



TOWN OF HIGHLAND BEACH AGENDA MEMORANDUM

MEETING TYPE: Town Commission Meeting

MEETING DATE: 08/19/2022

SUBMITTED BY: David M. DiLena, Finance Director

SUBJECT: Potential ILA with Gulf Stream

		Avg Permit Fee	\$770
	FY2023 Proposed Budget with ILA	Pct of Total	Permits to cover Fixed Cost
Fixed Cost	\$ 1,079,221	60%	1,402
Variable Cost	\$ 708,213	40%	
Operating Cost	<u>\$ 1,787,434</u>	100%	

	FY23 Proposed Budget without ILA	Pct of Total	Permits to cover Fixed Cost
Fixed	\$ 1,079,221	72%	1,402
Variable	\$ 415,073	28%	
Operating Cost	<u>\$ 1,494,294</u>	100%	

1. Since Fixed Costs will remain the same between the two scenarios and based on an average Permit Fee of \$770, the number of Permits (units) needed to cover our fixed cost remains the same.
2. Since most (if not all) of the additional work related to the Inter-Local Agreement (ILA) with Gulf Stream will be subcontracted through our contractor CAP Government, the only change in our cost structure will be variable costs.
3. The ILA with Gulf Stream will increase the population served (in terms of potential permits to be issued), ensuring that our Building Department can continue to cover Fixed Costs independent of the building activity within Highland Beach.

Taxing Authorities	FY22 PTV (Billion \$)	New Value (Million \$)
Highland Beach	\$ 3,097	\$ 30.5
Gulf Stream	1,408	15.3
GS vs HB	45%	50%