



City of Langford

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Staff Report To Protective Services Committee

Date: January 28, 2020
Department: Building
Subject: Building Department Five Year Financial Plan for 2020 - 2024

Background

The Community Charter requires all municipalities in British Columbia to adopt by bylaw, a five-year Financial Plan that includes all operating and capital expenditures of the municipality. Staff have prepared the attached Building Department budget for the five-year time frame of this plan.

Commentary

PROVISIONS OF THE 2020 BUILDING DEPARTMENT BUDGET

Staffing

The Building Department currently budgets for one Manager (Chief Building Inspector), 3 Building Officials, one 1-year term Building Official and two Building Assistants. We may further retain more contract staff as needed to maintain service levels during periods of high volume, or vacation and other staff absences. (Based on quarterly review).

Although difficult to predict –2020 from the 2019 year, permit activity in 2019 was consistent from the boom year of 2018. After 2019, modest growth in construction activity is predicted.

Capital Expenditures

The Building Department maintains four vehicles in the City fleet, including two primary-new vehicles purchased in 2019. These are hybrid vehicles. There are no Capital Expenditures forecasted for 2020.

General Expenses

Expense budgets reflect consistency between 2019 and 2020 with the main adjustments related to cost of living increases and to reflect actual expenditure levels. The budget for Contracted Services has been

reduced in recognition that relief staff is for short-term use only and to better reflect actual use of contracted inspectors. Contracted Services are only used as required and are offset by increased permit revenues.

Financial Implications

The operational expenditures in the Building Department for 2019 totaled \$779,645.00 approximately \$6,179.00 under the budgeted amount. However, construction activity was very strong and Building Permit revenue generated in 2019 was approximately \$2,750,444.00, or \$1,074,244.00 above the budgeted amount. Consequently, the Building Department contribution of \$1,970,799.00 to overhead costs exceeded the expectation by \$1,080,423.00.

Permit revenue is expected to remain strong in 2020, similar to 2019 levels, and the budget reflects a conservative approach to revenue budget. After 2020, we expect that construction activity will show modest growth over the next few years.

The five-year Financial Plan shows revenues continuing to exceed direct expenses, so that solid contributions to overhead costs will continue.

Options

That the Protective Services Committee recommend that Council:

1. approve in principle the Building Department Five Year Financial Plan for 2020 - 2024 as presented in the staff report dated and refer it to the Director of Finance for inclusion in the consolidated 2020-2024 Five Year Financial Plan,

OR

2. Approve in principle the Building Department Five Year Financial Plan for 2020-2024 as amended by the Committee and refer it to the Director of Finance for inclusion in the consolidated Financial Plan

Respectfully submitted,

Submitted by:	Jerry Worobec, Manager of Building
Concurrence:	Michael Dillabaugh, CPA, CA, Director of Finance
Concurrence:	Braden Hutchins, Director of Corporate Services
Concurrence:	Darren Kiedyk, Chief Administrative Officer

Attachment – Building Inspection Expenditures



City of Langford Five Year Financial Plan for: 2020-2024

Protective Services - Building Inspection Expenditures

	History 2019 Budget		2020 Budget	2021 Budget	New Estimates		
					2022 Budget	2023 Budget	2024 Budget
Building Inspections	785,824	0	793,104	815,700	811,400	824,600	842,400
Capital	80,000	0	0	0	0	0	0
	865,824		793,104	815,700	811,400	824,600	842,400
Direct Revenues:							
Building Permits	(1,626,200)		(1,732,000)	(1,766,700)	(1,302,200)	(1,250,000)	(1,200,000)
Reserves	0		0	0	0	0	0
Contribution to overhead costs	(760,376)		(938,896)	(951,000)	(490,800)	(425,400)	(357,600)
Building Inspection:							
Salary and Benefits:	692,674		702,004	716,100	711,400	725,700	740,300
Workstation & Tablet Replacements	7,850		7,200	7,200	4,000		
Travel and Training	16,500		17,000	16,400	16,800	17,200	17,600
Dues and Fees	4,000		4,300	6,000	6,300	6,600	6,900
Legal	4,000		7,000	7,200	7,400	7,600	7,800
Board of Variance - Legal	500		500	500	600	600	600
Building Codes & Reference Publications	3,500		3,600	3,700	3,800	3,900	4,000
Stationery and Supplies	2,500		2,600	2,700	2,800	2,900	3,000
Printing	1,300		1,100	1,100	1,100	1,100	1,100
Small Equipment	2,000		2,100	2,200	2,300	2,400	2,500
Sundry	3,000		3,500	3,600	3,700	3,800	3,900
Contracted Services	32,000		25,000	30,600	31,600	32,000	32,700
Vehicle Maintenance	16,000		17,200	18,400	19,600	20,800	22,000
	785,824	0	793,104	815,700	811,400	824,600	842,400
Capital:							
Vehicle Replacement	80,000						
	80,000	0	0	0	0	0	0