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**County of Lee, Florida**  
**FY 2012 - Impact Fee**  
**Cost Allocation Plan**

**ACTUAL COSTS FOR THE YEAR ENDED**

**SEPTEMBER 30, 2012**

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Prepared by : Maguire Associates of Virginia, Inc.  
PO Box 1766, Chesterfield, VA 23832 (804) 745-1601

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## Section I

# INTRODUCTION

### **A. Background and Purpose**

The Lee County Board of County Commissioners has established by ordinance impact fees designed to determine and assess new development a proportionate share of the cost of capital facilities needed to serve such development. At the time this study was conducted, separate impact fee ordinances existed for Parks, Roads, Fire Protection, and Emergency Medical Services. Fire and Emergency Medical Service Impact Fee Funds were established in FY 1990. Each ordinance authorizes the County to retain a maximum of three percent of impact fee funds collected to offset the costs of administering the ordinances. Currently, the County collects 1.00%

This report presents the findings of a study conducted by Maguire Associates of Virginia, Inc., to examine the full cost incurred by various divisions of County government to administer the impact fee ordinances. Specifically, this report addresses administrative costs incurred for the fiscal year ended September 30, 2012 (FY 2012).

The findings contained in this report provide a basis for comparing annual administrative costs to the total amount of administrative fees retained by the County. For most of the departmental sources of administrative support, this report represents aggregate costs to administer all impact fees. This report does not attempt to identify support costs per individual impact fee fund.

### **B. Methodology and Report Format**

The methodology used by Maguire Associates in conducting this study included interviews with principal staff responsible for impact fee administration, analysis of personnel/salary reports and year-end reports of actual expenditures by fund/department/division, depreciation schedules, and extraction of data contained in the County's Full-Cost Central Services Cost Allocation Plan for FY 2012. Official County reports of actual divisional expenditures and approved position salary rates were used as the source of cost data reflected in this report.

Through initial interviews with key County staff, the divisions of government involved in impact fee administration were identified. Managers within each division were then surveyed to determine which positions were responsible for administrative activities and what percentage of each position's total annual workload was related to those duties.

## INTRODUCTION

The results of these interviews are shown in a series of **Divisional Salary Analyses**. In these tables, the percentage of each employee's time devoted to impact fee administration was factored against the employee's annual salary to compute divisional salary expense allocable in support of impact fee programs. The ratio of each division's impact fee-related salary expense to total salary expense is identified in Divisional Salary Analysis tables as an **Impact Fee Cost Factor**.

In accompanying **Divisional Cost Summary** tables, this ratio is used as the basis for allocating a portion of each division's fringe benefits and general operating costs to impact fee administration. Certain operating expenses, such as professional fees and other contractual services, have been included as **Direct Costs** of fee administration only when services were identified as being directly related to impact fee ordinances. In each Divisional Cost Summary, the Impact Fee Cost Factor is also used to allocate a portion of each division's **Indirect Costs** to fee administration. Total divisional indirect cost amounts have been derived from depreciation schedules and the Central Services Full Cost Allocation Plan prepared for FY 2012. These documents establish a distribution of County-wide administrative costs to all funds/departments/divisions.

County-wide administrative costs assigned directly to impact fee funds in the full-cost plans are described in a section titled **County-Wide Administrative Costs**. These costs include allocations from Budget Services, Internal Audit, Non-Departmental, Finance, County Manager, County Commissioners, Purchasing and County Attorney.

A summary of total impact fee administrative costs identified by this study are shown in Part II, **Summary of Findings**. Part III of this report provides a more detailed presentation of how **Departmental Allocations** of costs were determined.

## Section II

<b>SUMMARY OF FINDINGS</b>
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Table 1.00 presents a department/division breakdown of administrative costs devoted to Impact Fee Administration. The determination of departmental administrative costs is compared to the actual 2012 administrative fee transfers made from Impact Fee Funds to the County MSTU Fund.

The fee transferred from the Impact Fee Fund is lower by \$286,300. Cumulatively over the past twenty two (22) years, there is a surplus in the Administrative recovery of \$556,744 (See Table 1.11, Page 4).

TABLE 1.00 SUMMARY OF TOTAL IMPACT FEE ADMINISTRATION COSTS	
LEE COUNTY, FLORIDA	
DEPARTMENT/DIVISION	FY 2012
<b>COMMUNITY DEVELOPMENT</b>	
DCD Director's Office	\$ 17,898
Other Divisions	88,729
<b>TRANSPORTATION &amp; ENGINEERING SERVICES</b>	
Engineering Services Planning Section	26,088
<b>COUNTY-WIDE ADMINISTRATION</b>	
Other County-wide Administrative Costs	210,316
<b>PARKS AND RECREATION</b>	
Administration Support Section	31,609
<b>TOTAL IMPACT FEE ADMINISTRATION COSTS</b>	<b>\$ 374,640</b>
1.00% Administrative Fees Retained	<u>\$ 88,340</u>
Excess Fees over Administrative Cost	<u>\$-286,300</u>

## SUMMARY OF FINDINGS

Table 1.11 provides a cumulative comparison of this year's Impact Fee Administrative Cost to the previous twenty one (21) years.

The divisions primarily responsible for impact fee administration continues to be Community Development Divisions, Transportation Planning Division, Construction and Design Division, Internal Services Fiscal and Public Safety Administration.

The reasons for the fluctuation over time are discussed in depth in Section III of this report. The increases regarding indirect costs have been identified from the Central Services Full Cost Allocation Plan and will also be addressed in Section III.

<u>Fiscal Year</u>	<u>Administrative Fees Retained 1.00%</u>	<u>Actual Administrative Costs</u>	<u>Excess Fees Retained</u>
FY 90-2000	\$4,494,571	\$3,928,831	\$565,740
FY 2001	594,749	433,351	161,398
FY 2002	592,443	375,128	217,315
FY 2003	776,797	655,051	121,746
FY 2004	1,957,369	1,215,008	742,361
FY 2005	2,370,683	1,241,725	1,128,958
FY 2006	1,460,512	1,292,200	168,312
FY 2007	691,805	1,121,942	-430,137
FY 2008	334,049	967,182	-633,133
FY 2009	167,036	597,286	-430,250
FY 2010	88,614	446,114	-357,500
FY 2011	82,572	494,338	-411,766
FY 2012	88,340	374,640	-286,300
<b>TOTAL</b>	<u>\$13,699,540</u>	<u>\$13,142,796</u>	<u>\$ 556,744</u>

## Section III

<b>DEPARTMENTAL ALLOCATIONS</b>
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### DEPARTMENT OF COMMUNITY DEVELOPMENT

The daily responsibilities of administering Lee County's Impact Fee programs are assigned to various divisions within the Community Development Department as shown in Table 2.00. The majority of impact fee administrative work occurs in this department.

TABLE 2.00      DEPARTMENTAL COST SUMMARY	
<b>COMMUNITY DEVELOPMENT</b>	
	<u>FY 2012</u>
DCD Director's Office	\$ 17,898
Other Divisions	88,729
<b>TOTAL DEPARTMENTAL COSTS</b>	<b>\$106,627</b>

**DEPARTMENTAL ALLOCATIONS**  
**COMMUNITY DEVELOPMENT**  
**Director's Office**

Table 2.11 reflects the estimated percentage of each position's workload associated with fee administration in the Department of Community Development Director's Office. Surveys of staff time indicated that these duties are limited to the Director. Responsibilities included the supervision and coordination of the activities performed by subordinate divisions. This official participated in policy development, planning activities and also may be called upon to make final determinations of impact fee charges and credits. Corresponding to the percentage of time spent with impact fees is an amount of the total salary of the employee(s). This salary percent is then compared to total divisional salaries in the Director's Office and an impact fee cost factor of 1.2617% is determined.

TABLE 2.11		DIVISIONAL SALARY ANALYSIS	
<b>DCD DIRECTOR' S OFFICE</b>			
Position	% of time	FY 2012	
		total salary	impact fee salary
DCD Director	5.00%	131,837	\$ 7,910
Total Impact Fee Salaries			\$ 7,910
divided by: Total Divisional Salaries			\$ 626,914
<b>Impact Fee Cost Factor</b>			<b>1.2617%</b>



**DEPARTMENTAL ALLOCATIONS**

**COMMUNITY DEVELOPMENT**

**Director's Office Cont.**

The total allocation of costs from the DCD Director's Office has been calculated by applying the Cost Factor, as determined by the salary devoted to impact fees, to Fringe Benefits, Operating Expenses and Indirect Costs. These proportionate shares of expenses, excluding capital outlay, identified a total impact fee of \$17,898.

TABLE 2.12      DIVISIONAL COST SUMMARY		
<b>DCD DIRECTOR'S OFFICE</b>		
	FY 2012	
Description	TOTAL	IMPACT FEE COSTS
Salaries (from TABLE 2.11)		\$ 7,910
Benefits/Other	\$ 244,914	3,090*
Operating Expense	370,601	4,676*
Capital Outlay	0	
<b>DIRECT COSTS</b>		<b>\$ 15,676</b>
<b>INDIRECT COSTS</b>	<b>176,087</b>	<b>2,222</b>
<b>TOTAL IMPACT FEE COSTS</b>		<b>\$ 17,898</b>

\* Impact Fee Cost = Total Costs x Impact Fee Cost Factor (from TABLE 2.11)

\*\* Source of Indirect Cost: FY 2012 Full Cost Plan/Depreciation Report

**DEPARTMENTAL ALLOCATIONS**  
**COMMUNITY DEVELOPMENT**

Table 2.31 reflects the remaining workload activities within the Department of Community Development. Surveys of staff indicated that these duties included the positions of a Director, Building Official, a full time Impact Fee Coordinator, Permit Supervisor and one Permit Representative. Duties included the assessment of fees in conjunction with building permits, monitoring of zoning changes to determine their affect on previously assessed fees and providing information to the public regarding impact fee requirements. The percentage of each staff member's time is compared to divisional salaries and an impact fee cost factor of 1.8638% is determined.

TABLE 2.31      DIVISIONAL SALARY ANALYSIS			
<b>DEVELOPMENT SERVICES DIVISION</b>			
Position	FY 2012		
	% of time	total salary	impact fee salary
Development Services Director	1%	94,378	944
Building Official	3%	104,011	3,120
Impact Fee Coordinator	50%	26,101	26,101
Permit Representative I	25%	15,751	3,938
Permit Representative II	25%	16,360	4,090
Permitting Supervisor	5%	104,316	5,216
Total Impact Fee Salaries			\$ 43,409
divided by: Total Divisional Salaries			\$2,329,018
<b>Impact Fee Cost Factor</b>			<b>1.8638%</b>

**DEPARTMENTAL ALLOCATIONS**  
**COMMUNITY DEVELOPMENT**  
**Other Divisions (Cont.)**

The total allocation of costs from the Development Services Division is computed by applying the cost factor to Salaries (from Table 2.31), Fringe Benefits, Operating Costs and Indirect Costs below in Table 2.32. The proportionate share of these costs excluding Capital Outlay is \$88,729.

TABLE 2.32      DIVISIONAL COST SUMMARY		
<b>OTHER DIVISIONS</b>		
	FY 2012	
Description	TOTAL	IMPACT FEE COSTS
Salaries (from TABLE 2.31)		\$ 43,409
Benefits/Other	\$ 955,418	17,807*
Other Operating	939,849	17,517*
Capital Outlay	0	
<b>DIRECT COSTS</b>		<b>\$ 78,733</b>
<b>INDIRECT COSTS**</b>	<b>536,338</b>	<b>9,996</b>
<b>TOTAL IMPACT FEE COSTS</b>		<b>\$ 88,729</b>
* Impact Fee Cost = Total Costs x Impact Fee Cost Factor (from TABLE 2.31)		
** Source of Indirect Costs: FY 2012 Full Cost Allocation Plan/Depreciation Report		

## DEPARTMENTAL ALLOCATIONS

### DEPARTMENT OF TRANSPORTATION SERVICES

Various responsibilities of administering Lee County's Impact Fee in relation to the County's Road Impact Fee programs are assigned to one division within the Department of Transportation Services. This division is the Engineering Services Planning Section. The following Table (3.00) summarizes the allocation of administrative impact fee costs to the Department of Transportation Services.

TABLE 3.00      DEPARTMENTAL COST SUMMARY	
<b>TRANSPORTATION SERVICES</b>	
	<u>FY 2012</u>
Engineering Services Planning Section	\$26,088
<b>TOTAL DEPARTMENTAL COSTS</b>	<b>\$26,088</b>

**DEPARTMENTAL ALLOCATIONS**

**TRANSPORTATION SERVICES**

**Engineering Services Planning Section**

Table 3.21 reflects the bulk of the workload activities within the Department of Transportation Services as performed by staff in the Engineering Services Planning Section. Surveys indicated that these duties are maintained by the Director and Senior Engineer. The responsibilities included the determination of fee amounts and the approving and processing of fee credits and the computing of proportionate shares of fees for the Development of Regional Impact Analyses. The percentage of each staff person's time is factored against total divisional salaries to identify an impact fee cost factor of 4.2291%.

TABLE 3.21		DIVISIONAL SALARY ANALYSIS	
<b>ENGINEERING SERVICES PLANNING SECTION</b>			
Position	% of time	FY 2012	
		total salary	impact fee salary
Operations Manager	7%	93,985	\$ 6,579
DOT Director	5%	120,000	6,000
Total Impact Fee Salaries			\$ 12,579
divided by: Total Divisional Salaries			\$297,441
<b>Impact Fee Cost Factor</b>			<b>4.2291%</b>

**DEPARTMENTAL ALLOCATIONS**  
**TRANSPORTATION SERVICES**  
**Engineering Services Planning Section (Cont.)**

The total allocation of costs from the Engineering Services Planning Section has been calculated by applying the cost factor to Fringe Benefits, Operating Costs and Indirect Costs. This proportionate share of expenses including Salaries (from Table 3.21) and excluding capital outlay, grants and aids have operating costs of \$26,088.

TABLE 3.22      DIVISIONAL COST SUMMARY		
<b>ENGINEERING SERVICES PLANNING SECTION</b>		
Description	FY 2012	
	TOTAL	IMPACT FEE COSTS
Salaries (from TABLE 3.21)		\$12,579
Benefits/Other	\$106,010	4,483*
Other Operating	70,306	2,973*
Capital Outlay/Grants	38,859	
<b>DIRECT COSTS</b>		<b>\$20,035</b>
INDIRECT COSTS**	\$143,122	6,053
<b>TOTAL IMPACT FEE COSTS</b>		<b>\$26,088</b>

\* Impact Fee Cost = Total Costs x Impact Fee Cost Factor (from TABLE 3.21)

\*\* Source of Indirect Costs: FY 2012 Full Cost Plan/Depreciation Report

## DEPARTMENTAL ALLOCATIONS

### COUNTY-WIDE INDIRECT COSTS

In addition to the allocable costs derived from each of the three departments and one division discussed in preceding sections of this report, Lee County also incurs costs for more generalized administrative support of impact fee programs. This section of the report (Table 6.00) addresses costs of management activities performed by staff of Budget Services, Non-Departmental, Internal Audit, Public Resources, Finance, Purchasing, County Commissioners, County Manager and the County Attorney's Office.

TABLE 6.00      DEPARTMENTAL COST SUMMARY	
<b>COUNTY-WIDE INDIRECT COSTS</b>	
	<u>FY 2012</u>
Budget/Non-Departmental/Purchasing	\$ 119,270
County Attorney/Internal Audit	16,334
Finance/Commissioners/County Manager	74,712
<b>TOTAL DEPARTMENTAL COSTS</b>	<b>\$210,316</b>

## DEPARTMENTAL ALLOCATIONS

### COUNTY-WIDE INDIRECT COSTS Other County-Wide Indirect Costs

The remaining impact fee administration costs identified by this study are derived from the Central Services Full Cost Allocation Plan prepared for the County 2012 fiscal period. These costs represent shares of operating costs of the County Attorney, Internal Audit, Finance, Non-Departmental, Purchasing, County Commissioners, County Manager and Budget Services.

Distribution of Budget Services, Internal Audit, County Manager, Commissioners and the County Attorney's Office are based upon percentage estimates of time devoted to Impact Fee Funds. Finance and Non-Departmental costs were allocated on the number of accounting transactions per department. Costs associated with Purchasing were based on purchase order processing. Detailed information regarding these costs was included in the FY 2012 Central Services Full Cost Allocation Plan. Table 6.11 provides a breakdown of the fiscal year's cost allocations by the departmental source of costs and each Impact Fee Fund.

TABLE 6.11		ALLOCATED COSTS ANALYSIS		
<b>COUNTY-WIDE INDIRECT COSTS - FY 2011</b>				
Fund #	Fund Title	Sources of Indirect Costs		FY 2012 TOTALS
		Bud/Pur Non-Dept	Atty/Com Fin/Oth	
101	Fire Impact Fees	\$15,208	\$ 23,852	\$ 39,060
186	Comm Park Impact Fees	28,643	17,235	45,878
187	Regional Park Impact Fees	17,128	11,210	28,338
188	Road Impact Fees	28,028	13,314	41,342
189	EMS Impact Fees	14,261	11,649	25,910
<b>TOTALS</b>		<b>\$103,268</b>	<b>\$77,260</b>	<b>\$180,528</b>



## DEPARTMENTAL ALLOCATIONS

### COUNTY-WIDE INDIRECT COSTS Other County-Wide Indirect Costs(Cont.)

The following areas of impact fee administration were included starting in FY 2002 and derive from the FY 2012 Central Services Full Cost Allocation Plan. These costs represent shares of operating costs of the County Attorney, Internal Audit, Finance, Non-Departmental and Budget Services.

Distribution of Budget Services, Internal Audit, Commissioners, County Manager and the County Attorney's Office are based upon percentage estimates of time devoted to Impact Fee Funds. Finance and Non-Departmental costs were allocated on the number of accounting transactions per department. Detailed information regarding these costs was included in the FY 2012 Central Services Full Cost Allocation Plan. Table 6.12 provides a breakdown of the fiscal year's cost allocations by the departmental source of costs and each Impact Fee Fund.

TABLE 6.12		ALLOCATED COSTS ANALYSIS			
<b>COUNTY-WIDE INDIRECT COSTS - FY 2011</b>					
Fund #	Fund Title	Sources of Indirect Costs			FY 2012 TOTALS
		Budget Non-Dept	Attorney Fin/Oth		
185	School Impact Fees	\$16,002	\$ 13,786		\$ 27,788
610	FMB Impact Fees				
611	Bonita Impact Fees				
630	Bonita Road Impact Fees				
<b>TOTALS</b>		\$16,002	\$13,786		\$ 29,788

## DEPARTMENTAL ALLOCATIONS

### DEPARTMENT OF PARKS AND RECREATION

Various routine responsibilities of administering Lee County's Impact Fee programs are assigned to the Parks and Recreation Administrative Section. The following Table (7.00) summarizes the allocation of administrative impact fee costs in fulfilling impact fee tasks.

TABLE 7.00      DEPARTMENTAL COST SUMMARY	
<b>Administrative Support Section</b>	
	<u>FY 2012</u>
Administrative Support Section	\$31,609
<b>TOTAL DEPARTMENTAL COSTS</b>	<b>\$31,609</b>

## DEPARTMENTAL ALLOCATIONS

### Department of Parks and Recreation Administrative Support Section

Table 7.11 reflects the workload activities within the Department of Parks and Recreation Administrative Section. The staff associated with impact fees are comprised of a Director, Deputy Director, GIS Manager, Manager and Fiscal Manager. Duties include forecasting, coordinating community meetings and plans review pertaining to impact fees. The percentage of each staff member's time is compared to divisional salaries and an impact fee cost factor of .1854% is determined.

TABLE 7.11      DIVISIONAL SALARY ANALYSIS			
<b>Administrative Support Section</b>			
		FY 2012	
Position	% of time	total salary	impact fee salary
Director	4%	115,988	\$ 4,640
Deputy Director	4%	67,236	2,689
Manager	3%	54,410	1,632
Fiscal Manager	2%	78,113	1,562
GIS Manager	5%	53,870	2,694
Total Impact Fee Salaries			\$ 13,217
divided by: Total Divisional Salaries			7,128,977
<b>Impact Fee Cost Factor</b>			<b>.1854%</b>

**DEPARTMENTAL ALLOCATIONS**  
**DEPARTMENT OF PARKS AND RECREATION**  
**Administrative Support Section (Cont.)**

The total allocation of costs from the Parks and Recreation Administrative Section is computed by applying the cost factor to Salaries (from Table 7.11), Fringe Benefits and Indirect Costs below in Table 7.12. The proportionate share of these costs excluding Capital Outlay is \$31,609.

TABLE 7.12      DIVISIONAL COST SUMMARY		
<b>ADMINISTRATIVE SUPPORT SECTION</b>		
	FY 2012	
Description	TOTAL	IMPACT FEE COSTS
Salaries      (from TABLE 7.11)	3,249,167	\$ 13,217
Benefits/		6,024*
Other Operating	3,176,708	5,890*
Capital/Grants	398,915	
<hr/>		
DIRECT COSTS		\$ 25,131
INDIRECT COSTS**	3,493,877	6,478
<hr/>		
<b>TOTAL IMPACT FEE COSTS</b>		<b>\$ 31,609</b>
* Impact Fee Cost = Total Costs x Impact Fee Cost Factor (from TABLE 7.11)		
** Source of Indirect Costs: FY 2012 Full Cost Plan/Depreciation Report		