



Esteemed City Council Members,

I, David Kral, Building Official for the City of Oelwein, am proposing the following budget as well as fee adjustments for the Community Development Department for Fiscal Year 2025:

Account Number	Account Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	
REVENUE		Actual	Actual	Actual	Actual	Actual	Budget	Budget	Proposed	
		6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024		
<b>INSPECTION</b>										
001-1700-60100	SALARY	14,883	52,788	107,727	119,812	125,095	159,328	164,000	172,200	5% increase
001-1700-61990	EMPLOYEE PERSONNEL EXPENSE	445	1,502	2,729	332	2,125	4,000	3,000	2,500	
001-1700-63310	VEHICLE	148	830	267	1,093	1,683	1,000	1,000	1,000	
001-1700-63730	COMMUNICATIONS	150	1,965	0	435	641	500	500	500	
001-1700-63750	CELLULAR/PAGING	380	629	1,287	1,825	3,136	2,800	2,800	2,800	
001-1700-63810	UTILITIES	350	0	0	0	0	1,000	1,000	1,000	
001-1700-64080	INSURANCE CLAIMS	0	0	0	0	0	1,000	1,000	1,000	
001-1700-64090	JANITORIAL	0	0	0	0	250	250	250	250	
001-1700-64110	LEGAL EXPENSE	0	0	0	0	0	15,000	10,000	10,000	
001-1700-64915	REFUNDS	0	4,920	1,083	1,108	9,056	1,000	1,000	1,000	
001-1700-64950	CONTRACTS	0	1,774	3,046	3,873	4,892	3,500	6,500	7,500	GOVBuilt
001-1700-65041	EQUIPMENT	0	5,514	658	440	117	1,500	1,000	1,000	
001-1700-65060	OFFICE SUPPLIES	249	10,355	4,422	6,930	5,611	4,000	3,500	3,500	
001-1700-65070	SUPPLIES	0	2,218	1,180	27	1,919	2,000	2,000	2,000	
001-1700-67990	CAPITAL OUTLAY	0	195	0	1,595	260	4,000	4,000	4,000	
	<b>INSEPTION Total</b>	<b>16,605</b>	<b>82,690</b>	<b>122,398</b>	<b>137,469</b>	<b>154,535</b>	<b>200,878</b>	<b>201,550</b>	<b>210,250</b>	
<b>NUISANCE/ABATEMENTS</b>										
001-2510-60101	SALARY-WEED MOWING	0	160	0	0	200	200	200	200	
001-2510-60105	SALARY-SNOW REMOVAL	123	1,071	1,485	241	392	1,500	1,500	1,500	
001-2510-60107	SALARY-ABATEMENTS	0	0	894	0	1,301	2,500	2,500	2,500	
001-2510-64110	LEGAL EXPENSE	0	0	7,420	14,179	17,448	14,000	15,000	15,000	
001-2510-64950	CONTRACTS	2,145	2,925	3,645	2,318	1,845	10,000	15,000	15,000	
001-2510-64992	DISPOSAL EXPENSE	0	0	732	79	607	5,000	5,000	5,000	
001-2510-65060	OFFICE SUPPLIES	63	100	480	96	137	200	200	200	
	<b>NUISANCE/ABATEMENTS Total</b>	<b>2,330</b>	<b>4,257</b>	<b>14,656</b>	<b>16,912</b>	<b>21,730</b>	<b>33,400</b>	<b>39,400</b>	<b>39,400</b>	

**ABATEMENT**

160-1710-60100	SALARY	27,769	28,302	28,990	29,839	33,126	49,422	51,000	53,550	5% increase
160-1710-61810	UNIFORMS	0	0	230	0	0	800	800	800	
160-1710-61990	EMPLOYEE PERSONNEL EXPENSE	175	63	371	88	0	400	400	400	
160-1710-63100	BUILDING	0	1,132	0	0	0	100	100	100	
160-1710-63310	VEHICLE	479	556	346	335	913	500	500	500	
160-1710-63730	COMMUNICATIONS	150	0	0	0	351	500	500	500	
160-1710-63750	CELLULAR/PAGING	380	252	281	544	1,540	500	500	500	
160-1710-63810	UTILITIES	350	0	0	0	0	500	500	500	
160-1710-64080	INSURANCE-LIABILITY	299	287	492	931	747	500	500	500	
160-1710-64090	JANITORIAL	0	0	0	0	0	250	250	250	
160-1710-64110	LEGAL EXPENSE	112	0	0	0	2	5,000	5,000	5,000	
160-1710-64950	CONTRACTS	3,600	612	3,046	2,856	3,913	3,500	6,500	7,500	GOVBuilt
160-1710-65041	EQUIPMENT	0	1,820	394	1,162	118	1,500	1,500	1,000	
160-1710-65060	OFFICE SUPPLIES	0	302	1,188	778	1,905	2,000	2,000	2,000	
160-1710-65070	SUPPLIES	0	470	207	729	934	500	500	500	
160-1710-67250	CAPITAL OUTLAY	0	0	0	0	0	1,000	1,000	1,000	
	<b>ABATEMENT Total</b>	<b>33,314</b>	<b>33,794</b>	<b>35,545</b>	<b>37,262</b>	<b>43,548</b>	<b>66,972</b>	<b>71,550</b>	<b>74,600</b>	

Below are the proposed changes to the City of Oelwein's Rental License Fees and Building Permit Fees to meet budgetary based goals across the next 3 years. The Department was tasked to make \$25,000 worth of budget cuts or revenue gains across the next 3 years:

**Rental License Fee Breakdown**

Rental Price adoption in 2018 = \$85 (additional units are \$25 per unit)

As an example, if we were to have increased the license price rate along with national Consumer Price Index(CPI) rate percentages are cost would've increased as follows:

2018 = 2.4%	$\$85 * 1.024 = \$87.04$
2019 = 1.8%	$\$87.04 * 1.018 = 88.61$
2020 = 1.2%	$\$88.61 * 1.012 = 90.20$
2021 = 4.7%	$\$90.20 * 1.047 = 94.44$
2022 = 8.0%	$\$94.44 * 1.08 = 101.99$
2023 = 4.0%	$\$101.99 * 1.04 = 106.07$

(CPI Rates are from the Minneapolis Federal Reserve Bank website)

Potential total lost revenue based on CPI inflation with 600 licenses, between 2019-2023 = ~\$22,368

If changed from \$85 to \$100 the proposed revenue over next 3 years based on 600 licenses (the approximate number of licenses we have) would be \$27,000. This alone would cover the cost of the required budget cuts.

Reference of Comparable Towns Rental Registration Rates:

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**Charles City** - \$25 for registration, \$25 per inspection

**Clear Lake** – \$150 per unit, proposed \$500 per unit and passed it, program voided shortly afterward

**Decorah** - \$40 per unit, \$15 per inspection

**Maquoketa** – \$30 per unit

**Oskaloosa** - \$100 per unit/ \$40 per additional unit

**Grinnell** - \$10 per unit, \$50 per inspection – includes hotels/motels

**Independence** - No rental program

**Manchester** - \$20 per unit, \$75 per inspection

**Nevada** - \$20 per unit, \$5 every unit after, new to 2024

**Oelwein** - \$85 per unit, \$25 per unit afterward

**Vinton** – No program

**Eldridge** - \$20 per unit

**Waterloo** - \$50 per unit

**In summary:**

**I recommend changing the rental registration fee from \$85 to \$100 for each single unit and maintaining the fee of \$25 for each unit thereafter.**

### Permit Fee Breakdown

Comparable Towns Permit Fee Rates at Project values of \$1000, \$10,000, \$50,000, \$100,000, and \$500,000

Permit cost per Project Value->	\$1000	\$10,000	\$50,000	\$100,000	\$500,000
Charles City	\$29.50	\$127	\$450.50	\$695.50	\$2263
**Clear Lake	\$25	\$117	\$414.50	\$639.50	\$2039.50
Decorah	\$38.75	\$181.25	\$643.75	\$993.75	\$3233.75
*Maquoketa	\$20	\$68	\$305	\$510	\$1460
Oskaloosa	\$35	\$135	\$572.50	\$885	\$2885
Grinnell	\$54.89	\$243.43	\$849.38	\$1299.38	\$4083.39
Independence	\$20	\$90	\$300	\$475	\$1453
*Manchester	*each app is different				
*Nevada	\$50 + \$.20 per sq ft	~\$550 for 2500 sq foot home			
<b>Oelwein</b>	<b>\$20</b>	<b>\$90</b>	<b>\$300</b>	<b>\$475</b>	<b>\$1453</b>
Vinton	*each app is different	\$425 ~3000sqft home	\$100 for 250sqft deck		
*Eldridge	\$30.50	\$142	\$498	\$768	\$2448
Waterloo	\$42	\$181	\$651	\$994	\$3234

\*City has project specific permit fees based on project type, I.E. re-roof, electrical panel upgrade, deck, new home build, re-plumb, etc.

\*\*Clear Lake fee schedule is based on a 1988 UBC code Table. It hasn't changed in nearly 40 years and is higher than ours. For perspective, they had \$49,000,000 of permit based work in 2020 with 36 new home builds.

**PROPOSED PERMIT FEE SCHEDULE**

<b>TOTAL VALUATION</b>	<b>FEE</b>
\$1 to \$500	\$20
\$501 to \$2,000	\$20 for the first \$500; plus \$2 for each additional \$100 or fraction thereof, up to and including \$2,000
\$2,001 to \$40,000	\$50 for the first \$2,000; plus \$9 for each additional \$1,000 or fraction thereof, up to and including \$40,000
\$40,001 to \$100,000	\$392 for the first \$40,000; plus \$6 for each additional \$1,000 or fraction thereof, up to and including \$100,000
\$100,000 to \$500,000	\$752 for the first \$100,000; plus \$4.50 for each additional \$1,000 or fraction thereof, up to and including \$500,000
\$500,001 to \$1,000,000	\$2,552 for the first \$500,000; plus \$3.50 for each additional \$1,000 or fraction thereof, up to and including \$1,000,000
\$1,000,001 to \$5,000,000	\$4,302 for the first \$1,000,000; plus \$2 for each additional \$1,000 or fraction thereof, up to and including \$5,000,000
\$5,000,001 and over	\$14,302 for the first \$5,000,000; plus \$1 for each additional \$1,000 or fraction thereof

<b>Project Value</b>	<b>\$1000</b>	<b>\$10,000</b>	<b>\$50,000</b>	<b>\$100,000</b>	<b>\$500,000</b>
Oelwein Old	\$20	\$90	\$300	\$475	\$1453
<b>Oelwein Proposed</b>	<b>\$30</b>	<b>\$122</b>	<b>\$452</b>	<b>\$752</b>	<b>\$2552</b>
Comparable Cities Table median	\$31.56	\$137.47	\$498.46	\$773.51	\$2455.10