



Agenda No: 7.10

Mtg. Date: November 12, 2015

Governance and Services Committee

TO: Governance and Services Committee
FROM: Chris Radford
Director of Community Services
DATE: November 3, 2015
SUBJECT: Building Inspection Program – Service Review

Purpose: To present a Service Review Report for the Building Inspection Program and confirm if there are any additional issues the Board wishes to have addressed.

Executive Summary:

On January 16, 2014 the Board approved a Service Establishment Bylaw Review Schedule that has every service the Regional District provides reviewed every five (5) years. In 2015 the Building Inspection Program is one of ten services that are subject to review. In preparing this Service Review Report staff reviewed the program's mandate, goals, and activities to confirm we are achieving the Board's objective of providing efficient, cost effective services.

The primary objective of this program is to provide effective and efficient building inspections within the Electoral Areas to ensure compliance with all applicable codes and regulations as well as maintain files and records of all historic and current building permits.

The Building department is currently meeting the Board's mandate and requirements of the public, although staff has identified a few areas that the Board could consider for review, amendment and improvement. Areas for review include updating the Building Bylaw and associated fee schedules to maintain consistency with surrounding jurisdictions and cost recovery as well as an approved method to fund operational reserves when budget surpluses are realized.

At this time staff would be pleased to answer any questions the Board may have regarding this report and ask the Board if it has any other issues they would like followed up on in this review.

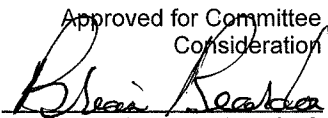
RECOMMENDATION:

THAT the Governance and Services Committee recommend the Board direct staff to review and update Building Bylaw No.835 and bring back to the Board for consideration

AND THAT the Governance and Services Committee recommend the Board continue to support the current service delivery model for the Building Inspection Program.

Respectfully Submitted:


C. Radford
Director of Community Services

Approved for Committee
Consideration

Brian Reardon, CAO

Prepared by: D. Wildeman, Manager of Fire and Inspections Services

Implications of Recommendation:

Policy: Board Policy Five Year Service Review Cycle.

Background:

The Regional Board adopted a five year cycle of service reviews on January 16, 2014. Building Inspection is scheduled for review in 2015. It should be noted that General Bylaw does not form part of this review and should be considered for a formal review in 2016.

Historically the Building Department experienced a high level of activity through construction permitting and subsequent revenue to fully fund the service. Due to a downturn in construction beginning in 2009 the service underwent significant financial challenges. As a result taxation was authorized by the Board in 2013 to provide minimal levels of service.

In 2012, the Board requested a review of an alternative service delivery model which included having member municipalities providing building inspection through a contract agreement. After review the Board did not endorse this approach and continued to support the provision of service by RDCO staff. The details that investigated an alternative service delivery model are contained in the attached report from November 20, 2012.

Over the last two years construction activity has somewhat rebounded resulting in increased permit revenue. This increase along with a Management role that combines oversight to both Building Inspection and Fire Services has resulted in further efficiency.

The Building department currently has 1.85 FTE's, comprised of a Building Inspector, Administrative support and Management oversight.

The following pages provide more detailed background for Board review.

REGIONAL DISTRICT OF CENTRAL OKANAGAN SERVICE REVIEW

Service Under Review: **044 - Building Inspections and Enforcement of Sign Bylaws**

Service Review Requested by: Regional Board (Service Establishment Bylaw Review Schedule Approved-Jan 16, 2014)

Year of Review: 2015

Mandate:

- To provide effective and efficient building inspections within the Electoral Areas to ensure compliance with all applicable codes and regulations.
- To review and approve building plans and work with professional trades people to ensure safe and healthy structures along with timely completion of the projects.
- To provide direction and assistance to property owners working through the building process.
- To maintain files and record keeping of all historic and current building permit documentation.

Program Management Goals:

Building Inspections:

- Reduce the impacts of incompatible uses, and achieve safer buildings that last longer through compliance with:
 - Regional District of Central Okanagan Building Bylaw, Joe Rich Rural Land Use Bylaw and Zoning Bylaw No. 871, for Electoral Areas
 - Review Building Plans to ensure compliance with all building and fire codes.
 - Continue to support other bylaw activities to realize efficiencies while working in the field.
- Effectively manage resources and budget to:
 - Balance staffing to efficient levels that provide for:
 - Single Detached Housing permit issuance within 2 weeks of application in normal circumstances.
 - Inspections scheduled and completed in a timely manner as to not impede progress of the project.
 - Progress inspections are performed at predetermined stages of construction to ensure code compliance and the safety of the structure.
 - Deficiencies are identified and ordered to be repaired or completed prior to moving to the next stage of construction.
 - Ensure that permit fees are set at appropriate levels to provide sufficient revenue to accommodate the target staffing/efficiency balance.

- Maintain a permit closure program that focuses on having permit holders complete their projects in a timely manner.
 - Continue to update electronic record keeping and reduce reliance of hard copy storage.
 - Continue to enter inspections electronically from the field and print off or email inspection reports while still on site.

Sign Bylaw Enforcement:

- Respond to complaints about potential violation regarding sign bylaws for the Electoral Areas to mediate and resolve complaints in accordance with the bylaws.
- Continue to provide service by ensuring staff respond to complaints in a timely manner in accordance with the Strategic Plan.

For Both Services:

- Continue to provide service by:
 - Ensuring staff:
 - Provide friendly, timely and helpful customer service.
 - Are knowledgeable, and capable of professional interaction with a diverse group of stakeholders and contacts.
 - Carry out their duties in a manner that provides for personal safety.
 - Respect the constitutional rights of the persons that they interact with.
 - Are provided with training opportunities to enhance their understanding of their duties, responsibilities, and liabilities.
 - Show flexibility when scheduling inspection on non-inspection days in an effort to provide good customer service.
 - Ensuring that:
 - The extent and levels of service are clearly defined for staff and stakeholders.
 - Communications to stakeholders and contacts are clear and in language that is easily understood.
- Effectively manage resources and budget to provide efficient services to carry out the mission statement.

Program Activities:

For Both Services:

- Answer public counter and phone inquiries and provide information about:
 - Building bylaw requirements.
 - Direct applicants to departments such as Planning or Environment Services as required ensuring the development is compliant with zoning and development permitting as required.

- Book inspections and receive documentation as required.
- Various bylaws enforced by the RDCO.
- Archived and active building permits.
- Explain the permit process and assist in compliance.
- Collect fees and issue invoices

Building Inspections:

- Process building permit applications by:
 - Ensure compliance with Building Bylaw No. 835 and zoning prior to accepting applications for processing.
 - Referring applicants for development permits and engineering department requirements as necessary.
 - Preparing and issuing building permits.
 - Process building permit applications and plan check each print and amend as required.
 - Issue permits within a 2 week delivery window.
 - Process engineering requests for water and sanitary sewer connections as required.
 - Meet with stakeholders on larger and more detailed projects.
 - Work with professional engineers with regard to complex structures or design issues.

- Permit Management, Monitoring and Compliance Enforcement:
 - Managing building permit files, both electronically and hard copy.
 - Carrying out requested inspections in accordance with building bylaw requirements.
 - Inspect permitted construction projects for compliance with all codes at regularly scheduled bench marks of the project. Upon successful completion of each stage of construction an inspection notice is issued allowing the builder to proceed to the next stage of construction.
 - Issue inspection of completion at the final successful inspection. This inspection gives permission to occupy the premise. The final inspection ensures compliance with all codes and safety requirements.
 - Monitoring inspection areas for construction occurring without building permits. Issue Stop Work Orders on construction projects that have not obtained building permits or have zoning issues. Provide assistance to the party to bring into compliance as required.
 - Responding to illegal construction activity with appropriate bylaw enforcement procedures.
 - Monitoring building permit files for ongoing status of building projects.
 - Compelling owners to complete projects.
 - Obtaining Regional District of Central Okanagan Board approval of title notices for incomplete building permits.
 - Notify BC Assessment Authority of property improvements for taxation purposes.
 - Evaluating proposed equivalents to building code provisions or materials for acceptance.
 - Maintain professional qualifications by continuing to be a member of various building associations and attend upgrade courses as required.
 - Continue the digital management program of completed building permits.

Participants

By Requisition – Central Okanagan West and Central Okanagan East Electoral Areas
By Contract – N/A

Historical Cost of Service (Building Inspection Only) By Participant – as attached

5 Year Actuals –

Year	2011	2012	2013	2014	2015
Tax Requisition	0	0	(\$93,446)	(\$29,196)	(\$20,067)

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2014 PROGRAM BUDGET**

Program: 044 -- Building Inspections & Other Bylaw Enforcement

Department: Community Services (Inspections)

General Revenue Fund Budget

	2014 Budget	2014 Actual	Variance 2014 Act. vs. Bud.	2015 Budget	Variance: 2015 vs. 2014 Budget
Revenue:					
Permits, Tickets, & Sundry	(128,015)	(243,294) c	(115,279)	(135,000) c	(6,985)
Tax Req - EA Cent Ok West	(37,326)	(37,257) a,b	69	(34,865) a,b	2,462
Tax Req - EA Cent Ok East	(30,978)	(31,047) a,b	(69)	(31,340) a,b	(362)
Previous Year's Surplus/Deficit	(40,052)	(40,052)	0	(100,961)	(60,909)
Administration OH	29,391	29,391	0	38,726	9,335
Total Revenue	(206,980)	(322,259)	(115,279)	(263,439)	(56,459)
Expenses:					
Operations	206,980	221,298	14,318	263,439 d	56,459
Total Expenses	206,980	221,298	14,318	263,439	56,459
(Surplus) / Deficit	0	(100,961)	(100,961)	(0)	(0)

FTE's: 1.700 (2014 Budget) vs 2.150 (2015 Budget) vs 0.450 (Variance)

Tax Levy:

Tax Requisition	(68,304)	(66,205)	2,100
Residential Tax Rate (per \$1000 of assessment)	0.0394	0.0383	(0.0011)

General Capital Fund Budget

	2014 Budget	2014 Actual	Variance 2014 Act. vs. Bud.	2015 Budget	Variance: 2015 vs. 2014 Budget
Revenue					
Transfer From Reserves	(22,385)	(12,378)	10,007	(18,540)	3,845
Total Revenue	(22,385)	(12,378)	10,007	(18,540)	3,845
Expenses					
Software	22,385	12,378	(10,007)	18,540 e	(3,845)
Total Expenses	22,385	12,378	(10,007)	18,540	(3,845)
(Surplus) / Deficit	0	0	0	0	0

Reserve Fund Balance at Y/E: (192,782) (2014 Actual) vs (175,984) (2015 Budget)

2015 Budget Notes:

- a. Tax requisition is required to fund general bylaw enforcement services for zoning, etc.
- b. Tax requisition was added in 2013 to fund building inspection, as per Nov. 26, 2012 report to Board and is still required.
Tax requisition breakdown: Building Inspection \$20,067 & General Bylaw Enforcement \$46,138.
- c. Increased Building Permit activity and revenues in 2014. Because of uncertainty, permit revenues are budgeted conservatively based on 2012 & 2013 levels.
- d. Increases: Payroll \$50.5 (added .45 FTE-required increased Building Permits), Legal \$5K, Vehicle Operations \$6K, Misc \$1K
Decrease: Microfilming \$6K
- e. Building Inspections Mobile Software.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2015 - 2019 Five Year Program Budget Projections**

Program: 044 -- Building Inspections & Other Bylaw Enforcement

Department: Community Services (Inspections)

General Revenue Fund Budgets

	2015 Budget	2016 Projected Budget	2017 Projected Budget	2018 Projected Budget	2019 Projected Budget
Revenue:					
Permits, Tickets, & Sundry	(135,000) c	(170,000)	(173,401)	(176,868)	(180,404)
Tax Req - EA Cent Ok West	(34,865) a,b	(69,703)	(68,017)	(69,377)	(70,765)
Tax Req - EA Cent Ok East	(31,340) a,b	(62,655)	(61,138)	(62,362)	(63,609)
Previous Year's Surplus/Deficit	(100,961)	(0)	(0)	(0)	(0)
Administration OH	38,726	38,750	38,776	39,551	40,342
Total Revenue	(263,439)	(263,608)	(263,780)	(269,056)	(274,437)
Expenses:					
Operations	263,439 d	263,608 f	263,780 f	269,056	274,437
Total Expenses	263,439	263,608	263,780	269,056	274,437
(Surplus) / Deficit	(0)	(0)	(0)	(0)	0
FTE's	2.150	2.150	2.150	2.150	2.150
Tax Levy:					
Tax Requisition	(66,205)	(132,358) g	(129,155)	(131,739)	(134,374)
Residential Tax Rate (per \$1000 of assessment)	0.0383	0.0755	0.0726	0.0729	0.0733

General Capital Fund Budgets

	2015 Budget	2016 Projected Budget	2017 Projected Budget	2018 Projected Budget	2019 Projected Budget
Revenue					
Sale of Asset	0	(8,000)	0	0	0
Transfer From Reserves	(18,540)	(22,075)	0	(10,025)	0
Total Revenue	(18,540)	(30,075)	0	(10,025)	0
Expenses					
Vehicles	0	30,075	0	0	0
Software	18,540 e	0	0	0	0
Orthophotos	0	0	0	10,025	0
Total Expenses	18,540	30,075	0	10,025	0
(Surplus) / Deficit	0	0	0	0	0
Equip. Reserve Balance at Y/E	(175,984)	(155,449)	(157,003)	(148,448)	(149,932)

Notes

- a. Tax requisition is required to fund general bylaw enforcement services for zoning, etc.
- b. Tax requisition was added in 2013 to fund building inspection, as per Nov. 26, 2012 report to Board and is still required.
Tax requisition breakdown: Building Inspection \$20,067 & General Bylaw Enforcement \$46,138.
- c. Increased Building Permit activity and revenues in 2014. Because of uncertainty, permit revenues are budgeted conservatively based on 2012 & 2013 levels.
- d. Increases: Payroll \$50.5 (added .45 FTE-required increased Building Permits), Legal \$5K, Vehicle Operations \$6K, Misc \$1K
Decrease: Microfilming \$6K
- e. Building Inspections Mobile Software.
- f. Reduced Legal fees by \$5k in 2016 and \$5k in 2017.
- g. Service levels and revenues will be reassessed each year.

Other Financial Implications To Consider:

- Reserve Balance- Capital Yes (X) No ()
 - Projected \$175,984 at the end of 2015
 - Board to consider establishment of Operating reserve in 2016

- Capital Investment Yes (x) No ()
 - Replacement truck for inspector-2016 - \$30,000

Options For Consideration:

1. Status Quo – maintain current staff and service levels

2. Alternative Service Delivery
To investigate contracting to municipalities similar to the RFP conducted in 2012. (Not approved by Board due to cost and delays in service).

Future Service Review ConsiderationsNext Proposed Service Review Period

- 2020 as per Boards resolution of five year service review cycle.

Recommendation(s) to the Regional Board

- That the Regional Board approve the continuation of the services as provided by Inspection Services and that an operational reserve be established and funded in years where a surplus exists. In years where revenues may not fully fund the service, consider taxation to ensure that the public expectations and inquiries are delivered. Consider additional staffing be provided to assist the building inspector as warranted and as required during peaks in applications, inspections, relief and vacation coverage to meet public expectations and keep processes flowing smoothly.

Attachments: Building Services Inspections Report to the Board, November 26, 2012



Agenda No: 7.2

Mtg Date: Nov 26/12

Regional Board Report

TO: Regional Board
FROM: Ray Paterson
Chief Building Inspector
DATE: November 20, 2012
SUBJECT: Building Inspection Services

RECOMMENDATION:

THAT the Regional Board approve inclusion of a tax requisition from the Regional District Electoral Areas for the 2013 Building Inspection portion of the Building Inspection and General Bylaw Enforcement Services program budget.

PURPOSE: To initiate a tax requisition for Building Inspection Services in the RDCO Electoral Areas.

A total estimated tax requisition of \$104,841 allocated on the basis of assessment, between both Electoral Areas (approximately \$45,563 from Electoral Area East & \$59,278 from Electoral Area West) in 2013 would provide sufficient funds to cover the total expenditures of the Building Inspection portion of the Building Inspection and General Bylaw Enforcement program. In accordance with the proposed tax requisition formula, a balanced budget would be achieved in 2013, as is required by Section 815 of the *Local Government Act*.

A report was first presented for information and discussion only at an In Camera meeting in order to deal with personnel issues.

Implications of Recommendation:

Financial: Impact to the 2013 – 2017 Financial Plan

One Time Tax Requisition:

- In order to prevent a deficit for the 2013 budget year, a one-time tax requisition of \$104,841 from both electoral areas (\$45,563 from Electoral Area East & \$59,278 from Electoral Area West) is necessary to achieve a balanced budget.
- Based on 2012 assessments, an average home valued at \$490,000 in EA East would pay \$28.42, and an average home valued at \$462,000 in EA West would pay \$26.80.
- The taxation requisition would provide sufficient funds to cover the department expenses for the 2013 calendar year. This includes salaries for the Chief Building Inspector until May 1, 2013 and the part-time Building Inspector for 2 days per week for 2013. It is estimated that in 2014, no tax requisition would be required.

- In the future, if there is a significant increase in construction activity within the Regional District and the demand on Inspection requests also increases, an additional inspection day could be added providing there is sufficient building permit revenue to cover the expense.

PREAMBLE:

In periods of high construction activity, full cost recovery of Building Inspection Services is achievable as a result of increased permit fees, high value construction projects and reduced driving distance between inspection sites.

In periods of low construction activity, building sites may be very far apart and construction values very low (small additions, decks etc.) resulting in significant cost to inspect very few and small projects. Some level of tax support for Building Inspection Services on an on-going basis may be supportable for the following reasons:

- Greater community benefits from the assurance that development in their area has been monitored and inspected and will meet code.
- Reduced likelihood of electrical related fires and strain on emergency services.
- Inequities of having one jurisdiction (City of Kelowna) requiring full inspection services and a bordering jurisdiction (RDCO) not having that requirement.

BACKGROUND:

This construction slowdown from 2009 - 2012 has affected a large number of municipalities and regional districts throughout the Province of British Columbia. Some areas have maintained their Building Inspection Services function with Building Permit Revenues; other areas have had to rely on Taxation in order to maintain the level of Building Inspections Services. The following areas rely on a Tax Requisition in order to maintain the service and achieve a balanced budget:

<i>Regional Districts</i>	<i>Taxation for Inspection Services as a Percentage of 2011 Inspections Budget</i>
<i>Okanagan Similkameen RD</i>	33%
<i>North Okanagan RD</i>	22.4%
<i>Thompson Nicola RD</i>	45%
<i>Central Kootenay RD</i>	47%
<i>East Kootenay RD</i>	26%
<i>Cariboo RD</i>	25%
<i>Bukley Nechako RD</i>	82%
<i>Fraser Valley RD</i>	80%
<i>Squamish Lillooet RD</i>	33%
<i>Nanaimo RD</i>	36%
<i>Sunshine Coast RD</i>	7%
<i>Municipality</i>	
<i>Whitehorse</i>	36%
<i>Port Coquitlam</i>	35%
<i>Burnaby</i>	5 – 10%

The Average Taxation Model for Regional Districts surveyed = 39.7%

BUILDING PERMIT FEES

The Regional District's Bylaw No. 835 set the fees charged for Building Permits at 1.2% of the construction value. The 1.2% Permit Fee has been in effect since August 14, 1995. The following provides the Building Permit fees charged by Regional District member municipalities as well as other jurisdictions:

Location	Permit Fee	Add-ons
Central Okanagan RD	1.2%	\$200 Surcharge (refundable)
City of Kelowna	See Attached Schedule 'A' – Kelowna Bylaw #7245	
District of West Kelowna	1.14%	\$1000 Damage Deposit
District of Lake Country	1.2%	\$500 Surcharge
District of Peachland	1.2%	\$200 Surcharge
North Okanagan RD	1.1% + \$94.50	\$500 Surcharge
Okanagan Similkameen RD	1.0%	
Fraser Valley RD	1% + \$150.00	

Regional District staff has considered increasing the Building Permit Fee in order to boost the Building Permit revenues generated. However, it was felt an increase in Permit Fee might encourage non-compliant activity by contractors and property owners.

Impact on Planning Services

The following represents issues and concerns that can be expected in the event of contracting out Inspections Services relative to the inner-workings of, and direct relationship with Planning Services.

The vast majority of developed parts of the Regional District (RDCO) are now covered by Official Community Plans (OCP's) and the Joe Rich Rural Land Use Bylaw. All other parts of the RDCO are regulated by Zoning Bylaw No. 871.

All of the OCP's and the Rural Land Use Bylaw contain development permit area designations that are intended to protect development from hazardous conditions in the environment (such as flooding, erosion, land slip, rock falls, fire hazard), and to protect the natural environment from development (including sensitive ecosystems and biodiversity). It is important that these matters are considered when certain types of development or buildings are proposed.

To this end, the Regional District has established a well-defined, in-house process for ensuring that all building permits are reviewed and assessed to determine whether a landowner will be required to obtain approval of a Development Permit(s) (DP), or whether they can be considered exempt (where certain conditions are, or will be addressed).

The process of making the determination of whether a DP is required can be complex and involves constant dialogue between Planning and Inspections staff and with the landowner/applicant. Staff must also deal with general inquiries, coordinate pre-application meeting(s), and attend to various forms of follow-up (emails, telephone calls, letters prepared, site visit, etc.).

The following represent major issues and concerns, strictly from a planning perspective, that support keeping the service with the Regional District as opposed to contracting out:

- Landowners within the 2 electoral areas will become confused and frustrated due to the addition of another layer of bureaucracy;
- Residents would be required to deal with 2 administrative offices concurrently and the public have historically expressed their desire for "one-stop shopping". For example, building permit and inspections related matters would be dealt with at the contractor office; while general inquiries, determining whether a DP is required, and/or going through the DP process would be dealt with at the RDCO office (different locations) creating extra burden and frustration for the landowner/applicant.
- RDCO has the knowledge of the geographic area and in-house expertise relative to the DP requirements of four Official Community Plans and a Rural Land Use Bylaw. This corporate knowledge helps to ensure that the service is effective and efficient, and expedites dealing with DP issues associated with Building Permits, bylaw enforcement, and subdivision applications received from the Ministry of Transportation and Infrastructure.
- Contracting out will result in landowners having to deal with staff that is not familiar with all RDCO requirements (i.e.: Subdivision and Development Servicing Bylaw, Zoning Bylaw, RDCO Applications Procedure Bylaw, Animal Control Bylaw, etc.) resulting in delays and a greater potential for costly mistakes to be made.
- Keeping the service "in-house" allows landowners/applicants the ability to deal with various departments of the RDCO all in one office. There are instances when dialogue with staff from other departments is necessary (i.e.: issuance of permits associated with water systems, review of subdivision applications, etc.).
- Of contracted to a neighbouring municipality, issues may arise with respect to priorities for considering and dealing with permits and inspections within the municipality versus dealing with permits and inspections within the RDCO. Delays in having inspections performed will result in further frustration and additional costs to landowners.
- RDCO Strategic Plan Vision 2020 – Planning for the Future document states; "*Identify and respond to the needs of the Public. The safety and health of residents is a paramount consideration*". An internal goal for providing all services is "*responsible environmental protection*". This is in keeping with the introduction of our environmental DP requirements of the 4 OCP's and Joe Rich RLUB. Contracting out or eliminating the service will negatively impact these strategic goals.

In conclusion, staff believes the public would not be well served should the Regional District contract for Inspection Services.

Contracting of Inspection Services

As requested earlier this year by the RDCO Board, a Request for Proposal (RFP) for Building Inspection Services was sent out to the four local governments that constitute the RDCO – City of Kelowna, District of West Kelowna, District of Lake Country and District of Peachland. Two proposals for Inspection Services were received for consideration:

- City of Kelowna – Inspection Services for the entire RDCO.
- District of West Kelowna – Inspection Services for RDCO, Area West only.

The District of Lake Country expressed no interest as they do not have the capacity to perform the function.

A number of major concerns have been raised beyond the cost to pay for these services. As of September 1, 2012 there are 525 active building permits that are in various condition of construction. These building permit holders paid into Building Inspections revenue on the date and year in which they were issued. Permit owners expect to receive the inspection services that they have paid for.

At the present time, the RDCO is able to offer a level of Building Inspection Services comparable to most regional districts. Contracting out the Building Inspection Services will result in short-term delays in the processing of Building Permit Applications. The Permit process would require discussions/meetings between RDCO staff and contracting staff in order to ensure that all applicable Regional District requirements are met.

Comparative Cost for Providing Building Inspections:

Sample of a typical Inspection Day – Central Okanagan Electoral Area – West
Cost estimates do not include work associated with Plan Review, Processing of Building Permits or Consultation with Planning and/or Engineering Department Staff.

Typical Inspection day @ 5 Inspections – 4 regular inspections & 1 single family dwelling frame inspection, Distance traveled 150 km

	RDCO East	RDCO West	City of Kelowna	District of West Kelowna
Travel time	42.28	90.56	117.50	157.52
Inspection time	135.84	135.84	176.25	236.38
Vehicle use/kms	62.50	62.50	90.00	-
Overhead	23.91	29.88	44.06	-
TOTAL COST	267.53	318.78	427.81	393.80

As indicated, the Regional District Inspection Services Department expenses are the lowest for the delivery of Building Inspections for both electoral areas.

Again, staff believes the public would not be well served should the Regional District contract for Building Inspection Services.

History of Building Inspection Services

Building Inspection Services has been an integral part of the Regional District of Central Okanagan. Over the years many changes have been set in place to ensure that the Building Inspection Services was self-funded. Since its start, building permit fees generated enough revenue to sustain the day to day operation of the department as well as funding of the Bylaw Enforcement.

The Building Bylaw has also been amended over the years to be consistent with member municipalities. Number of inspections, locations of construction sites and complexity of the projects has also resulted in amendments to the bylaw.

From the late 1980's until 2008 the RDCO has benefitted from a level of construction activity that saw major growth in most parts of our Region. During this period Building Inspection Services revenues generated a surplus that was carried over from year to year for the benefit of the department functions.

Prior to 2008, Building Inspection Services produced a revenue surplus. In 2009, the Regional District of Central Okanagan along with most urban areas within the Okanagan Valley experienced a major downturn in construction activity. During 2009, Building Inspection Services was able to use part of the previous year's surplus (\$371,178) to maintain a balanced budget. During this time Building Inspection Services was comprised of a Chief Building Inspector, two Building/Plumbing Inspectors (2 FTE) and one Permit Clerk.

The reduction in construction activity continued into 2010. Changes in resources were necessary in order to maintain a balanced budget by year end. In January, 2010, one of the two Building Inspector positions was eliminated. Also due to the reduction in office work volume, the permit clerk accepted early retirement on March 15, 2010. For the remainder of 2010, Inspections staff comprised of the Chief Building Inspector and one Building/License Inspector. Inspection Services clerical workload was absorbed by the Chief Building Inspector with assistance from Planning staff.

The Chief Building Inspector continued typical office duties such as counter/phone enquiries, plan examination/permit processing and assisted with other Regional District department operations inspection days were reduced from 5 days a week to 4. The remaining day was allocated to the Business License function. A small surplus (\$78,801) was carried over into 2011.

The construction slow down continued into 2011. As previously reported to the Board, the Building Inspector position hours were reduced from 7 hours to 4 hours per inspection day (4 days/week) in order to reduce salary expenses. The fifth day remained at 7 hours and was dedicated to the Business License function. On September 30, 2011 the Building Inspector went on leave and the building inspection duties were completed by the Chief Building Inspector. This arrangement remained in effect until a Temporary Building Inspector was hired. The Temporary Building Inspector position was advertised and a suitable candidate was offered the position. On the day the candidate was to start, the individual accepted another job offer. The Chief Building Inspector completed the year solely performing all building inspections.

2012 started with the Building Inspector returning to work. During the first part of the year up to March 5, 2012, the number of building inspection days remained at 4 days per week. Anticipating a budget shortfall, a further reduction in building inspection service was required. The number of building inspection days was reduced to three days per week, Tuesday & Thursday for Central Okanagan West Electoral Area (COW), and Wednesday for Central Okanagan East Electoral Area (COE). The Building Inspector position was therefore reduced to three days per week.

Building Inspection Services staff level remained at one part-time Building Inspector and one part-time Chief Building Inspector. The part-time Building Inspector gave notice and the last day of work for this position was July 5, 2012. The part-time Building Inspector's position was posted and an interim relief Building Inspector was hired until the part-time position could be filled.

During the remainder of July and August 2012, RDCO staff considered further changes to the Inspection function, due to a budget deficit forecast of approximately \$90,000. In order to try and reduce this deficit, additional changes have been implemented. Effective September 4, 2012, the number of days for building inspections was reduced to 2 days/week (Tuesday for COW and Wednesday for COE). A part-time Building Inspector has been hired for this position.

At the end of 2012, the Building Inspections Services will have a projected deficit of \$83,613.

Conclusion:

That the Regional Board approves initiating a Tax Requisition from the Regional District Electoral Areas for 2013 for the Building Inspection portion of the Building Inspection and General Bylaw Enforcement Services Budget.

Submitted by:



R. Paterson,
Chief Building Inspector

Dept. Head Approval



D. Plamondon
Director of Development Services

Attachments: Appendix 'A'
Building Inspection Budget

Approved for Board's Consideration



Paul Macklem, CAO

GENERAL REVENUE FUND

2012 - 2013 Deficit Building Requisition over 1 Year

044 - BUILDING INSPECTION

Account Name	2011 - Actual Values	2012 Bldg Permit Projection	2012 Bylaw Enforcement Projection	2012 Projection	2012 Bldg. Permit Approved Budget	2012 Bylaw Enforcement Approved Budget	2012 - Approved Budget	2013 Bldg. Permit Projection	2013 Bylaw Enforcement Projection	2013 - Projection Values	2014 Bldg. Permit Projection	2014 Bylaw Enforcement Projection	2014 - Projection Values
REVENUES													
BUILDING PERMITS	(165,224)	(99,065)	0	(99,065)	(157,000)		(157,000)	(98,000)		(98,000)	(100,000)		(100,000)
BUILDING PERMIT APPLICATION FEE	(14,487)	(4,066)	0	(4,066)	(8,000)		(8,000)			0			0
MUNICIPAL TICKET ENFORCEMENT FINES	(450)	0	0	0			0			0			0
TAX REQ - CEN OK EAST	(18,649)	0	(21,747)	(21,747)		(21,747)	(21,747)	(45,563)	(23,284)	(68,847)		(23,749)	(23,749)
TAX REQ - CEN OK WEST	(25,635)	0	(28,158)	(28,158)		(28,158)	(28,158)	(59,278)	(30,242)	(89,520)		(30,847)	(30,847)
PREVIOUS YEARS SURPLUS- (DEFICIT)	(43,607)	16,836		16,836	16,836		16,836	83,613		83,613	(0)		(0)
ADMIN OVERHEAD RECOVERY	35,650	21,127	5,819	26,946	21,127	5,819	26,946	13,903	6,242	20,144	8,828	6,366	15,195
	(232,402)	(65,168)	(44,086)	(109,254)	(127,037)	(44,086)	(171,123)	(105,325)	(47,284)	(152,610)	(91,172)	(48,230)	(139,402)
EXPENSES													
	249,237	154,463	38,404	192,867	127,037	44,086	171,123	105,325	47,284	152,609	66,882	48,230	115,112
Surplus/Deficit	16,835	89,295	(5,682)	83,613	0	0	0	(0)	0	(0)	(24,289)	0	(24,289)
	Deficit			Deficit				0.0580 Tax Rate		Break even			Surplus

2013 Building Inspection Requisition	Average House Value	Average Rate	Total Requisition
- Central Okanagan East	490,000	28.42	45,563
- Central Okanagan West	462,000	26.80	59,278
			104,841