

Building Inspection Department

2007 Annual Report



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Introduction:

In 2007 several changes were made to this department, perhaps the most significant was the retirement of long time Building Official, Dick Crawford. With his resignation in June of 2007, changes were made to the entire department, this included merging with the Planning, Zoning, and Ordinance Enforcement Department to create the new Planning, Zoning, and Construction Resource Department; Brentt Michalek became Director of both Departments, Martin VanBerlo became the Building Official for Emmet County, and office staff is shared by both sides of the department. In an effort to reduce expenditures the building inspector position vacated by Martin VanBerlo was not replaced.

This report compares 2007 with the past five years (2003 – 2007), and unfortunately the 5-year averages do not look favorable for the building department. In an effort to reduce these losses, there have been many changes in staff and operational expenses in the last two years. However as the economy continues to decline so does the numbers of permits, and consequently the amount of revenue received for 2007.

Permits:

In 2007 the numbers of permits have continued to decline (Table 1) from 2,392 in 2006 to 2,331 in 2007. Building permits have dropped to 685 which are 155 permits less than the 5-year average, and total permits across all trades are 571 below the 5-year average. Electrical and Mechanical permits have increased slightly over the 2006 totals; however, this change is still below the 5 year average. Figure 1 is a representation of the 5-year trend in permits.

The Inspection Report (page 6) shows the number of inspections performed per inspector on a monthly basis for the past 3 years. This report also helps to clarify the numbers of inspections completed by each inspector and changes in the number of inspectors in the field. It includes the most recent changes to management as described in the introduction of this report. Changes are listed by lowercase italicized letters (*a – f*) on the report and detailed at the bottom of page 6. The department has seen an increase from 6 to 8 inspectors and then more recent reduction to 4. In nearly all months we are below the number of inspections per inspector as compared to the previous two years. This is likely due to the reduced numbers of inspections to be performed, and the need of the county to maintain a minimum of one inspector for each of the trades.

In October of 2007 the department began a project to close or suspend files that are left open. From 1999 through 2006 there were 4,241 open files (Table 2) in the department. Many of which require final inspection on one or several of the trades. These typically result from the contractor or home owner never calling for a final inspection. As of January 2008 the department successfully closed or suspended 454 files, nearly eliminating all open files from 1999.

Financials:

Revenue:

The revenue from permits in 2007 is another clear identifier of the downward trend of the building and contractor market. The reduced revenue in 2007 (Table 3) is directly related to the reduced number of permits received in 2007 (Table 1). The numbers indicate that the department is below the 5-year average in each of the trades, and over \$135k below the 5-year average totaling all department revenues (Figure 2). Figures 3-6 are graphic representations of each of the sub-trade revenues for 2003 through 2007.

Total revenues were taken from Table 3 and applied to Table 4 where the department's cumulative income and losses are identified for the last 5 years (2003 – 2007). The department Expenditures (*i.e. department costs*) are added to the Indirects (*i.e. out of department personnel support costs*) then subtracted from the Revenue to come up with the Annual Net. This table also lists the Annual Net without Indirects. With Indirects included the only profitable year is 2004 where the department netted just over \$25k. If the Indirects are taken out of the Annual Net, both 2003 and 2004 show profitable outcomes (Annual Net WO Indirects). A total of \$13,729 fees were waived for public projects in 2007 slightly more than in 2005 and 2006. Details of the fees that were waived in 2007 are included in Appendix A of this report.

Permit Fees:

The permit fees are assessed based on the “Building Permit Valuation,” which is a multiplier of the gross square footage of a building by the value given to that category of construction (*residential, commercial, mercantile etc.*) as recognized on the “Construction Valuation Table,” published twice annually from the International Code Council (ICC). For 2008 the department proposed adopting, and the Emmet County Board of Commissioners accepted changing to the August of 2007 ICC Construction Valuation Table. The new 2008 Building Permit Fee Schedule is included as Appendix B in this report.

Valuation:

Table 5 shows the current Valuation given to construction in 2007 compared with the 5-year average, and for the second consecutive year the Building Permit Valuation of construction has fallen below the 5-year average. The 2007 numbers indicate that construction has continued to slow in Emmet County perhaps a result of the changing economy. This downward trend is displayed graphically on Figure 7.

Table 1: Permits Issued (2003 - 2007)					
Year	Building	Electrical	Mechanical	Plumbing	Total
2003	808	872	1,098	509	3,287
2004	950	876	1,093	581	3,500
2005	936	781	810	472	2,999
2006	822	624	619	327	2,392
2007	685	657	663	326	2,331
Average	840	762	857	443	2,902

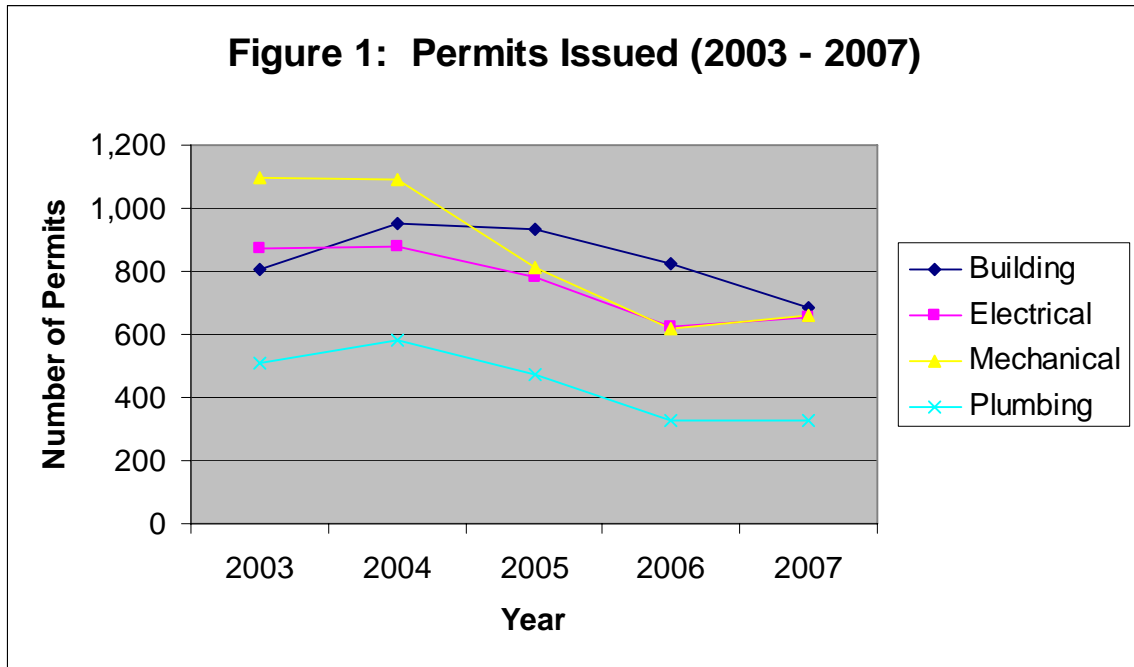


Table 2: Building Department Open Files

Year	Open on 4/7/2007	Open on 11/7/2007	Open on 11/30/2007	Open on 1/2/2008	Total Closed
1999	277	101	71	29	248
2000	475	396	394	384	91
2001	598	588	588	588	10
2002	709	693	690	690	19
2003	723	718	718	718	5
2004	712	691	689	689	23
2005	636	605	605	604	32
2006	111	86	86	85	26
TOTAL	4,241	3,878	3,841	3,787	454

Table 3: Permit Revenue (2003 - 2007)

Year	Building	Electrical	Mechanical	Plumbing	Misc.	Total
2003	\$290,154.00	\$130,554.00	\$133,291.00	\$70,235.00	\$958.00	\$625,192.00
2004	\$394,513.00	\$139,949.00	\$148,464.00	\$76,168.00	\$4,855.00	\$763,949.00
2005	\$366,731.49	\$127,178.00	\$117,442.00	\$59,823.00	\$2,065.00	\$673,239.49
2006	\$343,313.75	\$128,148.00	\$104,555.00	\$63,025.00	\$1,549.75	\$640,591.50
2007	\$276,496.05	\$97,068.00	\$84,608.00	\$44,057.00	\$5,422.22	\$507,651.27
Average	\$334,241.66	\$124,579.40	\$117,672.00	\$62,661.60	\$2,969.99	\$642,124.65

Figure 2: Total Permit Revenue (2003 - 2007)

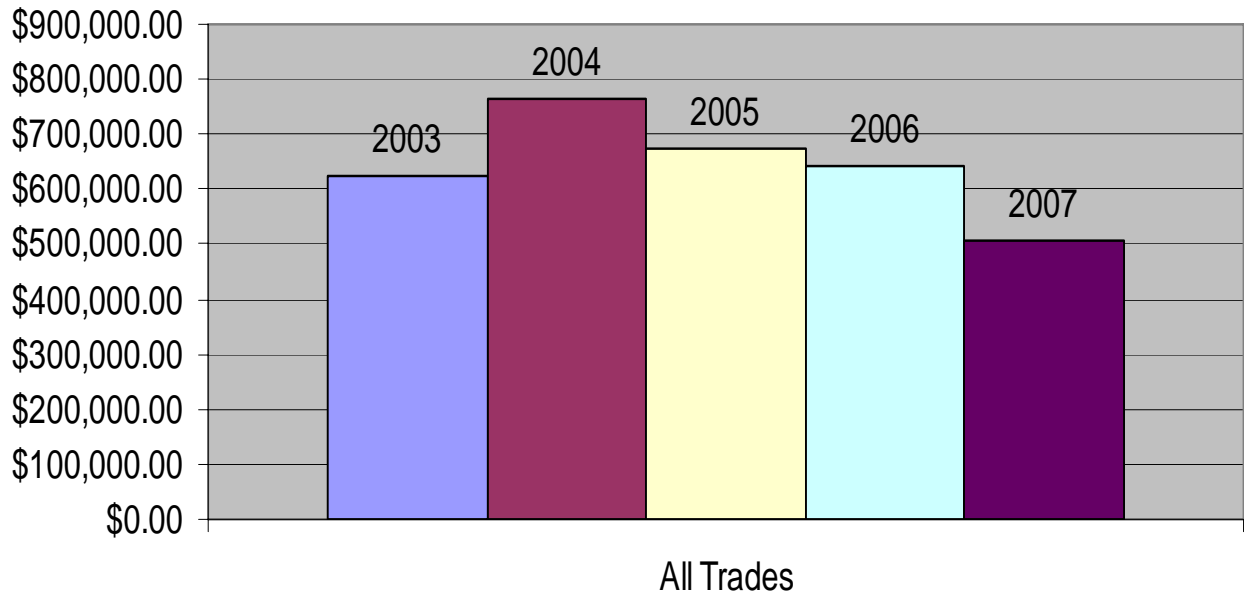


Figure 3: Building Permit Revenue (2003 - 2007)

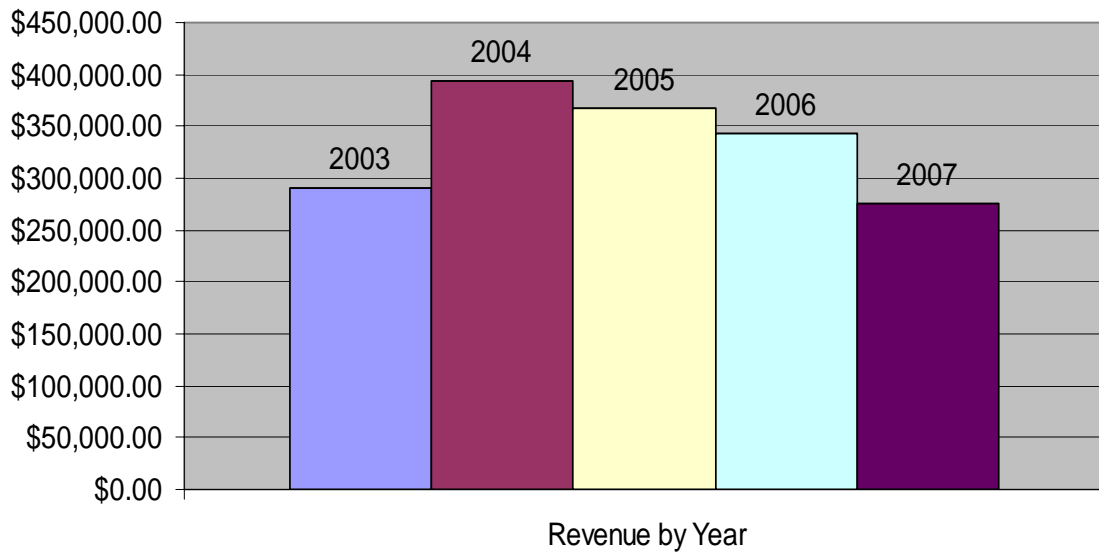


Figure 4: Electrical Permit Revenue (2003 - 2007)

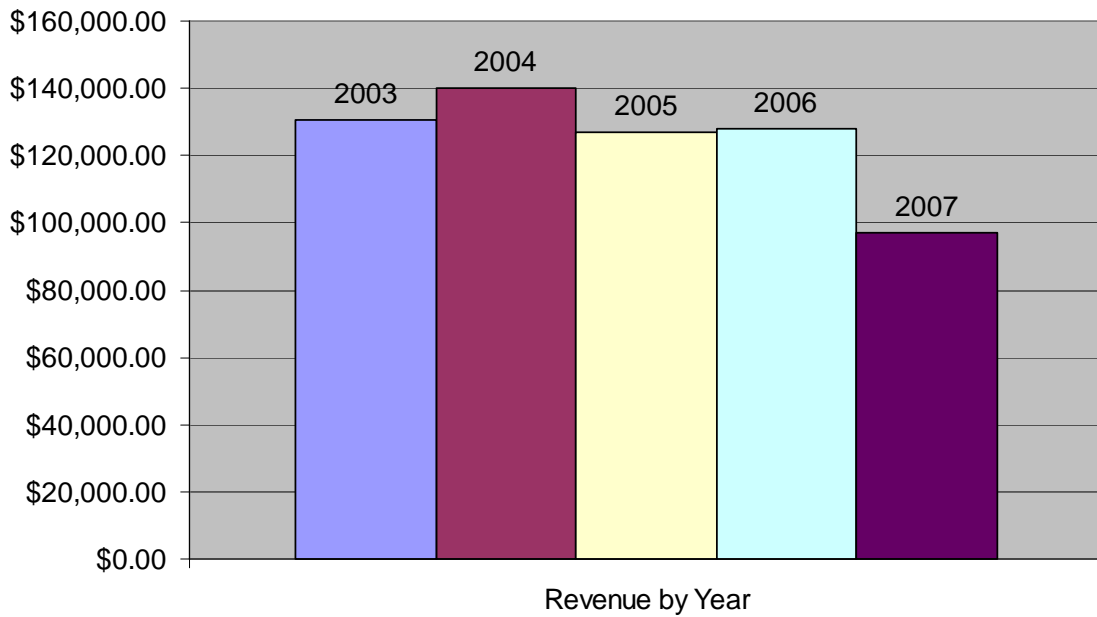
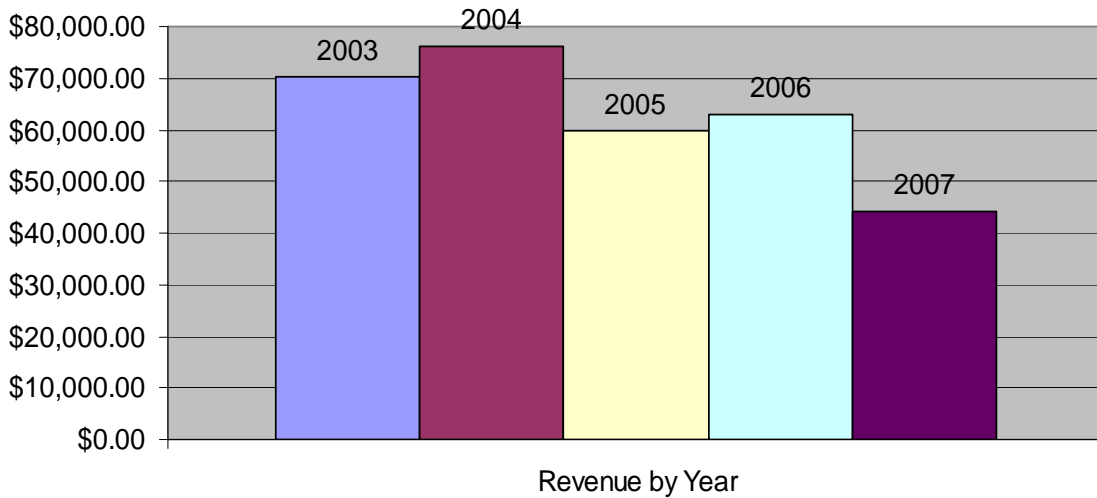


Figure 5: Plumbing Permit Revenue (2003 - 2007)



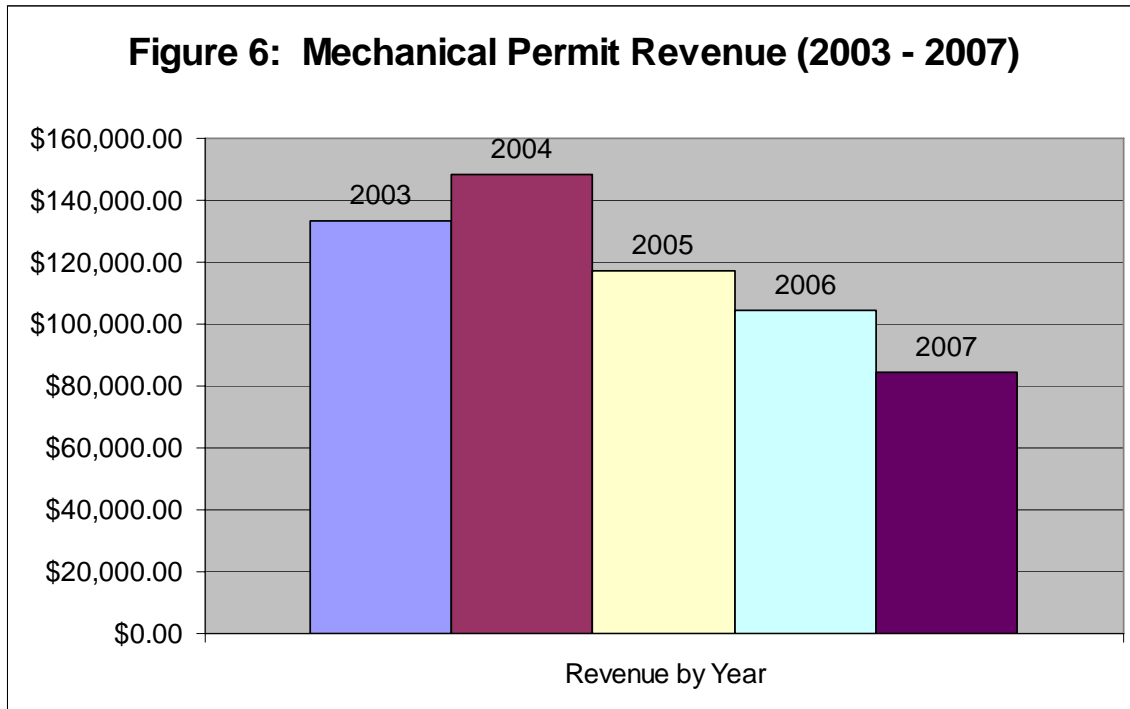
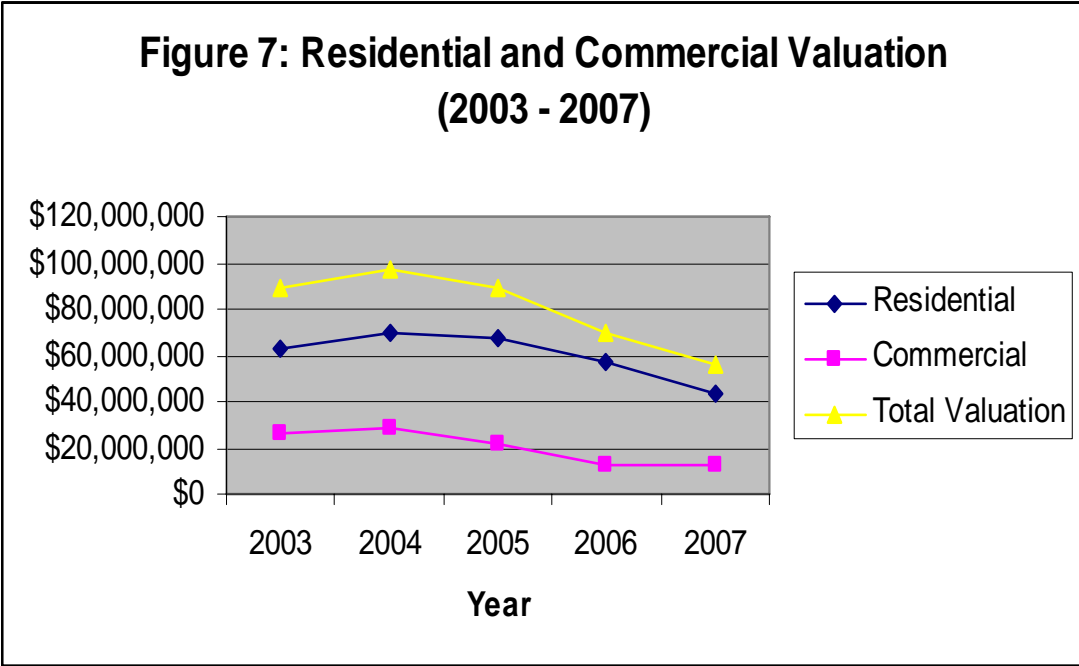


Table 4: Building Department Cumulative Income and Losses (2003 - 2007)						
Year	Expenditures (E)	Indirects (I)	Revenue (R)	Annual Net (R - (E + I))	Annual Net WO Indirects (R - E)	Waived Fees
2003	\$621,777.90	\$71,500.00	\$625,192.00	(\$68,085.90)	\$3,414.10	\$40,678.00
2004	\$642,420.17	\$96,500.00	\$763,949.00	\$25,028.83	\$121,528.83	\$44,988.00
2005	\$710,315.85	\$88,418.00	\$673,239.49	(\$125,494.36)	(\$37,076.36)	\$11,254.00
2006	\$718,723.47	\$95,553.96	\$640,591.50	(\$173,685.93)	(\$78,131.97)	\$9,025.00
2007	\$547,016.03	\$102,828.00	\$507,651.27	(\$142,192.76)	(\$39,364.76)	\$13,729.00

Table 5: Residential and Commercial Valuation (2003 - 2007)			
Year	Residential	Commercial	Total Valuation
2003	\$62,362,486	\$26,234,050	\$88,596,536
2004	\$69,445,456	\$28,199,487	\$97,644,943
2005	\$67,000,916	\$22,015,773	\$89,016,689
2006	\$57,285,976	\$12,418,006	\$69,703,982
2007	\$43,084,534	\$12,397,276	\$55,481,810
Average	\$59,835,874	\$20,252,918	\$80,088,792



Appendix A
2007 Waived Permit Fees

Appendix B

2008 Building Permit Fee Schedule