**Public Sector Future WWPS Podcast Series**

**Episode 65**

**Olivia Neal [host], Jazz Pabla [guest]**

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**OLIVIA NEAL:** Hello and welcome to Public Sector Future. This is a show for anyone who cares about using digital approaches in the public sector to deliver better outcomes. I’m your host, Olivia Neal, and together we explore stories from around the world, where public servants have been successful at delivering change.

I'm joined today by Jazz Pabla. Jazz is the CIO of the City of Kelowna in British Columbia, Canada. If you've seen the report we published recently with Apolitical on Generative AI in the Public Sector you'll already know that Jazz and his team have been an early example of using Generative AI in delivering services. Today we get deeper into how he's been using these tools, how they team approach risk, what benefits they're seeing, and what this means for talent.

[01:00]

**OLIVIA NEAL:** Well, Jazz, welcome to the show. Thank you so much for joining us.

**JAZZ PABLA:** Thank you for having me. I’m excited to be here.

**OLIVIA NEAL:** Well, I wonder if we could start off with just by giving a little bit of context from you on the city of Kelowna. Could you explain for our international audience where Kelowna is, how big your organization is, how many people you’re serving?

**JAZZ PABLA:** Yeah, so Kelowna is nestled just about four hours northeast of Vancouver, in British Columbia. And we’ve got about 150,000 residents. And it’s 50% of Kelowna is agricultural land. The other 50% is residential. We got a big, beautiful lake that connects five communities. And we have a really strong indigenous community as well here in Kelowna that kind of binds us all together. And so it’s a great little community. It’s kind of the Napa Valley of BC, with a lot of wineries, a lot of orchard and fruit farms. And so yeah, it’s a nice, nice community.

**OLIVIA NEAL:** I have been to Kelowna, and it is beautiful, a beautiful place to live. So you’re serving a reasonably small population as a city and presumably, the city of Kelowna, the organization itself and the team that you work with is not a particularly large organization either. Could you share a little bit about your team and your role?

**JAZZ PABLA:** We have roughly over a thousand people. We have our own international airport. So it’s not an authority; it’s actually part of the city. So it kind of makes us a little bit different as well. So it adds a little bit more of a dynamic to our service offering.

Out of the thousands of employees, there’s about 40 that work in IT. And we have different types of skill sets, from GIS to data to software, AI obviously, and the topic that we’re talking about today. And then obviously cybersecurity infrastructure as well, which is very critical on the day-to-day side of things.

And so, yeah, it’s a fast-growing city, one of the fastest growing cities in Canada. And so, it’s a challenge for us to grow with it, and technology is definitely a key contributor to sort of managing that sustainable growth.

**OLIVIA NEAL:** And I think the conversation with you is a really interesting one for me, because a couple of weeks ago, I was talking to a CIO in a government agency, and it’s a very large agency, and he has a team of 5,000 people.

So I think what’s really interesting about this conversation is how you can use technology in a smaller team and how you can build the skills and build that in and help in your growth and your development. And I’m curious as to your view on what are some of those opportunities, or maybe challenges that having a team of 40 gives you.

**JAZZ PABLA:** So the great thing about having a team of 40 and the size of city we are, when you’re in government, it can be hard to move left to right, when you want to make those transformational changes. And for us, we’re a little more a little bit more nimble. So it’s very easy to kind of move left to right. Very simple for us. If you want to make a decision, we can, you know, over the next few months, make that decision and move. And so, we’re very in tune to the latest technology.

We’re also aligning ourselves to what’s the best possible citizen experience that we can give. And then once we’re focused on the citizen experience, what’s the best staff experience? So those two individuals or those two groups that are interacting daily, what’s the best experience that we can offer? And then sometimes those innovative technologies, you can’t wait two, three years to implement them. They need to be here now because in your private life, you’re seeing them every day. That’s the great thing about a team of our size is you can, you know, shift when you need to shift.

[04:24]

**OLIVIA NEAL:** And thinking about these examples of new technology, I think that brings us nicely into the focus on AI and the opportunities there. When was that something that you started thinking about using within your team?

**JAZZ PABLA:** Yeah, you know, it was around the pandemic when we realized that we weren’t going to have the ability to open doors for certain offices and facilities we have, and the airport was our best example where you have this, you know, fluid information of COVID, where it’s very hard to understand, you know, what’s open, what’s not open. That’s the city side, but travel was its own other entity of information that was out there.

And so, just delivering that information, 24x7 sort of scalable, that’s when we started to realize, okay, there’s this digital system experience that exists, whether it’s chatbots, whether it’s voicebots, that allow you to convey changing information just regularly, without having to have this over, you know, painstaking sort of process to update information. Aand the technology can easily adapt to it. That’s where we really started.

Then we introduced that same digital assistant experience at City Hall with all city services. And first of all, it was COVID as kind of a pilot, like let’s get COVID information out, so people know when they want to go swimming, what do I need to know? Or when I go to this facility, what do I need to know?

But the feedback we got from those bots was people wanted to consume city services way beyond COVID. And it was outside of City Hall hours. because when you’re at home, and you’re saving money, you want to do renovations. People are asking questions about renovations, or what can I build on my property?

And so, we started to realize, okay, there’s something else here. This is a group of citizens, a majority of citizens, who don’t want to come into City Hall, who want to consume City Hall data. What’s the best way we can give it?

And so, we started to focus on these digital assistants and our web experience, and then everything just accelerated. I say like 10x as soon as generative AI was introduced, right, into those digital assistants, because now that training of it, and getting information, it’s so much easier. It’s just point and click. And the AI so smart.

This is the future of government is this digital assistant world where this information is in front of citizens’ hands whenever they want it, not when you’re available, when they’re available.

**OLIVIA NEAL:** I can see, you started that digital transformation process making information available online. And then as Gen AI has now become more available, more consumable, you’ve been using that to improve the process further.

And I’m curious about the training of the assistants. What type of material are you training these on? Is this on the content that’s on the website already? Is it on legislation, on policy? How are you going about that training process?

**JAZZ PABLA:** Yeah, everything that we’ve done so far is what’s ever available on our website. We’ve just made it easier to consume. So when we’re talking about building permits, so one of the examples we use, and we use Microsoft’s Azure environment with their GPT models that they have there to achieve this.

And so, the best example is our building permit process where you come in, and you select what building permit you want, or what you’re trying to build. And as you pick that item, and you pick your property, you can get information in real time on how to build and what to build with, with according to the legislation, in real time. So that’s that copilot, that assistant, that’s writing right beside you the whole time, just helping you move forward.

That experience really opened our eyes to see, okay, there’s a world where we can teach compliance to the AI model to help citizens interact with City Hall a little bit different. And that’s really the key here is how do we get this information that’s very hard to find and very hard to understand but explain it in plain English. Generative AI sort of hits the mark on that. When you find those use cases, it works quite well.

**OLIVIA NEAL:** And when you were proposing this idea and starting to test this and use this, were there any areas of risk that either you were thinking about mitigating or that other people within the city were raising and wanting to make sure that you are mitigating?

**JAZZ PABLA:** Yeah, the biggest risk when you do something like that is around the quality of data you have out there. So you put these bylaws out there, you put, you know, these zoning bylaws, whatever it might be, and then generative AI reads what’s out there?

Well, if you’ve got addendums after addendum after addendum, where you’ve got old documentation, and you’ve got two versions of a bylaw, all that sort of all of the above, you got to clean that up, and that was our biggest learning.

And so when just like a learning experience for us is we put it out there and we asked it to explain parking rates. Very simple, but is a very common question, like if I park here, how long is it? And it was giving answers from like 10 years ago. And we were like, well, how’s it doing that? And then when you open the actual bylaw, it’s because the way we stacked the bylaw, we had 10 years’ worth of tables. And so, the answer is like, well, let’s remove all the previous years, no one cares anymore, and then get it to read the actual data.

That is required, and that was one of the biggest challenges and risks we have because You don’t want to give wrong information and people start making building decisions.

So you have keywords that you put in there to mitigate that risk that this chat experience it’s not the authority, nor it’s an approving officer on plans. It’s here to guide you and give you information. They may not get it right, just like a human may not get it right. So when you walk up to a planner, they may not get it right, just like the AI might not get it right. So you got to be mindful of that. So putting those mitigation steps in is super key.

But cleaning up that data, it’s going to be quite clear that when generative AI starts giving answers and you’re really like just where is this coming from, it’s not generative AI that’s getting it wrong; it’s the information you gave it isn’t correct.

[10:17]

**OLIVIA NEAL:** And it sounds like during this process, you spotted this because you were testing the rollout. And I wonder whether that kind of iterative approach of gradually testing and building is something that’s been important to you.

**JAZZ PABLA:** Yeah. So right now, we haven’t gone live with it. So it’s going to go live here probably in the next couple of weeks is a solution with copilot and our Azure bot that we have out there.

It’s a recreational bot. So if you want to sign up for swimming, or you want to know what event’s happening, instead of you going through an event guide or like a PDF and flipping through it, you’ll have this chat experience. And you’ll be able to say things like, you know, I’m 40 years old, and I want to play basketball. And within a snap of a second, it goes and it reaches into the actual system, pulls out all the activities that are aligned to what you want, and it gives you an answer.

So what we do is we put that out there. Then we have the team actually test it. So is it right? Because they know the answer. Not my team; the actual recreational team. So they’re in there right now, we’re testing it as we speak on is it giving the right answer, is it actually giving me accurate information.

And when you get to a spot where it’s like, you know, 80-90% accurate, you put it out there, and you put your caveats in there. But it gets better and better over time, to the point where there’s only so many variations of ways that people ask questions before you start to get the answers correctly. And so, there is an iterative process, but it’s not something that takes years; it’s something that takes weeks.

**OLIVIA NEAL:** And I think both of those examples are really interesting and things which are high demand for citizens. And are you thinking in the future about how to use these types of technology with other types of data? Because these both recreation and permitting are both kind of quite low sensitivity data. They’re information that’s publicly available. Are you thinking about other uses as well?

**JAZZ PABLA:** Yeah, especially internally. So what I’ve talked about up to this point is the public facing side and that citizen experience and that 3-1-1 through AI, we envision that through SMS and all that. So you’re right, that is a bit of a lower risk, but still low risk from a data perspective, high risk from a citizen experience because of reputational purposes. So there is a bit of a balance there.

You kind of look internally, we’re building copilots that tie into enterprise systems, so our ERP system down the road, our asset management system. So you can start to ask it questions. In municipalities, there’s geospatial systems are everywhere. And so, one of the ones we’ve done is actually asking AI to read the geospatial system in just plain conversational text, instead of having a background in mapping. And that’s changing for us.

So if you think about it, you don’t need to have experience in mapping software to pull out mapping data. Asking copilot those questions, and then it going into the mapping system, getting you the answers, that’s huge. That’s not low risk data anymore. That is the actual like enterprise level data that you’re now interacting with.

And so, we see a world where you’re looking up and summarizing data real quick. We also see a world where you’re teaching the workflows and the processes to AI. So you’re no longer having to enter into enterprise systems. So if you go to an ERP system, and you’re uploading, you know, P-card entries or invoices, everybody in government does this, you’re interacting and putting stuff in.

Imagine a world where you’re just asking AI to do that for you, and it knows who you are, it knows what GLs you have access to, and it’s actually asking you the questions you need, and it enters the data in correctly. Very clean data comes in. You’re teaching a bit of compliance there.

It’s just changing the way that we’re going to be interacting with software where the AI and the copilot is going to be front and center, not the software itself. That’s what’s happening behind the scenes, and it’s going to completely change how organizations, government or not, start interacting with data and software.

[14:17]

**OLIVIA NEAL:** And as you’re exploring extended uses of generative AI, both in the service-facing aspects of what you do and also in the internal ones, how are you thinking about quantifying the return on investment of this? As you’re increasingly making investments in this area, presumably within the organization, you’re being asked to feed back on success or savings or performance improvements. Could you share a little bit about how you’re thinking about that?

**JAZZ PABLA:** Yeah, there’s two sides to it. So if you focus on the citizen side and that interaction coming in, we know there’s a industry set standard on the amount each telephone call costs, and it’s a very common number. It goes between eight to 16, on the high end 32, kind of falls in that range. And we also know that AI, according to Gartner, is around that 75 cents to $1 per call. So you know that there’s this massive saving in cost. So we can quantify that right away.

The ability for AI to scale up and answer the phone or, you know, service request from the citizens, no human can do as much as one interaction with a bot can. And these bots are sub $100,000 for organization. So you’re looking at a significantly reduced cost to scale and provide the service. So there’s a cost savings right there.

Repurposing those people for higher value activities, I’ve been saying this for a couple of years now, it’s data quality over data entry. Let the system enter data; let’s worry about the data quality and the experience of the customer. So there’s that side of it.

And on the internal side, very similar. We’ve done an assessment on, you know, digital opportunity assessment. And so, we interacted with frontline staff, not senior leaders, not, you know, middle managers, none of that, frontline staff. What are you doing, how are you doing it, and how long does it take? And what do you see as a better option. And so, we got feedback right away on those things that were like 200,00 to 300,000 hours of potential automation time that we could save.

And so, the savings are in the millions. And that’s because the people that are close to the ground are describing some of the pain points they have with processes. Well, that turned into our backlog and our opportunity, and now we just automate that.

So we have great data on the effort required. We know then how much we would save. We work with finance to figure out how do we repurpose these resources or the financial resources.

And then on the citizen side, we know exactly how much are citizens interacting with us. And we want that to increase. Your point of entry for citizens shouldn’t be between eight and four, shouldn’t be on the website, should be via text or social media. Like, we should be coming to you.

And so, those points of entry, and we track those measurements quite tightly, and we report on it yearly publicly. Like this year, we reported on our digital assistant use case uses. And so, last year in 2022, there was 12,000 questions asked in our digital assistants, across all our digital assistants, and about 1,500 of those were voice. Pretty good start. 2023, we’re at over 105,000 questions asked, and 79,000 of them came in over the phone. And so, you can see that there’s this big curve up of use of digital assistants. That data, that story, once you put it out there, very compelling story and a reason why you should just continue to move forward.

**OLIVIA NEAL:** That’s great. Thank you. And so, kind of moving on a little bit from those examples of using Generative AI and citizen-facing services, and then in some of the internal operations, I’m also interested to know a little bit more about how you’ve used AI in thinking about some of the other work that your team does with the technology that supports the operations of the city.

And I think that one of the things that you’ve been looking at is using generative AI to help modernize some of your older code base. And I wonder if you could just share a little bit about your work in that area?

**JAZZ PABLA:** Yeah, so there’s a couple of approaches there. So we’ve got developers, and we have people that aspire to be developers. And there has always been this like, well, you know, developers have been doing it for a while. They’ve done it this way. And then there’s developers that are coming up that are still learning.

AI has done a great job of leveling up those developers that are learning, so things like GitHub Copilot, and these repositories that are out there, leveraging that to help write code.

And it’s not just about app development. This is also very real in our data and GIS teams as well. And so, you’re seeing people that may not have the technical experience in coding using these types of technologies to help code quicker.

Now, Microsoft and the Power Platform and their Copilot built-in, we had a database, database/Excel sheet of information about individuals and certain things they have access to. And we took that, and so one of our business system analysts took that, that spreadsheet and whatever database there was, and it was legacy, and asked AI, can we convert this into a new app with a chat experience, and can we move the data into something a little bit more structured? Six minutes; then it was done.

And so, now you’re seeing apps being created on the fly. You have your data. You know what the data is. You need to refactor that database. You need to create a new front end. You need to make it chat friendly. Well, generative AI just accelerates that conversation. So I think that day, they did like two or three, just to see how it would work, and they were just blown away.

So it’s completely changed how we look at some of our legacy systems and how we go to market a lot quicker. And this is what you’re going to see, I think, just generally in the market, forget about government, just generally in the market, people with ideas being able to go to market quicker on their ideas, and being able to test things out. It’s no different for government.

[20:09]

**OLIVIA NEAL:** And presumably for you in getting the best talent for your team, you know, this is not a skill set where we’re overwhelmed with great people looking for jobs. You’ve got to compete for this great talent. And if you’re offering them an environment with the tools, which they’re excited about using, that can help them build their skills, that can help them stay current, that makes you more appealing as an employer as well.

**JAZZ PABLA:** Yeah, we had one of the lowest turnover rates at the city in IT during the pandemic and going out of it. And you’ve heard of people, the Great Resignation or whatever you call it. We didn’t see that.

When you’ve got this innovation, innovative culture, and other cities or other government entities are looking at Kelowna as like, okay, so they’ve got something special there, they’ve got access to AI, they’re clearly doing something, they’re forward thinking, you don’t want to leave that, you want to continue to work in that. And outside, you want to join that. So we’ve been branding ourselves as this innovative city.

This is what’s going to be required to retain this talent going forward. If you’re in government, and you need to bring in that next generation of worker, but you’re not willing to move forward, they’re going to move on. They will 100% move on. It’s not like before where in government, where people thought, I’ve got this pension, I’m going to sit on this. Those days are completely over. People will transition every three to four years, especially if the opportunity isn’t right.

And I think that is key in this. That is why we create this innovative sort of environment if we want to retain our talent, and also make it very appealing for people to want to come join.

**OLIVIA NEAL:** And I think in addition to retaining the talent by making sure that you’re continually modernizing your underlying tech stack, that you are thinking about how to integrate new technologies and use them to move everything forward. Then you’re building the resilience of what you’re providing as a team and as a city as well.

**JAZZ PABLA:** To add onto that, you’re adding a platform. You’ve created this platform of innovation. So now you don’t need IT to be innovative, right? Now we’re seeing our business partners that aren’t in IT saying, hey, I think AI can do this.

So here’s a really good example is we’ve got a digital assistant out in our landfill. And that digital assistant tells you things from tipping fees and basic stuff. We’ve also trained it on I think over 200 items to recycle in our community, so you don’t bring them to the landfill. We tell you where to divert it, so it diverts away from our landfill, which is brilliant.

The individual running the landfill is coming to us with the next level of innovation, not us. Like, we’re not the landfill experts; he is. But he’s stepping forward because he now sees the possibilities.

And so this it’s very infectious and contagious, and once it starts to get going, it just takes off. There’s no turning back now. Like the city of Kelowna is a city that embraces AI. That is part of the brand now.

**OLIVIA NEAL:** Are there other areas for you, as you’re looking outside of the city, maybe looking to what other municipalities are doing, other places in Canada or around the world, which you particularly are inspired by or who you think are good examples for you to be following?

**JAZZ PABLA:** We know, especially on building and permitting and how that works, we know, and we’ve spoken to cities and countries in Europe that are absolutely leading the way in these small, little pockets. And I’ve spoken to cities in the States, a lot of them in America. We – we get a lot of feedback from. We just had a little workshop around wildfires, which is massive for us. We lost 200 homes in our community just last year in that region. But then to realize, okay, so we’re still learning. But then for Microsoft, for example, to connect us to California wildfire, or Oregon State and Washington State.

So then we look at state and cities that are doing it much better than we are. But the great thing is we’re a little bit smaller, so we can adopt it and really accelerate towards it. And so, we see a lot of communities and pockets doing this. We work with cities all across Canada.

We love helping as well. I’m on an advisory board with the province of British Columbia on helping cities across BC with permitting. And so, how do we sort of, you know, multiply our efforts to help all of Canada out and all of the world? We actually gave away at no cost to municipalities our permitting solution. So we went with the Explore Your Property. It’s a generative AI on the Microsoft stack. We documented it all, all our journeys, everything, all the questions that we got, and we just gave it away to cities for free. Because every city is struggling with this. So why should we hold this close to us? Everybody needs to build homes quicker.

And anything that gets funded by other levels of government or anything that really moves society forward, you’re going to see Kelowna help other communities move forward. And especially on the permitting side of things where we need to build homes quicker, we will give it to any city across the world. We feel that there’s a responsibility for governments to work together to provide homes over people’s heads. And if we can contribute to that positive energy, we’re in.

[25:18]

**OLIVIA NEAL:** Well, I was going to ask you how you would recommend others get started if they want to learn from your lessons and follow your type of approach. It sounds like there’s very practical documentation as to how you address the housing permitting issue. But are there any kind of broader pieces of advice that you would give in terms of preparing an organization to really start to embrace these opportunities?

**JAZZ PABLA:** Yeah, so get to know your technology partners well. So if you’ve got Microsoft, Microsoft partners, or whoever you’re working with, interacting with them and understanding what they can do, they’re there to help. I mean, Microsoft’s been great for us and all our partners along the way.

My advice to anybody is just like start with something. It’s progress over perfection. So if you’ve got an area and you want to try a chatbot, or you want to try a voicebot, then you’re just worried, just turn it on. And if you’re worried about the voice, do the after-hours only, right, where it’s a lower risk, and it’s less call volume, but you’re still taking – just start somewhere, and then work towards that perfection. That’s the key.

And sometimes, I feel like we overanalyze, or we need to make sure it’s perfect before we start. That’s exactly how these forward-thinking tech companies don’t work. They work the complete opposite. They’ve got an idea, they go to market, and then they iterate over time. Government needs to adopt that same mindset and just start.

I can’t stress enough. I’ve been at the city of Kelowna for four years. And we thought it was going to be a lot more difficult than it may be is. Yes, there’s learning curves. Yes, there’s things to try out. But those wins, as soon as they start to pick up, it just takes off, and it’s not that difficult. It really isn’t.

**OLIVIA NEAL:** That’s fantastic. Thank you so much.

**JAZZ PABLA:** Yeah, thank you for having me.

[Music.]

**OLIVIA NEAL:** Thank you to our guest, Jazz Pabla, and thank you to you for joining me today on Public Sector Future. If you're interested in finding out more about the materials Jazz mentioned, we've put the links on the website, and in our show notes. Please do send us your questions and feedback, you can find me on LinkedIn, or email us at ask-ps@microsoft.com. Thank you and see you next time.

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[27:50]