestations of past improvement efforts. Examples are the office automation efforts and the project facilitator positions.

Finding #45: While LIEP has committed to improvement, it has not evaluated the results of its efforts, and, therefore, cannot say with any certainty that changes in practices have led to actual improvements. They did, however, learn from the experience with Online Services, Inc., and used that experience to create a contract that better serves the interests LIEP.

Finding #46: Select sections and staff members in LIEP are working on improvement practices such as plan review with its interdepartmental review team and heritage preservation with its informational brochures.

Improvement Practices Policy Compliance Recommendations

Recommendation # 27: LIEP should involve itself in a complete improvement practices process that includes planning, implementation and evaluation of its improvements.

Recommendation # 28: LIEP needs to use data analysis to evaluate the effectiveness of its improvement practices. So far, they have little documentation to substantiate claims of improvement other than anecdotal evidence.

Quality of Improvement Practices

Internal Evaluation

As mentioned above, an important component of improvement practices is evaluation of current practices. It was clear from interviews and surveys that there is very little systematic evaluation taking place in LIEP. Alarming, 72% of survey respondents stated they “don’t know” if LIEP systematically evaluates its activities. Of those who did know, they stated it was once a year. Most evaluation in LIEP seems to be very informal – essentially reacting to a problem when it arises and devising a method to address the problem, but not really searching for the source of the problem. It is entirely possible staff who stated evaluation is done annually were considering their annual reviews as the systematic evaluation of LIEP. It is also possible that the high number of “don’t know” responses may be a result of respondents not understanding the meaning of systematic evaluation. We consider systematic evaluation to be periodic measurement and examination of organizational results. An example is a car owner calculating miles per gallon under different circumstances. The responses in this category are similar to those in Planning, with a large percentage of staff saying they don’t know how often evaluation occurs or what the results are.

Improvement Practices Quality Findings

Finding #47: LIEP staff are largely unaware of any internal evaluation taking place in LIEP.

Finding #48: LIEP has not prepared concrete plans to implement its larger improvement practices, such as the automation efforts.

Improvement Practices Quality Recommendations

Recommendation # 29: It is apparent that LIEP has few formalized and widely understood goals. Therefore, LIEP staff should be involved in defining improvement practices, setting goals and evaluating activities. (Goal setting is discussed in the planning, leadership and results quality sections). Improvement practices should link activities to goals and objectives. They should also help organizations achieve their goals and objectives.

See also Recommendation #41 in Results and the Performance Measures Chapter.

CUSTOMER FOCUS

KEY CUSTOMER FOCUS CONCEPTS:

- Customer Identification & Knowledge
- Managing Customer Relationships
- Customer Service Practices
- Customer Service Standards

Policy Compliance: —

Quality Rating: ★★½

Attention to customer needs is critical for achieving organizational excellence. Through the creation and management of relationships with their customers, organizations which excel in customer satisfaction obtain information on customer service requirements, expectations and satisfaction. Knowing the requirements of its customers enables an organization to develop standards which are designed to enhance customer satisfaction. For these standards to be effective, they must be understood and followed by everyone in the organization.

In recent years, LIEP has placed a great deal of emphasis on providing good customer service, although there are still some areas in which LIEP could improve. It deserves mention that developing a culture of providing good customer service requires a cultural shift from a rigid code and "rule" enforcement emphasis to a more customer focused approach. Recently published research indicates that the burden associated with regulation is not inspection per se, but the manner in which enforcement is carried out. "Bringing about the right kind of building code enforcement is more difficult than taking a meat axe to regulations and enforcement staffs, which has been the rallying cry of those who wail against regulatory burdens."¹⁸

Improvement in this area also requires that staff understand the importance of customer service training and that good customer service skills can be learned or enhanced. Some members of LIEP's staff do not believe good customer service can be learned, so management has felt the only option in these cases is simply to model good customer service in the hope that staff will mimic that behavior.

LIEP's Customers

LIEP considers its primary customers to be those who apply for building permits and go through the plan review and inspections processes. They have improved a number of their services and practices to better meet these customers' needs. Unfortunately, few people outside LIEP know of these improved services. Marketing these services may improve code compliance and assist LIEP in enhancing its one-stop-shop image. For example, LIEP offers an express site plan review if the customer is anxious to begin the project. LIEP also provides preliminary plan reviews, issues express permits for such things as roofs, and offers one-hour free parking while visiting LIEP. Marketing these valuable services to the general population could be beneficial in assisting property owners and contractors in understanding that the process of obtaining a

¹⁸ Raymond J. Burby, Peter J. May, Emil E. Malizia, and Joyce Levine, *Building Code Enforcement Burdens and Central City Decline*. *Journal of the American Planning Association*, Vol. 66, No.2, Spring 2000. page 155.

building permit is not nearly as cumbersome as they might expect. Certainly word-of-mouth is also an important method for sharing this information as many contractors work with each other on various projects and are likely to share experiences.

A very useful marketing tool, largely neglected by LIEP, is the Internet. Not only could LIEP's website be used for marketing, but also for providing services directly to customers, such as building permits, zoning and code information, plan review and inspections results. LIEP has as one of its objectives, identified in its 1996 Strategic Action Plan, to "Develop a Home Page on the Internet to provide information to our customers and a means to accommodate remote transactions 24 hours per day" by the end of 1996. Online Business Systems, Inc. was to develop this resource, but their contract was terminated prior to completion. The fact their web site is essentially useless to customers demonstrates a gap in LIEP's efforts to become a customer-focused organization.

Customer Service Practices

Permitting/Customer Service Section

In general, LIEP's first point of customer contact is the front-counter staff. Property owners and contractors will most likely call LIEP to ask questions or come to the front counter to apply for a permit. LIEP has a number of informational sheets available answering basic questions about requirements for certain types of projects, and sample plans indicating the minimum building requirements for common projects such as stairways and garages. It was reported by other LIEP staff that the front-counter employees are very good at providing customer service and are always willing to make changes that improve customer satisfaction. LIEP has also designed a system to issue express permits for simple and straight-forward projects such as roofing and fences. LIEP will also issue "early start" permits which allow a project to begin before all permits have been issued. An example would be issuing a foundation permit for a building before the mechanical plans have been approved. In some cases, LIEP also maintains accounts for contractors or businesses that frequently pull permits, and simply deducts the permit fees from that account.

Plan Review and Zoning Site Plan Review Section

While the plan reviewers and site plan reviewers have few formal customer service guidelines, they all attempt to review plans as quickly and accurately as possible. Another very positive customer-oriented practice is the aforementioned preliminary plan review process, during which LIEP staff meet with developers, contractors, or property owners to go over plans informally to look for any potential problem areas. This allows the plan submitter to make changes to the plans prior to formal review, at which point changes become more expensive to make and the process takes longer. The hardest step for many people is initially gathering the right information for plan review. The preliminary plan review provides them the opportunity to find out what they still need before they pay any fees or spend a lot of time changing plans and adding information. If necessary, staff will also perform a preliminary site plan inspection.

Plan Review staff meet with plan submitters to discuss the necessary changes upon formal review of the plans, and will follow up the meeting with a letter explaining the required changes. Plan reviewers will also call the applicant if they do not meet with them. Staff should be commended for this customer-focused practice.

Inspections Section

Council Research found several areas where inspections policies could be clarified across trades groups. We also found several situations in which a policy would be helpful in creating clearer expectations for both the inspectors and the customers. Customer service standards would also assist in alleviating some of this confusion.

LIEP does not have a policy pertaining to providing customers with appeals information. Some inspectors provide verbal information when they give the correction orders; others provide written information when they send out change orders. The lack of clarity may be causing confusion for the customer. Without a clear policy and a uniform practice, customers will not receive the same information in a consistent manner.

Council Research found through the interview process that some inspectors do not suggest equivalencies when they require changes. They simply say "you can't do that." Inspectors have a great deal of latitude, as they are given the authority to grant equivalences provided the intent of the code has been met. Interviews with LIEP staff indicated some inspectors will grant equivalences themselves, others will defer to their supervisor or to the building official, and others simply avoid granting them if to hide at all possible. However, it is important to also mention that although consistency in use of equivalencies is necessary, a "business-friendly" approach demands that inspectors maintain a fair amount decision-making authority in the field.¹⁹

Linked to the lack of equivalencies granted may be an attitude of a few inspectors that contractors and property owners are attempting code violations from them. In many cases, it could simply be an oversight or the property owners or contractor's lack of knowledge. If the inspector took time to explain why the code infraction is a life/safety issue, contractors or property owners may willingly comply. It is possible that the less flexible inspectors may lack a sense of accountability for their actions. Some inspectors do not appear to feel accountable to anyone except themselves and operate seemingly in a vacuum. They know many contractors fear retaliation if they complain about an inspector. A couple of business owners mentioned to Council Research they have felt sufficiently intimidated by particular inspectors that they did not complain about an inspection, when they otherwise would have. These problems may be linked to comments from other City staff who interact with LIEP's inspectors and customers that some inspectors serve the interests of their own trade associations before the interests of LIEP or the City. Some inspectors forego more customer-friendly actions because they view safety as their main objective and use enforcement as their primary method of obtaining compliance. It must also be mentioned that many of LIEP's inspectors are interested in working with contractors and property owners. The few who are not damage relationships between the City, its residents and businesses.

Another problematic practice in inspections is the final inspection. Most inspectors will sign the back of the permit indicating the work meets code standards. Some inspectors will leave either a yellow card, if they are unable to sign-off on the permit because changes still need to be made, or a green card if they are unable to get in to inspect a project because no one is home. Most communication appears to be with the contractor. While this is certainly important, it would be beneficial to the owner if they were given the same information as the contractor, particularly when a permit cannot be closed out due to remaining required changes.

¹⁹ "Business-friendly supervisory practices emphasize the attainment of enforcement goals while giving inspectors a considerable degree of freedom in how they interact with contractors and developers." Burby, et al, *Ibid.* p. 155.

One final problem discovered with the inspections process is that not all inspectors readily identify themselves by either showing or wearing a badge stating they are an inspector for the City of Saint Paul. This has caused some wariness and concern by property owners who find an unfamiliar person on their property. Notably, it is LIEP policy that all inspectors verbally make known their presence and purpose as soon as is practical at the work site. Certainly wearing a badge to a site that an inspector visits on a regular basis may seem unnecessary, but it would aid all workers on site in identifying the inspector. However, we found during our field visits with inspectors that the inspectors immediately identified themselves to the contractors or property owners.

The Housing Initiative

Another customer-focused improvement practice is the Housing Initiative, which is an effort to increase the number of housing units in Saint Paul. Part of the Initiative is to speed housing projects through the site plan review process and lower the permit and plan review fees. Reportedly, the Initiative has been marketed through newsletters, seminars, newspaper reporters, the BRC, and relevant organizations.

Initially, the community received misleading information regarding the purpose of the Housing Initiative. The original resolution establishing the Housing Initiative, presented by LIEP and approved by the City Council and Mayor, stated the amount of fees for all housing units approved from September 1, 1999 to August 31, 2000 would be cut in half. Two problems existed with the resolution. First, LIEP cut the fees for new housing projects only, not for rehabilitation projects, which caused some confusion. Second, the permit and plan review fee cuts were instituted through a resolution, not through an ordinance as is required, as Council Research discovered. The problems were corrected in late 1999 through passage of an ordinance cutting the fees in half during this time period for new construction only.

Customer Service Policy Compliance Findings

Finding #49: LIEP has improved a number of practices which benefit customers, but they have not marketed them effectively. We found a number of good customer-focused practices such as:

- express permits;
- handouts with basic information particularly beneficial to first-time applicants;
- pre-paid permit fee accounts;
- express site plan reviews;
- preliminary plan reviews and inspections; and
- early start authorization.

Finding #50: LIEP has not effectively developed its website to allow for online permit applications, zoning and building code information, plan review, inspections results notification and Housing Initiative information.

Finding #51: LIEP encountered a number of problems with the Housing Initiative, such as the definition of applicable projects and the legislative authority required to implement the program.

Finding #52: Only a few trade inspectors wear badges visually identifying themselves on-site during inspections. While it is policy that all inspectors identify themselves and carry

identification, a policy requiring them to wear a badge may assist contractors and building owners in more readily identifying the inspector.

Finding #53: No uniform procedure exists for giving customers appeals process information.

Finding #54: No uniform process exists for granting equivalencies, and some trade inspectors are resistant to granting them.

Finding #55: Some inspectors seem to hold the attitude that contractors and property owners are trying to hide violations from them. This attitude sometimes results in antagonistic behavior toward the contractor or property owner.

Finding #56: No uniform process exists for leaving final inspection information with a contractor or property owner.

Customer Service Policy Compliance Recommendations

Recommendation # 30: *Develop marketing strategies for promoting the express permits, the preliminary plan review process, pre-paid permit accounts, parking reimbursement and any other customer-focused practices.*

Recommendation # 31: *LIEP is one of the City agencies which has the most direct contact with residents and businesses seeking information, and stands to benefit greatly from having as much information as possible on its web page. Completion of the web site should be a high priority for LIEP, particularly in light of the goal to have it completed by the end of 1996. Information that should be available to customers on-line includes:*

- permit applications and permit status information;*
- inspections results;*
- general building code and zoning information, similar to the paper handouts available;*
- information on special programs and projects, such as the Housing Initiative;*
- a Frequently-Asked-Questions (FAQ) page; and*
- an "ask-the-inspector" page in which visitors could post general questions to trade inspectors.*

Recommendation # 32: *LIEP should develop a policy requiring trade inspectors to wear an identification badge at all times while performing inspections.*

Recommendation # 33: *LIEP should develop a policy for granting equivalencies which is known and used by all inspectors in an effort to make the practice fair, consistent and useful. The City Attorney should be involved in developing this policy to ensure it is legally sound. The development of these policies will enhance LIEP's image in the City.*

Recommendation # 34: *LIEP should work to change the attitude of its inspectors who believe that contractors and property owners are trying to hide something from them. They should immediately cease threatening property owners with retaliation, which is contrary to LIEP policy, but is reported to happen from time to time.*

Recommendation # 35: LIEP should develop a process for leaving information with both property owners and contractors upon final inspections, particularly when changes are still required before the permit can be closed.

Recommendation # 36: LIEP should look at the practices of building inspections departments in other cities for possible customer service improvements. One suggestion would be maintaining evening hours one or two nights a week to make it easier for homeowners who work during the day to apply for permits, such as is the practice in San Diego.

Quality of Customer Focus

Customer Identification

It is vital that employees in an organization identify a uniform group of customers in order to best serve the interests of their customers. Within LIEP, both survey and interview respondents identified very similar customers: property owners, citizens and contractors. LIEP staff indicated that sometimes these different customers have competing interests, which are difficult to balance. What a contractor wants may not be in the best interest of the citizens, and LIEP staff are required to make determinations based on life-safety criteria, rather than on what the "customer at the desk" may want.

Customer Knowledge

Customer knowledge consists of understanding the customers needs and desires, and having mechanisms in place to monitor those needs and desires. The survey indicated that many staff feel customer needs and satisfaction are monitored occasionally, though approximately one-third of staff are not aware of how often this is done. Interviews and documents indicate LIEP has done customer service surveys in past years and is preparing to do another one in 2000. The last survey, done in 1998, was not useful due to a low response rate.²⁰ LIEP also tracks complaints and gets information on customer needs through professional associations, word-of-mouth, correspondence and elected officials. Most information gathering on customer needs and satisfaction is informal. LIEP does little to anticipate the future needs of customers.

Customer Relations

Staff indicated through the survey that LIEP is "mostly responsive" to changes in customer needs and satisfaction, though again, one-half to one-third of staff do not know how responsive LIEP is. One staff member in an interview described very well what good customer service is for LIEP:

- being as responsive and timely as possible;
- being as proactive as possible by going to housing fairs and having a LIEP booth at fairs and at home improvement stores to answer questions;

²⁰ Evaluation of this experience could help LIEP in making future improvements to the survey process.

- meeting with contractor groups to get information and feedback;
- holding classes on code compliance;
- meeting with engineers to go over plans before work begins; and
- answering questions.

The lack of planning affects LIEP's ability to respond to customer needs and satisfaction thoroughly. Planning takes into account potential changes in needs that result from changing economic, technological and social factors and other influences. Associated with this lack of planning is the slow development of the Internet site for LIEP. The ability to look up permits, apply for permits, and receive zoning and other information over the Internet would be invaluable to many of LIEP's customers. However, LIEP has focused very little energy on developing this resource.

Some staff also mentioned the struggle between enforcement and customer service. They seem to be unsure of how to provide good customer service while also enforcing codes effectively. Many staff stated good customer service is defined in the LIEP employee performance evaluation form, although they could provide no universally understood definition. The lack of a useful, well-known definition of good customer service indicates a gap between the vision of senior leaders and the implementation of that vision.

Customer Service Standards

Formal customer service standards help all staff understand what is expected of them by the organization and by their customers. About half the staff indicated there are customer service guidelines for LIEP, but about one-third do not know of their existence. Staff surveyed indicated "some" customer service standards are written, though one-half of staff didn't know of their existence. Staff also felt customer service guidelines are "somewhat widely circulated," again with one-half of staff not knowing of their existence.

The customer service guidelines LIEP has in place are "mostly understood" and followed frequently. The survey question relating to how often customer service guidelines are followed received one of the highest average scores of all the survey questions, indicating staff felt very strongly that the guidelines are followed. Interviews also indicated that staff are very good at providing customer service, and take great pride in this aspect of their work.

Customer Focus Quality Findings

Finding #57: LIEP staff consistently identified property owners, citizens and contractors as their primary customers.

Finding #58: Staff are either unaware of customer needs and satisfaction monitoring or feel it is done only occasionally.

Finding #59: A useful customer service survey has not been done in three years, though LIEP is preparing to conduct one in 2000.

Finding #60: The lack of planning may affect LIEP's ability to effectively respond to changes in customer needs and satisfaction.

Finding #61: LIEP has few formal written customer service standards.

Customer Focus Quality Recommendations

Recommendation # 37: *LIEP should consider other options besides an annual or biennial survey for monitoring customer needs and satisfaction. Some suggestions include survey cards issued with the Certificate of Occupancy or when a permit is closed. Another option is to focus on evaluating one activity per month. For example, give surveys to everyone who applies for a permit in February, in March give surveys to everyone who has a site plan review, and in August to everyone who receives an inspection. This way, not all sections are burdened with conducting a survey at the same time. If another, organization-wide survey is desired, LIEP should consider consulting with organizations which have been successful in reaching a high response rate from their customers.*

Recommendation # 38: *LIEP should formalize customer service standards, such as plan review's three day turn-around for basic plan reviews. This would help all staff understand the customer service standards and how their work contributes to the goals set by the organization.*

Recommendation # 39: *LIEP should provide more customer service training for inspectors to help them understand how they can provide good customer service and good code enforcement.*

Recommendation # 40: *Develop an idea/complaint/compliment line and/or e-mail address that would allow customers to directly communicate with LIEP at their own convenience and at any time, rather than just through the annual customer survey.*

See also the Performance Measures Chapter.

RESULTS

Policy Compliance: —

Quality Rating: ★

KEY RESULTS CONCEPTS:

- Organizational Outcomes
- Financial Outcomes
- Customer Satisfaction
- Use of Performance Indicators

Results is the section of the Malcolm Baldrige system which deals with an organization's ability to determine if and how well it is accomplishing its mission. Results should focus on creating and balancing value for all stakeholders, whether they be customers, employees, suppliers, the general public or individual neighborhoods. The use of performance indicators, also known as performance measures, offers an effective means to communicate both short- and long-term priorities and provide a focus for improving results. Results measurement should be the last phase in an ongoing cycle involving goal setting, planning, the execution of plans and improvement practices. Using results information in this way, can help staff provide the best service in the most efficient way possible. Decision and policy makers can also use results information to monitor the provision of services on the public's behalf, ensuring government accountability.

LIEP received its lowest rating in this performance audit in the Results area. This is particularly problematic in that the Malcolm Baldrige system weights Results the most heavily of its seven categories. In recent years, the Results category in the Malcolm Baldrige award program has been given between 40% and 60% of the total points available. The reasons for LIEP's low rating are discussed in detail below. However, Council Research also believes there is potential for improvement in this area in the near future due to computer system improvements. Those possibilities are discussed on page 36. Finally, the essence of Results is a system of performance indicators. Although the presence and use of performance indicators is covered in this chapter, the following chapter, beginning on page 53, is dedicated exclusively to performance indicators for LIEP.

We did not include a separate discussion of policies in the Results area, only a quality assessment discussion. Results policies are embedded in the City's annual budget process, as well as other places, and are discussed in detail in the Performance Indicators chapter.

Results Measurement in LIEP

Results measurement requires adequate information systems, a carefully thought-out system of indicators and consistent, periodic measuring. As discussed at length in earlier sections of this report, LIEP has nearly completed its transition to using the ECLIPS and AMANDA systems. These systems have the potential to provide a variety of data for the organization to analyze. The challenge will be determining what is good and useful information for the day-to-day management of operations, and what are good indicators of how the organization is performing. Finally, it cannot be overemphasized that measures of results can and often do involve assessments which are not quantitative in nature. Not all useful things can be "counted," but they do need to be taken into account, documented and reported over time.

LIEP has historically gathered and analyzed some information on its performance. This is exemplified in past years' budgets and in the annual reports prepared by the former Building Inspection and Design Division. However, in recent years, these activities have ceased almost completely. LIEP continues to only estimate all vital organizational statistics, except for the revenue derived from licenses and permits.²¹ For 1998 and 1999, there are no firm numbers in the budget indicating the annual number and type of permits, the number and type of plan reviews conducted or inspections performed. However, it must be noted that in the budget process, the Mayor's Budget Office did not review LIEP's performance indicators with staff to determine their usefulness in portraying LIEP's workload. This is perplexing given the reportedly high volume of construction and rehabilitation in Saint Paul in recent years. However, this lack of measurement is symptomatic of inadequate performance measurement and accountability standards on a Citywide basis.

Given this lack of information and analysis, it is not surprising that over half the staff surveyed do not know how often LIEP measures its results. In fact, this survey question elicited the highest proportion of "don't knows" of all 46 of the surveys questions. Of those who did answer, the most common response was "occasionally." Not surprisingly, most staff are unaware of comparisons between LIEP and other, similar organizations. The interviews conducted also indicated that when comparisons are made, they tend to be anecdotal.

Despite the lack of specific performance measures, the most common response to the survey question on how often LIEP meets its goals was "frequently" for those who answered the question. This question received one of the highest average responses of all survey questions. In a follow-up survey question, Council Research asked how staff knew they were meeting their goals. The majority of the written answers indicated staff knew they were meeting the organization's goals because of 1) positive customer feedback received in customer surveys and in person; and 2) the quality of the City's building stock.²² Notably, these are two areas where some specific performance measures can and have been done.

It also became apparent in the performance audit process that staff had valid concerns about the use of performance indicators. Some were concerned that activities which could not be easily "measured" would lose value. Others thought it would be near impossible to measure the final "results" of LIEP's activities—such as a quality building stock and urban landscape which is likely to have a useful life well into the future. Therefore, they believed the organization would then begin to shift its focus to work "outputs," such as the number of inspections conducted or plans reviewed, which can be easily tabulated, but may not speak to the quality of work performed. The Performance Indicators chapter will provide guidelines and suggestions for alleviating these concerns and creating useful performance measures.

²¹ From permit revenue information, LIEP can determine the approximate value of all projects undertaken.

²² There are several indicators of the quality of the City's building stock. These include, among others: 1) the class ratings for the City's commercial office space; 2) the *Housing Survey* conducted by PED in the 1980s; 3) results of the Certificate of Occupancy Program which provides minimum standards for buildings; and 4) post major storm assessments done both by the public and private sectors.

Results Quality Findings

Finding #62 There has been a significantly reduced focus on examining the results of organizational activities recently. This lack of emphasis may seem justified because past performance measures had little meaning and held little value for their users. However, meaningful measures can be developed. This seems to be true not only for LIEP, but also more broadly throughout the City.

Finding #63 In spite of the lack of performance indicators, staff use the ones they have available (customer surveys and building data) to determine if they are meeting the LIEP's goals.

Finding #64 LIEP's emphasis on customer service is clearly internalized by many staff.

Finding #65 Despite the poor rating given in this area, Council Research believes LIEP is poised to develop a meaningful performance measurement system. Many of the "building blocks" are in place to make a useful performance measurement system in LIEP. The new information management systems will have the capability to provide many types of information to staff. These information management systems will also act as a catalyst for changing and rethinking some work processes. For example, the use of handheld computers by inspectors will significantly change the flow of information from the field to the central office, and from one inspector to another. LIEP is also in the process of initiating another cycle of planning, albeit a much less formal undertaking than used in the past. These events combine to make this an ideal time for the organization to develop new performance measures which will meet its needs. If LIEP fully takes advantage of these circumstances and pursues an inclusive process for developing performance measures, the rating would improve substantially.

Results Quality Recommendation

Recommendation # 41: *LIEP needs to develop a meaningful performance indicators system for determining how well they are meeting the organization's goals. This process needs to overtly take into account issues which may not be "measurable," but which also need to be documented and reported over time. The development process should also be inclusive and incorporate staff ideas. A performance measurement system should function not only to give feedback to managers and policy makers, but also to staff who rely on it to provide them regular feedback on individual activities. All of the organization's stakeholders have an interest in knowing how well the organization is meeting its goals. Examples of specific measures are outlined in the next chapter. Additionally, the Mayor's Office should much more actively monitor performance indicators used in the budget and assist the City's departments in developing more meaningful indicators.*

Performance Measures

Performance indicators are a means by which an organization determines the degree to which it is achieving its mission. Not everything an organization does and seeks to accomplish can be quantified, but rather there are some measures that are good indicators of its success. LIEP's mission is clear, and it bears restating here. It is "to be a unified customer service organization, which promotes a healthy and safe environment through information and enforcement of codes and ordinances." In this chapter we will explore how LIEP seeks to inform itself, its customers and its stakeholders about how well it achieves its mission. This chapter is intended to provide a basis for discussion and assist LIEP in refining the measures currently in use. LIEP is just now completing implementation of AMANDA, the information system which will track much of the needed data for performance measurement. Therefore, it is a critical juncture for LIEP in the consideration of these issues.

Council Research has approached this examination of performance indicators with several assumptions in mind. First, we believe the City Council has a vested interest in examining performance indicators as a part of the budget review process. The use of performance indicators gives the Council a clear picture of what has been accomplished in past years, and expectations for future years. They meaningfully connect dollars spent and the services expected of City government. Indeed, as the Council deliberated upon "managed competition proposals," the need to translate City activities into meaningful performance indicators became very apparent. The development of such indicators is necessary to make clear to anyone—employees or private vendors—just what performance is required. Second, we believe performance indicators can be useful management tools for communicating with staff about expectations. However, we also put forward the notion that staff must be a part of the creation of performance indicators and see their usefulness in their daily work lives. The people who will, in practice, provide information for performance indicators are also profoundly affected by what the indicators may reveal. Finally, although we recognize there are limitations in what performance indicators can communicate about the success of an organization, there is little else available to provide "a gauge" on progress. The logical alternative, comprehensive program evaluations, are time consuming and expensive when compared to tracking performance indicators. Also, such evaluations do not necessarily provide for incremental improvement.

Two problematic performance indicator issues came to light in the audit process. First, the Director indicated that 1997 was the last year they used actual figures for the budget process—after which time LIEP has been using conservative estimates. It should be taken into account that the Office was undergoing a significant transition from a mix of computer and paper information management systems, to its new automated systems, ECLIPS and AMANDA. In this environment it may well have been difficult to piece together and tabulate the required information. However, it was not clear in the budget that estimates were being used, which is particularly apparent in reviewing 1998 data in the 2000 proposed budget, where no such notation was provided. Council Research views this situation as particularly problematic because the Council was informed that we have recently been experiencing record construction years in Saint Paul. At the same time, the impact of this increase was not reflected in data, projections or estimates provided by LIEP, although the workload had clearly increased. The second problematic issue is that the Budget Office does not, as a practice, review the performance indicator information provided in the budget. Yet, it is likely most staff and the Council assume

this a standard practice, and, therefore, believe the Budget Office knows, understands and monitors these indicators.

LIEP has, of course, some performance indicators in its budget. They are organized by activity area, and we have followed this organization in our discussion: customer service and permitting, plan review, zoning and inspections. Notably, sometimes the objectives and indicators in one area of LIEP's budget will overlap with those of another. In those cases, we cover the topic in the area to which the objective relates most clearly. For each area, we have looked for performance indicator coverage of the following:

- customer service, which includes timeliness, helpfulness and accuracy;
- efficiency, which includes timeliness, costs and staff time; and
- effectiveness, which includes quality and results from activities.

Permitting/Customer Service

LIEP has made improving its customer service in all parts of the organization a priority. This emphasis on providing excellent customer service can be measured, as is demonstrated in the excerpted portion of the Customer Service activity budget in the following box. In that budget activity we see a performance indicator stating that customer service surveys should show that 95% of customers will be satisfied. The data for this performance indicator have been garnered from some informal surveys conducted by staff. PED also conducts a biennial business survey, with specific questions pertaining to LIEP services. With respect to the other customer service indicator, number of complaints registered in the area of customer service, it was not clear to the audit team how, and if, such complaints were compiled and tracked. Given that reported complaints have been zero for several years, perhaps a more meaningful indicator should be developed, such as tracking "counter" errors in the processing of permits and licenses.

There are several indicators in this budget activity which speak to efficiency. Among these are the number of permits and licenses issued, and files maintained. While these are no doubt useful in some regards, given that the Office has been using estimates, these numbers have little value when examined over time. They also give little indication of the effort involved to generate permits. Therefore, another area which may be useful to pursue is to examine the average amount of time it takes to process permits and licenses. For example, it would be useful for stakeholders and customers to know that for a simple project, such as a roof or fence, 75% or 90% of customers will need only ½ hour to obtain a permit. Such a measure need not be done on a daily basis, but surveyed periodically. Similar measures could be developed for projects requiring plan review or zoning staff involvement. Initiation of such measures would make meaningful the following objective from LIEP's 1998 budget: "Since the initiation of the Process Redesign effort in 1994, LIEP has realized a reduction in processing time for permits and licenses, a reduction in the number of delinquent license renewals, an increase in collection for these renewals, and a decrease in the time required to obtain permit and license services from the City." The problem was well-articulated by one tenured manager interviewed who said "I know it's true, but I don't know how to prove it."

Customer Service 2000 Budget (*omits non audit area activities*) —

<p>Ongoing Program Objectives</p> <ul style="list-style-type: none"> <input type="checkbox"/> Continue to provide accurate information and excellent customer to both internal and external customers. <input type="checkbox"/> Continue implementation of process redesign to simplify internal procedures as well as external process (ordinance changes). <input type="checkbox"/> Develop a written policy and procedure manual for all customer service functions. <p>2000 Projects</p> <ul style="list-style-type: none"> <input type="checkbox"/> Design, distribute and report on Customer Service Survey for LIEP customers. <input type="checkbox"/> Continue and complete the ECLIPS project by the implementation of AMANDA and performance enhancements. 	<p>Performance Indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Customer service survey satisfaction results <input type="checkbox"/> Complaints registered in the areas of customer service <input type="checkbox"/> Ordinance changes enacted <input type="checkbox"/> Procedures revised <p>Customer Service Statistics:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Permits Issued <input type="checkbox"/> Competency Certificates issued <input type="checkbox"/> Number of trade licenses issued <input type="checkbox"/> Licenses issued (all types) <input type="checkbox"/> Number of property files maintained <input type="checkbox"/> Purchase orders and vouchers processed
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Finally, the Customer Service Activity Performance Plan has a performance indicator which states that 50 procedures will be revised in 1999 and 30 in 2000. The audit team was perplexed as to the value of counting the number of procedures changed. Change is expected to be ongoing, usually leading to improvements in other performance indicators. Although we compliment LIEP on trying to improve its procedures, we believe other performance indicators would better capture this concept.

Zoning and Site Plan Review

Although the budget activity discussed in the above paragraphs bore the title "customer service," other areas in LIEP also have customer service concepts embedded in their work activities, including Zoning and Site Plan Review. There is only one specific customer service performance indicator in the budget for Zoning and Site Plan Review. It states the average response time for zoning complaints will be 4 days. This is an excellent indicator that LIEP may wish to enhance. The indicator could also speak to average complaint resolution times, or indicate that some percentage of zoning violation complaints are responded to in 4 days. Also in the area of customer service, LIEP has been striving to streamline and shorten the site plan review process. There were no performance indicators addressing these efforts in the 2000 budget. However, it seems evident that LIEP could be clear about the average length of time for site plan reviews, once LIEP has all the required materials. It also seems reasonable that other customer service indicators should be developed for zoning activities, such as looking at average or expected turn-around times on projects and also customer survey results. Finally, an excellent customer service practice is that all applicants who go through the site plan review process receive both a call and a letter explaining the results.

As was the case in customer service and permitting, some statistics are maintained on the staff's workload. These include counts of site plans reviewed, zoning variances processed, appeals processed, and zoning histories researched to determine legality of use. And again, while these

indicators have some value, actual figures have not been gathered in recent years. Also, there is little indication of the staff effort involved in performing these activities. Such an indicator could be used for monitoring workload, as well as developing minimum or maximum time expectations for customers.

Perhaps the most logical measure of the effectiveness of zoning and site plan review is compliance with the City's Zoning Code and adherence to the specifications of approved site plans. Compliance with the City's Zoning Code can be gauged best by using zoning complaints and zoning histories researched to determine compliance. Relatedly, monitoring the types of variances and appeals can give indications of the effectiveness of the Zoning Code in addressing current circumstance in the community. If a particular type of appeal is received repeatedly, it may indicate procedures could be streamlined or revised to better handle the problems. It could also mean the Code is unnecessarily restrictive in a given area. For example, the Zoning Code provides for "planned development districts." All staff interviewed indicated this section of the code was so difficult to use they avoided it, if at all possible, and tried to use other portions of the code to achieve similar ends.

LIEP Operations: Zoning/Site Plan Review 2000 Budget —

Ongoing Program Objectives:	
<ul style="list-style-type: none"> <input type="checkbox"/> To provide prompt, thorough zoning information to the public; to assist those businesses and property owners applying for permits or licenses, explaining the processes necessary to meet zoning code requirements. <input type="checkbox"/> To investigate and enforce zoning regulations. 1) Responding to complaints, 2) Assuring compliance with conditions placed on approved site plans, variances, special and nonconforming use permits and business licenses, and 3) using the Housing Court and District Court when appropriate to achieve compliance. <input type="checkbox"/> To review site plans, both preliminary and formal, and coordinate the interdepartmental site plan review process. 	<ul style="list-style-type: none"> <input type="checkbox"/> To staff the Board of Zoning Appeals, preparing staff reports, and providing information to Board members, applicants and neighbors. <input type="checkbox"/> To certify zoning compliance for new construction and alterations, licenses, and certificates of occupancy, for which fees are collected through permits, licenses and certificates of occupancy fees. <p>Performance Indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> site plans reviewed <input type="checkbox"/> zoning variances and appeals processed <input type="checkbox"/> zoning histories researched to determine legality of use <input type="checkbox"/> complaint response time in days

Plan Review

Plan Review, like Customer Service and Permitting, has contact at the counter with customers every day, in addition to the more in-depth reviews of plans. It is a very customer-oriented work group and is perceived by peer groups to be effective in both applying appropriate codes and helping customers. Strangely, it has no customer service performance indicators of its own in the budget, although some used by Customer Service and Permitting have relevance to this activity as well. Through the audit process it became clear that Plan Review had several concrete performance indicators it relied upon on a daily basis, although these do not appear in the budget, and we were not clear if they were ever overtly measured. First, there has been an emphasis on shortening approval time for permit applications. Second, there is an expectation that plan reviews for new single- and two-family houses will be completed within 72 hours of receiving

complete plans. No doubt, the use of checklists in the AMANDA system will both facilitate faster plan review times, and make their measurement possible. Third, LIEP does offer a service of providing "partial project permits," where a customer can get part of a project reviewed and permitted while plans for other parts of the project are still in development. This is an especially helpful practice for large, complicated projects. LIEP may be able to develop performance measures to better gauge how often this is used.

Plan review has several performance indicators in the budget related to efficiency. These indicators include: the numbers of permits issued, plans examined, historical permits received, inspections made, and the annual construction value for Saint Paul. These indicators suffer from the same problems discussed earlier; namely, they have not actually been counted for several years and they have no context in terms of effort necessary to accomplish them. Benchmarks and standards should be developed to make these indicators more meaningful. Plan Review may also wish to examine the code to develop ideas for potential performance indicators. For example, the audit team was informed that plan check time specified in the Legislative Code, Chapter 33.04(c)—the City has 180 days to do a plan check—never expires without a permit being issued. Clearly, such indicators have the added benefit of demonstrating compliance with applicable laws. Finally, there are occasionally performance measures in this area which have no meaning, and therefore no useful value. For example, the resolution establishing the Housing Initiative (CF#99-815) states that one performance indicator of the Initiative is "number of new housing units approved within 72 hours of receipt of complete plans: 500-700." This indicator has no context, and as we discovered, there is no way to measure such an improvement, because the Office has no data for recent years.

The effectiveness of Plan Review activities is ultimately determined in combination with the effectiveness of Inspections. Literally, effectiveness needs to be measured in terms of the improved safety and habitability of structures in the City because of the application of building and other codes. As mentioned in the Results section, there are some ways the quality of the City's building stock can be measured over time. Taking into account the other influences on the quality of building stock, such as aging, we know at least a portion of the quality is attributable to the use of building codes.

Although the quality of the City's building stock is ultimately the best measure to determine the effectiveness of Plan Review, there are other measures that could be made inside the Office which would also be appropriate for examining individual plan review activities. For example, staff mentioned an informal indicator of the quality of their work is the number of plan review

LIEP Operations: Plan Review 2000 Budget —

Ongoing Program Objectives

- To assure safety of citizens through construction standards compliance.
- To educate customers to achieve code compliance without controversy or unnecessary expense.
- To maintain adequate records to demonstrate efficiencies in administration and compliance to construction standards.
- To maintain professional standards of technical ability while being accessible by and accountable to our customers and the public.
- To maintain relationships with organizations and agencies to assure Saint Paul remains a respected leader in code and design professions.

2000 Budget Objective-

- Continue to work on the design and implementation of the new computer system for permits and inspections.
- The Office has participated in and will continue to be active in public forums such as the Home Tour, District Council Home Fairs, etc., where citizens have a chance to work with the inspectors and plan reviewers in a more neutral environment.
- Our present computer system and the new system under development will enable us to ensure that our level of service will continue to improve.

- Our challenge is to balance the requirement for continuing education against the needs of our customers. Our goal will be to allow sufficient opportunities for this education while maintaining adequate staffing levels to ensure quick response to our customers.
- We have several inspectors who are involved with National Code organizations. These groups develop the codes that are adopted by Minnesota, and directly affect the construction in Saint Paul. In order to ensure fair codes both now and in the future, our inspectors will strive to maintain their participation level for the future.
- There are several inspectors on the task group whose responsibility is the analysis of various software packages for the office-wide computer system. These participants will be fully involved until the end of the project.

Performance Indicators:

- Through monitoring of the permit volume and valuation, we (LIEP) can verify that all construction projects are inspected to protect the citizens of Saint Paul.
- The number of permits issued, construction value in millions, plans examined, historical permits received; and
- Total inspections made.

mistakes discovered in the field. Tracking such an indicator would be a useful management undertaking to determine the circumstances under which mistakes are made, as well as the types of mistakes. Also, as is the case with the suggestion that Zoning monitor the types of appeals it processed, it would also be useful in the same way for both Plan Review and Inspections to monitor information on the granting of equivalencies. Finally, staff indicated that when customers come in for preliminary plan reviews, they have a better understanding of expectations. Customers are then able to "get it right the first time" which decreases the time, effort and money in the spend in plan review process. It also likely decreases total staff time expended on the project. Clearly, preliminary plan reviews make the plan review process more effective, and their use could be measured.²³

²³ The Customer Focus Chapter discusses the importance of promoting the Preliminary Plan Review process on page 43.

Inspections

Inspectors differ from the other LIEP staff in that they tend to see the customer out in the field, and not at the front counter or in a meeting. However, the customer focus considerations they have are very like those of the rest of the Office. Inspections has only one goal in the budget specifically addressing customer service; "to maintain professional standards of technical ability while being accessible by and accountable to our customers and the public." The value of this budget objective lies not with its ability to describe performance expectations, but rather in that it articulates a problem in the inspections area that staff clearly feel conflicted about "enforcing the code" or "providing customer service." It would be very useful for the Inspections area to begin addressing this using specific customer service performance indicators. In order to develop these indicators, they would benefit from reviewing customer service surveys done by LIEP and PED. These would help to identify areas of concern to customers.

In the area of timeliness, it is clearly an informal goal of staff to complete reports and arrive for appointments in a timely fashion. Both of these activities will be much easier to document with the advent of the AMANDA computer system. In terms of the reports of inspection findings, the use of handheld computers in the field will help significantly with the timely "processing" of inspection findings. This will help both from a management perspective, in that information will be immediately available to other trades inspectors, and it will also be more quickly available to the customer, in the event they are not on site to hear the inspection report verbally.

Providing customers with information on the appeals process and sharing information and ideas on appropriate "equivalencies" is central to good customer service. Council Research heard consistently that information on appeals process is provided to the customer when change work orders or stop work orders are given. However, there was inconsistency in that some inspectors and trades would provide this information verbally and in letter form, while others would provide it only in a letter. This inconsistency between staff work processes should be eliminated, with a focus on providing the customer with appeal information in both settings. The use of the AMANDA system and hand held computers in the field could provide a reminder in the form of an item on one of the check-off lists. Council Research also became aware that some staff and trades are much more likely to discuss equivalencies²⁴ with contractors and property owners than are others. The Office's approach to discussing and granting equivalencies should be consistent across trade groups and among staff members. The AMANDA system has the potential to monitor this and help the Office in developing a measurable standard.

As with the other work areas we examined, Inspections does little to measure the efficiency of its operations. There was one objective in the year 2000 LIEP budget which spoke to efficiency, which was "to maintain adequate records to demonstrate efficiencies in administration and compliance to construction standards." Although such information is likely maintained, we saw no use of the information which acted to demonstrate efficiencies. The only performance indicator in the budget related to efficiency is the number of inspections conducted, and this has been an estimate in recent years. It would be very useful to know the number of inspections by type and trade, and time invested in them. At the very least, the average number of inspections

²⁴ Equivalencies are alternative methods for accomplishing a task or project that meet the intent of the Code, although they may not be specifically described in the Code. An example is the use of a piece of sheet metal screwed to the back of a standard wood door in order to make it a "one-hour fire door." This accomplishes the end of fire safety and saves the building owner money in the purchase of a new one-hour fire door.

and average times involved could be used for planning. Also, the advent of AMANDA makes possible the tracking of activities in a way that takes into account the complexity of the task. LIEP did this type of analysis in 1998 in preparing a proposal for the addition of a plumbing inspector position.²⁵ Clearly, they understand the importance of such information in describing staff's workload.

LIEP Operations: Inspections 2000 Budget —

<p>Ongoing Program Objectives:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Our present computer system and the new one under development will enable us to ensure that our level of service will continue to improve. <input type="checkbox"/> Through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect the citizens of St. Paul. <input type="checkbox"/> To maintain adequate records to demonstrate <i>efficiencies in administration and compliance</i> to construction standards. <input type="checkbox"/> To maintain professional standards of technical ability while being accessible by and accountable to our customers and the public. <input type="checkbox"/> Through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect citizens of St. Paul. 	<p>Ongoing Program Objectives for NHS/Vacant Buildings:</p> <ul style="list-style-type: none"> <input type="checkbox"/> To maintain housing stock by returning vacant buildings to sound structures. <input type="checkbox"/> Inspect Vacant, Boarded and Abandoned buildings for code violations, issuing permits, and reinspecting for compliance. <input type="checkbox"/> Maintain and improve neighborhoods by inspecting one and two-family homes for improvement areas and aiding owners in prioritizing repairs within the limited funds available. <input type="checkbox"/> Identify and work toward preserving desirable buildings and significant structures within neighborhoods. <input type="checkbox"/> Perform inspections and building evaluations for PED, East Side Neighborhood Development Corporation, West 7th Street Federation, Neighborhood Housing Services Programs, Non-Profit Corporations, or any other organization needing these services.
<p>2000 Budget LIEP Strategic Plan Statement:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Maintain quality services in light of the ever increasing construction levels (Three record construction years in a row) with a minimum increase in staff. <input type="checkbox"/> Implement the use of project facilitators to navigate customers through the license, permit, and/or zoning processes and continue Process Redesign Initiative to continually streamline procedures and eliminate unnecessary regulations. <input type="checkbox"/> Integrate new ECLIPS system with other departmental systems through a single address file, to achieve a fully seamless provision of service for the City's customers. 	<p>Performance Indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Inspection totals for original and repeat inspections <p>2000 Budget LIEP Operations performance indicator:</p> <ul style="list-style-type: none"> <input type="checkbox"/> "we have several staff involved with National Code organizations"
<p>Performance Indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect the citizens of St. Paul. <input type="checkbox"/> Construction value in millions <input type="checkbox"/> Total inspections made 	<p>2000 Budget LIEP Operations Objective:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Identify and work toward preserving buildings and significant structures within neighborhoods.

²⁵ Robert Kessler Memo to Joe Reid, January 26, 1998.

The effectiveness of inspection services can be measured in a fashion similar to the effectiveness of the other services we have discussed. There are two instances in the budget where the issue of effectiveness is engaged. First, as an ongoing objective, the LIEP budget states "through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect citizens of Saint Paul." While inspecting all construction projects surely does act to protect the citizens of Saint Paul, this can not be monitored using permit volume and valuation data. These data, together with the actual number of permits, do give an indication of the complexity of the work undertaken. However, it is the number of permits which most accurately estimates the number of projects requiring inspection. LIEP should modify its objective accordingly.

Second, the 2000 Budget LIEP Strategic Plan Statement states as a goal to "maintain quality services in light of the ever increasing construction levels (three record construction years in a row) with a minimum increase in staff." This is an excellent goal, which takes into account a changing environment—dramatic increases in construction. However, there are no performance indicators connected to it which demonstrate the quality of LIEP's work. Such goals can be constructed at several levels. At one level, they could speak to the quality of the building stock, as we discussed earlier. They could also measure the consistent quality of inspections in spite of increased work volume. These indicators could include the average length of inspections, and the types of inspections findings.

On a more pedestrian level, LIEP may wish to add effectiveness performance indicators in the following areas:

- Number of correction notices which need to be re-issued;
- Number of mistakes in the various inspection activities, which would be collected by supervisors;
- The number of stop work orders and number of times work is required to be redone;
- The average length of time buildings are on the vacant buildings list before Certificate of Compliance issuance or demolition; and
- The effectiveness of the Housing Initiative at increasing housing construction, as discussed in the Information and Analysis chapter on pages 33 through 37. Notably, a recent article suggests the following: "...a central city that had adopted a business-friendly philosophy of enforcement could have increased both the amount and the value of single-family detached housing by about 9% over the period 1985-1995. Commercial rehabilitation could have increased about 4% in the number of buildings and about 5% in the value of construction."²⁶ This research could help the Housing Initiative establish useful benchmarks to measure their progress at meeting their program goals. However, it does indicate that progress is slow, and research attributes improvements to enforcement philosophy, rather than fee levels.

²⁶ Burby, et al, *Ibid.*, page 152.

CONCLUSION

Overall Council Research found the quality criteria present and practiced in some parts of the organization. LIEP is also generally in compliance with the policies that govern its activities. Where deficiencies were found, we believe staff have the skills and interest to address them. Notably, staff were very helpful in the performance audit process both in the interview process in sharing their time and ideas, and later in responding to questions. What follows is a summary of our findings.

Planning

LIEP did a great deal of planning during the mid-1990s to accomplish the merger of previously separate operations that formed the Office. This planning took several forms. It addressed the actual co-location of these operations, necessary cross-training of counter staff, the rationalization of administrative procedures between the previously distinct units, and the improvement of information support systems. Virtually no planning has taken place in recent years and LIEP views itself to be in a "plan implementation" mode, rather than a "planning" mode. The enormous amount of staff time spent on implementing first ECLIPS, and then AMANDA have also left staff with the impression there is little time for planning. It is also apparent that few staff have been involved in planning activities. Broader participation in plan development will help staff become more aware of the existence of plans and give them a sense of ownership in the plans' success. LIEP has also not been involved with the development of Comprehensive Plan chapters affecting its work, and has not taken these plans into account in their decision-making on individual building projects. Council Research found that planning activities in LIEP would act to better allocate the resources of this office and prepare it for changing circumstances, such as the record construction years recently experienced.

Leadership

Our examination found several aspects of LIEP's leadership policies and practices to be very good. Namely, the commitment of senior leaders to provide a clear mission and vision for the organization was quite apparent. This is in spite of survey results indicating a lack of vision provided by the Mayor. Council Research noted that staff repeatedly commented on the concerted efforts of leaders to recognize individual and team contributions. Finally, LIEP leadership in recent years has acted to cultivate key stakeholder relationships, such as with the advent of the Business Review Council. However, there is still more effort required in this area, especially in terms of communication and inclusiveness in planning activities which should be taking place. LIEP and the City are out of compliance with two state reporting requirements and the requirements for a local board of appeals.

Training

Staff training in LIEP received the highest quality rating. LIEP clearly emphasizes training and education for its staff, and sees its importance in the context of diminishing staff numbers. LIEP should be lauded for its training and education efforts and continue them. In terms of improving this area, LIEP should consider doing more cross-education of all its staff, so they may develop a better understanding of the roles and responsibilities of their peers within the Office. LIEP should also examine the allocation of training resources.

Development

Staff development was an area in LIEP in which Council Research had a mix of good and problematic findings. The survey indicated somewhere between one-fourth and one-fifth of staff believe the work environment is not conducive to their well-being, that the labor management relationship is poor, and there are few or no opportunities for them to contribute to the organizations goals and work procedures. While it is good that three-fourths to four-fifths do not share these perceptions, it is problematic that there is a fairly large core of people who rate these areas poorly. LIEP leadership must find a way to engage these staff and their concerns. Council Research suggests LIEP proactively involve them in planning activities, rather than waiting for volunteers. Also, re-instituting a labor-management group of some type to identify specific changes which would address problem areas would likely be helpful.

Information and Analysis

LIEP has been undergoing significant changes in the area of information management in recent years. Council Research is ambivalent in many ways in its findings. While undertaking the formidable task of automating the management of its information is commendable, several aspects of implementing ECLIPS and AMANDA could have been better handled, such as communication with the Council on progress. There are several types of problems we found in this area, some of which are attributable to LIEP directly, and other which are more Citywide in nature. However, these new information systems do give LIEP the ability to perform meaningful analysis of its undertakings in the future. Therefore, we have taken the unusual step of indicating that it has the potential of significantly increasing its rating in this area if improvements are made.

Improvement Practices

LIEP did not fare well in Council Research's examination of its improvement practices. These mediocre findings are largely attributable to LIEP's lack of planning and evaluation activities, and currently poor information and analysis capabilities, which are integral components in the improvement process. History shows the Office has an adequate basic understanding of improvement processes, as this is demonstrated in the "quick fixes" undertaken in the mid-1990s.

Customer Focus

The merger of separate operations into LIEP was the result of an increasing awareness—both in City government and in the community—of the need for a more customer focused approach. The merger also provided a means to “refocus” LIEP activities with customers in mind. Much credit should be given to all involved for their efforts in this area. As with most organizational initiatives, however, customer focus efforts need tending and continued refinement. There is still a problem in the organization with the perceived conflict of providing “code enforcement” service, as opposed to “customer service.” These concepts need not be conflicting and LIEP must strive to clarify their vision in this area. Also, some new customer services are called for, such as a dramatically improved web page.

Results

Given the recently poor quality of information used in LIEP, it is not surprising it received a poor Results rating. LIEP needs to take time to figure out what are good performance indicators of their work. This is a critical juncture for the Office to undertake this project, as ECLIPS and AMANDA are just now capable of providing meaningful data for these measures.

Performance Indicators

The performance indicators and objectives used in the budget process in recent years have been neglected both by LIEP and the Budget Office. Using performance indicators in an ongoing cycle of planning, evaluation and improvement could significantly assist LIEP in years to come. It will help for purposes of internal management, where there is almost no information on workloads, activities or outcomes. Meaningful performance measures are also key for a government agency to remain accountable to its customers and stakeholders.

APPENDIX A: RESOURCES

Council Resolutions:

- Council File 94-293 / acceptance of grant funds for LIEP Process Redesign
- Council File 94-1550 / establishment of Business Review Council
- Council File 97- 1214 / establishment of funding for the Design Section
- Council File 97-1314 / acceptance of report on Design Section and release of contingency funds
- Council File 98-588 / establishing pay rate for "City Building Official"
- Council File 98-609 / establishing pay rate for "Plan Review Coordinator"
- Council File 98-1076 / establishing pay rate for "City Building Official"
- Council File 98-1077 / establishing pay rate for "LIEP Help Desk Coordinator"
- Council File 99-287 / authorizing contract and copyright agreement with U of M Press and the HPC
- Council File 99-357 / no developer fee associated with any multi-unit housing project shall exceed certain guidelines
- Council File 99-553 / changing portion of salary plan and rates of compensation for the Building Inspector
- Council File 99-587 / directing the HPC to develop a Heritage Preservation Site and Building Designation Workplan
- Council File 99-815 / approval of special one year pilot program to reduce costs and speed approvals for new housing construction

Saint Paul City Charter and the Legislative and Administrative Code:

- Chapter 5 Permit Fees
- Chapter 18 Legislative Hearing Officer
- Chapter 19 Power of Inspectors to Enforce Provisions of Code
- Chapter 33 Building Code and Inspection
- Chapter 34 Minimum Property Maintenance Standards for All Structures and Premises
- Chapter 37 Installation or Connection of Gas Equipment
- Chapter 38 Elevators, Hoists, Lifts and Moving Stairways
- Chapter 43 Vacant Buildings
- Chapter 48 Condominium and Conversion Condominium Notice Filing Requirements
- Chapter 50 Individual Sewage Treatment Systems
- Chapter 60 Zoning Code-Adoption; Purpose; Definition; Districts Uses and Requirements
- Chapter 61 Zoning Ordinance-Schedule of Regulations Limiting Heights, Bulk, Density, and Area by Zoning Districts
- Chapter 62 Zoning Code - General Provisions
- Chapter 64 Zoning Code - Administration and Enforcement; Amendments; Miscellaneous Provisions
- Chapter 65 Zoning Code - River Corridor
- Chapter 66 Zoning Code - Signs
- Chapter 67 Zoning - Subdivision Regulations
- Chapter 68 Zoning Code - Wetland Conservation
- Chapter 72 Floodplain Management Regulations
- Chapter 73 Heritage Preservation Commission
- Chapter 74 Heritage Preservation Districts and Programs
- Chapter 76 Sewers and Drains
- Chapter 92 Water Code-Plumbing

Chapter 95 Water Code-General Provisions
Chapter 310 Uniform License Procedures
Chapter 326 Building Contractors
Chapter 368 Wrecking of Buildings
Chapter 369 Building Trades Business Licenses
Chapter 370 Building Trades Certificates of Competency
Chapter A-6 Service Availability Charges

Budget Documents

Office of License, Inspections and Environmental Protection 2000 Adopted Budget
Office of License, Inspections and Environmental Protection 1999 Adopted Budget
Office of License, Inspections and Environmental Protection 1999 Adopted Budget
Office of License, Inspections and Environmental Protection 1998 Adopted Budget

Books / Miscellaneous Documents

The Urban Institute (1980). *Performance Measures: A Guide for Local Elected Officials*. Washington D.C., The Urban Institute.

Raymond J. Burby, Peter J. May, Emil E. Malizia, and Joyce Levine, *Building Code Enforcement Burdens and Central City Decline*. Journal of the American Planning Association, Vol. 66, No.2, Spring 2000.

Bryson, John (1995). *Strategic Planning for Public and Non-Profit Organization*. Jossey-Bass.

2000 Criteria for Performance Excellence, Baldrige National Quality Program.

City of Saint Paul's Comprehensive Plan / Land Use and Housing Chapters

APPENDIX B: LIST OF RECOMMENDATIONS

Planning Recommendations

Recommendation # 1: PED should perform, in conjunction with LIEP, a thorough analysis of the current Zoning Code. In order to be in compliance with current City Code, this should be done every five years. The analysis should consider the Code's compatibilities with the City's Comprehensive Plan and other development priorities, and the Code should be modified accordingly.

Recommendation # 2: Both PED and LIEP need to take more responsibility for including LIEP in the development processes for the City's Comprehensive Plan. By taking responsibility for development, LIEP will feel more responsible for the objectives of the Plan, and will incorporate the Comprehensive Plan into its own internal plans and practices.

LIEP's involvement in the planning and implementation processes of the City's comprehensive plans will enable it to make more recommended changes to the zoning code, so that the code and the plans are compatible and mutually enforceable. In cases where the zoning code and the Comprehensive Plan are not compatible, LIEP should consider granting variances, equivalencies, or bringing the problem to the Business Review Council for further review and recommendations.

Recommendation # 3: LIEP should incorporate objectives of the Comprehensive Plans into its plans for its own operations. By doing so, LIEP will ensure it considers future changes and remains flexible and uses opportunities to ensure the building stock of the City is solid, safe and contributes to the vitality of the City.

Recommendation # 4: LIEP should resume proactive planning, including assessing the current landscape and future economic, social, human resources, political, and technical impacts on LIEP's work.

- ❑ LIEP must understand the connection between planning and resource allocation to prevent situations such as the one currently occurring with staff being overworked, resulting in a highly stressful work environment because technological, economic, and human resource changes were not comprehensively planned. Closer monitoring of outside influences will assist in projecting changes in workload and resources, such as those resulting from increased construction in recent years.
- ❑ Outcome measurement must be incorporated into future planning. LIEP must look at the results of past planning efforts for lessons learned and areas to continue to work on. They must also look at results of past quick fixes to determine effectiveness and remaining issues to be resolved resulting from the changes.
- ❑ LIEP should involve other stakeholders, such as the City Attorney's Office, Planning and Economic Development and Public Works in planning process to incorporate the requirements of other departments and develop an understanding as to how the work of LIEP affects other departments.

Recommendation # 5: LIEP should involve staff in defining organizational goals and offer ways for staff to contribute to them. LIEP needs to find ways to include less-involved staff in decision-making and make them more aware of planning and improvements taking place in the office and how they can contribute. LIEP should not wait for them to approach management, as history shows they will not.

Leadership Recommendations

Recommendation # 6: *At a minimum, communication between LIEP and the State Fire Marshal needs to be improved so they can insure that inspections, installations, and removal of fuel storage tanks are occurring. In order to ensure compliance the approval should come from the City, rather than from the state, leaving all responsibility at the City level. LIEP should work with the State Fire Marshal to determine procedural and legislative changes required to bring this about.*

Recommendation # 7: *LIEP and Saint Paul Regional Water Services need to clarify their roles relating to the plumbing code. As the Building Official has ultimate responsibility for enforcing the plumbing code, perhaps LIEP should conduct the inspections currently performed by Regional Water. This may lead to enhanced efficiency for both entities.*

Recommendation # 8: *LIEP should market its service of providing building evaluations to community development corporations. This valuable tool would enhance the relationship between CDCs and the City and ensure that rehabilitations address building code problems appropriately.*

Recommendation # 9: *LIEP and the Design Center should clarify their respective roles and level of authority and clearly explain them to permit applicants.*

Recommendation # 10: *LIEP and the City Attorney's Office need to clarify whether the City is in compliance with state law regarding appeals of decisions of the building code official.*

Recommendation # 11: *LIEP and PED should take leadership in developing a quarterly interdepartmental meeting for all staff who work with small businesses.*

Recommendation # 12: *LIEP should meet with Code Enforcement and other appropriate City agencies to discuss and find solutions to the issue of long-term incomplete projects in the City's neighborhoods.*

Recommendation # 13: *LIEP needs to come into, and remain in, compliance with state reporting requirements for both its building code and heritage preservation activities.*

Recommendation # 14: *LIEP should provide the City Council at regularly scheduled intervals, a complete explanation of the current automation situation including funding, hours spent on the project, timeline and reasons for the lengthened timeline.*

Recommendation # 15: *LIEP should evaluate its mission statement to ensure it answers the following questions:*

- Who are we? What distinguishes LIEP from other City departments?*
- What do we do?*
- For whom do we do it?*
- Why do we do it?*

Recommendation # 16: *LIEP should identify objectives to put the mission statement into action and also identify specific objectives for each area of LIEP. This will enhance employee understanding of how their particular responsibilities help meet those objectives and thus fulfill the mission. Finally, LIEP should identify specific organizational values under which all employees operate and exemplify them at all levels of the organization.*

Training Recommendations

Recommendation # 17: LIEP should reassess where resources are allocated for training to determine if some staff have less access to training than others, and whether this is appropriate. LIEP should also determine if, and how, the training is affecting workload allocation.

Recommendation # 18: LIEP needs to encourage all staff in all work areas to pursue relevant training and provide the resources whenever possible.

Recommendation # 19: More cross-education of all LIEP functions would be valuable. Staff tend to have limited knowledge of the functions of work areas beyond their own. Having a good working knowledge of the other functional areas will assist staff in answering customer questions and coordinating efforts to prevent problems.

Development Recommendations

Recommendation # 20: LIEP should follow through on its commitment to open communication between staff and management and discuss together issues related to morale and other workplace concerns. This could involve increased management attendance at work-group or team meetings, as well as more proactive involvement of staff not traditionally involved in organization-wide discussions.

Recommendation # 21: LIEP should reconvene a labor-management group to actively pursue issues of mutual concern. Clear guidelines and expectations should be established so meetings are a place for cooperation, not confrontation and complaining. Leaders should emphasize this is a non-grievance discussion forum. The leaders of the group will also need to engage the problems encountered by the first labor-management group, such as too many participants — The last group had two representatives from each bargaining unit in LIEP which may have made the group too unwieldy and ineffective.

Recommendation # 22: LIEP should address work environment issues. The proposed Labor-Management Committee should discuss both the factors negatively impacting the environment and what specific steps can be taken to decrease the stress level experienced by many staff. Additionally, this group could examine what specifically could be done to make LIEP a more supportive work environment for those who feel it is not currently supportive.

Information and Analysis Recommendations

Recommendation # 23: The City of Saint Paul should provide the financial resources to allow for the purchase of an economical software package that would interface between the GIS system and AMANDA. This would allow broad access to GIS for all departments utilizing the AMANDA system and enhance the ability to coordinate activities and information between various departments.

Recommendation # 24: Not only must LIEP work to implement hand-held computers as soon as possible due to their usefulness, LIEP must also train its inspectors to integrate the hand-held computers into their work practices. Inspectors must make it a practice to load all inspections comments into the database so other inspectors have the same information. Inspectors should also begin the practice of looking up information to ensure they are providing permittees with accurate information.

Recommendation # 25: LIEP should clearly identify the information gathering potential of the new computer systems and the usefulness of the data. (See previous box for suggestion). Data collected and analyzed should be related to the mission and objectives of the organization.

Recommendation # 26: LIEP should analyze the effectiveness of the computer systems. One method to analyze the effectiveness would be to follow-up with staff based on survey responses indicating the systems are not useful. LIEP should encourage and gather input on the systems and respond to the input, even if it is not possible to immediately address all concerns or suggestions.

Improvement Practices Recommendations

Recommendation # 27: LIEP should involve itself in a complete improvement practices process that includes planning, implementation and evaluation of its improvements.

Recommendation # 28: LIEP needs to use data analysis to evaluate the effectiveness of its improvement practices. So far, they have little documentation to substantiate claims of improvement other than anecdotal evidence.

Recommendation # 29: It is apparent that LIEP has few formalized and widely understood goals. Therefore, LIEP staff should be involved in defining improvement practices, setting goals and evaluating activities. (Goal setting is discussed in the planning, leadership and results quality sections). Improvement practices should link activities to goals and objectives. They should also help organizations achieve their goals and objectives.

Customer Focus Recommendations

Recommendation # 30: Develop marketing strategies for promoting the express permits, the preliminary plan review process, pre-paid permit accounts, parking reimbursement and any other customer-focused practices.

Recommendation # 31: LIEP is one of the City agencies which has the most direct contact with residents and businesses seeking information, and stands to benefit greatly from having as much information as possible on its web page. Completion of the web site should be a high priority for LIEP, particularly in light of the goal to have it completed by the end of 1996. Information that should be available to customers on-line includes:

- permit applications and permit status information;
- inspections results;
- general building code and zoning information, similar to the paper handouts available;
- information on special programs and projects, such as the Housing Initiative;
- a Frequently-Asked-Questions (FAQ) page; and
- an "ask-the-inspector" page in which visitors could post general questions to trade inspectors.

Recommendation # 32: LIEP should develop a policy requiring trade inspectors to wear an identification badge at all times while performing inspections.

Recommendation # 33: LIEP should develop a policy for granting equivalencies which is known and used by all inspectors in an effort to make the practice fair, consistent and useful. The City Attorney

should be involved in developing this policy to ensure it is legally sound. The development of these policies will enhance LIEP's image in the City.

Recommendation # 34: *LIEP should work to change the attitude of its inspectors who believe that contractors and property owners are trying to hide something from them. They should immediately cease threatening property owners with retaliation, which is contrary to LIEP policy, but is reported to happen from time to time.*

Recommendation # 35: *LIEP should develop a process for leaving information with both property owners and contractors upon final inspections, particularly when changes are still required before the permit can be closed.*

Recommendation # 36: *LIEP should look at the practices of building inspections departments in other cities for possible customer service improvements. One suggestion would be maintaining evening hours one or two nights a week to make it easier for homeowners who work during the day to apply for permits, such as is the practice in San Diego.*

Recommendation # 37: *LIEP should consider other options besides an annual or biennial survey for monitoring customer needs and satisfaction. Some suggestions include survey cards issued with the Certificate of Occupancy or when a permit is closed. Another option is to focus on evaluating one activity per month. For example, give surveys to everyone who applies for a permit in February, in March give surveys to everyone who has a site plan review, and in August to everyone who receives an inspection. This way, not all sections are burdened with conducting a survey at the same time. If another, organization-wide survey is desired, LIEP should consider consulting with organizations which have been successful in reaching a high response rate from their customers.*

Recommendation # 38: *LIEP should formalize customer service standards, such as plan review's three day turn-around for basic plan reviews. This would help all staff understand the customer service standards and how their work contributes to the goals set by the organization.*

Recommendation # 39: *LIEP should provide more customer service training for inspectors to help them understand how they can provide good customer service and good code enforcement.*

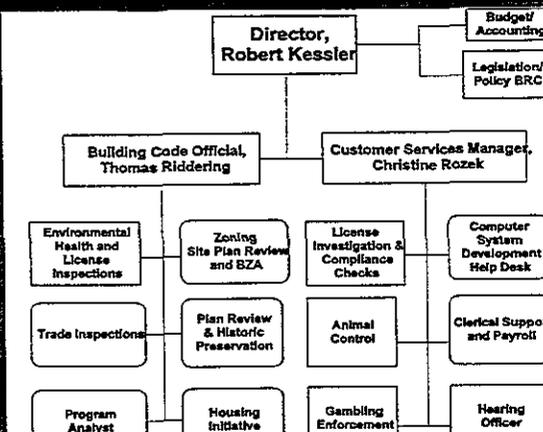
Recommendation # 40: *Develop an idea/complaint/compliment line and/or e-mail address that would allow customers to directly communicate with LIEP at their own convenience and at any time, rather than just through the annual customer survey.*

Results Recommendation

Recommendation # 41: *LIEP needs to develop a meaningful performance indicators system for determining how well they are meeting the organization's goals. This process needs to overtly take into account issues which may not be "measurable," but which also need to be documented and reported over time. The development process should also be inclusive and incorporate staff ideas. A performance measurement system should function not only to give feedback to managers and policy makers, but also to staff who rely on it to provide them regular feedback on individual activities. All of the organization's stakeholders have an interest in knowing how well the organization is meeting its goals. Examples of specific measures are outlined in the next chapter. Additionally, the Mayor's Office should much more actively monitor performance indicators used in the budget and assist the City's departments in developing more meaningful indicators.*

Performance Audit of The City of Saint Paul's Building Permit, Plan Review & Inspections Functions

Council Research Report
May 2000



Research Methods

- 67 Surveys Analyzed
 - 92% return rate
- 35 Interviews Conducted
 - Majority were LIEP Staff
 - Some key stakeholders

Ratings Key

- Policy Compliance
 - + substantially in compliance with policies
 - not in compliance with policies
- Quality Assessment
 - ☆ criteria sometimes present, occasionally practiced
 - ☆☆ criteria present and practiced to some extent
 - ☆☆☆ criteria well-developed and practiced
 - ☆☆☆☆ criteria fully developed and practiced

Planning

Key Concepts

- City Plan Policy Consistency
- Plan Quality Concepts
 - Internal Plans
 - Plan Development
 - Plan Dissemination and Implementation

Planning

Ratings

- Policy Compliance —
- Quality ☆☆

Planning

Findings

- LIEP's Internal Planning in Mid-1990's was Very Good
 - Business Redesign Project
 - 1996 Strategic Plan
- Little / No Planning Recently

Planning

Findings

- Saint Paul Comprehensive Plan
 - LIEP was not involved in development
 - Not LIEP's practice to consult Comp Plan when reviewing building plans

Planning

Recommendations

- Revisit Past Organizational Plans with Broad Staff Participation and Dissemination
- Play a Stronger Role in Comp Plan Development
- Incorporate Comp Plan into Decision-Making

Leadership

Key Concepts

- Compliance with Leadership-Related Policies
- Leadership Quality Concepts
 - Mission, Vision, Values
 - Stakeholder Relationships
 - Staff Recognition

Leadership

Ratings

- Policy Compliance +
- Quality ☆☆☆½

Leadership

Findings

- Good Stakeholder Relationships
 - Clarification needed in some stakeholder relationships
 - Some policy misalignment
 - Saint Paul Regional Water Services
 - State Fire Marshal
 - Design Center
 - PED Quarterly Small Business Meeting
 - Code Enforcement

Leadership

Findings

- Clear Mission and Vision
- No Clear Objectives Linked to Mission
- Good Staff Recognition

Leadership

Recommendations

- Clarify Stakeholder Relationships and Mutual Responsibilities
- Link Organizational Objectives to Mission and Vision
 - See Results and Performance Measures

Leadership

Recommendations

- Link Organizational Objectives to Mission and Vision
 - Establish Useful Performance Measures

Training

Key Concepts

- Training and Education Resource Allocation
- Employer Commitment

Training

Ratings

- Policy Compliance +
- Quality ☆☆☆

Training

Findings

- Significant Resources Invested
- LIEP Handbook is a Good Tool
- Yearly Updated Employee Educational Plan
- Counter Staff Cross - Trained

Training

Recommendations

- Review Allocation of Training Resources Across Staff Groups
- Emphasize More Cross-Education

Development

Key Concepts

- Staff Development Policy Compliance
- Staff Development Quality Concepts
 - Employee Contribution
 - Work Environment
 - Labor-Management Relationship
 - Employee Evaluation

Development

Ratings

- Policy Compliance —
- Quality ☆☆

Development

Findings

- Unfulfilled 1996 Strategic Plan Objective to Address Employee Morale
- Labor-Management Group Inactive
- Work Environment Good Overall, But...
 - Up to 1/3 of staff say work environment is poor
 - Similar proportion (1/4) feel labor-management relationship is "poor"

Development

Findings

- Over ½ of staff feel "few" to "no opportunities" to contribute to organizational decisions or goals
- Negativity evenly spread across all work units and tenure levels
- 90% of Staff Feel Work Environment is Supportive of Staff in Protected Classes

Development

Recommendations

- Engage Disaffected Staff and Discuss Their Concerns
- Reinstitute Labor-Management Committee Incorporating Lessons of Past

Information & Analysis

Key Concepts

- Data Gathering & Analysis Policy Compliance
- Info & Analysis Quality Concepts
 - Data Collection
 - Analysis of Data
 - Effective Use of Information Systems

Information & Analysis

Ratings

- Policy Compliance —
- Quality ☆ ½

Information & Analysis

Findings

- ECLIPS & AMANDA Systems Operational as of April 2000
 - Software provider contract changes poorly communicated
 - Hand-held field computers critical for trades inspectors
 - Little data available during transition periods
 - Performance Measures need to be developed

Information & Analysis

Recommendations

- Relate Data Collection & Analysis to Goals & Objectives
- LIEP Has Potential to Dramatically Improve Info & Analysis Assessment if Recommendations Pursued
- Make Handheld Field Computers Top Priority for Trade Inspectors

Improvement Practices

Key Concepts

- Improvement Practices Policy Compliance
- Improvement Practices Quality Concepts
 - Identification of Potential Improvements
 - Implementation of Improvements
 - Evaluation of Improvement Efforts

Improvement Practices

Ratings

- Policy Compliance +
- Quality ☆½

Improvement Practices

Findings

- LIEP Strives to Incorporate Improvements Regularly
 - ▶ 119 Targets for Redesign
 - ▶ Project Facilitator
 - ▶ ECLIPS & AMANDA
- LIEP Doesn't Gather Info On or Evaluate Improvement Efforts

Improvement Practices

Recommendations

- LIEP Should Gather Info On and Evaluate Improvement Efforts
 - Continue, change, or cease improvement efforts based on these evaluations
- Improvement Practices Should Link Activities to Goals and Objectives

Customer Focus

Key Concepts

- Customer Service Policy Compliance
- Customer Focus Quality Concepts
 - Customer identification and knowledge
 - Managing customer relationships
 - Customer service practices
 - Customer service standards

Customer Focus

Ratings

- Policy Compliance —
- Quality☆☆ ½

Customer Focus

Findings

- LIEP Understands Who its Customers Are
- LIEP hasn't surveyed customers recently
- Number of Practices Benefit Customers
- Ineffective Marketing of Practices
- Poor Web Site Development and Use

Customer Focus

Findings

- Housing Initiative Poorly Communicated Initially
- Appeals Process Inconsistently Communicated

Customer Focus

Recommendations

- Clarify Customer Service Philosophy
 - Clarify policies relating to granting equivalencies
- Develop Web Site and Market Services
 - Express permits
 - Preliminary plan review
 - Parking reimbursement

Results

Key Concepts

- Results Policy Compliance
- Results Quality Concepts
 - Organizational Outcomes
 - Financial Outcomes
 - Customer Satisfaction
 - Use of Performance Indicators

Results

Ratings

- Policy Compliance —
- Quality ☆

Results

Findings

- Throughout City, Reduced Emphasis on Organizational Outcomes in Recent Years
- LIEP Has Few Performance Indicators
 - Use the few available to determine whether goals are met
- LIEP is Poised to Develop a Meaningful Performance Measurement System

Results

Recommendations

- LIEP Needs to Develop a Meaningful Performance Indicators System to Determine How Well They are Meeting Organizational Goals

Performance Measures

- Necessary for Accountability to Elected Officials and the General Public
- Used to Gauge Progress on Achieving Organizational Goals

Performance Measures

- Customer Service
- Efficiency
- Effectiveness

Performance Measures

- Timeliness
- Helpfulness
- Accuracy
- Cost: Staff and Capital
- Quality

ORIGINAL

Council File # 00-496

Green Sheet # 104503

RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

20

Presented by _____

Referred To _____ Committee Date _____

**RESOLUTION ACCEPTING THE COUNCIL RESEARCH
PERFORMANCE AUDIT OF THE CITY OF SAINT PAUL'S
BUILDING PERMIT, PLAN REVIEW AND INSPECTION FUNCTIONS**

- 1 WHEREAS, the Saint Paul City Council directed the preparation of the Council Research *Performance*
- 2 *Audit of the City of Saint Paul's Building Permit, Plan Review and Inspections Functions*, as a part of
- 3 its Performance Audit Program established in Council File # 95-1392; now therefore be it resolved
- 4 RESOLVED, that the Saint Paul City Council hereby accepts the Council Research *Performance Audit of*
- 5 *the City of Saint Paul's Building Permit, Plan Review and Inspections Functions*.

	Yeas	Nays	Absent
Benanav	✓		
Blakey	✓		
Bostrom	✓		
Coleman	✓		
Harris	✓		
Lantry	✓		
Reiter	✓		
	7	0	0

Requested by Department of: _____

By: _____

Form Approved by City Attorney

By: _____

Adopted by Council: Date May 24, 2000

Adoption Certified by Council Secretary

By: [Signature]

Approved by Mayor for Submission to Council

By: _____

Approved by Mayor: Date _____

By: Adopted without Mayor's signature of approval

DEPARTMENT/OFFICE/COUNCIL
Council Research

DATE INITIATED
5/17/2000

GREEN SHEET

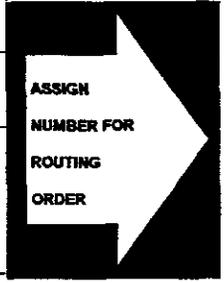
No 104503

CONTACT PERSON & PHONE
Marcia Moermond, 266-8570

Initial/Date

Initial/Date

MUST BE ON COUNCIL AGENDA BY (DATE)
5/24/2000 *Discussion*



<input type="checkbox"/>	DEPARTMENT DIRECTOR	<input type="checkbox"/>	CITY COUNCIL
<input type="checkbox"/>	CITY ATTORNEY	<input type="checkbox"/>	CITY CLERK
<input type="checkbox"/>	FINANCIAL SERVICES DIR.	<input type="checkbox"/>	FINANCIAL SERVICES CTG
<input type="checkbox"/>	MAYOR (OR ASSISTANT)	<input type="checkbox"/>	

TOTAL # OF SIGNATURE PAGES _____ (CLIP ALL LOCATIONS FOR SIGNATURE)

ACTION REQUESTED

Council acceptance of the Council Research *Performance Audit of the City of Saint Paul's Building Permit, Plan Review and Inspections Functions.*

RECOMMENDATION Approve (A) or Reject (R)

- _____ PLANNING COMMISSION
- _____ CIB COMMITTEE
- _____ CIVIL SERVICE COMMISSION
- _____
- _____
- _____

PERSONAL SERVICE CONTRACTS MUST ANSWER THE FOLLOWING QUESTIONS:

1. Has this person/firm ever worked under a contract for this department?
YES NO
2. Has this person/firm ever been a city employee?
YES NO
3. Does this person/firm possess a skill not normally possessed by any current city employee?
YES NO
4. Is this person/firm a targeted vendor?
YES NO

Explain all yes answers on separate sheet and attach to green sheet

INITIATING PROBLEM ISSUE, OPPORTUNITY (Who, What, When, Where, Why)

ADVANTAGES IF APPROVED

DISADVANTAGES IF APPROVED

DISADVANTAGES IF NOT APPROVED

TOTAL AMOUNT OF TRANSACTION \$ _____

COST/REVENUE BUDGETED (CIRCLE ONE) YES NO

FUNDING SOURCE _____

ACTIVITY NUMBER _____

FINANCIAL INFORMATION (EXPLAIN)

CITY COUNCIL RESEARCH REPORT

**Performance Audit of
The City of Saint Paul's
Building Permit, Plan Review
and Inspections Functions**



Saint Paul City Council
Council Investigation and Research Center
Saint Paul, Minnesota

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May 2000

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INTRODUCTION

The City Council, as the governing body of the City of Saint Paul, is responsible for establishing City policies and ensuring that City practices are consistent with these policies. As the body responsible for approving the City Budget and authorizing the tax levy, the Council must also assess the efficiency and effectiveness of City operations. Therefore, the City Council established a Performance Audit Program in the fall of 1996 to help it fulfill these legislative oversight and budgetary responsibilities and it directed Council Research to conduct performance audits of City operations. Performance audits analyze the consistency of departmental practices with City policies, as well as provide insight into how policy directives are implemented. The performance audit also examines whether an organization's practices are efficient and reflective of those used by high-performing organizations.

The City Council is very interested in the value received by citizens for the money expended. Taxpayers rightly expect that money provided for services will be spent to achieve the best result possible with the least expenditure of public funds. The efficiency and effectiveness of government operations and processes can be assessed in many ways. One common approach is for auditors to examine an organization at a micro-level to try to determine if the organization is following sound procurement practices, properly protecting its resources, and complying with laws and regulations. This micro-level approach to auditing is closely related to financial auditing and is often conducted by accountants who spend a great deal of time and effort examining the inner workings of the organization. While we accept there are situations where this type of micro-level auditing is appropriate, such as when fraud is suspected, we believe a higher level audit is most appropriate here. The City Council is less concerned with the minutia of daily operations of its departments and more concerned with knowing if its departments and offices are top-quality organizations whose operations are efficient, effective and in compliance with appropriate laws and policies. If they are not, the Council is interested in knowing what can be done to remedy any deficiencies preventing the department or office from achieving a level of excellence.

SCOPE OF PERFORMANCE AUDIT

This audit is an examination of the policy compliance, efficiency and effectiveness of the permitting, trade inspections and plan and zoning review activities of the Office of License, Inspections and Environmental Protection (LIEP).¹ Future references to LIEP in the audit will refer to only these activities, not the entire organization. The office and functions selected for review were identified by the City Council because of the importance of LIEP's activities in relation to promoting and protecting the City's housing and building stock. The structure and functions of LIEP will be described in more detail in a following section.

¹ The audit does not examine other functions performed by LIEP, which include Animal Control, Gambling Enforcement, Environmental Health, License Inspections or License Investigation and Compliance Checks.

RESEARCH METHODS

Policies pertaining to the functions of LIEP were gathered from the Saint Paul Administrative Code, the Saint Paul Legislative Code, City Council resolutions, the Land Use and Housing Chapters of the City's Comprehensive Plan, as well as LIEP's own internal plans, policies and budget objectives. It is not Council Research's intent to make specific findings on every individual policy statement. Rather, we focus on groups of policies that relate to specific functional areas within LIEP (permitting, plan review or inspections),² and have grouped them according to the most relevant quality category. It is our belief this approach is more useful to both policy makers and participants in understanding how to improve the efficiency, effectiveness and compliance of the organization.

We believe the best way to assess the level of organizational development is to ask those most knowledgeable about the organization—the people who work in the organization. We believe that the people who work in LIEP best know the strengths and weaknesses of their organizations and will, when asked, candidly report their opinions. Therefore, we have gone directly to LIEP staff to ask them about their work. We were able to survey 67 of 73 (92%) LIEP staff involved in the permitting/ customer service areas, plan review and zoning and trade inspections, and we also conducted 35 interviews with LIEP staff members. The findings and recommendations in this report are based on these surveys and interviews as well as an examination of written materials on LIEP's practices.

ORGANIZATIONAL ASSESSMENT

A key aspect of an organization's performance is its compliance with the laws and directives under which it is required to operate. Governmental agencies have a high level of responsibility to operate within the parameters established by governing bodies, as well as within parameters established by the organization itself. Because LIEP is a regulatory agency, it not only has to comply with regulations as do all City departments, it also has to enforce regulations to which developers, builders, home and business owners and contractors have to comply. Quite often, these policies can be closely linked to the quality of an organization's operations. Throughout this report, we will illustrate how compliance with certain policies does or could enhance the efficiency and effectiveness of LIEP. A listing of policies, practices and documents reviewed is in Appendix A of this report.

The efficiency and effectiveness of LIEP's permitting, plan review, zoning, and inspections functions are evaluated using an Organizational Quality Assessment. While there are several methods to evaluate effectiveness and efficiency, our approach is based on work done by the organizers of the Malcolm Baldrige National Quality Award who identified the characteristics of a high-performing organization.

The study of high-performing organizations has typically identified seven characteristics believed to be essential for an organization to achieve excellence. These criteria have been identified from

² For a complete listing of all policies reviewed, please see Appendix A.

studies over many years and are widely accepted as indicators of organizational excellence. The criteria used by the Malcolm Baldrige National Quality Award and the Minnesota Quality Award to assess organizational development and to identify quality organizations are summarized in the table below. For the purposes of this audit we have split the category of Training and Development into two separate discussions for a more useful discussion of both areas. None of the quality categories stand alone. Each impacts the other, and all are essential to achieving a high level of performance. Quite often improvement in one quality category will positively impact another. For example, improvement in the category of Information and Analysis often significantly impacts both Results and Improvement Processes.

Assessment Categories

Quality Category	Key Concepts	Discussed on Pages:
Planning	Internal Plans Plan Development Plan Dissemination & Implementation	9 - 14
Leadership	Mission, Vision, Values Stakeholder Relationships Staff Recognition	15 - 24
Training	Training & Education Resource Allocation Employer Commitment	25 - 27
Development	Employee Contribution Work Environment Labor-Management Relationship Employee Evaluation	28 - 32
Information and Analysis	Collection of Data Analysis of Data Effective Use of Automation Systems	33 - 37
Improvement Practices	Identification of Potential Improvements Implementation of Improvements Evaluation of Improvement Practices	38 - 41
Customer Focus	Customer Identification & Knowledge Managing Customer Relationships Customer Service Practices Customer Service Standards	42 - 49
Results	Organizational Outcomes Financial Outcomes Customer Satisfaction Use of Performance Indicators	50 - 52

Each of these quality categories is a chapter in the report, and each chapter is comprised of the following discussions:

- Ratings
- Policy discussion, Findings, Recommendations
- Quality discussion, Findings, Recommendations

In addition to the Results chapter, which focuses on organizational outcomes, an overview of performance measures and their potential application in LIEP is provided in the Performance Measures. Performance measurement in this performance audit means the regular collection of specific information about the effectiveness, quality and efficiency of services and programs.³ The suggested measures will enable LIEP to evaluate on its own whether the resources expended (labor or financial resources) on an activity are used efficiently, have the intended effect and result in a quality outcome. Measures can be based on information obtained from written records, observations by specially trained staff or through surveys of customers. This performance audit will examine existing performance measures and suggest other performance measures. However, the audit will not perform the actual measurements.

Criteria Ratings

We have gathered a wealth of information about the permitting, plan review, zoning and inspection activities of LIEP while conducting this performance audit. Although capturing all of this information in any rating system is impossible, we believe a rating system will help decision-makers grasp the essence of the information. We have developed a simple summary rating system we believe conveys the essence of our findings. We intend these ratings to reflect what interview subjects have told us about LIEP. While organizations and processes consist of individuals, we intend the ratings to reflect current organizational practices and they should not be interpreted as judgements about individuals.

The rating system used for policy compliance is simple and straightforward using a plus (+) sign, indicating LIEP is substantially in compliance with the relevant policies, or a minus (-) sign indicating LIEP is not in compliance. If it is not found in compliance, recommendations will be made to assist the organization in achieving compliance.

The summary ratings for the quality categories are intended to portray both the level of development and the level of integration of each quality criterion. Development, in this performance audit, means the extent to which high-valued characteristics are in evidence. High-value characteristics are ones in which the criteria being examined are systematic, manifest, proactive, fact-based, and evaluated. Integration refers to the extent criteria are practiced. It is possible, indeed likely, for criteria to be practiced in some parts of the organization, but not in others.

The summary ratings used for quality assessment are:

- ★★★★ Criteria fully developed and practiced throughout the organization.
- ★★★ Criteria well developed and practiced throughout most of the organization.
- ★★ Criteria present and practiced in some parts of the organization.
- ★ Criteria sometimes present, occasionally practiced in parts of the organization.

³ The Urban Institute (1980). *Performance Measurement: A Guide for Local Elected Officials*. Washington D.C.: The Urban Institute, p. 1.

OVERVIEW OF LIEP

Before discussing the findings of the audit, it is necessary to give a brief overview of the Office of License, Inspections and Environmental Protection (LIEP). LIEP was formed in 1992 as a result of the consolidation of Environmental Health, the Building Inspection and Design Division (BIDD), the License Division and Animal Control. Four reasons were offered for the merger:⁴

1. The need for improved customer service and the creation of a 'one-stop-shop' for businesses.
2. The desire to provide customer service training for inspectors and to improve the coordination of services.
3. The need to review and update the City's regulations.
4. A desire to reduce the overall costs of enforcement in order to save money."

The graph on the following page illustrates the current organizational structure of LIEP. The blue boxes indicate the areas of LIEP that were examined in this audit. LIEP currently has just over 100 employees, and an adopted year 2000 budget of \$9,136,890. The vast majority of LIEP's revenues are from license and permit fees collected. Only about 15% of LIEP's year 2000 budget is money allocated from the City's general fund.

Permitting, Plan Review, Site Plan Review and Inspections

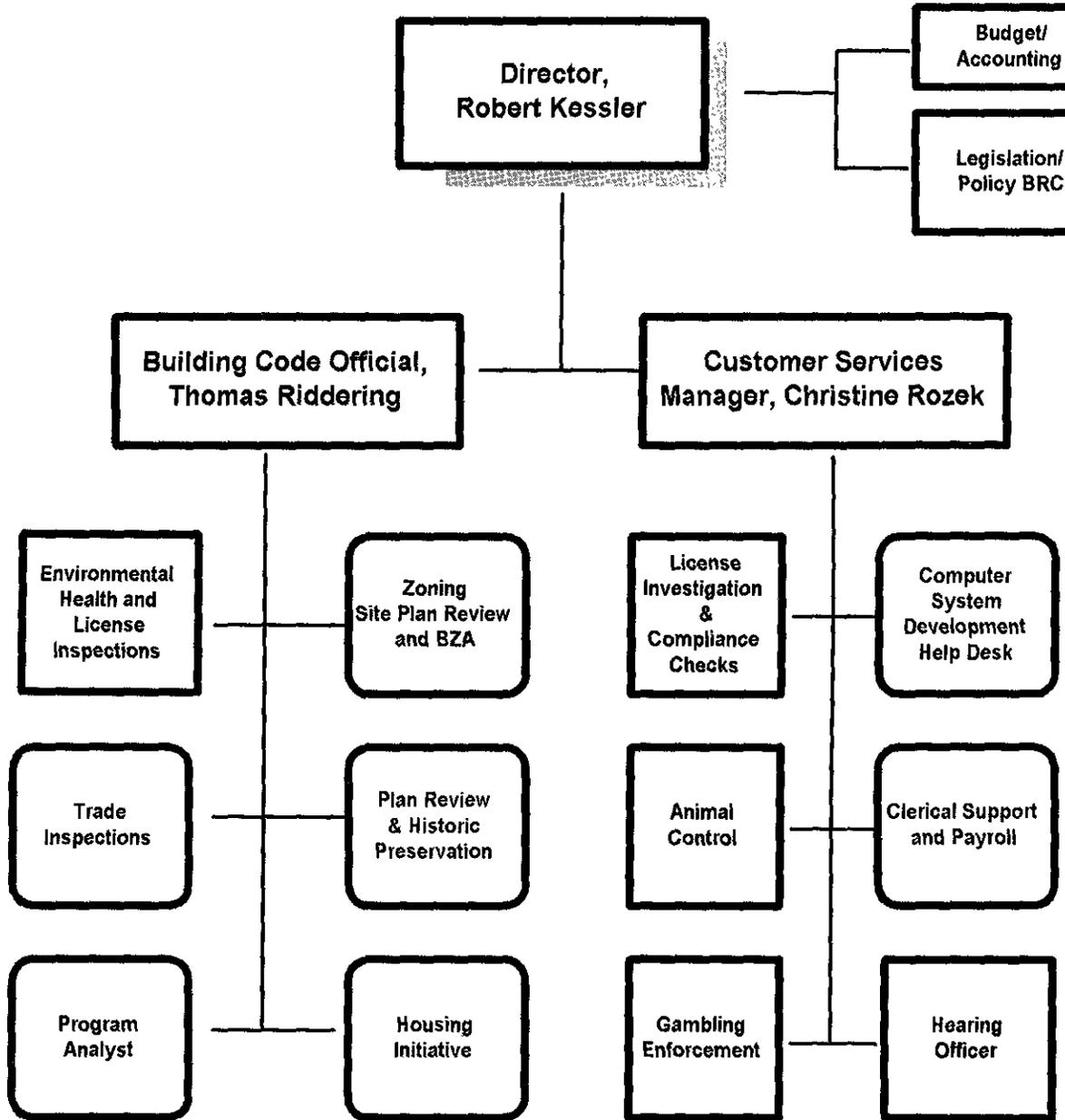
The graphics on the page 8 illustrates the permitting process, from entering the office to filling out a permit application to completing the work and receiving a certificate of occupancy or compliance, if required. The permitting, plan review and inspections activities are closely intertwined. Typically, the first point of contact for a customer is with a member of permitting/customer service staff. A customer will either call with questions or come in to obtain information and apply for a building permit. A permit is required for all structural revisions for residences, garages, carports, decks and similar structures or buildings. Non-structural revisions or remodeling projects may also require a permit if the labor value and the cost of the materials exceeds \$300. Permits can be paid for with cash, check or charge, and payments are accepted in person or by fax, phone or mail. The fee schedule is established in City Code, and is based on the fee schedule in the 1994 Uniform Building Code.⁵

Staff must verify the information contained in the permit application, such as the address, the contractor's license, whether the building is a dangerous structure or nuisance building. The address file is currently used to verify this information, but it will be eventually available through the new computer systems.

⁴ Information taken from Robert Kessler, Director of LIEP, letter to employees, May 18, 1992.

⁵ City code states that refunds can be given for permit fees if the work was not started within a given amount of time, and or if the fee was calculated incorrectly. Project values can also be reassessed according to Code, and new fees charged or refunds given. Finally, fees can be imposed for work that is started prior to obtaining a permit. Typically LIEP finds out about such work through contractors, neighbors, or when inspectors are out in the field and they see work occurring without a permit.

LIEP ORGANIZATIONAL CHART



Indicates Area Covered by Performance Audit

In most cases, a customer must submit building plans and possibly site plans for review in order to obtain the necessary permits.⁶ The few cases in which plans are not required include roofing, soffit and fascia improvements and furnace replacements. LIEP staff involved in plan review include the plan reviewers, site plan reviewers, the structural engineer and the inspectors, though they are not all involved in reviewing every plan. The following table shows their involvement.

LIEP Staff Involved in Plan Review —

Plan Reviewers	All plans not requiring significant structural changes or changes in use of the property
Site Plan Reviewer	Commercial, multi-family additions, new construction, changes in use of the property
Structural Engineer	All significant structural changes or additions
Trade Inspectors	Complex building plans

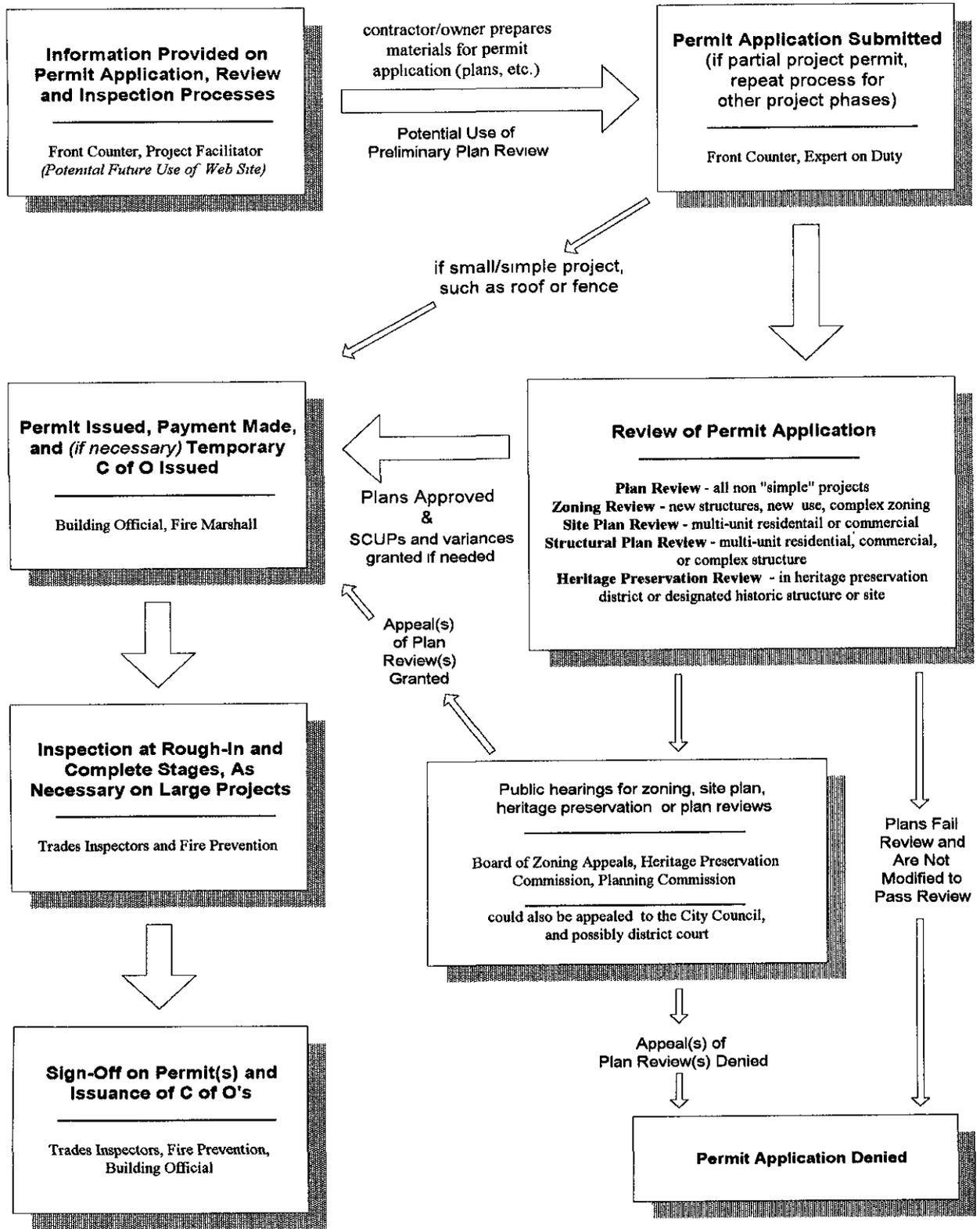
The site plan reviewer also coordinates an interdepartmental review team that includes representatives from Zoning, Public Works, the Water Utility, and Police and Fire departments, as appropriate. The applicant will meet with staff two to three weeks after the site plan is submitted. At this meeting questions can be answered and revisions offered. Staff also work diligently to assist applicants if their plans do not meet code standards.⁷ District Councils may also be involved if the project will have an impact on the surrounding area. While site plan review is occurring, the trade inspectors may be involved in reviewing specific plans designed to show the electrical, plumbing, mechanical or other relevant work. In some cases, the plan review process is on-going, such as for the Minnesota Wild Arena which is a large construction project and requires a variety of different plans. The site plan reviewer also prepares staff reports for site plans that are reviewed by the Planning Commission and he handles any subsequent appeals to the City Council. This staff person also serves as backup staff for the Board of Zoning Appeals.

Once the plans have been reviewed and the permits issued, the inspectors will do an initial inspection. Depending on the type of project, there are given points at which a project must be inspected. The contractors or property owners are responsible for calling LIEP to arrange for an inspection at the appropriate time. In general, inspections are required at the "rough-in" stage and upon project completion. However, inspections are done weekly at bigger construction projects such as the Lawson Commons building and the Minnesota Wild Arena. Once the work is completed and approved, the inspector signs the back of the permit, signs the copy of the permit kept in LIEP's files, and submits it to clerical staff to be formally closed out. LIEP issues the temporary certificate of occupancy, if required, upon permit closure. If the Fire Department is also performing inspections of the project, they are notified of LIEP's approval of the project. The temporary certificate of occupancy will not be issued until the Fire Department has also signed off on the permits. LIEP issues only the *temporary* certificate of occupancy; periodic (annual/biennial) inspections and ongoing certificates of occupancy are issued by the Fire Department.

⁶ Building plans indicate all internal or structural work, site plans show existing and proposed conditions of the property (such as site layout, grading, drainage and utilities, landscaping), and building information (such as height, type of construction, sprinklers, and elevation). In limited cases, a tree preservation plan must also be submitted.

⁷ It is possible that plans cannot feasibly meet code standards. In those cases, the zoning code provides a couple of options to allow for uses other than those specifically stated in the code, namely variances and special condition use permits (SCUPs).

Permit, Plan Review and Inspection Process



PLANNING

KEY PLANNING CONCEPTS:

- Internal Plans
- Plan Development Participation
- Plan Dissemination & Implementation

Policy Alignment: —

Quality Rating: ★★

Planning is an activity that incorporates a strong future orientation and a willingness to make long-term commitments to stakeholders. High-performing organizations actively engage in planning and recognize the impact not only of internal changes, but also of environmental factors on the organization. Planning considers resource allocation, economic projections, future needs of employees, future customer needs and expectations, technological developments, and stakeholder requirements. Plans can be long- or short-term, and can be issue specific, organization-wide, departmental-wide or unit-wide. In order to be effective, plans need to be carried out and updated frequently. Comprehensive plans are also considered policy documents.

LIEP's Internal Plans

LIEP has a history of engaging in planning activities. In the mid-1990's, LIEP developed a number of plans to enable and enhance its streamlining efforts. While these plans were reactionary (they were necessary to meet the objectives for consolidation and mandates from the Mayor's Office), LIEP was addressing a problem, namely integrating functions, and did the appropriate planning to manage the changing circumstances. The plans LIEP produced were:

- Business Process Redesign Project (1994-1996)**, which consisted of the following plans:
 - Functional Redesign Report/Plan (Business Process Redesign Project), 1994**
A high-level plan that identified common data and info used across all LIEP functions. Its objective was to design work processes around shared, property-based information. It focused on customer service delivery and sought to replace repetitive, duplicative, and labor intensive administrative processes. (The Business Review Council has in many ways collaborated in doing much of the work of identifying unnecessary regulations and duplicate processes.)
 - Administrative Redesign Report/Plan, 1994**
The focus of this plan was on service delivery processes and line employees as customers. It sought to replace administrative processes that were repetitive, duplicative and labor intensive through information sharing and technology support tools.
 - Change Management Plan 1994-1996**
This plan had 5 objectives for which steering teams were developed to work on:
 - reduce processing time for permits and licenses;
 - reduce number of and increase collections on delinquent license renewals;
 - reduce cost to businesses by reducing time to obtain permit and license;
 - eliminate redundancy and complexity in local codes; and
 - reduce paperwork and eliminate forms.
- Strategic Action Plan, 1996**
This plan was required as part of the Office's annual budget.

Since 1996, LIEP has not done any long-term strategic planning. All recent planning is very short-term and meant to address very specific issues such as the computer systems. However, these plans focused only on the steps to make the new computer systems operational. They did not include plans to help LIEP transition from the old methods of operation to new ones. Extensive work on basic automation of LIEP's services appears to have consumed much of the office's creative energy in recent years, and LIEP, in effect, has used the automation as an excuse not to plan. An attitude also exists in LIEP that it is difficult to do planning because of the regulatory nature of the Office's functions and the constraints LIEP faces as a governmental entity. However, a number of factors could have been considered in LIEP's planning such as the growth in construction and the current vitality of the economy.

Overall, LIEP is currently engaging in very limited planning activities. However, LIEP held a retreat in late 1999 to look at areas that still need to be addressed. They identified three areas of importance for focused improvement efforts: communication, staff and training, and technology. There is no clear product yet from this retreat, such as specific activities, or a clear commitment from the organization to follow through. However, LIEP reports that individual staff member commitments have been made to facilitate and lead committees to work on the areas identified for improvement. Nonetheless, in light of the current City culture which does not value planning, the fact they are still engaging in planning efforts is noteworthy.

The Saint Paul Zoning Code, in Chapter 64.400, requires the zoning code be reviewed every five years. LIEP and PED staff report that routine text amendments are done on a regular basis, but the zoning code has not been examined or reevaluated. PED maintains primary responsibility for fulfilling this requirement, though LIEP shares responsibility for implementing the requirements of the zoning code. Had LIEP engaged in a planning process that considers its responsibilities related to the zoning code, it may have addressed this and, therefore, been in compliance.

Saint Paul Comprehensive Plan

LIEP activities are directly related to the City's Comprehensive Plan, particularly the Land Use and Housing Chapters. For example, an objective of the Land Use Plan is to "ensure that building supports broader city-building goals," and "make a contribution to the neighborhood and public realm."⁸ Clearly, activities related to this goal would require permits, plan reviews and site plan reviews, and inspections. LIEP's site plan review activities could easily incorporate such objectives into their criteria. However, it is clear from staff statements that while certain staff members try to incorporate these objectives, they feel they can only apply them to a certain extent because the Comprehensive Plan is not adequately incorporated into LIEP's practices.

Not only does LIEP fail to actively pursue the objectives of the Comprehensive Plan, they also fail to use it to identify changing circumstances and priorities. LIEP does not see a direct relationship between its activities and the objectives of the Plan. They do not consider the Comprehensive Plan when preparing their own internal plans and look for areas of change or growth in activities. Rather, it is used by a few select staff members to a limited extent as they perform their duties. To LIEP, the Plan fails to have the same level of authority as the code, though in reality the Comprehensive Plan has the same effect of law when used in the review process as justification for City actions and decisions.

⁸ Land Use Plan, page 17.

LIEP tends only to minimally respond and react to the Comprehensive Plan, but is not a part of the plan formulation process. It is also apparent there are conflicts between some strict requirements of the zoning code and the objectives of the Plan. If LIEP were involved in the plan formulation process, these conflicts may be more readily and easily resolved, and the code and Plan would be more compatible.

Policy Compliance Findings

Finding #1: LIEP did a great deal of internal planning in the mid-1990's. Recent planning activities have been very limited.

Finding #2: LIEP followed through on many of its planning objectives. An example of this is LIEP's 1996 Strategic Action Plan, where LIEP has done an admirable job of following through on many of its objectives, such as trying to respond to inquiries within 48 hours, providing information to customers through meetings, written material, classes (such as the January 20, 2000 session held for small contractors), testing, and developing two project facilitator positions.⁹

Finding #3: Many of LIEP's activities relate directly to the City's Comprehensive Plan, but LIEP is not involved in developing the Plan.

Finding #4: LIEP does not view the Comprehensive Plan as a policy document to which it must comply.

Finding #5: LIEP does not use the Comprehensive Plan as a guide when making its own organizational plans.

Finding #6: LIEP did not prepare adequate plans in regard to the transition from a system that involved paper and an outdated, non-Y2K compliant computer system to a fully automated system. This type of work process analysis and planning at all levels of the organization would have assisted LIEP in its difficult and complex transition.

Policy Compliance Recommendations

Recommendation # 1: *PED should perform, in conjunction with LIEP, a thorough analysis of the current Zoning Code. In order to be in compliance with current City Code, this should be done every five years. The analysis should consider the Code's compatibilities with the City's Comprehensive Plan and other development priorities, and the Code should be modified accordingly.*

Recommendation # 2: *Both PED and LIEP need to take more responsibility for including LIEP in the development processes for the City's Comprehensive Plan. By taking responsibility for development, LIEP will feel more responsible for the objectives of the Plan, and will incorporate the Comprehensive Plan into its own internal plans and practices.*

⁹ One objective that has not been implemented will be discussed in the Development section.

LIEP's involvement in the planning and implementation processes of the City's comprehensive plans will enable it to make more recommended changes to the zoning code, so that the code and the plans are compatible and mutually enforceable. In cases where the zoning code and the Comprehensive Plan are not compatible, LIEP should consider granting variances, equivalencies, or bringing the problem to the Business Review Council for further review and recommendations.

Recommendation # 3: *LIEP should incorporate objectives of the Comprehensive Plans into its plans for its own operations. By doing so, LIEP will ensure it considers future changes and remains flexible and uses opportunities to ensure the building stock of the City is solid, safe and contributes to the vitality of the City.*

The Quality of Planning

Planning was evaluated above on a policy compliance level, but an examination of planning from a quality perspective is also essential to ensure that planning activities are effective and efficient. If the activities are not evaluated, then the planning efforts will be futile and the plans will mean nothing to staff.

Knowledge of Plans

According to the survey results, there seems to be a disconnect between those who do not know about planning efforts or are not involved in planning and those who are. According to the survey, one-half the staff surveyed do not know if plans exist. This question received the highest level of "don't know" responses of all the survey questions. Further analysis of this group of respondents gave us no indication that some staff members or groups of staff were purposely omitted from planning activities.

Plan Development Participation

From survey responses, it appears only a few key line staff are consistently involved in planning. For example, according to the survey, 85% of plan review staff are not aware of any of LIEP's planning efforts. From interviews, it seems staff are not actively recruited to participate in planning. We heard many comments echoing the sentiment that "if you want to be involved, you can be." Involvement in planning clearly has to be self-motivated. This is somewhat problematic, as employee participation in planning at all levels is valuable to an organization as often the line-staff are in the most direct contact with customers and other outside influences. Their input and perspective may be more aligned with the realities of daily operations, and they may have ideas on how to do things better in the future. It also enhances their ability to understand how their work contributes to the future of the organization. However, it should be noted many organizations struggle with how to involve all employees in important decision-making processes. Clearly, not every employee can be directly involved in writing the planning, but they should be given the opportunity to provide input before the plan is finalized. It was also clear the Budget Office, PED and the City Attorney's Office are not involved in LIEP's planning, though they are key stakeholders and participants in LIEP's activities.

Plan Dissemination and Implementation

The recent limited planning efforts that have taken place could not be based on data analysis because LIEP did not have comprehensive data, partially due to its antiquated computer systems. Staff indicate the new computer systems will allow them to collect more comprehensive data. Finally, it is evident the plans created in the mid-90's have not been analyzed to determine areas of success, failure, or continued development and inclusion in other plans for the future.

What LIEP now considers to be plans, such as progress updates on the new information systems, are disseminated through e-mail, meetings and monthly newsletters. As for implementation, according to the survey, 40% of staff "don't know" how often plans are implemented. In the past, committees have implemented various aspects of the plans, particularly the quick fixes that were identified.

While not considered LIEP plans, some LIEP staff are involved in the planning activities of related organizations. Some inspectors are involved in code planning for their respective trades at the national, state and local level. They meet to discuss how to implement changes in the codes, which happen every three years. The Heritage Preservation Commission does an annual workplan, which is commendable given that it is a citizen commission with very limited staffing. Very few voluntary commissions in the City of Saint Paul do such planning.

Planning Quality Findings

Finding #7: Many staff are unaware of plans made by LIEP.

Finding #8: Only a few staff are involved in planning. It seems staff have to actively pursue opportunities to contribute to planning. Leadership rarely seeks out employee participation in terms of cultivating involvement from those traditionally not involved.

Finding #9: There is an apparent lack of connection between information gathering, analysis, results evaluation and planning. LIEP does not measure results and therefore cannot plan as effectively based on their outcomes. In other words, they do not look at where they have been, so it is difficult to know where they are going.

Finding #10: Many LIEP staff, particularly inspectors, are involved in planning efforts of the professional organizations to which they belong.

Planning Quality Recommendations

Recommendation # 4: *LIEP should resume proactive planning, including assessing the current landscape and future economic, social, human resources, political, and technical impacts on LIEP's work.*

- LIEP must understand the connection between planning and resource allocation to prevent situations such as the one currently occurring with staff being overworked, resulting in a highly stressful work environment because technological, economic, and*

human resource changes were not comprehensively planned. Closer monitoring of outside influences will assist in projecting changes in workload and resources, such as those resulting from increased construction in recent years.

- ❑ *Outcome measurement must be incorporated into future planning. LIEP must look at the results of past planning efforts for lessons learned and areas to continue to work on. They must also look at results of past quick fixes to determine effectiveness and remaining issues to be resolved resulting from the changes.*
- ❑ *LIEP should involve other stakeholders, such as the City Attorney's Office, Planning and Economic Development and Public Works in planning process to incorporate the requirements of other departments and develop an understanding as to how the work of LIEP affects other departments.*

Recommendation # 5: *LIEP should involve staff in defining organizational goals and offer ways for staff to contribute to them. LIEP needs to find ways to include less-involved staff in decision-making and make them more aware of planning and improvements taking place in the office and how they can contribute. LIEP should not wait for them to approach management, as history shows they will not.*

LEADERSHIP

KEY LEADERSHIP CONCEPTS:

- Mission, Vision, Values
- Stakeholder Relationships
- Staff Recognition

Policy Compliance: +

Quality Rating: ☆☆ 1/2

Senior organizational leaders need to set direction, create a customer focus, establish and articulate a clear vision and communicate and make visible the values of the organization. Reinforcing values and expectations requires personal commitment and involvement. Leaders need to take part in the creation of strategies, systems and methods for achieving excellence. These systems and methods need to guide all activities and decisions of the organization. Leaders must also recognize the role of stakeholders in these processes, and maintain positive relationships with them. Finally, staff need to be recognized for their contributions to the organization and to its mission, vision and values.

Many of an organization's policies and practices are derived from strong leadership principles. In this discussion, we look at three leadership areas in which LIEP has developed policies and practices: mission and vision, internal practices, and stakeholders. Good leadership works to ensure that all in the organization understand the organization's purpose – its mission – and where the organization is going – its vision. Good leaders also articulate values clearly and exemplify them on a daily basis. Strong leadership forms meaningful relationships with stakeholders and maintain good communication and cooperation between the two.

Mission and Vision

LIEP has spent a great deal of time developing and refining its vision/mission statement, which is:

"To be a unified, customer service organization, which promotes a healthy and safe environment through information and enforcement of codes and ordinances."

The vision of a unified customer service organization was derived from a desire by then Mayor Scheibel to meet the following four objectives, as mentioned in the introduction:

1. The need for improved customer service and the creation of a 'one-stop-shop' for businesses.
2. The desire to provide customer service training for inspectors and to improve the coordination of services.
3. The need to review and update the City's regulations.
4. A desire to reduce the overall costs of enforcement in order to save money."

The mission and vision will be discussed more fully in the Quality of Leadership discussion, starting on page 22, but it should be noted that the leadership of LIEP has placed a high level of importance on ensuring that the mission statement is understood and communicated, a highly commendable practice. The Director of LIEP is also very concerned with ensuring that staff

understand his expectations for them, and these expectations have been clearly articulated in written form, and, according to some staff, modeled by senior leadership. Not only does the Director have expectations for his management staff, the managers also have clearly articulated expectations for him. One key piece missing from the expectations is a values statement for all staff, which will be discussed in more detail in the Quality of Leadership discussion.

Internal Policies

LIEP has developed a number of internal policies to make for more efficient and understandable operations. These policies are contained in a policy manual which has not yet been finalized, though all staff have the policies and receive updates as changes are made. Staff also have a LIEP information booklet which is useful for finding answers to basic questions or determining which staff member to contact for the correct answer to complicated questions. Certainly this is an efficient practice as the information is readily available to all staff and allows them to answer questions immediately and correctly.

Stakeholders

Positive stakeholder relationships are essential to maintaining strong leadership. Leadership must be able to identify its stakeholders. Stakeholders are "any person, group, or organization that can place a claim on an organization's attention, resources, or output or is affected by that output."¹⁰ Customers also fall under the definition of a stakeholder. LIEP's customers include contractors and citizens who apply for permits and go through the plan review, permitting and inspection processes. They are discussed in more detail in the Customer Focus section of this audit. Listed below are many of LIEP's stakeholders followed by a discussion of the stakeholders with whom LIEP interacts the most:

- | | |
|---|--|
| <input type="checkbox"/> Fire Department | <input type="checkbox"/> Citizen Service Office and Property Code Enforcement |
| <input type="checkbox"/> Saint Paul Regional Water Services (formerly the Saint Paul Water Utility) | <input type="checkbox"/> Problem Properties Committee and Enforcement Coordination Committee |
| <input type="checkbox"/> Public Works Department | <input type="checkbox"/> Business Review Council (BRC) |
| <input type="checkbox"/> Planning and Economic Development (PED) | <input type="checkbox"/> City Council |
| <input type="checkbox"/> Community Organizations | <input type="checkbox"/> Other levels of government |
| <input type="checkbox"/> Design Center | <input type="checkbox"/> Mayor |
| <input type="checkbox"/> Police Department | |

Fire Department

LIEP has developed a strong relationship with the Fire Department, namely the Fire Marshal and the Fire Prevention and Inspection unit. Clearly, this is due to the efforts of the LIEP Director and the Fire Marshal to maintain open communication and mutual respect between the two organizations. The Fire Department is primarily responsible for the enforcing the fire code, and LIEP enforces the building code, though the two codes do overlap in a few areas. For example, the building code addresses smoke issues, but the building inspectors will defer to the Fire Department in making determinations as to whether a building meets code on smoke issues. The

¹⁰ Bryson, John. *Strategic Planning for Public and Non-Profit Organizations*. Jossey-Bass, 1995 page 27.

Fire Department will also defer to LIEP when a situation is more of a building code issue than a fire safety concern. While it would seem logical that good communication between the two is essential, it appears as though the positive relationship between the two Saint Paul departments is somewhat unusual.¹¹

Saint Paul Regional Water Services

Some overlap exists between the responsibilities of LIEP and Saint Paul Regional Water Services regarding the enforcement of the plumbing code. Traditionally, LIEP has done inspections of the plumbing inside the building, and Regional Water has performed inspections for the plumbing from the water main up to the building for new construction projects only. Regional Water deals only with drinking water; LIEP handles the waste and ventilation. However, ultimately, the Building Official has the responsibility for ensuring the plumbing code is enforced. Both departments currently issue permits relevant to the inspections they perform. While this has not caused any serious problems to date, the practice of both departments enforcing the same code should be examined for potential efficiency improvements.

Public Works

LIEP must also interact with other city departments such as Public Works. Part of the interaction is through site plan review. The site plan reviewer in LIEP has done an excellent job of convening a group that meets biweekly to review site plans. This review group has decreased the time it takes to review site plans and increased coordination and communication between the departments. All involved parties should be commended for their participation in this group.

LIEP and Public Works both retain some responsibility for individual sewage treatment systems. LIEP would like to see these treatment systems eliminated over time, though LIEP has stated Public Works has not been as proactive in promoting sewer systems. City code does not require that individual sewage treatment systems be eliminated, though the City's Comprehensive Sewer Plan, written in 1980 and currently being updated, states as policy that the City should "phase out septic tanks after sewers are made available in newly developed areas." In an interesting twist, LIEP is proactively pursuing the objectives of this Chapter of the Comprehensive Plan, unlike the Land Use and Housing Chapters.

Department of Planning and Economic Development (PED)

In addition to the site plan review group, LIEP and PED also collaborate on business development projects, but it has been suggested further collaboration between all departments who work with small businesses should occur. Small businesses may approach PED or PED's Business Resource Center for funding and other development questions, while they approach

¹¹ The reality is often poor communication and turf battles between building and fire departments. This is particularly apparent at the state level, which was discussed in detail in a report on the State Building Code by the Minnesota Office of the Legislative Auditor. (Minnesota Office of the Legislative Auditor. *State Building Code, A Program Evaluation Report*. 7 January, 1999). The Department of Administration, responsible for the Building Code, and the departments of Public Safety and Public Service, responsible for the Fire Code and Energy Code respectively, have not coordinated their efforts well. The codes were not adopted at the same time, and consequently there were some conflicting requirements. Had coordination occurred, the code conflicts could have been resolved prior to adoption and implementation, thus reducing the confusion for builders who have to comply with all codes.

LIEP for licensing and possibly permitting, plan review and inspections. Therefore, it would be beneficial to both the departments and the small business owner if there was greater communication and collaboration between the parties.

PED and LIEP also have a common interest in building construction and rehabilitation projects. It is clear from many of LIEP's budget objectives they would like to be involved in these projects, but they have not yet developed the relationship with PED or with neighborhood organizations to be as effective as they would like. LIEP also stated they would like to know more about development projects PED is considering. PED states that many of these projects never progress beyond the development stage, therefore it would only create unnecessary work for LIEP. The poor information-sharing practices between PED and LIEP are probably due, in part, to the poorly shared information systems. The new computer systems in LIEP provide potential for increased data sharing between PED, LIEP and other offices such as Code Enforcement, provided they all have access to the systems. More information would allow all involved parties to track the status of these rehabilitation projects, as well as other concerns and projects.

Community Organizations

In a similar vein, various community organizations are stakeholders of LIEP. Community Development Corporations (CDCs) are stakeholders that are involved in building rehabilitations and the identification of "improvement areas" in which Code Enforcement, LIEP, the neighborhood, and any other relevant departments or groups collaborate to improve the building stock of an area. CDCs also have the option of working with LIEP to obtain a building evaluation. According to LIEP, this is rarely done, although it could be a very valuable tool for the CDCs. District Councils are often involved with LIEP, especially when projects have to go through a public review process.

Saint Paul Design Center

This inter-agency group is composed of several city staff from Public Works, PED and Parks and Recreation. They also have a number of outside partners, including Public Art Saint Paul, the Capital City Partnership, the Riverfront Corporation, the Port Authority and Ramsey County. The Design Center is technically overseen by the Riverfront Corporation. The Board and the Director of the Riverfront Corporation manage the policy work. If the Mayor is in disagreement with the Riverfront Corporation, the Design Center serves the interests of the Mayor.

Since the creation of the Design Center, there has been some confusion over its regulatory authority. It does not exert regulatory authority, but rather serves as a consultant and advisor to downtown design projects. LIEP maintains the regulatory authority for ensuring the buildings are safe. The Design Center makes recommendations to LIEP, at which point LIEP could choose to make the recommendations part of the design, or they could choose to ignore them. It is reported that the Design Center and LIEP have a good working relationship, and that LIEP recognizes the importance of the Design Center in ensuring downtown structures meet the objectives of the Saint Paul on the Mississippi Development Framework. The Design Center is working to be seen as part of a business-friendly environment in Saint Paul and less of a regulatory body.

Business Review Council

The Business Review Council (BRC) is composed of representatives from City staff, labor, neighborhood councils, residents with relevant experience, and Saint Paul business owners and organizations. The BRC meets monthly, and has two subcommittees, the Business Issues Committee and the General Legislation Committee, that also meet monthly. The BRC has been most active in identifying unnecessary licensing regulations. They were recently involved in reaching an agreement with the taxicab industry in Saint Paul to increase the number of licensed taxis in the City and allow a rate increase. LIEP provides the staff support for the BRC, and other departments, such as PED and Public Works, also participate and provide support as necessary. The BRC is involved in only a limited capacity in the permitting, plan review, site plan review and inspections processes of LIEP.

Citizen Service Office, Property Code Enforcement and the Police Department

Citizen complaints are often funneled through the Citizen Service Office to the appropriate departments. Therefore, some zoning complaints go through this office to reach LIEP, and the two offices must share information. On a broader scale, LIEP and Property Code Enforcement, a section of the Citizen Service Office, interact in a number of ways. LIEP inspects vacant buildings to determine the building code violations that must be addressed to bring the building into compliance. LIEP will inspect later to determine if those issues have been addressed. Code Enforcement inspects them for property maintenance code violations, and maintains the vacant building list for the city. LIEP and Code Enforcement must interact to ensure that when a permit is pulled for work on a vacant building, that the permit is not closed until the building meets the minimum property maintenance requirements. Code Enforcement and LIEP's Animal Control Unit also cooperate extensively in rodent baiting efforts. Finally, LIEP and Code Enforcement must interact on building projects which have become "problems" because of the long time it takes for their completion, and the nuisance these projects create for neighbors. Notably, these two offices view this issue very differently. Code Enforcement believes there are many such projects which are long-term problems, while LIEP holds that there are only a half a dozen such cases.

City Council

LIEP leadership is also responsible for communicating with the legislative body of the City, the City Council. The City Council is certainly a stakeholder in LIEP's activities, as many of the policies passed by the Council directly affect LIEP, and the Council is also responsible for approving LIEP's budget. The City Council is also the final arbiter on many LIEP decisions such as appeals from the Heritage Preservation Commission, Planning Commission and Board of Zoning Appeals. Maintaining open communication is essential to the vitality of the department. Overall, this relationship is handled relatively well. The BRC communicates with the Council on a regular basis, and LIEP uses the BRC to communicate many of its concerns and issues, particularly related to licensing, to the Council.

However, LIEP is also responsible for communicating directly with the Council, particularly at this time as a result of funding provisions for the new computer systems, known as ECLIPS and

AMANDA.¹² LIEP has done some updates for the Council, though they do not appear to adequately address the problems LIEP encountered in regard to the ECLIPS and AMANDA systems.¹³ LIEP has fallen far behind on its implementation dates for the systems, and has been open about it, though not entirely clear about the reasons for the delay. Written documentation given to the Council does not entirely explain the problems LIEP faced with its original software developer, Online Services, Inc. Nor does the documentation explain the transition in the software name from ECLIPS to ECLIPS II to AMANDA, which is an off-the-shelf software that CSDC, Inc., the current contracted software developer, sells for permitting and inspections. The original ECLIPS project was to include what AMANDA does. To differentiate it from the original Online project it was call ECLIPS II before LIEP contracted with CSDC, Inc. While this may seem insignificant, it is actually an important piece to comprehending the current situation in LIEP. LIEP has not updated the Council on the status of the computer systems since April, 1999, though they have since implemented major portions of the programs.

Other Levels of Government

LIEP essentially enforces state law through enforcement of the building codes. However, the state retains some responsibility. With few exceptions, LIEP maintains all responsibility for inspections within the City, including inspection of most state property in Saint Paul and Saint Paul School District property. One outstanding exception is the permitting and inspections process for tank installation and removal. The City is required to issue permits for above-ground tank installations, but the State Fire Marshal is required to issue a letter of approval to the contractor. The State Fire Marshal is responsible for inspecting them, but it is not clear that this is happening, and it appears that no one is doing inspections.

The City of Saint Paul is also represented at the state level on a number of committees, including the Minnesota Uniformity Committee, which is a group that shares common equivalencies and code interpretations.

The State gives primary responsibility to the City for hearing appeals to the Building Code. Appeals are generally dealt with at the department level before they go to a Legislative Hearing Officer. However, the City Code does not allow Saint Paul's Legislative Hearing Officer to grant waivers to the state building code. The *Uniform Building Code*, which the state building code is based upon, requires all municipalities establish a local board of appeals. However, the Minnesota Legislative Auditor reports that few municipalities have done this. Minnesota Statutes also state that anyone who disagrees with the final decision of a municipality may appeal that decision to the Commissioner of Administration. Some concern exists that perhaps another method should be used to hear appeals to the building code at the city level.

LIEP is also required to submit annual reports the State Historic Preservation Office on heritage preservation activities, per our local government agreement. These reports are tardy by several years. In the interview process, this was attributed to a significant staff shortage in the heritage preservation area. However, LIEP management indicate the reason for the lateness is that these reports are a low priority.

¹² ECLIPS is an acronym for Electronic Computerizes License, Inspection and Permitting System. AMANDA is an acronym that stands for Automated Management of Data and Applications.

¹³ The new computer systems are discussed in more detail in the Information and Analysis section.

LIEP also has to interact with the federal government either when the federal government is doing a building project in Saint Paul or when a project is taking place in a floodplain. In the first case, as with private parties, the federal government is required to pull permits for all work as is required by law. However, LIEP reports the federal government refuses to pull permits or to let the City inspect its projects. The other situation where the City works with the federal government is if a non-governmental project is taking place within a flood plain. Federal agencies, such as the Federal Emergency Management Administration and the Army Corp of Engineers, will then become involved in permitting and inspections. With these projects, the Site Plan Reviewer coordinates the involvement of the necessary parties.

Leadership Policy Compliance Findings

Finding #11: LIEP has developed a mission/vision statement.

Finding #12: LIEP has developed internal policies which are widely circulated.

Finding #13: LIEP has a wide variety of stakeholders, some of whom it works with very well, and others with whom the relationship needs to be further developed or clarified.

Finding #14: LIEP has not kept the City Council as up-to-date as it should on the progress of the automation or the problems LIEP has encountered in implementing the systems.

Finding #15: Some of LIEP's responsibilities overlap with those of other governmental entities. Sometimes these are not coordinated effectively.

Finding #16: The City appears not to be in compliance with state law as it has not established a local board of appeals to hear appeals to decisions of the building code official. Appeals can be heard by the Legislative Hearing Officer, though the Hearing Officer is denied the authority to grant waivers to the building code by the City Code. However, in the State Auditor's report on this subject, the State did not seem concerned with this lack of local appeal boards.

Finding #17: LIEP has been tardy on reports it is supposed to submit annually to the State of Minnesota's Historic Preservation Office .

Leadership Policy Compliance Recommendations

Recommendation # 6: *At a minimum, communication between LIEP and the State Fire Marshal needs to be improved so they can insure that inspections, installations, and removal of fuel storage tanks are occurring. In order to ensure compliance the approval should come from the City, rather than from the state, leaving all responsibility at the City level. LIEP should work with the State Fire Marshal to determine procedural and legislative changes required to bring this about.*

Recommendation # 7: *LIEP and Saint Paul Regional Water Services need to clarify their roles relating to the plumbing code. As the Building Official has ultimate responsibility for enforcing the plumbing code, perhaps LIEP should conduct the inspections currently performed by Regional Water. This may lead to enhanced efficiency for both entities.*

Recommendation # 8: LIEP should market its service of providing building evaluations to community development corporations. This valuable tool would enhance the relationship between CDCs and the City and ensure that rehabilitations address building code problems appropriately.

Recommendation # 9: LIEP and the Design Center should clarify their respective roles and level of authority and clearly explain them to permit applicants.

Recommendation # 10: LIEP and the City Attorney's Office need to clarify whether the City is in compliance with state law regarding appeals of decisions of the building code official.

Recommendation # 11: LIEP and PED should take leadership in developing a quarterly interdepartmental meeting for all staff who work with small businesses.

Recommendation # 12: LIEP should meet with Code Enforcement and other appropriate City agencies to discuss and find solutions to the issue of long-term incomplete projects in the City's neighborhoods.

Recommendation # 13: LIEP needs to come into, and remain in, compliance with state reporting requirements for both its building code and heritage preservation activities.

Recommendation # 14: LIEP should provide the City Council at regularly scheduled intervals, a complete explanation of the current automation situation including funding, hours spent on the project, timeline and reasons for the lengthened timeline.

See also Recommendations 4 and 5 on inclusion in planning activities.

Quality of Leadership

Vision and Mission

As mentioned previously, the vision and mission have to be clearly articulated from the top of the organization down. This is a vitally important characteristic of a high-performing organization. In the case of the City, the Mayor has ultimate responsibility for communicating his vision to staff, whether this is communicated directly from him or through department and office directors. According to the survey responses, the Mayor's vision is ineffectively communicated to staff. However, based on a January 20, 2000 presentation at LIEP's training for small contractors (held after the survey was conducted), it was evident the Mayor does have a vision of enhanced customer service which portrays LIEP as an easy place to do business—a one-stop shop. Clearly, a vision exists, but the Mayor has either failed to find a way to communicate this to LIEP, or management has failed to articulate the Mayor's vision to staff. On the other hand, according to the majority of survey responses, the Director and managers effectively convey the Office's mission and vision. But, it must also be mentioned that one-quarter of LIEP staff surveyed feel the Director and managers do not effectively convey the mission and vision.

From interviews with staff, it seems there is some confusion between the definition of vision and mission. Part of this may stem from LIEP management, who use the words "mission" and "vision" interchangeably in internal documents. Therefore, most interview responses indicated

that the mission and vision are the same for LIEP. Upon closer examination, Council Research determined that the mission statement does not fit exclusively into either category. By definition, "a mission outlines an organizational purpose while a vision goes on to describe how the organization should look if it is working extremely well in relation to its environment and its key stakeholders."¹⁴ A vision incorporates the mission, values, goals, strategies and performance criteria. According to staff, this vision/mission comes from the Director, though it does not seem to be integrated into the practices of the organization. It appears the employees do not understand how their responsibilities contribute to achieving the mission and vision, at least partially because there are no clear objectives directly linked to the mission.

LIEP reports that as a part of the recent planning retreat it clarified its organizational vision, in order to make it "more inspiring and challenging." LIEP also reports that it has established core organizational values. However, in the interview process which followed this retreat, no staff mentioned any specific vision—distinct from the mission, or organizational values.

Values

By definition, values are a "desirable code of behavior to which the organization adheres or aspires."¹⁵ Despite the lack of a clear values statement in LIEP, staff reported that the managers and the Director effectively convey the values of the organization, another characteristic of high performing organizations. Interviewees responded that values are exemplified through the actions of the Director and the values applied to policy decisions. During the interview process the values of good customer service and timeliness were emphasized, though rarely was anything more specific stated. Values statements that were articulated were essentially the same as the mission statement. LIEP clearly places a high value on offering good customer service, although it does not have a clear and uniformly identified set of well-articulated values. However, one-quarter of the staff felt the managers and Director were not effective in conveying the values of the organization.

Staff Recognition

Another essential component of effective leadership is staff recognition. Overall, it was reported the Director and managers do a good job of recognizing staff. This seemed to be particularly true for plan review staff, 92% of whom felt managers and the Director do a good job recognizing staff. LIEP clearly places a high value and emphasis on employee recognition. In interviews, many staff mentioned they feel recognized through the respect they are shown and level of decision-making authority they are given by their colleagues and by management. Management also expressed they are trying to determine the best ways to recognize staff without being patronizing. Management currently use both informal methods to recognize staff, such as "I Love AMANDA" buttons (AMANDA is one of the new computer systems) and polo shirts, and more formal methods such as an employee-of-the-month program. The City also had a city-wide employee of the month program, but it appears to have been terminated. LIEP staff expressed frustration with the termination, particularly since one of their own employees had been nominated for the program. In response, LIEP started its own program.

¹⁴ Bryson, page 155.

¹⁵ Ibid. p. 77.

Leadership Quality Findings

Finding #18: The Mayor has not effectively communicated his vision directly to LIEP staff.

Finding #19: LIEP Director and managers are good at communicating the organization's mission to staff.

Finding #20: LIEP does not have clearly articulated values.

Finding #21: LIEP management do a good job of recognizing staff contributions. They continue to seek better methods to recognize staff.

Leadership Quality Recommendations

Recommendation # 15: LIEP should evaluate its mission statement to ensure it answers the following questions:

- Who are we? What distinguishes LIEP from other City departments?
- What do we do?
- For whom do we do it?
- Why do we do it?

Recommendation # 16: LIEP should identify objectives to put the mission statement into action and also identify specific objectives for each area of LIEP. This will enhance employee understanding of how their particular responsibilities help meet those objectives and thus fulfill the mission. Finally, LIEP should identify specific organizational values under which all employees operate and exemplify them at all levels of the organization.

TRAINING

KEY TRAINING CONCEPTS:

- Education & Training Resource Allocation
- Employer Commitment

Policy Compliance: +

Quality Rating: ★★

The Malcolm Baldrige Quality system pairs the concepts of training and development. We have chosen to split training and development into two subsections because our findings warrant two separate discussions.

Employee success depends on having opportunities for personal learning and opportunities to develop and practice skills. "Personal learning can result in more satisfied and versatile employees, greater opportunity for organizational cross-functional learning, and an improved environment for innovation."¹⁶ Providing training and education is also a good way to demonstrate commitment to employees.

Employees in successful organizations are provided the tools they need to produce quality services. These same employees are given encouragement and the resources to develop a set of skills that allows them to contribute more effectively to the organization over time. Training can help employees better serve customers. Successful organizations also link the training and development of their employees to the organization's goals and priorities. This linkage occurs through the development and implementation of a long-term strategic plan tied to basic organizational values.

Training Objectives and Policies

LIEP has clearly placed a high level of importance on training. One of the stated goals of its 1996 Strategic Plan was "to provide continuing education and training that achieves customer service goals and ensures competency in new technologies, codes, regulations and procedures." Objectives to achieve this goal include providing adequate funding for training, ensuring that the training staff receive is appropriate, and completing an educational plan for every employee. The Director also stressed the importance of providing relevant and meaningful training particularly when it is difficult to add more staff.

LIEP provides a great deal of information to its new employees. New front-counter employees receive a packet of information which contains LIEP policies, time cards, and other human resource information. New inspectors are paired with more experienced inspectors during the initial weeks of their employment with LIEP. Employees also have a comprehensive LIEP handbook that assists them in answering customer questions.

LIEP provides a substantial amount of both financial and time resources for staff to obtain training, and they have developed educational plans for all employees. Counter staff have

¹⁶ 2000 Criteria for Performance Excellence, Baldrige National Quality Program.

received customer service training and have also been cross-trained to handle both permit and license applications. Inspectors have received trade-specific training primarily through the Minnesota Department of Administration or through their particular trade associations. Plan examiners have also received some general training in the basics of the electrical and mechanical codes, and are able to do structural reviews for residential projects and basic zoning reviews. With the implementation of the new computer systems, many staff have received relevant training in order to utilize the systems and train other staff members.

Some concerns have been raised by LIEP staff and by other City staff that too many training resources have been focused on the trade inspectors, while other staff have more limited training opportunities. Some of this may simply be because there are more training opportunities available for inspectors due in part to certification requirements.

Training Policy Compliance Findings

Finding #22: LIEP has invested significant financial and human resources in training.

Finding #23: The LIEP handbook is a very comprehensive and useful tool to which all staff have access.

Finding #24: Each employee has an annually-updated educational plan.

Finding #25: Counter staff are cross-trained in permitting and licensing. Other staff have received some limited cross-training.

Finding #26: Too many training resources may be allocated to the trades inspectors, potentially limiting training opportunities for other staff.

Training Policy Recommendation

Recommendation # 17: LIEP should reassess where resources are allocated for training to determine if some staff have less access to training than others, and whether this is appropriate. LIEP should also determine if, and how, the training is affecting workload allocation.

Quality of Training

LIEP employees were asked their opinion on the effectiveness of LIEP's use of education and training opportunities. The survey results indicate that 98% of staff feel LIEP "effectively" or "very effectively" uses education and training opportunities. This speaks very well for the organization and demonstrates its willingness to invest in its employees. From the interviews, it was apparent that training is widely available and encouraged. Some staff, such as the inspectors, are required to obtain a certain amount of training to maintain their licenses. LIEP provides the funding and the time for this training. Commendably, this Office sets aside a relatively large amount of its budget for these necessary training activities. Also mentioned previously, there is some internal cross training for front counter staff, but not in the other areas.

Finally, the development of the Project Facilitator positions has assisted the organization in having at least two staff operate as "generalists." The Project Facilitator I works as a generalist in the licensing area, although she is somewhat knowledgeable in plan review and inspections as well. The yet-to-be-filled Project Facilitator II position will be a generalist in permitting, review and inspections area.

Training Quality Finding

Finding #27: Through the survey, we found the vast majority of LIEP staff feel the resources provided by LIEP are "somewhat effective" or better. As mentioned above, training is widely encouraged and available, though more so for trade inspectors than for other staff.

Training Quality Recommendations

Recommendation # 18: *LIEP needs to encourage all staff in all work areas to pursue relevant training and provide the resources whenever possible.*

Recommendation # 19: *More cross-education of all LIEP functions would be valuable. Staff tend to have limited knowledge of the functions of work areas beyond their own. Having a good working knowledge of the other functional areas will assist staff in answering customer questions and coordinating efforts to prevent problems.*

DEVELOPMENT

KEY DEVELOPMENT CONCEPTS:

- Employee Contribution
- Work Environment
- Labor/Management Relationship
- Employee Evaluation

Policy Compliance: —

Quality: ★★

An organization's success depends largely on the knowledge, skills, innovation, creativity and motivation of its employees. Valuing employees means committing to their development, satisfaction, and well-being. High performing organizations often provide opportunities within the organization for development and growth. Organizational knowledge is shared so employees can better serve customers and contribute to achieving the organization's goals and objectives. Development also includes building internal partnerships with employees through means such as labor-management cooperation and the creation of a supportive work environment for all employees.

Development Policies

One of LIEP's goals from its 1996 Strategic Action Plan was to improve employee morale in all areas of the Office of LIEP. This goal included the following objectives:

- Encourage managers to nominate employees for recognition. (As mentioned previously, LIEP does a good job of recognizing staff.)
- Use the Labor Issues Focus Group to resolve job and morale concerns. (This group is no longer meeting.)

Relating to the last objective, one of LIEP's 1998 Budget Objectives was to "Monitor employee views and ideas for improvements and develop a labor-management partnership to address areas of mutual concern." Clearly, this labor-management partnership has not come to fruition. The need for such a group will be more clearly articulated in the following quality discussion.

Development Policy Findings

Finding #28: LIEP addressed the need to improve employee morale in its 1996 Strategic Action Plan, but has not followed through on some important objectives to reach this goal.

Finding #29: LIEP does not have an active labor-management group.

Development Policy Recommendations

Recommendation # 20: LIEP should follow through on its commitment to open communication between staff and management and discuss together issues related to morale and other

workplace concerns. This could involve increased management attendance at work-group or team meetings, as well as more proactive involvement of staff not traditionally involved in organization-wide discussions.

Recommendation # 21: *LIEP should reconvene a labor-management group to actively pursue issues of mutual concern. Clear guidelines and expectations should be established so meetings are a place for cooperation, not confrontation and complaining. Leaders should emphasize this is a non-grievance discussion forum. The leaders of the group will also need to engage the problems encountered by the first labor-management group, such as too many participants — The last group had two representatives from each bargaining unit in LIEP which may have made the group too unwieldy and ineffective.*

Quality of Development

Staff Contribution to Organizational Goals and Processes

It was clear through the survey results staff feel disconnected from decision-making in LIEP. When asked about opportunities to contribute to decisions made about operations and procedures in LIEP, 58% of staff surveyed stated there were few to no opportunities. We found very similar results to the question regarding opportunities to contribute to the organization's goals. We examined more closely the overall responses of the group that stated few to no opportunities exist to contribute to decisions regarding operations and procedures to determine whether this group's responses differed from the general population. Their responses are highlighted in the following chart.

Responses and characteristics of staff who felt there were few to no opportunities to contribute to decisions —

When asked about opportunities to contribute to decisions made about operations and procedures of LIEP, 58% of staff felt there were few to no opportunities. Common characteristics and responses of this group:

- Tenured and representative of all work areas surveyed;
- Generally less involved in professional organizations;
- See work environment as slightly more negative than the general population;
- Significantly less aware of data collection practices and whether the data is used effectively;
- More negative on the usefulness of ECLIPS, AMANDA, and other computer systems;
- Generally see less monitoring and responsiveness of customer needs and satisfaction; and
- Unaware of any results measurement in LIEP, and don't know if goals are achieved.

It appears this group is less involved in the organization. This may be due partially to management not involving them in the decision-making process, and partially due to their own lack of motivation to be involved. One interviewee suggested management creates the "big picture" and staff have to decide how to fit in. This sentiment was reflected in comments from other interviews where staff expressed that opportunities exist, but that staff have to pursue those

opportunities. However, one of the expectations the Director has of LIEP managers is that they "involve employees in decision making; seek input." Involvement may also vary by work unit—different units within the Office seem to have different means to garner staff input. Some use very formal methods, such as staff meetings, while other supervisors visit informally with their staff on a daily basis. Some methods may be more effective than others and the effectiveness of methods will vary by employee.

Work Environment

Nearly two-thirds of the LIEP staff surveyed feel the environment is "conductive" or "very conductive" to the well-being of all staff. However, 36% of staff stated they feel the environment is "not conducive" to the well-being of all staff. While it is alarming that one-third of the staff feel this way, it is also important to note this negativity could impact the rest of the staff. This group's responses are explored in the following table.

Responses of staff who felt the work environment was not conducive to well-being and growth of all staff —

36% of LIEP staff surveyed felt the work environment was not conducive to the well-being and growth of all staff. This group typically gave more negative responses to nearly every question. General responses of this group:

- See less planning in their work area and staff involvement in planning;
- Feel the Mayor, Director, and managers do not effectively convey a clear vision, mission, or values;
- Do not feel encouraged to participate in professional organizations;
- Less positive about labor-management relationship;
- Less involved in decisions made about operations, procedures, and goals of LIEP;
- See less monitoring and responsiveness to customer needs and satisfaction; and
- Less aware of the results measurement activities of LIEP, less knowledgeable as to whether LIEP compares its results with other organizations, and less knowledgeable as to whether or not LIEP meets its goals.

Possible explanations for the less conducive work environment include stress due to increased workloads and computerization, staff shortages, and the high volume of construction over the past couple of years. It was also reported by a number of people that there is a division between those in the Office willing to make changes and those who prefer the old methods of operation. An uneven workload distribution between sections may exist in LIEP. Some sections, such as plan review, seem to have more work than staff. The lack of planning by LIEP may also be contributing to the stress level. LIEP has not done an adequate job of anticipating and planning for the changing workloads resulting from increased construction, the health of the economy, and the automation of the office. Another possible explanation for the lower rating of the work environment may be the lack of empowerment some staff feel, which makes the environment more stressful. Some staff expressed a sense that their needs and input are largely ignored by decision-making staff, notably those involved in developing and implementing the ECLIPS and AMANDA systems. Other external factors beyond LIEP's control may also affect morale such

as potential privatization/competition of city services and drawn-out labor negotiations. LIEP management report the reason some staff feel the work environment is not conducive to their well-being is the changeover to a new computer system, although Council Research believes the dynamics are significantly more complex.

Finally, with respect to work environment, another survey question asked how the Director and managers are at creating a work environment that is equally supportive of all employees regardless of race, color, class, gender, age, national origin, sexual orientation or physical ability. Fully ninety percent of the staff surveyed stated they are "fairly good" to "very good" at creating a supportive work environment.

Labor-Management Relationship

The lack of a formal labor-management partnership was mentioned in the policy compliance section of Development. This lack of partnership may have an impact on the staff's view of the relationship. Overall, most staff feel the labor-management relationship is mediocre or fair, although one-fourth of staff say labor and management "work together poorly." This group's responses are examined in more detail in the following table. There is a general sense from other City staff who frequently interact with LIEP that within LIEP, particularly within the trades inspection area, loyalty is to the union first and then to the City. This attitude may influence the way staff perform their duties, as discussed further in the Customer Focus section. It should be mentioned that LIEP management is not exclusively responsible for the bargaining unit's relationship to the City. Contract negotiation is not conducted by LIEP, but rather by the Office of Labor Relations. However, LIEP management is directly involved in the grievance resolution process for LIEP staff. Notably, an examination of the number and type of grievances filed by LIEP employees shows they are similar to those of other departments, taking into account department size. So this reportedly poor relationship does not manifest itself in grievances filed.

Responses from staff who believe labor & management work together poorly—

One-fourth of staff feel that labor and management "work together poorly." This group's responses are consistently more negative than LIEP staff is, in general, in all categories. Listed below are some key findings of the responses of this group:

- Not aware of the Mayor's vision for LIEP, do not believe the director conveys the vision effectively, do not see the director or managers as conveying the mission or values of the organization effectively;
- View the work environment as not conducive to the well-being of staff;
- State the overall work environment for persons of protected classes is not good to fairly good;
- See few to no opportunities to contribute to decisions;
- Not aware of what data is collected for permitting, plan review, or inspections;
- Do not know if the computer systems meet the needs of LIEP;
- Not aware of any systematic internal evaluation in LIEP;
- Not aware of any monitoring of changes in customer needs or satisfaction performed by LIEP, and feel that at best LIEP is "partially responsive" to changes in customer needs and satisfaction; and
- Unaware of any results measurement and goal achievement in LIEP.

Labor representatives within LIEP may view themselves as having less of a role in decision-making. At the same time, some management staff also expressed a sense of hopelessness about their ability to work with the unions. Unions are seen as an obstacle rather than as a partner. Unions may also perpetuate this feeling by being adversarial and uncooperative. These attitudes may permeate throughout the organization, hampering the relationship. An example of this situation is the creation and implementation of the Project Facilitator positions, recommended in the 1994 Functional Redesign Plan. In 1998, the Process Redesign Change Management Committee was reorganized into a formal labor-management committee to address union concerns regarding the creation of these positions. The proposal was held up in this committee as the unions could not agree on who would represent the Project Facilitator positions.

Employee Evaluation

The majority of surveyed employees responded their performance is reviewed annually. LIEP continues to make a concerted effort to review employee evaluation methods for their usefulness. Sixty percent of respondents feel the evaluations are somewhat useful or better, the other 40% feel they are not useful.

Development Quality Findings

Finding #30: Over half of the surveyed LIEP staff say there are "few" to "no opportunities" to contribute to the organization's decisions about operations and procedures. The same statistic exists for opportunities for staff to contribute to the goals of the organization.

Finding #31: Two-thirds of staff feel the work environment is "somewhat conducive" to "very conducive" to the well-being of all staff. The other one-third of staff who feel the work environment is "not conducive" have a more negative view of the organization in general.

Finding #32: Ninety percent of staff surveyed feel the Director and managers have created a supportive work environment for people of protected classes.

Finding #33: The labor-management relationship is mediocre to fair. One-quarter of LIEP staff surveyed feel the two groups work together poorly. This group gave consistently more negative responses to survey questions than LIEP staff as a whole.

Development Quality Recommendation

Recommendation # 22: *LIEP should address work environment issues. The proposed Labor-Management Committee should discuss both the factors negatively impacting the environment and what specific steps can be taken to decrease the stress level experienced by many staff. Additionally, this group could examine what specifically could be done to make LIEP a more supportive work environment for those who feel it is not currently supportive.*

INFORMATION AND ANALYSIS

KEY INFORMATION & ANALYSIS CONCEPTS:

- Data Collection
- Analysis of Data
- Effective Use of Automation Systems

Policy Compliance: —

Quality Rating: ★^{1/2}

Information and analysis is the foundation of a performance management system. Relevant information relates to customers, services, employees, and costs. Analysis of this data should be used for evaluation, decision-making and operational improvement within the organization. Data are used to determine trends, projections, and cause and effect. They also support planning, performance reviews, comparisons and benchmarks.

Automation Policies

Given LIEP's activities related to permitting, plan review and inspections, one might expect a great deal of data to be collected on functions such as permit fees collected, inspections completed and change orders written – among numerous other functions. In the past, LIEP has collected data on the number of inspections conducted, permit values, permit revenues and other budgetary data. However, LIEP is currently collecting very little data beyond the budgetary information to support its operations. Some of this is due to the changing information systems in LIEP from a dBase system that was not Y2K compliant to ECLIPS and AMANDA. The dBase system did not allow communication between functions such as licensing and permitting. Therefore, LIEP began, back in 1995, to look for a new information system that would be useful across activities. To this end, they contracted with Online Business Systems, Inc. in late 1995 to design a system that would integrate the licensing, permitting, plan review, zoning and inspections processes, known as ECLIPS. The goal was "to install a custom designed computer system that will allow a single point of contact for the customer, a single request (application) for information, and a 48-hour maximum response time to customer requests."¹⁷

Unfortunately, Online failed to deliver a product in a reasonable, specified amount of time and the contract was terminated. In early 1999, LIEP contracted with CSDC Systems, Inc. to design ECLIPS 2, which is now known as AMANDA. The system is in the early stages of operation. A great deal of information remains to be loaded into the system and other functions to be completed before AMANDA is entirely operational. LIEP is over one year behind schedule on implementation of the system, though they remain within budget. The following table outlines each system's budget to date.

	Paid	Balance
ECLIPS (Online Business Systems)	\$697,228	\$0
AMANDA (CSDC)	\$319,712	\$211,099

¹⁷ LIEP report to the City Council, April 1, 1997.

The problems with office automation have also pushed back the implementation dates for the hand-held computers for the inspectors. LIEP is hopeful that some inspectors will be able to begin using them this year, with the remainder in use in 2001. The hand-held computers will allow inspectors to retrieve inspections records and issue and log written citations in the field.

Other City departments have also expressed interest in implementing AMANDA. LIEP is currently assisting the Fire Department with developing the system for fire inspections, and PED and Citizens Service Office have also expressed interest in utilizing the system. A unified system would allow all departments access to the same property information through the shared address files. This would create efficiencies for City operations and improve communication between the various departments. A City-wide GIS team is also working to identify software that would interface between AMANDA and GIS. The current software, Arcview, is cost prohibitive to install City-wide (about \$1000 - \$1500 per copy), thus only a limited number of people have access to it. Other, far less expensive programs exist, and the GIS group is developing specifications for these products. Such a program would allow all departments that currently use or will be using AMANDA to access the same information from the GIS system.

Information and Analysis Policy Compliance Findings

Finding #34: In the past, LIEP collected some information on the number of inspections conducted and some budgetary data such as permit values and permit revenues. Currently, no data is collected or analyzed beyond required budgetary data.

Finding #35: LIEP staff should be given a great deal of credit for taking on the task of automating the Office's information systems. It has involved many staff hours to monitor the contracts as well as develop and learn new systems. It has also required that staff not directly involved in developing the systems take on responsibilities formerly assigned to the staff now working on developing the new computer systems. Staff have shown a strong commitment to the project.

Finding #36: The anticipated implementation dates of 2000 and 2001 for hand-held computers for inspectors seems lengthy given the potential usefulness and efficiency of hand-held computers. It does not appear that specific plans are in place to begin the implementation of the hand-helds or train inspectors to effectively use them.

Finding #37: Other departments are interested in implementing AMANDA. LIEP is providing them with staff assistance.

Finding #38: A City-wide GIS team is working to identify economically feasible software that would interface between AMANDA and GIS.

Information and Analysis Policy Compliance Recommendations

Recommendation # 23: *The City of Saint Paul should provide the financial resources to allow for the purchase of an economical software package that would interface between the GIS system and AMANDA. This would allow broad access to GIS for all departments utilizing the*

AMANDA system and enhance the ability to coordinate activities and information between various departments.

Recommendation # 24: Not only must LIEP work to implement hand-held computers as soon as possible due to their usefulness, LIEP must also train its inspectors to integrate the hand-held computers into their work practices. Inspectors must make it a practice to load all inspections comments into the database so other inspectors have the same information. Inspectors should also begin the practice of looking up information to ensure they are providing permittees with accurate information.

Quality of Information and Analysis

Data Collection and Analysis

From the interviews, it was clear LIEP did have data on paper and in the old computer systems, though it was rarely compiled for analysis. When data was collected, it was primarily basic performance statistics, such as the number of inspections done, and used for balancing workload. LIEP is also collecting data on revenue received from permits and the value of the permitted projects. This data is used for budget preparation. LIEP is not currently doing any further data compilation. One-third to one-half of LIEP staff surveyed stated they do not know what data is collected on the customer service/permitting, plan review, and inspections processes. One-third of staff do not know if data is used effectively. Of those who answered the question, they believe data is used "somewhat effectively." Therefore, the data that is collected is not widely shared or used by many staff.

Staff Awareness of Automation

We found staff to be generally unaware of the effectiveness of LIEP's automation efforts. When asked if needs were met through ECLIPS:

- One-half of staff surveyed do not know if LIEP's needs are met.
- Of those who do know if LIEP's needs are met, the average answer was "few needs are met."
- Over one-third of staff indicated "needs are not met."

We received somewhat similar responses to the same questions regarding AMANDA:

- One-third of LIEP staff surveyed don't know if needs are met through AMANDA.
- Of those who do, the majority stated that "few of the needs are met."
- 37% indicated "needs are not met."

We also asked about the other information systems in the office (word processing, e-mail, Internet access). In this case, we found one-quarter of LIEP staff do not know if needs are met, and, of those who do, the most common response was "few of the needs are met."

We anticipated finding that needs may not yet be met with AMANDA, but were somewhat surprised with the responses regarding ECLIPS and the other computer systems. There may be a number of reasons for these findings:

- ❑ They could be a result of the problems with the company originally hired to design ECLIPS, and that once AMANDA, the second phase of the ECLIPS project, is fully operational, more needs will be met.
- ❑ Most staff surveyed do not work directly with ECLIPS, and may have heard only complaints of some staff.
- ❑ We heard in interviews that it sometimes takes longer to perform routine tasks now with ECLIPS and AMANDA. Interviewees suggested that it will take time to learn the new systems, and once staff are comfortable with the systems, efficiency will be improved.
- ❑ Some staff are resistant to change and rather unwilling to learn the new systems.
- ❑ Planning for LIEP's information systems may not have been sufficiently inclusive of all users such as inspectors and counter staff. Some staff stated their input was not considered in the development of ECLIPS. Additionally, they report that when problems have arisen with ECLIPS, they were not addressed because information systems staff were working on AMANDA.

The move toward increased automation is a highly commendable task. The development of the address files and their integration with the GIS system will be very beneficial to the City. However, the City needs to be more proactive in pursuing GIS City-wide. Other departments will also be utilizing AMANDA: Fire, Citizens Services Office, Public Works and PED. LIEP also has staff members in each area who are on-site experts in the computer systems and can answer questions. This is a very good practice and likely helps to alleviate some frustration on the part of end-users.

Information and Analysis Quality Findings

The Future of LIEP's Information and Analysis - ☆☆☆

We felt it necessary to not only rate LIEP on their current information and analysis activities, but also speculate on a future rating if they are able to successfully implement systems and follow through on statements made in the interviews. Therefore, if we were to audit LIEP one year from now, we anticipate they have the *potential* to receive three stars. However, if they do not effectively use their computer systems to collect and analyze data, we do not believe their assessment would improve. The automation should:

- ❑ assist with fee justification based on data and workload analysis;
- ❑ provide inspectors with an inspections results database allowing them to provide consistent information to property owners and contractors; and
- ❑ give other departments such as PED, Public Works, and the Fire Department comprehensive data that will allow them to coordinate activities.

Finding #39: LIEP currently does very little data collection or analysis.

Finding #40: Staff are generally unaware of what data is collected and how it is used.

Finding #41: Staff do not feel the ECLIPS or AMANDA system currently meets their needs.

Finding #42: Great potential exists for LIEP to perform meaningful data collection and analysis and improve its performance by utilizing new automated system. LIEP should be given credit for taking on such a task.

Information and Analysis Quality Recommendations

***Recommendation # 25:** LIEP should clearly identify the information gathering potential of the new computer systems and the usefulness of the data. (See previous box for suggestion). Data collected and analyzed should be related to the mission and objectives of the organization.*

***Recommendation # 26:** LIEP should analyze the effectiveness of the computer systems. One method to analyze the effectiveness would be to follow-up with staff based on survey responses indicating the systems are not useful. LIEP should encourage and gather input on the systems and respond to the input, even if it is not possible to immediately address all concerns or suggestions.*

See also Recommendation #41 in Results and the Performance Measures Chapter.

IMPROVEMENT PRACTICES

KEY PROCESSES FOR IMPROVEMENT PRACTICES:

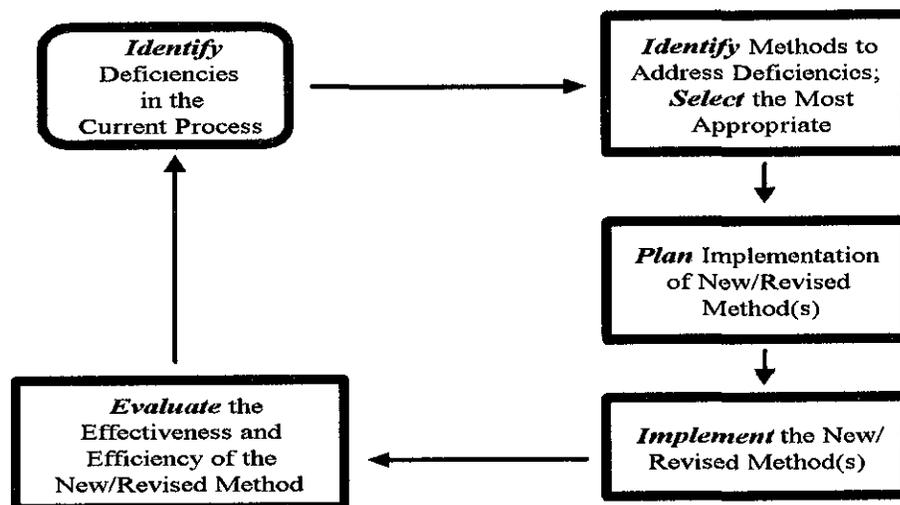
- Identification of Potential Improvements
- Implementation of Improvements
- Evaluation of Improvement Efforts

Policy Compliance: +

Quality Rating: ★¹/₂

Improvement practices occur when an organization considers the design, management and improvement of internal organizational processes. Similarly, improvement processes such as internal evaluation should be part of daily work within the organization, and should seek to eliminate problems at the source and be driven by opportunities to improve. Improvements may enhance value through new and better services, increased responsiveness, and a higher level of efficiency. Notably, the development of new services may or may not be an improvement practice, depending on whether it meaningfully improves services already provided by the organization. Improvement processes must contain cycles of planning, implementation and evaluation which require information and methods for assessing progress. All practices of an organization should be continually evaluated to identify problems and successes, and should be incorporated into an organization's daily practices. These practices are charted in the following diagram.

The Improvement Process



Quick Fixes and Past Improvement Efforts

The very development of LIEP was an improvement practice. The City saw the need to combine functions to increase efficiency and better meet citizens' needs. Historically, LIEP itself has been very active in engaging in improvement practices. Since its inception in 1992, LIEP has developed plans and action steps to address both major and minor problems and processes.

Many of these were developed in the mid-1990's along with the Office's Strategic Action Plan and its Functional Redesign Report. LIEP's past improvement efforts include the report titled *119 Targets for Redesign*, which was part of the Business Process Redesign Project. This report also identified a number of "Quick Fixes," many of which were implemented. Certainly, it was not possible to implement all of them either because it simply was not feasible or perhaps even necessary. LIEP should be acknowledged not only for such a proactive effort to improve its operations, but also for involving many levels of staff in these improvement efforts. Indeed, all of the quick fixes were identified by employee work teams.

Improved Automation

The most visible of LIEP's improvement practices is its current automation efforts. The new computer systems will have a number of valuable features including: access to the City's address files; the ability to track plans currently in the review process; and checkoff lists for plan reviewers and inspectors allowing them to quickly note deficiencies or compliance. While these are good practices which will likely have a positive impact on its functions, LIEP did very little planning to handle activities and problems created by automation, such as increased workloads, stress and the inability to effectively collect data during the transition period. It also remains to be seen how much evaluation LIEP will do of the systems once they have been implemented, particularly given LIEP's historical lack of internal evaluation, discussed later in this section.

Project Facilitators and Experts-on-Duty

The Project Facilitator positions were originally identified as part of LIEP's Functional Redesign Plan, and have taken a long time to implement. The Project Facilitator positions were originally designed to encompass a wide range of functional knowledge in zoning, environmental health, licensing, construction and heritage preservation and to track larger projects and serve as a resource for customer questions. Since then, LIEP determined that some of the functions should be separated to allow for specialization. Currently, a Project Facilitator I assists businesses in obtaining the necessary licenses, and will also help them through the permitting, plan review and inspections process if necessary. The position is primarily focused on the licensing aspect and reports to the Customer Services Manager. The Project Facilitator II, soon to be hired, will be the primary contact person for customers for permitting, plan review and inspections. This position will report to the supervisor for Plan Review and Historic Preservation. Currently plan reviewers track their own projects, so it is unclear how responsibilities will be shared between the Project Facilitator II and the plan review staff.

LIEP also has a policy designating a daily expert-on-duty who is available to handle customer calls and walk-in customers. The expert-on-duty answers questions when the person who usually handles those questions is unavailable or when technical issues are encountered that front counter staff are unable to handle. The expert-on-duty is a commendable practice and valuable to the organization.

Recent Improvement Practices

LIEP has not—actively—identified new improvement practices since the mid-1990's. Perhaps more importantly, LIEP has not reviewed the effectiveness of its past efforts. Improvements have to be evaluated in order to determine their worth and to learn from past efforts. While LIEP

typically does not evaluate the effectiveness of its improvement efforts, LIEP has taken one particular experience to heart: the problems encountered with Online Services, Inc. during the development of the ECLIPS system. LIEP used the experience with Online to formulate a more effective contract with CSDC Systems, Inc. With the new contract, LIEP decided to use an off-the-shelf system which could be customized internally as necessary primarily utilizing their own staff. They also wrote the new contract to better protect the interests of LIEP.

LIEP has incorporated a number of their improvement practices into their annual budget objectives, and LIEP should be given credit here for their efforts. One such example is their 2000 Budget Ongoing Performance Indicator which lists their complaint response time (for zoning complaints) in days as four, down from nine in 1997. Clearly, LIEP focused efforts on this as part of their goal of increased customer service. Other performance indicators, though, have not been monitored and do not have supporting information to show the indicator has been met. Without supporting data, the indicators are meaningless.

LIEP staff have also been very active in reducing plan review and site plan review times. As mentioned previously in the Leadership chapter, the site plan reviewer coordinates the interdepartmental site plan review group, which has effectively reduced review time and increased communication. The plan reviewers also make it their goal to turn plan reviews around quickly and return them to the applicant as soon as possible. And certainly, front-counter staff have also pursued methods to decrease the time it takes to issue permits, and are able to issue "express" permits for simple projects such as basic re-roofing projects.

Heritage Preservation staff in LIEP should also be commended for their efforts in developing some Heritage Preservation brochures which will be sent this spring to every resident of the City's Heritage Preservation districts. The brochures explain the benefits and responsibilities of living in such districts. These same staff members are currently working to have Heritage Preservation information included on the Truth-in-Housing forms, though this has taken longer than anticipated due to lack of staff resources.

Improvement Practices Policy Compliance Findings

Finding #43: In the past, LIEP has actively engaged in developing improvement practices.

Finding #44: Most current improvement initiatives are manifestations of past improvement efforts. Examples are the office automation efforts and the project facilitator positions.

Finding #45: While LIEP has committed to improvement, it has not evaluated the results of its efforts, and, therefore, cannot say with any certainty that changes in practices have led to actual improvements. They did, however, learn from the experience with Online Services, Inc., and used that experience to create a contract that better serves the interests LIEP.

Finding #46: Select sections and staff members in LIEP are working on improvement practices such as plan review with its interdepartmental review team and heritage preservation with its informational brochures.

Improvement Practices Policy Compliance Recommendations

Recommendation # 27: LIEP should involve itself in a complete improvement practices process that includes planning, implementation and evaluation of its improvements.

Recommendation # 28: LIEP needs to use data analysis to evaluate the effectiveness of its improvement practices. So far, they have little documentation to substantiate claims of improvement other than anecdotal evidence.

Quality of Improvement Practices

Internal Evaluation

As mentioned above, an important component of improvement practices is evaluation of current practices. It was clear from interviews and surveys that there is very little systematic evaluation taking place in LIEP. Alarming, 72% of survey respondents stated they “don’t know” if LIEP systematically evaluates its activities. Of those who did know, they stated it was once a year. Most evaluation in LIEP seems to be very informal – essentially reacting to a problem when it arises and devising a method to address the problem, but not really searching for the source of the problem. It is entirely possible staff who stated evaluation is done annually were considering their annual reviews as the systematic evaluation of LIEP. It is also possible that the high number of “don’t know” responses may be a result of respondents not understanding the meaning of systematic evaluation. We consider systematic evaluation to be periodic measurement and examination of organizational results. An example is a car owner calculating miles per gallon under different circumstances. The responses in this category are similar to those in Planning, with a large percentage of staff saying they don’t know how often evaluation occurs or what the results are.

Improvement Practices Quality Findings

Finding #47: LIEP staff are largely unaware of any internal evaluation taking place in LIEP.

Finding #48: LIEP has not prepared concrete plans to implement its larger improvement practices, such as the automation efforts.

Improvement Practices Quality Recommendations

Recommendation # 29: It is apparent that LIEP has few formalized and widely understood goals. Therefore, LIEP staff should be involved in defining improvement practices, setting goals and evaluating activities. (Goal setting is discussed in the planning, leadership and results quality sections). Improvement practices should link activities to goals and objectives. They should also help organizations achieve their goals and objectives.

See also Recommendation #41 in Results and the Performance Measures Chapter.

CUSTOMER FOCUS

KEY CUSTOMER FOCUS CONCEPTS:

- Customer Identification & Knowledge
- Managing Customer Relationships
- Customer Service Practices
- Customer Service Standards

Policy Compliance: —

Quality Rating: ★★½

Attention to customer needs is critical for achieving organizational excellence. Through the creation and management of relationships with their customers, organizations which excel in customer satisfaction obtain information on customer service requirements, expectations and satisfaction. Knowing the requirements of its customers enables an organization to develop standards which are designed to enhance customer satisfaction. For these standards to be effective, they must be understood and followed by everyone in the organization.

In recent years, LIEP has placed a great deal of emphasis on providing good customer service, although there are still some areas in which LIEP could improve. It deserves mention that developing a culture of providing good customer service requires a cultural shift from a rigid code and "rule" enforcement emphasis to a more customer focused approach. Recently published research indicates that the burden associated with regulation is not inspection per se, but the manner in which enforcement is carried out. "Bringing about the right kind of building code enforcement is more difficult than taking a meat axe to regulations and enforcement staffs, which has been the rallying cry of those who wail against regulatory burdens."¹⁸

Improvement in this area also requires that staff understand the importance of customer service training and that good customer service skills can be learned or enhanced. Some members of LIEP's staff do not believe good customer service can be learned, so management has felt the only option in these cases is simply to model good customer service in the hope that staff will mimic that behavior.

LIEP's Customers

LIEP considers its primary customers to be those who apply for building permits and go through the plan review and inspections processes. They have improved a number of their services and practices to better meet these customers' needs. Unfortunately, few people outside LIEP know of these improved services. Marketing these services may improve code compliance and assist LIEP in enhancing its one-stop-shop image. For example, LIEP offers an express site plan review if the customer is anxious to begin the project. LIEP also provides preliminary plan reviews, issues express permits for such things as roofs, and offers one-hour free parking while visiting LIEP. Marketing these valuable services to the general population could be beneficial in assisting property owners and contractors in understanding that the process of obtaining a

¹⁸ Raymond J. Burby, Peter J. May, Emil E. Malizia, and Joyce Levine, *Building Code Enforcement Burdens and Central City Decline*. *Journal of the American Planning Association*, Vol. 66, No.2, Spring 2000. page 155.

building permit is not nearly as cumbersome as they might expect. Certainly word-of-mouth is also an important method for sharing this information as many contractors work with each other on various projects and are likely to share experiences.

A very useful marketing tool, largely neglected by LIEP, is the Internet. Not only could LIEP's website be used for marketing, but also for providing services directly to customers, such as building permits, zoning and code information, plan review and inspections results. LIEP has as one of its objectives, identified in its 1996 Strategic Action Plan, to "Develop a Home Page on the Internet to provide information to our customers and a means to accommodate remote transactions 24 hours per day" by the end of 1996. Online Business Systems, Inc. was to develop this resource, but their contract was terminated prior to completion. The fact their web site is essentially useless to customers demonstrates a gap in LIEP's efforts to become a customer-focused organization.

Customer Service Practices

Permitting/Customer Service Section

In general, LIEP's first point of customer contact is the front-counter staff. Property owners and contractors will most likely call LIEP to ask questions or come to the front counter to apply for a permit. LIEP has a number of informational sheets available answering basic questions about requirements for certain types of projects, and sample plans indicating the minimum building requirements for common projects such as stairways and garages. It was reported by other LIEP staff that the front-counter employees are very good at providing customer service and are always willing to make changes that improve customer satisfaction. LIEP has also designed a system to issue express permits for simple and straight-forward projects such as roofing and fences. LIEP will also issue "early start" permits which allow a project to begin before all permits have been issued. An example would be issuing a foundation permit for a building before the mechanical plans have been approved. In some cases, LIEP also maintains accounts for contractors or businesses that frequently pull permits, and simply deducts the permit fees from that account.

Plan Review and Zoning Site Plan Review Section

While the plan reviewers and site plan reviewers have few formal customer service guidelines, they all attempt to review plans as quickly and accurately as possible. Another very positive customer-oriented practice is the aforementioned preliminary plan review process, during which LIEP staff meet with developers, contractors, or property owners to go over plans informally to look for any potential problem areas. This allows the plan submitter to make changes to the plans prior to formal review, at which point changes become more expensive to make and the process takes longer. The hardest step for many people is initially gathering the right information for plan review. The preliminary plan review provides them the opportunity to find out what they still need before they pay any fees or spend a lot of time changing plans and adding information. If necessary, staff will also perform a preliminary site plan inspection.

Plan Review staff meet with plan submitters to discuss the necessary changes upon formal review of the plans, and will follow up the meeting with a letter explaining the required changes. Plan reviewers will also call the applicant if they do not meet with them. Staff should be commended for this customer-focused practice.

Inspections Section

Council Research found several areas where inspections policies could be clarified across trades groups. We also found several situations in which a policy would be helpful in creating clearer expectations for both the inspectors and the customers. Customer service standards would also assist in alleviating some of this confusion.

LIEP does not have a policy pertaining to providing customers with appeals information. Some inspectors provide verbal information when they give the correction orders; others provide written information when they send out change orders. The lack of clarity may be causing confusion for the customer. Without a clear policy and a uniform practice, customers will not receive the same information in a consistent manner.

Council Research found through the interview process that some inspectors do not suggest equivalencies when they require changes. They simply say "you can't do that." Inspectors have a great deal of latitude, as they are given the authority to grant equivalences provided the intent of the code has been met. Interviews with LIEP staff indicated some inspectors will grant equivalences themselves, others will defer to their supervisor or to the building official, and others simply avoid granting them if to hide at all possible. However, it is important to also mention that although consistency in use of equivalencies is necessary, a "business-friendly" approach demands that inspectors maintain a fair amount decision-making authority in the field.¹⁹

Linked to the lack of equivalencies granted may be an attitude of a few inspectors that contractors and property owners are attempting code violations from them. In many cases, it could simply be an oversight or the property owners or contractor's lack of knowledge. If the inspector took time to explain why the code infraction is a life/safety issue, contractors or property owners may willingly comply. It is possible that the less flexible inspectors may lack a sense of accountability for their actions. Some inspectors do not appear to feel accountable to anyone except themselves and operate seemingly in a vacuum. They know many contractors fear retaliation if they complain about an inspector. A couple of business owners mentioned to Council Research they have felt sufficiently intimidated by particular inspectors that they did not complain about an inspection, when they otherwise would have. These problems may be linked to comments from other City staff who interact with LIEP's inspectors and customers that some inspectors serve the interests of their own trade associations before the interests of LIEP or the City. Some inspectors forego more customer-friendly actions because they view safety as their main objective and use enforcement as their primary method of obtaining compliance. It must also be mentioned that many of LIEP's inspectors are interested in working with contractors and property owners. The few who are not damage relationships between the City, its residents and businesses.

Another problematic practice in inspections is the final inspection. Most inspectors will sign the back of the permit indicating the work meets code standards. Some inspectors will leave either a yellow card, if they are unable to sign-off on the permit because changes still need to be made, or a green card if they are unable to get in to inspect a project because no one is home. Most communication appears to be with the contractor. While this is certainly important, it would be beneficial to the owner if they were given the same information as the contractor, particularly when a permit cannot be closed out due to remaining required changes.

¹⁹ "Business-friendly supervisory practices emphasize the attainment of enforcement goals while giving inspectors a considerable degree of freedom in how they interact with contractors and developers." Burby, et al, *Ibid.* p. 155.

One final problem discovered with the inspections process is that not all inspectors readily identify themselves by either showing or wearing a badge stating they are an inspector for the City of Saint Paul. This has caused some wariness and concern by property owners who find an unfamiliar person on their property. Notably, it is LIEP policy that all inspectors verbally make known their presence and purpose as soon as is practical at the work site. Certainly wearing a badge to a site that an inspector visits on a regular basis may seem unnecessary, but it would aid all workers on site in identifying the inspector. However, we found during our field visits with inspectors that the inspectors immediately identified themselves to the contractors or property owners.

The Housing Initiative

Another customer-focused improvement practice is the Housing Initiative, which is an effort to increase the number of housing units in Saint Paul. Part of the Initiative is to speed housing projects through the site plan review process and lower the permit and plan review fees. Reportedly, the Initiative has been marketed through newsletters, seminars, newspaper reporters, the BRC, and relevant organizations.

Initially, the community received misleading information regarding the purpose of the Housing Initiative. The original resolution establishing the Housing Initiative, presented by LIEP and approved by the City Council and Mayor, stated the amount of fees for all housing units approved from September 1, 1999 to August 31, 2000 would be cut in half. Two problems existed with the resolution. First, LIEP cut the fees for new housing projects only, not for rehabilitation projects, which caused some confusion. Second, the permit and plan review fee cuts were instituted through a resolution, not through an ordinance as is required, as Council Research discovered. The problems were corrected in late 1999 through passage of an ordinance cutting the fees in half during this time period for new construction only.

Customer Service Policy Compliance Findings

Finding #49: LIEP has improved a number of practices which benefit customers, but they have not marketed them effectively. We found a number of good customer-focused practices such as:

- express permits;
- handouts with basic information particularly beneficial to first-time applicants;
- pre-paid permit fee accounts;
- express site plan reviews;
- preliminary plan reviews and inspections; and
- early start authorization.

Finding #50: LIEP has not effectively developed its website to allow for online permit applications, zoning and building code information, plan review, inspections results notification and Housing Initiative information.

Finding #51: LIEP encountered a number of problems with the Housing Initiative, such as the definition of applicable projects and the legislative authority required to implement the program.

Finding #52: Only a few trade inspectors wear badges visually identifying themselves on-site during inspections. While it is policy that all inspectors identify themselves and carry

identification, a policy requiring them to wear a badge may assist contractors and building owners in more readily identifying the inspector.

Finding #53: No uniform procedure exists for giving customers appeals process information.

Finding #54: No uniform process exists for granting equivalencies, and some trade inspectors are resistant to granting them.

Finding #55: Some inspectors seem to hold the attitude that contractors and property owners are trying to hide violations from them. This attitude sometimes results in antagonistic behavior toward the contractor or property owner.

Finding #56: No uniform process exists for leaving final inspection information with a contractor or property owner.

Customer Service Policy Compliance Recommendations

Recommendation # 30: *Develop marketing strategies for promoting the express permits, the preliminary plan review process, pre-paid permit accounts, parking reimbursement and any other customer-focused practices.*

Recommendation # 31: *LIEP is one of the City agencies which has the most direct contact with residents and businesses seeking information, and stands to benefit greatly from having as much information as possible on its web page. Completion of the web site should be a high priority for LIEP, particularly in light of the goal to have it completed by the end of 1996. Information that should be available to customers on-line includes:*

- permit applications and permit status information;*
- inspections results;*
- general building code and zoning information, similar to the paper handouts available;*
- information on special programs and projects, such as the Housing Initiative;*
- a Frequently-Asked-Questions (FAQ) page; and*
- an "ask-the-inspector" page in which visitors could post general questions to trade inspectors.*

Recommendation # 32: *LIEP should develop a policy requiring trade inspectors to wear an identification badge at all times while performing inspections.*

Recommendation # 33: *LIEP should develop a policy for granting equivalencies which is known and used by all inspectors in an effort to make the practice fair, consistent and useful. The City Attorney should be involved in developing this policy to ensure it is legally sound. The development of these policies will enhance LIEP's image in the City.*

Recommendation # 34: *LIEP should work to change the attitude of its inspectors who believe that contractors and property owners are trying to hide something from them. They should immediately cease threatening property owners with retaliation, which is contrary to LIEP policy, but is reported to happen from time to time.*

Recommendation # 35: LIEP should develop a process for leaving information with both property owners and contractors upon final inspections, particularly when changes are still required before the permit can be closed.

Recommendation # 36: LIEP should look at the practices of building inspections departments in other cities for possible customers service improvements. One suggestion would be maintaining evening hours one or two nights a week to make it easier for homeowners who work during the day to apply for permits, such as is the practice in San Diego.

Quality of Customer Focus

Customer Identification

It is vital that employees in an organization identify a uniform group of customers in order to best serve the interests of their customers. Within LIEP, both survey and interview respondents identified very similar customers: property owners, citizens and contractors. LIEP staff indicated that sometimes these different customers have competing interests, which are difficult to balance. What a contractor wants may not be in the best interest of the citizens, and LIEP staff are required to make determinations based on life-safety criteria, rather than on what the "customer at the desk" may want.

Customer Knowledge

Customer knowledge consists of understanding the customers needs and desires, and having mechanisms in place to monitor those needs and desires. The survey indicated that many staff feel customer needs and satisfaction are monitored occasionally, though approximately one-third of staff are not aware of how often this is done. Interviews and documents indicate LIEP has done customer service surveys in past years and is preparing to do another one in 2000. The last survey, done in 1998, was not useful due to a low response rate.²⁰ LIEP also tracks complaints and gets information on customer needs through professional associations, word-of-mouth, correspondence and elected officials. Most information gathering on customer needs and satisfaction is informal. LIEP does little to anticipate the future needs of customers.

Customer Relations

Staff indicated through the survey that LIEP is "mostly responsive" to changes in customer needs and satisfaction, though again, one-half to one-third of staff do not know how responsive LIEP is. One staff member in an interview described very well what good customer service is for LIEP:

- being as responsive and timely as possible;
- being as proactive as possible by going to housing fairs and having a LIEP booth at fairs and at home improvement stores to answer questions;

²⁰ Evaluation of this experience could help LIEP in making future improvements to the survey process.

- meeting with contractor groups to get information and feedback;
- holding classes on code compliance;
- meeting with engineers to go over plans before work begins; and
- answering questions.

The lack of planning affects LIEP's ability to respond to customer needs and satisfaction thoroughly. Planning takes into account potential changes in needs that result from changing economic, technological and social factors and other influences. Associated with this lack of planning is the slow development of the Internet site for LIEP. The ability to look up permits, apply for permits, and receive zoning and other information over the Internet would be invaluable to many of LIEP's customers. However, LIEP has focused very little energy on developing this resource.

Some staff also mentioned the struggle between enforcement and customer service. They seem to be unsure of how to provide good customer service while also enforcing codes effectively. Many staff stated good customer service is defined in the LIEP employee performance evaluation form, although they could provide no universally understood definition. The lack of a useful, well-known definition of good customer service indicates a gap between the vision of senior leaders and the implementation of that vision.

Customer Service Standards

Formal customer service standards help all staff understand what is expected of them by the organization and by their customers. About half the staff indicated there are customer service guidelines for LIEP, but about one-third do not know of their existence. Staff surveyed indicated "some" customer service standards are written, though one-half of staff didn't know of their existence. Staff also felt customer service guidelines are "somewhat widely circulated," again with one-half of staff not knowing of their existence.

The customer service guidelines LIEP has in place are "mostly understood" and followed frequently. The survey question relating to how often customer service guidelines are followed received one of the highest average scores of all the survey questions, indicating staff felt very strongly that the guidelines are followed. Interviews also indicated that staff are very good at providing customer service, and take great pride in this aspect of their work.

Customer Focus Quality Findings

Finding #57: LIEP staff consistently identified property owners, citizens and contractors as their primary customers.

Finding #58: Staff are either unaware of customer needs and satisfaction monitoring or feel it is done only occasionally.

Finding #59: A useful customer service survey has not been done in three years, though LIEP is preparing to conduct one in 2000.

Finding #60: The lack of planning may affect LIEP's ability to effectively respond to changes in customer needs and satisfaction.

Finding #61: LIEP has few formal written customer service standards.

Customer Focus Quality Recommendations

Recommendation # 37: *LIEP should consider other options besides an annual or biennial survey for monitoring customer needs and satisfaction. Some suggestions include survey cards issued with the Certificate of Occupancy or when a permit is closed. Another option is to focus on evaluating one activity per month. For example, give surveys to everyone who applies for a permit in February, in March give surveys to everyone who has a site plan review, and in August to everyone who receives an inspection. This way, not all sections are burdened with conducting a survey at the same time. If another, organization-wide survey is desired, LIEP should consider consulting with organizations which have been successful in reaching a high response rate from their customers.*

Recommendation # 38: *LIEP should formalize customer service standards, such as plan review's three day turn-around for basic plan reviews. This would help all staff understand the customer service standards and how their work contributes to the goals set by the organization.*

Recommendation # 39: *LIEP should provide more customer service training for inspectors to help them understand how they can provide good customer service and good code enforcement.*

Recommendation # 40: *Develop an idea/complaint/compliment line and/or e-mail address that would allow customers to directly communicate with LIEP at their own convenience and at any time, rather than just through the annual customer survey.*

See also the Performance Measures Chapter.

RESULTS

Policy Compliance: —

Quality Rating: ★

KEY RESULTS CONCEPTS:

- Organizational Outcomes
- Financial Outcomes
- Customer Satisfaction
- Use of Performance Indicators

Results is the section of the Malcolm Baldrige system which deals with an organization's ability to determine if and how well it is accomplishing its mission. Results should focus on creating and balancing value for all stakeholders, whether they be customers, employees, suppliers, the general public or individual neighborhoods. The use of performance indicators, also known as performance measures, offers an effective means to communicate both short- and long-term priorities and provide a focus for improving results. Results measurement should be the last phase in an ongoing cycle involving goal setting, planning, the execution of plans and improvement practices. Using results information in this way, can help staff provide the best service in the most efficient way possible. Decision and policy makers can also use results information to monitor the provision of services on the public's behalf, ensuring government accountability.

LIEP received its lowest rating in this performance audit in the Results area. This is particularly problematic in that the Malcolm Baldrige system weights Results the most heavily of its seven categories. In recent years, the Results category in the Malcolm Baldrige award program has been given between 40% and 60% of the total points available. The reasons for LIEP's low rating are discussed in detail below. However, Council Research also believes there is potential for improvement in this area in the near future due to computer system improvements. Those possibilities are discussed on page 36. Finally, the essence of Results is a system of performance indicators. Although the presence and use of performance indicators is covered in this chapter, the following chapter, beginning on page 53, is dedicated exclusively to performance indicators for LIEP.

We did not include a separate discussion of policies in the Results area, only a quality assessment discussion. Results policies are embedded in the City's annual budget process, as well as other places, and are discussed in detail in the Performance Indicators chapter.

Results Measurement in LIEP

Results measurement requires adequate information systems, a carefully thought-out system of indicators and consistent, periodic measuring. As discussed at length in earlier sections of this report, LIEP has nearly completed its transition to using the ECLIPS and AMANDA systems. These systems have the potential to provide a variety of data for the organization to analyze. The challenge will be determining what is good and useful information for the day-to-day management of operations, and what are good indicators of how the organization is performing. Finally, it cannot be overemphasized that measures of results can and often do involve assessments which are not quantitative in nature. Not all useful things can be "counted," but they do need to be taken into account, documented and reported over time.

LIEP has historically gathered and analyzed some information on its performance. This is exemplified in past years' budgets and in the annual reports prepared by the former Building Inspection and Design Division. However, in recent years, these activities have ceased almost completely. LIEP continues to only estimate all vital organizational statistics, except for the revenue derived from licenses and permits.²¹ For 1998 and 1999, there are no firm numbers in the budget indicating the annual number and type of permits, the number and type of plan reviews conducted or inspections performed. However, it must be noted that in the budget process, the Mayor's Budget Office did not review LIEP's performance indicators with staff to determine their usefulness in portraying LIEP's workload. This is perplexing given the reportedly high volume of construction and rehabilitation in Saint Paul in recent years. However, this lack of measurement is symptomatic of inadequate performance measurement and accountability standards on a Citywide basis.

Given this lack of information and analysis, it is not surprising that over half the staff surveyed do not know how often LIEP measures its results. In fact, this survey question elicited the highest proportion of "don't knows" of all 46 of the surveys questions. Of those who did answer, the most common response was "occasionally." Not surprisingly, most staff are unaware of comparisons between LIEP and other, similar organizations. The interviews conducted also indicated that when comparisons are made, they tend to be anecdotal.

Despite the lack of specific performance measures, the most common response to the survey question on how often LIEP meets its goals was "frequently" for those who answered the question. This question received one of the highest average responses of all survey questions. In a follow-up survey question, Council Research asked how staff knew they were meeting their goals. The majority of the written answers indicated staff knew they were meeting the organization's goals because of 1) positive customer feedback received in customer surveys and in person; and 2) the quality of the City's building stock.²² Notably, these are two areas where some specific performance measures can and have been done.

It also became apparent in the performance audit process that staff had valid concerns about the use of performance indicators. Some were concerned that activities which could not be easily "measured" would lose value. Others thought it would be near impossible to measure the final "results" of LIEP's activities—such as a quality building stock and urban landscape which is likely to have a useful life well into the future. Therefore, they believed the organization would then begin to shift its focus to work "outputs," such as the number of inspections conducted or plans reviewed, which can be easily tabulated, but may not speak to the quality of work performed. The Performance Indicators chapter will provide guidelines and suggestions for alleviating these concerns and creating useful performance measures.

²¹ From permit revenue information, LIEP can determine the approximate value of all projects undertaken.

²² There are several indicators of the quality of the City's building stock. These include, among others: 1) the class ratings for the City's commercial office space; 2) the *Housing Survey* conducted by PED in the 1980s; 3) results of the Certificate of Occupancy Program which provides minimum standards for buildings; and 4) post major storm assessments done both by the public and private sectors.

Results Quality Findings

Finding #62 There has been a significantly reduced focus on examining the results of organizational activities recently. This lack of emphasis may seem justified because past performance measures had little meaning and held little value for their users. However, meaningful measures can be developed. This seems to be true not only for LIEP, but also more broadly throughout the City.

Finding #63 In spite of the lack of performance indicators, staff use the ones they have available (customer surveys and building data) to determine if they are meeting the LIEP's goals.

Finding #64 LIEP's emphasis on customer service is clearly internalized by many staff.

Finding #65 Despite the poor rating given in this area, Council Research believes LIEP is poised to develop a meaningful performance measurement system. Many of the "building blocks" are in place to make a useful performance measurement system in LIEP. The new information management systems will have the capability to provide many types of information to staff. These information management systems will also act as a catalyst for changing and rethinking some work processes. For example, the use of handheld computers by inspectors will significantly change the flow of information from the field to the central office, and from one inspector to another. LIEP is also in the process of initiating another cycle of planning, albeit a much less formal undertaking than used in the past. These events combine to make this an ideal time for the organization to develop new performance measures which will meet its needs. If LIEP fully takes advantage of these circumstances and pursues an inclusive process for developing performance measures, the rating would improve substantially.

Results Quality Recommendation

Recommendation # 41: *LIEP needs to develop a meaningful performance indicators system for determining how well they are meeting the organization's goals. This process needs to overtly take into account issues which may not be "measurable," but which also need to be documented and reported over time. The development process should also be inclusive and incorporate staff ideas. A performance measurement system should function not only to give feedback to managers and policy makers, but also to staff who rely on it to provide them regular feedback on individual activities. All of the organization's stakeholders have an interest in knowing how well the organization is meeting its goals. Examples of specific measures are outlined in the next chapter. Additionally, the Mayor's Office should much more actively monitor performance indicators used in the budget and assist the City's departments in developing more meaningful indicators.*

Performance Measures

Performance indicators are a means by which an organization determines the degree to which it is achieving its mission. Not everything an organization does and seeks to accomplish can be quantified, but rather there are some measures that are good indicators of its success. LIEP's mission is clear, and it bears restating here. It is "to be a unified customer service organization, which promotes a healthy and safe environment through information and enforcement of codes and ordinances." In this chapter we will explore how LIEP seeks to inform itself, its customers and its stakeholders about how well it achieves its mission. This chapter is intended to provide a basis for discussion and assist LIEP in refining the measures currently in use. LIEP is just now completing implementation of AMANDA, the information system which will track much of the needed data for performance measurement. Therefore, it is a critical juncture for LIEP in the consideration of these issues.

Council Research has approached this examination of performance indicators with several assumptions in mind. First, we believe the City Council has a vested interest in examining performance indicators as a part of the budget review process. The use of performance indicators gives the Council a clear picture of what has been accomplished in past years, and expectations for future years. They meaningfully connect dollars spent and the services expected of City government. Indeed, as the Council deliberated upon "managed competition proposals," the need to translate City activities into meaningful performance indicators became very apparent. The development of such indicators is necessary to make clear to anyone—employees or private vendors—just what performance is required. Second, we believe performance indicators can be useful management tools for communicating with staff about expectations. However, we also put forward the notion that staff must be a part of the creation of performance indicators and see their usefulness in their daily work lives. The people who will, in practice, provide information for performance indicators are also profoundly affected by what the indicators may reveal. Finally, although we recognize there are limitations in what performance indicators can communicate about the success of an organization, there is little else available to provide "a gauge" on progress. The logical alternative, comprehensive program evaluations, are time consuming and expensive when compared to tracking performance indicators. Also, such evaluations do not necessarily provide for incremental improvement.

Two problematic performance indicator issues came to light in the audit process. First, the Director indicated that 1997 was the last year they used actual figures for the budget process—after which time LIEP has been using conservative estimates. It should be taken into account that the Office was undergoing a significant transition from a mix of computer and paper information management systems, to its new automated systems, ECLIPS and AMANDA. In this environment it may well have been difficult to piece together and tabulate the required information. However, it was not clear in the budget that estimates were being used, which is particularly apparent in reviewing 1998 data in the 2000 proposed budget, where no such notation was provided. Council Research views this situation as particularly problematic because the Council was informed that we have recently been experiencing record construction years in Saint Paul. At the same time, the impact of this increase was not reflected in data, projections or estimates provided by LIEP, although the workload had clearly increased. The second problematic issue is that the Budget Office does not, as a practice, review the performance indicator information provided in the budget. Yet, it is likely most staff and the Council assume

this a standard practice, and, therefore, believe the Budget Office knows, understands and monitors these indicators.

LIEP has, of course, some performance indicators in its budget. They are organized by activity area, and we have followed this organization in our discussion: customer service and permitting, plan review, zoning and inspections. Notably, sometimes the objectives and indicators in one area of LIEP's budget will overlap with those of another. In those cases, we cover the topic in the area to which the objective relates most clearly. For each area, we have looked for performance indicator coverage of the following:

- customer service, which includes timeliness, helpfulness and accuracy;
- efficiency, which includes timeliness, costs and staff time; and
- effectiveness, which includes quality and results from activities.

Permitting/Customer Service

LIEP has made improving its customer service in all parts of the organization a priority. This emphasis on providing excellent customer service can be measured, as is demonstrated in the excerpted portion of the Customer Service activity budget in the following box. In that budget activity we see a performance indicator stating that customer service surveys should show that 95% of customers will be satisfied. The data for this performance indicator have been garnered from some informal surveys conducted by staff. PED also conducts a biennial business survey, with specific questions pertaining to LIEP services. With respect to the other customer service indicator, number of complaints registered in the area of customer service, it was not clear to the audit team how, and if, such complaints were compiled and tracked. Given that reported complaints have been zero for several years, perhaps a more meaningful indicator should be developed, such as tracking "counter" errors in the processing of permits and licenses.

There are several indicators in this budget activity which speak to efficiency. Among these are the number of permits and licenses issued, and files maintained. While these are no doubt useful in some regards, given that the Office has been using estimates, these numbers have little value when examined over time. They also give little indication of the effort involved to generate permits. Therefore, another area which may be useful to pursue is to examine the average amount of time it takes to process permits and licenses. For example, it would be useful for stakeholders and customers to know that for a simple project, such as a roof or fence, 75% or 90% of customers will need only ½ hour to obtain a permit. Such a measure need not be done on a daily basis, but surveyed periodically. Similar measures could be developed for projects requiring plan review or zoning staff involvement. Initiation of such measures would make meaningful the following objective from LIEP's 1998 budget: "Since the initiation of the Process Redesign effort in 1994, LIEP has realized a reduction in processing time for permits and licenses, a reduction in the number of delinquent license renewals, an increase in collection for these renewals, and a decrease in the time required to obtain permit and license services from the City." The problem was well-articulated by one tenured manager interviewed who said "I know it's true, but I don't know how to prove it."

Customer Service 2000 Budget (*omits non audit area activities*) —

<p>Ongoing Program Objectives</p> <ul style="list-style-type: none"> <input type="checkbox"/> Continue to provide accurate information and excellent customer to both internal and external customers. <input type="checkbox"/> Continue implementation of process redesign to simplify internal procedures as well as external process (ordinance changes). <input type="checkbox"/> Develop a written policy and procedure manual for all customer service functions. <p>2000 Projects</p> <ul style="list-style-type: none"> <input type="checkbox"/> Design, distribute and report on Customer Service Survey for LIEP customers. <input type="checkbox"/> Continue and complete the ECLIPS project by the implementation of AMANDA and performance enhancements. 	<p>Performance Indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Customer service survey satisfaction results <input type="checkbox"/> Complaints registered in the areas of customer service <input type="checkbox"/> Ordinance changes enacted <input type="checkbox"/> Procedures revised <p>Customer Service Statistics:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Permits Issued <input type="checkbox"/> Competency Certificates issued <input type="checkbox"/> Number of trade licenses issued <input type="checkbox"/> Licenses issued (all types) <input type="checkbox"/> Number of property files maintained <input type="checkbox"/> Purchase orders and vouchers processed
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Finally, the Customer Service Activity Performance Plan has a performance indicator which states that 50 procedures will be revised in 1999 and 30 in 2000. The audit team was perplexed as to the value of counting the number of procedures changed. Change is expected to be ongoing, usually leading to improvements in other performance indicators. Although we compliment LIEP on trying to improve its procedures, we believe other performance indicators would better capture this concept.

Zoning and Site Plan Review

Although the budget activity discussed in the above paragraphs bore the title "customer service," other areas in LIEP also have customer service concepts embedded in their work activities, including Zoning and Site Plan Review. There is only one specific customer service performance indicator in the budget for Zoning and Site Plan Review. It states the average response time for zoning complaints will be 4 days. This is an excellent indicator that LIEP may wish to enhance. The indicator could also speak to average complaint resolution times, or indicate that some percentage of zoning violation complaints are responded to in 4 days. Also in the area of customer service, LIEP has been striving to streamline and shorten the site plan review process. There were no performance indicators addressing these efforts in the 2000 budget. However, it seems evident that LIEP could be clear about the average length of time for site plan reviews, once LIEP has all the required materials. It also seems reasonable that other customer service indicators should be developed for zoning activities, such as looking at average or expected turn-around times on projects and also customer survey results. Finally, an excellent customer service practice is that all applicants who go through the site plan review process receive both a call and a letter explaining the results.

As was the case in customer service and permitting, some statistics are maintained on the staff's workload. These include counts of site plans reviewed, zoning variances processed, appeals processed, and zoning histories researched to determine legality of use. And again, while these

indicators have some value, actual figures have not been gathered in recent years. Also, there is little indication of the staff effort involved in performing these activities. Such an indicator could be used for monitoring workload, as well as developing minimum or maximum time expectations for customers.

Perhaps the most logical measure of the effectiveness of zoning and site plan review is compliance with the City's Zoning Code and adherence to the specifications of approved site plans. Compliance with the City's Zoning Code can be gauged best by using zoning complaints and zoning histories researched to determine compliance. Relatedly, monitoring the types of variances and appeals can give indications of the effectiveness of the Zoning Code in addressing current circumstance in the community. If a particular type of appeal is received repeatedly, it may indicate procedures could be streamlined or revised to better handle the problems. It could also mean the Code is unnecessarily restrictive in a given area. For example, the Zoning Code provides for "planned development districts." All staff interviewed indicated this section of the code was so difficult to use they avoided it, if at all possible, and tried to use other portions of the code to achieve similar ends.

LIEP Operations: Zoning/Site Plan Review 2000 Budget —

Ongoing Program Objectives:	
<input type="checkbox"/> To provide prompt, thorough zoning information to the public; to assist those businesses and property owners applying for permits or licenses, explaining the processes necessary to meet zoning code requirements.	<input type="checkbox"/> To staff the Board of Zoning Appeals, preparing staff reports, and providing information to Board members, applicants and neighbors.
<input type="checkbox"/> To investigate and enforce zoning regulations. 1) Responding to complaints, 2) Assuring compliance with conditions placed on approved site plans, variances, special and nonconforming use permits and business licenses, and 3) using the Housing Court and District Court when appropriate to achieve compliance.	<input type="checkbox"/> To certify zoning compliance for new construction and alterations, licenses, and certificates of occupancy, for which fees are collected through permits, licenses and certificates of occupancy fees.
<input type="checkbox"/> To review site plans, both preliminary and formal, and coordinate the interdepartmental site plan review process.	Performance Indicators:
	<input type="checkbox"/> site plans reviewed
	<input type="checkbox"/> zoning variances and appeals processed
	<input type="checkbox"/> zoning histories researched to determine legality of use
	<input type="checkbox"/> complaint response time in days

Plan Review

Plan Review, like Customer Service and Permitting, has contact at the counter with customers every day, in addition to the more in-depth reviews of plans. It is a very customer-oriented work group and is perceived by peer groups to be effective in both applying appropriate codes and helping customers. Strangely, it has no customer service performance indicators of its own in the budget, although some used by Customer Service and Permitting have relevance to this activity as well. Through the audit process it became clear that Plan Review had several concrete performance indicators it relied upon on a daily basis, although these do not appear in the budget, and we were not clear if they were ever overtly measured. First, there has been an emphasis on shortening approval time for permit applications. Second, there is an expectation that plan reviews for new single- and two-family houses will be completed within 72 hours of receiving

complete plans. No doubt, the use of checklists in the AMANDA system will both facilitate faster plan review times, and make their measurement possible. Third, LIEP does offer a service of providing "partial project permits," where a customer can get part of a project reviewed and permitted while plans for other parts of the project are still in development. This is an especially helpful practice for large, complicated projects. LIEP may be able to develop performance measures to better gauge how often this is used.

Plan review has several performance indicators in the budget related to efficiency. These indicators include: the numbers of permits issued, plans examined, historical permits received, inspections made, and the annual construction value for Saint Paul. These indicators suffer from the same problems discussed earlier; namely, they have not actually been counted for several years and they have no context in terms of effort necessary to accomplish them. Benchmarks and standards should be developed to make these indicators more meaningful. Plan Review may also wish to examine the code to develop ideas for potential performance indicators. For example, the audit team was informed that plan check time specified in the Legislative Code, Chapter 33.04(c)—the City has 180 days to do a plan check—never expires without a permit being issued. Clearly, such indicators have the added benefit of demonstrating compliance with applicable laws. Finally, there are occasionally performance measures in this area which have no meaning, and therefore no useful value. For example, the resolution establishing the Housing Initiative (CF#99-815) states that one performance indicator of the Initiative is "number of new housing units approved within 72 hours of receipt of complete plans: 500-700." This indicator has no context, and as we discovered, there is no way to measure such an improvement, because the Office has no data for recent years.

The effectiveness of Plan Review activities is ultimately determined in combination with the effectiveness of Inspections. Literally, effectiveness needs to be measured in terms of the improved safety and habitability of structures in the City because of the application of building and other codes. As mentioned in the Results section, there are some ways the quality of the City's building stock can be measured over time. Taking into account the other influences on the quality of building stock, such as aging, we know at least a portion of the quality is attributable to the use of building codes.

Although the quality of the City's building stock is ultimately the best measure to determine the effectiveness of Plan Review, there are other measures that could be made inside the Office which would also be appropriate for examining individual plan review activities. For example, staff mentioned an informal indicator of the quality of their work is the number of plan review

LIEP Operations: Plan Review 2000 Budget —

Ongoing Program Objectives

- To assure safety of citizens through construction standards compliance.
- To educate customers to achieve code compliance without controversy or unnecessary expense.
- To maintain adequate records to demonstrate efficiencies in administration and compliance to construction standards.
- To maintain professional standards of technical ability while being accessible by and accountable to our customers and the public.
- To maintain relationships with organizations and agencies to assure Saint Paul remains a respected leader in code and design professions.

2000 Budget Objective-

- Continue to work on the design and implementation of the new computer system for permits and inspections.
- The Office has participated in and will continue to be active in public forums such as the Home Tour, District Council Home Fairs, etc., where citizens have a chance to work with the inspectors and plan reviewers in a more neutral environment.
- Our present computer system and the new system under development will enable us to ensure that our level of service will continue to improve.

- Our challenge is to balance the requirement for continuing education against the needs of our customers. Our goal will be to allow sufficient opportunities for this education while maintaining adequate staffing levels to ensure quick response to our customers.
- We have several inspectors who are involved with National Code organizations. These groups develop the codes that are adopted by Minnesota, and directly affect the construction in Saint Paul. In order to ensure fair codes both now and in the future, our inspectors will strive to maintain their participation level for the future.
- There are several inspectors on the task group whose responsibility is the analysis of various software packages for the office-wide computer system. These participants will be fully involved until the end of the project.

Performance Indicators:

- Through monitoring of the permit volume and valuation, we (LIEP) can verify that all construction projects are inspected to protect the citizens of Saint Paul.
- The number of permits issued, construction value in millions, plans examined, historical permits received; and
- Total inspections made.

mistakes discovered in the field. Tracking such an indicator would be a useful management undertaking to determine the circumstances under which mistakes are made, as well as the types of mistakes. Also, as is the case with the suggestion that Zoning monitor the types of appeals it processed, it would also be useful in the same way for both Plan Review and Inspections to monitor information on the granting of equivalencies. Finally, staff indicated that when customers come in for preliminary plan reviews, they have a better understanding of expectations. Customers are then able to "get it right the first time" which decreases the time, effort and money in the spend in plan review process. It also likely decreases total staff time expended on the project. Clearly, preliminary plan reviews make the plan review process more effective, and their use could be measured.²³

²³ The Customer Focus Chapter discusses the importance of promoting the Preliminary Plan Review process on page 43.

Inspections

Inspectors differ from the other LIEP staff in that they tend to see the customer out in the field, and not at the front counter or in a meeting. However, the customer focus considerations they have are very like those of the rest of the Office. Inspections has only one goal in the budget specifically addressing customer service; "to maintain professional standards of technical ability while being accessible by and accountable to our customers and the public." The value of this budget objective lies not with its ability to describe performance expectations, but rather in that it articulates a problem in the inspections area that staff clearly feel conflicted about "enforcing the code" or "providing customer service." It would be very useful for the Inspections area to begin addressing this using specific customer service performance indicators. In order to develop these indicators, they would benefit from reviewing customer service surveys done by LIEP and PED. These would help to identify areas of concern to customers.

In the area of timeliness, it is clearly an informal goal of staff to complete reports and arrive for appointments in a timely fashion. Both of these activities will be much easier to document with the advent of the AMANDA computer system. In terms of the reports of inspection findings, the use of handheld computers in the field will help significantly with the timely "processing" of inspection findings. This will help both from a management perspective, in that information will be immediately available to other trades inspectors, and it will also be more quickly available to the customer, in the event they are not on site to hear the inspection report verbally.

Providing customers with information on the appeals process and sharing information and ideas on appropriate "equivalencies" is central to good customer service. Council Research heard consistently that information on appeals process is provided to the customer when change work orders or stop work orders are given. However, there was inconsistency in that some inspectors and trades would provide this information verbally and in letter form, while others would provide it only in a letter. This inconsistency between staff work processes should be eliminated, with a focus on providing the customer with appeal information in both settings. The use of the AMANDA system and hand held computers in the field could provide a reminder in the form of an item on one of the check-off lists. Council Research also became aware that some staff and trades are much more likely to discuss equivalencies²⁴ with contractors and property owners than are others. The Office's approach to discussing and granting equivalencies should be consistent across trade groups and among staff members. The AMANDA system has the potential to monitor this and help the Office in developing a measurable standard.

As with the other work areas we examined, Inspections does little to measure the efficiency of its operations. There was one objective in the year 2000 LIEP budget which spoke to efficiency, which was "to maintain adequate records to demonstrate efficiencies in administration and compliance to construction standards." Although such information is likely maintained, we saw no use of the information which acted to demonstrate efficiencies. The only performance indicator in the budget related to efficiency is the number of inspections conducted, and this has been an estimate in recent years. It would be very useful to know the number of inspections by type and trade, and time invested in them. At the very least, the average number of inspections

²⁴ Equivalencies are alternative methods for accomplishing a task or project that meet the intent of the Code, although they may not be specifically described in the Code. An example is the use of a piece of sheet metal screwed to the back of a standard wood door in order to make it a "one-hour fire door." This accomplishes the end of fire safety and saves the building owner money in the purchase of a new one-hour fire door.

and average times involved could be used for planning. Also, the advent of AMANDA makes possible the tracking of activities in a way that takes into account the complexity of the task. LIEP did this type of analysis in 1998 in preparing a proposal for the addition of a plumbing inspector position.²⁵ Clearly, they understand the importance of such information in describing staff's workload.

LIEP Operations: Inspections 2000 Budget —

<p>Ongoing Program Objectives:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Our present computer system and the new one under development will enable us to ensure that our level of service will continue to improve. <input type="checkbox"/> Through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect the citizens of St. Paul. <input type="checkbox"/> To maintain adequate records to demonstrate <i>efficiencies in administration and compliance</i> to construction standards. <input type="checkbox"/> To maintain professional standards of technical ability while being accessible by and accountable to our customers and the public. <input type="checkbox"/> Through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect citizens of St. Paul. 	<p>Ongoing Program Objectives for NHS/Vacant Buildings:</p> <ul style="list-style-type: none"> <input type="checkbox"/> To maintain housing stock by returning vacant buildings to sound structures. <input type="checkbox"/> Inspect Vacant, Boarded and Abandoned buildings for code violations, issuing permits, and reinspecting for compliance. <input type="checkbox"/> Maintain and improve neighborhoods by inspecting one and two-family homes for improvement areas and aiding owners in prioritizing repairs within the limited funds available. <input type="checkbox"/> Identify and work toward preserving desirable buildings and significant structures within neighborhoods. <input type="checkbox"/> Perform inspections and building evaluations for PED, East Side Neighborhood Development Corporation, West 7th Street Federation, Neighborhood Housing Services Programs, Non-Profit Corporations, or any other organization needing these services.
<p>2000 Budget LIEP Strategic Plan Statement:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Maintain quality services in light of the ever increasing construction levels (Three record construction years in a row) with a minimum increase in staff. <input type="checkbox"/> Implement the use of project facilitators to navigate customers through the license, permit, and/or zoning processes and continue Process Redesign Initiative to continually streamline procedures and eliminate unnecessary regulations. <input type="checkbox"/> Integrate new ECLIPS system with other departmental systems through a single address file, to achieve a fully seamless provision of service for the City's customers. 	<p>Performance Indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Inspection totals for original and repeat inspections <p>2000 Budget LIEP Operations performance indicator:</p> <ul style="list-style-type: none"> <input type="checkbox"/> "we have several staff involved with National Code organizations"
<p>Performance Indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect the citizens of St. Paul. <input type="checkbox"/> Construction value in millions <input type="checkbox"/> Total inspections made 	<p>2000 Budget LIEP Operations Objective:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Identify and work toward preserving buildings and significant structures within neighborhoods.

²⁵ Robert Kessler Memo to Joe Reid, January 26, 1998.

The effectiveness of inspection services can be measured in a fashion similar to the effectiveness of the other services we have discussed. There are two instances in the budget where the issue of effectiveness is engaged. First, as an ongoing objective, the LIEP budget states "through monitoring of the permit volume and valuation, we can verify that all construction projects are inspected to protect citizens of Saint Paul." While inspecting all construction projects surely does act to protect the citizens of Saint Paul, this can not be monitored using permit volume and valuation data. These data, together with the actual number of permits, do give an indication of the complexity of the work undertaken. However, it is the number of permits which most accurately estimates the number of projects requiring inspection. LIEP should modify its objective accordingly.

Second, the 2000 Budget LIEP Strategic Plan Statement states as a goal to "maintain quality services in light of the ever increasing construction levels (three record construction years in a row) with a minimum increase in staff." This is an excellent goal, which takes into account a changing environment—dramatic increases in construction. However, there are no performance indicators connected to it which demonstrate the quality of LIEP's work. Such goals can be constructed at several levels. At one level, they could speak to the quality of the building stock, as we discussed earlier. They could also measure the consistent quality of inspections in spite of increased work volume. These indicators could include the average length of inspections, and the types of inspections findings.

On a more pedestrian level, LIEP may wish to add effectiveness performance indicators in the following areas:

- Number of correction notices which need to be re-issued;
- Number of mistakes in the various inspection activities, which would be collected by supervisors;
- The number of stop work orders and number of times work is required to be redone;
- The average length of time buildings are on the vacant buildings list before Certificate of Compliance issuance or demolition; and
- The effectiveness of the Housing Initiative at increasing housing construction, as discussed in the Information and Analysis chapter on pages 33 through 37. Notably, a recent article suggests the following: "...a central city that had adopted a business-friendly philosophy of enforcement could have increased both the amount and the value of single-family detached housing by about 9% over the period 1985-1995. Commercial rehabilitation could have increased about 4% in the number of buildings and about 5% in the value of construction."²⁶ This research could help the Housing Initiative establish useful benchmarks to measure their progress at meeting their program goals. However, it does indicate that progress is slow, and research attributes improvements to enforcement philosophy, rather than fee levels.

²⁶ Burby, et al, Ibid., page 152.

CONCLUSION

Overall Council Research found the quality criteria present and practiced in some parts of the organization. LIEP is also generally in compliance with the policies that govern its activities. Where deficiencies were found, we believe staff have the skills and interest to address them. Notably, staff were very helpful in the performance audit process both in the interview process in sharing their time and ideas, and later in responding to questions. What follows is a summary of our findings.

Planning

LIEP did a great deal of planning during the mid-1990s to accomplish the merger of previously separate operations that formed the Office. This planning took several forms. It addressed the actual co-location of these operations, necessary cross-training of counter staff, the rationalization of administrative procedures between the previously distinct units, and the improvement of information support systems. Virtually no planning has taken place in recent years and LIEP views itself to be in a "plan implementation" mode, rather than a "planning" mode. The enormous amount of staff time spent on implementing first ECLIPS, and then AMANDA have also left staff with the impression there is little time for planning. It is also apparent that few staff have been involved in planning activities. Broader participation in plan development will help staff become more aware of the existence of plans and give them a sense of ownership in the plans' success. LIEP has also not been involved with the development of Comprehensive Plan chapters affecting its work, and has not taken these plans into account in their decision-making on individual building projects. Council Research found that planning activities in LIEP would act to better allocate the resources of this office and prepare it for changing circumstances, such as the record construction years recently experienced.

Leadership

Our examination found several aspects of LIEP's leadership policies and practices to be very good. Namely, the commitment of senior leaders to provide a clear mission and vision for the organization was quite apparent. This is in spite of survey results indicating a lack of vision provided by the Mayor. Council Research noted that staff repeatedly commented on the concerted efforts of leaders to recognize individual and team contributions. Finally, LIEP leadership in recent years has acted to cultivate key stakeholder relationships, such as with the advent of the Business Review Council. However, there is still more effort required in this area, especially in terms of communication and inclusiveness in planning activities which should be taking place. LIEP and the City are out of compliance with two state reporting requirements and the requirements for a local board of appeals.

Training

Staff training in LIEP received the highest quality rating. LIEP clearly emphasizes training and education for its staff, and sees its importance in the context of diminishing staff numbers. LIEP should be lauded for its training and education efforts and continue them. In terms of improving this area, LIEP should consider doing more cross-education of all its staff, so they may develop a better understanding of the roles and responsibilities of their peers within the Office. LIEP should also examine the allocation of training resources.

Development

Staff development was an area in LIEP in which Council Research had a mix of good and problematic findings. The survey indicated somewhere between one-fourth and one-fifth of staff believe the work environment is not conducive to their well-being, that the labor management relationship is poor, and there are few or no opportunities for them to contribute to the organizations goals and work procedures. While it is good that three-fourths to four-fifths do not share these perceptions, it is problematic that there is a fairly large core of people who rate these areas poorly. LIEP leadership must find a way to engage these staff and their concerns. Council Research suggests LIEP proactively involve them in planning activities, rather than waiting for volunteers. Also, re-instituting a labor-management group of some type to identify specific changes which would address problem areas would likely be helpful.

Information and Analysis

LIEP has been undergoing significant changes in the area of information management in recent years. Council Research is ambivalent in many ways in its findings. While undertaking the formidable task of automating the management of its information is commendable, several aspects of implementing ECLIPS and AMANDA could have been better handled, such as communication with the Council on progress. There are several types of problems we found in this area, some of which are attributable to LIEP directly, and other which are more Citywide in nature. However, these new information systems do give LIEP the ability to perform meaningful analysis of its undertakings in the future. Therefore, we have taken the unusual step of indicating that it has the potential of significantly increasing its rating in this area if improvements are made.

Improvement Practices

LIEP did not fare well in Council Research's examination of its improvement practices. These mediocre findings are largely attributable to LIEP's lack of planning and evaluation activities, and currently poor information and analysis capabilities, which are integral components in the improvement process. History shows the Office has an adequate basic understanding of improvement processes, as this is demonstrated in the "quick fixes" undertaken in the mid-1990s.

Customer Focus

The merger of separate operations into LIEP was the result of an increasing awareness—both in City government and in the community—of the need for a more customer focused approach. The merger also provided a means to “refocus” LIEP activities with customers in mind. Much credit should be given to all involved for their efforts in this area. As with most organizational initiatives, however, customer focus efforts need tending and continued refinement. There is still a problem in the organization with the perceived conflict of providing “code enforcement” service, as opposed to “customer service.” These concepts need not be conflicting and LIEP must strive to clarify their vision in this area. Also, some new customer services are called for, such as a dramatically improved web page.

Results

Given the recently poor quality of information used in LIEP, it is not surprising it received a poor Results rating. LIEP needs to take time to figure out what are good performance indicators of their work. This is a critical juncture for the Office to undertake this project, as ECLIPS and AMANDA are just now capable of providing meaningful data for these measures.

Performance Indicators

The performance indicators and objectives used in the budget process in recent years have been neglected both by LIEP and the Budget Office. Using performance indicators in an ongoing cycle of planning, evaluation and improvement could significantly assist LIEP in years to come. It will help for purposes of internal management, where there is almost no information on workloads, activities or outcomes. Meaningful performance measures are also key for a government agency to remain accountable to its customers and stakeholders.

APPENDIX A: RESOURCES

Council Resolutions:

- Council File 94-293 / acceptance of grant funds for LIEP Process Redesign
- Council File 94-1550 / establishment of Business Review Council
- Council File 97- 1214 / establishment of funding for the Design Section
- Council File 97-1314 / acceptance of report on Design Section and release of contingency funds
- Council File 98-588 / establishing pay rate for "City Building Official"
- Council File 98-609 / establishing pay rate for "Plan Review Coordinator"
- Council File 98-1076 / establishing pay rate for "City Building Official"
- Council File 98-1077 / establishing pay rate for "LIEP Help Desk Coordinator"
- Council File 99-287 / authorizing contract and copyright agreement with U of M Press and the HPC
- Council File 99-357 / no developer fee associated with any multi-unit housing project shall exceed certain guidelines
- Council File 99-553 / changing portion of salary plan and rates of compensation for the Building Inspector
- Council File 99-587 / directing the HPC to develop a Heritage Preservation Site and Building Designation Workplan
- Council File 99-815 / approval of special one year pilot program to reduce costs and speed approvals for new housing construction

Saint Paul City Charter and the Legislative and Administrative Code:

- Chapter 5 Permit Fees
- Chapter 18 Legislative Hearing Officer
- Chapter 19 Power of Inspectors to Enforce Provisions of Code
- Chapter 33 Building Code and Inspection
- Chapter 34 Minimum Property Maintenance Standards for All Structures and Premises
- Chapter 37 Installation or Connection of Gas Equipment
- Chapter 38 Elevators, Hoists, Lifts and Moving Stairways
- Chapter 43 Vacant Buildings
- Chapter 48 Condominium and Conversion Condominium Notice Filing Requirements
- Chapter 50 Individual Sewage Treatment Systems
- Chapter 60 Zoning Code-Adoption; Purpose; Definition; Districts Uses and Requirements
- Chapter 61 Zoning Ordinance-Schedule of Regulations Limiting Heights, Bulk, Density, and Area by Zoning Districts
- Chapter 62 Zoning Code - General Provisions
- Chapter 64 Zoning Code - Administration and Enforcement; Amendments; Miscellaneous Provisions
- Chapter 65 Zoning Code - River Corridor
- Chapter 66 Zoning Code - Signs
- Chapter 67 Zoning - Subdivision Regulations
- Chapter 68 Zoning Code - Wetland Conservation
- Chapter 72 Floodplain Management Regulations
- Chapter 73 Heritage Preservation Commission
- Chapter 74 Heritage Preservation Districts and Programs
- Chapter 76 Sewers and Drains
- Chapter 92 Water Code-Plumbing

Chapter 95 Water Code-General Provisions
Chapter 310 Uniform License Procedures
Chapter 326 Building Contractors
Chapter 368 Wrecking of Buildings
Chapter 369 Building Trades Business Licenses
Chapter 370 Building Trades Certificates of Competency
Chapter A-6 Service Availability Charges

Budget Documents

Office of License, Inspections and Environmental Protection 2000 Adopted Budget
Office of License, Inspections and Environmental Protection 1999 Adopted Budget
Office of License, Inspections and Environmental Protection 1999 Adopted Budget
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Books / Miscellaneous Documents

The Urban Institute (1980). *Performance Measures: A Guide for Local Elected Officials*. Washington D.C., The Urban Institute.

Raymond J. Burby, Peter J. May, Emil E. Malizia, and Joyce Levine, *Building Code Enforcement Burdens and Central City Decline*. Journal of the American Planning Association, Vol. 66, No.2, Spring 2000.

Bryson, John (1995). *Strategic Planning for Public and Non-Profit Organization*. Jossey-Bass.

2000 Criteria for Performance Excellence, Baldrige National Quality Program.

City of Saint Paul's Comprehensive Plan / Land Use and Housing Chapters

APPENDIX B: LIST OF RECOMMENDATIONS

Planning Recommendations

Recommendation # 1: PED should perform, in conjunction with LIEP, a thorough analysis of the current Zoning Code. In order to be in compliance with current City Code, this should be done every five years. The analysis should consider the Code's compatibilities with the City's Comprehensive Plan and other development priorities, and the Code should be modified accordingly.

Recommendation # 2: Both PED and LIEP need to take more responsibility for including LIEP in the development processes for the City's Comprehensive Plan. By taking responsibility for development, LIEP will feel more responsible for the objectives of the Plan, and will incorporate the Comprehensive Plan into its own internal plans and practices.

LIEP's involvement in the planning and implementation processes of the City's comprehensive plans will enable it to make more recommended changes to the zoning code, so that the code and the plans are compatible and mutually enforceable. In cases where the zoning code and the Comprehensive Plan are not compatible, LIEP should consider granting variances, equivalencies, or bringing the problem to the Business Review Council for further review and recommendations.

Recommendation # 3: LIEP should incorporate objectives of the Comprehensive Plans into its plans for its own operations. By doing so, LIEP will ensure it considers future changes and remains flexible and uses opportunities to ensure the building stock of the City is solid, safe and contributes to the vitality of the City.

Recommendation # 4: LIEP should resume proactive planning, including assessing the current landscape and future economic, social, human resources, political, and technical impacts on LIEP's work.

- ❑ LIEP must understand the connection between planning and resource allocation to prevent situations such as the one currently occurring with staff being overworked, resulting in a highly stressful work environment because technological, economic, and human resource changes were not comprehensively planned. Closer monitoring of outside influences will assist in projecting changes in workload and resources, such as those resulting from increased construction in recent years.
- ❑ Outcome measurement must be incorporated into future planning. LIEP must look at the results of past planning efforts for lessons learned and areas to continue to work on. They must also look at results of past quick fixes to determine effectiveness and remaining issues to be resolved resulting from the changes.
- ❑ LIEP should involve other stakeholders, such as the City Attorney's Office, Planning and Economic Development and Public Works in planning process to incorporate the requirements of other departments and develop an understanding as to how the work of LIEP affects other departments.

Recommendation # 5: LIEP should involve staff in defining organizational goals and offer ways for staff to contribute to them. LIEP needs to find ways to include less-involved staff in decision-making and make them more aware of planning and improvements taking place in the office and how they can contribute. LIEP should not wait for them to approach management, as history shows they will not.

Leadership Recommendations

Recommendation # 6: *At a minimum, communication between LIEP and the State Fire Marshal needs to be improved so they can insure that inspections, installations, and removal of fuel storage tanks are occurring. In order to ensure compliance the approval should come from the City, rather than from the state, leaving all responsibility at the City level. LIEP should work with the State Fire Marshal to determine procedural and legislative changes required to bring this about.*

Recommendation # 7: *LIEP and Saint Paul Regional Water Services need to clarify their roles relating to the plumbing code. As the Building Official has ultimate responsibility for enforcing the plumbing code, perhaps LIEP should conduct the inspections currently performed by Regional Water. This may lead to enhanced efficiency for both entities.*

Recommendation # 8: *LIEP should market its service of providing building evaluations to community development corporations. This valuable tool would enhance the relationship between CDCs and the City and ensure that rehabilitations address building code problems appropriately.*

Recommendation # 9: *LIEP and the Design Center should clarify their respective roles and level of authority and clearly explain them to permit applicants.*

Recommendation # 10: *LIEP and the City Attorney's Office need to clarify whether the City is in compliance with state law regarding appeals of decisions of the building code official.*

Recommendation # 11: *LIEP and PED should take leadership in developing a quarterly interdepartmental meeting for all staff who work with small businesses.*

Recommendation # 12: *LIEP should meet with Code Enforcement and other appropriate City agencies to discuss and find solutions to the issue of long-term incomplete projects in the City's neighborhoods.*

Recommendation # 13: *LIEP needs to come into, and remain in, compliance with state reporting requirements for both its building code and heritage preservation activities.*

Recommendation # 14: *LIEP should provide the City Council at regularly scheduled intervals, a complete explanation of the current automation situation including funding, hours spent on the project, timeline and reasons for the lengthened timeline.*

Recommendation # 15: *LIEP should evaluate its mission statement to ensure it answers the following questions:*

- Who are we? What distinguishes LIEP from other City departments?*
- What do we do?*
- For whom do we do it?*
- Why do we do it?*

Recommendation # 16: *LIEP should identify objectives to put the mission statement into action and also identify specific objectives for each area of LIEP. This will enhance employee understanding of how their particular responsibilities help meet those objectives and thus fulfill the mission. Finally, LIEP should identify specific organizational values under which all employees operate and exemplify them at all levels of the organization.*

Training Recommendations

Recommendation # 17: LIEP should reassess where resources are allocated for training to determine if some staff have less access to training than others, and whether this is appropriate. LIEP should also determine if, and how, the training is affecting workload allocation.

Recommendation # 18: LIEP needs to encourage all staff in all work areas to pursue relevant training and provide the resources whenever possible.

Recommendation # 19: More cross-education of all LIEP functions would be valuable. Staff tend to have limited knowledge of the functions of work areas beyond their own. Having a good working knowledge of the other functional areas will assist staff in answering customer questions and coordinating efforts to prevent problems.

Development Recommendations

Recommendation # 20: LIEP should follow through on its commitment to open communication between staff and management and discuss together issues related to morale and other workplace concerns. This could involve increased management attendance at work-group or team meetings, as well as more proactive involvement of staff not traditionally involved in organization-wide discussions.

Recommendation # 21: LIEP should reconvene a labor-management group to actively pursue issues of mutual concern. Clear guidelines and expectations should be established so meetings are a place for cooperation, not confrontation and complaining. Leaders should emphasize this is a non-grievance discussion forum. The leaders of the group will also need to engage the problems encountered by the first labor-management group, such as too many participants — The last group had two representatives from each bargaining unit in LIEP which may have made the group too unwieldy and ineffective.

Recommendation # 22: LIEP should address work environment issues. The proposed Labor-Management Committee should discuss both the factors negatively impacting the environment and what specific steps can be taken to decrease the stress level experienced by many staff. Additionally, this group could examine what specifically could be done to make LIEP a more supportive work environment for those who feel it is not currently supportive.

Information and Analysis Recommendations

Recommendation # 23: The City of Saint Paul should provide the financial resources to allow for the purchase of an economical software package that would interface between the GIS system and AMANDA. This would allow broad access to GIS for all departments utilizing the AMANDA system and enhance the ability to coordinate activities and information between various departments.

Recommendation # 24: Not only must LIEP work to implement hand-held computers as soon as possible due to their usefulness, LIEP must also train its inspectors to integrate the hand-held computers into their work practices. Inspectors must make it a practice to load all inspections comments into the database so other inspectors have the same information. Inspectors should also begin the practice of looking up information to ensure they are providing permittees with accurate information.

Recommendation # 25: LIEP should clearly identify the information gathering potential of the new computer systems and the usefulness of the data. (See previous box for suggestion). Data collected and analyzed should be related to the mission and objectives of the organization.

Recommendation # 26: LIEP should analyze the effectiveness of the computer systems. One method to analyze the effectiveness would be to follow-up with staff based on survey responses indicating the systems are not useful. LIEP should encourage and gather input on the systems and respond to the input, even if it is not possible to immediately address all concerns or suggestions.

Improvement Practices Recommendations

Recommendation # 27: LIEP should involve itself in a complete improvement practices process that includes planning, implementation and evaluation of its improvements.

Recommendation # 28: LIEP needs to use data analysis to evaluate the effectiveness of its improvement practices. So far, they have little documentation to substantiate claims of improvement other than anecdotal evidence.

Recommendation # 29: It is apparent that LIEP has few formalized and widely understood goals. Therefore, LIEP staff should be involved in defining improvement practices, setting goals and evaluating activities. (Goal setting is discussed in the planning, leadership and results quality sections). Improvement practices should link activities to goals and objectives. They should also help organizations achieve their goals and objectives.

Customer Focus Recommendations

Recommendation # 30: Develop marketing strategies for promoting the express permits, the preliminary plan review process, pre-paid permit accounts, parking reimbursement and any other customer-focused practices.

Recommendation # 31: LIEP is one of the City agencies which has the most direct contact with residents and businesses seeking information, and stands to benefit greatly from having as much information as possible on its web page. Completion of the web site should be a high priority for LIEP, particularly in light of the goal to have it completed by the end of 1996. Information that should be available to customers on-line includes:

- permit applications and permit status information;
- inspections results;
- general building code and zoning information, similar to the paper handouts available;
- information on special programs and projects, such as the Housing Initiative;
- a Frequently-Asked-Questions (FAQ) page; and
- an "ask-the-inspector" page in which visitors could post general questions to trade inspectors.

Recommendation # 32: LIEP should develop a policy requiring trade inspectors to wear an identification badge at all times while performing inspections.

Recommendation # 33: LIEP should develop a policy for granting equivalencies which is known and used by all inspectors in an effort to make the practice fair, consistent and useful. The City Attorney

should be involved in developing this policy to ensure it is legally sound. The development of these policies will enhance LIEP's image in the City.

Recommendation # 34: *LIEP should work to change the attitude of its inspectors who believe that contractors and property owners are trying to hide something from them. They should immediately cease threatening property owners with retaliation, which is contrary to LIEP policy, but is reported to happen from time to time.*

Recommendation # 35: *LIEP should develop a process for leaving information with both property owners and contractors upon final inspections, particularly when changes are still required before the permit can be closed.*

Recommendation # 36: *LIEP should look at the practices of building inspections departments in other cities for possible customer service improvements. One suggestion would be maintaining evening hours one or two nights a week to make it easier for homeowners who work during the day to apply for permits, such as is the practice in San Diego.*

Recommendation # 37: *LIEP should consider other options besides an annual or biennial survey for monitoring customer needs and satisfaction. Some suggestions include survey cards issued with the Certificate of Occupancy or when a permit is closed. Another option is to focus on evaluating one activity per month. For example, give surveys to everyone who applies for a permit in February, in March give surveys to everyone who has a site plan review, and in August to everyone who receives an inspection. This way, not all sections are burdened with conducting a survey at the same time. If another, organization-wide survey is desired, LIEP should consider consulting with organizations which have been successful in reaching a high response rate from their customers.*

Recommendation # 38: *LIEP should formalize customer service standards, such as plan review's three day turn-around for basic plan reviews. This would help all staff understand the customer service standards and how their work contributes to the goals set by the organization.*

Recommendation # 39: *LIEP should provide more customer service training for inspectors to help them understand how they can provide good customer service and good code enforcement.*

Recommendation # 40: *Develop an idea/complaint/compliment line and/or e-mail address that would allow customers to directly communicate with LIEP at their own convenience and at any time, rather than just through the annual customer survey.*

Results Recommendation

Recommendation # 41: *LIEP needs to develop a meaningful performance indicators system for determining how well they are meeting the organization's goals. This process needs to overtly take into account issues which may not be "measurable," but which also need to be documented and reported over time. The development process should also be inclusive and incorporate staff ideas. A performance measurement system should function not only to give feedback to managers and policy makers, but also to staff who rely on it to provide them regular feedback on individual activities. All of the organization's stakeholders have an interest in knowing how well the organization is meeting its goals. Examples of specific measures are outlined in the next chapter. Additionally, the Mayor's Office should much more actively monitor performance indicators used in the budget and assist the City's departments in developing more meaningful indicators.*