
County of Lee, Florida
FY 2015 - Impact Fee
Cost Allocation Plan

ACTUAL COSTS FOR THE YEAR ENDED

SEPTEMBER 30, 2015

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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, 2015 (FY 2015).

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 2015. 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 2015. 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 2015 administrative fee transfers made from Impact Fee Funds to the County MSTU Fund.

The fee transferred from the Impact Fee Fund is lower by \$418,608. Cumulatively over the past twenty five (25) years, there is a deficit in the Administrative recovery of \$ -445,756 (See Table 1.11, Page 4).

TABLE 1.00 SUMMARY OF TOTAL IMPACT FEE ADMINISTRATION COSTS	
LEE COUNTY, FLORIDA	
DEPARTMENT/DIVISION	FY 2015
COMMUNITY DEVELOPMENT	
DCD Director's Office	\$ 15,395
Other Divisions	74,615
TRANSPORTATION & ENGINEERING SERVICES	
Engineering Services Planning Section	25,691
COUNTY-WIDE ADMINISTRATION	
Other County-wide Administrative Costs	294,081
PARKS AND RECREATION	
Administration Support Section	34,739
TOTAL IMPACT FEE ADMINISTRATION COSTS	\$ 444,521
1.00% Administrative Fees Retained	<u>\$ 25,913</u>
Excess Fees over Administrative Cost	<u>\$-418,608</u>

SUMMARY OF FINDINGS

Table 1.11 provides a cumulative comparison of this year's Impact Fee Administrative Cost to the previous twenty four (24) 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.

TABLE 1.11 CUMULATIVE COMPARISON OF ADMINISTRATIVE FEES RETAINED AND ACTUAL COST OF LEE COUNTY'S IMPACT FEE PROGRAMS

<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
FY 2015	25,913	444,521	-418,608
TOTAL	<u>\$13,851,990</u>	<u>\$14,297,746</u>	<u>\$ -445,756</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 2015</u>
DCD Director's Office	\$ 15,395
Other Divisions	74,615
TOTAL DEPARTMENTAL COSTS	\$ 90,010

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 .9908% is determined.

TABLE 2.11 DIVISIONAL SALARY ANALYSIS			
DCD DIRECTOR'S OFFICE			
Position	FY 2015		
	% of time	total salary	impact fee salary
DCD Director	6.00%	123,650	\$ 7,419
Total Impact Fee Salaries			\$ 7,419
divided by: Total Divisional Salaries			\$ 748,771
Impact Fee Cost Factor			.9908%

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 \$15,395.

TABLE 2.12 DIVISIONAL COST SUMMARY		
DCD DIRECTOR'S OFFICE		
	FY 2015	
Description	TOTAL	IMPACT FEE COSTS
Salaries (from TABLE 2.11)		\$ 7,419
Benefits/Other	\$ 319,781	3,168*
Operating Expense	285,230	2,826*
Capital Outlay	0	
DIRECT COSTS		\$ 13,413
INDIRECT COSTS	200,045	1,982
TOTAL IMPACT FEE COSTS		\$ 15,395

* Impact Fee Cost = Total Costs x Impact Fee Cost Factor (from TABLE 2.11)
** Source of Indirect Cost: FY 2015 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 1.6556% is determined.

TABLE 2.31 DIVISIONAL SALARY ANALYSIS			
DEVELOPMENT SERVICES DIVISION			
		FY 2015	
Position	% of time	total salary	impact fee salary
Permit Supervisor III (2)	10%	108,010	10,801
Building Official	3%	112,383	3,371
Impact Fee Coordinator	33%	50,206	16,568
Permit Representative I	10%	40,270	4,027
Permit Representative II	15%	38,627	5,794
Permitting Supervisor	5%	50,220	2,511
Total Impact Fee Salaries			\$ 43,072
divided by: Total Divisional Salaries			\$2,601,519
Impact Fee Cost Factor			1.6556%

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 \$74,615.

TABLE 2.32 DIVISIONAL COST SUMMARY		
OTHER DIVISIONS		
	FY 2015	
Description	TOTAL	IMPACT FEE COSTS
Salaries (from TABLE 2.31)		\$ 43,072
Benefits/Other	1,004,504	16,631*
Other Operating	442,768	7,330*
Capital Outlay	0	
DIRECT COSTS		\$ 67,033
INDIRECT COSTS**	457,967	7,582
TOTAL IMPACT FEE COSTS		\$ 74,615

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

** Source of Indirect Costs: FY 2015 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 2015</u>
Engineering Services Planning Section	\$25,691
TOTAL DEPARTMENTAL COSTS	\$25,691

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 4.6307%.

TABLE 3.21 DIVISIONAL SALARY ANALYSIS			
ENGINEERING SERVICES PLANNING SECTION			
Position	% of time	FY 2015	
		total salary	impact fee salary
Operations Manager	4%	99,692	\$ 3,988
DOT Director (1)	2%	74,716	1,494
DOT Director (2)	1%	57,985	580
Senior Planner	5%	73,118	3,656
Technician II	4.015	83,258	3,342
Total Impact Fee Salaries			\$ 13,060
divided by: Total Divisional Salaries			\$282,029
Impact Fee Cost Factor			4.6307%

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 \$25,691.

TABLE 3.22		DIVISIONAL COST SUMMARY	
ENGINEERING SERVICES PLANNING SECTION			
Description	FY 2015		
	TOTAL	IMPACT FEE COSTS	
Salaries (from TABLE 3.21)		\$13,060	
Benefits/Other	\$119,512	5,534*	
Other Operating	68,374	3,166*	
Capital Outlay/Grants	40,003		
DIRECT COSTS		\$21,760	
INDIRECT COSTS**	\$ 84,898	3,931	
TOTAL IMPACT FEE COSTS		\$25,691	

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

** Source of Indirect Costs: FY 2015 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 2015</u>
Budget/Non-Departmental/Purchasing	\$173,841
County Attorney/Internal Audit	17,525
Finance/Commissioners/County Manager	102,715
TOTAL DEPARTMENTAL COSTS	\$294,081

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 2015 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 2015 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 2015				
Fund #	Fund Title	Sources of Indirect Costs		FY 2015 TOTALS
		Bud/Pur Non-Dept	Atty/Com Fin/Oth	
101	Fire Impact Fees	\$24,249	\$ 27,653	\$ 51,902
186	Comm Park Impact Fees	39,164	23,599	62,763
187	Regional Park Impact Fees	25,544	13,152	38,696
188	Road Impact Fees	37,993	23,422	61,415
189	EMS Impact Fees	24,072	14,851	38,923
TOTALS		\$151,022	\$102,677	\$253,699

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 2015 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 2015 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 2015				
Fund #	Fund Title	Sources of Indirect Costs		
		Budget Non-Dept	Attorney Fin/Oth	FY 2015 TOTALS
185	School Impact Fees	\$22,819	\$ 17,563	\$ 40,382
610	FMB Impact Fees			
611	Bonita Impact Fees			
630	Bonita Road Impact Fees			
TOTALS		\$22,819	\$17,563	\$ 40,382

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 2015</u>
Administrative Support Section	\$34,739
TOTAL DEPARTMENTAL COSTS	\$34,739

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 .1892% is determined.

TABLE 5.11 DIVISIONAL SALARY ANALYSIS			
Administrative Support Section			
		FY 2015	
Position	% of time	total salary	impact fee salary
Director	4%	115,299	\$ 4,612
Deputy Director	4%	94,914	3,797
Planner	4%	66,111	2,644
Fiscal Manager	4%	86,285	3,451
GIS Manager	0%	0	0
Total Impact Fee Salaries			\$ 14,504
divided by: Total Divisional Salaries			7,667,252
Impact Fee Cost Factor			.1892%

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 \$34,739.

TABLE 5.12 DIVISIONAL COST SUMMARY		
ADMINISTRATIVE SUPPORT SECTION		
Description	FY 2015	
	TOTAL	IMPACT FEE COSTS
Salaries (from TABLE 7.11)	3,909,572	\$ 14,504
Benefits/		7,397*
Other Operating	2,815,730	5,327*
Capital/Grants	410,271	
<hr/>		
DIRECT COSTS		\$ 27,228
INDIRECT COSTS**	3,969,960	7,511
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TOTAL IMPACT FEE COSTS		\$ 34,739

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

** Source of Indirect Costs: FY 2015 Full Cost Plan/Depreciation Report



