



To: Board of County Commissioners
 Nick Lelack, County Administrator

From: Peter Gutowsky, CDD Director
 Sherri Pinner, Senior Management Analyst

Date: April 12, 2023

RE: CDD FY 2023-24 Fee Increase Discussion

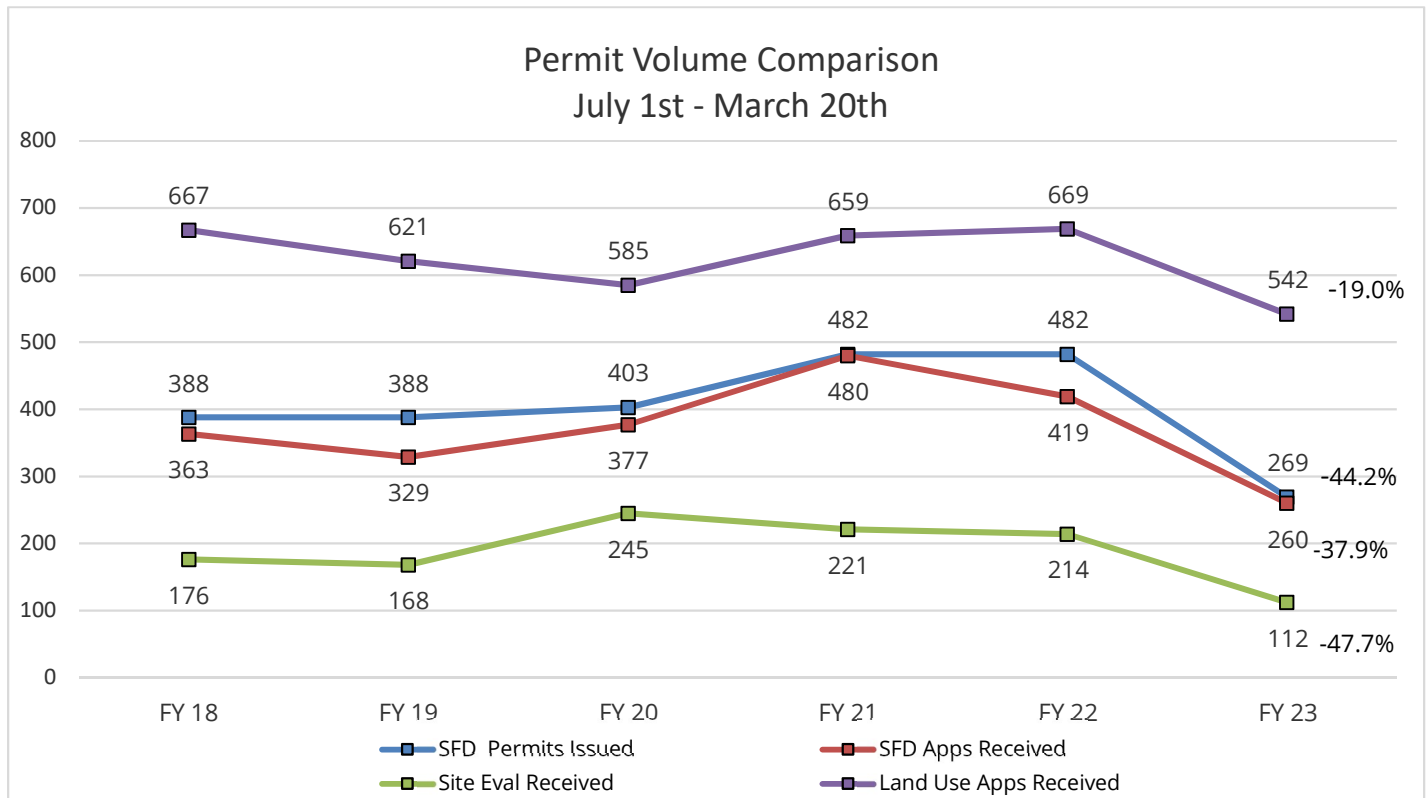
Fund 295 - Community Development Department

The Community Development Department (CDD) is primarily a fee-supported department. CDD’s permit volume summary and FY24 preliminary requested budget highlights are as follows:

I. PERMIT VOLUME SUMMARY:

The graph below represents permit volume comparisons for the current and past five (5) fiscal years for the time period July 1st through March 20th of each fiscal year.

- All categories of permits issued and applications received experienced a decrease in volume ranging from 19% to 47.7% when compared to FY22.



II. FY24 PRELIMINARY REQUESTED BUDGET ASSUMPTIONS:

Expenditure Summary:

- CDD eliminated eight (8) FTE in January 2023 in an effort to align staffing with current permit and application volumes resulting in 64 FTE remaining. CDD will continue to analyze the appropriate number of FTE as retirements and resignations occur and/or if permit and application volumes continue to decrease.
- Includes increases for COLA, PERS, HBT, step increases, and general inflationary increases for materials and services;
- Includes budget for hearings officer services.

Revenue Summary:

- Permit volume is estimated to remain level with FY23 volumes which are comparable to FY15 through FY17 volumes;
- Includes 10.9% increase – ICC building valuation effective 4/1/23;
- Building valuation basis is anticipated to be less than FY23 due to anticipated reduced commercial projects;
- Strategies to balance include a combination of requested fee increases, reserve fund transfers, and/or reduction of fund balance;
- Includes General Fund for hearings officer services.

Overall Summary:

- Budgeted expenditures are an estimated \$1.3M more than base budgeted revenues;
- CDD presents three (3) options to balance;

III. STRATEGIES TO BALANCE:

Option #1

- Fee increases generate \$806K (App fees 4% to 20%; Building Valuation .02% to .05%)
- Reserve Fund Transfer \$562K
- Ending Fund Balance remains whole
- Contingency = 13.8%

Option #2

- Fee increases generate \$682K (App fees 4% to 18%; Building Valuation .02% to .04%)
- Reserve Fund Transfer \$453K
- Ending Fund Balance decreases \$183K
- Contingency = 11.6%

Option #3

- Fee Increases generate \$575K (App fees 4% to 16%; Building Valuation .02% to .03%)
- Reserve Fund Transfer \$523K
- Ending Fund Balance decreases \$219K
- Contingency = 11.3%

IV. BOARD DIRECTION:

- Prepare FY24 Budget using Option #1.
 - Application fees – 4% to 20% increase
 - Building valuation fees - .02% to .05% increase
 - Reserve Fund transfers
 - Contingency 13.8%

- Prepare FY24 Budget using Option #2.
 - Application fees – 4% to 18% increase
 - Building valuation fees - .02% to .04% increase
 - Reserve Fund transfers
 - Decrease fund balance – Contingency 11.6%

- Prepare FY24 Budget using Option #3.
 - Application fees – 4% to 16% increase
 - Building valuation fees - .02% to .03% increase
 - Reserve Fund transfers
 - Decrease fund balance – Contingency 11.3%