



STRATEGIC PLAN TO RESTRUCTURE THE BUILDING DEPARTMENT

MAY 2020

CITY OF MANZANITA

Executive Summary

Introduction

This practical strategic plan has the intent of restructuring the Building Department in order for the City to be able to protect the value of the homes being inspected and the surrounding homes by assuring that the houses are built according to the approved plans and adhered to the minimum building codes required. By implementing the action items mentioned in this plan, the City would be able to provide better quality control for the homeowner and a better response to building contractors.

Since 2017, the Building Department has been struggling with generating the capacity needed to meet the demand for a consistent and reliable level of service. To meet this demand, the City has developed a practical strategic plan to restructure the Building Department.

The goals of the restructuring effort are:

- Increase effectiveness and efficiency of resources
- Provide consistent and reliable customer service
- Increase quality control for all tasks associated with the department
- Clarify and streamline current processes to improve customer service

Next steps:

With support from the City Council:

- Amend the Ordinance 96-03 related to Building Codes to reflect current codes
- Adjust building fees to match those of our neighboring jurisdictions
- Increase the 30 hours of building personnel to 40 hours to provide consistent and quality customer service
- Implement the E-permitting program to streamline and facilitate the permit processes

Background Information:

Since 1969, the City of Manzanita is the only City in Tillamook County that has its own Building Department. Appendix A includes a table outlining the City's Building Department and its past officials. History shows that the City once had and held a full-time position for the Building Department.

In 2001, Council had discussed dissolving the City's Building Department and giving it over to the County after the passing of the Building Official (BO). At that time, the decision was made to keep the department but hire out the BO position through contracted services. The City has changed its officials since 2001 but has kept to a 3rd party contracted service agreement for all BO services.

In 2017, the sudden departure of the BO left the City in a position where it had to ask the County to help cover all building services until another official could be hired. Working in collaboration with the City of Cannon Beach, an agreement was reached where they would hire a full time BO and Manzanita would have an intergovernmental agreement with them for shared services of a BO.

Along with enforcing the building codes, the City expected for the shared BO to carry all of the administrative and clerical duties of the Building Department, but with the back and forth traveling and constant change in schedules to adapt to the demand of both cities, City Hall staff unexpectedly had to cover the customer service requirements for building services without knowledge of any building processes.

Unfortunately, this resulted in an unreliable customer service, lack of code enforcement, a higher number illegal work, less permits issued, less business licensed enforced and overall frustration from the homeowners and contractor's community.

Goals:

To address the frustrations of the community and rectify the deficiencies of the department, staff identified four key goals that will guide the restructuring of the department.

The goals are the following:

- **Increase effectiveness and efficiency of resources**

The Building Department should operate in the most cost-efficient manner possible and should start the process to become a self-sufficient department.

- **Provide consistent and reliable customer service**

The Building Department should provide a single point of contact to answer questions of the planning and permitting processes due to the need to interpret codes and apply them to specific projects.

- **Increase quality control for all tasks associated with the department**

The Building Department should have one designated person to be responsible for the department to assure construction projects in the City meet all required codes and standards.

- **Clarify and streamline current processes to improve customer service**

The Building Department should provide modern and accessible information and services that allow contractors or homeowners to get information within a reasonable amount of time and enable positive interactions with the community.

Tentative Timeline – Structuring the Building Department

CITY COUNCIL
MEETINGS
2020

MAY	<ul style="list-style-type: none">• Approve first reading of Ordinance 20-01• Collect public input for fee increase• Approve increase hours of the BO
JUNE	<ul style="list-style-type: none">• Approve second reading of Ordinance 20-01• Collect public input for fee increase• Terminate agreement with Cannon Beach (earlier=better)
JULY	<ul style="list-style-type: none">• Ordinance 20-01 takes effect• Approve fee increase• FT BO starts
AUGUST	<ul style="list-style-type: none">• Continue training for e-permitting• Continue creating a sense of consistency in customer service
SEPTEMBER	<ul style="list-style-type: none">• New fees take effect• Implement e-permitting program• Complete the restructuring of the Building Department

Recommendation 1

AMEND ORDINANCE NO. 96-03, THAT ENFORCES THE BUILDING CODES

The State adopts building codes which are universally applied across the state. However, ORS Chapter 455 allows for delegation of enforcing these state codes to counties and cities. For the City to continue undertaking the building program, the City must maintain the adoption of the State Codes by ordinance and subject itself to review by the State Building Codes Division (BCD).

In order to ensure that the proposed restructuring of the Building Department has a foundation, Ordinance 96-03 that enforces the building codes, needs to be amended to reference current codes and requirements. The proposed ordinance amendments are included in Appendix B.

Recommended motion:

Move to read “AN ORDINANCE AMENDING SECTIONS 1.4, 1.10, 2.1, 2.3, 2.5, 2.6, 2.7, 2.8, 2.9, OF ORDINANCE NO. 96-03 AN ORDINANCE PROVIDING ADMINISTRATION & ENFORCEMENT OF BUILDING CODES” by title only for its first reading and to tentatively approve said Ordinance as of its first reading.

Benefits:

The expectations and needs of the community can only be met by establishing a clear and feasible ordinance for all to follow. The proposed amendments bring the ordinance up to current code and provides refined language that would be easier to follow, explain and implement.

Next steps:

With support from the City Council:

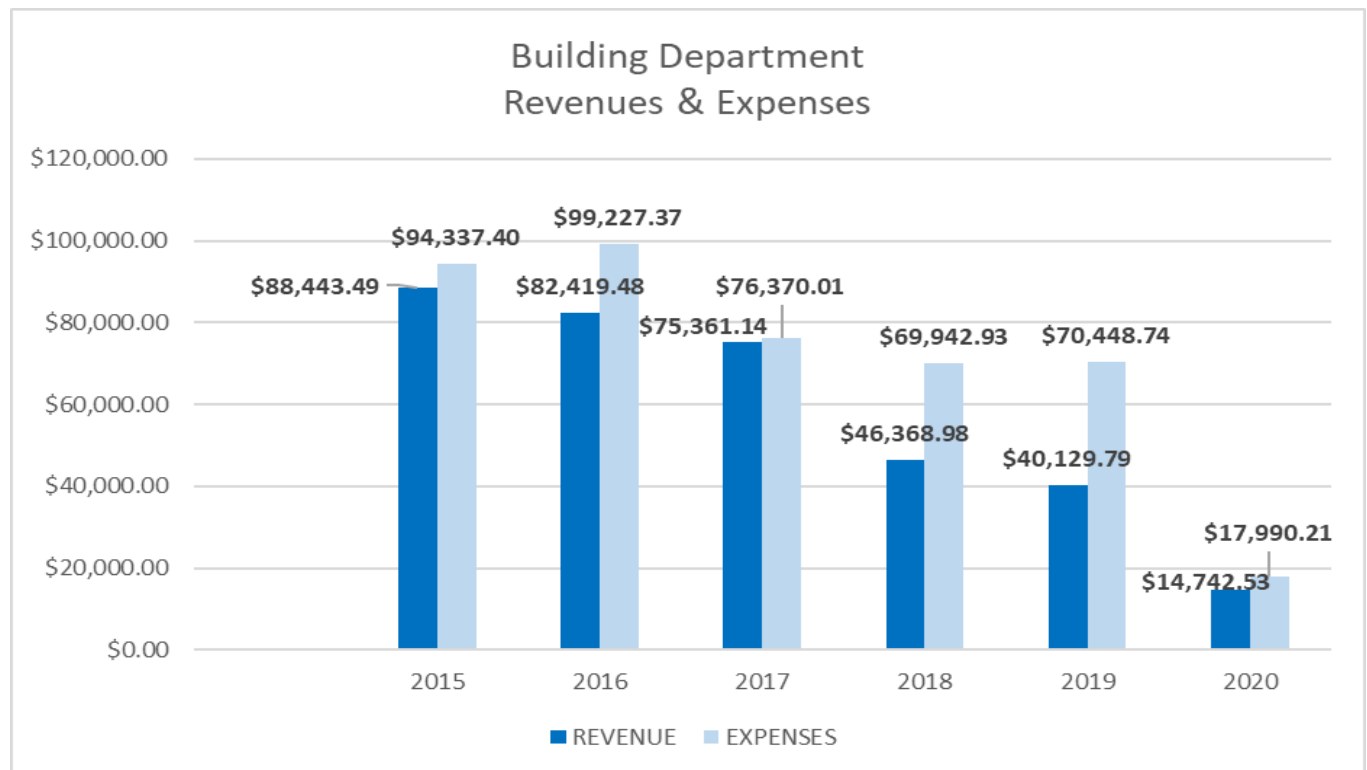
- May City Council meeting – Approve first reading
- June City Council meeting – Approve second and final reading and adoption of the ordinance
- July 2020 – Amended ordinance takes effect (30 days after adoption)

Recommendation 2

ADJUST BUILDING FEES TO MATCH THOSE OF OUR NEIGHBORING JURISDICTIONS

The building expenditures have exceeded revenues for the past 5 years (See Graph 1). As building permit revenues must be used only for building inspection programs by State law, the philosophy has been that the money in “profit” years is used to cover expenses in the lean years. The graph shows that the department’s revenues have been falling short due a decrease in the number of processed permits. Some of the factors that contributed to the decrease include, but at not limited to, having a BO less than part-time, inconsistent customer service, limited windows for inspections, and limited accessibility to a BO that can explain the building processes and required permits. Table 1 includes the number of permits issued in the last five years.

Graph 1



Revenues included are fees collected for permits and plan review

Expenses includes are personnel costs, office supplies, building operations, insurance, membership dues & fees, travel and equipment

Table 1

Year	Permits Issued*	New Homes	Commercial Permits Issued	Inspections Completed
2015	215	18	19	428
2016	212	23	4	527
2017	204	16	0	0**
2018	145	8	14	391
2019	150	9	11	358
2020	61	2	2	44

*Permits included are building, mechanical and plumbing

**2017 numbers were not available

By state law, if the fee increase generates more revenue than is needed for the Department each year, the excess revenues must be held in a reserve for the department for future needs or for when building activity is down. The excess revenue may not be used for other City purposes.

Appendix C includes the list of proposed fees. These fees have been already evaluated by the Department of Building Codes (BCD). The proposed fee schedule is taken from the City of Cannon Beach, which is the most recent north coast jurisdiction that has adjusted building fees. The proposed fees are a combination of new fees and adjusted fees. Appendix D includes the fees of Tillamook County, City of Cannon Beach, and Clatsop County for reference.

An example of a building permit fee for a new family dwelling would be:

Fees	Valuation	Building Permit Fee*
Current	\$250,000	\$2,473.30
Proposed	\$250,000	\$3,498.82
		29% Increase

*Plumbing and mechanical fees are not included

It is proposed that the fee increase not go into effect until September 1, 2020 to allow contractors to figure the new fees into their bid proposals. Complete applications (including

all plans) submitted to the department prior to September 1st would be subject to the current rates.

Recommended motions:

1 – Move to obtain additional information and public comment on proposed increase in building permit fee schedule.

2 - Approve Resolution 20-08, A RESOLUTION ESTABLISHING FEE SCHEDULE FOR BUILDING PERMITS

Benefits:

The expectations and needs of the community for a reliable Building Department, can only be met by adjusting our fees to cover the expenses needed to operate efficiently. Likewise, raising building permit fees would allow to more closely cover the costs of the building inspection program.



Next steps:

With support from the City Council:

TENTATIVE TIMELINE FOR FEE ADJUSTMENT	
April 29, 2020	Sent out the notification of proposed fee schedule to the Building Code Division (BCD). The BCD would collect feedback from the construction community.
May 6, 2020	May Council meeting <ul style="list-style-type: none">• Present all documents to council• Collect public comments• Suggested motion: Collect more information
June 3, 2020	June Council meeting <ul style="list-style-type: none">• Collect public comments
June 13, 2020	Fees may be adopted any time after this date (end of 45 days period for BCD notification)
June 28 2020	Fee appeal deadline - no appeals allowed after this date (end of 60 days period for appeals)
July 8, 2020	July council meeting <ul style="list-style-type: none">• Approve fee schedule
September 1, 2020	New fees are effective.

Recommendation 3

INCREASE THE 30 HOURS OF BUILDING PERSONNEL TO 40 HOURS TO PROVIDE CONSISTENT AND QUALITY CUSTOMER SERVICE

It has been suggested that since the department does not generate enough revenue to support itself with the current rate structure, that the City should question whether a full-time building department is worth it. However, this is also an issue of meeting the customer service demand triggered by the continuous new construction or improvements in our community.

Manzanita has performed the building program for many years to provide a better level of service than the County can provide. By having a Building Department, builders and residents can contact the local BO more easily, and the BO can be more responsive to special requests. In addition, our local BO can devote the time necessary to assure that the codes are followed; this is quality control for the property owner. A full-time BO is more likely to catch problems than a part-time building official or a county inspector can. The City continues to be one of the fastest growing areas of the County, and the service level a full-time BO would be able to provide is appropriate to maintain an acceptable quality of structures in the City.

The City currently administers the following programs: Council of American Building Officials (CABO) One and Two Family Dwelling Plans Review, Structural and Mechanical Inspection, Manufactured Home Placement, A-level Structural Plan Review and Inspection, Fire and Life Safety Plans Examination, A-level Plumbing Inspection, and A-level Mechanical Inspection.

Currently Alton Butler, Building Official has been distributing his time between the three Cities of Astoria, Cannon Beach and Manzanita with most of his time committed to Astoria. Butler has recently stated his intention to retire in late spring of this this year. With this notice, we are proposing Council to terminate the agreement with Cannon Beach as of July 1, 2020, to allow the City to start implementing a succession plan.

The current agreement with Cannon Beach is for \$26, 040 for 10 hours a week for building services and requires 60 days notification to terminate. However, Cannon Beach is proposing to increase the payment to \$28,440 to cover the traveling expenses. Previously, an agreement for 15 hours for \$39,000 was in place from 2017 through October 2019. Appendix F includes the current agreement with Cannon Beach.

The Building Department succession plan includes reassigning Scott Gebhart from Public Works to the Building Department. At this time between Butler and Gebhart, 30 hours a week are being spent in the Building Department. The BO position would be modified by merging the 10 contracted hours with the 20 hours from Gebhart and adding 10 more hours to complete a full-time position. The 40 hours would then be distributed to 50% BO duties and 50% code enforcement for the Building, Planning and STR Departments. Appendix E includes the proposed BO job description.

The full-time BO position is calculated as follows:

BO Full-time Position	
Salary	\$48,756
Insurance	\$25,695
PERS	\$11,399
Incidentals	\$2,000
TOTAL	\$87,850

Following the job description, half of the cost of the position will be covered by Building revenues. The other half will be covered by the general fund.

Scott currently holds certificates for Residential Plumbing Inspector, Residential Plans Examiner, Residential Structural Inspector, Building Official and OR Inspector Certification. In addition, he has a vast institutional knowledge of the city’s policies, infrastructure systems, and the community. He is still missing his Commercial licenses, but he expects to complete those within a year. If during that time the City receives a commercial application Scott, would be able to rely on the County for support. Since Manzanita has

very limited commercial activity, working with the County for commercial permits is a feasible option.

Lastly, since he started performing the STR inspections in Spring 2019, he has been increasing his knowledge of all three departments by working along with Alton, the Tillamook County Building Department, the Planning Commission, the STR program and contractor's community. Since spending time at City Hall for more than a year, Gebhart has been able to identify gaps in the building permit process and has worked with the City Manager and Assistant City Manager to streamline our processes and improve the level of customer service and helped.

Gebhart has completed over 88 STR inspections since last year, approximately 17 STR re-inspections and has received 131 emails just since January 2020. On average, the Building Department is receiving at least 5 calls a day and 5 inspections a week, which each one last time from 20 to 45 minutes. Since April 1st, Scott has issued 17 permits, completed 17 inspections, found 1 major unpermitted remodel and caught 2 businesses working within the City limits without a license.

City staff believes that his succession plan is the most effective and efficient way to accomplish the goals identified for the Building Department. However, the City has several choices for moving ahead:

1. Give up the Building program and allow the County to extend its jurisdiction for the building inspection program into the City.
2. Keep the Building program and contract with Tillamook County to provide services within the City.
3. Continue with the agreement with Cannon Beach for a joint Building official. The assumption is that Cannon Beach would hire another full-time BO when Alton retires and that they will continue supporting the City of Astoria.

If Council decides to explore one of the options above, additional information will be provided.

Recommended motions:

1 - Move to approve the increase of the 30 hours of building personnel to 40 hours to provide consistent and quality customer service.

2 – Move to terminate the intergovernmental agreement with Cannon Beach for building services.

Benefits:

A full-time BO would be able to provide one-on-one customer service through phone, email or in person to answer any questions about the construction or modification to a home or structure. In addition, the BO would have the ability to catch work being done without permits or without a City license. Another advantage would be to better utilize the skills of existing personnel.

Next steps:

With support from the City Council:

- Approve the revised BO job description
- Approve the increase of the 30 hours of building personnel to 40 hours to provide consistent and quality customer service.
- Budget Committee to review and approve the allocation of resources for the Building Department.
- Terminate agreement with Cannon Beach for building services
- July 1 – Reassign Scott Gebhart as the full-time BO (if possible)
- Open the vacant position at Public Works

Recommendation 4

IMPLEMENT THE E-PERMITTING PROGRAM TO STREAMLINE AND FACILITY BUILDING PROCESSES

E-Permitting is an online permit service program provided by the Building Codes Division (BCD). Contractors can go online anywhere, or from any device, to purchase a building permit or schedule an inspection. This program handles the permitting and monitoring of permits plus will allow contractors better access to their information and checking on inspections. E-permitting is funded through the 12% surcharge assessed on all building permits.

The City has signed up to participate in the e-permitting program and staff will start training this May with a tentative implementation date of August-September 2020. Once implemented, the program will create and support permits for Building, Planning and Public Works and would improve record keeping and time management as permits would be submitted and approved online. Appendix G has more information on e-permitting.

In the evaluation of the e-permitting program, staff discovered that the current building fees need to be updated to help facilitate the implementation of e-permitting and to be in line with the newly revised fees of Cannon Beach, Gearhart, Warrenton and Clatsop County. Tillamook County and other cities in Tillamook also have outdated fees, therefore, they are not used as reference. The last time the City adjusted the building fees was in 2009.

Staff will continue to provide updates on the progress of the e-permitting program.

Recommended motion:

No recommended motions.

Benefits:

The e-permitting program would help better track permits, inspections, planning, right of way permits, improve contractors' access to inspection results and applying for permits. By implementing e-permitting this will free up more time for customer service and code enforcement.

Next steps:

With support from the City Council:

- Staff will start training in May
- Tentative implementation date is September 1, 2020



List of Appendices

- APPENDIX A – History of Building Department
- APPENDIX B – Ordinance 20-02 that Enforces the Building Codes
- APPENDIX C – Resolution No. 20-08 Establishing a Fee Schedule for Building Permits
- APPENDIX D - Building Fees for Tillamook County, City of Cannon Beach and Clatsop County
- APPENDIX E – Building Official Job Description
- APPENDIX F – Agreement with Cannon Beach for Building Services
- APPENDIX G – E-permitting Information

