Agenda – Executive Policy Committee – May 15, 2018

Report – Standing Policy Committee on Protection, Community Services and Parks – May 4, 2018

Item No. 3 Additional By-law Enforcement Officer Dedicated to Cost-recovered Inspection and Enforcement Activities

STANDING COMMITTEE RECOMMENDATION:

On May 4, 2018, the Standing Policy Committee on Protection, Community Services and Parks concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That one (1) permanent FTE By-law Enforcement Officer position and associated costs, to be added to the current staff complement for the Community By-law Enforcement Services Division of Community Services, be approved

2. That this increase in Divisional expenses, to be fully offset by an equal increase in Divisional revenues, be approved.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Executive Policy Committee – May 15, 2018

Report – Standing Policy Committee on Protection, Community Services and Parks – May 4, 2018

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On May 4, 2018, the Standing Policy Committee on Protection, Community Services and Parks concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Request for Additional By-law Enforcement Officer Dedicated to Cost-recovered Inspection and Enforcement Activities

Critical Path: Standing Policy Committee on Protection, Community Services and Parks – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
W. Yee	C. Fernandes	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

The Public Service is requesting Council approve the addition of one permanent By-law Enforcement Officer (BEO) position (net new FTE), for the Community By-law Enforcement Services Division. The new position will focus on cost-recovered services that improve neighbourhood safety and well-being, with no incremental mill rate support.

Inspections and enforcement activities under the Vacant Buildings By-law are intended to prevent vacant buildings from becoming dilapidated and dangerous, and to provide the means for taking title to vacant and derelict buildings with a history of non-compliance. The number of vacant buildings being monitored under the Vacant Buildings Program has increased steadily since 2010, due to improved awareness and reporting processes, as well as administrative and operational efficiencies. In 2017, approximately 28% of the city's vacant buildings inventory had not had an annual compliance inspection, and 6% had not had a compliance inspection in more than two years. The hiring of an additional By-law Enforcement Officer will increase inspection frequency of vacant buildings which will serve to improve compliance, reduce the number of complaints, and support legislated enforcement and legal processes related to taking title to vacant and derelict buildings.

Incremental revenue through associated inspection and boarding fees are expected to fully offset the costs of the additional staff resource.

RECOMMENDATIONS

1. That Council approve one (1) permanent FTE By-law Enforcement Officer position and associated costs, to be added to the current staff complement for the Community By-law Enforcement Services Division of Community Services.

2. That Council approve this increase in Divisional expenses, to be fully offset by an equal increase in Divisional revenues.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to establish new permanent FTE positions.

IMPLICATIONS OF THE RECOMMENDATIONS

An additional BEO resource dedicated to the Vacant Buildings Program will increase the number of annual, billable routine inspections conducted for compliance with Schedule A of the Vacant Buildings By-law. It also improves timing and efficiency of the issuance of Boarded Building Permits (when necessary), on both commercial and residential buildings. Financial recoveries through associated regulatory fees are expected to fully offset the cost of the additional staff resource.

Community By-law Enforcement Services 'Regulation Fees' revenue will be increased by approximately $76,000 annually to fully recover costs associated with wages and benefits, equipment and operational expenses for one (1) By-law Enforcement Officer.

HISTORY/DISCUSSION

On July 21, 2010, Council approved a new Vacant Buildings By-law, to regulate the condition of vacant buildings and to discourage the boarding of vacant buildings. Also approved by Council at this time was a new fee schedule for activities related to enforcement of new standards prescribed for vacant buildings (boarding, inspections, etc.).

The intent of the By-law was to target vacant and dilapidated residential and commercial buildings and enforcement strategies were based on the following principles:

- Vacant buildings should be well maintained in order to reduce:
  - safety hazards for firefighters and emergency responders
  - urban blight
  - risk of fire
  - illegal activities
- Boarding of vacant buildings should be discouraged
- Fees should be used to achieve these objectives and to recover the costs to the City

Under the By-law, inspections are permitted to be conducted annually, for compliance with Schedule A of the By-law, and are invoiced accordingly. The Vacant Buildings Program area currently has a staff complement of four (4) By-law Enforcement Officers, one Fire Prevention Officer, and one Supervisor.

Since 2010, both the number of buildings in the Vacant Buildings Program and the recovery of fees associated with vacant building inspection and compliance and/or remediation have increased (Table 1). The trend is due to improved reporting processes, and efficiencies that came as a result of the transfer of administration of Boarded Building Permits from Planning, Property and Development to Community Services. Vacant buildings are being identified sooner, and efforts are focused on rapid repair and re-occupancy.

Table 1: Boarding Permits for Vacant Buildings

Boarding Permits for Vacant Buildings	2015	2016	2017
Commercial & Residential Boarding Fees Collected:	$40,232	$109,800	$83,090
Actual Revenue over budget:	$232	$69,800	$43,090

The total number of vacant buildings as of December 1, 2017 was 551. In 2017, approximately 28% of the city's vacant buildings inventory had not had an annual compliance inspection, and 6% had not had a compliance inspection in more than two years (Table 2). This can contribute to deteriorating conditions of the building and property, and increased frequency of complaints from the community. Community By-law Enforcement Services staff responded to more than 900 service requests (complaints) in 2017, related to vacant buildings.

The Vacant Building By-law authorizes the City of Winnipeg to conduct inspections under Schedule A of that By-law and charge a fee based on compliance or non-compliance to the standards of the By-law. The current fees are $580 for inspections without orders (compliant) and $1150 for inspections resulting in orders (non-compliant). Table 2 summarizes the number of eligible Schedule A inspections the City could have conducted and charged a fee for in 2017.

An additional BEO resource dedicated to the Vacant Building program will focus on eligible Schedule A Inspections, resulting in a reduction in the number of complaints generated at these properties, and improving timeliness of enforcement. Incremental revenue potential, based on overdue compliance inspections, could exceed $100,000 and is expected to fully offset the costs of the additional staff resource.

Table 2: Eligible (not invoiced) Schedule A Inspections in 2017:

90^{+} days past due for annual inspection:	54	9.8%
180^{+} days past due for annual inspection:	69	12.5%
1^{+} year past due for annual inspection:	33	6.0%

Fees for Schedule A inspections and Boarded Building Permits (Schedule B) were implemented by Council to incentivize property owners to re-occupy those properties by creating a financial disincentive to either board or allow a building to remain vacant for long periods of time.

FINANCIAL IMPACT

Financial Impact Statement **Date:** April 18, 2018

Project Name: **First Year of Program** **2018**

Request for Additional By-law Enforcement Officer Dedicated to Cost-recovered Inspection and Enforcement Activities

	2018	2019	2020	2021	2022
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 40,386	$ 76,158	$ 77,097	$ 78,051	$ 79,019
Less: Incremental Revenue/Recovery	40,386	76,158	77,097	78,051	79,019
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs beginning July 1, 2018 include the addition of one permanent By-law Enforcement Officer position (net new FTE at Step 1 of the salary schedule), vehicle lease operating and parking costs, and other operating expenses with increases annually for inflation and negotiated collective agreement increases. Direct costs are fully recovered through associated regulatory fees.

Original signed by K. Lemoine

Kelly Lemoine, CPA, CA
Manager, Finance and Administrative Services
Community Services Department

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg 01-4 Housing, Direction 4: Provide leadership in encouraging and enforcing property related housing standards that create and promote safe living conditions for homeowners, tenants and for communities as a whole:

- Assist landlords and homeowners to maintain safe housing through information, inspections, and where necessary, by-law enforcement.
- Help maintain a community sense of well-being and safety by responding to community requests for enforcing liveability and property standards and derelict buildings in a cooperative and timely way.

SUBMITTED BY

Department: Community Services
Division: Community By-law Enforcement Services
Prepared by: Marcia Fifer, Licensing Coordinator
Date: April 18, 2018
File No: CMS-2018-5