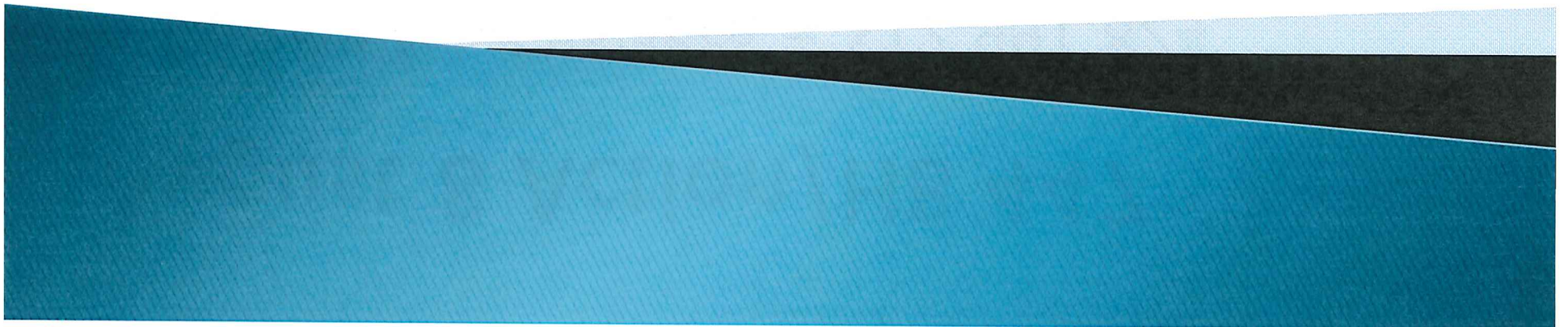


BUILDING INDUSTRY OVERSIGHT COMMITTEE

Meeting of October 10, 2019

Agenda Item #4 Fund Balance Report/Reserve Policy



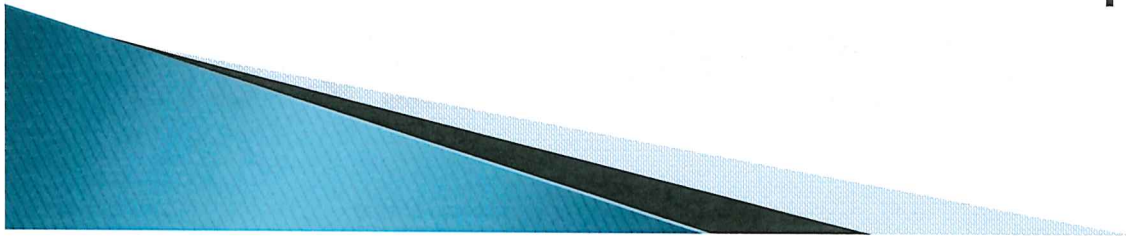
August 8 Action/HB 447

- ▶ Current fund balance = \$12,991,824
- ▶ At Aug. 8 meeting, motion made to follow provisions of HB 447 and limit the fund balance to the 4-year operating average
- ▶ HB 447 amended Sec. 553.80, Fla. Statutes, subsection (7) to read as follows:



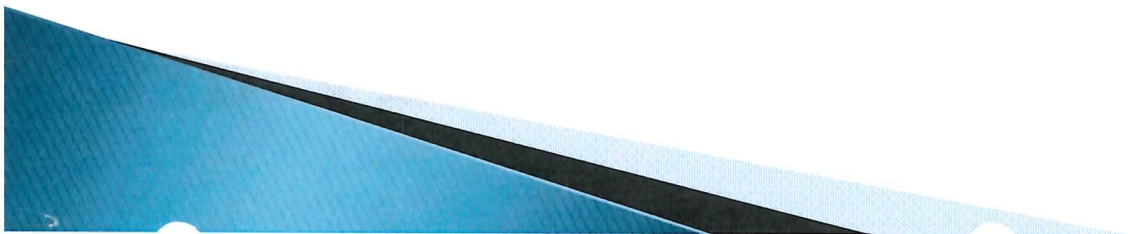
HB 477 Provisions

- ▶ A local government may not carry forward an amount exceeding the average of its operating budget for enforcing the Florida Building Code for the previous 4 fiscal years.
- ▶ For purposes of this subsection, the term “operating budget” does not include reserve amounts.
- ▶ Any amount exceeding this limit must be used as authorized in subparagraph (a)2.



HB 477 Provisions

- ▶ However, a local government which established, as of January 1, 2019, a Building Inspections Fund Advisory Board consisting of five members from the construction stakeholder community and carries an unexpended balance in excess of the average of its operating budget for the previous 4 fiscal years may continue to carry such excess funds forward upon the recommendation of the advisory board.

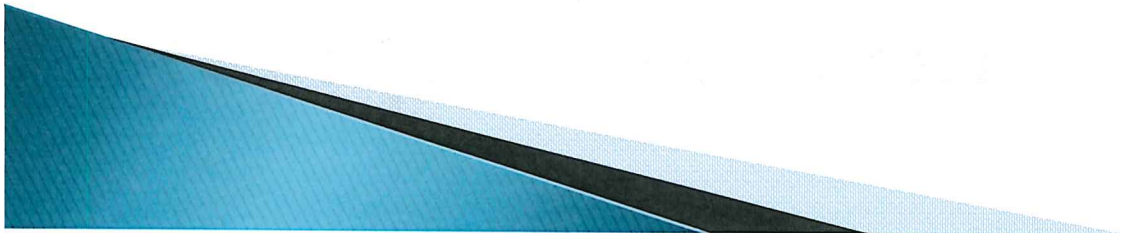


Result of Motion

- ▶ The BIOC could fill the role of the referenced advisory committee and authorize a fund balance larger than the 4 year average

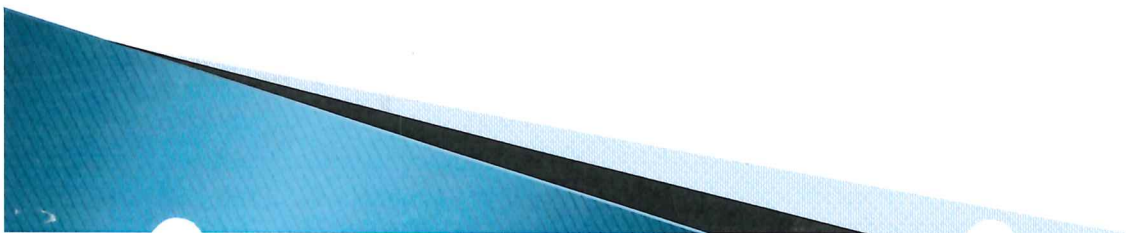
- ▶ Actual expenditures last 4 years
 - FY 15/16 \$6,326,136
 - FY 16/17 \$6,898,065
 - FY 17/18 \$7,637,339
 - FY 18/19 \$9,532,497

- ▶ 4 year average = \$7,598,509



Result of Motion

- ▶ FY 19/20 budgeted expenditures = \$10,251,199
- ▶ Recommended fund balance almost \$3 million less than current annual budget
- ▶ Operating budget has been increasing because of focus on improving service levels
 - Added 24 positions starting in FY 15/16, utilizing consultants, paying overtime and more competitive salaries, filling vacancies



Result of Motion/Request

- ▶ County target inconsistent with how the City of Fort Myers was treated by their BIOC
- ▶ City was approved to carry a fund balance equivalent to 15 months' operating costs
- ▶ 18 month balance would cover existing reserve level so no immediate adjustments necessary
- ▶ Would allow us to complete detailed evaluations of our operations and of our costs to provide services



On-Going Evaluations

- ▶ Performance Review team in County Administration currently reviewing our application review processes in Development Services, Zoning and Plan Review sections
- ▶ Could lead to procedural changes, organizational or structural changes, and/or use of new technologies or software
- ▶ Technology enhancements under consideration: queuing system in lobby; electronic plan review system/process; Inspections module (Selectron)



On-Going Evaluations

- ▶ Also looking in detail at costs to provide various services as compared to fees we charge
- ▶ Could lead to changes in certain fees
- ▶ Not sure yet what that might cost or how that might affect operating budget; hope to have preliminary information in next few months

