

## Proposed Fee Increase

Achieving and maintaining “full cost recovery” for construction-related services is a critical component for the operations of the Department of Codes and Building Safety. Accordingly, the department periodically contracts with independent consultants to analyze our operating costs and the related revenues from user fees charged for those services.

Such an analysis includes only the “construction-related costs” and excludes the costs which are not related to construction. The analysis also includes a proportionate share of the department’s administrative costs and includes the department’s pro-rata share of the general operating expenses of the Metropolitan Government for such things as human resources, general services (rent, utilities, maintenance, etc.), budget and finance services, payroll services, legal services, etc. The analysis also includes that portion of the Nashville Fire Department’s construction-related costs, i.e. the Fire Marshal’s Office. The last adjustment in our fee schedules was in 2004.

In January of 2009, Metro contracted with “Maximus” to provide an “Analysis of Fees for Services” as well as recommendations concerning fee schedules used by the department. Maximus concluded the analysis and report, delivering their recommendations in September 2009. The report concluded that Metro has been under-collecting for services relating to building and trade permits, plans examinations, reinspections, and appeals. The report also included recommendations for increases in the user fees collected by the department.

The specific recommendations included an increase of 15.4% for building permits and an increase of 123% for plans examination. Reinspection fees increase from \$30 to \$45, each. Appeal fees increase from \$50 to \$250. Fees for electrical, plumbing and mechanical permits increase by 25%, 54% and 59%, respectively. The minimum permit fees for Electrical, Plumbing and Gas/Mechanical permits will increase from \$50 to \$75. Overall the proposed increases equal about a thirty percent (30%) increase over our current fee schedule.

An ordinance has been drafted for introduction to the Metropolitan Council to accomplish the recommended increases. If passed, the ordinance would likely become effective in May or June of this year.

With this posting, the Department of Codes and Building Safety is notifying all customers as well as the public of the proposed increases, this information is to give you an early heads-up.

This proposal is making its way for consideration by the Metro Council. We are seeking your comments or suggestions. We welcome your questions. We are also seeking your support.

We are enclosing the following you’re your review:

- Analysis of Fees for Services Report
- Proposed Ordinance
- Market Comparisons of Nashville Fees Compared to 15 peer cities.
- A section is also available to post your comments, questions or suggestions.