



## **BUILDING FUND**



**As of fiscal year 2008-2009, the Building Division is presented as a “stand-alone” enterprise fund, #70. Refer to General Fund Organization Set #01-09 to see the 2008 Actuals.**



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The current economic conditions, and corresponding lack of building activity, have substantially reduced operating revenue generated by building permit fees. In response to the lower fund revenues, the following expense reductions were implemented during fiscal year 2009-10:

- Personnel costs lowered by the reduction of 2.15 FTE's including:
  - The elimination of the Community Development Department Executive Secretary position (shared: 65% Building / 35% Engineering), which was vacant due to a June 2008 retirement;
  - The elimination of one Building Inspector III position, which was vacant due to a January 2009 retirement; and
  - The adjustment of the time allocations for the two Permit Technician positions (shared between Building, Engineering, and Planning) to reflect the fact that they are spending more time supporting Engineering projects.
- Materials & Services expenses were held to a minimum and reduced where possible; and
- Training and education budgets were reduced to only include training required by the State of Oregon to maintain certifications.

Even with these cost reduction measures, expenses exceeded revenues during fiscal year 2009-10 resulting in lower fund balances. The beginning fund balance, which was approximately \$410,000 at the start of fiscal year 2009-10, is projected to only be approximately \$270,000 at the start of fiscal year 2010-11.

In order to keep expenditures within the available resources (fund balances plus projected revenues) for the proposed fiscal year 2010-11 budget, materials & services and training costs were held to a minimum and there are no proposed capital expenses.

Additionally, in late April 2010 all Building Division staff started taking two unpaid furlough days per month to reduce personnel costs. The furlough leaves are staggered in order to maintain normal operating hours and to minimize impacts on the Division's customers. The furlough approach of two unpaid days per month is continued in the proposed fiscal year 2010-11 budget.

Building Division staff conduct inspections at various job sites during the construction phase of projects.

In 2009, Division personnel performed 4,919 inspections, which is an average of nearly 19 inspections per business day.

*(Pictured: Barb Aimonetti, Building Inspector III for the City since 1988)*



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	2009 - 2010	Change	2010 - 2011
FTE Adopted Budget	3.75		
Extra Help - Inspections		- 0.10	
FTE Proposed Budget		- 0.10	3.65

# 2010 – 2011 Proposed Budget --- Budget Summary

## Building Fund



In 2009, there were 10 new commercial buildings built; and 65 new living units were constructed.

The total value of construction of the 1,222 permits issued by the Division in 2009 was in excess of \$18 million.

*(Pictured: Mike Hailey, Building Inspector III for the City since 2006)*

## Short- and Long-Term Issues

### Short- and Long-Term Issues

- Staff will continue to monitor revenues and expenses, and further staffing reductions will be implemented, if necessary. It should be noted that further staffing reductions may impact the Division's ability to provide the state mandated and approved services related to building code enforcement, and will impact the timing of inspection and plan review services provided to customers.



Building Division staff provide permitting assistance and development information to contractors, architects, engineers, and homeowners.

*(Pictured: Left – Katie Land, Permit Tech with the City since 1997;*

*Right – Sarah Sullivan, Permit Tech with the City since 2001)*



## Core Services

### Building Division

- Hold pre-application meetings to identify and clarify issues particular to a commercial project prior to submittal of construction documents. These meetings are also attended by various other City departments as well as those interested parties on the applicant side of the project.
- Provide plan review services for residential, commercial and industrial projects prior to permit issuance.
- Conduct inspections in the field at various job sites during the construction process of the projects.
- Respond to code interpretation inquiries.
- Respond to contractors, design professionals, and citizens regarding questions and inquiries as needed.

Division staff provide plan review services, as well as building code assistance and interpretations for residential, commercial and industrial projects.

Division staff maintain state mandated certifications, and keep current on the latest building codes.

*(Pictured: Lee Moore, Building Official with the City since 1990)*





## **Building Fund --- Historical Highlights**

<b>1969</b>	State of Oregon adopts the 1968 edition of the National Electrical Code.	<b>1994</b>	Staffing level grows to include 5 inspector/plans examiners, as well as the Building Official and administrative staff.	<b>2002</b>	City Council increases building permit fees to provide adequate revenue for Building Division to become self-supporting.
<b>1970s</b>	Early 1970s City of McMinnville establishes the Building Division and begins conducting limited plan reviews and field inspections.	<b>1995</b>	Accela building permit computer system implemented for issuing, tracking, and record keeping of permits.	<b>2005</b>	The annual review of the reserve balance indicated that the revenue reserve would exceed the reserve limits so the fee schedule applied to most building permits was reduced to reduce revenue generation by approximately 10%.
<b>1974</b>	State of Oregon adopts the 1973 edition of the Uniform Building & Mechanical Codes.	<b>1997</b>	Due to staff reductions related to Measure 47/50, Building Division begins to use additional outside consultants for plan reviews.	<b>2006</b>	Additional inspector position filled.
<b>1975</b>	State of Oregon adopts the 1973 edition of the Uniform Plumbing Code.	<b>1997</b>	Building Division management moved into the newly created Community Development Department with ultimate goal of a "one-stop" development center.	<b>2007</b>	Division moved to new Community Development Center. This fulfilled the goal of a "one-stop" center.
<b>1988</b>	City of McMinnville approved by the State of Oregon to conduct Fire and Life Safety Plan Reviews that were previously done by the State Building Codes Division.	<b>2000</b>	Senate Bill 587 requires Building Division tracking and designation of building fee revenues over direct and indirect expenses.	<b>2009</b>	New rules of OAR 918-050 required municipalities to develop statewide uniform fee methodology. This was implemented January 1, 2009
<b>1991</b>	Building Division management moved to the Fire Chief.			<b>2009</b>	Due to downturn in the construction industry, one inspector position was eliminated upon staff retirement.
<b>1991</b>	Building Division Advisory Board created with various stakeholders from the building community.				

**2010 - 2011 Proposed Budget --- Personal Services Summary**  
**Salaries Paid Form More Than One Source**  
**Building Fund**

<b><u>Position Description</u></b>		<b>Number of Employees</b>	<b>Range</b>	<b>Total Salary</b>	<b><u>Detailed Summary</u></b>	
<b>Fund</b>	<b>Department</b>				<b>Page</b>	<b>Amount</b>
<b><u>Permit Technician</u></b>		1	328	41,217		
General Fund					23	24,730
	Engineering (0.60 FTE)				278	16,487
	Building Fund (0.40 FTE)					
<b><u>Permit Technician</u></b>		1	328	38,400		
General Fund						
	Engineering (0.25 FTE)				23	9,600
	Planning (0.50 FTE)				27	19,200
	Building Fund (0.25 FTE)				278	9,600

## Budget Document Report

## 70 - BUILDING FUND

2008 ACTUAL	2009 ACTUAL	2010 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A		2011 PROPOSED BUDGET	2011 APPROVED BUDGET	2011 ADOPTED BUDGET
RESOURCES							
BEGINNING FUND BALANCE							
0	0	418,000	4090	Beginning Fund Balance Estimated Building Division designated cash carryover at July 1, 2010 discloses estimated accumulation of building fees over costs since the statutory requirement to track the use of building fees began July 1, 2000.	266,700	266,700	314,875
0	0	418,000	TOTAL BEGINNING FUND BALANCE		266,700	266,700	314,875
LICENSES AND PERMITS							
0	131,627	175,000	4400-05	Building Fees - Building Permit Fees Building plan review and permit fees; fire and life safety plan review fees.	160,000	160,000	160,000
0	27,486	20,000	4400-10	Building Fees - Mechanical Permit Fees Mechanical plan review and permit fees.	30,000	30,000	30,000
0	38,683	30,000	4400-15	Building Fees - Plumbing Permit Fees Plumbing plan review and permit fees.	32,000	32,000	32,000
0	2,700	600	4400-20	Building Fees - Mobile Home Permit Fees Manufactured home setup permit fees including mobile home park plan review and permit fees.	645	645	645
0	498	500	4400-25	Building Fees - Miscellaneous Permit Fees Miscellaneous Building Division charges including sidewalk, driveway, and re-inspection fees.	200	200	200
0	200,994	226,100	TOTAL LICENSES AND PERMITS		222,845	222,845	222,845
MISCELLANEOUS							
0	9,719	9,600	6310	Interest	1,600	1,600	1,600
0	8	0	6600-97	Other Income - Building	0	0	0
0	9,728	9,600	TOTAL MISCELLANEOUS		1,600	1,600	1,600
TRANSFERS IN							
0	762,980	0	6900-01	Transfers In - General Fund	0	0	0
0	762,980	0	TOTAL TRANSFERS IN		0	0	0
0	973,701	653,700	TOTAL RESOURCES		491,145	491,145	539,320

## Budget Document Report

## 70 - BUILDING FUND

2008 ACTUAL	2009 ACTUAL	2010 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A			2011 PROPOSED BUDGET	2011 APPROVED BUDGET	2011 ADOPTED BUDGET
REQUIREMENTS								
PERSONAL SERVICES								
0	294,835	240,039	7000-05	Salaries & Wages - Regular Full Time Building Official - 1.00 FTE Building Inspector III - 2.00 FTE Permit Technician - Bldg / Eng - 0.40 FTE Permit Technician - Combined Depts - 0.25 FTE		217,105	217,105	217,105
0	0	5,000	7000-15	Salaries & Wages - Temporary		0	0	0
0	0	1,000	7000-20	Salaries & Wages - Overtime		300	300	300
0	17,430	15,254	7300-05	Fringe Benefits - FICA - Social Security		13,479	13,479	13,479
0	4,076	3,567	7300-06	Fringe Benefits - FICA - Medicare		3,152	3,152	3,152
0	66,810	48,208	7300-15	Fringe Benefits - PERS - OPSRP - IAP		43,329	43,329	43,329
0	33,668	29,469	7300-20	Fringe Benefits - Medical Insurance		40,654	40,654	38,546
0	278	230	7300-25	Fringe Benefits - Life Insurance		231	231	231
0	1,551	1,307	7300-30	Fringe Benefits - Long Term Disability		1,182	1,182	1,182
0	3,810	3,965	7300-35	Fringe Benefits - Workers' Compensation Insurance		3,671	3,671	3,671
0	103	167	7300-37	Fringe Benefits - Workers' Benefit Fund		106	106	106
0	422,560	348,206	TOTAL PERSONAL SERVICES			323,209	323,209	321,101
MATERIALS AND SERVICES								
0	0	750	7520	Public Notices & Printing Building inspection/correction notices and various building inspection job cards, as well as brochures to inform contractors of code changes, departmental policies, and other relevant information.		500	500	500
0	158	400	7540	Employee Development		300	300	300
0	4,413	4,500	7550	Travel & Education Training seminars and classes to maintain staff certifications, some of which are required by the State of Oregon.		2,000	2,000	2,000
0	1,000	2,000	7590	Fuel - Vehicle & Equipment		1,500	1,500	1,500
0	2,076	2,100	7600	Electric & Natural Gas Division's share of Community Development Center's electricity expense, ~25%.		2,100	2,100	2,100
0	3,400	3,300	7610-05	Insurance - Liability Budget Note: Reduction due to CIS Trust surplus distribution.		1,634	1,634	1,634
0	800	800	7610-10	Insurance - Property Budget Note: Reduction due to CIS Trust surplus distribution.		681	681	681
0	4,036	4,500	7620	Telecommunications		4,000	4,000	4,000

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2008 ACTUAL	2009 ACTUAL	2010 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A			2011 PROPOSED BUDGET	2011 APPROVED BUDGET	2011 ADOPTED BUDGET
0	1,512	1,700	<b>7650</b>	<b>Janitorial</b>	Division's share of Community Development Center janitorial service and supplies cost, ~25%.	1,700	1,700	1,700
0	5,557	5,500	<b>7660</b>	<b>Materials &amp; Supplies</b>	Code books and related material regarding structural, mechanical, plumbing, and fire codes; office supplies; postage; uniforms and safety equipment.	3,500	3,500	3,500
0	180	1,000	<b>7720</b>	<b>Repairs &amp; Maintenance</b>	Repairs and maintenance of vehicles and office equipment.	500	500	500
0	510	7,500	<b>7720-08</b>	<b>Repairs &amp; Maintenance - Building Repairs</b>	Department's share of Community Development Center's repairs and improvements, ~25%.	1,250	1,250	1,250
0	586	1,900	<b>7720-10</b>	<b>Repairs &amp; Maintenance - Building Maintenance</b>	Department's share of routine building maintenance costs including pest control, garbage service, alarm and lighting repair and maintenance, gutter cleaning and roof preventative maintenance, and carpet cleaning, ~25%.	1,150	1,150	1,150
0	2,286	2,500	<b>7750</b>	<b>Professional Services</b>		2,500	2,500	2,500
				<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>	
				Audit fee allocation	1	980	980	
				Section 125 administration fee	1	50	50	
				Miscellaneous professional services	1	1,470	1,470	
0	980	5,000	<b>7750-33</b>	<b>Professional Services - Contract Inspections</b>	Contract inspection services for large commercial projects and to augment staff building inspectors, when needed.	2,000	2,000	2,000
0	2,454	5,000	<b>7750-36</b>	<b>Professional Services - Contract Plan Review</b>	Contract plan reviews and engineering services on commercial projects.	2,500	2,500	2,500
0	1,198	1,700	<b>7790-20</b>	<b>Maintenance &amp; Rental Contracts - Community Development Center</b>	Division's share of Community Development Center HVAC services; alarm monitoring; landscape maintenance; and copier leases, ~25%.	1,250	1,250	1,250
0	1,332	0	<b>7800</b>	<b>M &amp; S Equipment</b>		0	0	0
0	24,272	7,506	<b>7830-98</b>	<b>M &amp; S Computer Charges - IS Fund - Computer Services</b>		7,067	7,067	0
0	7,900	2,009	<b>7830-99</b>	<b>M &amp; S Computer Charges - IS Fund - Computer M&amp;S Equipment</b>		2,381	2,381	0
0	0	0	<b>7840</b>	<b>M &amp; S Computer Charges</b>		0	0	4,217
				<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>	
				Shared city-wide M&S operating, network hardware & software, etc	1	6,017	6,017	
				Designated Beginning Fund Balance Utilization	1	-1,800	-1,800	



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0	0	0	7840-80	M & S Computer Charges - Building			0	0	3,260
			Description	Units	Amt/Unit	Total			
			Accela Permits Plus - 77.5% shared with Engineering & Planning	1	3,060	3,060			
			Warranty extensions	2	100	200			
0	64,649	59,665	TOTAL MATERIALS AND SERVICES				38,513	38,513	36,542
CAPITAL OUTLAY									
0	0	0	8750	Capital Outlay Computer Charges			0	0	771
			Description	Units	Amt/Unit	Total			
			Shared city-wide capital outlay network hardware & software, etc	1	771	771			
0	13,201	0	8850	Vehicles			0	0	0
0	13,201	0	TOTAL CAPITAL OUTLAY				0	0	771
TRANSFERS OUT									
0	51,166	31,996	9700-01	Transfers Out - General Fund			33,249	33,249	33,139
			Transfer to General Fund for personnel cost allocations for Administration, Finance, and Engineering support services.						
0	11,428	10,736	9700-80	Transfers Out - Information Systems			10,924	10,924	10,863
			Transfer to Information Services Fund for personnel cost allocations for computer support.						
0	62,594	42,732	TOTAL TRANSFERS OUT				44,173	44,173	44,002
CONTINGENCIES									
0	0	150,000	9800	Contingencies			50,000	50,000	100,000
0	0	150,000	TOTAL CONTINGENCIES				50,000	50,000	100,000
ENDING FUND BALANCE									
0	410,698	53,097	9999	Unappropriated Ending Fd Balance			35,250	35,250	36,904
			Budgeted undesignated cash carryover for July 1, 2011. Actual cash carryover will also include all remaining money from the Contingency account and the excess (deficit) of revenues over (under) expenditures from 2010-2011 operations.						
0	410,698	53,097	TOTAL ENDING FUND BALANCE				35,250	35,250	36,904
0	973,702	653,700	TOTAL REQUIREMENTS				491,145	491,145	539,320

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2008 ACTUAL	2009 ACTUAL	2010 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2011 PROPOSED BUDGET	2011 APPROVED BUDGET	2011 ADOPTED BUDGET
0	973,701	653,700	<b>TOTAL RESOURCES</b>	491,145	491,145	539,320
0	973,701	653,700	<b>TOTAL REQUIREMENTS</b>	491,145	491,145	539,320