REPORT 05-001
LICENSED AND PROPERTY STANDARDS OPERATIONAL REVIEW SUB-COMMITTEE
9:30 a.m.
Monday, September 26, 2005
Room 219, 2nd Floor
Hamilton City Hall
71 Main Street West, Hamilton

Present: Councillors S. Merulla (Chair), T. Jackson (Vice Chair) and C. Collins

Absent with regrets: Councillor Morelli – Conference
                    Councillor B. McHattie – Family Emergency

Also Present: A. Pekaruk, Director of Audit Services
              K. Cinq-Mars, Senior Internal Auditor
              S. Paparella, Legislative Assistant, Clerk’s Office

THE LICENSING AND PROPERTY STANDARDS OPERATIONAL REVIEW SUB-COMMITTEE PRESENTS REPORT 05-001 AND RESPECTFULLY RECOMMENDS:

1. Appointment of Licensing and Property Standards Operational Review Sub-Committee Chair (Item 8.1)
   That Councillor S. Merulla be appointed as Chair of the Licensing and Property Standards Operational Review Sub-Committee.

2. Appointment of Licensing and Property Standards Operational Review Sub-Committee Vice Chair (Item 8.2)
   That Councillor T. Jackson be appointed as Vice Chair of the Licensing and Property Standards Operational Review Sub-Committee.
3. Licensing and Property Standards Operational Review Sub-Committee Terms of Reference (Item 8.3)

That the Building and Licensing Division Operational Review Sub-Committee Terms of Reference, attached as Appendix "A" to Report 05-001, be approved.

4. Standards & Licensing Section Operational Review – Terms of Reference (CM05029) (City Wide) (Item 8.4)

That the Terms of Reference for the operational review of the Building and Licensing Division of the Planning and Economic Development Department, attached as Appendix "B" to Report 05-001, be approved.

5. Renaming of the Licensing and Property Standards Operational Review Sub-Committee (Item 9.1)

That the Licensing and Property Standards Operational Review Sub-Committee be renamed the Building and Licensing Division Operational Review Sub-Committee to reflect the proper name of the Division, to maintain consistency in our records, and to encompass Property Standards, Licensing, Building Permits and Animal Control functions.

6. Additional Staff Resources

That the City Manager be requested to obtain the necessary resources required to complete the Building and Licensing Division Operational Review by September 2006.

7. Additional Staff Resources – Funding

That staff be directed to identify an appropriate source of funding to cover the costs of additional staff resources to complete the Building and Licensing Division Operational Review by September 2006.

FOR THE INFORMATION OF COMMITTEE:

(a) Changes to the Agenda (Item 1)

There were none.

Planning & Economic Development Committee – October 4, 2005
(b) Declarations of Interest (Item 2)

None were declared.

(c) Adjournment

There being no further business, the Committee adjourned at 10:02 a.m.

Respectfully submitted,

Councillor S. Merulla, Chair

Stephanie Paparella
Legislative Assistant
September 26, 2005
BUILDING AND LICENSING DIVISION
OPERATIONAL REVIEW SUB-COMMITTEE

TERMS OF REFERENCE

Introduction:
The Building and Licensing Operational Review Sub-Committee was established by Council at its meeting held on August 10, 2005.

Objectives:
To oversee the Operational Review of the Building and Licensing Division of the Planning and Economic Development Department, and make recommendations to the Planning and Economic Development Committee respecting the findings of the Internal Audit Section.

Membership:
Committee membership is comprised of five (5) members of Council. The appointed Building and Licensing Division Operational Review Sub-Committee members are:

- Councillor B. Morelli
- Councillor C. Collins
- Councillor T. Jackson
- Councillor B. McHattie
- Councillor S. Merulla

Meetings:
Meetings shall be held at the call of the Chair, as required.

Chair and Vice Chair:
The Chair and Vice Chair are selected from the appointed members of Council. They are as follows:

- Chair – Councillor S. Merulla
- Vice Chair – Councillor T. Jackson

Secretariat:
Legislative services shall be provided by the City of Hamilton Clerk's Division.
Voting and Attendance:

For purposes of voting, majority means more than half of the Sub-Committee members present and voting.

A quorum for the purposes of voting shall be 50% plus one (1) of the Sub-Committee members. In the case of the Licensing and Property Standards Operational Review Sub-Committee, quorum will be three (3).
Appendix “B” of Report 05-001
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PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT
BUILDING AND LICENSING DIVISION – OPERATIONAL REVIEW

TERMS OF REFERENCE

BACKGROUND
At its July 13, 2005 meeting, Council carried a motion that the City Manager be directed to initiate an internal operational review of the Licensing and Property Standards Division. This review was assigned to the City’s Audit Services Division.

On August 10, 2005, Council adopted a resolution to establish a Licensing and Property Standards Operational Review Sub-committee, to report to the Planning and Economic Development Committee and that the Sub-committee be comprised of five (5) members of Council as follows: Councillors Morelli, Collins, Jackson, McHattie and Merulla. The sub-committee will:

- confirm the Terms of Reference for the review;
- be informed of the status of the review through scheduled progress meetings; and
- review and comment on the draft reports for presentation to the Planning and Economic Development Committee.

INTRODUCTION
The Building and Licensing Division of the Planning and Economic Development Department offers a series of complex and varied services including regulation, licensing, investigation and inspection and enforcement and prosecution under several by-laws and Acts. Given the significant extent of the Division’s operations, it is proposed that the review be divided into four phases.

Phase 1: Covers the areas of licence issuance and enforcement. Licences include: Mobile (taxi, towing, limousine, etc.), Establishment (restaurants, personal services, public garages, public halls, etc.), Trade (contractors and masters) and Lotteries.

To begin immediately
Expected completion – December 2005

Phase 2: Encompasses inspection and enforcement over all other standards and by-laws governing property, noise, long grass and weeds, heat and zoning by-laws.

To begin after the completion of Phase 1 upon approval of Sub-committee
Expected completion – beginning of April 2006.

Phase 3: Comprises the building permit functions.

Phase 4: Includes the animal control function.

All phases are to be completed by September 2006.
FINANCIAL AND OPERATIONAL INFORMATION

The 2005 gross operating expenditures for the areas covered under Phases 1 & 2 of the operational review as noted above are $2.67 million with collections of approximately $2.43 million.

The Standards and Licensing Section issued over 13,300 licences as well as completing approximately 3,400 inspections over the period January 1, 2004 to June 30, 2005.

OBJECTIVES, SCOPE AND APPROACH

The purpose of Phase 1 of the operational review is to assess the overall quality of the licensing and enforcement operations of the Standards and Licensing Section of the Planning and Economic Development Department. In addition, the review will identify any weaknesses, which may affect the efficiency or effectiveness of the program delivery, and will assess the degree of compliance with statutory regulations and policy directives. The Section's performance, which is measured and quantified against established goals and objectives, will be examined. Practical recommendations for improvement will be made.

The overall approach will involve, but not be limited to, the following:

a) A review of relevant background material such as by-laws, procedures, systems documentation, financial information, organization charts, job descriptions and report and information provided to various committees in order to gain an understanding of operations, practices and resources;

b) Interviews with departmental and sectional staff, interfacing departments, the City of Hamilton Licensing Committee, etc. to get a more detailed understanding of services, management and operations;

c) Documentation of procedures, workflow, paper flow and analysis of cycle times;

d) Observation of actual operations over a period on a random basis;

e) Analysis of available data and other relevant reports;

f) Benchmarking against practices of other jurisdictions;

g) Analysis of the information gathered and identification of issues, risks and improvement opportunities;

h) Focus groups of staff for general discussions and comments on advantages/disadvantages/practicality of various organizational and procedural alternatives to address the identified issues; and

i) Findings, conclusions and suggestions for further study and recommendations summarized in a report (draft to be discussed with management and Sub-committee members).

The above steps do not assess:

a) the adequacy or accuracy of systems, controls and practices of interfacing departments;

b) individual performance; or

c) the appropriateness of the licence fee structure, although comments will be made as to whether or not information and an appropriate process exist to provide a total picture of the cost of various licensing activities.