

ITEM	13
MANAGER'S REPORT NO.	75
COUNCIL MEETING	Oct. 31/77

Re: DAMAGE DEPOSITS, INSPECTION FEE AND PERMITS
ENGINEERING DEPARTMENT

Following is a report from the Municipal Engineer regarding damage deposits, inspection fees and permits.

The 1977 Annual Budget includes provision for one new By-law and Claims Inspector position which, as noted on page 3 of the Letter of Transmittal, is "to be funded by new fees imposed, if approved by Council". The following report containing recommendations on a proposed fee and deposit structure is, accordingly, submitted for the consideration of Council.

RECOMMENDATIONS:

1. THAT the Municipal Solicitor be instructed to amend the Building By-law to allow for the imposition of the inspection fees and damage deposits as set out in Table I of the Engineer's Report; and
2. THAT the Chief Building Inspector be instructed to commence imposing the recommended damage deposits and inspection fees on building permits commencing with final passage of the By-law Amendment; and
3. THAT one additional By-law and Claims Inspector to step up inspection on the present work load, as well as to handle the additional damages deposits and inspection fees, be engaged as quickly as possible as already provided for in the 1977 Annual Budget.

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11 October, 1977.

TO: MUNICIPAL MANAGER
FROM: MUNICIPAL ENGINEER
SUBJECT: DAMAGE DEPOSITS, INSPECTION FEES, AND PERMITS.

I. INTRODUCTION

The Engineering Department has, for some time now, been reviewing the damage deposits, inspection fees and use of permits pertinent to Engineering Department functions. This review covered the full spectrum of fees and deposits for:

- A. Hoarding Permits.
- B. Hydrant Use Permits.
- C. Soil Deposit and Removal Permits.
- D. Construction, Reconstruction and Additions to:
 1. Commercial and Industrial Buildings (Including Strata Title and Comprehensive Developments).
 2. Single Family Dwellings.
 3. Garages, Carports, and other Accessory Buildings.
 4. Swimming Pools.

II. BACKGROUND AND DISCUSSION

A. Hoarding Permits.

The Streets and Traffic By-law gives the Engineer the authority to control the use of road allowances. In today's complex building procedures, it is often unavoidable and hoarding has to be constructed out onto the road allowance in order to safeguard both the public using the road allowance and the workmen within the site. Accordingly, hoarding permits are issued and an appropriate fee is charged to cover the cost of the investigation necessary to ensure that the hoarding is properly installed and maintained.

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B. Hydrant Use Permits.

Upon recommendation from staff, the Waterworks By-law was recently amended by Council to include provision for hydrant use permits and related damage deposits. This move was proven necessary by the number of unauthorized persons using hydrants, some indiscriminately, with the attendant problem of damaged hydrants and the potential of having hydrants which would be unusable at times of emergency.

C. Soil Deposit and Removal By-law.

The matter of a full review of the Soil Deposit and Removal By-law and the pertinent fees and deposits relative to that By-law will be presented to Council in the very near future in a combined report from the Engineering and Planning Departments.

D. Building Permits.

At the present time the procedure concerning building permits is that a \$200 damage deposit is now required with commercial and industrial permits. There are no Engineering inspection fees required on any building permits and no damage deposits required for single family residences, garages, carports, swimming pools, additions, or demolitions. The Burnaby Building By-law 1973 gives the Municipal Engineer the authority to require as a condition of a permit, a cash bond in the amount of \$200 to guarantee repair by the applicant of any damage caused to streets, public works, or other property of the Corporation which may occur as a result of work carried out under the permit. At present, the By-law has no provision for charging an Engineering Department inspection fee. The Engineering Department requests Council to consider extending the damage deposit to cover all building and demolition permits and amending the appropriate section of the By-law to make it a requirement that all building or demolition permits be accompanied by an appropriate inspection fee.

III. GENERAL DISCUSSION RE: DAMAGE DEPOSITS.

There are basically three reasons and justifications for instituting the additional damage deposits and requiring an inspection fee. These are:

- (a) prevention of damage to Municipal services,
- (b) recovery of costs of damage to Municipal services, and
- (c) recovery of staff costs related to inspections arising out of damage deposits.

We feel that these staff costs should be charged and recovered directly from the source generating the costs; this is the rationale used for setting of all permit fees related to building construction. It should be mentioned at this time that if the additional deposits and fees are instituted, there will be a requirement for additional staff in the Engineering Department. This additional staff requirement would be one By-law and Claims Inspector. This additional staff member was approved by Council in the 1977 Annual Budget at a yearly cost in direct salary of \$14,923, which will be more than offset by revenue from inspection fees as recommended herein.

IV. PREVENTION OF DAMAGE TO MUNICIPAL SERVICES.

A recent inspection of twelve subdivisions indicates that over a period of approximately one year the Corporation has suffered approximately \$14,000 worth of damages to Municipal services (sidewalks, curbs, ditches, culverts, hydrants, valves, and other installations) caused by persons unknown.

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IV. PREVENTION OF DAMAGE TO MUNICIPAL SERVICES. - cont'd

Thus, for lack of regular damage inspection during residential construction, the Engineering Department budget will have to absorb the amount of \$14,000 in maintenance repairs. A great deal of the cost of this damage could have been recovered from the builders if there had been in effect a damage deposit and inspection procedure for residential construction. In addition to recovery of damage costs, we would expect to minimize the amount of damage if builders knew we had a damage inspection procedure in effect. Even on high-rise residential construction our one full time damage Inspector is only able to inspect the construction sites before and after construction. Site inspection during construction would be most advantageous to check such occurrences as hoarding and unauthorized use of hydrants, building materials and soil deposited on public rights-of-way and sidewalk blockages.

V. RECOVERY OF DAMAGE COSTS.

The recovery of damage costs would consist of damage to Municipal services around construction sites, cost of cleaning dirty streets, motor vehicle damage, cost of repairing street lights, fences and hydrants. The minimizing of damage costs to Municipal services would come directly from inspection of the construction sites with a resultant reduction in maintenance budget costs to curbs, roads, sidewalks, signs, watermains, hydrants and street lights. Those damages that are not prevented from happening would be recovered by deposit on the type of damage enumerated in the foregoing paragraph.

The existing damage costs in subdivisions, we believe, are relatively low, but only because when a Municipal Inspector finds damage in a subdivision, caused even by others not always within the control of the developer, the developer is informed of the damage prior to the release of his bond and advised that his bond will not be released until the damage is repaired. We would prefer to have more regular inspections in the hope of recovering damage costs from the directly offending individual, rather than the indirectly responsible developer.

Dirty street complaints are brought to our attention by Works personnel or by others. When it appears that a private party is responsible, the complaints should be checked in the field before a contractor is advised that he will be charged for cleaning the street. We are, at this time, receiving six to eight dirty street calls each day but we are unable to check all such complaints owing to the workload and shortage of Inspectors. Where possible, we are obtaining the name of the contractor, phoning him, and asking him to look at the street with a view to cleaning it, but this is not a reliable method inasmuch as the contractor seldom agrees that he has made a mess, and, as a result, it is difficult to act quickly upon the receipt of a telephone complaint. This is a case where, if we must act quickly and if the street has to be cleaned by Municipal forces, costs accrue to the Engineering Department budget, unless we are able to pin down the offender and recover our costs.

The following TABLE I shows the refundable damage deposits and inspection fees the Engineering Department wishes the Council to approve for building permits. TABLE II shows the projected possible revenue generated by the imposition of the inspection fees.

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TABLE I
REFUNDABLE DAMAGE DEPOSITS AND FEES

<u>Permit</u>	<u>Refundable Damage Deposit</u>	<u>Inspection Fee (Not Refundable)</u>
Single and Two Family Additions or Demolitions (Residential)	\$200.00	\$25.00
Commercial (including multi-family residence)	\$200.00	\$10.00
Industrial	\$200.00	\$50.00
Swimming Pools	\$200.00	\$50.00
Garage or Carport	\$200.00	\$10.00

TABLE II
PROJECTED NEW REVENUE

Single and Two Family Residences	\$25 X 400* =	\$ 10,000.
Commercial & Industrial Permits (including multi-family residences)	\$50 X 400* =	\$ 20,000.
Garages, Carports, Swimming Pools, Additions or Demolitions	\$10 X 600* =	\$ 6,000.
<u>TOTAL REVENUE</u>		<u>\$ 36,000.</u>
Add Recovery and Reduction of Damage Costs Over a period of one year in subdivisions (i.e. Budget Savings)		\$ 14,000.
<u>TOTAL REVENUE AND SAVING</u>		<u>\$ 50,500.</u>

* Number of permits are from 1977 Building Department Statistics projected (approximate).

RECOMMENDATIONS:

1. THAT the Municipal Solicitor be instructed to amend the Building By-law to allow for the imposition of the inspection fees and damage deposits as set out in TABLE I, and,
2. THAT the Chief Building Inspector be instructed to commence imposing the recommended damage deposits and inspection fees on building permits commencing with final passage of the By-law Amendment.


MUNICIPAL ENGINEER

VMT:EEO:VK:cj

C.C. Chief Building Inspector