



**AGENDA**  
**SPECIAL FINANCE AND AUDIT COMMITTEE MEETING**

April 15, 2019, 9:00 AM - 12:00 PM

SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE  
80 COMMERCIAL STREET, NANAIMO, BC

SCHEDULED RECESS 10:30 A.M.

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	Pages
1. CALL THE SPECIAL FINANCE AND AUDIT COMMITTEE MEETING TO ORDER:	
2. INTRODUCTION OF LATE ITEMS:	
3. ADOPTION OF AGENDA:	
4. PRESENTATIONS:	
a. 2019 - 2023 Financial Plan Update	2 - 5
To be introduced by Laura Mercer, Acting Director, Financial Services and Wendy Fulla, Manager, Business, Asset and Financial Planning.	
5. REPORTS:	
a. Potential Additional FTE - Engineering Development Technician	6 - 11
To be introduced by Dale Lindsay, Director, Community Development.	
<i>Purpose: To obtain direction from the Finance and Audit Committee and receive the potential amendment of the 2019-2023 Financial Plan to include funding for an additional permanent Full Time Employee (FTE) - Engineering Development Technician position starting 2019-JUL-01.</i>	
Recommendation: That the Finance and Audit Committee make a recommendation to Council with respect to an additional FTE (Engineering Development Technician) in the 2019-2023 Financial Plan effective 2019-JUL-01.	
6. QUESTION PERIOD:	
7. ADJOURNMENT:	

# 2019 – 2023 Financial Plan Update



April 15, 2019

# 2019 Impact of Additional Budget Changes

## Changes

Closing Captioning Meetings	25,300	0.03%
Mid-Island Business Initiative Grant*		0.00%

## Total Expenditure Increases

Recreation Facilities/Sports Agreement	81,152	0.08%
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## Total Revenue Increases

## Net Change

<b>25,300</b>	<b>0.03%</b>
<b>81,152</b>	<b>0.08%</b>
<b>(55,852)</b>	<b>-0.06%</b>

**Proposed Final Rate - April 10th**

5.04%

**Changes**

-0.06%

**Revised Final Rate**

**4.98%**

\*\$48,000 grant funded from 2019 Council Contingency

# Projected Property Tax Increase

	2019	2020	2021	2022	2023
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	0.0%
General Property Tax Increase	4.0%	2.6%	1.9%	1.8%	1.4%
<b>2019 - 2023 Financial Plan - Revised</b>	<b>5.0%</b>	<b>3.6%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>1.4%</b>

The approved annual 1% property tax increase for contribution to the General Asset Management Reserve currently ends in 2022

# Impact on a Typical Home

	2018*	2019*	\$ Change	% Change
Property Taxes	\$1,991	\$2,091	\$100	5.0%
Municipal User Fees				
Water Fees	\$514	\$552	\$38	7.5%
Sewer Fees	\$130	\$135	\$5	4.0%
Sanitation Fees	\$165	\$170	\$5	3.0%
<b>Total Municipal Taxes &amp; User Fees</b>	<b>\$2,800</b>	<b>\$2,948</b>	<b>\$148</b>	<b>5.3%</b>

Based on \$464,403 assessed value (2018 average per BC Assessment)

Assumes a typical single family house with average assessment change

\* Rounded to nearest dollar

DATE OF MEETING | April 15, 2019 |

AUTHORED BY | Dean Mousseau, Manager, Engineering & Environmental Section |

SUBJECT | **POTENTIAL ADDITIONAL FTE - ENGINEERING DEVELOPMENT  
TECHNICIAN** |

## **OVERVIEW**

### **Purpose of Report**

To obtain direction from the Finance and Audit Committee and receive the potential amendment of the 2019-2023 Financial Plan to include funding for an additional permanent Full Time Employee (FTE) - Engineering Development Technician position starting 2019-JUL-01. |

### **Recommendation**

That the Finance and Audit Committee make a recommendation to Council with respect to an additional FTE (Engineering Development Technician) in the 2019-2023 Financial Plan effective 2019-JUL-01. |

## **BACKGROUND**

The Engineering & Environmental Section is responsible for referral responses to Planning, Subdivision and Building Permit applications to identify development requirements, review and acceptance of all detailed engineering design drawings. In addition, permitting of all development related activity (i.e. Access Permits, Fill Permits and Work in City Streets Permits), overseeing security deposits for the required works, final acceptance, responding to inquiries from the general public on servicing and development inquiries. At present, there are three FTE (One Senior Engineering Development Technician and two Engineering Development Technicians) responsible for this work.

The historic average value of the City-owned works reviewed and accepted by the Engineering & Environmental Section is approximately \$5.9M. In 2018 the value of the City owned works reviewed by the Engineering & Environmental Section was in excess of \$12.4M and currently the 2019 value through Q1 is \$3.1M.

The established review times for the referral responses, reviews and security reduction are as follows:

Referral Responses – 2 Weeks

Initial Detailed Design drawing Review – 4 weeks

Subsequent Detailed Design Drawing review / As-built Drawing Review – 1 week

Processing of Security Reductions / Releases – 1 week

Through Q1 Engineering & Environmental, staff utilized 147% of the 2019 Overtime Budget. Despite the increase in work hours, the current review times for the referral responses, reviews and security reduction are as follows:

Referral Responses – 6 to 8+ weeks

Initial Detailed Design drawing Review – 5 to 6 weeks

Subsequent Detailed Design Drawing review / As-built Drawing Review – 2 weeks

Processing of Security Reductions / Releases – 4+ weeks

An additional Engineering Development Technician FTE, when fully trained and integrated, would provide a 33% increase in the Engineering & Environmental production, thereby reducing processing times. This will result in an ability to reduce application processing times closer to historically established timelines and positively impact other departments, the development community and the general public.

The budget impact of adding the additional FTE (Engineering Development Technician) is approximately \$48,000 in 2019 and \$92,000 in 2020.

## **OPTIONS**

1. That the Finance and Audit Committee make a recommendation to Council with respect to an additional FTE (Engineering Development Technician) to the 2019-2023 Financial Plan effective 2019-JUL-01.
  - **Budget Implication:** The final 2019-2023 Financial Plan will amend to add the additional Engineering Development Technician – FTE.
  - **Political Implication:** Reduction in development approval times, increased service to the development community and the general public.
2. That the Finance and Audit Committee make a recommendation to Council with respect to an additional FTE (Engineering Development Technician) to the 2019-2023 Financial Plan to not include funding for an additional permanent FTE (Engineering Development Technician) position starting 2019-JUL-01.
  - **Budget Implication:** Increase in overtime usage in attempt to process development applications.
  - **Political Implication:** Reduction in service and increased delays in development approval times, decreased level of service to the development community and the general public.

## **SUMMARY POINTS**

- Development activity exceeds the ability of the Engineering & Environmental Section to maintain traditional service levels to other departments, the development community and the general public and has resulted in increased development processing times.
- Adding a FTE (Engineering Development Technician) will be approximately \$48,000 in 2019 and \$92,000 in 2020.

## **ATTACHMENT**

Attachment A: 2019 Business Case: Engineering and Development Technician. |

### **Submitted by:**

Dean Mousseau  
Manager, Engineering & Environment

### **Concurrence by:**

Dale Lindsay  
Director, Community Development

Laura Mercer  
A/Director, Financial Services



# ATTACHMENT A

## CITY OF NANAIMO

### **BUSINESS CASE: Engineering and Development Technician, Engineering and Environment Section**

#### **CURRENT OVERVIEW**

The Engineering and Environment section is composed of two areas Environment and Engineering, both areas report to the Manager, Engineering and Environment. The Engineering area is responsible for the review and approval of the civil related works associated with all development in the community including all building permits and subdivision. This area currently consists of:

- Senior Engineering Technician: and
- Two Engineering Development Technicians

#### **BUSINESS ISSUE**

Despite the growth of the community and pace of development there has been no adjustments to the staffing resources of this section in over 20 years. The workload of the department is directly related to the pace of development in the community. With consecutive years of high construction values and subdivision activity there has been sustained pressure on the section and the staff, (2018 is on target to be the fifth year in a row with construction values over \$200M). When the processing times of this section increases it directly impacts the ability of the Department to issue building permits and subdivisions in a timely manner.

In 2017 as part of an initiative to improve customer service all Works in City Streets Permits and Fill Permit applications were transferred to this section resulting in an increased workload. Ongoing changes to the engineering standards and specs (such as the significant recent changes to storm water standards) have resulted in additional work and complexity to development approvals.

With the sustained pace of development the lack of capacity within the section has resulted in the following negative impacts:

- Overall decrease in moral and feeling of being overworked have resulted in health issues the impact of which increases workload for remaining staff.
- High staff turnover within the section due in part to stress created by current workloads.
- Increased usage of overtime:
  - 2016 - 21.75 hours for Engineering Development Technicians
  - 2017 – 29.0 hours for Engineering Development Technicians
  - 2018 to August 17<sup>th</sup>
    - 34.50 hours for Senior Engineering Technician
    - 25.50 hours for Engineering Development Technician
    - 7.0 hours paid OT for Manager, Manager has also been working regular unpaid overtime to help maintain level of service
- Strong reluctance to take time off because of a concern that work will “pile up” or not get completed in a timely or correct manner. Resulting in increase in requests to “carry forward” vacation time.

- Delays in referral responses to other sections thereby delaying their processes (building permits and subdivision).
- Reduction in service levels to the public and development community (current volumes have not permitted a permanent presence of engineering staff in the permit and resource centre.)

### **EXPECTED OUTCOME**

The addition of a third Engineering Development Technician is anticipated to:

- Improve processing times to allow for the department to improve turn around time for building permits applications, development permit applications and subdivision approvals.
- Allow an Engineering Development Technician to be available at the permit and resource counter to provide improved customer service to residents and developers.
- Provide added capacity to assist in the administration and processing of Works in City Streets Permits and Fill Permits.

### **OPTIONS**

#### **Option #1 – Status Quo**

Benefits:

- No increase to the operating budget of the Engineering and Environment section.

Weaknesses:

- Does not allow department to effectively serve customers and meet service level targets in processing applications
- Reduction in inspection and follow-up of access and servicing permits may result in damage to City infrastructure not being addressed by developers and builders before deposits are returned. This will have a financial impact as the City will need to address the damage at a future date or have a negative impact on long term asset management.

Financial Analysis:

- Expect continued unplanned overtime expenditures.
- May result in increase leaves of absence (e.g. sick/stress leaves).

#### **Option #2 – Additional Engineering Development Technician**

Creation of a third full-time Engineering Development Technician position reporting to the Manager, Engineering & Environment within Community Development

Benefits:

- The additional position will provide the necessary capacity to manage workloads and meet service level targets.

Weaknesses:

- Permanent increase to operating budget of the Engineering and Environment section.

Financial Analysis:

- The position is anticipated to be a Level 11 with an annual salary of \$68,129/annum plus 25% for benefits for an estimated total of \$85,161.
- Additional annual costs are anticipated at \$2,450 for annual membership, professional development and computer charges.
- One-time costs upon the creation of the position are projected at \$1,750. This includes the purchase of a desktop computer.

**RECOMMENDATION**

Option #2 – Additional Engineering Development Technician in the Engineering and Environment Section of Community Development Department.