



Preface

The Institute for Senior Professionals (ISP), Okaloosa-Walton Community College, is an organization comprised of talented and experienced retired individuals from business, industry, government, military and academic fields. They are committed to assisting the local community by contributing their professional expertise, without compensation, in community and government problem solving, participation in economic development of the college district, and volunteer participation in various educational programs of the college.

The ISP has participated in such projects as educational funding for Okaloosa-Walton Community College, Okaloosa County Government Consolidation and Transportation Study, developed a short- and long-range plan for Okaloosa County facility and office space needs, conducted a management study for the County School System, as well as conducted a management analysis of the County Health Department. ISP also has developed and implemented an Elderhostel Program, developed and implemented a Prime Time seniors program which is in its second successful year of operation and completed a management and efficiency study for the Salvation Army Chapter for Okaloosa County.

This report, "A Study of the Okaloosa County Fee Schedules", was accomplished by the ISP at the request of the Chairman, Board of County Commissioners. It is intended to assist the County Commissioners and the County Manager in updating and expanding, as appropriate, the fees required to be charged for county services, as well as assist in improving overall management and efficiency of county operations.

The ISP is pleased to have had this opportunity to serve the citizens of Okaloosa County through the Board of County Commissioners to whom this report is submitted. The ISP expresses sincere thanks and appreciation to the Chairman, Board of County Commissioners, the County Manager, the department directors, and all the many county professional and technical employees and staffs for their friendly and courteous support throughout the duration of this study.

A handwritten signature in black ink that reads 'William B. Maxson'. The signature is written in a cursive, slightly slanted style.

William B. Maxson
Chairman

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EXECUTIVE SUMMARY

The Board of County Commissioners requested the ISP to study the County Fee Schedules with the view toward updating current fees charged for county services by the Planning and Inspection Department, the Department of Airports, and the Department of Emergency Services. In addition, the ISP was requested to review these operations and propose, as appropriate, new fees for services not currently covered by the Fee Schedules. Fees for Occupational Licenses and fees for Penalties and Fines were excluded. The ISP was further requested to use as a starting point the 1988 David M. Griffith and Associates, Ltd. report "Fees for Services: A Cost/Revenue Study", (DMG Study).

It is standard practice of federal, state, and local governments to charge fees for certain services provided under their regulatory and/or enforcement responsibility to specific citizens, industries and/or businesses. These services are not general enough in nature to apply fairly to the general population to be paid for by ad-valorem tax revenues. While profit-making is not an objective, it is customary to fully recover all costs associated with providing such services. It must be recognized that services provided to individual citizens are for their personal benefit and do not directly benefit the public-at-large. Businesses, industry, entrepreneurs, and other commercial activities are engaged in profit-making and the cost of fees are "pass-through" costs ultimately paid for by the consumer.

The ISP study compared appropriate Okaloosa fee schedules and operating procedures with the other Northwest Florida counties such as Walton, Escambia, Bay, Santa Rosa, Holmes, Duval/Jacksonville, and Leon, as well as the South Florida County of Collier, Escambia County, Alabama, and appropriate federal and state regulations, business and industry standards, local **and** national professional standard-setting organizations and the DMG Study.

The ISP found generally that:

- ◆ The volume of workload required and the cost of services to be provided are steadily increasing proportionately to the general overall economic and population growth of Okaloosa County;
- ◆ Fees charged by Okaloosa County are out-of-date and below the average fees charged by other NW Florida counties and/or standards recommended by professional organizations;
- ◆ There are areas where fees are not charged by Okaloosa County, but are customarily charged by other counties and are professionally recommended;
- ◆ There does not appear to have been a routine management process in the past for updating fees and/or comparing Okaloosa County with other government entities and industry/professional standards;
- ◆ Year-end transfers of General Revenue Funds are routinely made to off-set operating losses in Enterprise Funds where revenues must equal expenditures. General Revenue Funds could be used for other purposes if fees are charged appropriately;
- ◆ More attention should be given to determining the divisions of workload and costs for providing services which are direct government functions and which are appropriately paid for by General Revenue Funds, as opposed to those which should be reimbursable through fee schedules and included in an Enterprise Fund;
- ◆ Medicare reimbursement to the county for EMS services is reduced because fees are too low. In addition, since reimbursement rates are set by regional

average fees, low Okaloosa fees impacts reimbursement levels for other NW Florida counties;

- ◆ The Department of Airports in the past has been too directly dependent on federal/state funds to cover the cost of operations. If those external funds do not materialize, which sometimes happens, county General Revenue Funds must be used to cover any shortfalls;
- ◆ The quality level of some services is lacking due to current funding levels;
- ◆ County/Industry relations, while not a serious problem, could and should be improved in certain areas.

The ISP proposes the following specific recommendations, which are detailed in the report, for serious consideration by the Board of County Commissioners, the County Manager, and the Department Directors.

RECOMMENDATIONS

Planning and Inspection:

- 1.) The Planning and Inspection Department should conduct an analysis of all Department operations to determine the percent of all costs between general revenue versus reimbursement fees.
- 2.) Establish an additional Enterprise Fund for the Planning/Development operations as appropriate.
- 3.) Prorate the salaries and benefits of the Director and the Assistant Director between the current Enterprise Fund (63%) and the additional one recommended (37%).
- 4.) Develop and establish a more comprehensive Fee Schedule for Planning/Development projects similar to the schedules identified as Addendum 1 and Addendum 2.

- 5.) Develop and establish a plan review fee for Planning/Development projects similar to the Holmes and/or Collier County Schedule. (Addendums A and B). Fee to be collected at time of submission.
- 6.) The construction cost of valuation for single family residences, duplex residences, townhouses, patio homes, and apartments (three stories or less) be increased to at least \$35 per square foot, and this rate be evaluated and updated as appropriate each year.
- 7.) Adapt a rate of \$30 in lieu of \$10 for calculating all initial inspections and subfees which are a derivative of the cost of a specific inspection such as sewer, temporary electric pole, electric service, gas-fired equipment, etc., and update as appropriate, each year.
- 8.) Increase all re-inspection fees to \$30 in lieu of \$10 and update as appropriate each year.
- 9.) Adopt and establish a plan review fee equal to ½ of the cost of the basic building permit cost and collect entire fee at time of submission.
- 10.) Increase the cost of valuations for apartments, and condominiums from \$25 per square foot to \$35 per square foot for the first three stories; from \$30 per square foot to \$40 per square foot for the next three stories; and \$35 per square foot to \$40 per square foot for all stories over six stories. Update, as appropriate these cost valuations each year.
- 11.) Evaluate the feasibility of developing and adopting a separate fee schedule for commercial construction including apartments, condominiums, hotels, motels, shopping centers, office buildings, industrial, institutional, hospitals, educational facilities, warehouses, and general retail construction at an appropriate future date.

- 12.) Okaloosa County establish a joint committee comprised of representatives of the Planning and Inspection Department, BIA, and a third independent groups, such as the ISP, or other professional organization, to review all fees and update as appropriate each year. Also, the Director, Planning and Inspection Department, should become a full participating member of the BIA, or at the least an associate (non-voting) member.
- 13.) Establish at least a 90-day waiting period between public notice of future proposed fee changes and the effective date of new fees.

Airports:

- 1.) Alternate contract expiration dates/years should be set in order to facilitate management focus on the most critical contract renewal/negotiations.
- 2.) The committee charter be published and expanded to advise on other contractual matters as required, determine all fees, and update fees as appropriate, and the structure of this committee be reviewed to determine that appropriate expertise is represented by the membership.
- 3.) The landing fee schedule should be reviewed by the airline Lease Review Committee with the objective of bringing local fees in line with other area airports.
- 4.) A \$3/PFC be established for the Okaloosa County Airport in FY 1995.
- 5.) The Department of Airports should commission a feasibility study for the construction of a three-four story parking facility on a portion of the existing parking lot or consider moving rental car operations to a remote site.
- 6.) Increase the long term parking fee from \$4 to \$4.50 per day.
- 7.) Further negotiations should be conducted with Eglin AFB for approval to move the new parking lot retention pond southward adjacent to the lot, and construction of

an access road from Highway 85 along the south perimeter of the lot to the drop-off area should also be negotiated.

- 8.) Provide a highly-qualified individual to assist the director in overseeing the day-to-day operations at the Sikes and Destin Airports.

Emergency Services:

- 1.) Increase fees for the principle EMS Services provided and original fees for new services as follows. (See page 39)
- 2.) Adopt the following schedule of fees for services procedures, equipment and medications for Fiscal Year 1995. (See page 40 - 42)

I. INTRODUCTION

In a letter dated January 27, 1993, the Chairman, Okaloosa Board of County Commissioners, Mr. Ray Sansom, requested the Institute for Senior Professionals (ISP) of Okaloosa-Walton Community College to conduct a study of the fees charged for various services provided by Okaloosa County and make recommendations for updating the fee system in the following areas:

1. Emergency Services (EMS)
2. Airports
3. Planning and Inspections
4. Animal Control
5. Water and Sewer

After an initial review by ISP, it was found that the fee structure covering the water and sewer operations are set and regulated by state statute and other county ordinances and are adjusted every two years based on established rate criteria and current local economy indexes. It was also found that the fees charged in connection with the animal control operations are part of the negotiated contract which Okaloosa County has with the Pet and Animal Welfare Society (PAWS) which is the primary contract operator for the Okaloosa County Animal Control Program. There is no county department for this activity.

Therefore, by agreement with the Chairman, Board of County Commissioners, the water and sewer fees and animal control fees were eliminated from the ISP study.

The ISP initial review also found that Okaloosa County commissioned the consulting firm of David M. Griffith and Associates, Ltd, (DMG) of Tallahassee, Florida to conduct a

user-fee study for various county operations. The DMG study was completed in early 1988; however, for unknown reasons the recommendations contained in the report were never adopted. By agreement with the Chairman, Board of County Commissioners, ISP used the DMG study as a starting point. Therefore, appropriate organizational information, statistical data, professional analysis and rationale by DMG has been considered by ISP in this study.

It should be further noted that the completion of this study was delayed by mutual agreement between the county and ISP pending the establishment and filling of the new County Manager position, and the completion of several key departmental personnel changes.

II. OBJECTIVES AND APPROACH

A. Objectives:

Based on the specific request of the Board of County Commissioners, the objectives of this study were to:

1. Review the current fees structure for the Departments of Emergency Services, Planning and Inspection, and Airports and update as appropriate.
2. Further review these operations with the view of adding, where appropriate, new fees for services not covered by the current systems.

B. Approach:

The ISP performed the following tasks in accomplishing the above-stated objectives:

1. Reviewed departmental operations, staffing, procedures and policies.
2. Reviewed departmental budget and financial procedures.

3. Interviewed the Chairman, Board of County Commissioners, the County Manager, departmental heads, supervisors and other professional/technical employees.
4. Interviewed business and trade organizations and users of county services.
5. Reviewed the DMG Study, *Fees for Services: A Cost/Revenue Study February 1988*
6. Compared Okaloosa County procedures and fees to those in Escambia, Bay, Walton, Leon, Duval/City of Jacksonville, Collier, and Santa Rosa Counties, appropriate industry standards and the DMG Study recommendations.

III. POLICY AND ECONOMIC CONSIDERATIONS

It is standard practice of federal, state and local governments to charge user fees for certain services provided under their regulatory and/or enforcement responsibility to specific territorial residents, non-residents, industries, and/or businesses who primarily benefit from such services. These services are not general enough in nature to apply fairly to the general population, and therefore should not be paid for by ad-valorem tax revenues. While profit-making is not an objective of governmental entities, it is common practice where appropriate to fully recover all costs associated with providing such services.

Conversely, it is accepted policy not to fully recover costs for providing governmental services where there is over-lap between pure government services applicable to the total populace and governmental-type services not required or utilized by all the general populace. These services could be regarded as "desirable" but not "essential".

It is common for opposition pressures to surface from benefactors of user-fees when increases are proposed. It is expected that such opposition pressures will arise again in the future. Therefore, it is incumbent on county officials when determining fees to be charged to carefully define all functions where reimbursement is appropriate and insure that such reimbursement is fairly assessed and is sufficient to cover all applicable government costs. Government officials must also recognize that commercial businesses, entrepreneurs, industries, professionals, etc. are engaged in profit-making and in all cases any fees paid by them are "pass-through" costs ultimately paid for by the consumer and services provided to individual citizens are for their specific and personal benefit and do not apply to the general public. Examples of such costs are subdivisions and planned unit developments including residential, commercial and industrial projects, building permits, airport use-fees, zoning fees, certain emergency service fees, certain licensing fees, etc.

Since opposition pressures may arise should county officials proceed to implement recommendations in this report, ISP has met with and obtained the views of the Building Industry Association (BIA), airline companies, pilots, commercial operators of the airports, medical and insurance industry representatives, users of county services, etc. in developing this study.

IV. EXCLUSIONS

A. Fees for Occupational Licenses:

Fees for Occupational Licenses were reviewed and found to be at the maximum limitations allowed by Florida Statute 205.033. Therefore, this study does not include an analysis nor recommendations concerning Occupational License fees.

B. Fees for Penalties and Fines:

Fees for violation of county ordinances are set and regulated by appropriate State Statutes and/or County Code Enforcement Boards, and are prosecuted by the State/County Judicial System through the Clerk of the County Court. Therefore, this study does not include an analysis nor recommendations concerning penalty and/or fine fees per se, however, the study does speak to "enforcement" responsibilities of the departments reviewed.

V. PLANNING AND INSPECTION DEPARTMENT

A. General:

Research by the ISP for this study revealed that past attempts to increase fees associated with this department have been met with various degrees of opposition. The argument has been made that such fee increases could cause an adverse impact on residential and commercial development and construction in the county. This is a weak position since all costs of building permits, inspections, zoning, rezoning, land development, etc. are fully recovered by the developers, contractors, realtors, subcontractors, etc. in their cost estimates and pricing to their clients. A specific area's economic growth is a direct factor of the overall general economy involving many factors as outlined in the following newspaper article which appeared in the *Northwest Florida Daily News*, July 31, 1993.

Construction activity apparently on upswing in Okaloosa County

By LEE FORST
Daily News Staff Writer

Construction activity in Okaloosa County during the first six months of 1993 is up 9 percent over the same period last year, according to a New York-based firm.

F.W. Dodge, a division of McGraw-Hill Inc. that produces the Dodge Reports, also cites a 21 percent jump in the value of "contracts for future construction" in June over the same month in 1992.

The statistics are based on building permits, newspaper accounts, opinions of architects and engineers and other sources to project the value of residential and non-residential construction.

Non-residential work is the primary reason for the jump. Through June of this year, Dodge has projected more than \$15.76 million worth of construction. That is up 18 percent from the first six months of 1992.

The figures are more dramatic for June. The \$5.08 million worth

of work is up 72 percent from June 1992.

Basil Bethea III, of Realty House, said he understands how Dodge projected such a large increase. Commercial construction and renovation is booming this year, he said.

"The market picked up considerably," Bethea said. "Destin probably has the strongest new construction."

Although the report would not necessarily include releasing vacant space, Bethea noted renovations requiring building permits are common when new tenants move in.

"If you lease the space, the landlord will go in and do a lot of construction," he said.

Although the figures are not as dramatic, residential construction has picked up this year as well.

Dodge has estimated more than \$48.6 million in activity through June, up 6 percent from the first six months of 1992. June projections are about the same as June 1992.

David Armacost, executive di-

rector of the Building Industry Association of Okaloosa-Walton Counties, said Okaloosa has weathered slow economic times better than other areas. The influx of military families and second home buyers have provided a safety net for home builders.

Favorable financing is also a factor.

"The money right now is as cheap as you've seen it," Armacost said of interest rates. "The market right now is a real strong market."

Destin, Crestview and the area west of Hurlburt Field have been particularly strong this year.

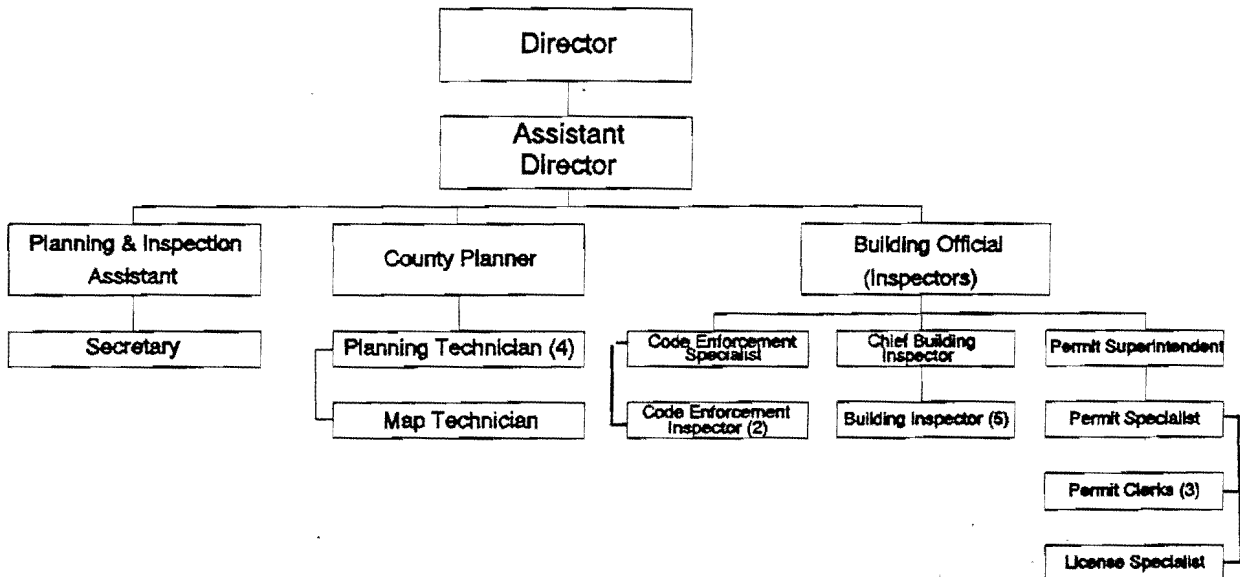
"Crestview's really starting to go again," Armacost said. "There's a lot of activity up there."

As can be seen from the above article, economic growth in Okaloosa County does not rise or fall on the individual decisions of builders, developers, or realtors as relates to the costs of building permits or zoning cases. Therefore, county officials have a serious responsibility to insure fair and proper use of ad-valorem tax dollars and recovering actual costs of government and regulatory operations which may permit financial benefit to a few individuals or groups of citizens engaged in profit-making enterprises.

B. Organization:

The Planning and Inspection Department is responsible for the issuance of building permits, development project permits, inspection of construction projects, contractor licensing, rezoning, and code enforcement. For the reasons previously stated, contractor licensing has been excluded from this study.

The department is structured as follows:



Total Staffing: 26

C. Budget and Operational Costs:

The Planning and Inspection Department operates under a General Revenue Budget for planning/development activities and an Enterprise Fund for the balance of the Department's Functions. In accordance with state statutes, an Enterprise Fund must generate revenues equal to expenditures. This includes amortization of all salaries and benefits, space, equipment, supplies, administrative costs, and direct operational costs. Some department and finance officials interviewed by ISP feel that a true Enterprise Fund is the appropriate way for all functions of the Planning and Inspection Department to be funded.

The departments' total budget has experienced steady growth in recent years due to increased construction and land development in Okaloosa County. The 1992 budget required a transfer of approximately \$90,000 from General Revenue Funds. Based on the workload level so far during the current budget year, another fund transfer is likely.

ISP found that prior to the 1993 budget, the salary of the Department Director was totally funded from General Revenue while the Assistant Director's salary was included in the Enterprise Fund. Under the proposed 1994 budget, the salaries and benefits of the Director and the Assistant Director will be prorated between the General Revenue (37%) and the Enterprise Fund (63%). This is a more equitable method since the duties of these two positions cut across both funding areas.

The major objection of the building industry at past attempts by the county to adjust fees charged by the Planning and Inspection Department is that contractors, subcontractors and builders believe that only direct and actual costs for issuing building permits and inspecting construction should be used in calculating permit fees. They feel that operating a break-even enterprise fund which could include costs associated with land development

and rezoning or which includes costs for home occupation and signature licenses, grandfathering, variances, special exception matters, sign permits, code enforcement not directly related to construction projects, etc. is unfair to contractors and subcontractors. They maintain that the building industry should not have to pay any portion of recovery costs for non-construction-type items or services. Previous and on-going law suits in the State of Florida are cited by construction industry groups in connection with this issue.

Okaloosa County could consider establishing an additional Enterprise Fund as a possible solution to this problem. One fund could cover all matters involved in review of plans, issuing building permits and inspection of construction. This would include code enforcement, signs, etc. as directly related only to the specific building project. The other fund could cover all other matters of the department involved with review and approval of land development projects, planning matters, rezoning, licensing, code enforcement, etc. not directly related to a specific building project. Fees would be set to cover the costs of operating each fund. This would offer a simple means to handle operations within the Department and provide a clear means to improve integrity with the industries involved and the general public. Other solutions might be to develop a detailed accounting process under the present budget system which would accomplish the necessary proration of costs or make a policy determination as to the division of responsibility in terms of percent based on an internal analysis of operational procedures and use this as a basis to structure an appropriate Enterprise Fund.

The ISP Study found that there is a definite division of responsibility in a large portion of the functions performed by the Planning and Inspection Department between government/general revenue and fee/recoverable costs. It is not possible for the ISP to determine with any degree of accuracy all the many functions involved in the Department

and the overlap with other organizations or activities, salary distribution, administration, direct and indirect operational costs, etc. Such data would be required in order to accurately and equitably determine the specific costs where reimbursement is necessary and in developing fee schedules. This becomes very important when dealing with industry and public pressures opposing fee increases. An analysis of this Department's operations should be conducted internally to determine the percent of general revenue versus reimbursement fees required.

Recommendation # 1:

The Planning and Inspection Department should conduct an analysis of all Department operations to determine the percent of all costs between general revenue versus reimbursement fees. We believe this should be done for obvious management and budget purposes whether or not it is used as the primary basis for determining fees.

Recommendation #2:

Establish an additional Enterprise Fund for the Planning/Development operations as appropriate. All Costs, income and expenditures should be included not withstanding the organizational element(s) involved.

Recommendation #3:

Prorate the salaries and benefits of the Director and the Assistant Director between the current Enterprise Fund (63%) and the additional one recommended above (37%).

D. Planning/Development

1. General:

Okaloosa County has an abbreviated schedule of fees for approving Planned Unit Development (PUD) Projects (high density residential such as condos, apartments, hotels, motels, etc); Subdivision Projects (detached residential homes on single lots); and Area-Wide Impact Projects larger than 100,000 square feet (shopping centers, industrial, institutional, and general business-type). The fee for rezoning involved with any of the above is separate and is currently set at \$500 per project.

The ISP review found that these fees which constitute the major portion of the projects under the Planning/Development area are significantly under comparable fees charged by other Florida counties and Planning Councils. For example, the fee for a proposed residential subdivision of 100 lots would be \$150 plus \$10/lot (\$1,000) or \$1,150 total. Whereas the fee for the same subdivision in Holmes County, Florida, under the fee schedule adopted by the West Florida Regional Planning Council would be \$3,000 (subdivision over 24 lots in size). Also, the fee for the same subdivision in Collier County, Florida would be \$2,500 plus notification costs. In addition to this fee, Holmes County would charge a review fee of \$500 while Collier County would charge a \$1,500 review fee.

A token fee based on square foot size is charged for "Areawide Impact Projects" under 100,000 square feet. The ISP believes that due to the nature of these projects, one under 100,000 square feet could require as much review, inspection, and oversight for code compliance as the larger ones. Therefore, a fee should be charged for all smaller Areawide Impact Projects based on a graduated scale considering size, complexity, number of inspections required, etc.

Okaloosa County currently charges a fixed minimum fee plus a token fee per lot or unit included in the development project (subdivision, PUD). Obviously, larger projects with more parcels and/or buildings (units) are more complex and require more time and effort to review, process, inspect, etc. than smaller ones. Therefore, a realistic size scale should be included in the fee schedule. It should also take into account the complexity of the project and costs required by the county to perform all functions.

The four counties in NW Florida have fee schedules in place for planning/development projects similar to Okaloosa County but the fees vary depending on the method of calculation used. The ISP found, however, that Holmes County, Florida has a size scale (# of parcels, lots or size of commercial units, etc.) and a fee schedule developed by the West Florida Regional Planning Council which might be considered by Okaloosa County as a Model. (Addendum #A) Other important features which might be included are contained in the Fee Schedule for Collier County, Florida. (Addendum #B)

In accordance with County Ordinances applications for rezoning, PUD's and subdivisions must be approved by the Board of County Commissioners. Applications for variances, after-the-fact variances, special exceptions, appeal of administrative decisions, grandfathering, and other similar matters are reviewed and approved by the Board of Adjustment.

The following chart shows the volume of work for the past two years, 1992 and 1993:

Board of County Commissioners

Year	Rezoning # App	Rezoning Fees Charged	PUD's # App	PUD's Fees Charged	SubDiv # App	SubDiv Fees Charged	Total # App	Total Fees Charged
1992	30	\$15,000	30	\$11,970	19	\$6,950	79	\$33,920
1993	31	\$15,500	28	\$9,420	17	\$7,970	76	\$32,890

Board of Adjustment

Year	Variance # App	Variance Fees Charged	After-the- Fact Variances # App	After-the- Fact Variances Fees Charged	Special Exception # App	Special Exception Fees Charged	Misc # App	Misc Fees Charged	Total # App	Total Fees Charged
1992	34	\$5,100	19	\$2,850	11	\$1,650	7	\$1,050	71	\$10,650
1993	34	\$5,100	23	\$3,450	7	\$1,050	2	\$300	66	\$9,900

As can be seen from the above, the volume of business in numbers of applications and fees charged for 1992 and 1993 is very comparable and shows a stable trend. However, the number of applications received through May in 1994 is up for the board of County Commissioners, (30 applications/\$12,370 versus 27 applications/\$11,610 fees) for the same period in 1993. Likewise the volume of business handled by the Board of Adjustments is significantly increased for the first five months in 1994, (45 applications/\$7,050 fees versus 24 application/\$3,600) fees for the same period in 1993.

The analysis indicates a definite increase in the amount of residential and commercial development and construction that is currently taking place in Okaloosa County. Due to the lead time involved in the development process and the time required for construction, it is reasonable to assume that the impact of this up-trend will continue through 1994 and into 1995. Volume of business is an important factor for consideration when determining fees.

Recommendation #4:

Develop and establish a more comprehensive Fee Schedule for Planning/Development projects similar to the schedules identified as Addendum 1 and Addendum 2.

2. Plan Review:

There is no fee covering the cost to Okaloosa County to conduct required plan reviews for Planning/Development projects. Such reviews are extensive and time consuming. Also, if an application is rejected or withdrawn, there is no way to recover the cost of the required review. Under the current fee schedule, only the cost of processing the application is included for rezoning and permit approval. A preliminary review fee should be charged up front in all such cases regardless of whether or not there is an ultimate final approval granted.

The ISP Study found that the County Engineering Department is often involved in the review and analysis of Planning/Development applications for such matters as traffic, parking, drainage, utilities, etc. In addition, other county elements such as the Sheriff's Department and/or the County School Board could be involved in a particular project review. There is no indication that the time and expense of such reviews are prorated to the Planning and Inspection budget accounts or considered when setting fees.

Recommendation #5:

Develop and establish a plan review fee for Planning/Development projects similar to the Holmes and/or Collier County Schedule. (Addendums A and B). Fee to be collected at time of submission. Such fees should include all costs incurred by the County no matter which department or organizational unit is involved.

E. Building Permits and Inspections

The issuance of building permits and the inspection of construction projects represent the major portion of the total workload and budget of the entire Planning and Inspection Department. Sixteen of the current 24 technical and administrative staff are involved in permits and inspection activities.

The ISP reviewed the fee schedule for Okaloosa County and compared it to the fee schedules of six other Northwest Florida counties (Escambia, Bay, Walton, Duval/City of Jacksonville, Leon, and Santa Rosa), the DMG Study, and the Southern Building Code recommended fees. It was found that the counties vary greatly in the base criteria for calculating permit fees and use different cost estimating techniques. This situation made it difficult to conduct an "absolute" comparison.

Accordingly, it was necessary to develop a "Typical Model" to use in calculating permit fees for comparison purposes. The following chart shows the comparison of permit fees by each county based on the model. The fees shown on the chart were verified with each county for accuracy.

1. Typical Model

- Single Family Residence, 2,000 square feet
- 2½ Baths
- Fireplace
- 13 Plumbing Fixtures
- 20 Heat/AC Outlets (2 returns)
- 200 AMP Electric Service
- 4 Smoke Alarms
- 35 Electrical Circuits, 30 Switches, 30 Rec., 20 Light Fixtures, 7 Motors

- 3 Bedrooms
- 2 Car Garage
- 3 Ton Air Conditioning
- 1 Water Heater
- Gas Service (3 outlets)
- Lawn Sprinkler System

Comparison Chart

Permit Fee Item	Okaloosa	Escambia	Bay	Walton	Santa Rosa	Griffith (DMG) Study	Southern Building Code	Duval/Jax/ville	Leon
Building	\$176.50	\$132.00	\$240.00	\$176.50	\$115.00	\$309.00	\$280.00		
Mechanical, Heat, AC	55.00	52.50	42.00	26.00	36.00	30.00	16.00		
Plumbing	34.00	155.25	64.00	31.00	75.00	30.00	50.00		
Electrical	55.00	52.50	17.50	45.00	40.00	30.00	* 44.00	\$25.00	\$86.70
Sewer	30.00	26.25	10.00	1.50		30.00	5.00		
Temp. Elec. Pole	30.00	26.25	15.00	10.00	18.00	35.00	* 21.50	20.00	37.00
Gas Fired Equipment	23.00	38.25	19.50	30.00	30.00	40.00	8.50		
Elec. Svc. Charge	30.00	26.25	25.00	10.00		30.00	* 24.25		
Lawn Sprinkler	30.00	27.00		30.00					
Total	\$463.50	\$536.25	\$433.00	\$360.00	\$314.00	\$534.00	\$449.25		
Reinspection	\$10.00	\$26.25	\$20.00	\$10.00	\$18.00	\$45.00	\$ 5.00		
Plan Review		½ Bldg Permit	½ Bldg Permit		½ Bldg Permit		½ Bldg Permit		

* No SBC data. Collected elsewhere. (See explanation next page)

Recommendation #5:

Develop and establish a plan review fee for Planning/Development projects similar to the Holmes and/or Collier County Schedule. (Addendums A and B). Fee to be collected at time of submission. Such fees should include all costs incurred by the County no matter which department or organizational unit is involved.

E. Building Permits and Inspections

The issuance of building permits and the inspection of construction projects represent the major portion of the total workload and budget of the entire Planning and Inspection Department. Sixteen of the current 24 technical and administrative staff are involved in permits and inspection activities.

The ISP reviewed the fee schedule for Okaloosa County and compared it to the fee schedules of six other Northwest Florida counties (Escambia, Bay, Walton, Duval/City of Jacksonville, Leon, and Santa Rosa), the DMG Study, and the Southern Building Code recommended fees. It was found that the counties vary greatly in the base criteria for calculating permit fees and use different cost estimating techniques. This situation made it difficult to conduct an "absolute" comparison.

Accordingly, it was necessary to develop a "Typical Model" to use in calculating permit fees for comparison purposes. The following chart shows the comparison of permit fees by each county based on the model. The fees shown on the chart were verified with each county for accuracy.

1. Typical Model

- Single Family Residence, 2,000 square feet
- 2½ Baths
- Fireplace
- 13 Plumbing Fixtures
- 20 Heat/AC Outlets (2 returns)
- 200 AMP Electric Service
- 4 Smoke Alarms
- 35 Electrical Circuits, 30 Switches, 30 Rec., 20 Light Fixtures, 7 Motors

- 3 Bedrooms
- 2 Car Garage
- 3 Ton Air Conditioning
- 1 Water Heater
- Gas Service (3 outlets)
- Lawn Sprinkler System

Comparison Chart

Permit Fee Item	Okaloosa	Escambia	Bay	Walton	Santa Rosa	Griffith (DMG) Study	Southern Building Code	Duval/Jax/ville	Leon
Building	\$176.50	\$132.00	\$240.00	\$176.50	\$115.00	\$309.00	\$280.00		
Mechanical, Heat, AC	55.00	52.50	42.00	26.00	36.00	30.00	16.00		
Plumbing	34.00	155.25	64.00	31.00	75.00	30.00	50.00		
Electrical	55.00	52.50	17.50	45.00	40.00	30.00	* 44.00	\$25.00	\$86.70
Sewer	30.00	26.25	10.00	1.50		30.00	5.00		
Temp. Elec. Pole	30.00	26.25	15.00	10.00	18.00	35.00	* 21.50	20.00	37.00
Gas Fired Equipment	23.00	38.25	19.50	30.00	30.00	40.00	8.50		
Elec. Svc. Charge	30.00	26.25	25.00	10.00		30.00	* 24.25		
Lawn Sprinkler	30.00	27.00		30.00					
Total	\$463.50	\$536.25	\$433.00	\$360.00	\$314.00	\$534.00	\$449.25		
Reinspection	\$10.00	\$26.25	\$20.00	\$10.00	\$18.00	\$45.00	\$ 5.00		
Plan Review		½ Bldg Permit	½ Bldg Permit		½ Bldg Permit		½ Bldg Permit		

* No SBC data. Collected elsewhere. (See explanation next page)

The Southern Building Code (SBC) which is the industry standard does not include a recommended fee for electrical work, temporary electric pole, or electric service hookup charge. The SBC headquarters in Birmingham, Alabama, the national Electrical Code and Standards headquarters in Boston, Massachusetts, and the Florida Department of Community Affairs in Tallahassee, Florida were contacted and advised that all electrical fees are determined locally by state/county. Therefore, in order to determine the best areawide standard for Northwest Florida, the ISP included electrical fees charged by Duval/City of Jacksonville, and Leon County, Florida in these comparisons. This broadened the base for these items to seven (7) counties including Okaloosa.

As can be seen from the chart, the basic building permit fee for Okaloosa County is below Bay County and the SBC recommended fee. It is also significantly below the DMG Study recommendations which were based on an actual cost approach. This fee is higher than Escambia and Santa Rosa Counties due to a lower calculation base and the same as Walton County which has adopted the Okaloosa Fee Schedule.

The total cost of all permits for the model residence for Okaloosa County is below the cost for Escambia County and below the DMG cost approach recommendation. It is slightly above the SBC Standard, however, the SBC is only an industry guide and stresses the need for fees to be comparable in specific areas and comply with state statutes requiring actual cost recovery. Okaloosa County calculates the construction cost of valuation for single family residences at the rate of \$25.00 per square foot of gross area. This rate has been used for many years notwithstanding the continuing increases in labor and materials costs. It has become outdated and is currently unrealistic. Research and experienced opinion by those interviewed suggest that the average cost of construction in today's local area economy is in the range of

\$35-\$40/ square foot. However, commercial construction and upscale residential construction is approaching \$60 per square foot.

Recommendation #6:

The construction cost of valuation for single family residences, duplex residences, townhouses, patio homes, and apartments (three stories or less) be increased to at least \$35 per square foot, and this rate be evaluated and updated as appropriate each year.

The ISP review found that the fee charged by Okaloosa County for items requiring a specific inspection are based on a cost for such inspection of \$10. This fee is a derivative of the "re-inspection fee" which is also \$10.

Based on today's economy, the cost of an inspector's time, travel and other related expenses required to accomplish a single inspection is considerably more than \$10. This rate is outdated and unrealistic. The DMG Study recommended \$45 for this fee based on the cost approach. Other counties use a higher or lower rate basis for this item as can be seen from the comparison chart. The \$5 rate recommended by the SBC admittedly is out of date also and should be revised.

Recommendation #7:

Adapt a rate of \$30 in lieu of \$10 for calculating all initial inspections and sub-fees which are a derivative of the cost of a specific inspection such as sewer, temporary electric pole, electric service, gas-fired equipment, etc., and update as appropriate, each year.

Recommendation #8:

Increase all re-inspection fees to \$30 in lieu of \$10 and update, as appropriate, each year.

2. Plan Review:

The ISP review found that there is no current fee to cover the technical review of plans required and submitted with permit applications. All plans and specifications must be reviewed for compliance with codes, construction standards, safety, environmental regulations, etc. This time and effort must be expended regardless of whether the application is rejected or withdrawn or a final permit is issued. Several hours is required by county technicians depending on the project size and complexity in all cases.

As can be seen from the above comparison chart, all counties except Walton charge a fee of ½ of the basic building permit fee. This is consistent with the SBC standard. This fee is charged in addition to the total permit fees. Based on the current fees shown on the above comparison chart, the review fee in Okaloosa County for the model residence would be ½ of \$176.50 or \$88.25. This is considered a reasonable and mandatory fee for the county to comply with state statutes requiring recovery of all costs for permit and inspection services.

Recommendation # 9:

Adopt and establish a plan review fee equal to ½ of the cost of the basic building permit cost and collect entire fee at time of submission.

3. Commercial vs. Residential

The following chart shows the volume of work (commercial and residential) for the past two calendar years 1992 and 1993:

Commercial

Year	Remodeling	Additions	New Const	Est Cost	Total Permits	Total Est Cost
	# Permits	Est Cost	# Permits	Est Cost		
1992	66	\$4,838,707	34	\$13,186,309	100	\$18,025,016
1993	53	\$2,436,534	48	\$ 9,956,605	101	\$12,393,139

Residential

Year	Remodeling	Additions	New Const	Est Cost	Total Permits	Total Est Cost
	# Permits	Est Cost	# Permits			
1992	332	\$2,871,966	883	\$54,315,262	1215	\$57,187,228
1993	328	\$4,134,300	872	\$54,229,400	1200	\$58,363,700

Okaloosa County has essentially the same schedule of fees for commercial construction as residential construction. Several fees include some specific differences such as multi-floors, mechanical (heat, a/c), lawn sprinkler permits, etc.

As can be seen from the above Comparison Chart, the volume of work in terms of the number of permits was approximately 1/12th and approximately 1/5th in terms of cost of construction for commercial vs. residential in Okaloosa County in 1992 and 1993. While more time and effort are required for commercial inspections, updating permit fees for commercial work is not as urgent as it is for residential based on the volume of such permits. Okaloosa County should update current fees in proportion to those for residential and should also give consideration to developing and establishing a separate commercial construction permit and inspection fee schedule at some future date. The potential exists for the volume of commercial development to increase significantly in Okaloosa County. Such a schedule should take into account the size and

complexity of commercial projects and the fee schedule should reflect these factors in terms of review time, number of inspections required and the level of expertise necessary to provide quality oversight. Current permit fees for apartments and condominiums should be increased proportionately to those increases proposed for single family, duplexes, townhouses, patio homes, and apartments under three stories.

Recommendation # 10:

Increase the cost of valuations for apartments, and condominiums from \$25 per square foot to \$35 per square foot for the first three stories; from \$30 per square foot to \$40 per square foot for the next three stories; and \$35 per square foot to \$40 per square foot for all stories over six stories. Update, as appropriate, these cost valuations each year.

Recommendation # 11:

Evaluate the feasibility of developing and adopting a separate fee schedule for commercial construction including apartments, condominiums, hotels, motels, shopping centers, office buildings, industrial, institutional, hospitals, educational facilities, warehouses, and general retail construction at an appropriate future date.

4. County/Industry Relations

It is mandatory that the Department maintain an ongoing constructive and healthy working relationship with all aspects of the building industry. The ISP review found that there has been various types of relationships including adversarial ones in the past depending on the leadership styles of both the county and industry. While the

atmosphere is currently friendly and periodic meetings occur, we believe the overall relationship could and should be improved.

Recommendation #12:

Okaloosa County establish a joint committee comprised of representatives of the Planning and Inspection Department, BIA and a third independent group, such as the ISP, or other professional organization, to review all fees and update as appropriate each year. Also, the Director, Planning and Inspection Department, should become a full participating member of the BIA, or at the least an associate (non-voting) member.

This would help keep up-to-date on fee changes, assist the county in budget development, staffing, etc. and at the same time provide a forum for continuous dialogue and cooperation with the industry. Items and issues of mutual concern could be discussed and mutually beneficial solutions developed on an on-going basis with minimum conflict.

The ISP review found that timing is important to both the county and the industry when considering fee adjustments. The county budget process is spread over several months and required by state law to become effective October 1 of each year. Many permit projects and development cases are underway at any given time during the year and some carry over from one budget year to the next by normal process. At the same time contractors and subcontractors are bidding on projects or negotiating for contracts in one year which may not begin until the next year.

Therefore, there appears to be a need to establish an effective date for fee changes to meet the needs of the county and industry in order to reduce conflict and operational problems.

Recommendation # 13:

Establish at least a 90-day waiting period between public notice of future proposed fee changes and the effective date of new fees.

This will meet the needs of the county and industry for lead time to permit orderly implementation and allow contractors and subcontractors to better control pricing of on-going and future projects.

5. Code Enforcement

Code enforcement is an important part of the Planning and Inspection Department. Most of the time and effort of the three employees in this division are spent on processing and investigating code violations, complaints and adjudicating cases discovered or referred to the county. These matters relate to every aspect of enforcing county codes and regulations affecting such things as the use of public and private real property, rights-of-way, environment, business and industrial regulations, recreational and educational facilities, retail establishments, signs, operating licenses, construction, etc. Most of the responsibilities in connection with construction projects in the county are handled by the building inspector. In fact, ISP research found that only a small portion of the total code enforcement effort is associated with permitted construction projects.

Code enforcement is considered a mandatory function of county government and there are no fees charged, only penalties for violations. It is easy to see, therefore, how this function is considered a "budget loser" in an Enterprise Fund since no revenues can be collected to cover the cost of operations and overhead. This is why the building industry feels so strongly that code enforcement costs not be considered in calculating building permit fees.

There were 54 cases acted upon in 1993 and so far this year, 80 cases have already been received. It is expected that a significant increase in workload volume will be experienced by the end of this current year.

Restructuring this operation in connection with evaluating Recommendations #1, #2, and #3 above should be considered. Recovery of costs of code enforcement directly related to permitted construction projects only should be prorated in determining building permit fees. Any future additional staff and/or operating costs for this function should be prorated in a similar manner.

6. Resources

The current staff is not adequate to take on a full plan review program on the planning/development side or the inspection side. Quality plan reviews are the heart and soul of a quality planning and inspection operation. They guide and justify the fee schedule, facilitate the code enforcement functions, guide and support the inspection process, and provide a basis for developing and maintaining a strong professional relationship with the building industry contractors, subcontractors and the tax-paying citizens of Okaloosa County.

It is therefore essential that the quality and quantity of the plan review program be upgraded for planning/development and construction inspections. The ISP believes that at least two additional technicians are required by the county in order to meet this challenge.

The county has previously established the need for one additional Building Inspector based on current workload. Expansion of the plan review program will certainly result in additional enforcement workload which will demand more re-inspections. Also, the knowledge obtained by more in depth reviews could create the need for additional inspectors as well as impact on the timeliness of inspections.

Due to the code enforcement workload increase being experienced in the current year, the county should evaluate the need for additional personnel as appropriate to provide a quality service to county constituents.

In order to support the three technical positions already identified and in anticipation of other additional staff, additional vehicles will be required. The ISP understands that two (2) additional vehicles are being included in the 1994 budget request currently being developed.

7. Summary

The ISP cannot anticipate which recommendations contained herein will be accepted nor the amount of any fee increases finally proposed by the county. Likewise, it cannot forecast what additional staff, vehicles, equipment, etc. that will be required to support the decisions made. Therefore, under the Enterprise Fund(s) concept, expenses should be calculated based on all current costs to adequately deliver required services. This would include additional staff, vehicles and other equipment as well as the cost of any required function shifting if more than one Enterprise Fund is established. A reasonable reserve fund or contingency fund should be included to cover unanticipated fluctuation in the workload requirements during the budget year. Revenues should equal expenses and should be derived from fair and reasonable fee schedules developed after a thorough analysis of direct government functions vs. true reimbursable functions.

It is important that the workload analysis include all functions involved regardless of where, organizationally, they are performed. It appears this is not currently being done on a controlled basis. It is also important that the integrity of the fee schedules be enhanced with the general public and industry organizations. Therefore, special attention should be given to determining and excluding true government functions in the cost data from which fees are established. There is no data

available to determine the percent of direct government functions as this has apparently never been considered in this context. The ISP Study can only express an impression based on its research. It appears that the code enforcement workload is certainly greater than the three (3) employees dedicated to this area and may be spread over several organizational units. Considering the planning/development process (Board of County Commissioners/other departments, etc.) code enforcement, administration, and overhead workload, the overall direct government costs for this department could be as much as one-third 1/3) or greater.

For comparison purposes only, if the recommendations contained herein for permits and inspections are adopted, the following represents the increases that could be expected for the 2,000 sq. ft. residential model outlined on Page 16.

Basic Building Permit

\$20.00	base
\$136.50	1st \$50,000
\$40.00	Balance
<u>\$20.00</u>	Radon fee
\$216.50	Total

Total Fees

\$216.50	Basic Building Permit
\$55.00	Mechanical Heat/AC
\$34.00	Plumbing
\$55.00	Electrical
\$30.00	Sewer
\$30.00	Temporary Electric Pole
* \$30.00	Gas-Fired Equipment
\$30.00	Electrical Service Charge
<u>\$30.00</u>	Lawn Sprinkler

* \$7.00 Increase	\$510.50 Total
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Based on the above, the total cost of all permits and standard inspections would be \$510.50 versus \$463.50 currently. This is only a \$47.00 (10.14%) increase above

the current Fee Schedule. It should be noted that the only sub-permit fee proposed to be increased is for gas-fired equipment. This increase is only \$7.00 to cover the proposed new inspection cost of \$30.00.

Adoption of the proposed new plan review fee (50% of Basic Building Permit Fee) would add another \$108.25 to the total of all permit/inspection fees for the residential model project.

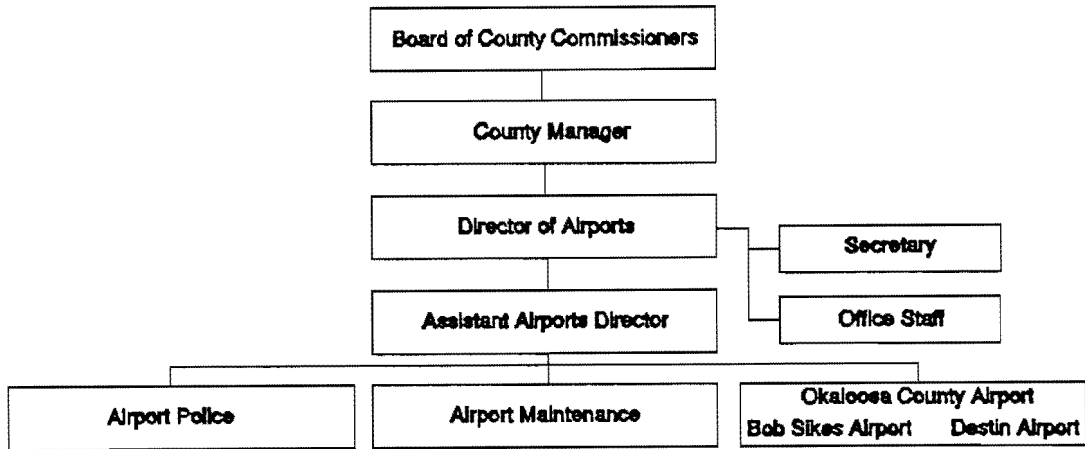
VI. DEPARTMENT OF AIRPORTS

A. General:

Review of the Okaloosa County Department of Airports budget and fee structure by the ISP revealed that there should be an adjustment (increase) to some Airline and Vendor fees when their current contracts expire. In the past the setting of revenue producing fees appears to have been oriented to only producing sufficient income to meet projected annual operating expenses with dependence upon Federal and State Grants to meet capital improvement/investments.

The Okaloosa County Airport operates under a Joint Use Agreement with Eglin Air Force Base. This agreement has been extended to the year 2022; however, the annual lease fee of \$65,000 is currently under review/negotiation with Eglin AFB. The fee is expected to be increased to \$131,600 beginning FY 1995. This fee does not cover taxi-way and parking apron improvements and repair. Capital expenditures for improving taxi-ways and parking aprons rely almost entirely upon state and federal grants. Fees charged in current airline lease contracts do not take into account the cost of maintaining taxi-ways and parking aprons which the Airlines use.

At least 75 percent of the active airline/vendor contracts expire in February/March 1995. The "bunching" of contract expirations places an undue burden



Total Staffing - 27

The Director of Airports is responsible for executing the directives of the Board of County Commissioners, ensuring compliance with a myriad of Federal Aviation Agency and Florida Department of Transportation regulations, and the operation of three airports which are several miles apart. The Director also plans improvement projects, conducts airline and vendor contract reviews/negotiations, and is responsible for budget preparation and developing proposals for increasing operating revenues.

C. Budget and Operational Costs:

The Department of Airports operates as an Enterprise Fund which must generate revenues equal to expenditures. This includes amortization of all salaries and benefits, space, equipment, supplies, administrative costs and direct operational costs.

The current FY 1993 budget for the Airport Enterprise Fund is \$8,584,761. This is an increase of approximately \$2,000,000 from FY 1992. The budget is broken down into revenues received from charges for services (\$1,415,153) and Intergovernmental revenue (Federal/State Grants \$6,309,426). The FY 1993 operating expenses are balanced to the budgeted revenues. There was a carry-over cash balance of \$860,183 from FY 1992. The budget as currently structured relies almost entirely on grants for capital expenditures; e.g., improvement/modification to terminals and terminal buildings, parking aprons, fuel facilities, runway or taxiway extensions, land purchase, parking lot paving, etc. If grants are not forthcoming as predicted in the FY budget, which is frequently the case due to governmental budget constraints or administrative delays, etc., improvements are not funded and are slipped to the follow-on FY budget. In order to insure that funds for necessary improvements/repairs are available when needed, costs of these recurring capital expenditures should be an important consideration when re-negotiating airline leases. There should be more emphasis on harmonizing operating costs and capital expenditures with generated revenues, and there should be less dependency on grants for repairs and improvements to taxiway, parking aprons and fuel facilities.

D. Fees:

The ISP determined that most fees or service charges are set through negotiations with the airlines and respective vendors; i.e. car rental agencies, food catering service, parking lot management, airport advertising, etc. Most leases are for a

five-year period; however, some; e.g. Northwest Airlines and the catering service, have 20-year contracts.

Either by accident or design, 75 percent of the current leases expire in February/March 1995. This will require the airport management team to prepare for and negotiate at least eight major contracts in the first half of FY 1995. The most significant expiring contract is with Northwest Airlines (NWA) which has a very favorable current contract arrangement. This contract renewal is particularly important since it is Okaloosa County's only jet air carrier. Terms of the NWA contract will have considerable influence on setting the terms of the other airline contracts (American Eagle, US Air Express and Atlantic Southeast).

Recommendation #1:

Alternate contract expiration dates/years should be set in order to facilitate management focus on the most critical contract renewal/negotiations.

A recent survey of area airport landing fees showed Okaloosa County Airport well below the 1994/1995 fees being charged by other area airports. The fee comparables are shown below:

Pensacola Regional Airport	\$1.51/1000 lb - signatory
	\$1.96/1000 lb - non-signatory
Panama City - Bay County Airport	\$0.76/1000 lb - signatory
	\$0.93/1000 lb - non-signatory
Mobile Regional Airport	\$1.02/1000 lb - signatory
	\$1.28/1000 lb - non-signatory
Okaloosa County Airport (NWA)	\$0.20/1000 lb - signatory
(other airlines)	\$0.30/1000 lb - non signatory

The Board of County Commissioners has appointed an Airline Lease Review Committee with the following membership:

Airport Commissioner
County Attorney
Director of Airports
Travel Agent
Retired Airline Pilot

A published charter for this committee could not be found. The stated purpose of the committee is to advise and assist in setting appropriate fees for airline lease contracts; however, they should also be used for other contractual matters when appropriate. The ISP considers this committee a valuable tool for the Director of Airports to provide guidelines and assistance in contract renewal specifications/negotiations.

Recommendation #2:

The committee charter be published and expanded to advise on other contractual matters as required, determine all fees, and update fees as appropriate, and the structure of this committee be reviewed to determine that appropriate expertise is represented by the membership.

Recommendation #3:

The landing fee schedule should be reviewed by the Airline Lease Review Committee with the objective of bringing local fees in line with other area airports. The increase in revenues would relieve some of the pressure of the uncertainty of receiving grant funds needed for repair and improvement of taxiway/parking aprons and fuel facilities. The costs for repair and improvement of these areas should be considered in setting and negotiating airline landing fees.

In 1991, the DOT/FAA approved local airports levying a Passenger Facilities Charge (PFC) of up to \$3 per person. ISP has determined that two area airports are

levying this fee on enplaning passengers. Panama City-Bay County Airport and Pensacola Regional Airport have levied a \$3 fee/enplaning passengers. This is a relatively innocuous and widely-accepted way to provide airport revenue. Based on 200,000 per year enplanements (1992/93 average), this would generate \$600,000 per year in revenue which could be used for airport improvement projects.

Recommendation #4:

A \$3/PFC be established for the Okaloosa County Airport in FY 1995.

E. Parking:

The ISP found parking to be one of the higher revenue-producing service contracts. Unfortunately, the parking availability will only be marginally improved by the addition of the current parking lot construction. Additional parking and adjustments of all-day parking fees from \$4 to \$4.50 could substantially increase revenues for improvement projects. However, the lack of available development land to construct additional parking lot facilities remains a major problem.

Recommendation #5:

The Department of Airports should commission a feasibility study for the construction of a three-four story parking facility on a portion of the existing parking lot or consider moving rental car operations to a remote site.

Recommendation #6:

Increase the long-term parking fee from \$4 to \$4.50 per day. This would provide funds for the study and other operating/improvement expenses.

Recommendation #7:

Further negotiations should be conducted with Eglin AFB for approval to move the new parking lot retention pond southward adjacent to the lot, and construction of an access road from Highway 85 along the south perimeter of the lot to the drop-off area should also be negotiated.

F. Resources:

The Department of Airports is authorized 27 employees. There are currently 23 full-time employees assigned. The staff authorization appears adequate, with one exception. The department operates without day-to-day supervision at either the Sikes or Destin Airports. By directive the Director of Airports has full management responsibilities for operations and activities at all three airports. These responsibilities include proper airport maintenance procedures, performing inspections of runways, lighting systems, and responsibility for all county properties and improvements at the three airports. He is also responsible for ensuring that the Minimum Operating Standards are current and adequate to protect the public health, safety and interest at all three airports.

The ISP does not believe it is possible to perform all the directed responsibilities for all three airports without day-to-day supervision and input on the Destin and Bob Sikes Airports. With current resources, the Director of Airports cannot adequately perform the necessary day-to-day supervision of the two outlying airports. Infrequent visits and reliance on inputs of Fixed Base Operators does not provide appropriate oversight.

Recommendation #8:

Provide a highly-qualified individual to assist the director in overseeing the day-to-day operations at the Sikes and Destin Airports. This individual would also assist the director with planning for capital improvement projects, increasing airport revenues and establishing Minimum Operating Standards at the two airports.

G. Summary

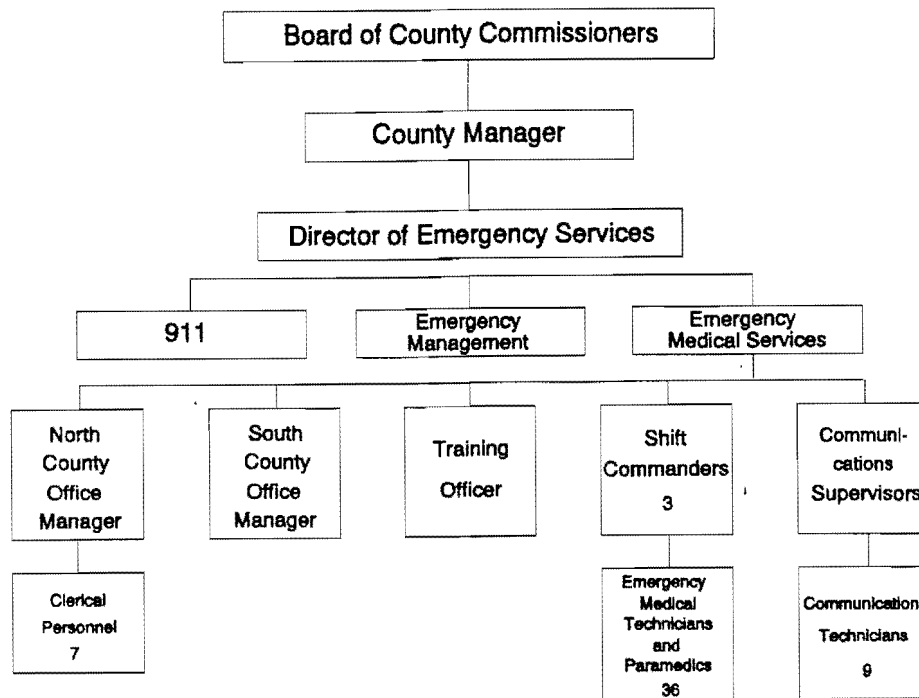
The ISP recognizes that because of the expiration dates of current airline/vendor contracts and the time required to obtain approval of a PFC (9-12 months), little can be done in the current budget exercise which will assure revenue increases for FY 1994.

The ISP believes, however, that by introducing the recommendations of this study, the Department of Airports will be able to initiate increased revenue producing fees starting the second half of FY 1994, will be able to develop a realistic FY 1995 budget and initiate needed long-range planning for improvement projects for all three airports.

VII. EMERGENCY SERVICES DEPARTMENT

A. General:

The Okaloosa County Emergency Services Department provides emergency services for the residents of Okaloosa County in three areas - 911, Emergency Management and Emergency Medical Services. The Director of Emergency Services directly supervises the activities of all three areas. There are a total of 71 employees in the department, two (2) each in 911 and Emergency Management, and the balance (67) are employed in Emergency Medical Services. The following is the Organizational Chart of the Emergency Services Department:



Total staffing - 71

911 operates within an Enterprise Fund and is self sufficient thanks to the monthly charge to all county telephone subscribers. Emergency Management is non-revenue producing and is funded by the Federal Emergency Management Administration (25%) and Okaloosa County Ad Valorem Taxes (75%).

The Emergency Medical Service is a revenue-producing operation and, accordingly, operates within an Enterprise Fund. The objective of an Enterprise Fund operation is "break even" - generate sufficient income to cover all of the costs and expenses of the operation. Under these circumstances, the ISP study is limited to the Emergency Medical Services operation.

B. Operation

Emergency Medical Services is responsible for response to calls for medical assistance throughout Okaloosa County, and by Mutual Assistance Agreement, Walton and Santa Rosa Counties. Medical assistance is provided by highly-trained Emergency Medical Technicians and Paramedics, operating out of ambulances which are, in effect, mini-emergency rooms. In some cases, patients are treated at the scene and released. In others, they are transported to hospital Emergency Rooms.

C. Financial

The costs of maintaining an Emergency Medical Services operation are tremendous and continually increasing:

- 1.) The purchase, maintenance and operation of a fleet of highly sophisticated emergency vehicles
- 2.) The hiring, training, re-training and retention of high-quality Emergency Medical Technicians and Paramedics
- 3.) The purchase and maintenance of highly-technical medical emergency equipment which is continually obsolete by emerging technology
- 4.) The maintenance of an array of medications which are in a continuing state of improvement and superseding

Revenue is produced through charges for the services provided and is limited, not only by what can be charged, but also by the ability to collect from patients and their insurers.

The Fiscal Year 1993/94 Emergency Services Department budget was \$3,878,907. At this point, it is estimated that revenue will be a little more than \$3.2 million, resulting in a departmental shortfall of approximately \$600,000 which must be covered by the General Fund.

EMERGENCY MEDICAL SERVICES

1994 Fee Comparison

	Advanced Life Support	Basic Life Support	Mileage Per Mile	Oxygen
Okaloosa County	\$200.00	\$200.00	\$4.00	\$25.00
Escambia County	\$285.00	\$235.00	\$4.50	\$30.00
Santa Rosa County	\$285.00	\$235.00	\$4.50	\$30.00
Walton County	\$335.00	\$225.00	\$4.00	\$35.00
Gulf Coast	\$290.00	N/A	\$5.00	N/A
Average Excluding Okaloosa	\$298.00	\$246.25	\$4.50	\$32.00
Average Including Okaloosa	\$279.00	\$224.00	\$4.40	\$30.00

As can be seen from the above, Okaloosa County fees are significantly below other N.W. Florida Counties in all categories. In addition, the geographical area averages which effect the Medicare reimbursement rates are lowered in all cases due to the lower Okaloosa fees.

The following indicates the amount billed and the amount approved by Medicare for several services in 1994.

MEDICARE BILLING AND REIMBURSEMENT RATES - 1994

	<u>Billing Amount</u>	<u>Approved Amount</u>
Basic Life Support	\$200.00	\$106.19
BLS Mileage	\$4.00	\$3.45
Waiting Time	1.00	1.03
Oxygen	\$25.00	\$20.60
Non-Emergency Transport	\$200.00	\$106.19
Advanced Life Support	\$275.00	\$139.70
ALS Mileage	\$4.00	\$3.45
Return Trip	-0-	\$94.51

Recommendation #1: Increase fees for the principle EMS Services provided and original fees for new services as follows:

	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Advanced Life Support	\$200.00	\$295.00	\$95.00
Non-Emergency Transport	\$200.00	\$245.00	\$45.00
Mobile ICU	New	\$450.00	
Mileage Per Mile	\$4.00	\$5.00	\$1.00
Air Transport	New	\$700.00	
A/T Statute Mileage	New	\$30.00	
Oxygen	\$25.00	\$30.00	
Cardiac Leads	New	\$50.00	

Recommendation #2: Adopt the following schedule of fees for services, procedures, equipment and medications for Fiscal Year 1995:

Advance Life Support	\$295.00
Non-Emergency Transport	245.00
MICU	450.00
Mileage	5.00/mile
Air Transport	700.00
Air Mileage (Statue Mile)	30.00
Oxygen	30.00
Emergency Transport (Add to Transport)	25.00
Out of County Transport (Add to Transport)	50.00
Waiting Time (Begins after 1st 10 minutes)	1.00/minute
Stand-By (Events, etc., per unit involved)	1.00/minute
No transport with treatment	60.00

Technical/Professional Services

Disaster Scene Management	\$250.00
(Requires authorization of Director or Assistant Director)	
Extra Manpower	60.00
RN on Board	30.00/hour
Infectious Disease Precautions	50.00
Special Hazard	25.00
Apnea Monitor	25.00
Application of 4-Point Restraints	25.00
Balloon Pump Transport	50.00
Blood Sample	15.00
Burn Care	25.00
Cardiac Monitor	20.00
Monitor Supplies	5.00
Cardiac Pacing	100.00
Pacing Pads	50.00
CPR	50.00
Ambu Bag, Dispose	40.00
Decompression of Pneumothorax	25.00
Defibrillation	20.00
Dressing Application	15.00
Dressings	5.00
Extrication	25.00
First Aid	25.00
Folex Catheter Placement	15.00
Foley Catheter Kit	25.00
Fracture Management	25.00
Pillow Splint	15.00
Sling Placement	15.00
Triangular Bandage	5.00

Traction Splint	10.00
Gastric Tube Placement	15.00
NG Tube	15.00
Glugoscan	15.00
I.M. or SQ Administration Injection	10.00
Intubation/Trachea or Esophagus	25.00
ET Tubes	20.00
Nasal Pharyngeal	10.00
Oral Airway	5.00
PTL Airway	50.00
Shiley Tracheal Tube	50.00
Bite Block	5.00
Jaw Spreader	10.00
Invasive Monitor	25.00
Irrigation of Injury	10.00
Irrigation Fluid	25.00
IV Establishment	20.00
Intravenous Fluid	15.00
Intravenous Pump	25.00
M.A.S.T. Inflated	25.00
OB Care (Delivery)	100.00
OB Kit	30.00
Pulse Oximeter	25.00
Spinal Immobilization (Includes Headbed/Stiffneck Collar)	80.00
Suctioning	15.00
V-Vac Cannister	15.00
Twelve Lead EKG	50.00
Ventilator	50.00

For Equipment Not Returned or Destroyed

M.A.S.T.	\$500.00
Hare Traction Splint	300.00
Other Splint	50.00
Portable Stretcher (Folding Type)	300.00
Long Spineboard	200.00
K.E.D.	200.00
C.I.D.	150.00
V-8 Harness System	100.00
IV Pressure Infuser	75.00
Backboard Strap (9 Ft.)	25.00

Special Note: We reserve the right to competitively bid on Out-of-County transports and services to organizations, such as: VA, HMO's, etc., which request bid quotations for transports for a specific group of people or persons which may require us to provide rates lower than those shown above.

Medications

Adenocard	\$30.00
Albuterol	20.00
Atropine	20.00
Benadryl	20.00
Bretylium	20.00
Calcium Chloride	20.00
D50	20.00
D5W Fluid	20.00
Dopamine	30.00
Epinephrine	20.00
Epinephrine (1 - 1000)	20.00
Glucagon	30.00
Lactate Ringers	20.00
Lasix 100 Mg.	20.00
Lidocaine	20.00
Lidocaine Jelly	20.00
Lidocaine Maintenance IV Drip	20.00
Lidocaine Premix	20.00
Mag Sulfate	20.00
Morphine	20.00
Narcan	20.00
Nitroglycerin Spray/Tablet	20.00
Nitronox	30.00
Procardia	20.00
Sodium Bicarbonate	20.00
Thiamine	20.00
Valium	20.00
Versed	20.00

Although this schedule will not assure attainment of a "break even" operation for the Emergency Medical Services operation in FY 1995, it is a big step in that direction. With future annual fee structure reviews and increases in line with increasing costs and competitive fee levels, coupled with continuing aggressive collection policies and procedures, the increases will eventually enable EMS to overcome its shortfall.

D. Summary

The ISP study of the fee structure for the Emergency Medical Services revealed several areas which require increases, not only to attempt to recover costs, but also to make it competitive with neighboring counties. Medicare reimbursements are based on the average of the fees charged by the five EMS agencies located in the four Northwest Florida counties: Escambia, Santa Rosa, Okaloosa, and Walton. Consequently, selected fees charged by the Okaloosa County EMS are not only below those charged by the other four EMS Agencies, and their average, but they also bring down the four-county average, thereby limiting the ability to recover costs from Medicare, due to their rate-setting formula.

Addendum A

Holmes County Fee Schedule

A. Holmes County Fee Schedule

SERVICE: RECOMMENDED
 FEE:
 Preliminary development order review fees to
 Land Development Regulations, Sec. 10.02.10

Number of Parcels: Review Fees:

1-10	\$355.00
11-30	391.00
31-50	431.00
51-100	500.00
101-150	550.00
151-200	600.00
201-250	660.00
251-300	750.00
301-350	825.00
351-400	900.00
401-500	\$1,000.00

Subdivisions of less than eleven (11)
 parcels pursuant to Sec. 10.03.02 amended
 Land Development Regulations. \$1,000.00

Subdivisions from eleven (11) to twenty-four
 (24) parcels pursuant to above Land
 Development Regulations. \$1,500.00

Subdivisions more than twenty-four (24)
 parcels pursuant to above Land Development
 Regulations. \$3,000.00

Temporary Use Permits pursuant to Sec.
 10.07.04 Land Development Regulations \$130.00

Appeals of decisions pursuant to Sec.
 10.11.00, Land Development Regulations \$90.00

Pre-Application Concurrence pursuant to Sec.
 3.01.02, Land Development Regulations \$60.00

Variances pursuant to Sec. 9.02.00 Land
 Development Regulations. \$220.00

Large Plan Amendment pursuant to
 s. 163.3187, Florida Statutes and Land
 Development Regulations Sec. 10.09.00 \$1,00.00

Small Scale Plan Amendment pursuant to
 s. 163.3187 (c) Florida Statutes and
 Land Development Regulations \$500.00

Site Plan for multi-family residential development of from less than ten (10) units	\$280.00
Site Plan for multi-family residential development from ten (10) to twenty (20) units.	\$420.00
Site Plan for commercial structures [non-residential use] or additions less than 10,000 square feet.	\$210.00
Site Plan for commercial structures [non-residential use] or additions less than 10,000 to 24,000 square feet.	\$300.00
Site Plan for commercial structures [non-residential use] or additions of 24,000 square feet or more	\$520.00
Site Plan for industrial structures [non-residential use].	\$340.00
Site Plan for additions or renovation of industrial structures.	\$170.00
Development of Regional Impact review pursuant to Chapter 380, Florida Statutes.	\$1,340.00
Substantial Deviation from Development of Regional Impact review pursuant to Chapter 380, Florida Statutes.	\$510.00
Water Management Plan permit pursuant to Sec. 4.05.07	\$200.00 to \$500.00
Permanent Outdoor Advertising Signs Sec.8.05.00 [A \$25.00 minimum fee for the first \$1,000 of cost and \$1.00 per each additional \$1,000 of cost will apply to all non-exempt signs.]	\$25.00
Permanent Accessory Signs Sec. 8.03.00	\$35.00

Any applicant requesting a particular service specified herein shall make formal application to the county and shall pay the appropriate fee. No portion of the appropriate fee shall be refunded whether the request is withdrawn by the applicant or denied or granted by the county.

Addendum B

Collier County Fee Schedule

B. Collier County Fee Schedule

Land Development Code Interpretation		
For written response to a written request		\$100.00
If request during review process		\$25.00
Determination of Vested Rights		\$50.00
(Plus the county's out-of-pocket expenses associated with hearing officer and hearings)		
Appeal of Vested Rights Determination		\$50.00
Amendment to Land Development Code		\$1,400.00
Conditional Use Petition		\$800.00
(\$50.00 when filed with Rezone Petition)		
Conditional Use Extension		\$200.00
Rezone Petition (Regular)		\$2,100.00
(Plus \$30/acre)		
Rezone Petition (to PUD)		\$3,000.00
(Plus \$30/acre)		
PUD Amendments (PDA's)	Minor	\$1,500.00
	Major	\$2,500.00
(Plus property owner notifications: \$1.00 non-certified mail \$3.00 certified return receipt mail)		
Petitioner to pay this amount after receipt of invoice from Development Services Department. Petition will not be advertised until payment is received.		
Planned Unit Development Amendment		\$750.00
(Insubstantial)		
DRI Review (In addition to cost of rezone)		\$3,000.00
(Plus \$30/acre)		
DRI Development Order Amendment		\$1,500.00
Site Development Plan Review		\$500.00
(Plus \$10 per D/U plus \$25 per residential building structure; and \$500 plus \$.01 per square foot, plus \$25 per building for non-residential)		
Site Development Plan amendment		\$250.00
Site Development Plan Insubstantial Change		\$100.00
Site Development Plan Time Extension		\$100.00

Temporary Use Permit		\$75.00
Boat Dock Extension Petition		\$250.00
Interim Agriculture Use Petition		\$250.00
Appeal from an Administrative Decision Non-refundable		\$200.00
Variance Petition		\$425.00
Variance Petition (After-the-Fact)	Twice the variance petition fee	
Variance (Administrative)		\$200.00
Alcoholic Beverage Distance Waiver		\$425.00
Off-Site and Shared Parking Agreement		\$425.00
Environmental Impact Statement (EIS)		\$400.00
Special Treatment Review (ST) plus	\$100 minimum for five acres or less, \$10 per acre over five acres (\$1,000 maximum fee)	
Landscape Re-inspection	1st	\$10.00
	2nd	\$15.00
	Every inspection after 2nd	\$25.00
Signs:	Political (Bulk Temporary Permit)	\$5.00
Publications, maps, reports, and photocopies per sheet As determined by the Community Development Services Administrator based on cost		
Garage and Yard Sale Permit		None
Flood Variance Petition		\$425.00
Carnivals and Exhibitions Petition		\$200.00
Street Name Change		\$10.00 +
Plus \$1 for each property owner requiring notification of proposed street name change		
Official Zoning Atlas Map Sheet		\$.50
Plat Review Fee		\$300.00
Plus \$5 per acre for residential		\$300.00

Plus \$10 per acre for non-residential		\$1,200.00
Maximum fee (Mixed Use is residential)		
Lot Line Adjustment		\$50.00
Subdivision Review Fee		
Construction Document Review	0.50% of probable cost of construction	
Construction Document Modification	0.25% of the value of the construction modification above \$25,000	
Subdivision Inspection Fee		
Construction Inspection	1.0% of probable cost of construction for construction inspection	
Utility Permit Review Fee		
Ordinance by Reference with Existing Fee Resolution No. 88-247		
Utility Inspection Fee		
Ordinance by Reference with Existing Fee Resolution No. 88-247		
Right-of-Way Permits		
Ordinance by Reference with Existing Fee Resolution No. 88-240		
Blasting Permits		
30-day permit fee, non-refundable, payable upon application		\$100.00
90-day permit fee, non-refundable, payable upon application		\$200.00
Yearly permit fee, non-refundable, payable upon application		\$500.00
Renewal permit fee, non-refundable, payable upon application		\$50.00
After-the-fact fee, due to blasting without benefit of permit		\$1,000.00
Fine fee, per detonated shot with after-the-fact permit		\$100.00
Handler fee, for handler who assists the user of blaster in use of explosives		\$25.00
Excavation Permits		
Annual Renewal		\$100.00
Application (Private)		\$100.00
Application (Commercial)		\$1,000.00
Application (Development)		\$150.00
Permit (Upon approval of application, fee not to exceed \$3,000.00 for private and development excavations)		
1.) 0-2000 cubic yards excavated material		\$75.00
2.) Each additional 1,000 cubic yards excavated material		\$4.00
3.) Over-excavation penalty per cubic yard		\$1.00
Reapplication		\$75.00
Road Impact Analysis		\$150.00
Time Extension		\$50.00
Water Management Review (Dev.)		
Construction Document Review		\$100.00

Board of Adjustment Appeals	
Appeal Filing	\$250.00
Preliminary Subdivision Plat (Formerly Subdivision Master Plan)	
Petition Application	\$250.00 plus \$5.00 per acre for residential \$250.00 plus \$10.00 per acre for non-residential (Mixed Use is residential)
Administrative Amendment	\$250.00
Two-Year Extension	\$100.00
Well Permits	
Hydraulic elevator shaft permit	\$150.00
Test hole permit (including 1st six holes)	\$50.00
Each additional hole	\$5.00
Well permit (abandonment)	\$15.00
Well permit (construction or repair)	\$75.00
Well permit (monitoring)	\$50.00
Well permitting (after-the-fact)	Three times normal permit fee
NOTE:	Multiple wells may be allowed on one permit, but each well must be accounted for and a \$50.00 fee charged for each well.
Well Reinspections	
First reinspection	\$25.00
Second reinspection	\$50.00
Third reinspection	\$100.00
Vegetation Removal Permit	
First acre or fraction of an acre	\$100.00
Each additional acre or fraction of an acre	\$45.00
	(\$900.00 maximum fee)
Agricultural Clearing Permit	
First acre or fraction of an acre	\$100.00
Each additional acre or fraction of an acre	\$50.00
	(\$250.00 maximum fee)
Coastal Construction Control Line Variance	
Variance Petition	\$1,000.00
Vehicle on the Beach Permit	
Permit Application	\$250.00
	Permit fee shall be waived for public and non-profit organizations engaging in bona-fide environmental activities for scientific, conservation or educational purposes.
Sea Turtle Permit	
Sea Turtle Handling Permit	\$25.00
Sea Turtle Nesting Area Construction Permit	\$200.00
Sea Turtle Nest Relocation	\$100.00

Addendum C

Executive Summary

*Fees for Services
A Cost Revenue Study*

by: *David M. Griffith and Associates, Ltd.*
February 1988



Okaloosa County

Florida

Fees For Services
A Cost/Revenue Study

Fiscal Year 1988

Executive Summary

February 1988

*DAVID M. GRIFFITH AND ASSOCIATES, LTD.
PROFESSIONAL SERVICES TO THE PUBLIC SECTOR
3842 KILLEARN COURT
TALLAHASSEE, FLORIDA 32308 (904) 668-0363*

OKALOOSA COUNTY, FLORIDA
USER FEE STUDY
EXECUTIVE SUMMARY

INTRODUCTION

With the legislative cap of 10 mils on ad valorem tax revenue and loss of federal revenue sharing funds, city and county governments throughout Florida are seeking new sources of revenue. User fees are a prime source for obtaining additional revenue equitably with revenue being generated from the portion of the population benefiting from specific services. Overall, the concept of user charges for fee supported services is much more than taking it out of one pocket and putting it in another. Pricing certain public services at cost has a number of benefits. These are:

1. User charges are paid by all users, including those exempt from property taxes.
2. Appropriately priced user charges avoid subsidization in instances where the service is not being provided to the general public, but rather is for the specific benefit of the person or groups charged.
3. User charges are a means of rationing the provision of certain services, and of gauging the demand for service level increases.

OBJECTIVES

The primary objective of the engagement was to document the cost of providing services for which service costs are, or could be, assessed. The scope of this project was comprehensive in that all County operations identified in this study were thoroughly analyzed. Costs were not limited to direct departmental charges, but were based on all-inclusive costs incurred by Okaloosa County in providing services. Total costs included allocation of administrative departments, and costs not traditionally organized in departmental budgets including cross-over

costs. The emphasis on this project was to determine comprehensive costs of County services, rather than the flow of resources which is the traditional methodology of governmental accounting, budgeting, and reporting mechanisms.

Funding mechanisms for each County service analyzed were identified. Existing charges indicated that it was the County's intent to recover related costs, or portions of them, for such services. In addition, other potential areas to establish service costs were identified in analyzing County operations.

APPROACH

DMG performed the following tasks in order to accomplish the above stated objectives:

1. Extensive data collection and a detailed research process were undertaken to provide a total understanding of the County's operation. Sound analysis during this phase ensured comprehensive analysis in subsequent phases.
2. Extensive interviews were conducted with supervisors and selected personnel to identify all fee-related services in the areas analyzed. This allowed for the development of a comprehensive cost analysis with particular emphasis on identifying areas where service costs were insufficient or non-existent.
3. Interaction with County officials ensured that project results were consistent with the objectives of the County and could be implemented.
4. Indirect costs were distributed from the Okaloosa County Cost Allocation Plan to respective departments. Those costs and department overhead costs were then distributed within the departments.
5. Computer based analysis documenting the cost structure of County services was conducted.

6. Upon completion of the costing phase of the engagement, an equally important review was conducted of user fee client bases with respect to how increases may or may not affect service utilization.

ECONOMIC AND POLICY CONSIDERATIONS IN SETTING FEES

Setting fees is essentially equivalent to establishing prices for services. In the private sector, prices are usually set in a manner which is expected to maximize profits. Making a profit is not an objective of the County in providing services. Therefore, it is commonly felt that fees should be established at a level which will exactly recover the cost of providing each service, neither more, nor less. There are circumstances, however, in which it might be regarded as a reasonable policy to set fees at a level which does not reflect the full cost of providing the service. Some of these circumstances are as follows:

1. Elasticity of Demand: The price charged for a service affects the quantity demanded by potential users. In many instances, raising the price of a service results in fewer units of service being purchased.
2. Subsidization Policy: User fees are often established on the principle of requiring those that use each service to pay for the cost of producing it. Although this principle is firmly established in the private enterprise system, there are cases of County activities for which it is not regarded as appropriate. The ramifications of such a policy for fee setting should be understood. It may be preferred to set fees for some services below the level of full costs.
3. Economic Incentives: In some cases, it may be desirable to use fees as a means of encouraging or discouraging certain activities. For example, setting a relatively high fee for using scarce resources such as water might encourage conservation.

4. Competitive Constraints: The County may have a monopoly position in providing certain services, which may lead to the feeling that fees may be raised without limit and users will still pay them. There are many instances, however, of competitive pressures which constrain the County's ability to raise fees. There may be alternatives to using County services. Instead of using emergency medical services, people may call private ambulance services. Instead of attending a recreation program at a park, people may go to a movie or watch television. There are alternatives to using many County services.

SUMMARY OF RESULTS

Attached enclosures provide an overall summary of study results as well as overall summaries and specific fee summaries for each department that was reviewed.

Enclosures:

1. Summary of Results
2. Zoning & Inspections
3. Environmental Health
4. EMS

ENCLOSURE 1

SUMMARY OF RESULTS

The Zoning & Inspections Department, Environmental Health Division, and Emergency Medical Services were reviewed for existing and potential fee areas. A total of \$658,346 in potential increased revenue for FY 88-89 was identified. The landfill report (previously submitted) forecasted another \$2,442,119 resulting in a potential of \$3,100,465 additional revenue for Okaloosa County. A comparison of full cost, revenue, and subsidies by department for areas considered is provided below.

	<u>Full Cost</u>	<u>Budget Revenue</u>	<u>Subsidy</u>	<u>% Subsidy</u>
Zoning/Inspections	\$697,057	\$404,559	\$292,498	42%
Environmental Health	119,642	-0-	119,642	100%
Emerg Medical Svcs	<u>1,789,125</u>	<u>424,689</u>	<u>1,364,436</u>	<u>76%</u>
Total	\$2,605,824	829,248	\$1,776,576	68%

The following table summarizes potential revenue at recommended fees by department.

	<u>Additional Revenue</u>
Zoning & Inspections	\$296,971
Environmental Health	118,575
Emergency Medical Services	242,800
Landfill	<u>2,442,119</u>
Total	\$3,100,465

Revenue as projected is a result of increasing existing fee areas, implementing fees for services which are either currently performed or anticipated in the near future (fire inspection).

ENCLOSURE 2

ZONING & INSPECTIONS DEPARTMENT

The Zoning and Inspections Department has three specific fee areas. Building and Inspections, Zoning and Contractors' Licensing. Routine fire inspection is a service area for which the Department will become responsible in the upcoming year. Our study focused on user fees. Contractors' Licensing was not considered a user fee area, but was reviewed and is presently operating at a surplus. The following table is a summary of full costs, revenues, subsidies, and projected revenue at recommended levels.

	<u>Full Costs</u>	<u>Revenue</u>	<u>Subsidy</u>	<u>Projected Add'l Revenue</u>
Bldg & Inspections	\$605,996	\$351,364	\$254,632	\$241,821
Zoning	61,512	53,195	8,317	23,900
Fire Inspections	<u>29,549</u>	<u>-0-</u>	<u>29,549</u>	<u>31,250</u>
Total	\$697,057	\$404,559	\$292,498	\$296,971

The accompanying schedule provides the detail by individual fee area. In the case of building permits, current fee at cost per unit are averages as the fees are based on the valuation of the proposed building. Under the current structure, a square footage value of \$25 is utilized. A two thousand square foot residence has a computed value of \$50,000, and the building permit fee would be \$136.50. Based on our cost analysis, a fee of \$237.84 would be necessary to recoup full cost. If the County desires to recapture full operating costs, either the cost per square foot or the base rate fee must be increased by 74.81%.

OKALOOSA COUNTY, FLORIDA
ZONING AND INSPECTIONS
REVENUE SUMMARY

DIVISION	TOTAL COST	REVENUE	DEFICIT (SURPLUS)	UNITS OF SVC	CURRENT FEE	COST/ UNIT	RECOMMENDED FEE	ADDITIONAL REVENUE

BUILDING/INSPECTIONS:								
BUILDING PERMITS	\$273,658	\$157,068	\$116,590	2,615	\$60.06	\$104.65	\$105.00	\$117,507
HEATING/AC	58,616	25,545	33,071	1,843	13.86	31.80	30.00	29,745
PLUMBING	54,070	48,635	5,435	1,700	28.61	31.81	30.00	2,365
ELECTRICAL	89,213	79,123	10,090	2,805	28.21	31.80	30.00	5,027
GAS FIRED EQUIP	29,256	8,192	21,064	719	11.39	40.69	40.00	20,568
MOVING-BLDG/STRUC	357	1,250	(893)	25	50.00	14.28	50.00	0
DEMOL-BLDG/STRUC	142	250	(108)	10	25.00	14.20	25.00	0
FIRE SPRINKLER SYS	33	1	32	1	0.50	33.00	35.00	34
SEWER	3,658	1,150	2,508	115	10.00	31.81	30.00	2,300
ELECTRIC SVC CHANGE	3,181	1,000	2,181	100	10.00	31.81	30.00	2,000
BEACHWALKS/DOCKS	28,104	12,500	15,604	500	25.00	56.21	55.00	15,000
TEMP POLE PERMITS	6,785	4,000	2,785	200	20.00	33.93	35.00	3,000
RE-INSPECTION FEE	58,923	12,650	46,273	1,265	10.00	46.58	45.00	44,275
TOTAL BLDG & INSP	\$605,996	\$351,364	\$254,632					\$241,821
ZONING:								
ADDRESS ASSIGNMENT	\$42,786	\$17,700	\$25,086	1,180	\$15.00	\$36.26	\$35.00	\$23,600
SIGNATURE ZONING COMPL	534	300	234	30	10.00	17.80	20.00	300
PROJ AREA WIDE IMPACT	309	500	(191)	1	500.00	309.00	500.00	0
APPLICATION/REZONING	5,715	8,400	(2,685)	42	200	136.07	200.00	0
PUD	3,781	9,100	(5,319)	32	284.38	118.16	284.38	0
SUBDIVISION	3,191	7,645	(4,454)	27	283.15	118.19	283.15	0
APPLIC - VARIANCE	2,014	3,500	(1,486)	35	100.00	57.54	100.00	0
APPLIC - SP EXEMPTION	1,552	1,850	(298)	27	68.52	57.48	68.51	0
APPL - CERT ZON NONCOM	416	1,800	(1,384)	36	50.00	11.56	50.00	0
APPLIC - HOME OCCUPATN	1,214	2,400	(1,186)	80	30.00	15.18	30.00	0
TOTAL ZONING	\$61,512	\$53,195	\$8,317					\$23,900
FIRE INSPECTION	\$29,549	\$0	\$29,549	2,500	\$0.00	\$11.82	\$12.50	\$31,250
GRAND TOTAL	\$697,057	\$404,559	\$292,498					\$296,971

ENCLOSURE 3

ENVIRONMENTAL HEALTH

The Environmental Health Division provides many permitting and inspectional services to residents and businesses. Many of these services are regulated by State Statute, and thus, provide no opportunity for generating revenue. Some services, such as inspection of restaurants and food service establishments have fee setting authority by the County Commissioners. Provided below is a summary of full costs by rate setting authority.

	<u>Full Costs</u>
Fees set by Florida Statute	\$246,080
Fees under Okaloosa County Commission	<u>\$119,642</u>
	\$365,722

The following table illustrates services for which the County Commission can impose fees. Revenue derived from these fees can be used to reduce the County's contribution to the Community Health Trust Fund or to expand programmatic services. Also provided for information purposes, is a table detailing services which are regulated by Florida Statutes.

OKALOOSA COUNTY, FLORIDA
 ENVIRONMENTAL HEALTH
 REVENUE SUMMARY

DIVISION	TOTAL COST	REVENUE	DEFICIT (SURPLUS)	UNITS OF SVC	CURRENT FEE	COST/ UNIT	RECOMMENDED FEE	ADDITIONAL REVENUE

ENVIROMENTAL HEALTH:								
EMS	\$421	\$0	\$421	4	\$0.00	\$105.25	\$105.00	\$420
FOOD OUTLETS	23,678	0	23,678	211	0.00	112.22	110.00	23,210
FOOD PROCESSING	951	0	951	3	0.00	317.00	315.00	945
FOOD SERVICES	56,958	0	56,958	323	0.00	176.34	175.00	56,525
NON-LIC FOOD SVCS	36,040	0	36,040	205	0.00	175.80	175.00	35,875
FOOD TRAINING	1,594	0	1,594	457	0.00	3.49	3.50	1,600
TOTAL ENV HEALTH	\$119,642	\$0	\$119,642					\$118,575

OKALOOSA COUNTY, FLORIDA
 ENVIRONMENTAL HEALTH
 FEES SET BY STATUTE
 AND NON FEE ACTIVITIES

FACILITY	# OF FACILITIES	UNIT TIME	TIME EXPEND	% OF TIME	TOTAL PROG COST	TOTAL IND COST	TOTAL FAC COST	COST/ FACILITY	UNITS OF INSPECTN	# OF INSPECT	COST/ INSPECT			
CLF	9	3	43	0.18%	\$509.07	\$5.01	\$514.08	\$57.12	43.06	20	\$26.08			
DAY CARE	56	2	476	1.94%	5,514.87	31.17	5,546.04	99.04	476.37	252	21.98			
HOMES	49	1.5	74	0.30%	848.44	27.27	875.71	17.87	58.62	39	22.41			
CARE	7	5	93	0.38%	1,074.69	3.90	1,078.59	154.08	93.04	30	35.70			
HOSP	5	8	851	3.48%	9,813.64	2.78	9,816.42	1,963.28	850.66	188	52.31			
TCF/MR	1	4	9	0.04%	84.84	0.56	85.40	85.40	8.51	3	26.25			
RAILS	2	3	10	0.04%	113.13	1.11	114.24	57.12	9.57	4	26.08			
H HOMES	6	5	80	0.33%	933.29	3.34	936.63	156.11	79.75	26	36.16			
RES FAC	9	3	43	0.18%	509.07	5.01	514.08	57.12	43.06	20	26.08			
SCHOOLS	39	6	1,493	6.10%	17,251.65	21.71	17,273.36	442.91	1,492.91	420	41.16			
CAMPS	4	3	117	0.48%	1,357.51	2.23	1,359.74	339.94	117.00	62	21.93			
TR PARK	64	3	924	3.77%	10,634.00	35.62	10,669.62	166.71	924.00	488	21.86			
PVT W S	447	1.5	0	0.00%	0.00	248.79	248.79	0.56	670.50	447	0.56			
W S	25	4	2,785	11.37%	15,903.09	13.91	15,917.00	636.68	2,785.07	1,368	11.64			
NC W S	17	4	1,894	7.73%	10,811.86	9.46	10,821.32	636.55	1,893.85	930	11.64			
W S O	3	4	334	1.36%	1,930.00	1.67	1,931.67	643.89	334.21	164	11.77			
WATER	1	1.5	6	0.02%	27.97	0.56	28.53	28.53	6.00	4	7.13			
BATH PL	8	3	443	1.81%	2,531.63	4.45	2,536.08	317.01	442.58	263	9.64			
POOLS	236	1.5	1,632	6.66%	9,315.26	131.35	9,446.61	40.03	1,601.00	1,704	5.54			
ST MGF	3	3	417	1.70%	22,664.52	1.67	22,666.19	7,555.40	417.30	275	82.40			
ST CLN	11	2	680	2.78%	37,063.15	6.12	37,069.27	3,369.93	679.00	669	55.43			
TEMP P	2	3	278	1.14%	15,198.56	1.11	15,199.67	7,599.84	278.08	183	82.88			
SOLID W	3	5	25	0.10%	1,333.21	1.67	1,334.88	444.96	25.00	7	190.70			
Y SOIL PRF	855	1	50	0.20%	2,666.41	475.87	3,142.28	3.68	348.13	348	9.03			
# S TNK PRM	814	3	156	0.64%	8,532.52	453.05	8,985.57	11.04	3,258.54	1,086	8.27			
SPR ACT INS	1	4	4	0.02%	287.00	0.56	287.56	287.56	111.40	28	10.32			
SP ACT F TST	4	1.5	6	0.02%	287.00	2.23	289.23	72.31	62.66	42	6.92			
SPR ACT SMPL	6	1	6	0.02%	287.00	3.34	290.34	48.39	41.78	42	6.95			
#S TANK FNLS	678	5	230	0.94%	12,532.14	377.36	12,909.50	19.04	17,766.49	3,553	3.63			
RPR PERMITS	59	1.5	15	0.06%	861.00	32.84	893.84	15.15	347.61	232	3.86			
ESTG TNK CKS	77	1.5	3	0.01%	144.00	42.86	186.86	2.43	69.52	46	4.03			
COMPL RSITN	576	1.5	201	0.82%	32,112.00	320.59	32,432.59	56.31	1,474.50	983	96.52			
BITE INV	511	1.5	75	0.31%	20,394.01	284.41	20,678.42	40.47	1,443.00	962	96.52			

54.93%										\$243,526.53	\$2,553.58	\$246,080.11	\$25,426.43	14,888

ENCLOSURE 4

EMERGENCY MEDICAL SERVICES

The Emergency Medical Services Department was analyzed, and revenue opportunities for this department result from fee increase and collection system efficiency. It should be noted that departmental personnel have made improvements to the current billing and collection procedures which will result in a significant increase in collections.

Fee Increase:

- Basic Medical Treatment. Currently, no fee is charged for treatment when a transport is not involved. We recommend the institution of a \$25 nominal charge which should generate \$13,025 of new revenues. Actual direct costs are \$119.42, and are not realistically recoverable.
- Convalescent Transports. The full cost of each convalescent transport is \$202.28. The primary mission of EMS is emergency responses. Since convalescent transports are non-emergency and eventually could require additional capital and personnel resources, we recommend charging full costs which should result in an additional \$94,194 of revenue.

Billing and collection rates can be increased by increased monitoring of billing and collection procedures. We have discussed this with County personnel and correctional measures are being initiated. This will result in an increase of \$112,155 in revenue.