

PRESENTED BY
COMMUNITY
DEVELOPMENT
DEPARTMENT
AND
ADMINISTRATION
OFFICE

CDD Next Steps and Options

Next Steps 25/26 FY

Building Division Cash

As of 02/26/2026 8:02AM

With Loan

Month	Actuals	Cumulative Total
July	162,102.38	162,102.38
August	22,568.32	184,670.70
September	(46,600.85)	138,069.85
October	(30,159.03)	107,910.82
November	355,470.56	463,381.38
December	(79,232.73)	384,148.65
January	(13,628.36)	370,520.29
February	(42,105.97)	328,414.32

Without Loan

Month	Actuals	Cumulative Total
July	162,102.38	162,102.38
August	22,568.32	184,670.70
September	(46,600.85)	138,069.85
October	(30,159.03)	107,910.82
November	(34,529.44)	73,381.38
December	(79,232.73)	(5,851.35)
January	(13,628.36)	(19,479.71)
February	(42,105.97)	(61,585.68)

Conclusion of Analysis

- The Building Division will be unable to make a loan payment this fiscal year.
- All Building Budgets being presented here today include a \$130K loan payment in 26/27.
- Based on the need to rebuild Building Division reserves, splitting the loan payment of 3 years is the best option for the overall health of the budget.
- The Planning division deficit can be reduced slightly by CDD staff reduction. Two options will be presented today.
- The remainder of the deficit will be covered by the general fund.

Next Steps FY 26/27

26/27 Budget Options

Option 1:

Proposes no fee increases based on fee analysis and CDD will make significant staff reduction to address current deficits

Option 2:

Proposes moderate fee increases based on fee analysis and CDD will make a considerable staff reduction

Option 3:

Proposes fully unsubsidized fees based on fee analysis and CDD will remain at current service levels.

Notes on Options

Fee analysis has been adjusted to reflect current hourly rates (new MOU) , and includes the calculations for Option 2 and 3 fee increases (attached)

Permit revenue projections are based on conservative permit numbers that reflect concerns about economic instability and variability of permits types/annual construction cost total (attached)

Nine balanced budget drafts have been prepared - one for each of the three options.

More Notes on Budgets

To more accurately illustrate the cost of CDD's administrative team, all admin positions have been moved to the Planning division.

Building and Code Enforcement will contribute 1/3 each of this cost to Planning.

The Planning Division has previously assumed Code Enforcement's share of admin costs. In 26/27, these cost are appropriately distributed to each division.

The overall admin costs are unchanged, however Net County Cost is redistributed between Planning and Code Enforcement.

Building & Safety Division

Building Division Budgets/Options

Reduced Permit numbers
(nearly 200 permit decrease)
– matches a 3-year trend of
declining permit numbers)

Includes options for
increased hourly rate and
increased fees based on
valuation/construction cost

All fees determined by
valuation/construction cost
should be based on a single
permit multiplier (ie 3%), per
recommendation by the ICC.

	Option 1	Option 2	Option 3
Revenue	1,676,561	2,005,316	2,319,719
Expenses	1,637,305	1,777,158	1,998,138
Reserves	39,256	228,158	321,581
FTEs	7.00	8.00	9.60
Estimated Potential FY25/26 Deficit Reduction	35,549	26,792	
Note: All options include \$130,000 for loan repayment			

Snapshot – Budget and Reserve Projections

	Option 1	Option 2	Option 3
Construction	1,129,934	1,388,987	1,588,639
Mobile Home	10,000	10,000	10,000
Planning & Engineering	507,427	571,843	682,522
CBSC Fee	452	556	635
Technology Recovery	22,598	27,780	31,773
CASp Fee	4,900	4,900	4,900
Auditing & Accounting	1,000	1,000	1,000
Other	250	250	250
TOTAL	\$ 1,676,561.00	\$ 2,005,316.00	\$ 2,319,719.00

Revenue Projections

Source: Revenue Projection Worksheet

	Option 1	Option 2	Option 3
Salaries & Benefits	965,370	1,073,716	1,262,564
Services and Supplies	297,781	297,781	297,781
Admin Salaries Contribution	244,154	275,660	307,792
Other Charges - Loan Repayment	130,000	130,000	130,000
TOTAL	\$ 1,637,305.00	\$ 1,777,157.00	\$ 1,998,137.00

Expense Projections

Based on FY 25/26 actuals with a 5% increase in some categories

Building Division Budget

Reserves are required at the start of each fiscal year in order to cover payroll expenses plus county cost allocations

A healthy reserve level is 25% of salaries and benefits (approx. \$250K) plus \$76,000 in county cost allocations = \$326,000

We recommend a budget option that creates significant reserves in 26/27.

Based on ICC recommendation, we should revise fees to utilize a single permit fee multiplier.

Fees will now be analyzed yearly for hourly rate and valuation calculations, so that adjustments can be made if construction activity changes.

Code Enforcement Division

Code Enforcement Budgets/Options

Majority of salaries and expenses are being reimbursed by grants and programs (including COPTR)

Difficult to predict revenue from Administrative Citations and Lien Cost Recovery

Code Enforcement will contribute 1/3 of admin costs – increasing its Net County Cost

	Option 1	Option 2	Option 3
Revenue	691,561	691,561	683,081
Expenses	1,162,545	1,218,149	1,238,974
Net County Cost	470,984	526,588	555,893
FTEs	9.00	10.00	10.00

Snapshot – Budget and Net County Cost Projections

	Option 1	Option 2	Option 3
Fines, Forfeit, Penalties	14,000	14,000	14,000
State Aid/Other*	324,917	324,917	316,437
Charges for Services/Auditing & Accounting	51,000	51,000	51,000
Other Current Services	4,500	4,500	4,500
Operating Transfer/In**			
COPTR – Salaries & Expenses	272,144	272,144	272,144
Liens – Admin Cost Recovery (2604)	25,000	25,000	25,000
TOTAL	\$ 691,561.00	\$ 691,561.00	\$ 683,081.00

Revenue Projections

*CDBG Grant

**COPTR Program (Cannabis Fund)

	Option 1	Option 2	Option 3
Salaries & Benefits	1,116,300	1,199,047	1,187,741
Services and Supplies	573,310	492,049	492,049
Admin Salaries Contribution	244,154	275,660	307,792
Other: Cohort 3 Grant Reimbursements	(602,100)	(588,455)	(588,455)
Other: Code Manager Admin Contribution	(160,152)	(160,152)	(160,152)
TOTAL	\$ 1,171,512.00	\$ 1,218,149.00	\$ 1,238,975.00

Expense Projections

Code Division Budget

Option 2 or 3 retain staffing levels needed for efficiently fulfilling program and grant objectives.

Continue to increase the number of Notice of Violation and administrative citations issued.

Develop process to convert administrative citations to liens if not paid by the property owner within the same fiscal year.

Develop lien tracking system so future lien revenue can be promptly collected by Code Enforcement.

Planning Division

Planning Division Budgets/Options

Reduced Permit numbers (decreased by 20% to address a 3-year trend of declining permit numbers)

Revenue projections include charges to all county departments (or general fund) paying for their CEQA projects

Admin cost contributions by Building and Code Enforcement will decrease Planning's Net County Cost

	Option 1	Option 2	Option 3
Revenue	839,050	1,122,378	1,376,943
Expenses	1,167,039	1,322,076	1,636,358
Net County Cost*	327,989	199,698	259,414
FTEs	10.00	12.00	16.00
Estimated Potential FY25/26 Deficit Reduction	48,235	20,503	0
*Includes \$109,957 paid to County Cost Allocation Plan			

Snapshot – Budget and Net County Cost Projections

	Option 1	Option 2	Option 3
Development Permits	23,130	33,300	43,164
Permits/Zoning	53,970	76,729	99,416
Charges for Services/Planning	61,680	102,120	132,314
Subdivision Inspection	20,560	33,300	43,164
Charges for Services	209,455	255,300	330,786
Planning Development	5,140	14,800	19,176
Mitigation	5,783	8,325	10,787
Operating Transfer/In			
Cannabis Revenue*	107,740	192,400	249,287
Cannabis Salaries**	140,415	194,927	237,672
Geothermal	211,177	211,177	211,177
TOTAL	\$ 839,050.00	\$ 1,122,378.00	\$ 1,376,943.00

Revenue Projections

*Cannabis fees deposited into cannabis fund and then journaled back to Planning

**Cannabis salary reimbursement is 25% of Planning staff salary cost, less Director and Deputy Administrator

	Option 1	Option 2	Option 3
Salaries & Benefits	1,399,008	1,617,057	1,995,603
Services and Supplies*	206,339	206,339	206,339
Other Charges	50,000	50,000	50,000
Other: Admin Cost Contribution from Building and Code	(488,308)	(551,320)	(615,584)
TOTAL	\$ 1,167,039.00	\$ 1,322,076.00	\$ 1,636,358.00

Expense Projections

*Includes County Cost Allocation Plan. Does not include PlaceWorks contract services

Planning Division Budget

We recommend a budget option with the most reasonable Net County Cost in 26/27

Option 1 staff reductions are severe and would create major reduction of planning services and devolve the department

Planned reduction of services in Option 1 and 2 include counter service, time committed to unfunded activities, and long-term planning

Fees will be analyzed yearly for hourly rate calculations, and permit revenue will be analyzed monthly

Regardless of option chosen, Planning will add new fees to MFS, charge county departments, and limit the amount of non-cost recovery tasks and increase efforts on cost recovery tracking.

1. Charge for all pre-application meetings.
2. Charge for processing of county projects (GPCs, CEQA), which was not consistently done previously.
3. Limit counter time to 30 minutes per inquiry, then charge for staff research time (on our fee schedule already).
4. Limit the number of staff in meetings or charge time for attendance.
5. Limit the amount of time spent with customers that do not have projects submitted and in process.
6. Charge senior-level peer review of staff reports and CEQA documents as well as all meetings, email, phone correspondence for in process permits.
7. Add fees to MFS for minor modifications to UPs, opt out/reduced canopy, NEPA processing, late penalties, grading questionnaire, grading violation inspections, septic clearances.
8. Increase cost recovery on CE for lakebed permits, compliance monitoring follow up, appeals, zoning clearances.

Planning Budget

CDD Fiscal Health Strategies

Develop a centralized data dashboard for ongoing monitoring.

Develop policy and procedure for any waiver/reduction of penalties and collection of supporting documentation.

Review Building division's cash account weekly.

Ensure revenue covers operational costs.

Analyze monthly data to forecast future trends.

Refine revenue estimation processes using collected data.

Continue to work with the County's internal controls.

Provide monthly revenue and expenses reports to divisions and meet with Division Managers and Admin quarterly.

Provide bi-annual updates to the BOS.