



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: City Administrator Dan Wietecha
Date: April 4, 2022
Item: Budget Amendment to Support Building Inspection Services

Council Action Requested:

Approve the following, along with associated budget impacts:

1. Authority to hire an additional Building Inspector to get through the current construction season.
2. Increase the Building Inspector and Building Official wage scales by 3%.
3. Provide a signing bonus and 6-month bonus for the new employee.
4. Provide a one-time bonus in October for the current Building Inspectors, Building Official, and Senior Permit Tech.
5. Offer a one-time buy-out of Comp Time for the current Building Inspectors and Building Official.
6. Increase hours of City Hall Receptionist to 30 hours per week for 6 months.

Background Information:

Hastings is experiencing a boom in construction, and this is expected to continue into the foreseeable future.

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Number of Permits	1,644	2,640	3,434
Valuation	\$41.8M	\$45.4M	\$47.9M

This is surpassing our Building Safety Department's (Building Official, two Building Inspectors, contracted Electrical Inspector, and Senior Permit Tech) capacity to process permits and conduct inspections while maintaining a healthy work/life balance.

We have reached out through professional networks seeking individuals or companies that we might work with; unfortunately, the only positive response has been a company offering an entry-level inspector at \$85 per hour. Please note that working with a company means an hourly rate that covers benefits, overhead, and other corporate expenses and should not be strictly compared to an employee's hourly wage.

I recommend budgetary authority to hire an additional Building Inspector. Preferably, this would be a full-time employee, but we would consider a part-time employee. The cost estimate for this position is

based on six months (assume May – October) to get through the construction season. Ideally, the person hired would be kept on, since the existing/pending developments will take several years to build out. I intend the position to be advertised as “temporary to permanent.”

Hastings current hourly rate is \$32.77 to \$40.97 for Building Inspector. At first blush, the “top end” appears competitive with other cities recently advertising to hire Inspectors in the range of \$39.09 to \$41.70: Wyoming, New Prague, Inver Grove Heights, Cottage Grove, Sauk Rapids, Lake Elmo, and Duluth. However these cities are also struggling to fill these positions.

The cities that are successfully hiring are doing so at a higher rate in the range of \$44.15 to \$50.61: Rochester, St. Louis Park, Minneapolis, St. Paul, Blaine, Woodbury, Apple Valley and Eagan. And these cities are hiring Inspectors away from other cities. The shortage of Building Inspectors available in the workforce is very evident; this is a very competitive environment.

I recommend increasing the top end of the wage rate by 3% to \$42.20. This would get us above the competitive range; though, it is still below the upper tier. This would apply to the new hire as well as existing Building Inspectors, as well as a similar 3% increase for the supervising Building Official.

I recommend a signing bonus of \$1,000 for the new hire and an additional \$1,000 at six months, amounts pro-rated if a part-time employee. This would help close the gap between the wage rate and the upper tier without getting ahead of the pending Compensation & Classification Study. The 6-month bonus gives an additional retention aspect.

I recommend a one-time \$1,000 in October for existing Building Inspectors, Building Official, and Senior Permit Tech. This would help balance the existing employees with the bonuses proposed for the new employee, along with an additional retention aspect.

I recommend offering a one-time buy-out of accrued Comp Time for the existing Building Inspectors and Building Official. Per City policy, the Building Inspectors are able to accrue up to 80 hours and the Building Official up to 120 hours of Comp Time. With the busy construction season coming, it will be difficult for these employees to utilize Comp Time. At present, the Building Official is at the cap and has put in 100-plus additional hours since reaching the cap 4 months ago.

I recommend increasing the City Hall Receptionist from 20 hours per week to 30 for the next 6 months. This would help cover phone, scheduling, and permit questions, freeing up time for the Senior Permit Tech, in turn freeing up time for the Inspection staff. This is intended to be a temporary assignment, not eligible for benefits.

Financial Impact:

With the additional number and value of building permits, the permit fee revenues are also increasing and are sufficient to cover the added staffing costs. As an example, the 5 pending apartment complexes are estimated to generate a fee increases totaling roughly \$280K.

New Employee, full-time for 6 months		
	Wages @ \$42.20	\$ 43,888
	Signing Bonus	\$ 1,000
	6-month Bonus	\$ 1,000
	PERA & FICA	\$ 6,952
	Benefits	\$ 11,224
3% raise for existing Building Inspectors and Building Official for 9 months		
	Wages	\$ 6,084
	PERA & FICA	\$ 922
October Bonus for existing Building Inspectors, Building Official, and Senior Permit Tech		
	Bonus	\$ 4,000
	PERA & FICA	\$ 606
Buy-out Comp Time		
	Wages	\$ 12,686
	PERA & FICA	\$ 1,922
Additional hours for City Hall Receptionist for 6 months		
	Wages	\$ 6,347
	PERA & FICA	\$ 962
TOTAL		\$ 97,593

Committee Discussion:

This recommendation has not been brought through a committee.

Attachment:

Not applicable