

2018-2019 BUDGET QUESTION
Response to Request for Information

DEPARTMENT: Development Services

REQUEST NO.: 202

REQUESTED BY: Kitchen

DATE REQUESTED: 9/7/18

DATE POSTED: 9/10/18

REQUEST: What is the viability of DSD phasing in the FY 2019 proposed site plan fee increases over multiple years and what would be the effects of doing so?

RESPONSE:

Industry stakeholders have requested a phase-in of site plan fees through the utilization of the Development Services Department's (DSD) fund balance. The site plan fees could be phased in over time through the utilization of the fund balance, and the effects of doing so would be that the fund balance would be decreased.

In order to follow best financial practices, while also hedging against the volatility of development activity, DSD's goal is to reach a 180-day operating fund balance. In the FY 2019 Proposed Budget, DSD is projected to end FY 2019 with \$9.1 million in the Development Services Fund ending fund balance, which represents a 59-day operating fund balance. If proposed site plan fee increases were to be phased in over a two-year period, revenue collection would decrease by approximately \$3.25 million in FY 2019, reducing reserve levels to a 38-day operating fund balance.

To be able to meet best financial practices, DSD is proposing to implement the full fee increase in FY 2019, so the fund balance will continue to grow toward the 180-day operating fund balance goal.

