

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Staff Presentation Worksheet

Presentation Date: January 10, 2012 Time: 3:30 PM Length: 30 minutes

Presentation Title: Building Codes Division Funding

Department: Transportation and Development

Presenters: Cam Gilmour and Scott Caufield

POLICY QUESTION

Does the Board wish to provide General Fund dollars to maintain current plan review and inspection levels in the Building Codes Division through June 2012?

ISSUE & BACKGROUND

The Clackamas County Building Codes Division (BCD) is a fee funded program. Typically, one hundred percent of its operating costs are covered by fees collected through the issuance of building permits. Throughout its history, the BCD has received no general fund revenue to augment its budget.

In a normal construction cycle and economy, there is a steady supply of new permits coming into the BCD to fund the program and to build a reserve (fund balance) which ensures that the BCD can retain key staff and weather both the expected seasonal fluctuations in construction activity and the occasional economic downturn.

Recently however, significantly reduced construction activity and a prolonged economic downturn have caused the Division to deplete its reserves, despite the fact that 55 % of the BCD staff was laid off beginning in 2009. The Division is currently operating on a month-to-month basis heading into what is typically the slowest quarter of the fiscal year.

Despite the fact that permit revenue has declined, the BCD finds that its inspection activity remains high and that it must retain current staff levels to service existing permits as well as any new permits received into the Division. For a detailed explanation of this phenomenon, see the attached document entitled "Building Codes Activity and Funding Overview - 2011."

The Division is seeking financial assistance from the General Fund to provide a reserve which will enable this important health, life and safety program to continue at its current staffing and service levels. Additionally, the infusion of cash will buy the Division time so that it can implement other strategies to stabilize its fund such as a building permit fee increase, the implementation of new building valuation data tables, and for a recently signed IGA with the City of Canby to generate more permit revenue.

Should the requested revenue not be provided, additional layoffs (potentially 4 FTE) will be necessary to stabilize the fund. Plan review turn around times (backlog) will increase and there will be occasions where the County's current 24 hour response time for inspections will not be met (statute requires inspections to be provided within 48 hours for electrical permits only). Wait times in the public service lobby will increase and there will be occasions where, due to illness or vacation, the BCD may not have adequate staff to provide services during current hours of operation.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. Should the BCC provide general fund revenue to the Building Codes Division in an effort to stabilize its fund and retain current staff?
2. If general fund is not provided, is the Board comfortable with the modifications in service delivery that will occur with staff reductions?

OPTIONS AVAILABLE

1. Provide the amount of general fund needed to maintain staffing levels through June 2012.
2. Deny the request for general fund support.

RECOMMENDATIONS

Staff respectfully recommends that the BCC provide the full amount of General Fund revenue needed to stabilize the Building Codes Division's fund and eliminate or reduce the need for layoffs through June 2012.

Provision of the general fund revenue will allow the retention of staff necessary to maintain current service levels for plan review and inspection turn-around times. Staffing can also be maintained in the public service lobby during open hours to meet with customers and to issue permits. Additionally, retaining current staff will ensure that the BCD can respond quickly to an upswing in development and construction activity when the economy recovers.

SUBMITTED BY:

Division Director/Head Approval _____
Department Director/Head Approval *Sam Gilman*
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Scott Caufield @ 503-742-4747

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