

Supplementary Budget – Briefing Note

2022 Budget

Building Development Services – Additional Staff

Briefing Note required for:

- items +/- \$50,000 or more
- changes in FTE
- Council Priority requests

Dept	Division	Item	Base Supp	Amount	FTE Impact
CD	Building Development Services	2 Building Inspector/Bylaw Enforcement Officers (including wages, fleet charges, software, etc.)	Base	\$245,147	2.00
CD	Building Development Services	85% funded through the Building Code Act – Bill 124	Base	(\$208,375)	
		Total Base:		\$36,772	2.00
CD	Building Development Services	One-time costs relating to the 2 new positions (includes vehicle purchases, laptops, and office furniture)	Supp	\$70,904	
CD	Building Development Services	85% funded by the Building Code Act Reserve Fund – Bill 124 (205)	Supp	(\$60,268)	
CD	Building Development Services	15% funded by the Strategic Development Reserve (17266)	Supp	(\$10,636)	
		Total Supp:		\$0	

Background:

On December 6th, 2021, Council approved the attached Report to Council to consider two new permanent Building Inspectors/By-law Enforcement Officers during the 2022 budget deliberations. The Report to Council provides additional background information on this request.

Comment:

As a result, in the surge of building activity, Building Inspectors/By-law Enforcement Officers have been spending more time meeting the demand for building permits and inspections due to the requirements of Bill 124. The forecast for building activity remains high for the foreseeable future. This allows little time for by-law enforcement cases, which typically require multiple inspections before the issue is in compliance and can be closed.

Municipality Of Chatham-Kent
Community Development
Building Development Services

To: Mayor and Members of Council
From: Paul Lacina, Chief Building Official
Date: November 16, 2021
Subject: Building Development Services Staffing Levels

Recommendations

It is recommended that:

1. Two new permanent Building Inspectors/By-Law Enforcement Officers be considered during the 2022 budget deliberations.

Background

At the Chatham-Kent Council meeting on November 9, 2020, Council approved the notice of motion by Councillor Ceccacci.

Whereas the Municipality of Chatham-Kent is currently experiencing a significant increase in development and Building Permit activity and whereas the Council approved growth strategy, including the approved CIP, has incited new growth such as new multi-dwelling units;

And whereas the Municipality wants to ensure it's continuing to provide a high level of service to residents and developers that support our strategic growth goals;

And whereas the Municipality's goal is to have a safe and healthy and presentable community;

And whereas residents are stating some property standards requests are not being resolved or addressed for months, which has been substantiated by administration due to the backlog and prioritization;

Be it resolved that administration provide a report to council that includes the following;

1. *Identify creative approaches to fulfill the back log in property standard issues*
2. *Investigate funding avenues and the cost and feasibility to hire additional Building Inspector/By-Law Enforcement Officers (Investigate both temporary and permanent options).*

Comments

Historically, by-law enforcement has been understaffed in one form or another. Different staffing models were developed over the years to combat this issue.

In the beginning years of Chatham-Kent, six out of the seven Building Inspectors were filling dual roles of building and by-law enforcement. Chatham had a dedicated By-Law Enforcement Officer.

In 2005, Bill 124 amendment to the Building Code Act was initiated. This new legislation had a significant effect on the operation of Building Development Services, particularly on the building permit and inspection division.

The Act required:

- Mandatory Provincial certification for all Building Officials
- Mandatory process times for application review & issuance of permits
- Mandatory inspections with a maximum response time
- Establishment of fees only for the operation of building services

This legislation required Building Development Services (BDS) to adapt and change its service delivery.

In order to meet the requirements of Bill 124 the workload of the six Inspectors shifted from Building Inspectors/By-Law Enforcement Officers to strictly Building Inspectors. This re-assignment of inspection staff created a human resource shortfall to by-law enforcement.

In order to meet public demand, by-law services contracted two full time By-Law Enforcement Officers and initiated that all by-law complaints had to be in writing.

BDS experienced many years of being understaffed due to retirements and Building Inspectors relocating to other Municipalities for advancement, or better compensation. Like many Municipalities in the Province, replacing Building Inspectors/By-Law Enforcement Officers is a challenge.

In 2017, with the assistance of Human Resources, BDS was able to address the difficulty of retaining qualified staff by providing an enhanced compensation package through the Market Adjustment Grid program. However, the enhancement was contingent that the Inspectors returned to dual roles as Building Inspector / By-Law Enforcement Officers.

BDS also turned its attention on ways to reduce the compliance time for by-law issues. With the assistance of Legal Services, new by-laws such as the "Clean & Clear" and "Derelict Vehicle" by-laws were created to shorten time frames for by-law compliance. We introduced the "Repeat Offender By-Law" to curtail those property owners who continue to defy Municipal by-laws.

By-law issues continue to be on the rise and this does not include COVID-19 enforcement of Provincial regulations or enforcement of the current Temporary Clear Cutting By-law, both of which are also managed by BDS.

By-Law Activity

Year	2016	2017	2018	2019	2020	2021
By-Law Issues	715	646	704	716	829	792
Number of By-Law Inspections	2359	2131	2323	2381	2502	1982

Note: Data up to November 15, 2021

Unlike building permits, which are typically completed the year they were issued, By-Law compliance often does not occur until the following year.

As noted in the chart above, 792 by-law complaints have been received in 2021. In addition to those complaints, Inspectors continue to gain compliance on 716 complaints from previous years.

However as we have witnessed in recent years, the pressures on the Building Inspectors is outweighing their ability to meet the demands of the public for by-law enforcement.

A Building Inspector/By-Law Enforcement Officer spends 85% of their time completing plans review, issuing building permits and inspecting. 15% of their time is investigating and resolving By-Law complaints.

As a result, in the surge of building activity, Inspectors have continually been spending more of their time meeting the demand for building permits and inspections. Even with overtime, Building Development Services continue to be backlogged. Typically, a permit for a new dwelling can be issued within 7 days, however; it has taken up to 5 weeks to issue.

The forecast for building activity remains high. This is evident due to the increase of planning applications for future development planned for the coming years.

Building Activity

Year	2016	2017	2018	2019	2020	2021
Building Permits	1022	1054	992	1073	1147	1301
New Residential / # of Units	109 / 127	149 / 180	145 / 154	201 / 265	273 / 433	386 / 750
Total value of construction	\$92,343,643	\$161,323,469	\$171,550,235	\$173,496,559	\$202,696,043	\$350,927,224
Number of Building Inspections	3779	4672	4475	5510	6669	7165

In fact, based on the Preliminary Updated Growth Forecasts, noted in December 6, 2021 Update on Chatham-Kent's Growth Strategy Report, growth over the next 25 years is now projected to be significantly higher than originally project in 2019.

- Chatham-Kent's total permanent population is now forecast to increase from 104,800 in 2016 to 122,200 by 2051, representing an increase of 17,400 persons. This now represents an Annual Growth Rate 0.46% between 2021-2051; however, a 0.73% Annual Growth Rate is projected over the next 10 years (2021-2031). This equates to an additional 13,300 people compared to what was forecast in the 2019 Comprehensive Review.
- Permanent housing growth is forecast to average 280 new units annually between 2016 to 2051. Over the next 10 years (2021-2031) 382 new units annually are projected. Comparatively speaking, this represents significantly faster growth than the historical average (75 units annually) that occurred between 2001 to 2016. In total, this equates to an additional 5,000 units compared to what was forecast in the 2019 Comprehensive Review.

Therefore, there will continue to be an increased demand on BDS for the foreseeable future.

To manage the workload, BDS currently has 12.62 FTEs, as follows:

- 1 Director/Chief Building Official
- 1 Manager, Inspection & Enforcement
- 1 Administrative Assistant 1
- 7 Building Inspector/By-Law Enforcement Officers
- 2 Building Assistants
- .62 Summer Student

Earlier this year, in order to address these issues, BDS began the process of undertaking an internal Service Review to investigate:

- Staffing/Service levels
- The Building Code Act Reserve Fund
- Building Permit Fee Structure

However, due to the significant increase in building permit activity and since Council had authorized KPMG to undertake a broader Core Services Efficiency Review, it was decided to put a pause on the BDS Service Review in order to let that process be completed.

Based on the KPMG Core Service Review, there were a couple of specific items highlighted specific to BDS:

- Through the Benchmarking Analysis, the Municipality's total expenses per household for building permit and inspection services and protective inspection and control expenses are well below the comparator group average.
- Given the above and volume of activity, the Municipality should re-evaluate the resourcing for Building Development Services.
- BDS, along with many other Divisions, would benefit through the further Implementation of a "citizen centric" approach to delivering services that is technology-driven, customer-friendly, agile and responsive by adopting a digital first approach of all external facing municipal services. Specifically, in the future BDS would benefit from an enhanced update and use of CityView for end-to-end digital processes of building permits/inspections and to expand online services to include reporting and responding of bylaw enforcement concerns.

Customer Service has received 8,907 Building Development Services calls to date this year. A majority of these calls are from citizens looking for updates on current applications and by-law issues.

Administration understands the frustration of citizens and Municipal Council regarding the backlog of by-law enforcement, but also understands the pressures of the building industry.

Therefore, to relieve some immediate pressure, Administration recommends the hiring of two additional Building Inspectors/By-Law Enforcement Officers.

In early 2022, BDS will continue with a scoped Service Review to complete the remaining items not identified in the KPMG Review, including a full review the current Building Permit Fee Structure and to investigating the merit of a position to lead accountability and responsibility for coordinating responses to complaints or inquiries received by BDS, prioritizing those received from Municipal Council relating to plans examinations, inspection and enforcement activities and to co-ordinate activities with other parts of the organization to promote smooth and efficient communications and information flow. As noted, BDS would benefit with the expansion of online services to

include reporting and responding of bylaw enforcement concerns and migration to an upgraded CityView system, but both will still take significant time for full implementation.

Areas of Strategic Focus and Critical Success Factors

The recommendation in this report support the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendation in this report support the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

Budget & Performance Services were consulted on the financial implications of the report.

Financial Implications

The impact of the two permanent Building Inspectors/By-Law Enforcement Officers that will be presented for consideration during the 2022 budget deliberations as follows:

2 Building Inspectors/ Bylaw Enforcement Officers – Base Costs (includes wages, fleet charges, software, etc.).	\$245,147
85% funded through the Building Code Act – Bill 124	\$208,375
15% Tax Base funding required	\$36,772
One-time costs relating to the 2 new positions (includes vehicle purchases, laptops, and office furniture)	\$70,904
85% funded by the Building Code Act Reserve Fund – Bill 124	\$60,268
15% one-time costs to be funded	\$10,636

In summary, 85% of the costs required to fund these two positions can be covered through the Building Code Act (Bill 124), leaving only \$36,772 (15%) required from new tax base funding. Through recent analysis of the Building Inspectors/Bylaw Enforcement Officers time, the split between Inspection Services (Bill 124) and Bylaw Enforcement changed from 80/20 to 85/15 creating a tax base savings. This savings will be presented for consideration during the 2022 budget deliberations. There is also one-time costs relating to these positions that will be funded 85% by the Building Code Act Reserve Fund (\$60,268), with \$10,636 (15%) remaining to be funded.

The current balance in the Building Code Act Reserve Fund (Bill 124) is \$4,169,380 and there will be additional surpluses added to the Reserve at the end of 2021.

Prepared by:

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