

TO: Village Council and Mayor Brown
 FROM: Finance Committee, Rob Bartlett - Chair
 RE: Building Department Restructuring Savings Update
 DATE: November 15, 2021

In April 2021, the Finance Committee recommended to restructure the Building Department and to implement a new fee structure. The basis for this recommendation were:

1. From 2018 to 2020, expenses exceeded revenue for the Building Department by \$40,700 per year on average
2. In comparing Mariemont versus other neighboring communities, Mariemont was the only community that had both a salaried employee and an hourly paid person in their Building Department. Terraec Park, Fairfax and Newtown all had just an hourly paid person.

The recommendation from the Finance Committee was to eliminate the salaried Building Department position and go to an hourly paid position only, and to also begin to use XPEX to handle all building reviews that required specialized skills. In moving to XPEX, the Finance Committee also recommended updating the fee structure such that XPEX's costs would be estimated on the front end and used as the fees so their costs would essentially be passed through to the resident.

Council approved the recommendation and in April the salaried position was eliminated. Below is a table which shows the revenue and expense for the Building Department for the first three months of the year, as well as the revenue and expense from April through October, and from 2018 through 2020.

	<u>2021</u>		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>3 yr average</u>
	<u>Jan-Mar</u>	<u>Apr-Oct</u>				
<u>Mariemont</u>						
Building Permit Income	\$13,456	\$38,351	\$44,647	\$43,753	\$42,294	\$43,565
Building Department Exp	\$21,234	\$29,019	\$85,753	\$67,664	\$99,415	\$84,277
Gain/(Loss)	(\$7,778)	\$9,332	(\$41,106)	(\$23,911)	(\$57,121)	(\$40,713)

As can be seen, the Building Department has now gone from losing money to covering its own costs. To be clear, the Village has had the benefit of Bob Van Stone doing the work of Zoning Officer for free for the past few months. However, Mr. Van Stone's reports indicated that he totaled 74.8 hours of volunteer hours in September and 56.1 hours in October. Using a pay rate of \$20/hour, which is the rate we will pay our permanent Zoning Officer, the above costs for April through October would increase by just \$2,618, still leaving a positive balance of over \$6,700 for the Building Department over that period of time.

Respectfully Submitted,

 Rob Bartlett, Chairman

 Kelly Rankin, Vice-Chairman

 Joe Stelzer, Member