

ITEM 16
MANAGER'S REPORT NO. 51
COUNCIL MEETING 1981 10 26

RE: PERMIT FEE REVIEW FOR 1982

MUNICIPAL MANAGER'S RECOMMENDATION:

1. *THAT the recommendations of the Chief Building Inspector be adopted.*

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TO: MUNICIPAL MANAGER 1981 OCTOBER 19
FROM: CHIEF BUILDING INSPECTOR
RE: PERMIT FEE REVIEW for 1982

RECOMMENDATIONS:

1. THAT the schedules of permit fees in the Building, Electrical, Plumbing and Gas By-Laws be revised upward 35% as noted in the report; and
2. THAT the revised fee schedules for the respective by-laws be made effective 1982 January 04.

REPORT:

We have undertaken review of permit fee schedules in connection with the preparation of the 1982 Provisional Budget for the Building Department.

Revenues from permit fee sources received in 1981 are running abnormally high in comparison to any previous year due to reduction of expenses during the strike shutdown last spring, a buoyant construction market for major building projects, and a heightened budget awareness by all staff of the Building Department. At the close of the third quarter of 1981, construction value already exceeds any past full-year construction value. It is expected that 1981 will close with close to \$150 million of construction value.

This construction activity and associated high permit fee revenue of 1981 is not expected to continue through 1982 since strike savings will not be available and the full impact of the current wage settlement, averaging about 35%*, will be felt. In the review of the fee schedules, we have used a projected figure of \$135 million for total construction value for 1982 as a basis for revenue projection. The net operating expense of the Building Department as provisionally submitted for 1982 is \$1,333,216 and in order to achieve 90% recovery of expenses from the foregoing projected construction value for 1982, a permit fee adjustment of 30.8% is required. An increase of 35% would net a recovery of 92% of expense on the above assumed construction value. It is deemed prudent to use a 35% increase adjustment figure.

*Collective Agreement, Corporation of Burnaby & Local 23, CUPE, January 1981/December 1982

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A check has been made with other jurisdictions in the Greater Vancouver area - some have not yet considered their fee schedules in relation to their budget expenses for 1982, others are just in the process of reviewing their schedules. We in Burnaby appear to be undertaking our fee review and budget preparation ahead of the jurisdictions we have been able to reach - hence, we cannot obtain direct rate comparisons. However, on a project comparison basis, a building of \$100,000 value is charged at the current 1981 rate a building fee permit of \$488, and at the proposed increase for 1982 would be charged \$658.80. We would note that the proposed charge of \$658.80 for an average of six building inspections, plus time for plan checking and permit processing, plus cost for overhead charges for office administration, is low in comparison to some of the individual private inspection charges which came to our attention during the strike period this past spring.

The revised schedules reflecting the above increases have been drafted in preparation for the necessary by-law amendments. In addition, text changes have been drafted to bring the four by-laws into compliance with enabling Provincial Legislation of the Municipal Act, the Gas Act, and the Electrical Energy Inspection Act. It is further recommended that the revised fee schedules incorporating the above increases be made effective 1982 January 04.

MJJ:1m



M.J. Jones
CHIEF BUILDING INSPECTOR