



Commission Memorandum

REPORT TO: Honorable Mayor and City Commission

FROM: Bob Risk, Chief Building Official
Tim McHarg, Planning Director

SUBJECT: Building Inspection 1st Quarter FY13 Update
July 1, 2012 – September 30, 2012

MEETING DATE: October 29, 2012

AGENDA ITEM TYPE: Consent

RECOMMENDATION: Accept this report detailing the financial and workload position of the Building Inspection Division for the quarter ending September 30, 2012.

BACKGROUND: To keep the City Commission and the City Administration informed regarding the Building Division revenues and workloads we committed to make quarterly reports regarding revenues, staffing levels and operating costs within the department.

The following sections represent the FY13 1st Quarter.

A. REVENUE: Our total revenue for the 1st quarter was **\$344,320**.

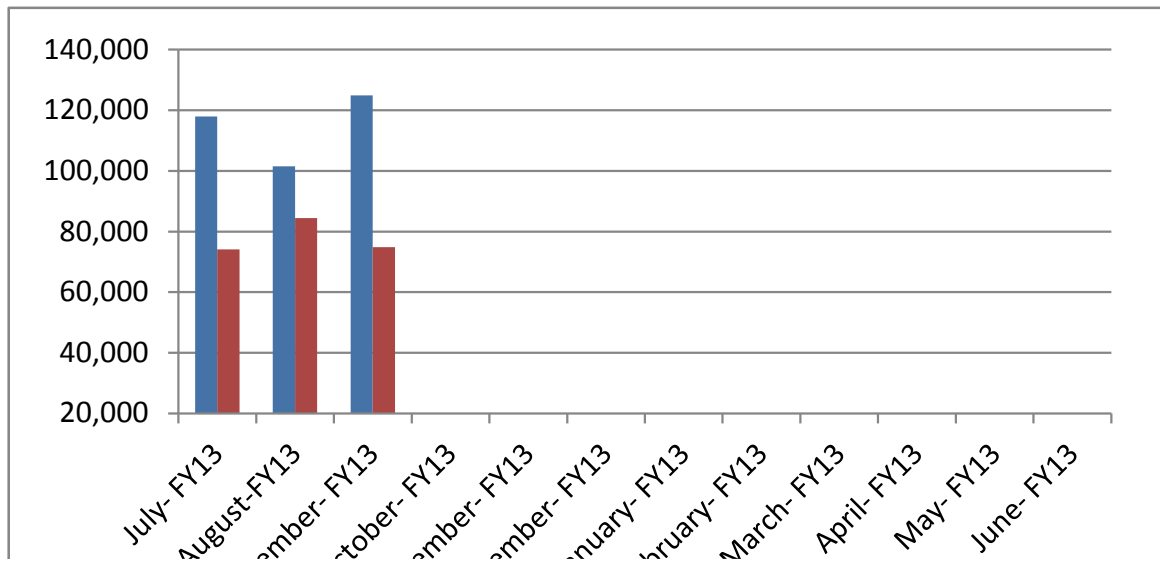
First Quarter Monthly Revenues	
July	\$117,910
August	\$101,512
September	\$124,898
Average Monthly Revenues:	\$114,773

B. EXPENDITURES: Our total expenditures for the 1st Quarter were \$233,342.

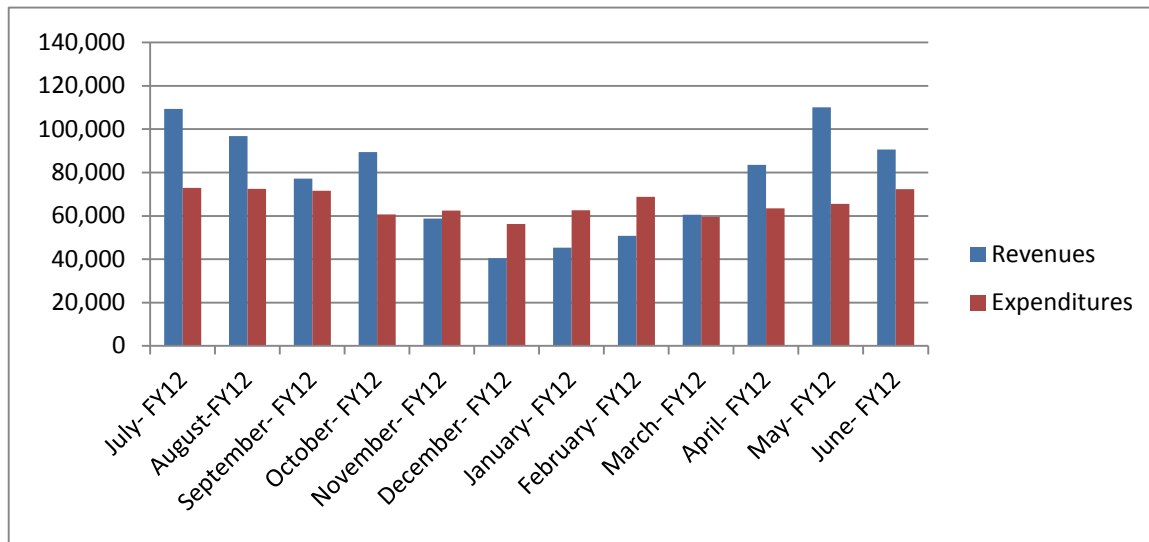
First Quarter Expenditures	
July	\$74,141
August	\$84,404
September	\$74,797
Average Monthly Expenditures:	\$77,781

Building Division Revenue/Expenditure Comparison- FY13/FY12

FY 2013



FY 2012



1st Quarter Budget Status - 25% of Year Lapsed, 75% Remains

	Budget	Spent	Amount Remaining	Percent Remaining
Personnel	\$731,428	(\$184,979)	\$546,449	74.7%
Operating	\$155,188	(\$48,364)	\$106,824	68.8%
CIP	\$100,000	-	\$100,000	-
Total	986,616	(\$233,342)	\$753,274	76.3 %

C. CASH RESERVE: The Administrative Rules of Montana allow the building division to maintain a “cash reserve fund” derived from building permit fees provided that the reserve amount does not exceed the building division operating costs for a 12 month period. Our estimate of the building division operating costs for FY13 was \$986,616.

At the beginning of the 1st quarter the Building Inspection Fund Cash Reserve was **\$985,903**.

At the end of the 1st quarter our Cash Reserve balance was **\$1,116,461**.

D. PERMIT ACTIVITY: Building Permits for New Construction Only - **Does not include tenant improvements, remodels, re-roofs, etc.**

Permit Type	1st QTR	2nd QTR	3rd QTR	4th QTR	Yearly Totals
Building	506				506
Electrical	230				230
Plumb/Mech	314				314
Fire Systems	4				4
Demolition	12				12
Total Permits	1066				1066

E. NEW BUILDING VALUATION - **Does not include tenant improvements, remodels, re-roofs, etc.**

Occupancy Type	1st QTR	2nd QTR	3rd QTR	4th QTR	Yearly Totals
Commercial	\$20,237,175				\$20,237,175
Residential	\$26,876,767				\$26,876,767
Total	\$47,113,942				\$47,113,942

F. PLAN REVIEW: Completed Plan Reviews.

Permit Type	1 st QTR	2 nd QTR	3 rd QTR	4 th QTR	Yearly Totals
Commercial	184				184
Residential	251				251
Total	435				435

G. BUILDING INSPECTION: Completed Building Inspections;

Average Daily Inspections (per inspector)	Standard 15
July	23.83
August	20.16
September	20.27
Average inspections per day for the quarter	21.42

The total number of completed inspections, to date, for FY13 equals **4865**

H. CODE COMPLIANCE:

Activity	1 st QTR	2 nd QTR	3 rd QTR	4 th QTR	<u>Yearly Totals</u>
New Cases	8				8
Closed Cases	13				13
Citizen Complaints	21				21
Stop Work Orders	7				7
Business License Inspections	109				109

I. STAFFING: At this time, the Building Division staff consists of the Chief Building Official, 2 Plans Examiners, 4 Building Inspectors, 1 Code Compliance Officer, 1 Permit Coordinator, and 1 Permit Technician. The COB Planning Director currently serves as the Building Division department head.

During the past year both our office and field staff experienced an extremely heavy workload. In anticipation of a continued increase in workload for our 2013/2014 building season, we are analyzing our projected workload in order to make appropriate increases to our current staffing level.

UNRESOLVED ISSUES: None.

ALTERNATIVES: As suggested by the City Commission.

FISCAL EFFECTS: Our monthly **revenue** for the 1st Quarter averaged **\$114,773** per month and totaled **\$344,320** for the quarter.

Our monthly **expenditures** for the 1st quarter averaged **\$77,781** per month and totaled **\$233,342** for the quarter.

The Building Division Reserve Fund balance at the end of the 1st Quarter was \$1,116,461 which equals approximately 112% of our FY13 Budget Request of \$986,616.

While we are currently at 112% of our allowable cash reserve our anticipated increase in staffing, in conjunction with the upcoming winter slow season, will adjust our reserve balance to appropriate levels.

Summary: Total new construction is up 35%, **our highest first quarter in 4 years.**

Plan check revenue, **our best indicator of future construction, is up 48%.**

Total revenue is up 18%, **our highest first quarter in 4 years.**

The fiscal year is just beginning but we are all encouraged by these early indicators.

Attachments: None

Report Compiled On: October 16, 2012