Reorganization of building inspection and planning: A case study in Missoula Montana

Benjamin Michael Berto
The University of Montana
COPYRIGHT ACT OF 1976

THIS IS AN UNPUBLISHED MANUSCRIPT IN WHICH COPYRIGHT
SUBSISTS. ANY FURTHER REPRINTING OF ITS CONTENTS MUST BE
APPROVED BY THE AUTHOR.

Mansfield Library
University of Montana
Date: 1987
REORGANIZATION OF BUILDING INSPECTION AND PLANNING: A CASE STUDY IN MISSOULA, MONTANA

By

Benjamin Michael Berto

B.A., University of California-Santa Cruz, 1982

Presented in partial fulfillment of the requirements for the degree of

Master of Science in Rural, Town, and Regional Planning

UNIVERSITY OF MONTANA

1987

Approved by:

[Signatures]

Chairman, Board of Examiners

[Signature]

Dean, Graduate School

[Signature]

Date

Dec. 28, 1987
# TABLE OF CONTENTS

| INTRODUCTION ............................................. | 1 |
| The Problem ..................................... | 1 |
| Methodology ........................................ | 3 |

<table>
<thead>
<tr>
<th>Chapter</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. HISTORY AND ROLE OF BUILDING INSPECTION</strong></td>
<td>6</td>
</tr>
<tr>
<td>History of Building Inspection</td>
<td>7</td>
</tr>
<tr>
<td>In Missoula Before Reorganization</td>
<td>7</td>
</tr>
<tr>
<td>Recordkeeping</td>
<td>8</td>
</tr>
<tr>
<td>Issuance of Certificates of Occupancy</td>
<td>9</td>
</tr>
<tr>
<td>Violations</td>
<td>9</td>
</tr>
<tr>
<td><strong>II. RATIONALES FOR REORGANIZATION</strong></td>
<td>17</td>
</tr>
<tr>
<td><strong>III. BUILDING INSPECTION AND ZONING SINCE REORGANIZATION</strong></td>
<td>23</td>
</tr>
<tr>
<td>Improvements Since Reorganization</td>
<td>23</td>
</tr>
<tr>
<td>Recordkeeping</td>
<td>24</td>
</tr>
<tr>
<td>Issuance of Certificates of Occupancy</td>
<td>31</td>
</tr>
<tr>
<td>Detection and Enforcement of Violations</td>
<td>31</td>
</tr>
<tr>
<td>Improved Performance: Reorganization Versus Other Factors</td>
<td>33</td>
</tr>
</tbody>
</table>
Reorganization Problems .................... 35
Subordinate Status ....................... 35
Budgeting and Staffing .................. 45
Inadequate Training ..................... 58

IV. RECOMMENDATIONS ..................... 63
Reconsolidation ........................... 63
Head Administrator Versed
In Both Disciplines ..................... 64
Chain of Command Improvements .......... 66
Formal Training of Inspectors .......... 66
Building Inspection Budget
Consistent with Revenues ............... 67

CONCLUSION ................................ 70

SELECTED BIBLIOGRAPHY .................. 77

LIST OF DIAGRAMS AND TABLES

Diagrams
1. Hierarchical Structure Prior
to Reorganization ...................... 36
2. Reorganized Community Development
Office Hierarchy ....................... 37

Tables
1. Staffing of Building Departments,
Population of Jurisdiction,
Area of Jurisdiction ................... 56
INTRODUCTION

This paper concerns the reorganization of the Missoula, Montana Building Inspection Department, first into the Missoula Planning Office, and currently into the Missoula Public Works Department. The paper's primary focus is on the city's building inspection program. However, because zoning has a unique working relationship with building inspection, the zoning function will also be examined.

Reorganization of bureaucratic entities is often seen as a panacea for a variety of organizational ills. While reorganization is touted as a means of achieving greater efficiency in government, it is perhaps best utilized for what Franklin Delano Roosevelt believed, as a method of achieving "good management." ¹

Reorganization is currently in vogue for government at all levels. This popularity is not always warranted. As this case study demonstrates, reorganization is only the beginning of the task of achieving good management.

The Problem

Prior to reorganization, there were problems with the operation of the City Zoning and Building Inspection Departments. David Wilcox, then a staff member of the Planning Office, noted in a 1980 study that "A number of
problems in the operation of zoning and building code enforcement, as those functions [existed] under the 1973 and 1977 interlocal agreements, can be identified. These problems resulted in the placing of the building inspection and zoning functions within the Missoula Planning Department, which has been renamed the Office of Community Development. This action downgraded building inspection, which had ostensibly been on equal footing with the planning department, to a division within the Missoula Community Development Office. Currently, building inspection has been removed from the Community Development Office and placed in the Missoula Public Works Department.

This paper is a descriptive analysis of the initial reorganization which moved building inspection into the Planning Department. It looks at the problems that existed prior to reorganization and analyzes the new structure from the viewpoint of efficient and effective management and operation.

The study has four main sections.

The first looks at some of the historical background of building inspection. From this, some sense of the need for building inspection emerges. The first section also examines the situation which existed in the building department in Missoula prior to reorganization.

The second section examines theoretical and empirical
rationales for reorganizing building inspection. Special attention will be directed at how reorganization was determined to be the best means of addressing the problems described in the first section.

The third section examines what has happened since reorganization. It looks at problems and some improvements that have emerged, examining the problems in particular detail.

The mechanics of reorganization only offer the possibility for future improvements. It is the employees of an organization, especially those involved in the administrative end, who in the final analysis make any reorganization a success or failure. This, of course, is the case in Missoula.

The fourth and final section of this paper is entitled "Recommendations." This section looks at potential solutions to problems examined in section three, and discusses the relationship which could and should develop between the functions of building inspection and planning.

Methodology

Several years have passed since the 1982 reorganization, enough time to assess the performance of building inspection before and after consolidation. This will be accomplished primarily by comparing and analyzing records.
of the performance of pre- and post-reorganization building inspection. Data are examined in the areas of: 1) number of inspections conducted; 2) code violations detected; and 3) citations issued.

A significant portion of the paper concerns the status of building inspection when it was a division of the Community Development Office. For this reason, a "before and after" study would, by itself, be inadequate. Complex issues, such as the ongoing status of building inspection, or problems with a given organizational structure, demand in-depth study. In dealing with these issues, several other methodologies are employed. Literature in the field of building inspection and planning provides some typical reorganization pitfalls. The ongoing difficulties facing Missoula's building inspection function are compared with those faced by other cities in Montana. In addition, information from certain knowledgeable sources in Missoula, including the chief building official, is used.

It is my hope that this paper will help fill a gap in research concerning the interface between planning/zoning and building inspection. It should therefore prove helpful to those involved in consolidating planning and building inspection functions.
Author's Note  For the sake of writing style, the Missoula Office of Community Development will be referred to throughout this paper simply as the Community Development Office. For similar reasons, the Building Inspection Division of the Office of Community Development (now of the Public Works Department) may be interchangeably referred to as the building division or building inspection.
CHAPTER I

HISTORY AND ROLE OF BUILDING INSPECTION

Building inspection came into existence because of a long and inglorious tradition of substandard construction by builders. The earliest building codes date back to the time of Hammurabi, founder of the Babylonian empire in 2000 B.C. He decreed that if a house a builder erected fell and killed someone, the builder should also be slain. Today's building codes are considerably less punitive, but address the same basic issues. Robert O'Bannon, a prominent author on building codes and code enforcement notes:

Fire-resistive standards have been developed when man has experienced the horrors of major conflagrations; design standards for earthquake resistance and building emerge AFTER cataclysmic earth tremors; hundreds of tragic deaths due to carbon monoxide poisoning resulted in the development of requirements for proper venting of heating appliances employing fossil fuel.... The Chicago fire of 1871 destroyed 17,000 buildings, killed hundreds of people, and left almost 100,000 homeless.

Soon after its great fire in 1871, Chicago passed the first building regulations in the United States.

Modern building codes came into being out of this and other tragedies. When the stakes are this high -- large-
scale loss of life and property -- it is clear that the responsibilities of those who enforce building codes are significant. Their job is no less than to ensure the public health, safety, and welfare. Proper enforcement of the codes, however, is never an easy proposition. As will be seen, there are many pitfalls enroute to securing such enforcement.

History of Building Inspection in Missoula

Missoula has had a Building Inspection Department for more than thirty years. Prior to 1977 this department also administered city zoning. An interlocal agreement reached in 1977 transferred zoning responsibility to the Missoula Planning Department. The reason for this change, according to the professional paper by David Wilcox entitled, "A Reorganization Proposal For Zoning And Building Code Administration In Missoula, Montana," is that building inspectors could not be relied on to inspect for zoning concerns.

The pre-consolidation building department was deficient in the execution of zoning and other duties. These duties included recordkeeping, issuance of Certificates of Occupancy, and detection and enforcement of code violations. This paper will compare the performance of all these functions before and after reorganization.
Before Consolidation

**Recordkeeping.** Records of inspections performed by personnel in the previous (to consolidation) Building Inspection Department are very sporadic. For instance, there are no records at all of building permits issued from May 1972 to November 1975, and there are numerous gaps in the building permit records between 1980 and 1982, the period immediately prior to reorganization. Another example of the previous building department's poor record-keeping turned up after reorganization, when one of the new inspectors found six year old permit records in the trunk of a departmental car.

Accurate, up-to-date recordkeeping is extremely important for several reasons. Every inspector's permit copy contains a checkoff list, which in standard practice is initialed by the inspector as various inspections are made. Where no record exists, or no checkoff signed, there is no proof that the inspections were conducted. Complete records, on the other hand, provide evidence that the inspector performed his job.

Sloppy recordkeeping can be used by inspectors to avoid personal responsibility in the event that substandard building practices are later discovered. There is a suit pending against the city of Missoula concerning several substandard buildings that were constructed in the late
1970's. Records fail to indicate any problem. Nonetheless, the problems exist, the damage has been done, and now the courts will have to decide who is responsible.

Issuance of Certificates of Occupancy. Issuing Certificates of Occupancy is one of the basic duties of any building inspection department. The Uniform Building Code (UBC) which is in effect in Montana, explicitly states:

No building or structure...shall be used or occupied, and no change in the existing occupancy classification of a building or structure or portion thereof shall be made until the building official has issued a Certificate of Occupancy.

Despite this, the previous Building Department in Missoula did not issue Certificates of Occupancy.

It should be noted that at the State level:

Although required to issue "Certificates of Occupancy" upon completion of the final inspection of a building, this practice is not followed by the [State of Montana] Building Codes Division. The Division does not believe they are able to do a good enough job of building inspection to warrant issuing "Certificates of Occupancy."

Both the city of Missoula and the state of Montana were in violation of this aspect of the UBC.

Violations. The previous Building Department performed poorly in detecting and enforcing code violations.

Violations may occur for a wide variety of reasons. For example, there can be problems with plans that have been submitted, deficient construction, etc. When di-
covered by a building department, these problems are gener­ally handled by a letter, phone call, or meeting with the parties involved, informing them of the violation and requesting correction. This process usually results in compliance. If not, the matter is forwarded to the city or county attorney for legal action.

It is difficult to tell whether letters were written or building code violations were resolved, due to the poor recordkeeping of the previous building department. There is virtually no follow-up documentation of violations on file from this period. In some instances, in fact, there is concrete evidence that nothing was accomplished. For example, there is a letter in building files ordering the 1977 demolition of the Smith Hotel in Missoula. The building is still standing today.

Followup letters, etc., may be sufficient to correct everyday code violations, but all too often structures are built without any permits being obtained first. This is against the law. As the UBC states:

It shall be unlawful for any person, firm, or corporation to erect, enlarge, alter, repair [etc]...any building or structure regulated by this code...or cause the same to be done without first obtaining a separate permit for each building or structure from the building official.

When a structure is built without any permits or inspections, the public obviously has no assurance that the
Building meets minimum standards for life safety.

Building without a permit is a serious problem, not only in Missoula, but throughout Montana. The Model Conservation Standards Implementation Study (MCSIS) cites data from its 1984 survey of Montana cities: The majority of the large jurisdictions (71%) felt that in fact, more buildings were being constructed or remodeled than there were applications for permits.

Most builders obtain a permit before commencing construction as a matter of course. Those who do not should be penalized. The most obvious and probably one of the most effective penalties is listed in UBC. In Section 3.04 it states:

Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit, an investigation fee, in addition to the permit fee, shall be collected whether or not a permit is then subsequently issued. The investigation fee shall be equal to the amount of the permit fee required by this code.

The investigation fee is double the amount of the normal fee. With the figures involved running into the hundreds and even thousands of dollars, an investigation fee can be an effective deterrent. Yet the previous building department did not cite a single investigation fee.

As mentioned earlier, there is a suit in Missoula court concerning the building department. It was brought because several duplexes, which were built in Missoula in the late 1970's, were later discovered to be substandard.
Where there is deficient construction there is usually insufficient enforcement. Richard Goldberg writes:

In a paper published in ICBO's [International Conference of Building Officials] Building Standards Monthly, the author indicated concern with the increasing tendency of some building officials to fail to exercise their responsibility. The locality, in accepting the permit and plan check fees, is obliged to provide the services those fees are meant to procure and to protect the public by means of its checking and inspection functions. In at least one jurisdiction, a suit resulted in the locality paying over $200,000 to one of the suing parties, for its role in failing to prevent the faulty construction that was the primary issue in that litigation.

In addition to Missoula, the city of Helena and the State of Montana are also facing suits over inadequate code enforcement. The message that these suits should be sending to governing bodies is that those who neglect building regulation functions do so at their own risk.

All of the performance indicators used in describing Missoula's pre-consolidation building department are common measures of performance in the building inspection profession. Clearly, the previous building inspection department was not doing all that it should have.

It would be unfair to belittle the performance of the previous department without looking at the overall regulatory environment surrounding the function of building inspection. Inadequate local code enforcement is a problem throughout the United States. Richard Kuchnicki, executive
director of the Council of American Building Officials, writes; "Despite greater professionalism by local code officials there yet remains much room for improvement in code enforcement." Kuchnicki lists several factors which contribute to this situation, among them: inadequate staffing, inadequate training budgets, improper placing of building departments within the government hierarchy, subordinate status, and the impoverishment of building departments by the diverting of income received from permit fees to offset other jurisdictional expenses. All of these problems were present in Missoula's building inspection department. Some continue to this date.

Another author reiterates the problems in store for those in the code enforcement field. James Hicks writes:

...acceptance of code administration as a unique profession will probably not occur in the near future, if at all....A major barrier is the lack of strong national leadership and an organization dedicated to the development of code administration and enforcement at a unique profession.... Another major barrier is the lack of educational programs.

The State of Montana has its own unique code enforcement problems. As mentioned earlier, the Building Codes Bureau, which handles code enforcement for the State, does not issue Certificates of Occupancy. The reason for this, as stated in the Model Conservation Standards Implementation Study (MCSIS), is that:

13
On the state level the legislature has deemed building codes to be necessary to protect public life and safety. Yet the legislature has consistently failed to provide funds to enforce the building code adequately.17

The MCSIS also states, "Code enforcement continues to be an unpopular subject in many, if not most, areas of Montana. Historically, rigorous enforcement of building codes has received less than enthusiastic political support." Indeed, only 42% of cities in Montana have adopted local building codes at all.18 As one building official reports, "The message seems to be: we want the job done, but not too efficiently."19 The MCSIS concludes by saying "Building code enforcement in Montana has, as a rule, been underfunded, understaffed, and overworked."20

Missoula may share some of the political problems affecting building enforcement statewide. This does not provide a valid excuse for the poor performance of the previous building group. Those who are involved in enforcement must be willing to shoulder the burden of upholding professional standards.

One more thing must be remembered when considering the problems of Missoula's building and zoning departments. Building inspection and zoning are protective, regulatory functions of government. Protective, regulatory policies and programs are designed to safeguard the public by setting the conditions under which various private
activities can occur. A protective, regulatory agency’s environment is usually characterized by adversarial roles between regulator and those who are regulated. In other words, "...those whose behavior would be regulated...view themselves in an adversarial relationship and fight the regulators, or they may attempt to capture the regulators as sympathetic friends." A building inspection department is no exception, and those pressures are always going to be a part of the workplace. Failure to recognize this will result in poor performance.

Legislation enabling comprehensive planning was passed in Montana in 1973. Missoula undertook comprehensive planning the same year. Zoning in Missoula existed as a building inspection function for over 30 years prior to this. Zoning continued to be handled by the Building Department during the Planning Department’s initial years, but in 1977 that responsibility was transferred to planning. Although zoning and building inspection share much in common (as will be seen), zoning is primarily a planning function. The fact that "...the [building] inspectors have shown inattention to zoning requirements..." undoubtedly speeded the exchange.

Problems with zoning did not end with inclusion in the Planning Department. One of the reasons was that the new organizational structure had some serious defects. In a
section of his paper entitled "Administrative Problems Within the Zoning Staff" Wilcox describes the situation:

...the presence of two independent administrative heads for city and county zoning, one of which also serves as assistant director, causes administrative problems within the zoning staff.

...(The) administrative structure...is not only contrary to sound management practices, it is unnecessary.

...A very basic rule of organizations is that an employee should have only one boss,...some employees in the zoning division receive directions from two supervisors....The advisability of maintaining such a problematic administrative structure must be questioned.

Wilcox also discussed the situation existing between zoning and building inspection.

The dual permit and inspection process [each separately for building inspection and zoning respectively] requires duplicated efforts, wasting resources and manpower, thus decreasing the program's efficiency. There is a lack of coordination between the two departments, opportunity for mistakes and non-enforcement because of overlapping responsibility, and confusion and distrust between the building inspection and zoning department, all of which decreases the effectiveness in performance.

Missoula's pre-1982 Building Department was poorly organized. This factor, combined with other problems which are, as will be seen, endemic to building departments around the country, severely hampered the Building Department's ability to perform its duties.
CHAPTER II
RATIONALES FOR REORGANIZATION

Reorganization generally occurs in order to solve existing problems, and beyond this, to create a more effective and efficient department. Effectiveness, according to Kurt Tausky, is the measure of how well or poorly organizational goals are met or accomplished. Efficiency is defined by Wilcox in terms of performance: "...performance is efficient depending on the quantity of resources expended in the effort to achieve a desired condition." Neither efficiency nor effectiveness truly stand by themselves. They are merely standards by which efforts to accomplish real goals can be judged. This brings up the point that organizational goals should be clearly stated at the beginning of a reorganization effort. Otherwise it will be impossible to tell how well or poorly the job was accomplished. Some of the problems which occurred in Missoula were a result of vague goals and ill-defined ideas of how to reach those goals. This chapter will look in detail at what could and should have been part of the goal-setting process of reorganization.
There are two basic organizational patterns: organization by purpose and organization by process. The 1982 reorganization in Missoula followed the pattern of organization by purpose. Planning and building inspection follow the same purpose of being regulatory agencies protecting the public health, safety, and welfare. Subsequent reorganization of building inspection into Public Works in October of 1986 involved a reorganization by process, the process being engineering.

One of the primary reasons for combining inspection and planning was to achieve better performance in the two functions. David Wilcox writes: "The proposed reorganization is designed with the primary goal of increasing the performance of city and county zoning and building code administration..."\(^{29}\)

What was to be gained from this fundamental alteration, rather than, say, implementing a new program within the existing building inspection and planning departments? Organizational theory indicates that reorganization can be a very effective way to change organizational imperatives. Commenting on the use of reorganizational powers by the United States Presidential Office, Kenneth Meier notes:

Creative placement of programs and careful reorganizations can create climates...favorable to the president's policies...Affecting organizational performance by manipulating the organization's environment has the advantage of not requiring constant monitoring.
...reorganization can be an effective control weapon.

This point about reorganizational "clout" is repeated by the author of Politics, Position, and Power, Paul Seidman, who writes, "...reorganization can be used to change program emphasis."\(^{31}\)

Without reorganization Missoula administrators would have been faced with bureaucratic entrenchment, which has frustrated other attempts to make needed changes. For example, Wilcox notes that the city and county zoning officers, although supposedly under the control of the planning director, could actually only be removed from their positions with the consent of their respective legislative bodies. Of this situation Wilcox comments, "The special appointment status of the two zoning officers greatly limits the planning director's ability to create an efficient [and answerable] organizational structure."\(^{32}\) Gortner also points out "organizational planning is unrealistic when it fails to take account of the differential capacity of subordinate units to defend the integrity of their function."\(^{33}\) Perhaps Missoula decision-makers felt that a lesser step than reorganization simply would not have worked.

When Kristina Ford became the director of the Missoula Community Development Office shortly after consolidation, she accepted that one of her primary tasks was improving
the performance of building inspection. By having immediate control and power over all the agencies, Ford's task was made much less difficult. As Luther Gulick noted in his classic treatise *Notes on the Theory of Organization*:

> The advantages of...organization [by purpose] are...it makes more certain the accomplishment of any given broad purpose or project by bringing the whole job under a single director with immediate control of all the experts, agencies, and services which are required in the performance of the work.

After reorganization, Kristina Ford asked a member of the previous building department to improve his work performance, and he told her "I can't." Soon, he was no longer working for the Community Development Office.

There are a number of other reasons which support a reorganization along the lines taken in Missoula. Gulick, had this point to make in referring to the public:

> The public sees the end result, and cannot understand the methodology. It therefore expresses its approval or disapproval with less confusion and more effectiveness regarding major purposes than it can regarding the process.

Robert O'Bannon notes that most major city departments are organized along lines of purpose.

Along more specific lines, there is a fair body of literature on building inspection and planning departments supporting the organization linking of the two functions. Gerald B. Wilson, reporting on the results of a survey he
conducted, writes:

Planning directors, by a decisive majority, indicated that their most frequent contact was with the building department (and vice-versa with building officials interviewed). [Building inspection] if combined with anything, should be planning, in the interest of coordination and maximum efficiency.

...Whereas they usually indicated a belief that building regulation functions should constitute a separate department, when any combination [of government departments] was suggested, it was invariably combining building regulation and planning, and judging from the comments by respondents reported...above, the gains in coordination from such a combination would be considerably greater [than with public works].

Consolidation of planning departments also appears to be a general trend among planning offices nationwide. A (planning advisory service) memo reports:

...Telephone interviews with planning staff in 27 cities revealed that most cities have reorganized planning activities within the last five years.

...For the most part, it appears that cities have consolidated their departments, thereby establishing a single unit for administering planning matters.

...administrators identified the following reasons for consolidating their planning departments: streamlining; cost-cutting (sharing expenses); increasing internal consistency; and reducing duplication of efforts.

[For example] Omaha has redistributed responsibilities for planning matters within its administration...responsibility for all zoning services is concentrated now in the building and development division.

Consolidation can provide greater convenience to the public. Harold Gortner, in his book Administration in the Public Sector writes:
...the factor that most favorably impresses the average citizen is the speed and courtesy with which their problems and complaints are handled when they come into contact with the government bureaucracy.

Along similar lines, when Cal Johnson and Joe Durham (previous heads of the building department) were making a bid to get zoning back as a building inspection function, they wrote to the mayor:

Another problem I believe is very important, and that could be solved, if Zoning and Building Departments were together, is convenience to the public....Time is very important to the contractor.

Johnson and Durham also estimated that "the zoning department spends 75 to 80% of their time with the Building Department and the balance with the Planning Board." 41

The functions of zoning and building inspection are so closely related that they overlap duties. From his survey Wilson notes:

[When] respondents as a group placed their...dependence for the discovery of potential zoning violations...the building department was rated higher than the planning department as a source for this kind of information. 42

Given the problems that existed at the time, and the potential for improvements, consolidating the two departments must have seemed like a good idea. And so in 1982 it was accomplished.
CHAPTER III
BUILDING INSPECTION AND ZONING
SINCE REORGANIZATION

Whatever the rationales for reorganization, the effects were soon felt. Within a year of the change, the entire work-force of the previous building department quit. They cited as a reason frustration with being prevented from doing an adequate job (due to a lack of personnel). Lack of personnel, as will be seen, was and continues to be a problem. However, as shown in the previous chapters, staffing levels weren't the only problems. The newly hired building inspection staff did a much better job than the previous group right from the start. Richard Sanderson writes, "Inept administration is the essence of the ills of code enforcement in the U.S."\(^{43}\) It was time for a change in Missoula, and consolidation provided the impetus for the change.

**Improvements Since Reorganization**

A number of improvements have occurred in the functioning of the building division since the 1982
reorganization. One of these has been in the area of recordkeeping.

Recordkeeping. In contrast to the situation that existed in this area prior to consolidation, complete records are now kept for every permit issued and inspection conducted. This includes building, electrical, mechanical, or plumbing records. In some regards well-organized records are an innovation in Montana. The *Model Conservation Study* states:

The most significant finding resulting from a question about the present average time that plans are kept on file is that only five of the twelve building communities consistently receive reasonably detailed plans for residential buildings....Four communities representing a range of [city] sizes said they virtually never receive detailed residential building plans....Several communities said their files are currently very unorganized and that setting up a workable [building] plan filing system would be their main problem.

Municipalities acceptance of plans of uneven quality raises potential problems. Albert Goldberg notes:

Another issue that usually arises in litigation is the question of what constitutes the prevailing "standard of care" in a particular locality. It is recognized that construction and design practices vary according to the locality. The acceptance of substandard drawings from several designers does not establish a "standard" level of acceptance in that locality. If that "standard" results in drawings that are incomplete for proper construction, one can be assured that in litigation the designer will have to answer to the courts. It would be foolish to hope that the courts will rule that the continued presence of inadequate drawings will, over a
period of time, establish that level of performance as the "professional standard" in the locality,...

A recent court decision in California, (Huang vs. Garner) found, among other rulings, that violation of the code was negligence on the part of the designer. It further found the failure of the contractor-developer to comply with the Uniform Building Code creates potential risks to future purchasers. Moreover, it indicated that the standard of care required of designers and engineers may in fact be the standard for the profession as a whole.

Recordkeeping used to be a source of difficulties in Missoula, and it continues to be a source of difficulty around the state. Given this, the filing system in Missoula which was developed after reorganization is worth examining. Comments here are based on personal experience in this area. My primary job the summer I was working as an intern for the building division was to devise a better recordkeeping system.

In the old system permit records were filed as they were issued, chronologically by permit number. However, questions about records are inevitably directed at a particular address, not at any particular permit number. The permit number is usually not even known. The primary need, then, is the ability to locate records by address, not by permit number. Also, because most record inquiries are directed at permits that have been issued fairly recently, it is essential for the records to be kept up-to-date. The old system used two ledgers on street addresses for cross-
referencing purposes. It was a cumbersome task keeping the cross-referencing current, and in fact the ledgers were two years out of date. Obviously, this made it difficult to locate records.

Permit records were also stored in a number of places. The net result of missing records, scattered locations, and an inconvenient filing system was a recordkeeping system that for the most part was unusable. Questions concerning a specific address either had to be left unresolved, or were answerable only by going through available permit records one by one. The previous system was therefore both ineffective, (often records could not be located) and inefficient (because of the time wasted in referencing records).

A new system was devised, one based directly on street addresses. Every street in the jurisdiction is given a separate, labeled file. Permit records for addresses on a particular street are kept in the file folder for that street in chronological ascending order. For example, a record for 207 Worden would be followed by the next highest address for which a permit had been issued, say 458 Worden, and so on, depending on which addresses are on file.

Each year the permits start with the number one, with the year listed as a prefix to the permit number (for example, the first building permit listed for 1986 would have the number 86-001).
Each permit has several copies. One of these is filed in chronological order of permits issued. This way if a question does come up about the order of permit issuance, or how many permits were issued in a given period of time, this can be easily determined.

The main benefit to an address-based system is that questions concerning a particular address can be handled simply by referring directly to the address in the street file. With all records for an address kept in a single file (with the exception of plans, which are kept in a separate plan holder), all information concerning an address is easily available.

The address-based permit system also resulted in a significant improvement in overall effectiveness. All permit records are now accessible, and questions based on permit records are answerable.

The old ledger books were mothballed, since there was no need for them with the new system. Duplication of records was now unnecessary, improving office efficiency. The long-term storage of records had been a big drawback to the old system. Storing paper copies of inactive permit records can create problems because of the space involved in storing them, and the difficulty in keeping them in order. Permit records for which Certificates of Occupancy had been issued must be kept a certain period of time.
The solution, to quote from an office memo, was as follows:

Jim Nugent [city attorney for Missoula] informed me that the liability period for suits that could involve these documents extends eleven years. So eleven years is the maximum time frame required. However keeping records on file indefinitely might be a good idea for reference at any time in the future. The situation as it stands now precludes indefinite storage due to storage space limitations. Old permits, plans, and related items are kept in at least three different locations due to shortage of space in any one convenient location. The storage solution which Pete [Mion] and I have found involves micro-fiching inactive files. A microfiche card would cover a specific street and would contain all assembled building inspection related data on a particular job. A red line could delineate the end of a particular job file. Jim Nugent had no problems with the legality of microfiched records as long as a hard copy can be made. There is a microfiche copier over at the Courthouse so this is not a problem.

Another recordkeeping work-flow improvement occurred after reorganization, when inspectors started bringing permits to jobs they were inspecting. Previously inspection notes on a particular job had been written on the original phone memo taken for the job. That practice required transferring inspection records back to the official form at the office, an unnecessary duplication of effort and one that created opportunities for mistakes. The new system, with inspectors’ comments and sign-offs recorded on their permit copy at the job site, resulted in improved reliability.

Computers also added efficiency to the functioning of the office. The entire Community Development Office,
including building inspection, partially computerized its recordkeeping process. Subsequent reorganization of building inspection into the Public Works Department put a halt to computerization. Building inspection has dropped the use of computers for the issuing of permits and has gone back to manual permit processing. However, the system at the Community Development Office worked as follows: Relevant data about the approved permits (address, owner, type of work, contractor, etc.) were put into the computer. A permit printout was given to the applicant. The inspector received a copy to take out into the field. Subsequent initialed hard copies, inspector's notes, and other related data were kept in the street addressed file until ready for microfiching.

The computer keeps the permit numbers ordered by address when issuing permits. For example, if the first permit issued for an address in 1986 was a building permit, it is given the number 86-001-BL. If the next permit issued by the office is for an unrelated electrical permit, it will be given the number 86-002-EL. When the electrical permit is issued for the original (building permit) address, it will be given the number 86-001-EL. This ordering of permits by jobs makes it easier to keep track of what permits have been issued for a particular job, since the number is already known. Numerical ordering
helps minimize confusion out in the field, where, for
example, a site may have dozens of separate buildings under
construction and it would otherwise be difficult to keep
track of the status of the various jobs and permits.

The computer was used in compiling monthly accounts of
all charges, debits, and credits made to building inspec-
tion. It was also used to issue the monthly building
reports detailing revenues received and amounts and type of
building activity (for example new construction, remod-
eling, etc.).

Not all of the computer's capabilities have been ex-
ploited. For example, it can be programmed to "flag" (or
automatically call up) any job for which a permit has been
issued but no inspections called for in a certain period of
time. In this fashion the computer can act as a watchdog
against builders who are not calling for inspections. A
warning by the computer and a prompt visit by the inspector
can save the city a lot of headaches by preventing unins-
spected jobs from proceeding too far. The possibility of
this program being on line in the future depends on two
things: first, a commitment to the use of computers; and
second, funds being made available for the necessary pro-
gramming.

One of the hallmarks of good organization is the
ability to reduce uncertainty. The address-based record-
keeping system and computers promote consistent enforcement of the building codes.

Issuance of Certificates of Occupancy. Certificates of Occupancy are now issued for every completed building before it is allowed to be occupied. Enforcement of this provision of the code is an effective compliance tool, since a structure is worthless if it can't be used. If a builder has been calling in for and getting inspections at the appropriate steps in the construction process, issuance of a Certificate of Occupancy should be routine. This also provides certification to the public that the structure meets codes-related standards.

Detection and Enforcement of Violations. The reorganized building division has been quite active in pursuing violations. The chief building official implemented the use of investigative fees for situations when someone builds without first obtaining a permit. This investigative fee doubles the normal permit fee. In the first fifteen months of its adoption, twelve investigative fee citations were issued, an average of almost one per month. A builder cited with an investigative fee is unlikely to build again without a permit, since the average building permit costs approximately $200 without any additional investigative surcharge. Not only that, upon discovering construction
without a permit, a field inspector will probably issue a stop work order. The builder must then submit to building inspection a set of plans, go through the approval process, and pay twice what he normally would, before being allowed to recommence construction. This wastes time and money. In addition, there is the distinct possibility that a structure that is started without building and zoning review will not meet regulations of either division, in which case the project could be cancelled. Compare the loss this represents to the cost of going through normal channels, and the effect of aggressive enforcement on people building without a permit (through the use of stop work orders, investigative surcharges, etc.) can be easily seen. Vigorous enforcement has the net effect of promoting greater compliance with the codes. The public gets structures that are certified as "safe", and that is one of the basic purposes of inspection.

It is unlikely that the need for aggressive enforcement will decline over time. Such enforcement does have the effect of promoting greater compliance. However there will always be the builder who chooses to deliberately avoid securing a permit. There are also those who are unaware of regulations. Within the professional building industry, the level of ignorance is surprisingly high. The Oregon Building Code Compliance Study, which surveyed
builders and contractors in Oregon, stated:

The majority of builders interviewed (53 percent) indicated that they "fully or mostly" understood the provisions of Chapter 53 [of the Oregon Building Code]. When asked a series of technical questions, however, 77 percent of the builders answered fewer than 30 percent correctly.

Oregon has problems with its builders knowing the codes. Yet it is almost certainly in better shape in this regard than Montana, where 58% of the cities in the state have yet to adopt, and therefore require any knowledge of, building codes. Given the above, it appears that there will continue to be a need for aggressive enforcement for the foreseeable future.

**Improved Performance: Reorganization**

**Versus Other Factors**

By any meaningful performance yardstick, building inspection in Missoula is more effective than ever before. The question remains to be answered to what extent the results are due to reorganization per se, and to what extent are other factors involved?

No matter how many or what type of structural changes occur in an organization, it is the people within the organization that, in the final analysis, determine whether those changes succeed or fail. Most of the performance improvements and problems occurring after reorganization are directly related to the individuals involved in the
Community Development Office.

The key individual responsible for improvements within the new building division was the new chief building official, Peter Mion. After his first year in Missoula, Mr. Mion was conferred with the honor of Building Official of the Year by his peers in the building trades, in recognition of his efforts.

Floodplain administration provides an example of an area where consolidation set the preconditions, but Mr. Mion was instrumental in the actual success achieved. Missoula County was recently commended by the State Floodplain Management Division for the thorough manner in which floodplain permits are processed. In its newsletter hi__water, the Floodplain Division described how all of the necessary permits required to build in or near Missoula’s floodplain areas are secured before construction commences. Building inspection is not even mentioned, yet there is a direct connection. Mr. Mion is the city floodplain administrator in addition to being the person in charge of issuing building permits. He makes sure that floodplain permits have been secured before a building permit is issued and construction may begin.

There is further evidence that people in the Community Development Office were largely responsible for post-consolidation results. Unfortunately it shows up in the
nature of the difficulties which the Office has had in the integration of building inspection and zoning.

**Reorganization Problems**

Along with improvements in inspection came a number of problems, especially in the working relationship between building inspection and zoning. These difficulties have broad overtones. In many ways Missoula is only a microcosm of problems which are statewide or even nationwide in scope. As outlined by Richard Kuchnicki these problems are:

- Subordinate status
- Impoverishment of building departments by diverting income received through permit fees to offset other jurisdictional expenses
- Inadequate staffing
- Inadequate training budgets

**Subordinate Status.** Subordinate status deserves to be addressed first because in some sense all of the other problems derive from it. Reasons why building inspection suffers from inferior status relative to other governmental functions aren't completely clear. Perhaps the major factor is the one given by James Hicks, a "lack of strong national leadership and an organization dedicated to the development of code administration and enforcement as a
unique profession." Whatever the reasons, the symptoms were present in Missoula.

The hierarchical structure which was adopted in the reorganized Community Development Office is one example of building inspection's subordinate status. Prior to consolidation, the Building Department had line department status, ostensibly on an equal footing with other departments (see diagram 1).

**Diagram 1**

Hierarchical Structure  
Prior To Consolidation

- **Mayor, City Council, County Commissioners**
  - **Planning Department**
    - **Planning Director**
      - **Ass't Planning Director**
      - **Staff**
  - **Building Inspection Department**
    - **Chief Building Official**
    - **Staff**
Contrast this with the situation which existed in the Community Development Office (see diagram 2).

Diagram 2

Reorganized Community Development Office Hierarchy

Mayor, City Council, County Commissioners

Director

Graphic Artist II

Administrative Assistant I

Assistant Director

Planning Technician I

Secretary II

Planner II

Building Official

Secretary I

Assistant Planners

Inspectors

Planner I

Graphics & Mapping

Clerical

Regulatory Activities

Grant-Funded Activities
These diagrams showing the lines of authority are greatly simplified, but serve to illustrate a point. Whereas the building official used to be on approximately equal footing with the planning director, after consolidation the building official was positioned considerably further down the Community Development Office hierarchy. To understand how this occurred, an examination of the previous planning office is in order.

David Wilcox describes some of the organizational difficulties which plagued the previous planning office:

The city zoning officer was placed in the position of zoning division supervisor by the planning director. The county zoning officer, while retaining his zoning title, was named to the position of assistant director....

Both supervisors are in a decision-making position. Neither the city zoning officer nor the county zoning officer feels compelled to consult one another; and neither consistently recognizes the other as a necessary part of the hierarchical structure for normal supervisory or discretionary decisions....

Employees who were formerly assigned to county zoning now under the supervision of the city zoning officer become confused and concerned that no matter what they do, there will be a conflict with a supervisor. Feelings of inadequacy develop and employees become reluctant to take decisive action....

This goes against standard maxims of organizational theory:

The principles of classical theory elaborate the view that for effective operation (a) coordination and (b) specialization must be carefully designed into the structure of an organization....

Among the principles that were addressed to
coordination is (A) the scalar principle. Essential here is the idea of clear-cut areas of responsibility and hierarchy of authority: directives should flow downward from the highest position in the chain of command to the lowest in a determinate, unbroken manner....

(B) The unity of command principle: this specifies that in order to avoid conflicting orders and evasion of duties, no member of an organization should receive orders from more than one superior.

Although the author here (Curt Tausky) goes on to caution that these principles are no more than rules of thumb, Seidman states in defending their adherence:

It is easy to pick the flaws in the concepts of unity of command, straight lines of authority and accountability, and organization by major purpose; it is far more difficult to develop acceptable alternatives.

Prior to reorganization, planning office employees were subjected to the inconvenience and uncertainty of having several bosses. There was no unity or chain of command. The irony of this is that despite Wilcox's recognition of the problems caused by having two supervisors, the reorganized office structure created almost the same problems. With respect to building inspection, the situation may have worsened. At least in the previous instance the perturbations of the office hierarchy were done by administrators within their areas of expertise. But the problems in the post-reorganization Community Development Office involved building inspection as well as planning. For example, there was the development of the permit
issuance system at the Community Development Office. Mr. Wilcox stated in his paper, "The proposed reorganization is designed with the primary goal of increasing the performance of city and county zoning and building code administration through an improved permit process." Wilcox indicated plenty of problems with the dual permit system which existed at the time:

The requirement of two permits (one for zoning and one for building inspection) and a series of confusing inspection requirements unnecessarily burdens the public, causes duplication on the part of the two responsible departments, wastes staff time, and diminishes the exercise of other zoning responsibilities.

Until quite recently, the new system still resulted in unnecessary burdens on building inspection. The difficulty lay in the manner with which plans and applications for building and zoning permits were routed. Wilcox originally envisioned a one-permit system that:

...more fully utilizes existing personnel simply by decreasing the duplication in plan checking and final inspections. Plans will be checked for both building and zoning code compliance at the same time by the same person.

This was only partially accomplished. The plans examiner for building inspection eventually also reviewed plans for zoning compliance. For the first two years following consolidation, however, these two items were still independently checked by the staff in both zoning and building. Not only that, but administrators in the Community

40
Development Office decided to route all plans through building inspection plans exam first, and then through zoning plans exam. This order was the reverse of what it should have been. Plans exam for compliance with the various building codes is by far the most involved of the two. This review involves checking for internal construction, fire resistance, exiting, etc, and can take several hours to go through. Building codes will allow a person to build a structure just about anywhere, however, provided there is sufficient fire protection and the like.

Zoning plan review, on the other hand, typically takes about five minutes to conduct. Zoning setback requirements for structures apply in virtually every zoning district. Yet this is where a building will very likely be disqualified, due to problems with its proposed location. A building should be approved by zoning for dimensional use of a lot before it is reviewed for internal construction by building inspection. Otherwise if routing goes to building first, the plans examiner may spend a couple of hours on the plan, approve it and send it on to zoning, only to have it rejected after a five-minute review. The required changes in location may very likely require a change in the design of the structure itself. This necessitates another lengthy review by the building plans examiner. If instead, the plans went to zoning first, the locational aspects...
could be taken care of. Then the lengthy building plan review could be conducted without fear of re-involving zoning, because this review primarily involves internal construction aspects. Mr. Mion finally convinced administrators in the office to reverse the order of review, but it took several months. He knew the proper order and fought for it but was unable to convince his superiors to change any sooner.

Eventually one person was given responsibility for checking plan compliance with both building inspection and zoning. This is the ideal situation, but one which has since been lost because zoning and building are now once again in separate departments, conducting independent reviews.

One of the roots of the problem was that none of the people who made the decisions both on where building inspection was to go in the consolidated Community Development Office or how it was treated once it was there had good backgrounds in building inspection. Proper administration of this field requires (much as in any other field) specific training and knowledge. Without these qualifications it is difficult for the best-intentioned people to make proper decisions.

Lack of administrative knowledge of, and divisional autonomy for building inspection put a damper on
performance and morale. If the chief building official wanted to make a change in operations, he had to go through three layers of bureaucracy. In addition, if subordinates within building inspection disagreed with the building official, they could go over his head to planning administrators. The fact that these administrators could, and on occasion did, countermand the building official’s decisions sometimes made it very difficult for the official to do his job. As Mr. Mion put it, "I have a great deal of responsibility but no real ability to make my own decisions."62

The building official’s responsibilities can be severe. The Uniform Building Code states that the chief building official is personally responsible for ensuring that the various code duties are carried out.63 This raises the possibility that in the event of litigation over code enforcement the building official would be personally liable. Yet when administrative meetings of the Community Development Office were held, the chief building official was not asked to attend.64 Given the types of budgeting decisions which took place at those meetings (as explained in the next subsection), it isn’t really surprising that Mr. Mion’s presence was not desired. Nevertheless, the building official should have been invited to attend. Mr. Mion was in charge of a number of employees, and was responsible for an activity which could
not have been represented by another person.

The result of the internal problems at the Community Development Office was, as a Missoulian article described it: "an environment of intense mistrust, intense frustrations, and a crisis atmosphere in the system."65

Some people may contend that the situation at the Community Development Office was no different from any other vertically integrated organization; that is, sooner or later the expert (in this case the building official) is going to be governed by generalists (in this case those further up the office hierarchy than Mr. Mion). Kurt Tausky comments on this apparent dilemma between administrative powers of specialists versus generalists:

The advantage of specialization is that it concentrates specialized decisions at those locations in the organization with the relevant information and the skill to expertly make decisions. But here is the rub. The specialist may not be in a command office over the position which uses such services, this means either that the expert’s opinion is only advisory and can be ignored, or that the expert’s opinion is not advice but more in the nature of a directive which must be followed although no official lines authority link the specialized expert and the recipient of the advice....

The root of the problem is that the principles, as they stand, simply do not furnish guidelines which inform the administrator how to choose between the principles. To maximize the scalar and unity of command organizational pattern diminishes the value of expert services. But to transform expert advice introduces a confusion which classical theory, with its emphasis on unity of command and the line - staff distinction, carefully tries to avoid, that is,
subjecting a subordinate to the potentially conflicting directives of several superiors.

Specifics on how to delegate some real authority to the chief building official within the overall rubric of the Community Development Office will be addressed in the concluding chapter of this paper. For now, it appears that the position of chief building official was improperly utilized. This is but one of several unfortunate examples of the subordinate status of building inspection.

Budgeting and Staffing. Underbudgeting and consequent understaffing of building inspection is a nation-wide problem. As Robert M. Anderson, author of American Law Of Zoning states, "Building departments are notoriously under­staffed." Missoula provides an unfortunately good example of this. Building inspection in Missoula has been used to generate revenue for other programs. This problem dates back to well before reorganization, when building inspection supposedly enjoyed the same privileges as other municipal departments. To quote from a 1977 memo written by the chief building official, Joe Durham, to Missoula’s mayor:

I feel I should give a brief statement on the present operation and work load of the building department...

In the fiscal year of 1975-76 the budget for this department was $80,690 and the revenue taken in was $148,000. In the fiscal year 1976-77 my budget is $97,000 with revenue generated of $160,000+. For several years I have asked for a
portion of the revenue to be funneled back into this department to keep proper management and inspection, but to no avail.

Realizing that the Council and Mayor have problems making the budget reach all the necessary services the public demands, I am again asking for some consideration returning to the building department some of the revenue we generate.

Staff allocation procedures adopted by the Community Development Office made this problem less obvious. However, an examination of staffing figures from this period will show that building inspection was still being used as a fundraiser. The office figures on building inspection staffing for FY 1986 listed the full-time equivalents (or FTE's) at 7.85237. In actuality building inspection has six employees. These staff are:

1 building official
1 plan examiner
3 field inspectors
1 secretary

Almost three full-time equivalents listed as belonging to building inspection are questionable as such. For example, both the office director and the assistant director assigned substantial percentages of their FTE's to building inspection. It is unclear to how these people made enough decisions in the area of building inspection to warrant this time allotment. In addition, the office manager, both other secretaries, the graphic artist and assistant graphic artist, and an assistant planner were listed.
Building inspection was in effect bankrolling other Community Development Office activities. Take, for example, the secretarial area. Before one secretary quit, the office had four secretary/receptionists, combining for a total of four FTE's. Of that total, 2.15 FTE's were charged off on building inspection, leaving a total of 1.85 FTE's for the rest of the Community Development Office. The entire office had twenty employees. Five people in the building inspection staff, three of whom spend the majority of their time in the field, are not going to take more secretarial time than fourteen other non-building inspection employees. Given these budgeting decisions, it is not surprising that the chief building official was unwelcome at administrative meetings.

Even if one were to take the FTE allocation at face value, building inspection still generated more revenue for the Community Development Office than it spent. In fiscal year 1984 building inspection collected almost $400,000 in permit fees and the like. If building inspection spent all its revenues on its 7.85237 employees, it would have spent $50,000 per employee. Obviously, even accepting the FTE figures, a considerable portion of the money was going somewhere else besides building inspection.

Along related lines, people in the building division were responsible for planning related duties for which they
did not receive full-time equivalent credit. As mentioned earlier, the building plans examiner conducted plan examination for zoning as well as building compliance. The building official was also the flood plain administrator for the city, and in addition checked all Missoula business license applications prior to approval. A secretary who had all of her FTE assigned to building inspection also spent time on planning work (for example, issuing sign permits). None of the building employees could show the time they spent on planning related activities as a percentage of their FTE's. Given this, the actual FTE's for building inspection actually may have been even less than six.

Building inspection in Missoula has a history of being used to generate revenues for other programs. Joe Durham (former Missoula chief building official) once wrote, "It seems as though the building department is on the tail end of all budgets and we receive what is left." After consolidation the building official was removed from budget decisionmaking. This represented quite a shift from the original thinking regarding the allocation of funds in the consolidated Community Development Office. The proposed interlocal agreement linking building inspection and planning included language governing the allocation of funds between building inspection and zoning. The draft
It is the position of the City and County that the cost of zoning and building inspection services shall not exceed projected permit revenue during FY 79 and thereafter. If the governing bodies elect to budget zoning services at a level which, when combined with the Building Inspection budget, exceeds projected permit revenue, the balance shall be funded from the Planning mill levy. When in the judgement of the governing bodies, zoning and building inspection costs exceed the projected permit revenue and other income sources, an immediate reduction in personnel shall be made commencing with zoning staffs (my emphasis).

The interlocal agreement that was adopted contains no such language. If it had, the staff reductions which were made in building inspection but not planning could not have occurred.

Aside from circumventing one of the original intents of consolidation, there are other reasons why some building inspection revenues were improperly used. The most intuitively obvious reason is that the client public that purchased permits from building inspection was not getting what it paid for. Without enough money, building inspection cannot hire the manpower it should, and because work cannot proceed beyond certain stages without an inspector's approval, the net result to builders is unnecessary delay.

There are several hypotheses on what is actually occurring when the revenues building inspection takes in exceeds what it utilizes for its own programs. One is that
the level of service is fine and building inspection's paying clients are being overcharged. Another is that on the contrary, the fees are adequate but the budget for building inspection is artificially low. Finally there is the notion that these revenues should be considered as a source of revenue for other government functions.

There is always going to be a temptation to cut expenses and services. Since clients should only be forced to pay for what they receive, the reasoning goes, if the level of building inspection service is adequate, permit fees should be reduced until clients pay only for what they get.

Saving money has often been given as an important reason for reorganization. Herbert Kaufman writes, "When reformers strive to make government...less costly--to get it 'under control'--they tend to go the reorganization route." Ted Schwinden, Governor of Montana, has stated, "Any consolidation which results in higher costs is not going to be acceptable." True to form, when David Wilcox presented his proposed reorganization plan for Missoula, he argued, "This proposal, when compared to an equally effective staffing level for the present structure, will show a yearly savings of $37,000." To many, any change in government may be suspect. Certainly, if saving money is the only goal for
reorganization, there is no guarantee that it will succeed.

Opponents of such a measure charge:

that the change will cost money: expenditures, and hence taxes, will increase. Proponents counter with arguments about improved efficiency, greater tax equity, and higher levels of service quality. Because these debates involve a number of intertwined but separate issues it is possible, after the fact, for all sides to claim that the evidence supports their own case.

Consider President Roosevelt’s advice, however, that it is not money which should be the primary goal of reorganization, but "good management." If reducing the budget is deemed essential, he went on to say, "this could only be achieved by trimming expenditures, not by shifting bureaus or agencies." 86

If cutting the costs of building inspection to its clients was indeed the primary goal at the time in Missoula, then fees should have been cut, regardless of whether or not consolidation occurred. Yet cutting these costs was never mentioned as a goal.

There is a considerable amount of support that the fees that building inspection charges in Missoula are not exorbitant, but rather that inspection services are being improperly held below what they should. The client public is now paying a reasonable amount. The building inspection budget should, however, be increased.

One argument in support of a budget increase is that the fee schedules in the Uniform Codes are national in
scope. They reflect the costs of inspection services all over the country. The schedules take into account regional differences by applying different multipliers to the valuation used in calculating building fees. For example, a wood-frame house that might be listed as having a valuation for fee purposes of $42 per square foot in Los Angeles would only be valued at $34 per square foot in Montana. It costs less to build in Montana than in California. It also costs less to inspect construction in Montana. The Codes recognize this, and charge less accordingly.

Building codes represent only minimum standards of construction necessary for life safety. Likewise the fees charged are the minimum necessary for building departments to effectively enforce those standards. If a building department charges and is funded for less than what the codes call for, it runs the risk that the codes will be insufficiently enforced. Suits currently faced by the cities of Missoula, Helena, and the State Building Codes Division over alleged inadequate enforcement of the codes should serve as a reminder of the possible consequences of underemphasizing building inspection functions.

There are a few areas where Missoula's inspection services could be considered lacking. Plan review is one. Plan review for everyday structures (for example, single family dwellings) is handled competently by current
building staff. But problems occur in the plan review for the large projects that are periodically erected in Missoula (for example the Saint Patrick's hospital building, completed recently and valued at approximately $6,000,000). Plans for buildings of this magnitude are extremely complicated. The building division in Missoula currently cannot fully conduct a review of this sort. Missoula's building division is forced to accept an engineer's stamp certifying a building's structural integrity at face value. Yet building inspection exists to double check private construction activity. Accepting an engineer's stamp on faith does not provide this.

Municipalities which elect to fully fund their inspection departments should pass on lower costs to the business community in terms of lower insurance rates for buildings. If buildings are lacking in certain code aspects, the fire rating inspector will require more firefighting capability for a given level of fire protection. The city therefore ends up either paying for more firefighters or suffers a poorer, more costly to the city insurance rating. Either way, a government's penny-pinching attitude when it comes to funding inspection services can end up costing money in the long run.

There is a feeling by some authors that a building department's budget should not be tied to its revenue-
raising ability at all. Richard Kuchnicki writes:

Traditionally, and almost universally, the manpower allocation of building departments is dependent on and governed by the revenue received from the issuance of permits. The intent is to make the building department as neatly self-supporting as possible. This is a commendable but impractical concept. The problems lies in the cyclical nature of building construction, which has highs and lows that produce erratic levels in the issuance of permits and income....

...the special and expensive training efforts expended on staff can be lost if they must seek employment elsewhere, this results in a new training effort (when construction is again accelerated) with its attendant costs.

O’Bannon, along similar lines, notes:

Once a building department’s budget is coupled to its income-producing record, a pattern is established...It can introduce serious problems between a building official who has a well-trained, competent staff he wishes to retain... and the top administrative official who, by virtue of his position, must try to cut operating costs wherever possible....

Building departments have an additional budget burden to cope with because they are linked to their ability to produce revenue:

Most [governmental] bureau’s clients normally receive its services without making full (or any) direct payments for them. These clients, therefore, pressure the central allocation agency to continue the bureau’s services, even if they would be unwilling to pay for those services directly if they had to bear their full costs.

Thus building inspection faces budget pressures that other governmental functions are unaffected by. This appears to be the status quo in building inspection. Realistically,
in these times of extreme budgetary constraints, tough limitations will apply to the level of funding that building inspection or any other government function could expect. In favor of a self-supporting department Colling writes:

There are two good arguments...First, it places the cost of building inspection directly upon that portion of the public which is engaged in building, thereby causing no increase in the tax budget levied upon the general public.

Second, the departmental budget is likely to receive more favorable consideration from the officials controlling the budget if some return is expected.

Arguably, budgeting levels for building inspection are going to be tied in to some degree to what it collects. Charging the people who use building inspection's services for its cost puts it on a somewhat more businesslike basis. Customers pay for what they receive.

The area of funding for cross-trained inspection personnel will be addressed in the final section, and should be considered separately.

Staffing Relative To Other Departments. A good method for examining the staffing level of building inspection in Missoula is found in comparing it to other building inspection departments in Montana. This approach shows the regional norm, and therefore provides some idea of what building inspection in Missoula could hope to expect. The figures are shown in Table I.
<table>
<thead>
<tr>
<th>City</th>
<th># of Employees</th>
<th>Population</th>
<th>Jurisdictional Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Falls</td>
<td>8</td>
<td>50,000</td>
<td>17.4 square miles</td>
</tr>
<tr>
<td>Billings</td>
<td>15</td>
<td>100,000</td>
<td>195 square miles</td>
</tr>
<tr>
<td>Helena</td>
<td>5</td>
<td>28,000</td>
<td>12.5 square miles</td>
</tr>
<tr>
<td>Missoula</td>
<td>6</td>
<td>68,000</td>
<td>188 square miles</td>
</tr>
</tbody>
</table>

Area of jurisdiction versus staffing level (number of employees) is probably the best way to compare building department figures. Much of an inspector's time is taken up driving to inspections - close to half in Missoula, based on the weekly mileage sheets and average speeds of city driving. For this reason, jurisdiction area figures provide an accurate indication of the travel demand and therefore relative personnel requirements of the various
municipalities. Using jurisdictional area versus staffing
level figures as guidelines, Missoula is clearly understaffed compared to every other large municipality in Montana, with the exception of the State bureau. For example, Missoula has two-thirds the population of Billings, close to the same jurisdictional area, yet only approximately one-third the building inspection employees. Although Billings may have more actual building activity, its resultant greater density of building activity (activity/area) means the inspectors there spend a higher percentage of their day doing actual inspections. In other words, with a greater density of activity in a given area, Billings' field inspectors cover less distance driving to inspections and more time on the actual inspections than in Missoula. Therefore although Billings has more total inspections to cover than Missoula, the total demands on the respective building inspection groups are probably similar. Yet Billings has far more employees in building inspection than Missoula, 15 compared to 6.

Helena, with one-fifteenth the area of Missoula in its jurisdiction, and considerably less population to serve, has almost the same staff as Missoula, five versus six.

The building inspection department in Great Falls has more employees than Missoula with less than one-tenth the area in its jurisdiction. Additionally, in Great Falls
fifteen percent of the building department's budget comes from other sources besides fees. 

Building departments in Montana are not lavished with money. The building departments of all of the larger jurisdictions except Missoula, however, seem to have enough funds (as reflected in relative number of personnel) to not make it nearly impossible to do a decent job. The fact that building inspection in Missoula has improved so much within such constraints speaks highly of the abilities of the current chief building official.

Inadequate Training. The construction methods used in the building trades are constantly evolving. It is important for building inspection to keep pace. Too often, however, the accusation has been made that building inspection is a regressive influence on building practices.  

Most criticism of our code system has been with local practices. Only education and training with the consequent upgrading of enforcement personnel, can correct this situation. 

Certification is a good baseline by which to judge an individual's overall competence in his specialty. It reflects that person's knowledge of inspection practices as demonstrated by scores on standardized tests. Regarding certification of field inspectors in Montana, the Montana Model Codes Study reports; "Of the large jurisdiction
personnel, 21% are certified by ICBO. Of the small jurisdiction personnel, 10% are certified by ICBO. This does not reflect favorably on building departments' standards or the level of service the public can expect to receive.

The track record on inspector's certification in Missoula is much better than the statewide norm. The division has the only certified building official in the state, and two out of three field inspectors are certified in their specialty. Administrators at the Community Development Office did not see fit to earmark any funds for further training of building employees. A municipality cannot hope to stay current in inspection practices by devoting no resources to training and education.

In most municipalities in Montana, training and education of inspectors are also problems. Given the endemic nature of this problem, perhaps the impetus for further training should come from higher up than the city level. Richard Sanderson recommends:

...states should conduct training programs for building inspectors and code enforcement officials....
...the enactment of state legislation authorizing and supporting the training of building inspectors including provisions for cooperative arrangements among state agencies, educational institutions and the appropriate building officials' organizations in planning and conducting pre-entry courses of study and providing or arranging for regular internship training programs.
Looking at the State's record with respect to its building inspection bureau, it is questionable whether the state will take the lead in training or education in the near future. The current liability insurance crisis facing governments in this state could force the issue. Insurance companies are in effect saying that they consider governments such bad risks that they will either no longer provide insurance or it will be prohibitively expensive. Efforts by municipalities to insure themselves is commendable, but it may be missing the point. The loss of a few suits may convince governmental officials that improvements have to be made in the level of service they are providing.

On the subject of innovative training, cross-trained building field inspectors are probably the best way to detect zoning violations. This involves having a field inspector trained in both building inspection and zoning. The rationale for this is as follows: The building inspector is usually the first, and in many cases the only, government inspector on a job site. This person has the best, and often only chance to prevent zoning violations. As Wilcox points out:

Once the footings are set and the concrete poured, it is extremely difficult, if not impossible, to achieve any degree of zoning compliance. Unless the builder uses the plan and the building inspector checks the location of the building on the lot as it was approved by the zoning staff, the purpose of the zoning
compliance permit is defeated.

The Community Development Office attempted to hire a half-time zoning field inspector to check for zoning concerns. Rather than hiring someone to look over the building inspector’s shoulder, some of Wilcox’s advice should have been followed. He suggested:

Building inspections will also be examinations for zoning compliance, a simple matter requiring merely a few extra minutes of the inspector’s time, since he will be at the right place at the right time anyway. Building inspectors will also be responsible for the final inspection to determine whether all building and zoning codes have been satisfied. There will be no need for the zoning staff to duplicate inspections and one certificate will be necessary.

This proposal for a combined zoning and building inspection staff will improve the overall effectiveness in two additional areas of zoning responsibility. First, the staff can maintain a high degree of exposure to changes in the community.... The second area of improved performance can be expected in report writing, public information, and violations abatement. .... staff will be able to concentrate more resources in research and development of solutions to existing land use and regulatory dilemmas.

Up to now Missoula has shown little interest in training inspectors in energy-efficient construction. Rising energy costs indicate that this will soon be an important facet of the construction trades.

For now the discussion is moot. Building inspection and zoning are once again in separate departments, their functional relationship severed for the time being.

In leaving the subject of training, it should be kept...
in mind, "Without a fundamental concern for training and education, an organization is not truly professional."
CHAPTER IV
RECOMMENDATIONS

There are several areas where improvements should be made in building inspection in Missoula. Changes are recommended in the following areas:

1) Reconsolidate building inspection and zoning.
2) Hire a head administrator experienced in both planning and building inspection.
3) Improve the chain of command.
4) Formal training of inspection personnel.
5) Place the building inspection budget par with revenues it generates.

Reconsolidation. The chapter entitled "Rationales for Reorganization" listed various reasons why consolidation of building inspection and planning is a good idea. It appears, based on the current inclusion of building inspection in the Public Works Department, that governmental decisionmakers in Missoula have not completely given up on the notion of combining building inspection with some other government function. Reconsolidation of building inspection and planning could be just another interlocal
agreement away. Provided that proper attention is paid this time to the needs of the building division, there is no inherent reason why it could not work. Indeed, building inspection appears to be enjoying improved intradepartmental relations with Public Works (a combination which is not in its best organizational interests). This suggests that the autonomy and personality issues can be worked out and a consolidation of planning and building inspection could prove to be a resounding success. With this optimistic outlook in mind, some of the other prerequisites for success are:

**Head Administrator Versed in Both Disciplines.** The person in charge of a combined building inspection and planning department must have a good background in both disciplines. One of the primary reasons why the history of consolidated building inspection and planning in Missoula has been so problem-filled is because the people in charge have not had this background. The inevitable result was a split of the two functions. The person in charge must know how to lead, and to do that the person must be experienced in both fields. To quote from the study by Wilson:

...the amount of interaction between building inspection and planning seems to indicate more probability of the development of an administrator with a thorough knowledge and understanding of these two fields. It seems reasonable to believe that it is possible to be a good public works director, and know little of building
regulations.

It seems a good deal less likely, based on the extent of interdepartmental activity reported, that a building official could function efficiently without an excellent background or knowledge of city planning; or that a planning director could function efficiently without an excellent knowledge of building regulations.105

This study involved surveys of municipalities which had building inspection and planning in separate departments. Even where the two were not organizationally linked (consolidated), Wilson’s study points out that a director of either building inspection or planning needs an excellent background or knowledge of both functions. No director of the Missoula Office of Community Development has been certified in any aspect of the building trades.106 Should Missoula again attempt to consolidate the functions of building inspection and planning/zoning, some type of certification in the administration of the building trades should be a required prerequisite. This would most likely mean that the administrator should be a certified building official. If not fully certified, this person should have qualifications which place him very close to this level. Otherwise the guidance and understanding necessary in order to successfully administer building inspection and planning/zoning will be lacking, and the effort to reconsolidate the two will suffer the same fate as the first consolidation.

65
Chain of Command Improvements. Within a reconsolidated building inspection/planning department, a building official should be directly in charge of the building division. He should also be an assistant director of the department. This will accomplish several things. It acknowledges the responsibilities of the building official's position and grants sufficient autonomy within the organization to make his own decisions, decisions for which he is personally liable. It also allows the building official to have reasonable input into the budget-making process. When issues come up which concern the interfaced functions of building inspection and planning, the community development director can and should step in. Otherwise the director should expect that the chief building official will know how to do his job, and keep interference to a minimum.

Because building inspection field inspectors will also be field zoning inspectors, their immediate superior should be familiar with zoning. This will promote the division's ability to deal with zoning issues directly.

Formal Training of Inspectors. As mentioned, one of the key improvements possible under a consolidated planning and building inspection department is training field inspectors so that they can check for both building and zoning concerns. Rather than rely on complaints, or try to
hire a half-time field zoning inspector, building inspectors should be utilized for the resource they truly are. For example, when construction is in a down cycle, cross-trained field inspectors can spend proportionately more time on zoning matters. When construction activity picks up, field inspectors can go back to zoning inspections for "building, parking area, and landscaping."

Construction activity downswings can also be used by inspectors to continue their education in the building trades. For example, there has been an increasing amount of attention focussed on energy-efficient construction. While it appears that legislation mandating energy-efficient construction is quite some time off, training inspectors to become proficient in energy-related inspection will help improve the level of knowledge in this area. These and other training and educational efforts will help address the criticism that building inspection is a regressive influence on innovative construction practices. With up-to-date training and knowledge, inspectors can do much to better the relationship between the building regulators and the builders.

**Budgets Consistent With Revenues.** Putting building inspection's budgets on an approximately equal basis with the money it takes in makes sense. At the very least,
building inspection’s clients are paying for no more than what they receive. Literature supports funding building inspection consistent with the revenues it takes in at the very minimum. Building inspection in Missoula has been shown to be underbudgeted in comparison with every other large jurisdiction in Montana. Missoula building inspection does a very good job with the resources it has available. With minimal funding, how long this will continue to be true is open to question. Mr. Mion, the current building official, may leave, taking his abilities elsewhere. Given all of this, there is no valid reason why building inspection’s budgets should not be at least equal to its revenues. A prior history of diversion of those funds to other areas is not a valid reason.

There are a number of areas where the additional funds could be applied. Hiring enough field inspectors so they can perform field zoning work is one. Cross-trained building/zoning inspectors will improve the efficiency and effectiveness of both functions.

Bringing computer capability fully on line is another area where funds would be well applied. Although it would probably be another innovation in Montana, other building departments across the nation are taking advantage of the potential of computers. As an article in American City And County reports:
The [James County, Virginia] office’s objectives for automations were to reduce the manual labor and time required to process permits and inspections, to prepare management reports and transfer information to other offices, and to increase accuracy and collect fees. 

...[The first] phase eliminated the need for handwritten logs and a file of inspection cards. Phase two provided more complete information about contractors, automatic back-checks for overdue fees. Updates of the real estate assessment records, file purge and several reporting functions were benefits of the third phase....

Results, according to the offices, have been gratifying. Among the benefits are quicker payment of reinspection fees, same-day information for builders and owners, less paper shuffling between offices, and higher employee satisfaction.

As can be seen, flagging of overdue inspections is only one of the many benefits that full computerization can provide, if government administrators are willing to invest in computer capability.

Funds could also be used to buy new automobiles for the inspectors. The vehicles they drive are an average of over five years old. Field inspectors who drive an average 60 miles a day on the job should not be forced to drive worn out vehicles.

In the prior section it was stated that building inspectors could be used for field zoning and well as building inspections. If field inspection personnel are utilized in this manner, additional funding should come into the building division from other sources, much as in the Great Falls Building Department.
CONCLUSION

This paper has attempted to examine the performance of building inspection before and after reorganization. Major problems were experienced when building inspection was placed into the Missoula Community Development Office. The point is made, however, that consolidation of building inspection and planning/zoning can yield positive results, if the correct procedures are utilized. The history of Missoula’s reorganization demonstrates that improving performance is an ongoing and often difficult task. In Missoula’s case consolidation was only in the beginning stages when it was halted. Thus, despite competent professionals in building inspection, many of the envisioned improvements have yet to occur. This paper is dedicated towards the potential for future improvements.
Endnotes


4 Ibid., p. 14., p. 3.

5 Wilcox, pp. 9-11.

6 Ibid., p. 19.


9 ICBO, p. 31.

10 MLGEO, p. 2.3.

11 ICBO, p. 34.


13 Interview with Peter Mion, June 1986.


15 Ibid., p. 91.

17. MLGEO, p. 1.3.

18. Ibid., p. 1.3.

19. Ibid., p. 3.0.

20. Ibid., p. 1.3.


22. Ibid., p. 74.

23. Interview with Peter Mion, chief building official for the City of Missoula, September, 1985.


25. Ibid., pp. 30-33.


28. Wilcox, p. 22.


32. Wilcox, p. vii.

33. Gortner, p. 23.


72
36 O'Bannon, p. 25.


41 Ibid.


44 MLGEO, p. 3.8.
45 Goldberg, p. 10-3.
46 MLGEO, p. 3.8
47 Ben Berto, office memo, August 1983.
48 Tausky, p. 68.

50 MLGEO, p. 1.1.


52 Kuchnicki, p. 91.
53 Hicks, p. 17.
54 Office of Community Development, graphics dept.
55 Wilcox, pp. 30-31.
56 Tausky, pp. 34-35.
57 Seidman, p. 8.
58 Wilcox, p. vii.
59 Ibid., p. 39.
60 Ibid., p. 45.
61 Interview with Peter Mion, September 1985.
62 Ibid.
63 International Conference of Building Officials, Uniform Building Code, pp. 27, 29, 30, 32, etc.
64 Interview with Peter Mion, December 1985.
66 Tausky, pp. 36-37.
68 Memo from Joe Durham to Missoula mayor Bill Cregg, 1977.
69 Office of Community Development data, Building FY 1986 budget.
70 Interview with Peter Mion, April 1985.
71 OCD data, Building FY 1986 budget.
72 Ibid.
73 Interview with Peter Mion, April 1985.
74 Interview with Peter Mion, September 1985.
75 Interview with Office of Community Development secretary, December 1985.
76 Ibid.
77 Durham, 1977.
78 Interview with Peter Mion, April 1985.
79 Wilcox, p. 87.
80 Office of Community Development data.
81 O'Bannon, p. 31.
83 Ted Schwinden, speech in Big Timber, October 1985.
84 Wilcox, p. 43.
86 Polenberg, p. 7.
87 Interview with Peter Mion, June 1986.
88 Interview with Dave Frederick, Livingston Fire Chief, April 1987.
89 Kuchnicki, p. 91.
90 O'Bannon, pp. 32 - 33.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.
93 MLGEO, base data. Data for Helena's area of jurisdiction obtained from Helena Engineering Department. Data for Great Falls area of jurisdiction obtained from Great Falls Building Department.

94 Interview with Pete Mion, September 1985. Inspectors drive nearly 300 miles per week at city driving speeds of approx. 15 mph. Therefore, inspectors spend close to 20 hours per week driving.

95 MLGEO, base data.

96 Ibid.


98 Sanderson, Codes and Code Administration, p. 71.

99 MLGEO, p. iii.

100 Interviews with James Kembell, Bureau Chief, Building Codes Bureau, Montana Department of Commerce, and Pete Mion.

101 Sanderson, Codes and Code Administration, p. 71.

102 Wilcox, p. 18.

103 Ibid., pp. 42-43.


106 Interview with Peter Mion, September 1985.

107 Wilcox, p. 18.


109 Interview with Peter Mion, February 1987.

76
Bibliography


Berto, Ben. office memo. August 1983.


"County launches major planning shuffle." Missoulian. 4 July 1986, p. 9.


Durham, Joe, and Johnson, Calvin. memo to Missoula mayor Bill Cregg. 20 June 1980.


Great Falls Building Department. City of Great Falls, Montana


Howe, Warner. "Codes, should we give up the responsibility?" In Readings In Code Administration. _____.

Interview with Dave Frederick, Fire Chief. City of Livingston, Montana, June, 1987.


Interviews with Missoula Office of Community Development secretary, December, 1985.


Kuchnicki, Richard. "Perspectives On The Problems And Promises In Code Administration." In Code Administration and Enforcement Trends and Perspectives. _____.


Missoula Office of Community Development data.


Wilson, Gerald B.. "Building Department Organization." In Robert E. O'Bannon. Building Department Administration. 79