



CITY OF SAINT PAUL
INTERDEPARTMENTAL MEMORANDUM

DATE: July 10, 2012

TO:

FROM: Greg Schroeder

RE: Justification for increasing Vacant Building Monitoring Fee

Purpose:

The Department of Safety and Inspections is proposing to increase the 2013 Vacant Building Monitoring Fee \$340 from the current fee of \$1,100 to \$1,440.

Background:

The Vacant Building Monitoring fee was established to cover the cost of monitoring and inspecting the vacant buildings in the City to make sure they are secure and not a public nuisance.

The fee covers the cost of

- Vacant building inspectors and office staff who keep records (salary, benefits and overhead);
- Police and Fire response to calls for service at the vacant buildings;
- Historically approximately 13% of these the total fees have been un-recovered due to the loss of unpaid assessments on some of these properties.

Boarded and vacant buildings have a significant impact on neighborhoods. Impacts range from depression of adjacent property values to an increase in crime. The City of St. Paul along with other cities in the country have experienced a dramatic increase in boarded and vacant properties due to the foreclosure crisis and down turn in the housing market. However, the market is slowly improving and we believe we have seen the peak and are now seeing a gradual decrease in the number of vacant buildings. Unfortunately this gradual decrease in the number of vacant buildings does not equate in keeping our fee the same or lowering it, because we will not be recovering our costs. We estimate the number of vacant buildings to be inspected in 2013 to 1,250.

Fee Calculation:

The attached spreadsheet shows the estimated annual cost to run the vacant building program at \$1,800,295. We estimate the number of vacant building inspection to be 1,250 with the resulting proposed fee of \$1,440.

Comparison to others:

The City of Minneapolis's 2011 Vacant Building fee is \$6,746. Upon examination of their fee we have concluded that it includes costs that we do not include in our fee as we collected them through other permits (Trash and Rubbish orders, Open Trespass, and Utility arrears). In addition, Minneapolis's fee is based on only 448, vacant buildings/year (approximately 36% of the number of vacant building we estimate we will monitor) thus providing fewer buildings to spread across the cost of their vacant building program. If you combine these two factors, our proposed fee is very similar in magnitude to the City of Minneapolis's fee.

Benefits for Lower Fee:

The following are some of the benefits to keeping the Vacant Building Monitoring fee as low as possible:

- Encourages property owners to register their building in the Vacant Building Monitoring Program;
- Enables the City to work with the property owner to develop a plan and time table to maintain the property and bring the building into compliance with current codes.
- Enables the building to be occupied sooner thus reducing the impact on the neighborhood.

2012 Salary Fringe by person

Person	Position	Salary	Fringe	Both
Dornfeld	Case Mgr	\$65,409	\$26,164	\$91,572
Singerhouse	Sup	\$65,409	\$26,164	\$91,572
Yannareilly	Case Mgr	\$69,550	\$27,820	\$97,370
Friel	Insp	\$60,978	\$24,391	\$85,369
Nelmark	Insp	\$62,693	\$25,077	\$87,770
Senty	Insp	\$60,978	\$24,391	\$85,369
Kalis	Insp	\$57,258	\$22,903	\$80,161
Soley	Liep IV	\$69,116	\$27,646	\$96,763
2011 Salary + Fringe Actual, Calculated on highest rate				\$715,948

40:00%

Annual Outside Dept Costs: \$ XXX:

Police (emergency responses)	\$	97,668	\$48.87/house
PED	\$	-	none reported
Fire (emergency responses)	\$	355,703	\$6,390/incident
City Attorney	\$	-	none reported
Total:	\$	453,371	

Mgmt & Support Salary allocations: Salary + Fringe

Cervantes	\$168,843	10%	\$16,884
Magner	\$139,974	50%	\$69,987
Sandberg	\$94,944	50%	\$47,472
Humphrey	\$110,160	10%	\$11,016
Sheffer	\$79,721	50%	\$39,860
Police Officer	\$106,745	25%	\$26,686
LH officer	\$128,495	20%	\$25,699
Legal Aide	\$84,082	20%	\$16,816
			\$254,421

\$	1,800,295	Annual Cost to Run Vacant Building
	÷ 1250	Estimated VB Inspection for FY13
\$	1,440	Proposed Fee
\$	1,100	FY12 Fee
\$	340	Difference
	x 1250	# Inspections
\$	425,000	Proposed Additional Revenue

Materials & Supplies calculation: Overhead for Vacant Building Operations

Non-Personal Services Activity Spending, less Assessments

2011 (est)	All	50%	10 of 20 people
Allocated Costs from 00256 & 00258	\$ 72,214	\$ 72,213.50	(est at 10% over 2008 costs)
Vacant Buildings - 00257	\$ 231,854	\$ 50,050.00	\$ 100,100
Summary Abatements - 00258	\$ 39,633	\$ 2,383.50	\$ 4,767
CDBG - 30251	\$ 1,265	\$ 5,510.00	\$ 11,020
	\$ 344,965	\$ 14,270.00	\$ 28,540.00
		Lease	
		Office equip	
		Printing/Paper	
		Other svcs/supplies	

SUMMARY

Description	Cost	Assumption
Salaries	\$ 715,948	2011 VB Personal Services (all of above)
OT	\$ 31,590	Est for the year
Overhead Salaries	\$ 254,421	Support and management allocation
Outside DSI Dept costs	\$ 453,371	Police and Fire, only
Materials & Supplies not assessed	\$ 344,965	Materials & Supplies, and allocated costs
Total VB	\$ 1,800,295	