

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: 2009 Budget Workshop

DATE: September 4, 2008

SUBJECT: Community Development Department
2009 Budget Proposal

CONTACT PERSON: Robert Martin, Community Development Director

ISSUES:

Review the 2009 Proposed Budget for Community Development Department

SUMMARY:

The Sultan City Council sets the policies that determine the City's budget direction and oversees specific allocation of line items to insure implementation of the policy direction determined for the budget year. This cover provides brief explanation of the reasons for budget line proposals so that the council can determine if the proposals support the policy directions set for the 2009 budget.

001-065-558-60 Community Development Department, Planning Services

Assumptions upon which budget proposal is based:

1. No significant new development during budget year.
2. Economic development is a policy priority.
3. Code update to prepare for economic development is a policy priority.

Policy Questions: None continuation of existing organizational structure and goals.

Line Item Descriptions:

Line 310: Office/Operating Supply: \$2,000

Provides expendables for daily office operations. Retained at 2008 level.

Line 340: Books and Periodicals: \$200

Provides professional reference materials for staff use. Retained at 2008 level.

Line 341: Planning Board Books and Periodicals: \$100

Provides professional educational materials for Planning Board. Reduced from \$500 in 2008. The current year budget still carries \$500. This amount will be spent down to provide materials for new board members. Need will be substantially met this year, and amount can be reduced for 2009.

Line 350: Small Tools/Minor Equipment: \$400

Increased from \$0.00 in 2008. Appropriation will be used for camera, calculator, and similar needs through the year.

Line 380: GMA Planning Grants: \$0.00

No grants are expected at this time. This line is a place-holder for any grants credited to the revenue side of the budget.

Line 411: Hearing Examiner Services: \$7,500

Reduced from \$12,000 in 2008. A budget assumption is that there will be little or no development activity in 2009, therefore a reduction is appropriate. It is not appropriate to provide no funding as the hearing examiner may be needed for a range of activities even though we do not expect much of any one type of activity.

Line 412: Professional Services: \$139,000

This line provides for the out-sourced services outlined below:

Streamline Permitting System: \$18,000

Consulting services to assist department with efficient and effective permit forms and permit processes for best customer service. This was addressed in the budget workshop as a desired policy direction to prepare for future development application processing.

Code Update Project: \$45,000

The zoning and other land management code titles in the Municipal Code need to be revised to be internally consistent and to implement the Comprehensive Plan. The department can do some of this work, but substantial consulting assistance will be needed. This project will take more than one year to complete. Code update was addressed in the budget workshop as a desired policy direction. This budget amount is in the mid-range of what was presented at the budget workshop.

File Management Project: \$6,000

The file system for permits and land use process is being reconstructed at this time with significant volunteer assistance. Work is expected to continue into next year. This line budgets for temporary personnel support to finish the project if necessary.

2008 Comprehensive Plan Revisions: \$30,000

This allocation is necessary to finish paying consultants that have worked on the 2008 Comprehensive Plan project in response to the Growth Management Hearing Board decisions.

2011 Comprehensive Plan Update: \$25,000

In the budget workshop, the Council affirmed Comprehensive Plan Update Option 1. This option provided for basic work to be done in preparation for the

2011 update, but that 2009 would not see significant revision work after adoption of the 2008 updates. This proposal substantially corresponds to Option 1 of the workshop staff report.

The basic work that we propose in this item is to conduct a statistically valid citizen survey of planning issues as the citizen input basis for the update work to start in 2010. Citizen involvement is the crucial beginning step provided by the statutes and the City Code for this level of policy work.

We may also undertake some reorganization of the format of the Plan without changing the substance so that the Plan follows the Growth Management Goals order and industry standard topic structure.

Line 420: Communication: \$6,500

Phone, special mailings to citizens, and other communication mechanisms are supplied by this item. \$3,000 of this proposed amount is allocated to the statistical survey discussed above. Citizen meetings for downtown design and other projects may be part of this activity.

Line 430: Travel and Seminars: \$4,900

This provides for the following professional participation and development activities. Increased from \$600 in 2008 to provide for appropriate professional participation and development.

American Planning Association State Conference
American Institute of Certified Planners Continuing Education Credits (32 hrs.)
Participation in SNO-PAC, Snohomish County Planning Advisory Committee
State Planning Director's Conference
Snohomish County Planning Directors meetings
Misc. Mileage

Line 431: Planning Board Travel and Seminars: \$600

Educational opportunities for Planning Board Members.

Line 440: Advertising and Legal Notices: \$4,000

Retained at 2008 level for notices regarding code update, public meetings, and land use processes.

Line 490: Miscellaneous: \$1530

Coverage for various issues not addressed or anticipated in other line items. Reduced from \$2,500 in 2008.

Discussion:

Economic Development:

Economic development is a major policy implementation effort for 2009. At the budget workshop, the economic development components of the Community Development Department were woven into the Grants and Economic Development Department's

presentation. Downtown revitalization is one of these important cross-department topics that is found in the Grants and Economic Development Department budget proposal

Code Update:

Code update is presented in this proposal as a priority over revision of the Comprehensive Plan. This is because implementation of the Plan happens through daily application of the codes. We cannot know what the Plan is accomplishing or failing to accomplish if the codes are not accurate, clear, internally consistent, and constructed to implement the Plan. Much of the language in existing codes does not implement either the 2004 Plan or the 2008 revisions.

It is crucial that the codes be revised to be consistently applied, policy-driven, easily understood by the citizens, and legally enforceable.

001-070-559-60 Community Development Department, Building Services

Policy Questions:

This proposal is based on the assumption that the following questions are answered in the affirmative. If council determines one or more of the following to be answered in the negative, this proposal will need to be revised accordingly.

1. Should the City out-source building plan review, inspection, and customer consultation through a contract with Snohomish County?
2. Should the City out-source Fire Marshal plan review and safety inspection through a contract with Snohomish County?
3. Should the City out-source Flood Management (site and building inspection, and Community Rating System process) to Snohomish County and/or other private consultant(s)?

Line Item Descriptions:

Line 310: Office/Operating Supply: \$1,500

Provides expendables for daily office operations. Reduced from 2008 level of \$3,500.

Line 340: Books and Periodicals: \$1,200

Increased from \$650 in 2008 budget to purchase 2009 Building Code set consisting of one paper binder set and two copies of code on compact disk. This code revision process comes around once each three years.

Line 350: Small Tools/Minor Equipment: \$300

Provides for minor items to support inspection and flood management. Retained at 2008 budget level.

Line 360: Vehicle Operation and Maintenance: \$500

Reduced from \$1,000 in 2008 budget due to

Line 410: Professional Services: \$90,000

This line provides for the out-sourced services outlined below:

Customer Consultation on Building Code Questions at City Hall: \$14,560

This provides for a qualified county building division employee to be in city hall four hours per week (208 hours per year or 0.1 FTE) to answer questions on building code and construction issues from contractors and general public. We propose this service so that we can maintain a degree of face-to-face relationship in the absence of a building inspector directly employed by the City. This replaces the functions of the in-house building inspector, it is not a new program.

Plan Review and Inspection Services: \$29,120

This provides eight hours per week (average estimate totaling up to 416 hours per year, or 0.2 FTE) of structural plan review and on-site construction inspection services to be provided by Snohomish County. On-site inspections are provided every business day by an inspector who already rides a circuit of Highway 2 communities. Structural plans for plan review are picked up by the inspector and delivered same-day to Snohomish County offices. They are returned by the inspector when complete.

The City manages the building permit process, collects the fees, and coordinates the inspections based on calls from customers. Fees are used to pay the contract with the County and any excess is retained to cover our internal processes.

Fire Marshal Services: \$29,120 (**New Service at cost of 0.15 FTE or \$21,840**)

This provides plan review for fire code issues which is a separate function from structural plan review under the building code. Accounting for an estimated 100 hours, or 0.05 FTE, this component is a replacement of the in-house building official and is not a new program.

This proposal also provides for a Fire Code compliance program for commercial and industrial facilities to ensure that fire exiting, material storage, and similar fire safety issues are properly addressed on an ongoing basis. This issue has not been addressed in the community in the recent past. Intended implementation would include a public awareness program, courtesy inspections to explain and assist with compliance, and a code enforcement program after courtesy inspections. Accounting for an estimated 315 hours, or 0.15 FTE, this is a new program, it does not replace a service provided previously by the in-house building official. Hiring a replacement in-house inspector would not eliminate this cost as the County has the only qualified staff to provide this service.

Flood Management, Community Rating System: \$18,000

This provides for a contract with a consultant to maintain the community's rating in the National Flood Insurance Program. We were recently stepped-up in the ratings which saves residents on their flood insurance premiums. The program has to be maintained on an ongoing basis to participate in the program and retain this good rating.

This contract would not be necessary if an in-house building inspector were hired who could manage the Community Rating System program.

Line 420: Communication: \$2,000

The Fire Marshal program and the Flood Management system will each need public notices, mailings, and other communication efforts. This has been increased from \$1,000 in 2008 budget to accommodate the Fire Marshal program which has not been addressed in the recent past.

Line 430: Travel and Seminars: \$3,250

This provides for the following professional participation and development activities related to permit processing, professional connection with state agencies and other governments involved in economic development and permit systems.

Permit Technician Education Credits (Washington Association of Permit Technicians)
Notary Refresher Class for Permit Technician
Association of Washington Cities participation
Miscellaneous Travel

Line 460: Insurance: \$0.00

Line 480: Repair and Maintenance: \$300

Anticipated maintenance of the plotter used for city maps and Flood Management Community Rating System programs.

Line 490: Miscellaneous: \$450

Coverage for various issues not addressed or anticipated in other line items. Retained at 2008 budget level.

Line 630: Hazard Mitigation Buyout Program: \$0.00

This line is a place-holder if we receive a grant for removal of structures in the flood zone.

Line 640: Capital Outlay – Equipment: \$1,500

Purchase of computer equipment.

Discussion:

Fire Marshal Program:

Fire Code standards apply to new construction and to ongoing operation and maintenance of existing businesses (industrial and commercial). Basic fire code standards for new construction have been implemented by the in-house building official. There has been no implementation of the standards for public safety in ongoing operation of businesses.

This process typically involves inspection of each place of business once per year to insure that emergency exits are clear and accessible, that fire extinguishers and exit signage is properly located and operational, and that materials used or stored in or around the building meet the applicable safety standards.

Budget line 410 proposes \$21,840 for 315 hours of Fire Marshal services by contract with Snohomish County to provide this service. We recommend that this public safety program be added to the services provided by the City.

Building Official Options:

The part-time building official working in-house as a private contractor has recently left city service. This has left us with two basic options:

The first option is to hire a part-time employee or in-house contractor. The second is to contract with Snohomish County to provide those services. This budget proposal is based on the Snohomish County contract option. We are currently in the first couple of weeks of that approach at this time as a fill-in for the contractor who left service. For a longer term commitment to one option or the other we seek council policy direction. Following is a discussion of the benefits and drawbacks of each approach.

County Building Inspection Contract:

Benefits:

1. We only pay for the inspection and plan review hours that we use. The budgeted amounts may not be fully expended if development rates do not call for the budgeted hours of service.
2. We get service from a full range of qualified specialists which the City could not afford to hire even on a part-time basis. This particularly applies to the Fire Marshal function as discussed above.
3. We do not carry the overhead of having inspectors in the field and plan reviewers in the office. We pay the County hourly rate and they handle personnel functions, vehicles, equipment, and other overhead.
4. We can specify the level of service desired at any stage of the relationship and adjust expenditures up or down as desired.
5. We have no personnel management demands. If problems arise we contact county management and they have the responsibility of addressing the issue.
6. The inspectors do the same jobs for the county and for other area jurisdictions. They are well-practiced and have consistent code implementation.
7. We can cancel the service at any time if we choose to pursue some other approach.

Drawbacks:

1. Direct community relationship with a responsible individual on site is diminished. Different individuals from the county may be performing different functions and the personal touch is not as apparent.
2. The long-distance coordination and scheduling of inspections may turn out to be more complicated and hard to manage.
3. Immediate response to a contractor call or a drop-in request for consultation is reduced to one or two days out depending on the particular request. Contractors will need to schedule ahead instead of calling for an inspection "this afternoon".
4. Customer consultation in City Hall will be reduced to certain hours (proposed at 2 hours each on 2 days per week). While the in-house Building Official was not available every hour of the week, this proposal represents a reduction in this service. The cost of these hours is not supported by any specific building permit fee, but neither was the time spent on this service by the in-house inspector.

Analysis of Inspection and Plan Review Options

Form and Type of Service	Hours/week	\$/Hour	Total \$	FTE
In-house Contract Option				
In-House Contract for Inspection, Plan Review, and Customer Consultation	20	45	46,800	
In-House Contract for Flood Mgmt. (CRS)	7.7	45	18,000	
Total for In-house Contract Option			64,800	0.69
County Contract Option				
County Inpection, Plan Review, Flood Inspection	8	70	29,120	
County Customer Consultation	4	70	14,560	
In-House Contract for Flood Mgmt. (CRS)	7.7	45	18,000	
Total for County Contract Approach			61,680	0.49
Regular Employee Option				
Full-time regular employee for Inspection, Plan Review, Customer Consultation and Flood Mgmt. including benefits	40	29	83,770	1
Half-time regular employee for Inspection, Plan Review, Customer Consultation and Flood Mgmt. including benefits	20	29	41,885	0.5

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County Contract Option				
County Inpection, Plan Review, Flood Inspection	8	70	29,120	
County Customer Consultation	4	70	14,560	
In-House Contract for Flood Mgmt. (CRS)	7.7	45	18,000	
Total for County Contract Approach			61,680	0.49
Regular Employee Option				
Full-time regular employee for Inspection, Plan Review, Customer Consultation and Flood Mgmt. including benefits	40	29	83,770	1
Half-time regular employee for Inspection, Plan Review, Customer Consultation and Flood Mgmt. including benefits	20	29	41,885	0.5
Fire Marshal Services				
County Fire Marshal (additional service)	8	70	29,120	0.2

2006	2007	2008	2008	2008	2009	2009	2009	2009	2009	
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	Proposed	Approved	Adopted
				065	Planning and Development					
				E10	Salaries and Wages					
69,179.90	43,375.06	57,590.00	37,910.84	558-60-100	Salaries and Wages	0.00	79,512.00	0.00	0.00	0.00
					Salaries and Wages Totals:	0.00	79,512.00	0.00	0.00	0.00
				E20	Employee Benefits					
14,998.32	12,814.17	19,475.00	10,982.23	558-60-200	Employee Benefits	0.00	27,273.00	0.00	0.00	0.00
					Employee Benefits Totals:	0.00	27,273.00	0.00	0.00	0.00
				E30	Operating and Office Supply					
3,279.10	2,438.10	2,000.00	1,112.06	558-60-310	Office/Operating Supplies	0.00	2,000.00	0.00	0.00	0.00
95.70	0.00	200.00	0.00	558-60-340	Books and Periodicals	0.00	200.00	0.00	0.00	0.00
0.00	0.00	500.00	0.00	558-60-341	PB Books and Periodicals	0.00	1,200.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	558-60-350	Small Tools/Minor Equipment	0.00	400.00	0.00	0.00	0.00
0.00	9,000.00	0.00	0.00	558-60-380	GMA Planning Grants	0.00	0.00	0.00	0.00	0.00
					Operating and Office Supply Totals:	0.00	3,800.00	0.00	0.00	0.00
3,374.80	11,438.10	2,700.00	1,112.06							
				E40	Other Services and Charges					
11,236.72	8,924.00	12,000.00	2,150.50	558-60-411	Hearing Examiner Service	0.00	7,500.00	0.00	0.00	0.00
33,516.99	184,157.94	115,000.00	178,124.35	558-60-412	Professional Services	0.00	139,000.00	0.00	0.00	0.00
1,466.94	3,496.01	3,500.00	1,676.76	558-60-420	Communication	0.00	3,500.00	0.00	0.00	0.00
519.00	575.00	600.00	126.31	558-60-430	Travel and Seminars	0.00	4,900.00	0.00	0.00	0.00
0.00	0.00	600.00	0.00	558-60-431	PB Travel and Seminars	0.00	600.00	0.00	0.00	0.00
3,589.05	5,232.66	4,000.00	2,468.02	558-60-440	Advertising and Legal Notices	0.00	4,000.00	0.00	0.00	0.00
1,678.77	2,837.71	2,500.00	59.89	558-60-490	Miscellaneous	0.00	1,530.00	0.00	0.00	0.00
					Other Services and Charges Totals:	0.00	161,030.00	0.00	0.00	0.00
52,007.47	205,223.32	138,200.00	184,605.83							
				E60	Capital Outlays					
6,565.96	339.37	1,500.00	0.00	558-60-640	Capital Outlay - Equipment	0.00	21,000.00	0.00	0.00	0.00
					Capital Outlays Totals:	0.00	21,000.00	0.00	0.00	0.00
6,565.96	339.37	1,500.00	0.00							
146,126.45	273,190.02	219,465.00	234,610.96		EXPENDITURES TOTALS:	0.00	292,615.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00		DEPT REVENUES	0.00	0.00	0.00	0.00	0.00
146,126.45	273,190.02	219,465.00	234,610.96		DEPT EXPENSES	0.00	292,615.00	0.00	0.00	0.00
					Planning and Development Totals:	0.00	(292,615.00)	0.00	0.00	0.00
(146,126.45)	(273,190.02)	(219,465.00)	(234,610.96)							

2006	2007	2008	2008	2008	2009	2009	2009	2009	2009	2009
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	Proposed	Approved	Adopted
				070	Building and Community Dev.					
				E10	Salaries and Wages					
81,118.19	83,029.18	57,180.00	25,623.15	559-60-100	Salaries and Wages	0.00	80,273.00	0.00	0.00	0.00
81,118.19	83,029.18	57,180.00	25,623.15		Salaries and Wages Totals:	0.00	80,273.00	0.00	0.00	0.00
26,201.06	27,808.40	15,800.00	3,953.51	E20	Employee Benefits					
				559-60-200	Benefits	0.00	32,627.00	0.00	0.00	0.00
26,201.06	27,808.40	15,800.00	3,953.51		Employee Benefits Totals:	0.00	32,627.00	0.00	0.00	0.00
1,825.51	3,677.01	3,500.00	743.91	E30	Operating and Office Supply					
0.00	764.69	650.00	102.47	559-60-310	Operating Supplies	0.00	1,500.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	559-60-340	Books and Periodicals	0.00	1,200.00	0.00	0.00	0.00
0.00	486.87	300.00	(254.71)	559-60-341	PB Books and Periodical	0.00	0.00	0.00	0.00	0.00
12.13	40.99	1,000.00	299.75	559-60-350	Small Tools/Minor Equipment	0.00	300.00	0.00	0.00	0.00
				559-60-360	Vehicle Operation/Maintenance	0.00	500.00	0.00	0.00	0.00
1,837.64	4,969.56	5,450.00	891.42		Operating and Office Supply Totals:	0.00	3,500.00	0.00	0.00	0.00
3,582.07	0.00	5,000.00	209.90	E40	Other Services and Charges					
0.00	0.00	0.00	0.00	559-60-410	Professional Services	0.00	90,000.00	0.00	0.00	0.00
717.93	1,459.36	1,000.00	687.20	559-60-411	Flood Mitigation Study Grant	0.00	0.00	0.00	0.00	0.00
1,845.77	231.69	1,000.00	425.50	559-60-420	Communication	0.00	2,000.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	559-60-430	Travel and Seminars	0.00	0.00	0.00	0.00	0.00
1,335.40	0.00	500.00	0.00	559-60-431	PB Travel and Seminars	0.00	0.00	0.00	0.00	0.00
261.65	0.00	0.00	0.00	559-60-460	Insurance	0.00	0.00	0.00	0.00	0.00
1,115.68	429.71	450.00	(219.71)	559-60-480	Repair and Maintenance	0.00	0.00	0.00	0.00	0.00
8,858.50	2,120.76	7,950.00	1,102.89	559-60-490	Miscellaneous	0.00	450.00	0.00	0.00	0.00
					Other Services and Charges Totals:	0.00	92,450.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	E60	Capital Outlays					
2,200.00	9,070.56	8,900.00	630.24	559-60-630	Hazard Mitigation Buyout Progr	0.00	0.00	0.00	0.00	0.00
2,200.00	9,070.56	8,900.00	630.24	559-60-640	Capital Outlay - Equipment	0.00	1,500.00	0.00	0.00	0.00
					Capital Outlays Totals:	0.00	1,500.00	0.00	0.00	0.00
120,215.39	126,998.46	95,280.00	32,201.21		EXPENDITURES TOTALS:	0.00	210,350.00	0.00	0.00	0.00

2006	2007	2008	2008	2008	Description	FTE	2009	2009	2009	2009	2009
Actual	Actual	Adopted	Estimated	Account			Requested	Proposed	Approved	Adopted	
0.00	0.00	0.00	0.00		DEPT REVENUES	0.00	0.00	0.00	0.00	0.00	0.00
120,215.39	126,998.46	95,280.00	32,201.21		DEPT EXPENSES	0.00	210,350.00	0.00	0.00	0.00	0.00
(120,215.39)	(126,998.46)	(95,280.00)	(32,201.21)		Building and Community Dev. To	0.00	(210,350.00)	0.00	0.00	0.00	0.00