**TO:** Chair and Members
Planning Committee  
**WARD(S) AFFECTED:** CITY WIDE

**COMMITTEE DATE:** September 20, 2011

**SUBJECT/REPORT NO:**
Operational Review of the Growth Management Division of the Planning and Economic Development Department (City Wide) (PED11174)
(Outstanding Business List Item)

**SUBMITTED BY:**
Tim McCabe  
General Manager  
Planning and Economic Development Department

**PREPARED BY:**
Chris Phillips 905-546-2424 Ext. 5304

**SIGNATURE:**

<table>
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<tr>
<th>RECOMMENDATION</th>
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<td>a) That a Growth Management Operational Review Sub-Committee, reporting to the Planning Committee, be established to oversee the operational review of the Growth Management Division in the Planning and Economic Development Department;</td>
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<td>b) That the Sub-Committee be comprised of three (3) members of Council; and,</td>
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<td>c) That the “Operational Review, Growth Management Division - Terms of Reference” included as Appendix “A” to Report PED11174, be referred to this Sub-Committee for consideration and approval prior to initiating a proposal call to consultants.</td>
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**EXECUTIVE SUMMARY**

On October 15, 2008, City Council approved a motion contained in the Economic Development and Planning Report 08-019 stating:

*Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.  
Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork*
“That an Operational Review be conducted of the Development Engineering and Planning Divisions of the Planning and Economic Development Department”.

Since that time, there have been several informal reviews of the overall approval processes that have resulted in significant internal restructuring within the organization. In particular, there has been a re-alignment of several activities from the Building Services and Planning Divisions of the Planning and Economic Development Department, as well as from the Public Works Department, to the former Development Engineering Division. The goal of this was to better align the work flow and processes to the divisions that are best suited to provide effective customer service.

In an effort to more accurately define the re-aligned organizational structure of the Development Engineering Division, in 2011 it was formally renamed to the Growth Management Division.

The staff recommendation seeks to build upon the various organizational changes that have been made to date by formalizing the operational review of the new Growth Management Division, thereby implementing Council’s 2008 direction. Through subsequent discussions at the former Planning and Economic Development Committee, it was agreed that the operational review would focus only on the new Growth Management Division, not the Planning Division as well, at this time.

Staff are recommending that a Growth Management Operational Review Sub-Committee, consisting of three (3) members of Council, be established to provide input to the project, and that the Terms of Reference (Appendix “A”) be referred to the Sub-Committee for consideration and approval.

Alternatives for Consideration – See Page 3

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS** (for Recommendation(s) only)

**Financial:**

The carrying out of the operational review will involve the City retaining external expertise on a contractual basis. Appendix “A” provides a description of the scope of work and the anticipated deliverables that would be expected from any successful proponent. Funding for this project would be from the Development Fee Stabilization Reserve.

**Staffing:**

The operational review would require internal Departmental staff oversight for the project, as well as require the active participation of a variety of staff throughout the review process.
HISTORICAL BACKGROUND (Chronology of events)

On October 15, 2008, City Council approved a motion contained in the Economic Development and Planning Report 08-019 stating:

“That an Operational Review be conducted of the Development Engineering and Planning Divisions of the Planning and Economic Development Department”.

POLICY IMPLICATIONS

N/A

RELEVANT CONSULTATION

N/A

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

N/A

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Option 1: Operational Review Sub-Committee be Established

As this approach follows best practices both within the City of Hamilton as well as throughout other municipalities, staff are recommending this approach.

Option 2: Do not Establish an Operational Review Sub-Committee

This is not recommended as it is contrary to best practices established for most operational reviews carried out previously in Hamilton and in other municipalities.
Option 3: Do not conduct a formal operational review of the Growth Management Division or delay the common commencement of the operational review

An operational review must be looked at as a positive initiative that strives to look for efficiencies and improved service delivery. In this respect, not proceeding with the review would not be recommended.

However, the Planning Committee may want to consider delaying the operational review until Q2 2012 until the Department reports back on the grading reform initiative and associated staffing and resources needed to implement any new direction.

### CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)


**Skilled, Innovative and Respectful Organization**
- More innovation, greater teamwork, better client focus

**Financial Sustainability**
- Effective and sustainable growth management
- Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner
- Generate assessment growth/non-tax revenues

**Growing Our Economy**
- Competitive business environment
- An improved customer service

### APPENDICES / SCHEDULES

Appendix “A” – “Terms of Reference” for the Operational Review of the Growth Management Division of the Planning and Economic Development Department

Appendix “B” - Current Growth Management Divisional Status and Objectives
Operational Review
Growth Management Division
Planning and Economic Development Department

TERMS OF REFERENCE

Background

The City of Hamilton is located at the western end of Lake Ontario. The City is composed of six former municipalities as the result of Provincially legislated amalgamation in 2001. The former Regional Municipality of Hamilton-Wentworth was amalgamated into a unified City of Hamilton. This amalgamation included the former City of Stoney Creek, Towns of Dundas, Flamborough and Ancaster along with the Township of Glanbrook. Hamilton is ranked as the tenth largest city in Canada with a population that exceeds 500,000 residents.

In 2007 the Planning and Economic Development Department underwent a significant organizational restructuring which resulted in the alignment of various work into key Divisions. This resulted in the creation of the Development Engineering Division which was responsible for the co-ordinating of infrastructure planning and engineering design approvals and construction inspection.

Over the past few years additional changes and responsibilities have been added to the Development Engineering Division due to the re-alignment of key activities from the Building Services and Planning Divisions of the Planning and Economic Development Department, as well as from the Public Works Department. In an effort to more accurately define the re-aligned organizational structure of the Development Engineering Division, in 2011 it was formally renamed to the Growth Management Division (refer to Appendix “B” to Report PED11174 – Current Growth Management Divisional Status and Objectives).

Business Overview

Currently, the Growth Management Division has a management complement of one (1) Senior Director, two (2) Directors, and four (4) Managers, who are responsible for directing/managing a workforce of over 42 staff members in the Growth Management Division, which is ultimately responsible for construction and engineering approvals. Two Managers report to the Director of Development Engineering - the Manager of Construction and the Manager of Engineering Approvals.

The Manager of Construction oversees construction inspections, letter of credit administration, project co-ordination, permit inspections. Eventually they will also be responsible for site plan inspection, lot grading inspection and site alteration administration.
The Manager of Engineering Approvals is responsible for detailed engineering approvals, Ministry of the Environment approvals under the transfer program, financial policy conformity, preparing development conditions, co-ordinating clearance of draft plan conditions, subdivision and development agreements, and review and approval of lot grading/drainage.

The Director of Growth Planning is responsible for Infrastructure and Staging/Legislative with two Managers responsible for each Section.

The Manager of Infrastructure Planning will oversee the preparation of the Staging of Development Program, environmental assessment related to growth, stormwater management plan review and approval, development charge background studies, capital budget for growth projects, co-ordination of infrastructure projects, and shovel ready initiatives, e.g., Airport Employment Growth District (AEGD), Red Hill Business Park.

The Manager of Staging/Legislative Approvals oversees staging of development administration, compliance with Provincial legislation, administration of subdivision agreements, administration of Memorandum of Understanding (MOU) with Conservation Authorities (CAs), noise study approvals, industrial vacant land inventory, legislative approval for draft plans and registrations, lifting of 0.3 metre reserve, and tracking development activity and date related to staging.

A copy of the organizational chart and summary of functions by Division and Section is included in Appendix “B”.

**Operational Review**

As noted in the background, the General Manager of Planning and Economic Development has made substantial organizational changes resulting in the existing structure. However, in October 2008, Council directed that an operational review be conducted of the former Development Engineering Division. This operational review is intended to meet this direction.

The purpose of the operational review is to identify ways to enhance service delivery to internal and external customers, promote accountability, ensure compliance to statutory regulations and policy directives, and provide consistent and uniform business practices, inspection and enforcement.

In 2006 a City of Hamilton and Development Industry Think Tank Session was conducted in order to review of the Development Review/Approval Process where a number of key issues and recommendations were identified. This operational review will include a re-examination of outcomes and a review of the implemented ideas.
Proposed Scope of Work and Services to be Retained

Deliverables

1. A comprehensive review of Growth Management’s current structure, a review of core functions and key services with internal and external clients, and identify issues with the current situation and make recommendations for enhancements and improvements. In undertaking this review the following elements must be considered:
   - legal requirements as required by legislation and by-laws;
   - financial requirements and impacts in providing the service;
   - assessment of any risks and the mitigation of such risks; and,
   - identification of any potential opportunities for organizational and service delivery improvements (service delivery objectives/service levels).

2. Examine the integration between the Growth Management and Public Works identifying any potential gaps and recommend any improvements between the divisions and other departments to ensure that the needs of the client are provided in a seamless and integrated fashion improving upon the “One-stop Shopping” principle for the Department and the City.

3. Conduct an examination of the current and future staffing requirements and funding models in the provision of the various services of Growth Management. A review of current workload distribution within the current structure in the various sections/teams will be examined. As well, a comparison between the benefits of a generalist versus a specialist distribution of work responsibilities and geographical team approach will be examined and commented on. The operational review must include a detailed evaluation of service delivery expectation with respect to staffing levels and revenues. In addition, this should take into consideration workload impact directly related to Ontario Municipal Board (OMB) appeals. Based upon the findings the successful proponent will recommend the potential staffing and financial implications required to implement any recommendations made to the design of workload distribution.

4. Undertake a review and analysis of the current application processes examining the current alignment and integration that exists between the processes, identify any gaps that may exist and recommend any improvements. The following detailed approval processes are to be reviewed:
   - Consent Application;
   - Site Planning Application;
   - Plan of Subdivision Application;
   - Secondary Plan Process; and,
   - Construction Management/Inspection of Securities.
5. A comprehensive review of technology requirements and identify enhancements, including options that will improve the functioning of growth management, streamline and improve processing of applications, and improve customer service, shall also be undertaken.

6. Primary and secondary research shall be undertaken by consulting with at least seven other similarly sized municipalities in Canada (not less than five from Ontario) in order to compare services and identify best practices of these municipalities that should and could be provided by the City of Hamilton.

7. Input shall be obtained from all staff in the Growth Management Division which may be affected by the changes and shall include the General Manager, Senior Director, Directors, Managers, Senior Project Managers and front-line staff (inside and outside workers) as well as senior management in other divisions/departments that have a direct functional working relationship with the Growth Management Division.

8. Primary research shall also be conducted through consultation with multiple developers, engineering, and other consulting professionals, that represent a broad cross-section of the private-sector development industry, at least half of which have experience with the processes from multiple municipalities.

9. Councillors for the City of Hamilton shall be interviewed to receive their input into any issue they have and suggested changes for improvement.

10. Costs and savings associated with proposed changes including costs/savings related to changes in staffing levels must be itemized and shown as part of the costs to implement the suggested change. If it is recommended that staff be trained for specific duties, training requirements, and associated costs must be shown as part of that recommendation.

11. Once completed, a written draft and review of the findings and recommendations shall be submitted to the General Manager, Planning and Economic Development and the Senior Director and Directors of the Growth Management Division before creating the final report.

12. Upon final completion, there will be a formal presentation on the final report and recommendations before the Planning Committee of Council.
Strategic Alignment

To improve the City’s business environment, image and profile in order to attract and retain business, grow our assessment, diversify the economy and improve quality of life. Alignment with Council’s strategic goals and priorities is essential.
Objectives

- Move to "One-stop Shopping"
- To achieve a sustainable financial plan
- Consolidate resources
- Address staffing demographics
- Create specialists and generalists
- Move to self sustaining business units
- Align program delivery
Objectives (Cont’d)

- Address gaps in the process / streamline
- Retain knowledge – Succession Planning
- Focus on service delivery to all stakeholders
- Proactive vs. Reactive
- Reduce impact on levy
HOW?

- Integration and alignment of resources across Departments
- Transfers of FTEs from Public Works and within the Planning and Economic Development Departments
- Improve communication
Director
Development Engineering

Manager
Construction

- Construction Inspection
- Letter of Credit Administration
- City Share Payment
- Project Co-ordination
- Permit Inspection
  Future
- Site Plan Inspection
- Lot Grading Inspection
- Site Alteration Administration

Manager
Engineering Approvals

- Detailed Engineering Approval
- MOE Approvals under the Transfer Program
  Financial Policy Conformity
- Prepare Development Conditions
- Co-ordinate Clearance of Draft Plan Conditions
- Subdivision and Development Agreements
- Review and Approval of Lot Grading/Drainage
Director
Growth Planning

Manager
Infrastructure Planning
- Preparation of the Staging of Development Program
  - Environmental Assessment related to growth
  - Stormwater Management Plan review and approval
    - Development Charge Background Study
    - Capital Budget for growth projects
    - Co-ordination of infrastructure project
  - Shovel Ready Initiatives – AEGD, Redhill Business Park

Manager
Staging/Legislative Approvals
- Staging of Development Administration
- Compliance with Provincial legislation
- Administration of Subdivision Agreements
  - Administration of MOU with CAs
    - Noise Study Approval
    - Industrial Vacant Land Inventory
- Legislative approval for Draft Plans and Registrations
  - Lifting of 0.3m reserve
  - Tracking development activity and date related to staging
Benefits

- Streamlined processes / enhanced One-stop Shopping Program
- Retention of Corporate knowledge
- Improved alignment and distribution of workforce skill sets and requirements
- Focused Staging of Development Program
- More responsive to inspections for site plan and future grading reform / complaints
- A sustainable growth plan
- Integrated decision-making (across Departments)
- Operation efficiencies with one FTE reduction
- Wage savings of approximately $30K
- Additional savings / efficiencies to come with grading reform site plan inspection transfers