



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive Report and Provide Comments on the Community Development Service Area – Service Delivery/Organizational Assessment and Fee Study
Category:	Community Development
Meeting Date:	3/19/2019
Staff Contact:	Steve McHarris, 408-586-3059
Recommendation:	Receive report and provide comments on the Community Development Service Area – Service Delivery/Organizational Assessment and Fee Study.

Background:

The City of Milpitas provides essential city planning, building, and permitting services to both residents, businesses, and the development community. These services are performed by the following departments: Planning; Building and Housing; Engineering – Land Development; Public Works - Utilities Engineering; and Fire Prevention. In addition, the Office of Economic Development engages in business development and/or recruitment and permit expediting associated with such development activities. These departments and divisions serve under the general direction of the City Manager’s office and are identified as the City’s “Community Development Service Area”.

City management has identified a need for addressing various organization and operational issues in order to best serve a 21st century Milpitas. For example, fee schedules for services provided by Planning, Building, Engineering, Public Works, and Fire Prevention are deficient having not received a comprehensive assessment in 15 years since 1994. As such, the City Council authorized the City Manager to Execute Contract with Matrix consulting group to conduct a Service Delivery/Organizational Assessment and Fee Study for the City’s Community Development Service Area in November, 2018. The consultant work commenced in October 2018 with anticipated completion in May 2019.

Analysis:

Commencing in November 2018, Matrix consulting group have worked closely with staff in evaluating the current organization and developing a new development service delivery, organizational and operational structure for each of the department services, and a fee structure model for Planning, Building and Housing, Engineering, Public Works and Fire Prevention. The consultant has also worked with the Finance Department in developing a works in progress liability model and a permit refund process to assure conformity with accounting and finance best practices. Economic Development has been consulted with as a contributing entity within the CSA with particular support to the Planning and Building & Housing functions. Stakeholder outreach with the development community is ongoing and continues to be an important component of the study.

It is anticipated that outcomes from the proposed Service Delivery/Organizational Assessment and Fee Study will result in identifying key improvements in permitting and inspections performance, customer service, organizational structure, staffing efficiencies, cost recovery, and advanced city-wide planning along with potential opportunities for added resources amongst the departments, subject to Council review and approval. At the March 19, 2019 City Council meeting, staff and Matrix consultants will provide an overview of the CSA organization, key organizational and fee issues, and work plan items completed to date as outlined below

Background/Data Collection

- Document Review
- Stakeholder and Staff interviews
- Employee Survey
- Comparative City Survey
- Profile Current & Potential Fee Schedule for each Department

Analysis

- Comparative Survey Analysis
- Strengths, Weakness, Opportunities, Threats (SWOT) Development Review Analysis
- Best Management Practices Analysis
- Proposed Staffing Levels Analysis
- Evaluate Development Processes Flowcharts and Cycle Times
- Data Workshops with Staff
- Time Estimate Workshops for all Departments

The work items below remain in progress and will be reviewed with the City Council and Stakeholders over the coming weeks.

Analysis

- Total Cost Analysis and Annual Fee results

Report Preparation

- Recovery Revenue Report
- Draft Cost of Service Results & Recommendations
- Draft Report of Fees & Process Analysis
- Final Report Presentations to Stakeholders and City Council

A schedule for City Council and Stakeholder review has been developed to complete the assessment and incorporate fee study recommendations into the City’s FY 19-20 Master Fee Schedule and Operating Budget, as follows:

City Council/Stakeholder Schedule	
Date	Service Delivery/Organizational Assessment and Fee Study Review
March 19	City Council status presentation, including background, draft findings to date, areas of proposed recommendation, and receive comments.
April 5	Developer Stakeholder Outreach - High level overview of the draft findings and summary of City Council comments, and working dialog.
April 16	City Council draft report review – Introduce the formal study, report findings and recommendations, and receive comments.
April 25	Developer Stakeholder Outreach – Final working dialog regarding findings, potential adjustments, and City Council comments.
April 30	City Council consideration - Receive report, recommendations, and consider adoption of proposed fee schedule.

Policy Alternatives:

Not applicable

Fiscal Impact:

Information item. Not a fiscal request.

California Environmental Quality Act:

This Project is statutorily exempt as it is not a project under the California Environmental Quality Act.

Recommendation:

Receive report and provide comments on the Community Development Service Area – Service Delivery/Organizational Assessment and Fee Study.

Attachments:

None