

**Department of Sustainable Development  
Building and Planning Divisions**



**Fee Schedules Update Report**

May 18, 2022

**Final Report**

**Prepared for:**  
City of Gainesville  
Department of Sustainable Development  
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Gainesville, FL 32601



**City of Gainesville**  
Building and Planning Divisions  
Permit Fee Schedule Update

**Final Report**

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**Table i: Version History of the Report**

Version	Delivered Date	Update Reason
V1.0	April 13, 2022	BerryDunn delivered the first draft of the project report to the City Project Management Team (PMT) for review and acceptance.
Final	May 18, 2022	BerryDunn delivered the final draft of the project report to the City Project Management Team (PMT) for review and acceptance.

# 1 Introduction

*This section of the report provides a high-level background of the project, as well as key terms and their definitions.*

## 1.1 Project Background

The City of Gainesville (City) retained Berry Dunn McNeil & Parker, LLC (BerryDunn) to perform a Building Division and Planning Division permit fee schedule update. The focus of the project is reviewing all revenue generated from fees for permits, inspections, and services provided by the Building and Planning Divisions and the identified expenses associated with providing all applicable services. This review will allow the City to make informed policy decisions at the aggregate level, as well as on each individual permit or service, regarding fee levels and revenue generation. BerryDunn conducted a cost-of-service analysis for the Building and Planning Divisions in 2021, and updated the analysis in 2022; however, the last fee schedule update was completed in 2013. Since then, the majority of fees have remained unchanged, despite increased demand for services and associated increases in costs to provide services. For these reasons, the City is interested in assessing the full cost of providing fee-related services as determined in the 2021 study (updated in 2022). The City will consider recommendations that might better align fee levels to reflect increased costs associated with providing Building and Planning Division services.

This report provides the City with an overview of current Building and Planning Division fees and charges, and associated revenues and expenses for each permit, inspection, and service each Division provides. The report also documents the estimated percentage of full costs recovered delivering specific permits, inspections, and services at current fee levels, which will allow City officials to make informed policy decisions regarding future adjustments to fees and charges, if so desired. Finally, this report also describes BerryDunn's approach to the analysis and understanding of the Department's organizational structure and services provided, outlines findings, and proposes recommendations.

## 1.2 Abbreviations and Terms

For purposes of clarity when discussing this project, BerryDunn will use the following terms and related definitions.

**Table 1.2: Project Terms and Definitions**

Term	Definition
BerryDunn	Berry Dunn McNeil & Parker, LLC
City	City of Gainesville
CoS	Cost-of-Service
CPI	Consumer Price Index
Department	Department of Sustainable Development
FTE	Full-Time Equivalent
MS	Microsoft
OPEB	Other Post-Employment Benefits
FY	Fiscal Year
PMT	Project Management Team
PTO	Paid Time Off
SME	Subject Matter Expert
State	State of Florida

## 2 Approach and Work Performed

*This section of the report outlines how BerryDunn approached the project, summarizes the major tasks that were performed within each phase of the project, provides an overview of how the cost model was developed, and provides a high-level synopsis of the project deliverables.*

### 2.1 Work Performed

BerryDunn's approach to completing this study involved five phases:

Phase 1 – Project Management and Initial Planning

Phase 2 – Inventory of Current Fees and Cost-of-Service Update

Phase 3 – Develop and Propose Fees

Phases 4 and 5 – Final Report and Recommendations

Central to the approach was the use of BerryDunn's Microsoft (MS) Excel-based cost model, which was used to update the City's full cost of providing each permit, inspection, and service by service category, and in some cases, by specific permit or service type. The cost model was used to forecast scenarios to assess the fiscal impact of implementing new fees, or changing current fee levels, to reflect projected revenue requirements.

After an initial project planning call with the City to clarify goals and objectives, identify known project constraints, and refine dates and/or tasks as appropriate, BerryDunn requested and reviewed documentation and data to get a better understanding of the Building and Planning Division's current services environment.

BerryDunn conducted a project kickoff meeting and scheduled a series of follow-up meetings with City subject matter experts (SMEs) involved in the cost-of-service and fee schedule update. BerryDunn also followed up with City staff on multiple occasions throughout the course of the project to confirm BerryDunn's understanding of the data and information provided. The aim of these meetings and conversations was to discuss current cost-of-service projections and fee schedule adjustment scenarios needed to support revenue requirements and policy goals.

BerryDunn reviewed the Building and Planning Division's current fee and charge schedules and guided City staff through discussions to consider adjustments to the fee schedule that might better reflect the cost of services the City commonly provides through the Building and Planning Division. This included discussions related to the current fees and charges environment and projected fees and charges environment related to future revenue requirements and policy goals. BerryDunn also worked with City staff to develop specific revenue and expense forecasts. BerryDunn calculated updated fee levels based on these forecasts, and projected their subsequent fiscal impact. The Building and Planning fees were selected based on the significant impact they are forecasted to have on revenue generation for the Building and Planning Divisions. BerryDunn also reviewed all other fees for services provided by the Divisions, which were analyzed on a time-per-staff activity basis by which costs were assigned

accordingly. Other charges, such as penalties, fines, and State-mandated fees, were excluded from the analysis.

BerryDunn employed an activity-based costing methodology that analyzes the major process steps required to provide services (e.g., application intake, review, permit issuance and inspection) and the staff time and resources required to provide each service. This methodology relies on time estimates provided by City SMEs, which are then validated through checkpoints built into the cost model.

BerryDunn also employed a standard cost accounting methodology to identify and assign expected costs to permits, inspections, and services provided by the Building and Planning Division. The cost accounting methodology uses expected expenses, mainly from each Division's adopted fiscal year (FY) 2021 operating budget segments, to determine full cost allocation.

Finally, where detailed and/or accurate data was nonexistent, BerryDunn sourced institutional knowledge from City SMEs to develop assumptions, as was proportional assignment of expenses based on weighted averages and other standard analytical techniques.

Also included in the analysis are the identified and assigned revenues from FY 2021 associated with providing permits, inspections, and services, reflective of each Division's current fees and charges environment and verified by City SMEs .

BerryDunn updated the cost model utilized for this project, based on each Division's FY 2021 adopted expenditure budget and FY 2021 reported actual revenue, key staff input and institutional knowledge, City financial document reviews, and data discussed and reviewed during fact-finding sessions and project status meetings. BerryDunn reviewed the study findings with the City on multiple occasions, to identify any necessary revisions and allow the City to give feedback and request additions and deletions before approving final deliverables.

## 2.2 Taxes Versus Fees

The City collects taxes to satisfy its general revenue requirements. The level of service funded from tax levies is determined by the local jurisdiction and generally benefits all City residents, which is different than fees collected for providing specific services to nonresidents, services benefitting smaller groups, or services benefitting only individuals. Fees relieve residents of the burden of paying for discretionary services they do not use; therefore, fee levels should reflect the reasonable, identified costs of the work City staff performs to deliver those services. To that end, in this study, BerryDunn analyzed financial data at the City level, the Division level, and, where it was available, the individual permit or service level. In doing so, BerryDunn identified the delta between the current charges being levied and the full cost of providing the service, to allow for local policy decisions to be made regarding increased or decreased cost recovery, if so desired.

Two important distinctions were made regarding the fees analyzed: those fees that can be characterized as user fees, and those that are regulatory fees. User fees are generally

categorized as charges applied for individual use of services. Regulatory fees, mainly building permit fees and fees related to inspection services in this study, are generally categorized as charges applied to offset the cost of providing the regulatory activity. For both categories of fees analyzed for this project, special care was taken to help ensure that current fee levels do not reflect charges that exceed the cost of providing the regulatory service or the estimated benefit received by the individual payee.

## 2.3 Cost Versus Price

Cost is generally defined as the aggregate of expenses incurred by the City for issuing a permit or providing an inspection or service. BerryDunn estimated the total cost of issuing all permits and providing all inspections and services analyzed in this study. After determining the cost of providing fee-applicable services, BerryDunn facilitated discussions with City leadership about possible approaches to adjust current fee levels, to determine the price, and to set the new fee levels based on recommendations.

Furthermore, the cost model allows City staff to enter proposed fee recommendations on a per-fee basis, and to analyze the impact that the new fee level would have on annual expenditures and revenues. This provides City leadership with the insight it needs to understand the implications of potential fee adjustments on each Division's budget overall.

### 3 Fee Assessment Findings and Recommendations

*This section of the report provides a general overview of the Department's organizational structure, the major technical findings BerryDunn identified, and BerryDunn's recommendations based on those findings.*

#### 3.1 Building Division and Planning Division Overview

Each Division is responsible for providing a wide range of building and planning services to help ensure compliance with federal, State, and local municipal code sections, health and safety provisions, building inspections, some right-of-way inspections, and site inspections. Divisions are also responsible for confirming that projects are being undertaken and constructed in accordance with approved plans and other applicable and approved City specifications. Table 3.1 summarizes BerryDunn's understanding of the City's departmental structure and operations as currently organized.

**Table 3.1: Building Division and Planning Division Overview**

Function	Function Description
Building Division	The Building Division manages programs and services related to building permit plan review and inspection of buildings and structures to ensure a safe, accessible, sustainable, and energy-efficient environment throughout the City. The Division regulates local and State laws related to building construction, maintenance, use, repair, and habitation, and provides a full range of plan-checking services, construction permitting, and field verification inspection services for all new construction, room additions, area renovations, interior and exterior alterations, and/or remodeling construction activities within the City. This includes the enforcement of the established building codes and standards.
Planning Division	The Planning Division, in conjunction with the Building Division, plans for the physical, social, and economic development of the City and ensures compliance with all local and State laws, for both public and private projects.
Technology	The Department uses Citizenserve to monitor and track permits throughout the application, review, and approval process.
Technology	The Department uses Avolve's ProjectDox to review plans submitted/resubmitted electronically.

Function	Function Description
Funding Structure – Building Division	The Florida Building Code Enforcement Fund is used to account for revenues and expenses related to the enforcement of the Florida Building Code as defined in Florida Statute § 553.80. This fund was established October 1, 2006, pursuant to changes in State law requirements. The major funding source for this fund is from user fees generated from building permits.
Funding Structure – Planning Division	All revenues and expenses for the Division were identified in the City's General Fund.

### 3.2 Building Division Technical Findings

BerryDunn reviewed all Building Division inspection services and permit issuance services and determined the full cost to provide all services to be \$4,761,354. The identified and assigned revenue is estimated to be \$4,048,462. BerryDunn calculated the percentage of costs recovered by way of current fees and charges and found that the Building Division is recovering an estimated 85.0% of the costs of providing services. While this overall cost recovery percentage may seem sufficient, the City should consider a number of factors when assessing the current cost recovery percentage compared to current fee levels. There have been no major fee adjustments related to core services since 2013, which has led to stagnant revenue generation for some core services, on average, year-over-year. Furthermore, since 2013, the Building Division has experienced increased expenditures related to level of service increases. Finally, because of the unique nature of services provided by the Building Division, revenues are cyclical, tend to fluctuate widely on an annual basis, and are dependent on development activity and other macroeconomic trends, making the likelihood of increased revenue generation without fee increases difficult to forecast.

For these reasons, Building Division staff have now become increasingly aware, despite extraordinary economic development activity occurring throughout the City that expenditures have begun to outpace revenues year-over-year. In order to help ensure that Building Division services continue at current levels and that increased service levels can be achieved to accommodate the expansion of development activity and increased customer demand, fees will need to be systematically increased. Adjustments will help to offset increased expenditures and to fund the additional staffing positions needed to meet regulatory review times, internal and external customer service demand, and City policy goals. For these reasons, BerryDunn recommends the City consider a near-term 15.0% increase to all Building Division fees and charges. This increase would provide necessary revenue gains to sustain Building Division operations and service delivery, would accommodate the Division's growth trajectory, and would allow for periodic contributions to fund balance. Greater detail regarding proposed fee increases can be found in Section 3.5.

The City needs a fund balance sufficient to help ensure business and service continuity in case of an economic downturn or other unforeseen event or circumstance. The City's use of reserve

balance funds for specific expenditures and the maximum allowable fund balance (fund balance ceiling) is determined by State legislative statute. Specific to this study, the State has set a fund balance ceiling for the Building Division to not exceed the average of the previous four fiscal years of allowable expenditures, and has restricted the use of any fund balance to be used for expenditures that relate to providing building inspection services only, per Florida Building Code as defined in Florida Statute 553.80.

At the start of FY 2021, the Building Division maintained compliance with the State-defined ceiling, carrying a fund balance of \$2,813,860 compared to the four prior fiscal years' average expenditures of \$3,449,888. It is important to note that fund balances can fluctuate daily and actual balance amounts reflect the point in time when calculated. For this reason, BerryDunn does also recommend monitoring the fund balance to identify any large fluctuations, as dramatic changes may be indicative of longer-term trends pertaining to revenue or expenditure increases or decreases.

### 3.3 Planning Division Technical Findings

BerryDunn reviewed all Planning Division fees and charges and estimated the full cost to provide those services to be \$2,260,063. The identified and assigned revenue is estimated to be \$249,148. BerryDunn calculated the percentage of costs recovered by way of current fees and charges, finding that the Division is recovering an estimated 11.0% of the costs of providing services. While this overall cost recovery percentage is very low when compared to municipal planning divisions of a similar size providing similar services, the City should consider a number of factors when assessing the current cost recovery percentage compared to current fee levels. Planning-related services, in general, typically recover a much lower percentage than those services delivered by the Building Division. Furthermore, planning services are generally delivered in the conceptual or design phases of project development, and for this reason, significant expense is often incurred by the City. Should the project never be initiated, there is no opportunity to assess fees and recover a portion of expenses associated with staff time and resources. For these reasons, BerryDunn does not believe that increases to all fees and charges would result in significant revenue gains, but does recommend that a near-term 15.0% increase to select Planning Division fees and charges, mainly those associated with subdivision and zoning reviews, should be considered. These select fee increases would result in slight revenue gains and would be consistent with Building Division fee increases. Greater detail regarding proposed fee increases can be found in Section 3.6.

BerryDunn, in conjunction with City staff, did identify a number of services that the Planning Division was providing but for which no fee was being collected. The services identified include administrative services to support advisory boards and hearings, certain Certificates of Appropriateness issued, construction drawing reviews related to subdivision development, various petitions and zoning letters, sign face design reviews and permit issuance, lien searches, and general development reports. BerryDunn recommends that the City consider adopting an hourly rate charge for the services outlined above, as peer organizations in the

State have adopted similar fees for similar services. Greater detail regarding these recommended fee additions can be found in Section 3.7.

Division staff should track in detail the number of projects reviewed and never built versus those that move forward into the development and construction stages. Reviewing this information on a periodic basis will help to determine which specific fees, if adjusted, would have the most significant impact on revenue generation. Fee adjustments specific to this Division should be considered for the highest volume services; those related to land use and zoning changes, for example.

### 3.4 Summary of Technical Findings

Table 3.4 summarizes the key technical findings from BerryDunn's analysis of the fees and charges environment of each Division.

**Table 3.4: Summary of Technical Findings**

Summary of Findings	
Category	Findings
Building Division Cost Recovery	BerryDunn identified and assigned \$4,761,354 of revenue and \$4,048,462 of estimated expense to the fee-applicable services analyzed for the Division. The Division's current cost recovery rate for all services analyzed in this study is 85.0%.
Planning Division Cost Recovery	BerryDunn identified and assigned \$249,148 of revenue and \$2,260,063 of estimated expense to the fee-applicable services analyzed for the Division. The Division's current cost recovery rate for all services analyzed in this study is 11.0%.
Cost Recovery Increase – Building Division	BerryDunn estimates that the Building Division might realize a sustained 4%– 6% increase in the overall divisional cost recovery rate for each additional \$250,000 of revenue received.
Cost Recovery Increase – Planning Division	BerryDunn estimates that the Planning Division might realize minimal revenue gains should it increase select fees in conjunction with Building Division fee increases. It is unlikely, due to the unique nature of services provided and current operational organization, that the Division will ever recover more than 20.0% of its total cost to provide services.
Charging Methodology – Building Division	The Building Division uses a mix of multipliers and flat fees to calculate charges for services.
Charging Methodology – Planning Division	The Planning Division uses a variety of flat fees that best fit each application and/or service type.

### 3.5 Building Division – Proposed Fee Updates

The following table reflects core Building Division permits and services and their associated fees. The tables highlight the current fees for permits and services, a proposed percent increase to be applied to the current fee levels, and a proposed new fee amount for consideration. (Greater levels of detail relating to individual permits and services, calculation information, and revenue forecasts can be found in the Cost-of-Service Model attached in Appendix A.) Proposed fee levels reflect the desired revenue gains in order to achieve the Division's cost recovery targets for future fiscal years.

**Table 3.5: Building Division Permits and Services**

Permit/Service Description	Current Fee	Proposed Increase %	Proposed Fee
Building Permit – New Const. <\$250,000	Value x 0.008	15.0%	Value x 0.009
Building Permit – New Const. >\$250,000	Value x 0.004	15.0%	Value x 0.005
Building Permit – Other Const. <\$250,000	Contract x 0.008	15.0%	Contract x 0.009
Building Permit – Other Const. >\$250,000	Contract x 0.004	15.0%	Contract x 0.005
Electrical/Plumbing/Gas/Mechanical	\$60.00 ea.	15.0%	\$69.00 ea.
Additional Inspections	\$60.00 ea.	15.0%	\$69.00 ea.
Plan Revisions (each item)	\$12.00	15.0%	\$14.00
Plan Duplication	\$56.00	15.0%	\$64.00
Permit Card Duplication	\$12.00	15.0%	\$14.00
Letter of Reciprocity	\$50.00	15.0%	\$58.00
Plans Research	\$50.00	15.0%	\$58.00
Re-inspections	\$70.00 ea.	15.0%	\$81.00 ea.
Inspections – After Hours	\$180.00 ea.	15.0%	\$207.00 ea.
Inspections – Special Projects	\$53ph/\$9100 30d	15.0%	\$61ph/\$10,500 30d
Board and Seal Permit	\$83.00	15.0%	\$95.00
Demolitions	\$70.00	15.0%	\$81.00
Manufactured and Mobile Homes	\$70.00	15.0%	\$81.00
Pre-Manufactured Storage Bldg. >100 s.f.	\$60.00	15.0%	\$69.00
Tent Permit	\$60.00	15.0%	\$69.00
Christmas Tree Sale Lots	\$60.00	15.0%	\$69.00
Change of Use (no construction)	\$60.00	15.0%	\$69.00

Permit/Service Description	Current Fee	Proposed Increase %	Proposed Fee
Electrical Service Upgrades	\$60.00	15.0%	\$69.00

### 3.6 Planning Division – Proposed Fee Updates

The following table reflects select core Planning Division permits and services and their associated fees. The tables highlight the current fees for permits and services, a proposed percent increase to be applied to the current fee levels, and a proposed new fee amount for consideration. (Greater levels of detail relating to individual permits and services, calculation information, and revenue forecasts can be found in the Cost-of-Service Model attached in Appendix B.) Proposed fee levels are projected to generate minimal revenue gains and are proposed to maintain consistency with Building Division fee updates.

**Table 3.6: Planning Division Permits and Services**

Permit/Service Description	Current Fee	Proposed Increase %	Proposed Fee
Concept Review (of any plan) <sup>1</sup>	\$1,551.50	15.0%	\$1,784.00
Minor Plan Review	\$2,010.25	15.0%	\$2,312.00
Intermediate Plan Review	\$4,690.25	15.0%	\$5,394.00
Major Plan Review	\$5,352.75	15.0%	\$6,156.00
Traffic Study Review:			
Minor traffic study (development generates between 50 and 99 new peak hour trips)	\$1,340.25	15.0%	\$1,541.00
Major traffic study (development generates over 100 new peak hour trips)	\$2,680.25	15.0%	\$3,082.00
Design Plat Application	\$620.50	15.0%	\$714.00
Each lot on plat	\$14.00	15.0%	\$16.00
Final Plat Application	\$426.75	15.0%	\$491.00
Each lot on plat	\$11.25	15.0%	\$13.00
Roadway Inspection Fee (Public Works fee)	\$776.00	15.0%	\$892.00
Per linear roadway centerline foot	\$5.50	15.0%	\$6.00
Minor Subdivision	\$620.50	15.0%	\$714.00
Lot-Split	\$310.25	15.0%	\$357.00
Single-Lot Replat	\$776.00	15.0%	\$892.00

Permit/Service Description	Current Fee	Proposed Increase %	Proposed Fee
Zoning compliance permit: family day care	\$51.75	15.0%	\$60.00
Zoning compliance permit: personal care group	\$51.75	15.0%	\$60.00
Zoning compliance permit: foster family home	\$51.75	15.0%	\$60.00
Sidewalk café in City right-of-way	\$69.50	15.0%	\$80.00
Sidewalk café in State right-of-way (per s.f.)	\$2.00	15.0%	\$2.30
Permit for patrons' dogs, outdoor eating	\$304.00	15.0%	\$350.00
Permit for portable storage unit: Comm. Delivery	\$289.50	15.0%	\$333.00
1) (fee shall be credited toward the plan review fee if a subsequent petition for development plan review is filed within six months of its concept review)			

### 3.7 Planning Division – Proposed Fee Additions

While performing the Planning Division cost-of-service analysis and fee assessment, BerryDunn, in conjunction with Division staff, identified seven permits and/or services that the Division is currently providing, but for which there is no fee currently assessed. These permits and/or services are characterized as core services and therefore should be considered for fee assessment. In Table 3.7 below, BerryDunn has proposed fee levels for consideration in order to begin recovering a portion of the costs associated with providing the specific service. The fee levels listed for consideration in Table 3.7 were calculated using data and findings while performing the Division cost-of-service analysis and fee assessment. (Greater levels of detail relating to individual permits and services, calculation information, and revenue forecasts can be found in the Cost-of-Service Model attached in Appendix B.) By assessing fees to the individual(s) or group(s) utilizing these specific services, the City will not have to spread the associated costs of providing these services across all customers paying for non-related Division services.

The fees listed below are for consideration only. The Department intends to seek input from the City Commission on each of the specific services listed below.

**Table 3.7: Proposed New Fees for Planning Division Services**

Permit/Service Description	Current Fee	Proposed Increase %	Proposed Fee
<b>Public Notice:</b>			
Advisory Board Hearings	\$0	N/A	\$104.00
Certificate of Appropriateness	\$0	N/A	\$104.00
Misc. Communications and Reports	\$0	N/A	\$104.00
<b>Changes and Reviews:</b>			
Sign Enhancement/Change	\$0	N/A	\$104.00

Permit/Service Description	Current Fee	Proposed Increase %	Proposed Fee
<b>Zoning:</b>			
Food Truck Zoning Verification	\$0	N/A	\$69.00
Zoning Letters	\$0	N/A	\$69.00
Land Use and Zoning Reviews	\$0	N/A	\$138.00

### 3.8 Formal Fee Updates

BerryDunn recommends the Department undertake a basic cost-of-service update annually and conduct a formal fee study every three to five years; when the City experiences a significant change in demand for services, organizational structure, or key business processes; or when it identifies budgetary issues. In the meantime, staff are encouraged to make adjustments and updates to the cost model on an annual or ongoing basis using detailed data and information as it becomes available, especially data collected via the Department's electronic permitting and plan review systems.

### 3.9 Summary of Recommendations

**Table 3.9: Summary of Recommendations**

Summary of Recommendations		
Category		Recommendation
<b>1</b>	Building Division	Using the information derived from the cost-of-service analysis and the current 85% cost recovery level as a baseline, the City should consider approving a blanket Building Division fee increase of 15%. In doing so, BerryDunn projects that the Division will maintain a sustained cost recovery percent range of 94% - 100+% year-over-year.
<b>2</b>	Planning Division	Using the information derived from the cost-of-service analysis and the current 11% cost recovery level as a baseline, the City should consider approving a 15% increase for the select Planning Division fees identified. In doing so, BerryDunn projects that the Division will realize minimal revenue gains, but will maintain consistency with Building Division fee adjustments for select core services.
<b>3</b>	Planning Division	The City should consider tracking and assessing fees based on the total hourly commitment of all full-time staff involved in supporting all applicable advisory board hearings, certain issuances of Certificate of Appropriateness, lien searches, and general development reports.

Summary of Recommendations		
Category		Recommendation
4	Planning Division	The City should consider a flat fee, based on a 1.5 hour staff time limit for administrative staff, to address zoning letters and verify the land use/zoning on a property with links to the development code for development standards. Any request above a zoning verification letter would be considered a research project, and an hourly fee should be considered to do the research.
5	Planning Division	The City should adopt a food truck zoning verification fee which would encompass all necessary application reviews, plan reviews, and permit issuance associated with food truck locations and services. The fee level should be set initially based on the staff level effort required to review and approve applications specifically that of planners, permit expeditors, and customer experience staff.
6	Planning Division	The City should adopt a sign enhancement or change fee which would encompass all necessary plan reviews and permit issuance for minor façade changes, minor accessory structure changes, and minor changes to building exterior signage. The fee level should be set initially based on the staff level effort required to review and approve applications specifically that of planners and customer experience staff.
7	City	All fee levels, once adopted, should be reviewed annually and adjusted in accordance with staff effort and service and permit volume. The City should consider reinstituting annual departmental fee adjustments, following the City's Appendix A schedule.

## 4 Cost Models Overview

*This section of the report outlines the technical sections BerryDunn constructed to develop the cost models used for this study.*

### 4.1 Building Division Fees and Charges Cost Model Framework

Table 4.1 summarizes the format, technical construct, and content of the cost model. This includes a summary description of each tab in the cost model.

**Table 4.1: Building Division Cost Model Framework**

Cost Model Framework		
	Model Section/Tab	Description
1	Cover tab	Contains the title of the study, Department project manager contact information, and BerryDunn contact information
2	Forecast tab	Contains information and tools to create various revenue and expenditure forecasting scenarios.
3	Building Summary tab	Contains a high-level overview of all service categories with a comparison of assigned revenue, as well as current percentage cost recovery, and projected revenue and cost recovery levels.
4	Building Fees tab	Contains a more detailed overview of service categories and the types of service contained within those categories and associated fees, as well as assigned revenue. Contains proposed fee levels and projected revenue and cost recovery levels.
5	Building Employee (ee) Allocation tab	Contains personnel annual time assignments and expense forecasting functionality by service category.
6	Building Expense tab	Contains personnel and non-personnel expense by service category as well as applicable assigned department-wide indirect expense.
7	Building Worksheet tab	Contains all revenue and expense data, as well as cost recovery percentage by service category. Also contains functionality to develop forecast scenarios and adjust cost recovery goals by service category to project and assess fee levels.
8	Building Updated Fee Schedule tab	Contains current fee levels and proposed fee levels.
9	Department Employee (ee) tab	Contains the list of all full-time personnel assigned to the study, annual salary by position, annual benefit expense by position, and various hourly rates calculated by position.

Cost Model Framework		
Model Section/Tab		Description
10	Building Personnel Services Analysis (psa) tab	Contains all FTE personnel assigned to the study, number of current funded positions, salary by position, and direct and indirect expense allocations.
11	Building Indirect Cost Rate Proposal (icrp) tabs	Is developed in conjunction with City SMEs, and contains assumptions pertaining to direct and indirect full-time staff involvement, and non-personnel related expenditures associated with fee-related services. Generally used for forecasting and scenario building only.
12	Revenues	Reflects the actual reported revenue for FY 2021
13	Expenses	Reflects the adopted budget and actual expenditures for FY 2021, including personnel, operating and applicable capital and indirect expenses.

## 4.2 Planning Division Fees and Charges Cost Model Framework

Table 4.2 summarizes the format, technical construct, and content of the cost model. This includes a summary description of each tab in the cost model.

**Table 4.2: Planning Division Cost Model Framework**

Cost Model Framework		
Model Section/Tab		Description
1	Cover tab	Contains the title of the study, Department project manager contact information, and BerryDunn contact information
2	Planning Summary tab	Contains a high-level overview of all service categories with a comparison of assigned revenue, as well as current percentage cost recovery, and projected revenue and cost recovery levels.
3	Planning Fees tab	Contains a more detailed overview of service categories and the types of service contained within those categories and associated fees, as well as assigned revenue. Contains proposed fee levels and projected revenue and cost recovery levels.
4	Planning Employee (ee) Allocation tab	Contains personnel annual time assignments and expense forecasting functionality by service category.
5	Planning Expense tab	Contains personnel and non-personnel expense by service category as well as applicable assigned department-wide indirect expense.

Cost Model Framework		
Model Section/Tab		Description
6	Planning Worksheet tab	Contains all revenue and expense data, as well as cost recovery percentage by service category. Also contains functionality to develop forecast scenarios and adjust cost recovery goals by service category to project and assess fee levels.
7	Department Employee (ee) tab	Contains the list of all full-time personnel assigned to the study, annual salary by position, annual benefit expense by position, and various hourly rates calculated by position.
8	Planning Personnel Services Analysis (psa) tab	Contains all FTE personnel assigned to the study, number of current funded positions, salary by position, and direct and indirect expense allocations.
9	Planning Indirect Cost Rate Proposal (icrp) tabs	Is developed in conjunction with City SMEs, and contains assumptions pertaining to direct and indirect full-time staff involvement, and non-personnel related expenditures associated with fee-related services. Generally used for forecasting and scenario building only.
10	Revenues	Reflects the actual reported revenue for FY 2021
11	Expenses	Reflects the adopted budget and actual expenditures for FY 2021, including personnel, operating and applicable capital and indirect expenses.

### 4.3 Updates to the Cost Model

Some organizations choose to update their fees on an annual basis. The cost model has the built-in capability for City staff to make changes to inputs in order to assess the impact of fee adjustments in the future, even after the cost-of-service study is complete, based on changes to revenues, expenditures, the CPI, or some other established criteria.

Table 4.3 describes how the City can maintain the cost model if it chooses to update fees and charges intermittently or on an annual basis.

**Table 4.3: Cost Model – Inputs to Update**

Category	Description
Revenues	Budgeted or actual revenues related to fees and charges for permits and services
Direct Expenses	Budgeted or actual personnel and operating expenses related to directly providing City services
Indirect Expenses	Budgeted or actual personnel and operating expenses related

Category	Description
	to the internal support of providing City services
Specific Fee Levels	Specific dollar amounts to be charged for individual services provided
Annual Service Volumes	Annual total counts for the number of permits issued, inspections conducted, or services provided per-fee category

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## Appendix A: Building Division Cost Model

*The fees and charges cost model developed for the City is attached as an MS Excel file.*

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## Appendix B: Planning Division Cost Model

*The fees and charges cost model developed for the City is attached as an MS Excel file.*