

Information Item

Date: February 8, 2021

To: Mayor, Mayor Pro Tempore, and Members of the City Council

Damon Dequenne, Assistant City Manager

From: Ben Rowe, Assistant City Manager

Aaron King, Director of Planning and Development Services

Subject:

Information on certification ladder for inspectors within Planning & Development Services

Strategic Focus Area: Service Excellence

Strategic Objective: Ensure Service Delivery Efficiency and Effectiveness

Strategic Plan Action Item: No

Key Work Item: No



Background Information

At the January 12, 2021, Community Development/Housing/General Government (CD/H/GG) Committee, staff presented information regarding the timeliness of construction related inspections. In short, Inspections staff continues to face challenges in meeting the statutory requirement of conducting inspections within two (2) business days of their request. The full report provided to the CD/H/GG Committee is attached to this item for reference purposes. One of the strategies discussed at the January 12th meeting was the implementation of a certification ladder. A certification ladder would: (1) increase the City's competitiveness within the job marketplace; (2) provide a tool to aid in retention of existing employees; and (3) offer an incentive for inspectors to become more efficient in their work by obtaining additional certifications. The discussion at CD/H/GG culminated with a request of staff to bring an information item to the February 8, 2021, meeting that provides budget-related information regarding the implementation of a certification ladder.

Certification Ladder Methodology

The certification ladder proposed by staff would focus on employees performing inspection-related work under the NC State Building Code. This includes the 22 positions for field inspectors and three positions for staff who perform plan review and inspections. Planning & Development Services staff has worked with Human Resources staff to develop a methodology for the Inspections certification ladder.

- Inspectors: Inspectors would be eligible for a 3% increase to their annual salary for Level 2 and Level 3 certifications within their respective trade. They would also be eligible for 3% increases to their annual salary for each certification (and Level there within) outside of their trade area. Inspectors would not receive additional compensation for their Level 1 certification in their specific trade because it is a requirement of the job itself.
- Senior Inspectors: Senior inspectors would be eligible for a 3% increase to their annual salary for each certification (and Level there within) outside of their trade area. Senior inspectors would not receive additional compensation for Level 1, 2, or 3 certifications in their specific trade because they are requirements of the job itself.
- Plan Review Staff: Plan review staff perform inspections in addition to their plan review responsibilities. Plan review staff would be eligible for a 3% increase to their annual salary for each certification (and Level there within) outside of their trade area. Plan review staff would not receive additional compensation for Level 1, 2, or 3 certifications in their specific trade because they are requirements of the job itself.

For the 21 positions currently filled, 17 employees would be eligible for some level of additional compensation under the approach described above. Inspectors who receive compensation for additional certifications outside of their job requirements would be required to perform all inspections on a job site within their certifications. Staff believes the 3% increase for additional certifications is in-line with peer communities as shown in the attached report.

Budget Impact

As a City-County function, costs of the Inspection Division are shared between the City and the County. Forsyth County's share of Inspection Division expenses is calculated annually using a formula defined in the interlocal agreement between the City of Winston-Salem and Forsyth County that established the combined City-County department. The formula can be summarized as:

$$\text{County Share} = (\text{Budget Year Expenditures} * \text{Prior Year Actual \% County Revenue}) - \text{Budget Year County Revenues}$$

First, the actual revenue earned by county-based Inspections Division activity from the prior year is calculated. For the FY 21 budget, the actuals from FY 19 were used (FY 20 was still in progress, so that actual data would have been incomplete), with 38.9% of the actual revenues generated in the county. Budget year expenditures are then divided between the city and county using this same percentage split. Finally, budgeted county revenues are removed from the county's share of expenditures to arrive at the county's final cost for Inspections Division services. In FY 21 that cost was budgeted as \$259,040.

EXPENDITURES	Budget FY 20-21	Actual FY 20-21 (as of 12/31)	REVENUES	Budget FY 20-21	Actual FY 20-21 (as of 12/31)
<i>Zoning</i>			<i>Zoning</i>		
Personnel	\$1,082,470	\$473,941.05	Revenues	\$272,000	\$141,205.00
Operating	207,594	96,108.30	Forsyth County	259,040	104,285.00
Capital Outlay			Building Permits	1,328,270	613,857.41
	5,250	2,621.82	Electrical		
<i>Construction</i>			Permits	1,008,000	619,338.44
<i>Control</i>			Plumbing		
Personnel			Permits	423,000	249,319.35
	2,041,300	924,824.38	Mechanical		
Operating	914,990	463,268.44	Permits	652,500	397,402.34
Capital Outlay	103,920	34,870.55	Other Permits	106,200	60,685.00
			Other Revenue	48,500	-2,549.70
Total Expenditures	\$4,355,524	\$1,995,634.54	Total Revenues	\$4,097,510	\$2,183,542.84

In order to implement the certification ladder described above, there are three areas of focus. First, applying the methodology above to existing employees who are eligible for additional compensation results in a cost of approximately \$27,000 (salary + benefit factor) if implemented in April of the current budget year. For the 2021-22 budget, the full cost of the salary increases would be approximately \$105,000. Second, staff anticipates eligible employees will seek and become eligible for additional certifications in the future. Each additional certification results in an increase in salary of approximately \$1,700 on average. While it's unknown exactly how many staff members will obtain additional certifications, if 20 additional certifications were obtained in a year, the additional cost associated with compensation would be approximately \$46,000 (including benefit factor). Third, staff notes the cost associated with applying for and taking certification exams. Using the number of 20 certifications in one year calculated at approximately \$350/exam adds an additional \$7,000 of cost. In summary, the projected costs by budget year are shown here:

Budget Year 2020-21: \$27,000 (increases to existing salaries based April implementation/3 months)

Budget Year 2021-22: \$158,000 (full year of salary increases, additional increases for certifications, and money set aside for exam costs)

The figures noted above are offered to provide as close to a "true-cost" estimate as possible. Funding for the additional cost of the certification ladder program would likely come from general fund revenues, cost-sharing with the County, and additional permit revenue. Permit revenues are currently outpacing budgeted revenues for the current budget year and staff would anticipate permit revenues to remain robust for FY 2021-22. The additional revenue noted here must be spent on Inspections-related activities per State Statutes and would be appropriate for

allocation toward the certification ladder program. Remaining costs for implementation of the certification ladder program would be split between the City and the County based on the formula noted above.