

**Department of Sustainable Development
Neighborhood Enhancement Division
Cost-of-Service Study**

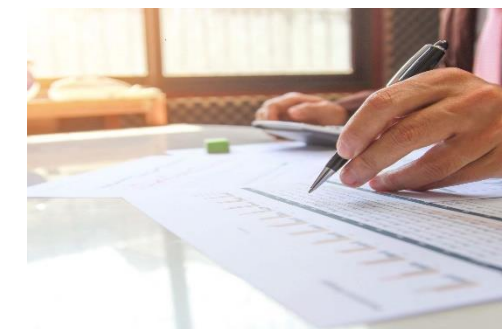


**City Commission Presentation
April 21, 2022
TBD a.m. / p.m.**



Agenda

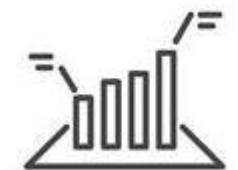
- ① **Project Background**
- ② **Summary of Findings**
- ③ **Future Fee Levels & Policy Considerations**
- ④ **Questions and Discussion**



1: Project Background

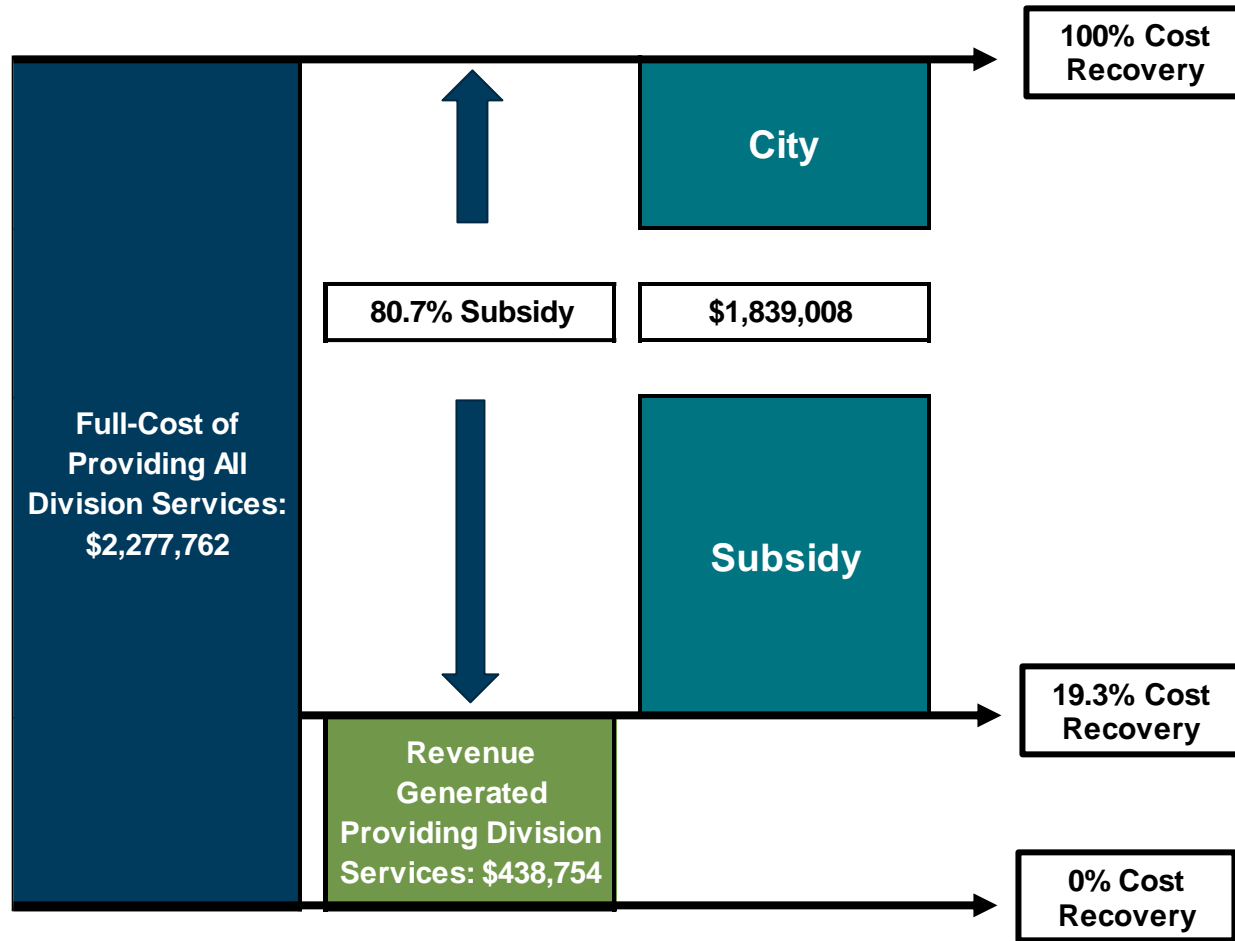
Project Background

- **November 2021:** The City partnered with BerryDunn to assist with performing a cost-of-service analysis for the Department of Sustainable Development Neighborhood Enhancement Division.
- **November 2021 – March 2022:** BerryDunn met on multiple occasions with City staff and stakeholders, performed the cost-of-service analysis, and developed a financial and operational scenario for the Residential Rental Unit Program.
- **March 2022:** BerryDunn compiled all staff and stakeholder feedback, financial and operational analysis methodologies, and findings and recommendations into a final project report.
- **April 2022:** BerryDunn presented findings and recommendation to the City Commission for consideration and acceptance.



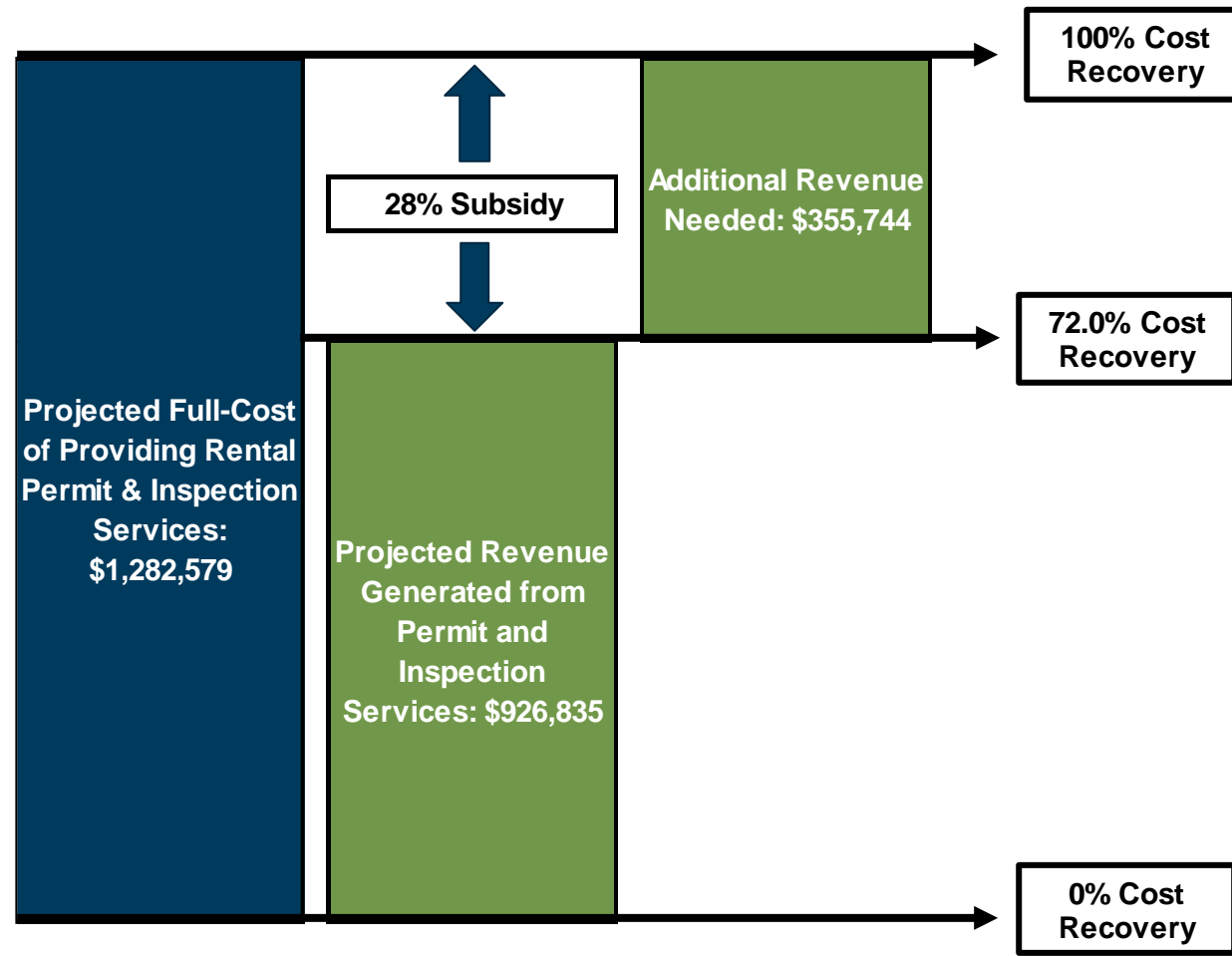
2: Summary of Findings

Summary of Findings – Neighborhood Enhancement Division



- Revenue: **\$438,754**
- Expense: **\$2,277,762**
- Subsidy: **\$1,839,008**
- Cost Recovery: **19.3%**
- Residential Rental Unit Program currently accounts for \$376,319 (85.8%) of annual revenue.

Summary of Findings – Residential Rental Unit Program



- Current Permit Fee: **\$122**
- Projected Revenue: **\$926,835**
- Projected Expense: **\$1,282,579**
- Subsidy: **\$355,744**
- Cost Recovery: **72.0%**
- *Full-Cost Permit Fee: \$155*

3: Future Fee Levels & Policy Considerations

Proposed Considerations

- **Residential Rental Unit Program:** The City should consider increasing the current Program permit fee from \$122.00 to \$155.00.
- **Cost Recovery Rates:** Cost recovery rates for projected scenarios:
 - Division baseline: 19.3%. Projected to increase to 35.5% should the City assume full management of the Program at current permit fee level.
 - Division baseline: 35.5%. Projected to increase to 44.1% should the City increase the Program permit fee from \$122.00 to \$155.00.
- **Annual Fee Updates:** The Division should review all fees and charges annually and consider adjustments as needed.

Thank You!

4: Questions and Discussion