

REPORT TO COUNCIL



Date: October 24, 2011
File: 0245-10
To: City Manager
From: Doug Patan, Manager, Building & Permitting Branch
Subject: Natural Gas Permit Fee Increase

Recommendation:

THAT Council receives, for information, the Report from the Manager, Building & Permitting Branch dated October 24, 2011 pertaining to a permit fee increase for natural gas installations within the City of Kelowna as per Schedule "A" attached to the Report of the Manager, Building & Permitting Branch dated October 24, 2011.

AND THAT Bylaw No. 10483 being Amendment No.1 to City of Kelowna Gas Bylaw No. 9316 be forwarded for reading consideration.

Purpose:

The purpose of this report is to obtain council approval to apply Council Policy 224 User Fees - Building and Permitting Branch to the gas section in order to recover the operational costs of administration and inspections incurred while delivering the service in the gas discipline.

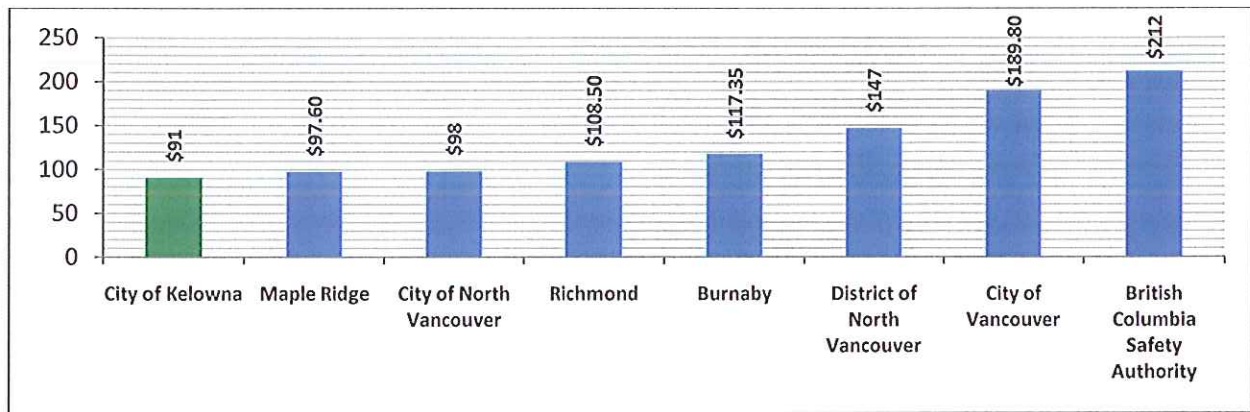
Background:

Council Policy 224 directs the Building and Permitting Branch to review all user fees annually to ensure full recovery of administrative and inspection costs. Though Council Policy 224 indicates an annual review of fees, the Building and Permitting Branch has not undertaken a fee review since 1988 as fees generated met or exceeded the operational expenditures.

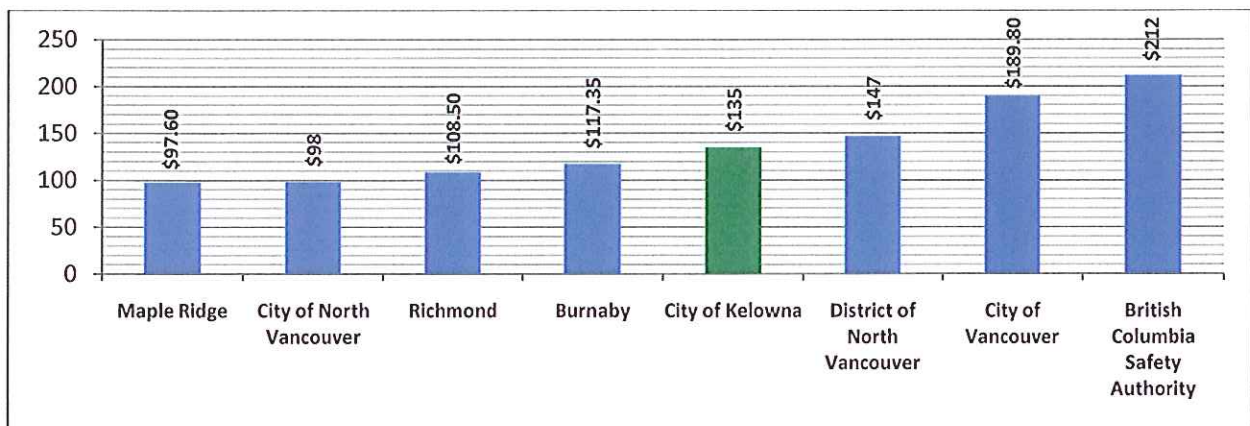
Building and Permitting is a Branch of the Development Services Department. This Branch generates the applicable proportion of the annual operational budget from gas permits to deliver issuance and service for 2,200 gas permits annually and to conduct approximately 6,000 gas inspections yearly. Excluding the British Columbia Safety Authority, the City of Kelowna is one of seven municipalities in the Province of British Columbia that provides compliance monitoring service in the gas discipline.

Staff conducted the following survey regarding current natural gas permit fees among respective municipalities for the installation of gas appliances under 409,600 BTU's for single family, small residential buildings, multifamily units and small commercial installations. The British Columbia Safety Authority was also included in the fee for service survey since a majority of natural gas permit applications in British Columbia are received by this agency.

A handwritten signature in black ink, located in the bottom right corner of the page.



As the above gas permit fee comparison indicates, Kelowna’s service delivery for natural gas permit review and inspections is below all 6 comparable municipalities and the British Columbia Safety Authority.



Kelowna’s fees for service delivery for natural gas permit review and inspections will be in the middle range amongst the municipality’s and British Columbia Safety Authority after the proposed fee increase.

Average installation of 4 appliances	\$91.00	\$97.60	\$98.00	\$108.50	\$117.35	\$147.00	\$189.80	\$212.00	Recommended permit Increase	\$44.00
--------------------------------------	---------	---------	---------	----------	----------	----------	----------	----------	-----------------------------	---------

Currently the applicant pays a \$91.00 gas permit fee for a furnace, hot water tank, fireplace and range for an average house in Kelowna. A plumbing & Gas Inspector conducts three gas and heating inspections for the house. Including travel time and preparation, each inspection takes an average of 0.875 hour for a cost of \$55.16 for each inspection or \$165.48 per average house. This cost includes the inspector’s salary, fringe benefits, equipment (supplied car & communication) but excludes administration costs. In this case, the fee for an average house is proposed to be increased from \$91.00 to \$135.00. A further assessment of the cost analysis in 2012 will be completed and reported back to council as required.

Internal Circulation:

Financial Services
Corporate Services

Legal/Statutory Authority:

City of Kelowna Gas Bylaw 9316

Legal/Statutory Procedural Requirements:

Council Policy 224 User Fees - Building and Permitting Branch

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

The Building and Permitting Branch has consulted and discussed the details of the proposed gas permit fee increase with the Mechanical Contractors Association of British Columbia, the Canadian Home Builders Association of the Central Okanagan and the British Columbia Safety Authority.

Communications Comments:

Alternate Recommendation:

Submitted by:



D. Patan, Building & Permitting Branch Manager

Approved for inclusion:



Mo Bayat, Director of Development Services

SCHEDULE "A"

SURVEYS

- | | | |
|----|---|---------|
| 1. | Survey of plans or designs, each hour or portion of an hour | \$60.00 |
|----|---|---------|

PERMITS - RESIDENTIAL

Note: A gas piping only permit requires that the line be capped or plugged and be pressure tested. An installation permit is required for the connection and firing of appliances.

- | | | |
|----|---|---------------|
| 2. | Residential permit fees for installation, alteration or replacement. | |
| | (a) FOR A SINGLE FAMILY DWELLING: | |
| | (i) installation of one or two appliances including vent and gas piping | \$75.00 |
| | (ii) each additional appliance including vent and gas piping | \$40.00 |
| | (iii) alteration of existing venting or gas piping only | \$75.00 |
| | (iv) new installation of venting or gas piping only | \$75.00 |
| | (v) replacement of any gas appliance | \$75.00 |
| | (vi) Homeowner Permit: Must be a Single Family Dwelling | Fees as above |

PERMITS - COMMERCIAL INSTALLATIONS

- | | | |
|----|---|----------|
| 3. | Permit fees for installation, alteration and replacement for commercial installations, other than single family dwellings | |
| | (i) Installation or replacement including venting and gas piping up to and including 150, 000 BTU's | \$75.00 |
| | (ii) Installation or replacement including venting and gas piping between 150, 000 BTU's and 409,600 BTU's | \$150.00 |
| | (iii) Temporary heating appliances, and the piping connecting them per site with an input to a max of 409, 600 BTU's | \$150.00 |
| | (iv) Installation or alteration of venting only | \$75.00 |
| | (v) Installation or alteration of piping only | \$75.00 |

SPECIAL INSPECTIONS

- | | |
|----|--|
| 4. | Special inspection fees are determined as follows: |
|----|--|

- a) for an inspection of an appliance or installation of a gas system for which the required permit was not taken out, a double permit fee will be applied
- b) for an inspection conducted outside regular business hours, **\$86.00** per hour or portion of an hour, **\$602.00** per day, with a minimum fee **\$129.00**, plus reasonable and necessary expenses incurred by the inspector

RE-INSPECTIONS

- 5. In every case where, due to non-compliance with the provision of the **B-149 Gas Code**, unsatisfactory workmanship or work not ready when inspection called for, or more than two inspections are necessary, then each inspection after the second inspection, a fee of **\$150.00** will be charged.



City of Kelowna
1435 Water Street
Kelowna, BC V1Y 1J4
250 469-8500
kelowna.ca

Council Policy

User Fees – Building and Permitting Branch

APPROVED November 23, 1992

RESOLUTION: R375/10/04/26
REPLACING: S1307/92/11/23
DATE OF LAST REVIEW: April 2010

The Building and Permitting Branch will review all user fees annually to ensure full recovery of administrative and inspection costs.

REASON FOR POLICY

The policy was established in 1992 after a staff review of City building permit fees revealed that the City's fees were significantly below that charged in other municipalities.

LEGISLATIVE AUTHORITY

Council Resolution.

PROCEDURE FOR IMPLEMENTATION

Building and Permitting Branch reports to Council annually with requests for changes to user fees, as required.

No.	Section	Existing Text	Proposed Text	Rationale
	Part 2 Definitions	<u>COMMERCIAL:</u> Includes industrial, institutional, warehouses, sports facilities, restaurants, small businesses, office facilities, multi-unit dwellings (apartments, condominiums).	Commercial: Includes industrial, institutional, warehouses, sports facilities, restaurants, small businesses, office facilities, multi-unit dwellings (apartments, condominiums).	Moved definition from Schedule A to the main body of the Bylaw
	Part 2 Definitions	No previous text	"Homeowner" means the registered owner of a single family dwelling and applicants' primary residence	Addition of Homeowner definition is to clearly identify who is allowed as the owner to undertake gas fitting.
	Part 2 Definitions	2.5 "Local Safety Manager" means (a) The Manager of Inspection Services, or (b) his designate as appointed by council	"Local Safety Manager" means (a) The Manager of Inspection Services, or (b) his designate or (c) as appointed by council	Text change for better clarification corresponding with the title change implemented due to the COK reorganization.
1	Part 2 Definitions	<u>MULTI-UNIT DWELLING:</u> Means any building or buildings in a complex which contain multiple individual residential dwelling units, each of which is occupied or intended to be occupied as a permanent residence of one family, and includes an apartment building and condominium townhouse.	Multi Unit Dwelling: Means any building or buildings in a complex which contain multiple individual residential dwelling units, each of which is occupied or intended to be occupied as a permanent residence of one family, and includes an apartment building and condominium townhouse.	Moved definition from Schedule A to the main body of the Bylaw
2	Part 2 Definitions	<u>SINGLE FAMILY DWELLING:</u> Means any detached building that is occupied, or intended to be occupied, as a permanent residence of one family.	Single Family Dwelling: Means any detached building that is occupied, or intended to be occupied, as a permanent residence of one family.	Moved definition from Schedule A to the main body of the Bylaw
3	Definitions	(X) Homeowner – (upon satisfactory completion of homeowner data sheet) Fees as above	"Homeowner Permit" must be a Single Family Dwelling applicants' primary residence. Application to include a completed data sheet and declaration."	Text no longer required under Schedule A as referenced in main body of the Bylaw
4	Definitions	Sliding Scale May only be applied to commercial and multi unit installations. <i>Note: All calculations of fees pursuant to any formula set out in the schedule shall be calculated to the nearest dollar</i>	Remove sliding scale definition	Sliding scale chart is proposed to be removed from the bylaw and a simplified calculation based on the number of appliances installed may be used.
5	Schedule A Definitions	NOTE: All calculations of fees pursuant to any formula set out in the Schedule shall be calculated to the nearest dollar	Remove text	A simplified calculation based on the number of appliances installed may be used.

Gas Bylaw No.9316

No.	Section	Existing Text	Proposed Text	Rationale
6	Schedule A Permits- Residential	2. Residential permit fees for installation, alteration, repair or replacement (Includes cost of any initial inspection as conducted)	2. Residential permit fees for installation, alteration or replacement.	Removal or repair, as repair and maintenance do not require a permit. Removal of the parenthesis statement
7	Schedule A Surveys	Survey of plans or designs, each hour or portion of an hour \$86.00	Survey of plans or designs, each hour or portion of an hour with a 1 hour minimum \$60.00	Change in rate to match additional hourly rate provisions with a 1 hour minimum charge
8	Permits- Residential 2. For a Single Family Dwelling	(i) Installation of one or two appliances including vent and gas piping \$45.00	(i) Installation of one or two appliances including vent and gas piping \$75.00	\$45 does not cover the inspection and administration costs for recovery required for the permit. This change would also bring us more in line with other municipalities. Burnaby - \$68.85 City N Van - \$72.00 City Van- \$139.00 BCSA – 108.00
9	2. For a Single Family Dwelling	(ii) Each additional appliance including vent and gas piping \$23.00	(ii) Each additional appliance including vent and gas piping \$40.00	\$23 does not cover the inspection and administration cost recovery required for the permit.
10	2. For a Single Family Dwelling	(iii) Vent or gas piping only, per dwelling \$34.00	(iii) Alteration of existing venting or gas piping only \$75.00	\$34 does not cover the inspection and administration for cost recovery. Insert "alteration" and venting c/w deletion of "per dwelling"
11	2. For a Single Family Dwelling	(iv) Vent or gas piping only, per dwelling \$34.00	(iv) New installation of venting or gas piping only \$75.00	\$34 does not cover the inspection and administration for cost recovery. Insert "new" and venting c/w deletion of "per dwelling"
12	2. For a Single Family Dwelling	(v) Replacement (similar type, except water heaters) or repair of a gas appliance \$34.00	(v) Replacement of any gas appliance \$75.00	\$34 does not cover the inspection and administration for cost recovery. Required for removal and replacement of a hot water heater.
13	2. For a Single Family Dwelling	(X) Homeowner – (upon satisfactory completion of homeowner data sheet) Fees as above	(vi) Homeowner: must be single family dwelling (SFD) and applicants primary residence.	Text change to add single family dwelling, primary residence and also add homeowner declaration

Gas Bylaw No.9316

No.	Section	Existing Text	Proposed Text	Rationale
14	2. For a Single Family Dwelling	FOR MULTIPLE APPLIANCES USE 2(A)(I) AND (II)	Homeowner, upon satisfactory completion of a homeowner data sheet and homeowner declaration. Remove text	Text is no longer required
15	2. For a Single Family Dwelling	(vi) Water heater replacement (by decal only)/per unit (\$19.00)	Remove text and fee	Text is no longer required as water heaters fall under sentence 2.(iv) of proposed text and decal program will be retired
16	2. For a Single Family Dwelling	(vii) Replacement of water heater by homeowner \$34.00	Remove text and fee	Text is no longer required as homeowner permits fall under 2.(iv) of proposed text
17	2. For a Single Family Dwelling	(viii) Alteration of gas piping (required where appliances already in service. Includes gas leak repair, seismic valves, etc.) \$34.00	Remove text and fee	Text is no longer required as permit falls under 2.(iii)
18	2. For a Single Family Dwelling	(ix) Connection of gas piping to a new or used certified mobile building with existing appliances \$34.00	Remove text and fee	Text is no longer required as permit falls under 2.(iii) &/or (iv)
19	2.b For a Single Family Dwelling	(b) FOR A BUILDING CONTAINING MULTIPLE UNIT DWELLINGS (i), (ii) & (iii)	Remove text and fees	Text is no longer required as permit falls under 2. (i) &/or (ii)
20	Commercial Installations	PERMITS – COMMERCIAL INSTALLATIONS	PERMITS – COMMERCIAL INSTALLATIONS	No change
21	3. Commercial Installations	3. Permit fees for installation, alteration, repairs and replacement (includes cost of any initial inspection as conducted) for commercial installations, other than single family dwellings	3. Permit fees for installation, alteration and replacement for commercial installations, other than single family dwellings	Text change to remove "repairs" and Removal of the parenthesis statement
22	Schedule A	(a) Each appliance including vent and gas piping, with an input as set out in table 1	(i) Installation or replacement including venting and gas piping up to and including 150,000 BTU's \$75.00	Text change removing reference to table 1 verifying maximum BTU range with specified permit value
23	Schedule A	No Text	(ii) Installation or replacement including venting and gas piping between 150,000 BTU's and 409,600 BTU's \$150.00	Addition to text to verify new permit value for appliances over 150,000 BTU'S & max inspectable capacity as per City of Kelowna Gas Bylaw
24	Schedule A	b) temporary heating appliances, and the piping connecting them per site (with an input as set out in table 1)	(iii) temporary heating appliances, and the piping connecting them per site with an input to a max of 409,600 BTU's	Text change removing reference to table 1 and verifying new permit value and maximum BTU value

Gas Bylaw No.9316

No.	Section	Existing Text	Proposed Text	Rationale
25	Schedule A	c) vent only \$54.00	(iv) Installation or alteration of venting only \$75.00	\$54 does not cover the inspection and administration for cost recovery. Insert "Installation or alteration" and venting
26	Schedule A	d) gas piping only (i) first 50m (163.75 ft) or part thereof \$54.00 (ii) for each additional 50m (163.75 ft) or part thereof \$33.00	(v) Installation or alteration of piping only \$75.00	Text and fee change, gas flow rates in pipe lengths listed are outside of COK inspection parameters and new flat fee introduced
27	Schedule A	e) for replacement(similar type) of repair of gas appliances having an input up to and including 409,600 BTU/hr See Table 3	Remove text	Remove as referred to under text amendment permits- commercial installations
28	Schedule A	b) for an inspection of an appliance or installation of a gas system for which the required permit was NOT taken out, each hour or portion of an hour \$86.00	b) for an inspection of an appliance or installation of a gas system for which the required permit was NOT taken out, a double permit fee will be applied	Text and fee amendment removing an hourly charge to double permit fee
29	Schedule A	c) for an inspection conducted outside regular business hours, \$86.00 per hour or portion of an hour, \$602.00 per day, with a minimum fee \$129.00, plus reasonable and necessary expenses incurred by the inspector	No change	No change
30	Schedule A Decals	5. fee for: (a) a decal applied to a residential dwelling unit replacement water heater up to 50,000 BTU input \$19.00 b) a decal applied to an air- conditioning unit installed on an existing hot air system in a residential dwelling unit \$19.00	Remove	Removal of section 5 as water heaters will be charged under 2. (i) and air conditioners are an electrical add on and do not require a gas permit.
31	Schedule A TABLE 1	Commercial permits Table 1	Remove	Table 1 is no longer required
32	Schedule A TABLE 2	Sliding scale for multi unit dwellings Table 2	Remove	Sliding scale table 2 is no longer required

Gas Eylaw No.9316

No.	Section	Existing Text	Proposed Text	Rationale
33	Schedule A Table 3	Sliding scale for commercial appliances Table 3	Remove	Sliding scale table 3 is no longer required
34	Schedule A Re-inspections	If a re-inspection is required because of faulty workmanship, improper installation, or work not ready when prior inspection called for \$40.00	Where due to non-compliance with the provisions of the B-149 Gas Code, unsatisfactory workmanship or work not ready when inspection called for, or more than two inspections are necessary, then each inspection after the second inspection, a fee of \$150.00 will be charged.	Text and fee amendment to the fee based on 3 rd And subsequent inspections requested on the same process to encourage contractors to complete outstanding infractions prior to recalling inspections