

# Memorandum



CITY OF DALLAS

DATE August 19, 2011

TO The Honorable Mayor and Members of the City Council

SUBJECT Building Inspection FY 11/12 Budget Briefing

On August 22, 2011, you will be briefed on the Building Inspection budget for fiscal year 2011/2012. You will be provided an overview on recent trends in the development and construction industry influencing Building Inspection workload and staffing, as well as an update on recent process improvements within the division. Attached are the briefing materials for your review.

Please contact me if you need additional information.

A handwritten signature in black ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans

Assistant City Manager

C: Mary K. Suhm, City Manager  
A.C. Gonzalez, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Joey Zapata, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Thomas P. Perkins, Jr., City Attorney  
Rosa A. Rios, Interim City Secretary  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge  
Helena Stevens-Thompson, Assistant to the City Manager – Council Office

# Building Inspection Division FY 11/12 Budget

Sustainable Construction and  
Development

City Council Briefing

August 22, 2011



City of Dallas



# Purpose

- Provide an overview of the Building Inspection Division.
- Report on recent economic trends in the development and construction industry influencing Building Inspection workload and staffing.
- Update the City Council on recent process improvements to our services for our customers.
- Review the key highlights of proposed budget request for the Building Inspection division.
- Provide an overview of continuing efforts and proposals to improve service delivery and customer satisfaction.

# Building Inspection Division

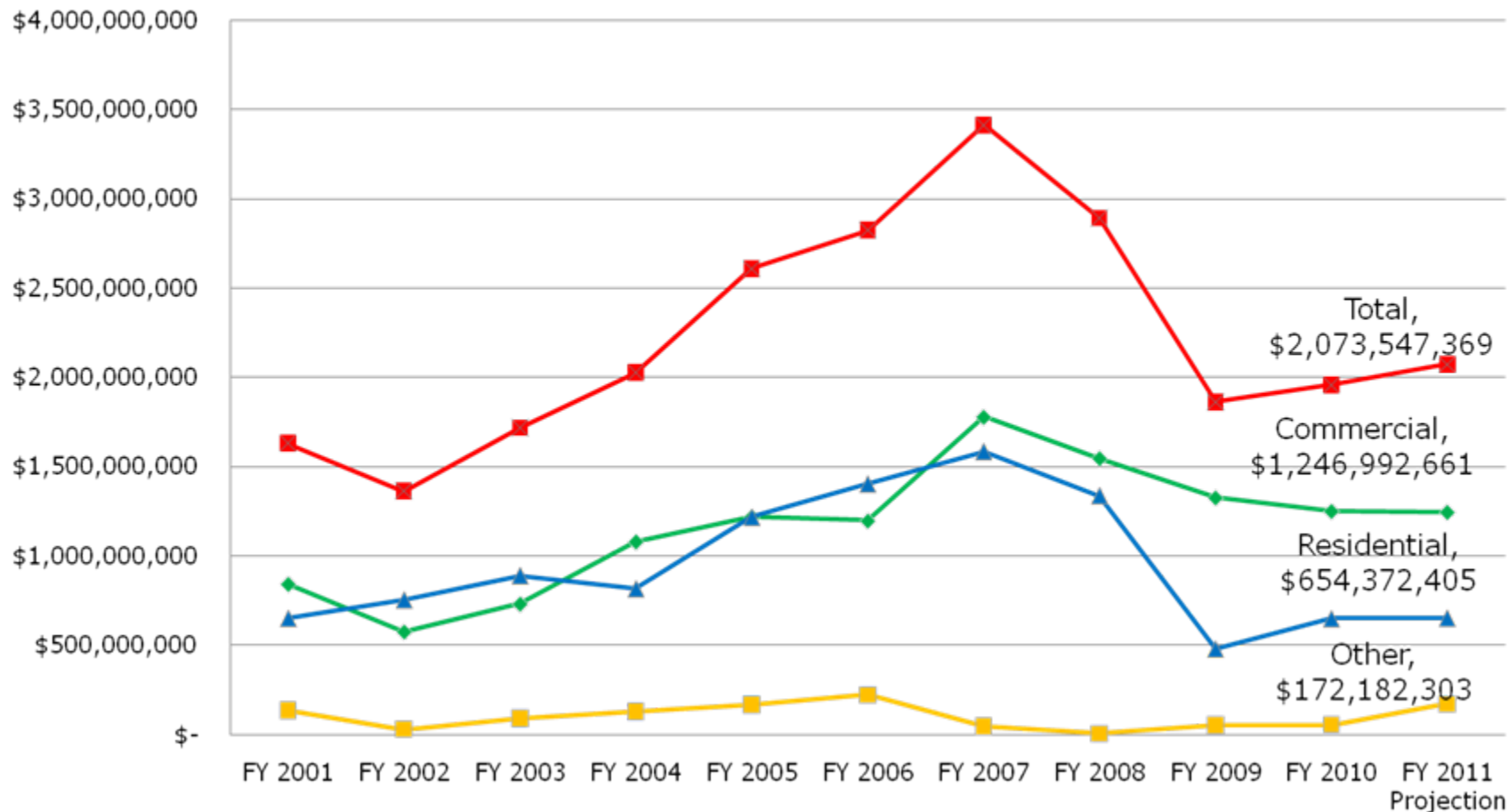
- The Building Inspection Office is charged with
  - Ensuring compliance with construction standards
  - Enforcing construction and zoning codes and ordinances
  - Archiving/record keeping of plans and permits
- Services provided include:
  - Issuing building permits and Certificates of Occupancy
  - Reviewing and approving site and construction plans for compliance with zoning and building codes
  - Performing construction inspections in the field
  - Responding to 311 and Open Records Requests

# Building Inspection Division

- In FY 10/11 Building Inspection Division has a staff of 175 employees with a budget of \$16.5M  
(This 175 includes the 20 staff added in January 2011)
- Building Inspection is funded through an Enterprise fund.
- Staff and operational expenses are paid for out of revenues generated by fees collected for services. Division receives no revenue from the General Fund.

# Impact of the Recession on Construction Activity in Dallas

## Construction Permits Historical Valuation



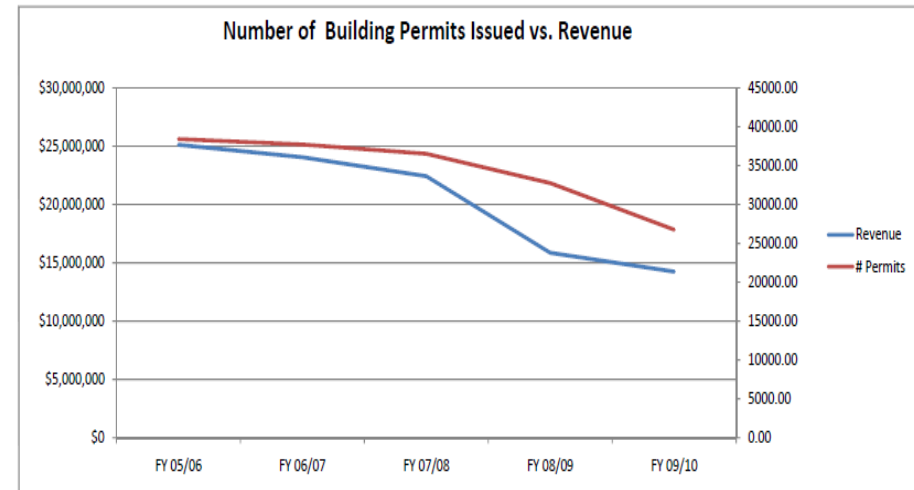
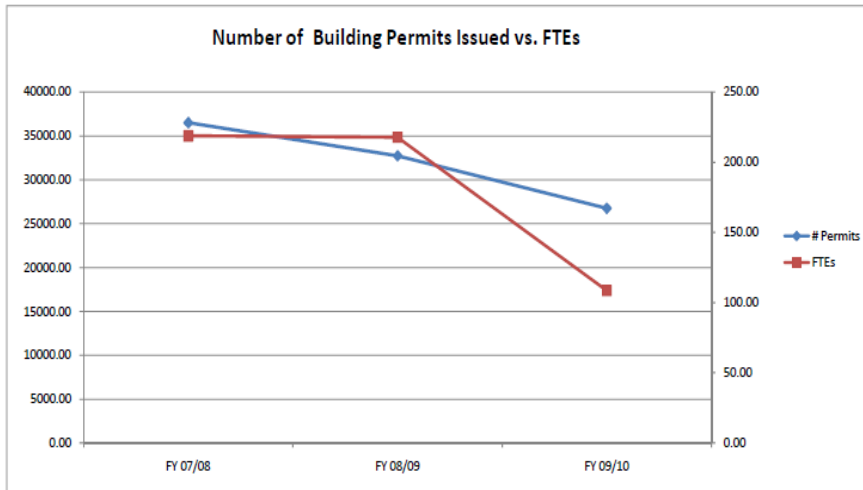
# Impact of the Recession on the Building Inspection Division

- Significant fall in number of permit's, valuations and revenues began in late 2007 and continued into 2009.
- In FY 08/09, the division made the difficult decision to NOT implement a mid-year RIF, but rather to spend down an existing fund balance and RIF employees at the end of the fiscal year.
- In October 2009, deep cuts in staffing equated to an almost 50% reduction in FTE's.
- Decline in revenues and staffing levels outpaced the decline in workload and service requests.
- Type of work and demand for services changed.

# FY09/10 - Year of Transition

Revenues declined much greater and faster than workload

- Workload decreased between 12% and 42%
- Revenues decreased between 30% and 50%
- Staffing levels were reduced by almost 50%





# Impact felt by our customers

Following those deep cuts, Building Inspection experienced a spike in customer complaints and dissatisfaction with:

- Length of time to review and approve construction plans
- Same day inspections were not met, particularly for plumbing
- Staff was not readily accessible for consultation, information requests and courtesy reviews
- Continued demand for services that had been eliminated
- Technology interruptions further disrupted customer experience



# FY 10/11 - Steady Rebuilding to Improve Customer Service

- Through consultation with industry stakeholders, Building Inspection began rebuilding and reorganizing staff and resources to better meet the needs of our customers.
- Began increasing staffing levels in January 2011. Added 20 FTEs in critical areas and rebalanced existing staff in specific functional areas to
  - Enhance productivity, accountability and responsiveness
  - Improve Customer Service
- Implemented new functional initiatives to address customer needs and operationalize stakeholder goals
  - Q-Team (expedited plan review) March 2011
  - Customer Consultation Center April 2011
  - Certificates of Occupancy Team May 2011 (for smaller projects)



# Continued improvement as construction activity increases

- Steady decrease in customer complaints and dissatisfaction since January (58% drop since FY09/10)
- Reduced length of time to review and approve construction plans. (FY08/09 >14 weeks; currently 4-6 weeks)
- Inspections provided the same day requested (currently - 95%; up from 88%)
- Staff is more readily available for consultation, information requests and courtesy reviews.
- Restored some of the popular services that were eliminated and added some new services, such as Q Team review, Customer Service Consultation Team and Certificate of Occupancy Team.

# Q-Team Success

- Dedicated team of code experts that provide pre-development reviews and plan reviews by scheduled appointments.
- A coordinated, collaborative plan review that offers predictable timeframes and face-to-face problem resolution in cooperative atmosphere.
- Since going live in March, the Q-team has:
  - Reviewed 240 Permits/Building projects
  - Issued 270 permits
  - Convened over 175 Q TEAM Meetings
  - Resulted in \$3.5+M in revenues to date

# Commitment to customer satisfaction

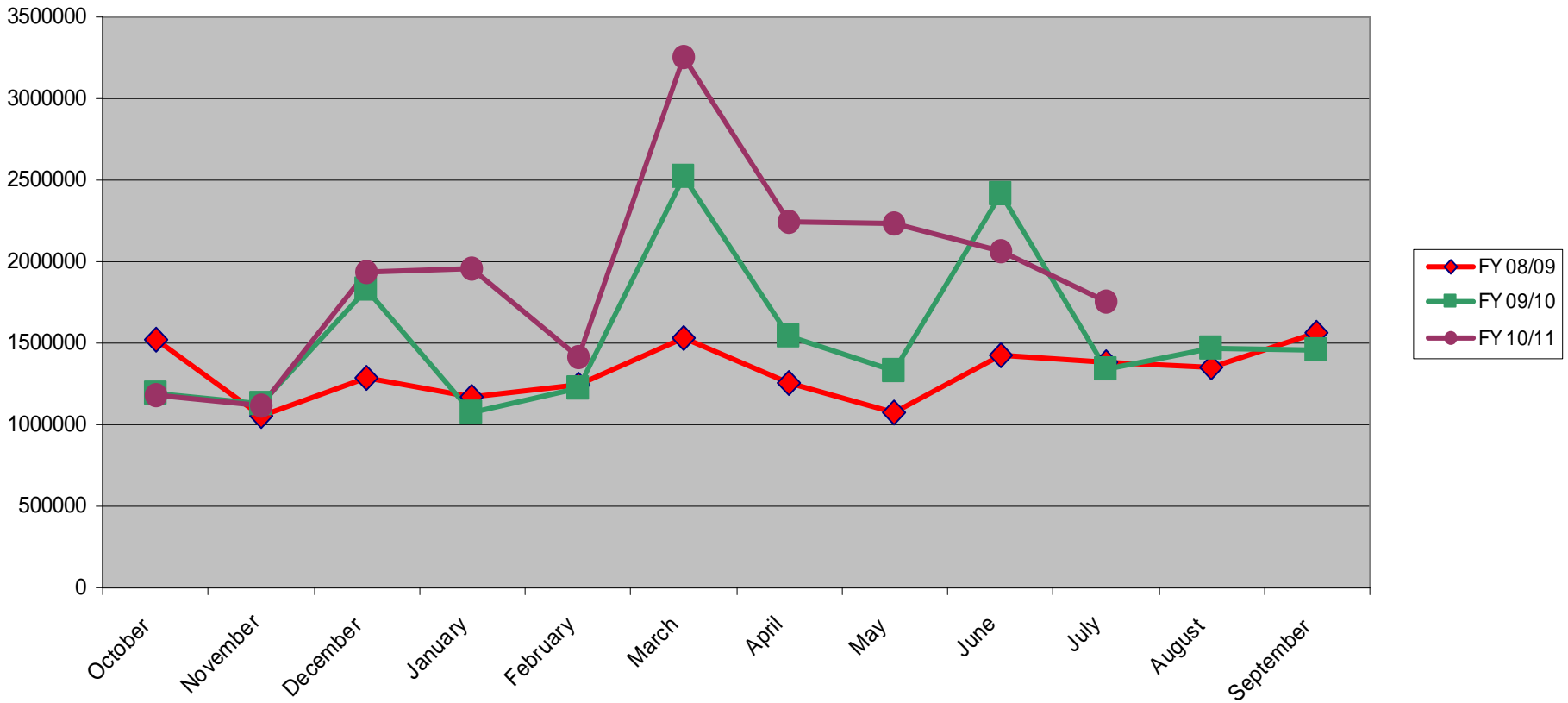
- Staff continues to
  - Monitor key workload indicators and revenues on daily and weekly basis
  - Make staffing adjustments to meet work load demands
- Staff remains committed to working with our customers to resolve issues and deliver desired services

# Highlights of Next Year's Budget

- Additional staffing- 17 FTE's  
(1 manager, 6 plans examiners, 6 inspectors, 4 support staff)
- Identified several key initiatives to focus on during FY 11/12 (detailed on page 17)
- Working toward the implementation of a performance plan to keep staff efforts focused and track progress on issues important to our clients and stakeholders (detailed on page 18)

# Revenues sufficient to sustain additional staff

## Enterprise Fund Revenues



# Budget Snapshot

	FY08-09	FY09-10	FY10-11	FY11-12
Expenses	\$21,743,723	\$16,420,064	\$16,469,771	\$17,863,350
FTE's	290	161	175	194



*What gets measured,  
gets done!*



# Key Initiatives for FY 11/12

- Will employ the ZIP process (similar to process the municipal courts undertook) to perform an assessment of technology needs and process improvements. This will result in a three year improvement plan with budgetary impacts.
- Training – this division has lost a significant amount of “institutional knowledge” through down-sizing and retirements. Emphasis will be on rebuilding knowledge base and skill sets of new employees to increase efficiency, productivity and consistency in decision-making.
- Third Party/ Green Opportunities
- Stakeholder/Customer interviews and surveys
- Employee morale/recognition programs

# Performance Plan

- Quarterly report that establishes division goals and work plan objectives; measures performance on key metrics; and documents progress on important initiatives.
- Desired results will be improved staff accountability, enhanced performance, improved responsiveness and higher quality customer service.
- Create a structured environment that welcomes constructive customer communication and feedback on operational and service delivery issues.

# Other Issues

- Staff proposed a 3 year plan to transition the Historic Preservation function from Enterprise Fund to General Fund.
- FY 11/12 allocation for Historic Preservation is \$200k from the General Fund.

# Summary

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- Evident that Zip Process is necessary to perform processes, staffing and technology assessment.
- Continue to carefully guide the rebuilding of the Building Inspection workforce and services.
- Gradually transition work that is appropriate for General Fund resources into the General Fund budget.
- Staff will seek guidance and direction regarding the Building Inspections performance plan and work program from appropriate City Council Committee.
- Staff will continue to collaborate with key stakeholders and customers as the development and construction industry slowly transitions out of the current economic recession.