

MEMO

DEVELOPMENT SERVICES

To: Gregory Rose, City Manager
From: Martin Scribner, Development Services Director
Date: January 24, 2017
RE: Justification for Additional Building Inspector

For several months, we have touched on the fact that Development Services sees that the need for an additional building inspector is looming near. We are now at that point.

As you are aware, we have become busier due to the increase in the number of new housing permits submitted, new commercial projects proposed, and new lots being purchased or developed. It has become apparent that in order to maintain expected levels of service, we need to hire an additional staff member immediately.

The biggest indicator for this need is that at any given time, we are fielding between 250 and 300 inspection requests. We have 2 inspectors that are currently doing an average of 25-30 inspections per day (the national average is closer to 15 inspections per day), which means that even though the expected level of service is to get inspections scheduled the next day, we are scheduling them at least a week out. As the number of permit applications continues to grow, this delay will only increase.

Below are some additional numbers to help justify this request:

Single Family Permits:	2015	299	
	2016	527	+76%
Inspections:	First 6 Months 2016	3111	
	Second 6 Months 2016	3703	+19%
	July-September 2016	1679	
	October-December 2016	2024	+20.5%
	January 2016	215	
	January 2017	454	+111%
Inspections Per Inspector: 25.2 Average National Average 12-15			
Permit Applications Submitted (July 1 st – January 23)		678	
Permits Issued (Same time period)		615	(90%)



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Revenue:	2016 Calendar year	\$1,369,783.00
Expenditures:	2016 Calendar year	\$ 738,829.00
Expenditures:	FY 2016-2017 Budget	\$ 698,072.83

Understanding the coming building trends within the City is also very important as we move forward. In the last 3 months, we have been informed that approximately 1500-1600 single family residential lots have recently been purchased by various builders and are readying for building permits over the coming months. In fact, at least one of those builders has requested expedited review for 14 new models, which means that they are wanting to start submitting permit applications very quickly. In addition, various retail projects (Edison Point potentially being the largest) are also being primed for building permits, likely before the end of the fiscal year. As you know, large scale retail projects have the potential to take up a considerable amount of inspection time, exponentially more than residential projects.

While the addition of SmartGOV and the ability to review all permits electronically has increased our efficiency by a fair amount (as seen in the numbers above, 90% of applications that are submitted are converted to applications, which is more efficient than the national average), it takes a considerable amount of time to train someone to use that system proficiently. In addition, the amount of time it takes to do an inspection (including drive-time) cannot be reduced because of this technology.

The ideal solution is to hire a full time inspector/plans reviewer with benefits. We feel that this is a viable option at this time because one of the current inspectors has informed us of his intent to retire in February of 2018. This means that we can hire an additional inspector for 12 months, with the option to phase out the additional position upon the current inspector's retirement, if that becomes necessary. But if growth continues, we would simply hire another inspector. At that time, we would reevaluate and determine if a fourth inspector would be needed as well.

While the hiring of a full-time inspector is approximately \$5,000 more than hiring a temporary staff member at full-time hours, we believe that the value of having a staff member committed to long-term employment with the City far outweighs that minor difference in cost. Also, in our initial research, we have found very little interest from *qualified* inspectors in a part-time position.



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The other options that are available are to hire 2-3 part time inspectors (without benefits) or to hire a service that would provide an inspector on a temporary basis. The estimated rough costs of each option are listed below:

Cost Per Year:	Hire Through Temp.(40 hrs/wk, no benefits)	\$59,415
	2-3 Part Time Inspectors (<20 hrs/wk)	\$60,000-90,000
	Full Time Inspector (with benefits)	\$64,367 (min)
	Third Party (Willdan)	\$156,000-187,000

While we have no guarantees that the building permit numbers will continue to increase, we have received a letter from the Home Builders' Association of Central Arizona (attached) reaffirming that they expect the number of building permits and the number of builders doing business in Maricopa will continue to increase over the course of 2017. The permit numbers for calendar year to date are definitely in line with this prediction, including the addition of two new builders to the list of regulars in the City. They have also indicated the need for us to complete inspections within 24-48 hours of a request, especially considering that the builders are paying for a service that comes with certain expectations and delays in inspections can result in trades going to other locations to work, which can delay builders even further.

As you can see, the need for additional staffing in this area is evident. My hope is that if we decide to hire on any type of temporary basis for now, you will consider the possibility of hiring an additional FTE as we look at the FY 2017-18 budget.

Thank you for your consideration.

