

*BIC Meeting of  
June 20, 2012*

*Agenda Item #8a*



DATE: June 20, 2012  
 TO: Vivian L. Day, C.B.O. and Director, Department of Building Inspection  
 FROM: Pamela Levin, Deputy Director, Administrative Services  
 RE: Financial Report YTD May 2012

*Vivian L. Day*  
*Pamela Levin*

Attached please find the financial performance report for operating revenues and expenditures through May 2012. Based on eleven months of actual revenues and expenditures, the Department is projecting to end the year with a \$10.8 million surplus. The following table outlines the Department's actual revenues, expenditures and projections.

| Revenues and Expenditures<br>May-12           |                   |                   |                   |                   |
|-----------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                               | Revised Budget    | YTD May 2012      | Projected         | Surplus/(Deficit) |
| <b>Revenues</b>                               |                   |                   |                   |                   |
| Apartment/Rental Unit/Hotel License Fees      | 8,508,000         | 8,087,304         | 8,095,156         | (412,844)         |
| Interest & Investment                         | 252,152           | 339,552           | 252,152           | 0                 |
| MOU - TJPA and Port                           | 4,564,577         | 2,564,577         | 2,564,577         | (2,000,000)       |
| Charges for Services                          | 34,141,185        | 42,875,296        | 46,007,109        | 11,865,924        |
| Intrafund Transfer for DCU from Strong Motion | <u>236,938</u>    | <u>0</u>          | <u>236,938</u>    | <u>0</u>          |
| NSF Checks                                    | <u>0</u>          | <u>0</u>          | <u>0</u>          | <u>0</u>          |
| Total Operating Revenues                      | 47,702,852        | 53,866,729        | 57,155,932        | 9,453,080         |
| Carryforward for Encumbrances                 | <u>490,966</u>    | <u>0</u>          | <u>490,966</u>    | <u>0</u>          |
| Total Other Revenues                          | 490,966           | 0                 | 490,966           | 0                 |
| <b>Total Revenues</b>                         | <b>48,193,818</b> | <b>53,866,729</b> | <b>57,646,898</b> | <b>9,453,080</b>  |
| <b>Refunds</b>                                | <b>0</b>          | <b>(151,939)</b>  | <b>(300,000)</b>  | <b>(300,000)</b>  |
| <b>Total Revenues Net of Refunds</b>          | <b>48,193,818</b> | <b>53,714,790</b> | <b>57,346,898</b> | <b>9,153,080</b>  |
| <b>Expenditures</b>                           |                   |                   |                   |                   |
| Employee Salaries and Fringes                 | 32,362,342        | 27,075,306        | 31,000,000        | 1,362,342         |
| Overhead                                      | 742,252           | 0                 | 742,252           | 0                 |
| Non-Personal Services                         | 1,558,394         | 533,414           | 1,400,000         | 158,394           |
| Community Based Organizations                 | 1,823,633         | 1,074,588         | 1,823,633         | 0                 |
| Materials & Supplies                          | 958,192           | 150,379           | 800,000           | 158,192           |
| Capital Outlay                                | -                 | 0                 | 0                 | 0                 |
| Project Carryforward                          | 19,762            | 0                 | 0                 | 19,762            |
| Services of Other Departments                 | 7,068,760         | 5,018,374         | 7,068,760         | 0                 |
| Expenditure Recovery                          | (189,517)         | (95,416)          | (160,000)         | (29,517)          |
| Operating Transfers Out                       | 0                 | 0                 | 0                 | 0                 |
| Intrafund Transfers Out                       | <u>3,850,000</u>  | <u>3,850,000</u>  | <u>3,850,000</u>  | <u>0</u>          |
| Total Expenditures                            | 48,193,818        | 37,606,645        | 46,524,645        | 1,669,173         |
| <b>Balance</b>                                |                   |                   |                   | <b>10,822,253</b> |

Revenues

Year-to-date revenues net of refunds through May 2012 are \$8.28 million more than the same time last year – which is an increase of 20.10% year over year.

| YTD May 2012        | YTD May 2011        | \$ Variance        | % Variance    |
|---------------------|---------------------|--------------------|---------------|
| <b>\$53,714,790</b> | <b>\$44,295,274</b> | <b>\$9,419,516</b> | <b>21.27%</b> |

A year-over-year comparison of the valuation of issued permits shows an increase of \$804.56 million between FY 2011 and FY 2012 or 54.52%. The Department is processing projects with a higher valuation in FY 2012, as compared to FY 2011. The distribution of issued permit by construction cost between years is as follows:

| Valuation in \$   | Number of Issued Permits |          | Change | % Change |
|-------------------|--------------------------|----------|--------|----------|
|                   | YTD 2011                 | YTD 2012 |        |          |
| 0-499             | 6516                     | 6384     | -132   | -2.03%   |
| 500-1,999         | 1742                     | 1686     | -56    | -3.21%   |
| 2,000- 9,999      | 6340                     | 6679     | 339    | 5.35%    |
| 10,000 – 49,999   | 6009                     | 6313     | 304    | 5.06%    |
| 50,000-99,999     | 1243                     | 1420     | 177    | 14.24%   |
| 100,000-499,999   | 1284                     | 1420     | 136    | 10.59%   |
| 500,000-999,999   | 214                      | 245      | 31     | 14.49%   |
| 1,000,000 or more | 158                      | 227      | 69     | 43.67%   |
|                   | 23,506                   | 24,374   | 868    | 3.69%    |

|                 | YTD 2011         | YTD 2012         | Change         | % Change |
|-----------------|------------------|------------------|----------------|----------|
| Total Valuation | \$ 1,476,267,223 | \$ 2,281,106,591 | \$ 804,839,369 | 54.52%   |

When May 2011 is compared with May 2012, there was an increase in large valuation projects.

| Valuation in \$   | Number of Issued Permits |        | Change | % Change |
|-------------------|--------------------------|--------|--------|----------|
|                   | May-11                   | May-12 |        |          |
| 0-499             | 653                      | 587    | -66    | -10.11%  |
| 500-1,999         | 181                      | 173    | -8     | -4.42%   |
| 2,000- 9,999      | 573                      | 649    | 76     | 13.26%   |
| 10,000 – 49,999   | 542                      | 664    | 122    | 22.51%   |
| 50,000-99,999     | 126                      | 159    | 33     | 26.19%   |
| 100,000-499,999   | 137                      | 160    | 23     | 16.79%   |
| 500,000-999,999   | 22                       | 31     | 9      | 40.91%   |
| 1,000,000 or more | 12                       | 26     | 14     | 116.67%  |
|                   | 2,246                    | 2,449  | 203    | 9.04%    |

|                 | YTD 2011       | YTD 2012       | Change         | % Change |
|-----------------|----------------|----------------|----------------|----------|
| Total Valuation | \$ 110,921,097 | \$ 305,220,764 | \$ 194,299,667 | 175.17%  |

Expenditures

Year-to-date expenditures through May 2012 are \$7.34 million more than the same time last year – which is an increase of 24.26% year over year.

| YTD May 2012        | YTD May 2011        | \$ Variance        | % Variance    |
|---------------------|---------------------|--------------------|---------------|
| <b>\$37,606,645</b> | <b>\$30,264,850</b> | <b>\$7,341,795</b> | <b>24.26%</b> |

This increase is due to (1) payments made to Community Based Organizations for work in association with SRO programs that DBI started to administer in November 2011, (2) a \$1.8 million increase in the transfer to the projects, and (3) increased staffing levels.

| YTD May 2012 | YTD May 2011 | Variance  | % Variance   |
|--------------|--------------|-----------|--------------|
| <b>221</b>   | <b>204</b>   | <b>17</b> | <b>8.33%</b> |

DEPARTMENT OF BUILDING INSPECTION  
MONTHLY REPORT MAY 2012

REVENUES

| Char Description                                                                                 | May-11           |                   | FY 2010-11        |  | FY 2011-12         |                   |                  | May-12              |                   | FY 2011-12        |                   | Projected          |  |
|--------------------------------------------------------------------------------------------------|------------------|-------------------|-------------------|--|--------------------|-------------------|------------------|---------------------|-------------------|-------------------|-------------------|--------------------|--|
|                                                                                                  | PY Current Month | Prior YTD Revenue | PY Actual Revenue |  | CY Original Budget | CY Revised Budget | CY Current Month | Current YTD Revenue | Projected Total   | Projected Total   | Projected Revenue | Projected Variance |  |
| 200 Apartment/Rental Unit/Hotel License Fee                                                      | (533)            | 8,162,058         | 8,367,066         |  | 8,508,000          | 8,508,000         | (208)            | 8,097,304           | 8,095,156         | 8,095,156         | (412,844)         |                    |  |
| 300 Interest & Investment                                                                        | 27,328           | 251,148           | 283,668           |  | 252,152            | 252,152           | -                | 339,552             | 252,152           | 252,152           | -                 |                    |  |
| MOU - T/JPA and Port                                                                             |                  |                   |                   |  | 4,564,577          | 4,564,577         |                  | 2,564,577           | 2,564,577         | 2,564,577         | (2,000,000)       |                    |  |
| 600 Charges for Services                                                                         | 3,080,048        | 36,076,564        | 40,953,408        |  | 34,141,185         | 34,141,185        | 4,480,231        | 42,875,296          | 46,007,109        | 46,007,109        | 11,865,924        |                    |  |
| 950 Intrafund Transfer for DCU from Strong Motion Increase/(Decrease) to Deferred Credit Account |                  |                   |                   |  | 236,938            | 236,938           |                  |                     | 236,938           | 236,938           | -                 |                    |  |
| <b>Total Operating Revenues</b>                                                                  | <b>3,106,843</b> | <b>44,489,770</b> | <b>49,604,142</b> |  | <b>47,702,852</b>  | <b>47,702,852</b> | <b>4,480,023</b> | <b>53,866,729</b>   | <b>57,155,932</b> | <b>57,155,932</b> | <b>9,453,080</b>  |                    |  |
| Carryforward for Encumbrances                                                                    |                  |                   | 491,520           |  |                    | 490,966           |                  |                     | 490,966           | 490,966           | -                 |                    |  |
| <b>Total Other Revenues</b>                                                                      |                  |                   | <b>491,520</b>    |  |                    | <b>490,966</b>    |                  |                     | <b>490,966</b>    | <b>490,966</b>    | <b>-</b>          |                    |  |
| <b>Total Revenues</b>                                                                            | <b>3,106,843</b> | <b>44,489,770</b> | <b>50,095,662</b> |  | <b>47,702,852</b>  | <b>48,193,818</b> | <b>4,480,023</b> | <b>53,866,729</b>   | <b>57,646,898</b> | <b>57,646,898</b> | <b>9,453,080</b>  |                    |  |
| <b>Refunds</b>                                                                                   | <b>(19,760)</b>  | <b>(194,496)</b>  | <b>(256,234)</b>  |  |                    |                   | <b>(21,811)</b>  | <b>(151,939)</b>    | <b>(300,000)</b>  | <b>(300,000)</b>  | <b>(300,000)</b>  |                    |  |
| <b>Total Revenues Net of Refunds</b>                                                             | <b>3,087,083</b> | <b>44,295,274</b> | <b>49,839,428</b> |  | <b>47,702,852</b>  | <b>48,193,818</b> | <b>4,458,212</b> | <b>53,714,790</b>   | <b>57,346,898</b> | <b>57,346,898</b> | <b>9,153,080</b>  |                    |  |

EXPENDITURES

| Char Description                           | May-11           |                        | FY 2010-11             |  | FY 2011-12         |                   |                  | May-12            |                   | FY 2011-12        |                       | Projected          |  |
|--------------------------------------------|------------------|------------------------|------------------------|--|--------------------|-------------------|------------------|-------------------|-------------------|-------------------|-----------------------|--------------------|--|
|                                            | PY Current Month | Prior YTD Expenditures | PY Actual Expenditures |  | CY Original Budget | CY Revised Budget | CY Current Month | Actuals to Date   | Projected Total   | Projected Total   | Projected Expenditure | Projected Variance |  |
| 001-013 Employee Salaries and Fringes      | 2,182,638        | 24,323,262             | 27,889,019             |  | 32,362,342         | 32,362,342        | 3,380,957        | 27,075,306        | 31,000,000        | 31,000,000        | 1,362,342             |                    |  |
| 020 Overhead                               |                  |                        |                        |  | 742,252            | 742,252           |                  |                   | 742,252           | 742,252           | -                     |                    |  |
| 021 Non-Personal Services                  | 69,752           | 410,849                | 472,793                |  | 1,425,577          | 1,558,394         | 15,749           | 533,414           | 1,400,000         | 1,400,000         | 158,394               |                    |  |
| 038 Community Based Organizations          | 121,699          | 549,123                | 1,151,982              |  | 1,561,535          | 1,823,633         | 116,852          | 1,074,588         | 1,823,633         | 1,823,633         | -                     |                    |  |
| 040 Materials & Supplies                   | 15,344           | 327,583                | 405,675                |  | 912,496            | 958,192           | 14,767           | 150,379           | 800,000           | 800,000           | 158,192               |                    |  |
| 060 Capital Outlay                         |                  |                        |                        |  |                    |                   |                  |                   |                   |                   |                       |                    |  |
| 069 Project Carryforward                   |                  |                        |                        |  |                    | 19,762            |                  |                   | 0                 | 0                 | 19,762                |                    |  |
| 081 Services of Other Departments          | 531,928          | 4,708,689              | 5,920,733              |  | 7,018,405          | 7,068,760         | 464,251          | 5,018,374         | 7,068,760         | 7,068,760         | -                     |                    |  |
| 086 Expenditure Recovery                   | 514              | (54,656)               | (117,016)              |  | (169,755)          | (189,517)         | (5,070)          | (95,416)          | (160,000)         | (160,000)         | (29,517)              |                    |  |
| 091 Operating Transfers Out                |                  |                        |                        |  |                    |                   |                  |                   | 0                 | 0                 | -                     |                    |  |
| 095 Intrafund Transfers Out                |                  |                        |                        |  |                    |                   |                  |                   | 3,850,000         | 3,850,000         | -                     |                    |  |
| Use of other project expenditure authority |                  |                        | 2,002,270              |  | 3,850,000          | 3,850,000         |                  | 3,850,000         | 3,850,000         | 3,850,000         | -                     |                    |  |
| <b>Total Expenditures</b>                  | <b>2,921,875</b> | <b>30,264,850</b>      | <b>37,725,456</b>      |  | <b>47,702,852</b>  | <b>48,193,818</b> | <b>3,987,506</b> | <b>37,606,645</b> | <b>46,524,645</b> | <b>46,524,645</b> | <b>1,669,173</b>      |                    |  |
| <b>Balance</b>                             |                  |                        |                        |  |                    |                   |                  |                   |                   |                   | <b>10,822,253</b>     |                    |  |

Glossary:

| Char = Character                                                                              | PY = Prior Year                                                                            | YTD = Year To Date                                                   | CY = Current Year                                                    | FY = Fiscal Year                                      | Spend Rate                                    |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|
| Highest level of Chart of Accounts                                                            | Last Fiscal Year                                                                           | Accumulated monthly data                                             | This Fiscal Year                                                     | July 1 to June 30                                     | Percentage of the revised budget amount spent |
| <b>Revenue Variance</b>                                                                       | <b>Expenditure Variance</b>                                                                | <b>% FY Elapsed</b>                                                  | <b>Percentage of the fiscal year gone at time of data collection</b> | <b>Number of pay periods vary from month to month</b> | <b>90.42 = 23.6 pay periods.</b>              |
| Difference between <i>current year revised budget</i> and <i>current year to date revenue</i> | Difference between <i>revised budget</i> and <i>actuals to date</i> including encumbrances | 91.67 = 11 month, the number of pay periods vary from month to month |                                                                      |                                                       |                                               |



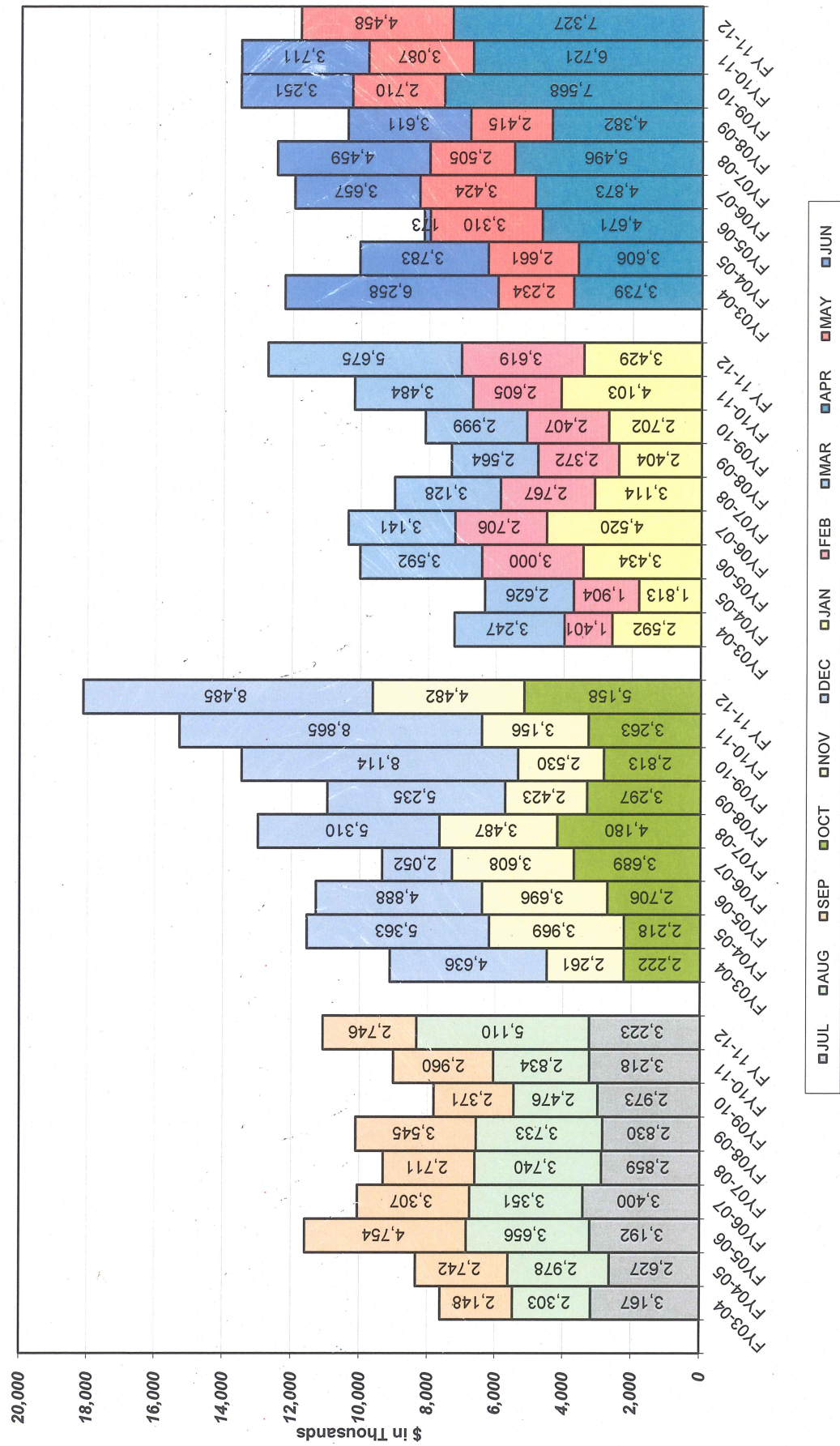




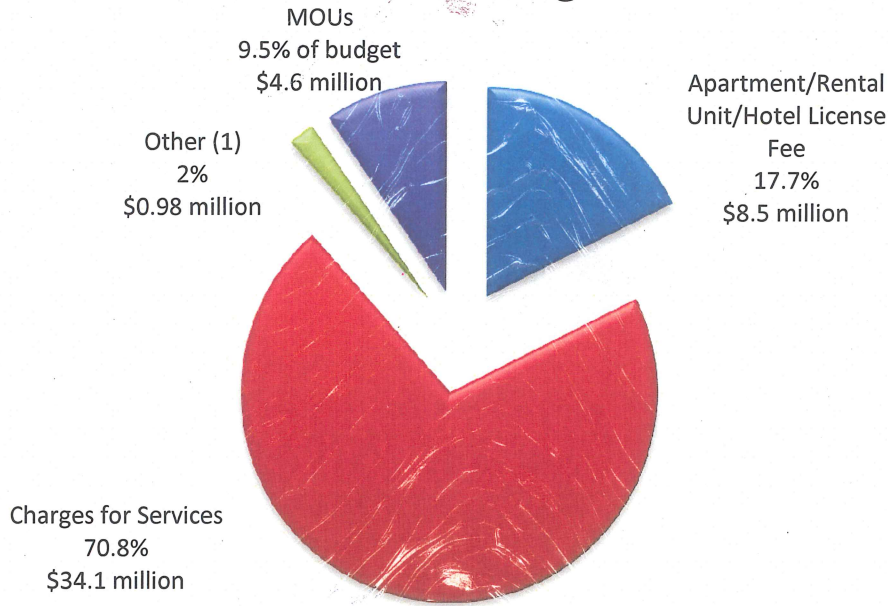




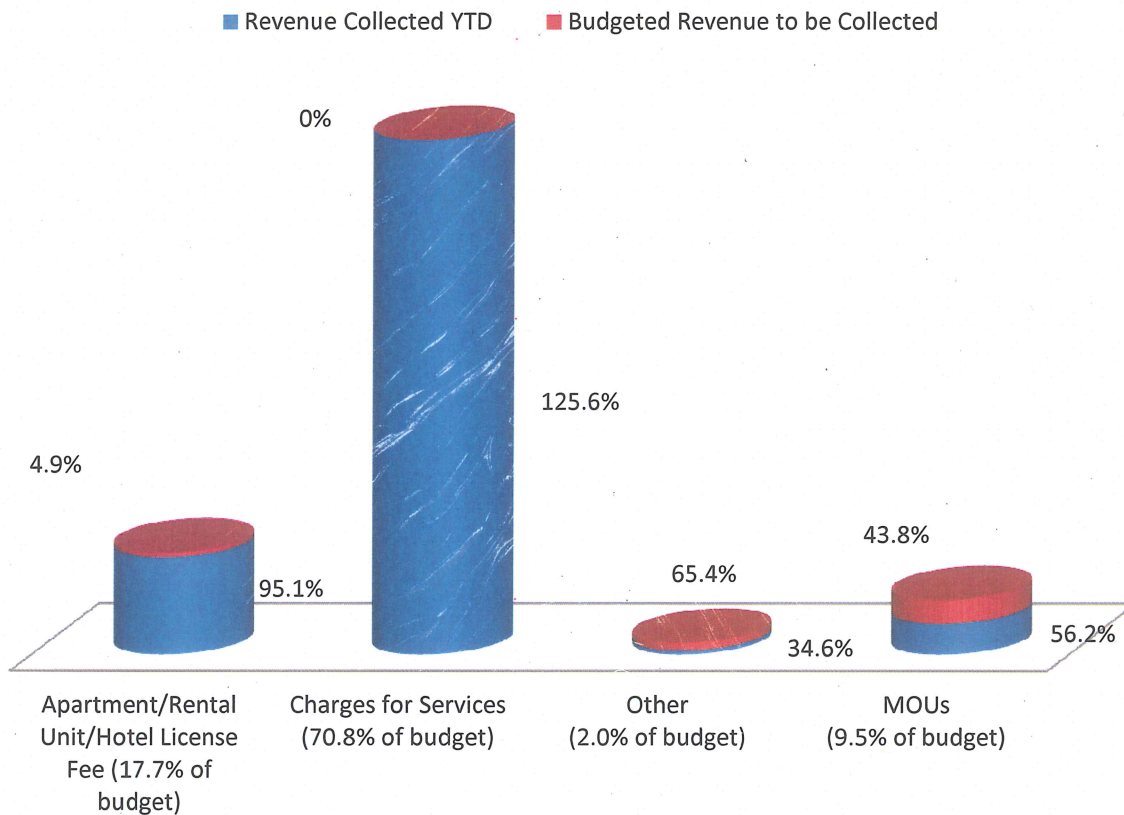
Department of Building Inspection  
 Quarterly Comparison of Revenue  
 Fiscal Years 2003 - 2012



## FY 2011-12 Revised Budget - Revenue

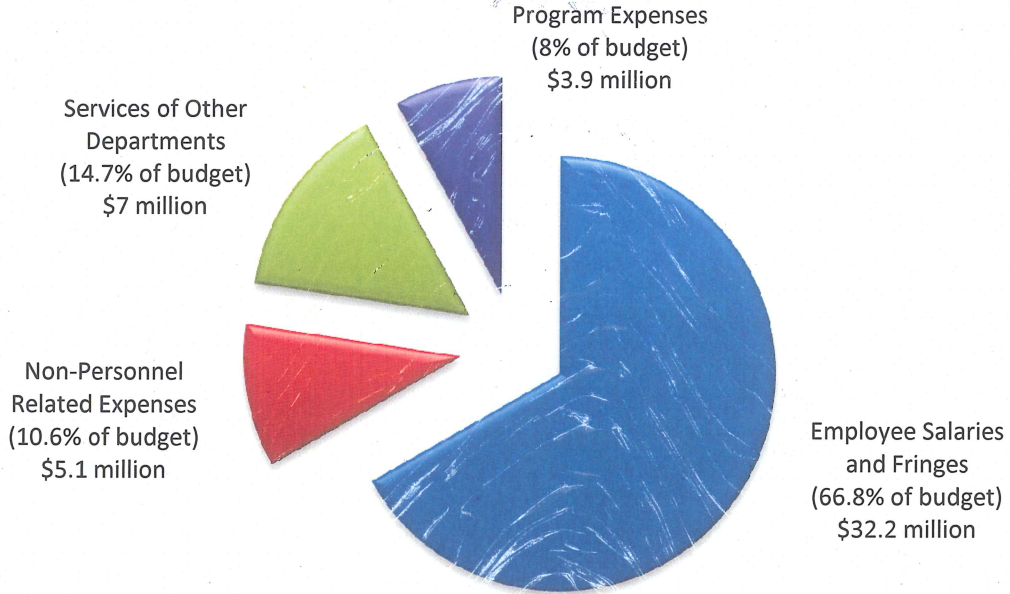


## Revenue as of 5/31/12

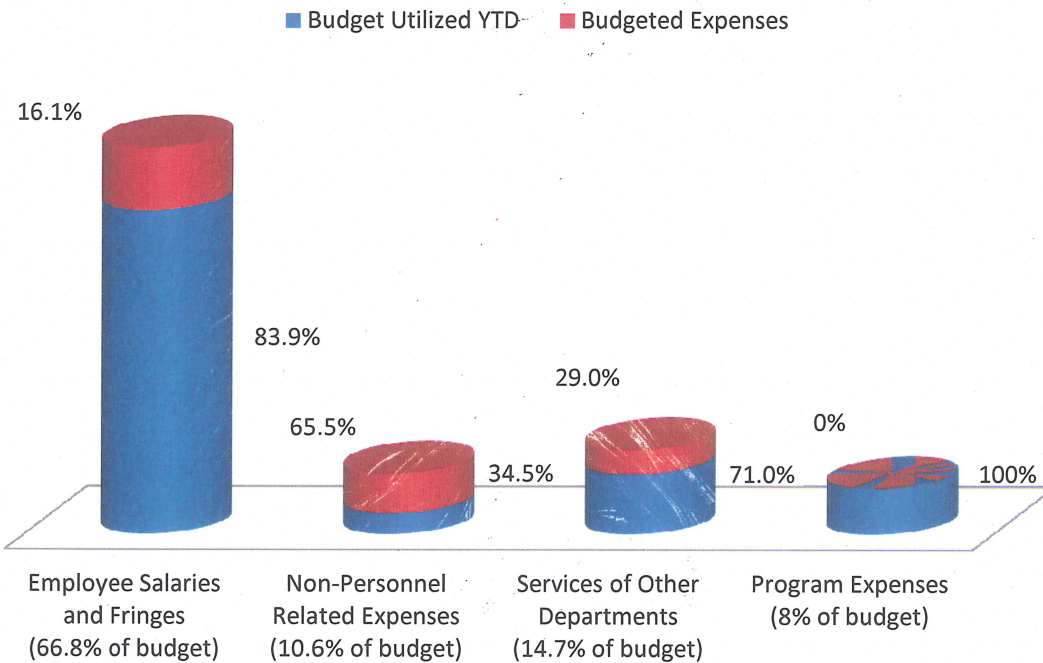


Other includes Interest & Investments, Strong Motion, and Expenditure Recovery  
 Note: The percent of the fiscal year elapsed is 91.7%

## FY 2011-12 Revised Budget - Expenses



## Expenses as of 5/31/12



Non-Personnel Related Expenses includes Overhead, Non-Personal Services, Community Based Organization, Project Carryforward, and Materials & Supplies

Note: The percent of the fiscal year elapsed is 91.7%