

**DATE:** January 21, 2020**FILE:** 1700-02/2020/285**TO:** Chair and Directors/Members  
Electoral Areas Services CommitteeSupported by Russell Dyson  
Chief Administrative Officer**FROM:** Russell Dyson  
Chief Administrative Officer*R. Dyson***RE: 2020 - 2024 Financial Plan – Building Inspection Service – Function 285**

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**Purpose**

To provide the Electoral Areas Services Committee with the proposed 2020 - 2024 Financial Plan and work plan highlights for the Building Inspection service, function 285.

**Recommendation from the Chief Administrative Officer:**

THAT the proposed 2020 – 2024 financial plan for the Building Inspection service, function 285, be approved.

**Executive Summary**

- The estimated residential tax impact per \$1,000/assessed value is \$.05225 or \$0.0032 less than the 2019 rate.
- Building Inspection service revenue is derived from building and plumbing permit fees in addition to a tax requisition.
- Personnel levels remain unchanged in 2020.
- Minor operating cost budget increase of \$7,057.
- Financial plan includes \$5,000 contribution to the capital works reserve in 2020.
- No capital acquisitions budgeted for 2020.

Prepared by:

Concurrence:

*D. Mirabelli**S. Smith*

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Dennis Mirabelli, RBO, CRBO  
Manager of Building Services

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Scott Smith, RPP, MCIP  
General Manger of Planning and  
Development Services Branch**Board Strategic Drivers**

The Comox Valley Regional District (CVRD) Board has set four strategic drivers to guide service delivery. Not all services will be influenced by all drivers. This table notes the degree of influence the drivers have on projects and work plans.


<p><b>Fiscal responsibility:</b></p> <ul style="list-style-type: none"> <li>No increase to the tax requisition</li> </ul>	<p><b>Climate crisis and environmental stewardship and protection:</b></p> <ul style="list-style-type: none"> <li>Review options to implement BC Step Code requirements prior to base code effective dates</li> </ul>
<p><b>Community partnerships:</b></p> <ul style="list-style-type: none"> <li>Building inspection service agreement with the Village of Cumberland.</li> </ul>	<p><b>Indigenous relations:</b></p> <ul style="list-style-type: none"> <li>Not significantly influenced by this driver.</li> </ul>

**Financial Plan Overview**

The 2020 - 2024 proposed five-year financial plan for Building Inspection service, function 285, including service establishment information, the requisition summary and the operating and capital budget, is available within the full proposed budget binder, provided in both searchable PDF and e-reader formats, located on the CVRD financial plan web page at [www.comoxvalleyrd.ca/currentbudget](http://www.comoxvalleyrd.ca/currentbudget).

Table 1 summarizes the 2020 proposed budget as compared to the 2019 adopted budget. Significant variances from the 2019 adopted budget will be discussed in the financial plan sections below.

**Table 1: Financial Plan Highlights**

		285 Building Inspection		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
<b>Revenue</b>				
Grants In Lieu	990	990	-	
Requisition	354,086	354,086	-	
Applications/Permit Fees	308,000	308,000	-	
Sales of Services Local Gov't	55,000	55,000	-	
Other Revenue/Recoveries	9,500	11,500	2,000	
Transfer from Reserve		18,941	18,941	
Prior Years Surplus	251,971	80,000	(171,971)	
	<b>\$ 979,547</b>	<b>\$ 828,517</b>	<b>\$ (151,030)</b>	
<b>Expenditures</b>				
Personnel Costs	618,595	634,919	16,324	
Operating	181,541	188,598	7,057	
Contribution to Reserve	179,411	5,000	(174,411)	
	<b>\$ 979,547</b>	<b>\$ 828,517</b>	<b>\$ (151,030)</b>	

### Revenue Sources

Building inspection service revenue is derived from:

- Building permit fees and plumbing fees.
- Service fees for permit renewals, property file archives, covenants and title searches.
- Tax requisition.
- Service agreement with the Village of Cumberland.

Construction activity has a direct impact on revenues. The Canada Mortgage and Housing Corporation's housing market outlook publication released in fall 2019 expects British Columbia's housing starts to stabilize in 2020 and 2021 at levels in line with the historical average. For financial purposes, we have projected construction activity and permit revenues to be equal to 2019 budget values. This revenue along with annual transfers from the future expenditure reserve enables the tax requisition to remain unchanged through to 2022.

The proposed 2020 financial plan shows an estimate of surplus carried forward from 2019 of \$80,000. This figure will be updated once the 2019 year-end is finalized.

### Personnel

The 2020 financial plan reflects a \$16,324 increase in staff costs attributed to a two per cent increase in salary and benefit costs as a result of the Canadian Union of Public Employee collective agreement, along with upgrade salary costs for the building officials as they obtain Building Officials Association of British Columbia levels of certification.

### Operations

Budgeted operating costs for 2020 are marginally increased by \$7,057 providing for additional resources towards digitizing of Building Services records.

### Capital

The only capital acquisitions included in the 2020 - 2024 proposed financial plan is \$75,000 for the replacement of two building official vehicles in 2021, to be funded by capital works reserves.

### Reserves

The capital works reserve fund balance for the building inspection service is projected to be \$130,339 as of December 31, 2019. There are annual contributions of \$5,000 to this reserve budgeted in the 2020 - 2024 financial plan.

As of December 31, 2019 the future expenditure reserve fund balance is projected to be \$662,584 with no contribution currently proposed in 2020. The balance of this reserve will decrease steadily over the five year plan as contributions from reserves to operations are planned in order to offset any tax requisition increases.

### Tax Impacts

- Based on the 2020 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.05225 per \$1,000 of taxable assessed value compared to \$0.0554 in 2019.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$26.13 for 2020.

### **Citizen/Public Relations**

Tax impact remains equivalent to the 2019 rate with no proposed rate increases projected.