
*675 Wildwood Avenue
Rio Dell, CA 95562*



TO: Rio Dell City Council
THROUGH: Kyle Knopp, City Manager
FROM: Karen Dunham, City Clerk
DATE: August 5, 2014
SUBJECT: Building Inspection Program Update

RECOMMENDATION

Receive and file staff report.

BACKGROUND AND DISCUSSION

As you are aware, the City contracted with the City of Fortuna for building inspection and plan check services with the termination of Arnie Kemp's contract effective February 18, 2014.

In addition, administration fees were established for the purpose of generating sufficient revenue to fully fund the Program without subsidy from the General Fund.

Staff was directed at that time to provide a written report to the City Council on a quarterly or semi-annual basis to determine if sufficient revenue is collected to fund the building department program.

The City of Fortuna has invoiced the City for their services for the period of February 19, 2014 through July 18, 2014. For the 5 month period, total costs were billed at \$2,971.90.

For the same period, the following fees were collected:

• Building Permit Fees -	7,796.17
• Plan Check Fees -	2,788.32
• Administration Fees -	5,408.46
TOTAL	- \$15,992.95

Under the prior contract with Arnie Kemp he received 80% of all building and plan check fees collected. The cost for his services under that contract would have been \$8,467.59 in addition to \$885.50 for 5 months of insurance reimbursement costs at \$177.10/month bringing the total costs for building inspection and plan check services to \$9,353.09 for a net difference of \$6,381.39 between the prior contract and the current agreement with the City of Fortuna.

Beginning May 5, 2014 a building administrative fee of 33% was collected on all building permits. On July 1, 2014, the administrative fee was increased to 66%. Staff will continue to monitor the building program activities and report to the Council.