



CITY COUNCIL ACTION REPORT

March 7, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian Murphy, Assistant City Manager/ Economic Development Services
Mark Stimac, Director of Building and Zoning

SUBJECT: Adjustment to Plumbing Permit Fees

Background:

- In the Zucker report on the development approval/permit process, one of their highest priority recommendations was to adjust fees for services to cover expenses. In reviewing the budget of the Building Department we find that in recent years the revenues generated by plumbing permit and inspection fees have not met the expenditures of that portion the department's work. This shortfall was included in the overall department shortfall of \$825,000 in the 2006/2007 fiscal year, as well as the estimated \$500,000 deficit in the fiscal year ending July 2008. Recently, Council approved revisions to the Building Permit fees to try and offset this shortfall.

In our review of fees we also noted that the revenue generated by Plumbing Permit fees was short of expenditures. A review of surrounding cities showed that our fees were substantially lower than similar communities. We are proposing to increase the Plumbing Permit fees from \$8.00 per fixture to \$10.00 per fixture.

We are also revising the format of the Plumbing Permit Fees Schedule to clarify the chart and remove some of the arcane language to make it more user friendly.

Financial Considerations:

- We have estimated that these fee increases will generate an additional \$15,000 in plumbing permit fees based upon the amount of work that was permitted in the 2007 calendar year.

Legal Considerations:

- Permit fees are allowed to be set by City Council to cover expenditures per Public Act 230 of 1972

Policy Considerations:

- Increasing the permit fees to cover expenses will reduce the burden of the Building Department's activities on the general taxpayer. (Goal II)

Options:

- City Council can increase fees to more closely cover expenditures.
- City Council can deny the increase in fees.

PLUMBING PERMIT FEE SCHEDULE

Description	Current Fee	Proposed Fee
Stacks/Conductors	\$10.00	No Change
Sink (any description)	\$ 8.00	<u>\$10.00</u>
Bath <u>tub</u>	\$ 8.00	<u>\$10.00</u>
Water Closet	\$ 8.00	<u>\$10.00</u>
Lavatory	\$ 8.00	N/A
Water Heater	\$ 8.00	<u>\$10.00</u>
Water Heater (replacement)	\$25.00	No Change
Laundry Tray or Stand Pipe	\$ 8.00	<u>\$10.00</u>
Floor Drain	\$ 8.00	<u>\$10.00</u>
Ejector Pump or Water Lift	\$ 8.00	<u>\$10.00</u>
Drinking Fountain	\$ 8.00	<u>\$10.00</u>
Grease Trap-Interceptor	\$ 8.00	<u>\$10.00</u>
Urinal	\$ 8.00	<u>\$10.00</u>
Bar Sink—Soda Fountain (each opening)	\$ 8.00	N/A
Shower Trap or w/Pan	\$ 8.00	<u>\$10.00</u>
Dishwashing Machine	\$ 8.00	<u>\$10.00</u>
Humidifier	\$ 8.00	<u>\$10.00</u>
Garbage Disposal	\$ 8.00	<u>\$10.00</u>
Sump or Interceptor	\$ 8.00	<u>\$10.00</u>
Hose Bibs	\$ 5.00	<u>\$ 8.00</u>
Water Treatment Device Softener/Filter	\$10.00	No Change
Washing Machine	\$ 8.00	N/A
Special Fixture	\$ 8.00	N/A
Refrigeration Connection	\$ 8.00	N/A
Dental Chairs	\$ 8.00	<u>\$10.00</u>
Surgical Cuspidor	\$ 8.00	N/A
Building Main to Sewer	\$20.00	No Change
Inside <u>Sub Soil Drains System</u>	\$15.00	No Change
Roof Sump	\$10.00	No Change
Underground—Slab—Separate Inspection	\$ 9.00	N/A
Miscellaneous Fixtures	\$ 8.00	<u>\$10.00</u>
<u>Back Water Valve</u>	N/A	<u>\$10.00</u>
<u>Backflow Prevention Device</u>	N/A	<u>\$10.00</u>
<u>Medical Gas (per opening)</u>	N/A	<u>\$10.00</u>
Water Distribution (see below):		
$\frac{3}{4}$ " = \$15.00		1-1/2" = \$30.00
1" = \$20.00		2" = \$30.00
1-1/4" = \$25.00		2-1/2" = \$45.00
		3" = \$55.00
		4" = \$63.00
		Over 4" = \$75.00
Minimum Permit Fee	\$25.00	N/A
Special Inspection (per hour)	\$30.00 /hour	<u>\$50.00</u> /hour
Addition to permit before Inspection – Regular Fee		
Addition to permit after Inspection – Minimum Fee		
Cancellation of Permit - 25% of Permit Fee/\$10.00		

Minimum		
<u>Contractor Registration Fee (per year)</u>	\$1.00 /year	\$5.00 /year

Plumbing Permit Fee Comparison

Community	Per Fixture	Application Fee	Inspection Fee
Madison Heights	\$0	\$20	\$65
Novi	\$5	\$30	\$30
State of Michigan	\$5	\$50	\$30
Rochester Hills	\$6	\$30	None
Troy (Current)	\$8	None	None
Farmington Hills	\$9	None	None
Sterling Heights	\$10	None	None
Farmington	\$10	None	None
Southfield	\$15	None	None
Troy (Proposed)	\$10	None	None