



To: Board of County Commissioners

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

Date: September 16, 2024

RE: CDD Requested Fee Increases FY 2024-25 – effective November 1, 2024

I. SUMMARY

The Community Development Department (CDD) facilitates orderly growth and development through coordinated programs of Land Use Planning, Onsite Wastewater, Building Safety, Code Enforcement, education and service to the public. The department is primarily a fee-supported department.

CDD was notified of a 15% increase to health plan employer rates (HBT) effective August 2024. To offset this additional cost, CDD proposes minor fee increases, effective November 1, 2024.

The HBT increase of 15% equates to an estimated \$167K additional cost for the department. The proposed fee increases, effective November 1, 2024, would offset approximately 63% of this increase. The remaining 37% of the increase is related to the Building Safety Division which would utilize reserve funds to balance.

Additionally, CDD is allocated General Funds to offset the costs of land use and code enforcement hearings officer (HO) services. CDD proposes minor fee increases, effective November 1, 2024, allocated across all land use application types and an increase in the code enforcement administrative fee to offset this cost. If adopted, CDD would forgo the General Fund allocation.

II. BACKGROUND

The Board of County Commissioners (Board) adopted FY 25 fee increases in June 2024. These fees increased the cost of a dwelling permit for a 2,700 livable sq. ft. home in the rural county by an estimated \$1,080 or 12%, from \$8,996 to \$10,076 and a 4,000 livable sq. ft. home in the

rural county by an estimated \$1,672 or 12%, from \$13,986 to \$15,658. Land use and electrical applications increased 18% each and onsite wastewater applications increased 14%.

CDD's FY 25 adopted budget includes reserve fund transfers in all divisions totaling \$262K. If reserve funds are utilized to cover the increased cost to HBT, the revised total reserve transfer is an estimated \$429K. CDD's reserve fund internal guideline targets a twelve (12) to eighteen (18) month operating reserve balance. See Option 1 below for reserve fund balance details.

Included in CDD's FY 25 adopted budget is a General Fund allocation of \$100K for HO services. In FY 24, the cost of HO services totaled \$50K. This cost is assumed in Option 3 below.

III. REQUESTED FEE INCREASE OPTIONS – EFFECTIVE NOVEMBER 1st

Three (3) options are presented for the Board's consideration (Attachment). The first option assumes the department covers 100% of the increased HBT costs through reserve fund transfers and retains the General Fund allocation for HO services. The second option includes fee increases to offset the increase in HBT costs and retains the General Fund allocation for HO Services. The third option includes fee increases to offset the cost of both HBT and HO services while forgoing the General Fund allocation for HO services.

- **Option 1** – The department covers 100% of the HBT cost increase through reserve fund transfers and retains General Fund allocation for HO services. This option decreases Funds 300 and 302 by four (4) months operating expenditure equivalent.

	Fund 300 – General Divisions	Fund 301 - Building Safety Division	Fund 302 – Electrical Division
FY 25 Reserve Fund Transfers	\$132K	\$69K	\$61K
Est. # of Operating Months	4.9 months	22.2 months	8.0 months
HBT Increased Cost	\$89K	\$61K	\$17K
Est. # of Operating Months	4.5 months	exceeds target	7.6 months

- **Option 2** – Fee increases generate an estimated \$106K to cover HBT increases in CDD's electrical, administrative, onsite wastewater and planning divisions. CDD retains General Fund allocation for HO services and the Building Safety Division would utilize reserve funds to balance.

Code Enforcement - .01%
 Building Safety – 0%
 Electrical Permits – 2%

Onsite Wastewater Applications – 2%
Land Use Applications – 2%
Public Information Counter - .01%
Advanced Planning - .01%

The cost of a dwelling permit for a 2,700 and 4,000 livable square foot home in the rural county increases approximately 1.4% from \$10,077 to \$10,220 and 15,660 to \$15,882, respectively.

- **Option 3** – Fee increases generate an estimated \$156K to cover HBT increases and land use and code enforcement HO services. CDD would forgo General Fund allocation for HO services and the Building Safety Division would utilize reserve funds to balance.

Code Enforcement - .03%
Building Safety – 0%
Electrical Permits – 2%
Onsite Wastewater Applications – 2%
Land Use Applications – 6%
Public Information Counter - .01%
Advanced Planning - .01%

The cost of a dwelling permit for a 2,700 and 4,000 livable square foot home in the rural county increases approximately 2.4% from \$10,077 to \$10,316 and 15,660 to \$16,030, respectively.

IV. BOARD DIRECTION

1. Option 1 – department covers 100% of the HBT costs increases through reserve fund transfers and retains General Fund allocation for HO services.
2. Option 2 – fee increases to offset 63% of the increased HBT costs while retaining the General Fund allocation for HO services.
3. Option 3 – fee increases to offset the increased HBT costs and HO services costs. CDD would forgo General Fund allocation for HO services.

Attachment

FY 25 Nov. 1 Fee Increase Discussion PPT