

Actual

County of Lee, Florida
FY 2014 - Impact Fee
Cost Allocation Plan

ACTUAL COSTS FOR THE YEAR ENDED

SEPTEMBER 30, 2014

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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, 2014 (FY 2014).

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 2014. 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 2014. 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 plan 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

SUMMARY OF FINDINGS

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 2014 administrative fee transfers made from Impact Fee Funds to the County MSTU Fund.

The fee transferred from the Impact Fee Fund is lower by \$302,013. Cumulatively over the past twenty four (24) years, there is a deficit in the Administrative recovery of \$ -27,148 (See Table 1.11, Page 4).

TABLE 1.00 SUMMARY OF TOTAL IMPACT FEE ADMINISTRATION COSTS	
LEE COUNTY, FLORIDA	
DEPARTMENT/DIVISION	FY 2014
COMMUNITY DEVELOPMENT	
DCD Director's Office	\$ 17,166
Other Divisions	72,402
TRANSPORTATION & ENGINEERING SERVICES	
Engineering Services Planning Section	35,441
COUNTY-WIDE ADMINISTRATION	
Other County-wide Administrative Costs	199,111
PARKS AND RECREATION	
Administration Support Section	34,223
TOTAL IMPACT FEE ADMINISTRATION COSTS	\$ 358,343
1.00% Administrative Fees Retained	<u>\$ 56,330</u>
Excess Fees over Administrative Cost	<u>\$-302,013</u>

SUMMARY OF FINDINGS

Table 1.11 provides a cumulative comparison of this year's Impact Fee Administrative Cost to the previous twenty three (23) years.

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

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
FY 2013	70,207	352,086	-281,879
FY 2014	56,330	358,343	-302,013
TOTAL	<u>\$13,826,077</u>	<u>\$13,853,225</u>	<u>\$ -27,148</u>

Section III

DEPARTMENTAL ALLOCATIONS

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	
COMMUNITY DEVELOPMENT	
	<u>FY 2014</u>
DCD Director's Office	\$ 17,166
Other Divisions	72,402
TOTAL DEPARTMENTAL COSTS	\$ 89,568

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 1.2717% is determined.

TABLE 2.11 DIVISIONAL SALARY ANALYSIS			
DCD DIRECTOR'S OFFICE			
		FY 2014	
Position	% of time	total salary	impact fee salary
DCD Director	6.00%	137,760	\$ 8,266
Total Impact Fee Salaries			\$ 8,266
divided by: Total Divisional Salaries			\$ 649,972
Impact Fee Cost Factor			1.2717%

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 \$17,166.

TABLE 2.12		DIVISIONAL COST SUMMARY	
DCD DIRECTOR'S OFFICE			
		FY 2014	
Description	TOTAL	IMPACT FEE COSTS	
Salaries (from TABLE 2.11)		\$	8,266
Benefits/Other	\$ 279,951		3,560*
Operating Expense	235,644		2,997*
Capital Outlay	0		
DIRECT COSTS			\$ 14,823
INDIRECT COSTS	184,269		2,343
TOTAL IMPACT FEE COSTS			\$ 17,166

* Impact Fee Cost = Total Costs x Impact Fee Cost Factor (from TABLE 2.11)
** Source of Indirect Cost: FY 2014 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 two Permit Representatives. 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 1.6897% is determined.

TABLE 2.31 DIVISIONAL SALARY ANALYSIS			
DEVELOPMENT SERVICES DIVISION			
Position	% of time	FY 2014	
		total salary	impact fee salary
Permit Supervisor III	10%	42,979	4,298
Building Official	3%	109,110	3,273
Impact Fee Coordinator	33%	54,483	17,979
Permit Representative I	10%	33,170	3,317
Permit Representative II	15%	35,780	5,367
Permitting Supervisor	5%	109,002	5,450
Total Impact Fee Salaries			\$ 39,684
divided by: Total Divisional Salaries			\$2,348,531
Impact Fee Cost Factor			1.6897%

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 \$72,402.

TABLE 2.32 DIVISIONAL COST SUMMARY		
OTHER DIVISIONS		
	FY 2014	
Description	TOTAL	IMPACT FEE COSTS
Salaries (from TABLE 2.31)		\$ 39,684
Benefits/Other	\$ 963,749	16,284*
Other Operating	543,236	9,179*
Capital Outlay	0	
DIRECT COSTS		\$ 65,147
INDIRECT COSTS**	429,383	7,255
TOTAL IMPACT FEE COSTS		\$ 72,402

* Impact Fee Cost = Total Costs x Impact Fee Cost Factor (from TABLE 2.31)

** Source of Indirect Costs: FY 2014 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	
TRANSPORTATION SERVICES	
	<u>FY 2014</u>
Engineering Services Planning Section	\$35,441
TOTAL DEPARTMENTAL COSTS	\$35,441

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, Operations Manager, Project Manager, Technician II and Senior Planner. 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 5.8677%.

TABLE 3.21 DIVISIONAL SALARY ANALYSIS			
ENGINEERING SERVICES PLANNING SECTION			
Position	FY 2014		
	% of time	total salary	impact fee salary
Operations Manager	3%	99,692	\$ 5,982
DOT Director	3%	132,204	3,966
Project Manager	0%	0	0
Senior Planner	6%	73,118	4,387
Technician II	5%	42,235	2,112
Total Impact Fee Salaries			\$ 16,447
divided by: Total Divisional Salaries			\$280,297
Impact Fee Cost Factor			5.8677%

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 \$35,441.

TABLE 3.22 DIVISIONAL COST SUMMARY		
ENGINEERING SERVICES PLANNING SECTION		
Description	FY 2014	
	TOTAL	IMPACT FEE COSTS
Salaries (from TABLE 3.21)		\$16,447
Benefits/Other	\$116,690	6,847*
Other Operating	69,843	4,098*
Capital Outlay/Grants	39,003	
DIRECT COSTS		\$27,392
INDIRECT COSTS**	\$137,173	8,049
TOTAL IMPACT FEE COSTS		\$35,441

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

** Source of Indirect Costs: FY 2014 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 4.00) 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 4.00 DEPARTMENTAL COST SUMMARY	
COUNTY-WIDE INDIRECT COSTS	
	<u>FY 2014</u>
Budget/Non-Departmental/Purchasing	\$ 80,469
County Attorney/Internal Audit	17,058
Finance/Commissioners/County Manager	101,584
TOTAL DEPARTMENTAL COSTS	\$199,111

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 2014 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 2014 Central Services Full Cost Allocation Plan. Table 4.11 provides a breakdown of the fiscal year's cost allocations by the departmental source of costs and each Impact Fee Fund.

TABLE 4.11 ALLOCATED COSTS ANALYSIS				
COUNTY-WIDE INDIRECT COSTS - FY 2014				
Fund #	Fund Title	Sources of Indirect Costs		FY 2014 TOTALS
		Bud/Pur Non-Dept	Atty/Com Fin/Oth	
101	Fire Impact Fees	\$ 9,999	\$ 25,003	\$ 35,002
186	Comm Park Impact Fees	24,631	19,404	44,035
187	Regional Park Impact Fees	12,376	12,040	24,416
188	Road Impact Fees	24,301	21,615	45,916
189	EMS Impact Fees	9,162	13,703	22,865
TOTALS		\$ 80,469	\$91,765	\$172,234

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 2014 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 2014 Central Services Full Cost Allocation Plan. Table 4.12 provides a breakdown of the fiscal year's cost allocations by the departmental source of costs and each Impact Fee Fund.

TABLE 4.12		ALLOCATED COSTS ANALYSIS			
COUNTY-WIDE INDIRECT COSTS - FY 2014					
Fund #	Fund Title	Sources of Indirect Costs			FY 2014 TOTALS
		Budget Non-Dept	Attorney Fin/Oth		
185	School Impact Fees	\$11,006	\$ 15,871	\$ 26,877	
610	FMB Impact Fees				
611	Bonita Impact Fees				
630	Bonita Road Impact Fees				
TOTALS		\$11,006	\$15,871	\$ 26,877	

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 (5.00) summarizes the allocation of administrative impact fee costs in fulfilling impact fee tasks.

TABLE 5.00 DEPARTMENTAL COST SUMMARY	
Administrative Support Section	
	<u>FY 2014</u>
Administrative Support Section	\$34,223
TOTAL DEPARTMENTAL COSTS	\$34,223

DEPARTMENTAL ALLOCATIONS

Department of Parks and Recreation Administrative Support Section

Table 5.11 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 .1920% is determined.

TABLE 5.11 DIVISIONAL SALARY ANALYSIS			
Administrative Support Section			
Position	FY 2014		
	% of time	total salary	impact fee salary
Director	4%	109,783	\$ 4,391
Deputy Director	4%	101,174	4,047
Planner	4%	63,569	2,543
Fiscal Manager	4%	83,285	3,331
GIS Manager	0%	0	0
Total Impact Fee Salaries			\$ 14,312
divided by: Total Divisional Salaries			7,453,118
Impact Fee Cost Factor			.1920%

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 5.11), Fringe Benefits and Indirect Costs below in Table 5.12. The proportionate share of these costs excluding Capital Outlay is \$34,223.

TABLE 5.12 DIVISIONAL COST SUMMARY		
ADMINISTRATIVE SUPPORT SECTION		
Description	FY 2014	
	TOTAL	IMPACT FEE COSTS
Salaries (from TABLE 7.11)	3,739,872	\$ 14,312
Benefits/		7,181*
Other Operating	2,828,041	5,430*
Capital/Grants	422,232	
DIRECT COSTS		\$ 26,923
INDIRECT COSTS**	3,802,020	7,300
TOTAL IMPACT FEE COSTS		\$ 34,223

* Impact Fee Cost = Total Costs x Impact Fee Cost Factor (from TABLE 7.11)

** Source of Indirect Costs: FY 2014 Full Cost Plan/Depreciation Report