BILL 2014-41

****** Third Reading ******

AGENDA ITEM

TO: Mayor and City Council

FROM: Clyde Han, Building Inspector

DATE: Monday, August 11, 2014

RE: Building Permit Fees

Issue:
Our construction permit fees are far from covering our expenses. Cameron's fee schedule was last changed in 1998 and is below the area average by quite a bit in some cases. Cameron is on the bottom end of the scale as far as fees for Occupation Licenses, Zoning, Variances', Conditional Use, subdivision plat and several other fees and as with our utility rates we continue to fall further behind.

Listed are 2014 Building Permit fees from Cameron, Kearney and Chillicothe:

	Cameron	Kearney	Chillicothe
Min permit fee:	$9.00	$30.00	$25.00
New Commercial:	$0.20 per Sq Ft.	$0.40 Psf	Sq ft X $ psf (BVD) X .84 X .00235
Remodels:	$0.1 Psf	$0.2 psf	$6.00 per $1.000. ($25.00 min)
Electrical:	$9.00 min	$30 - $70.	$6.00 per $1.000. ($25.00 min)
Plumbing:	$9.00 min	$30.00 min	$6.00 per $1.000. ($25.00 min)
Misc permits	$9.00 min	$30.00 min	$20.00 min
Demo Permits	$0.00 ($500.00 refund)	$30.00	$30.00

Our "Minimum" permit fee; last year 2013 we sold 114 permits; 48 of the permits were under $30.00 each.
<u>I would like to increase our minimum permit fee from $9.00 to $30.00</u>.
This increase still would not cover the cost of logging, processing and inspection costs.

"Electrical" permits; 2010 – 2013 we sold 159 electrical permits for service upgrade.
The majority of the permits sold for $9.00 each; with the permit we furnish an electrical meter base valued at;
$26.44 for a 100 AMP meter base,
$40.28 for a 200 AMP overhead meter base,
$44.77 for a 200 AMP underground meter base.

At best we furnished $4,203.96 worth of meter bases and collected $1,431.00, <u>a loss of $2,772.96</u>.
Worst case, we furnished $7,118.43 worth of meter bases and collected $1,431.00; a <u>$5,687.43 loss</u>.

Not only do our permit fees not cover our meter base costs, but fees collected don't cover any inspection costs, electric crew's time or equipment required in disconnecting and re-connecting the service.

Actual costs;
Meter base ========== $40.28 (200 AMP Overhead meter base)
Truck / equipment ==========$30.00 (includes 2 trips – disconnect & reconnect)
2 linemen 30 min each ==========$51.48 (includes 2 trips – disconnect & reconnect)
Permit & inspection ========== $20.25
Total cost requiring only 1 inspection= $142.01

I propose raising our minimum permit fee for electrical permits to $50.00, which will still not cover all our costs.

Proposed 2014 Fee schedule for City of Cameron

Building and Miscellaneous Fees

New Construction – Residential and Commercial

Square footage X $0.20 = Fee (ex: 1800 sq. ft. X $0.20 = $360.00) **(No Change)**

Remodel Projects; Square footage X $0.10 = Permit Fee **(No Change)**

Adopt a $30.00 minimum permit fee for remodel permits.

Adopt a new minimum permit fee for Electrical permits; Minimum fee $50.00.

Adopt a new minimum permit fee of $30.00 for Accessory buildings, decks, fences, gas lines, mechanical, pools, roofs, signs, water/sewer lines, etc.

Adopt a new "Miscellaneous Building Permit Fee Schedule"

Project Cost ---------- Fee
$0.00 ------- $3,000.00 = $30.00 NEW
$3,000.01 - $5,999.99 = $40.00 NEW

Projects / Construction costs of $6,000.00 and up X .007) = Permit fee NEW
Example; Const cost $7,250.00 = $50.75 permit fee (7,250 X .007 = $50.75)

Late Fee – A $50 late fee will be assessed to any construction permit which has begun prior to obtaining permits. **(No Change)**

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AN ORDINANCE FOR THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI REPEALING SECTION 3-18. SAME – FEES, OF ARTICLE II. BUILDING CODE, CHAPTER 3, BUILDINGS, OF THE CITY OF CAMERON CODE, AND ADOPTING A NEW SECTION 3-18. SAME-FEES, ESTABLISHING BUILDING PERMIT FEE SCHEDULES

WHEREAS, the City currently uses a fee schedule for all building permits; and

WHEREAS, the City wishes to change from a cost base approach for fees on new construction to a square footage basis that better reflects the actual justification for inspection.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cameron, Clinton and DeKalb Counties, Missouri as follows:

Section 1. Sec. 3-18, Same—Fees, of Article II. Building Code, of Chapter 3, Buildings of the City of Cameron Code is hereby repealed.

Section 2. A new Sec. 3-18. Same—Fees, is hereby enacted as follows:

Sec. 3-18. Same—Fees.

The city shall collect the following charges for a building permit to construct, enlarge or alter a structure; or change the occupancy of a building or structure requiring greater strength, exit-way or sanitary provisions; or to install or alter any equipment for which provision is made or the installation of which is regulated by the code adopted in this division; except that ordinary repairs shall be exempt from these provisions:

Fee Schedules

New Construction
Residential and Commercial
SQ. FT. X .2 = FEE, (i.e. 1800 Sq. Ft. X .2 = $360.00)

Remodels
SQ. FT. X .1 = FEE, (i.e. 1800 Sq. Ft. X .1 = $180.00)

Minimum permit fee for remodel projects; $30.00.

Minimum permit fee for Electrical permits; $50.00.

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Minimum permit fee of $30.00 for Accessory buildings, decks, fences, gas lines, mechanical, pools, roofs, signs, water/sewer lines, etc.

Miscellaneous Permit Fee Schedule
Project Cost ---------- Fee
$0.00 ------- $3,000.00 = $30.00
$3,000.01 - $5,999.99 = $40.00
$6,000.00 and up X .007) = Permit fee

Projects / Construction costs of $6,000.00 and up X .007) = Permit fee
Example; Const cost $7,250.00 = $50.75 permit fee (7,250 X .007 = $50.75)

Late Fee: A $50.00 fee shall be accessed to all permits that are purchased after construction has begun.

Section 3. The Mayor is authorized to sign this ordinance.

Section 4. The City Clerk is directed to attest to the Mayor's signature.

Section 5. This ordinance shall be in full force and effect from and after the date of its passage and approval.

Passed and approved on first reading this 18th day of August 2014.
Passed and approved on second reading this 2nd day of September 2014.
Passed and approved on third and final reading this 22nd day of September 2014.

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Mayor Dennis M. Clark

ATTEST:

_____
City Clerk/Finance Clerk

Third Reading