

**2018-2019 BUDGET QUESTION**  
***Response to Request for Information***

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**DEPARTMENT:** Development Services

**REQUEST NO.:** 103

**REQUESTED BY:** Casar

**DATE REQUESTED:** 8/24/18

**DATE POSTED:** 9/8/18

**REQUEST:** What is the projected FY 2018 Development Services Department (DSD) cost of service surplus/deficit? What was it for the prior two fiscal years?

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**RESPONSE:**

The table below contains surplus/deficit information related to revenues and expenses for the Development Services Department (DSD) for the current fiscal year (FY18) and the two prior fiscal years.

Revenues for FY18 are lower than anticipated due to the following:

- Fee waivers are higher than estimated. A higher estimate will be used for FY19 projections.
- The new fee charged for environmental inspections has a time lag for actual collection. The fee is being billed; however, the actual collection is made 6-18 months later in the process. We have made adjustments to move the actual collection up further in the process.
- Volume counts for site plan application fees and tree permit application fees were over counted, and the FY 18 fees were underpriced for these two units. This is corrected for FY19 projections and fee setting.
- The Expedited Building Plan Review program began October 1, 2017 with the establishment of Team 1. The revenue associated with Team 1 is being collected. However, Team 2 has not been established, and the revenue associated with Team 2 has not been collected. At the same time, the expenses for Team 2 have not been incurred. DSD committed not to hire Team 2 until the program was at 75% utilization. That measure has been reached, and the space for Team 2 is being developed. Team 2 should be in place within the next 1-2 months.

There are items in DSD's budget that are not being expended which will keep actual expenses in line with actual revenues for FY18.

## DSD 3-year Expense to Revenue Comparison

Category	FY16 Actual	FY17 Actual	FY18 Estimated
<b>Total Revenue</b>	<b>\$ 36,335,861</b>	<b>\$ 49,716,287</b>	<b>\$ 42,625,347</b>
Expenses	\$ 33,226,601	\$ 37,282,740	\$ 47,189,049
Less Non-Recoverable Costs			
Expedited Telecom Permitting*		\$ 500,000	\$ 591,777
Urban Forestry**		\$ 322,997	\$ 658,696
<b>Recoverable Expenses</b>	<b>\$ 33,226,601</b>	<b>\$ 36,459,743</b>	<b>\$ 45,938,576</b>
<b>Difference</b>	<b>\$ 3,109,260</b>	<b>\$ 13,256,544</b>	<b>\$ (3,313,229)</b>
* \$439,969 expenditure from BSRF in FY16.			
**Not tracked separately until FY17.			