



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2011-0572

TO: Mayor and City Council Members
FROM: Scott Cope Building Department
DATE: December 1, 2011
SUBJECT: Ordinance changes to eliminate Construction Bond requirements

REQUEST:

Staff is requesting City Council approval for the first reading of the amendments to several ordinance sections that eliminate the requirements for performance bonds and eliminates language requiring double fees.

BACKGROUND:

In our continued effort to evaluate our procedures and processes for ways we can improve efficiencies and serve our customers better, we questioned the need and purpose of performance bonds for building construction. As we looked into the current requirements we found the process is creating a large amount of work for staff in the Building Department, Treasury, and Accounting. These bonds are also increasing the cost to obtain a building permit by as much as \$2,000.00. The purpose of the bond is to have money that can be used to complete the project if the builder does not finish the job. They are also used to cover staff cost if extra time is required to get the project completed. Over the past 10 years we have never used the bond money to complete a project and have rarely used it to cover additional staff costs. By eliminate the bond requirements we can save considerable staff time and reduce the cost to obtain a building permit, a win for the city and a win for our customers.

The language in the ordinance that requires double fees for work started without a permit is being eliminated because it is not permitted allowed by state law.

RECOMMENDATION:

Staff recommends that the ordinance be approved for first reading at the regular City Council meeting of December 12, 2011.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		