

South Bend

2016 Civil City Budget – proposed

Items of Inquiry needing more information:

Building Department

- Requests/questions from the September 8, 2015 Personnel and Finance Committee meeting and inquires received thereafter:
 1. Slide # 3: Revenue projection of \$300,000 over current budget with similar projection for the next three (3) years: How much of this is attributable to in city projects' revenue and how much is attributable to out of city projects' revenues? What are the priorities for using these \$\$ on the "Building Department Vision" listed on Slide # 2 and will all of those be achieved within the next 3-years in light of those revenue projections?

Past history indicates that there is a consistent 50/50 split between City/County revenue. Based on the first six months of 2015 this ratio is 57% County/43% City. I expect these percentages to get closer to even by year's end.

The priorities for achieving the goals on slide #2 are viable only for the last item. We are already working on the transition to an "all Combination Inspector" force. In fact, we are budgeting for four of our inspectors in 2016 to allow the "Combination Inspector" certification. We plan to add the rest of our inspectors next year. I recently received verification that our application for establishing State certified ability to issue Commercial Design Releases (CDR's) has been received and is being reviewed by the State Building Board's attorney. Once we receive this certification we will prepare this for Council approval as an Ordinance change.

The first four items are not obtainable until we can establish a physical environment to house all of the various players. But it's nice to dream in this direction.

2. Slide # 4: In light of the shortfall in single permits and the Department's plan to raise the minimum fee, this was discussed last year with the SBCC. Provide a timetable for filing the required ordinance for Council consideration to raise such fees and the target date for full implementation.

The Ordinance change proposal to raise minimum fees actually has three parts – Minimum Permit Fee increase, Minimum Contractor Registration Fee increase and State Commercial Design Release fee structure. The Minimum Fee increase has already been created. The Registration Fee increase is a relatively simple add on to the existing document. However, until I receive more information from the State regarding our certification to administer and charge fees for Commercial Design Releases I cannot move forward. I have to wait in order to enter the proper and legally correct language and fee structure in the Ordinance change proposal. Although I could start the process now for the Fee Increases, I would rather wait until I have the Design Release information so I can file one Ordinance rather than two. My goal is to have certification by the end of 2015 and implementation by the second half of 2016.

3. Slide # 4: “Possible Contractor Registration Fee increase to align with other jurisdictions”. Provide the timetable for Council consideration of such a fee increase ordinance and the goal for implementation.

This category would be part of the Ordinance Change proposal referenced in #2 above.

4. Slide # 7: Does the Building Department have enough inspectors to timely carry out their duties? Are there any delays currently in inspections, and if so, how much of a delay for a routine inspection required for a South Bend resident homeowner?

The simple answer to this question is yes and no. Our inspectors currently are able to carry out their duties in a timely fashion. The only problem occurs when someone is sick or out on vacation. Since we are functioning without backup for these times, we generally scramble in order to make sure the inspection happens. Because the proposed fee changes were not finalized to be proposed in time for this budget, I was unable to add two inspector positions for 2016 while maintaining a neutral net impact on the budget as requested of all departments.

The compromise I am using for 2016 until the fee ordinance is amended is to allow “Combination Inspectors” to help cover during those times. This is a temporary fix, and getting two more inspectors after the fee ordinance is amended would help out tremendously.

5. Slide # 7: If the Building Department begins to offer Construction Design Release review, how will that impact other services? Will any services currently provided be negatively impacted with the current budgeted staff positions? How much “additional revenue” is projected and how many new positions will be needed?

My budget proposal with the amended fee ordinance included a new “Chief Building Inspector” along with an additional “Building Inspector.” The Chief Inspector was going to take over the Inspector supervisory role now handled by our Design/Plan Review Specialist. This would allow the Design/Plan Review Specialist to concentrate on and process submissions for State Design Release along with myself, who is also planning to be certified by the State in this area.

There may be some negative impact on current staffing since these two positions are not currently part of the 2016 budget. I think we should be able to handle the work load under current staffing, but as previously mentioned, when someone is out sick or on vacation we have to juggle personnel.

Based on a quick sampling of Commercial Permits issued for the first half of 2015 the Construction Design Release offering should generate at least \$170,000 per year. Eventually I want to add a Plan Review position, but I want to run with the program for at least six months before verifying this need.

- If other Building Departments in comparable jurisdictions charge application fees, why is the Consolidated Building Department not doing this?

I believe in keeping things simple. An application fee seems unnecessary if the underlying charges are reasonable. A lot of jurisdictions who charge an application fee tend to have lower permit fees.

- Provide data on the costs incurred per inspection which incorporates real costs for personnel, personnel benefits, training, certification costs, time for each type of inspection which varies considerable based on the type, vehicles, mileage, Administrative overhead

The simplest way to do this is take our Total Operating Expenses and divide by the number of inspections we do for the year. In 2014 our Total Operating Expenses were \$981,174. We did a total of 11,839 inspections. Our cost per inspection is \$83.00. Our total revenue per inspection for 2014 was \$85.00. As you can see, even though we suffer a loss on our single inspection permit fees, we make up for that loss with revenue from the other fees.

I will look further into this area before coming up with a final proposal for new fee increases.

- Why does the Building Department not accept credit/debit cards for payment of fees?

We already looked into this possibility. We would be restricted by the credit card company by the amount of "pass through" fees we could assess. Even though we would pay an additional 3% - 5% service charge to the credit card company, they would not allow us to charge additionally for that service to our customers.

It doesn't make any sense. But given the restrictive parameters by the credit card company and the possibility of substantial permit fees on several commercial projects, it did not make sense fiscally to use this service.

However, this may make sense for the State Construction Design Release. I will look into this possibility. I will also consider this as part of the new fee increase proposal and roll in the projected service charges as part of that new fee structure.

- Is there adequate parking for customers needing to come to the Building Department and should any of the parking spaces near your location be studied for parking-time adjustments?

Parking downtown has been a consistent complaint from customers. There is simply not enough space to serve the County/City Building, the Courts, restaurants, businesses and the Building Department.

If some of the space to the north of our building could be designated "Building Department Customers Only" with maybe a thirty minute limit, that would help out tremendously.