

## Building Department Budget Discussion Document

**The purpose of the Building Department is to ensure a safe built environment to protect the citizens and visitors of Alexandria.**

### **Building Department (Mike and Lynn) – Primary Functions:**

Consultation	25% of time	2 employees x 2,000 hrs./yr. x .25 = 1,000 hrs./yr.
Plan Review	25% of time	2 employees x 2,000 hrs./yr. x .25 = 1,000 hrs./yr.
Site Inspection	25% of time	2 employees x 2,000 hrs./yr. x .25 = 1,000 hrs./yr.
Public Nuisance	10% of time	2 employees x 2,000 hrs./yr. x .10 = 400 hrs./yr.
Construction Stormwater	10% of time	2 employees x 2,000 hrs./yr. x .10 = 400 hrs./yr.
Contractor Education	5% of time	2 employees x 2,000 hrs./yr. x .05 = 200 hrs./yr.
	100%	4,000 hrs./yr.

### Others Involved

Brenda	45% of her time	2,000 hrs./yr. x .40 = 1000 hrs./yr.
Julie	20% of her time	2,000 hrs./yr. x .20 = 400 hrs./yr.
Mike W	15% of his time	2,000 hrs./yr. x .10 = 200 hrs./yr.
Amy	5% of her time	2,000 hrs./yr. x .5 = 200 hrs./yr.
Steve*	100% of his time	See Note

\*New this year is our Building Official Trainee, Steve. The majority of Steve's position has been funded by a two-year, \$130,000, MN Department of Labor & Industry grant. Steve is learning all aspects of code administration and is already actively participating in many of them. It would be the Building Department's desire that at the end of the two-year grant period, Steve would be retained by the City, bringing a full time, third inspector to the Building Department. This would bring Building Department staffing to a level not seen since 2012.

The Building Department is an extremely small department with a very large, technically complex workload. Additional staff will be needed if the City wishes to maintain the high level of service that the Building Department staff currently provide. Technology is great, but technology can't do client consultations, plan reviews, field inspections or nuisance complaint investigation. From 1999 until Building Official, Bruce Jaspersen's retirement in 2012, the Building Department had three inspectors. Since 2012, the Building Department has been down one inspector. Construction remains strong.

Building permit fees, as well as other development fees, are coming under increased scrutiny. Investigations have shown that many municipalities use excess revenue collected from building permits to enhance their general fund and/or use for special projects. The Builders Associations and State Legislature is concerned about this and its impact on affordable housing. The State has revamped their annual Development Fee Report to

better identify how much excess revenue is being collected by municipalities for “development fees”. The MN State Building Code states: *Fees established by the municipality must be by legal means and must be fair, reasonable and proportionate to the actual cost of the service for which the fee is imposed*”. Historically, the Building Department collects more revenue than what is necessary to provide the service.

When permit fees collected far exceeds the cost of providing the service, the City become vulnerable to scrutiny by outside entities. There are two ways to address this: 1) decrease the permit fees 2) increase investment in the Building Department.

Although we have no guarantees of what any given year will bring in the world of construction, we have been very fortunate with the continued growth of the Greater Alexandria Area and the fees collected as a part of that growth.

### **Recommendations:**

#### *Third Building Inspector*

The City was very fortunate to receive a 2-year, \$130,000 Building Official Trainee grant to hire an additional person; Steve Zabel. This grant period will end January 1, 2023. The Building Department has been down one full time inspector since 2012, when Bruce Jaspersen retired. Chronically running short-staffed is problematic for many reasons and is not sustainable. I would propose that the City look ahead to budgeting for continuance of this position upon the end of the grant in **January 2023**. **It's possible that with this third inspector, the need for a specialty plumbing/mechanical inspector may be minimized.**

#### *Specialty Mechanical/Plumbing Inspector:*

With the amount of industry we have in Alexandria, the mechanical installations we must inspect are very complex, often times beyond our expertise. It is for this reason that I recommend hiring a specialty mechanical/plumbing inspector in the near future. This individual needs to have several years of field experience in the installation and/or inspection of commercial/industrial HVAC. With the shortage of tradespeople, and the wages paid them due to that shortage, we will have to investigate what a reasonable salary range may be. It would be nice to have this person in place by the **start of the 2023 construction season**.

#### *Electronic Plan Submittal and Plan Review:*

With most designers creating construction documents electronically, there is an increasing demand for, and efficiencies associated with, electronic plan submittal and review. I would propose spending the remainder of 2021 exploring what technology is available and the cost of such, with the intent of having that technology approved for purchase during 2022, and a go-live date of **January 1, 2023**.

#### *Electronic Record Storage of Building Department Files*

As building permit submittals and their associated correspondence are getting more voluminous all of the time, we will soon run out of room to store these documents. Storage is only part of the problem. Retrieval is the other part. Currently, building plans are stored in the basement, in a kind of organized chaos. I'd be happy to

give a tour of this area, should anyone be interested. It would be extremely beneficial to the City as a whole to have these records stored electronically, so that all City departments would have ready access to this information. I would propose that the next year be spent exploring electronic record storage systems, along with the cost thereof. Ideally this technology would be approved in 2022, with a go-live date of **January 1, 2023**. Electronic file storage of Building Department files could be a part of a larger project to move all of City Hall to electronic record storage.

**Other Expenses:**

Stormwater Inspection Costs—

This is always an unknown as it is dependent upon how much construction we have, how long the project takes, how much rain we have and how many problems occur. Our history shows that we can plan on approximately \$1,500 per single-family residence and between \$2,000 and \$3,000 for commercial projects, with some exceptional situations running over \$5,000. Although it is difficult to put a budget number to, the costs of this inspection work is generally covered by the cost of the permit/plan review fee.

LOGIS (PIMS) Permitting and Inspection System Costs –

The cost of this service is likely to continue to increase, however the value of what PIMS provides in terms of efficiency, is well worth it. It's anticipated this service will cost nearly \$2,500 per month next year. Based upon issuance of 1,200 permits annually, the average per-permit cost is \$25. The report creating capabilities of PIMS is a valuable tool for other City departments, as well as the Building Department. The Assessing Department uses routinely uses PIMS to track new construction.