

County has first look at fee study

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The preliminary results of a months-long "fiscal analysis" study that might one day be used as the basis for establishing impact fees were released earlier this month. The study aims to pin a number on how much it costs government to provide services to new homes and businesses and compares that number with the amount of government revenue new homes and businesses generate.

When completed, the analysis will give local government policy makers a road map to use in making decisions on the possible imposition of impact fees on new development in the various county government jurisdictions.

The fiscal analysis is a cooperative effort of the county government and five of the six municipalities. Crawford is not participating in the study.

The fiscal analysis is intended to provide local officials with "numbers only," said Andrew Klotz, director of RPI and the Durango consultant doing the study. Any policy decisions that may follow from the analysis are solely up to local policy makers, Klotz said.

The methodology used in the \$116,000 study is a straight division of county budget numbers into local demographic and economic data.

For example, the study gives a combined annual operations cost of \$673 per county residence for operations of county administration, law enforcement, and health/welfare. Capital costs for the same three departments is \$656 per county residence.

The county administration is most expensive of the three departments, with combined capital and annual operations cost of \$475 per county residence.

A few preliminary findings of the analysis were being distributed to local governing boards this month. Each government entity participating in the work submitted its own demographic data and financial information for analysis.

Let "growth" pay

The idea of "let growth pay its own way" is taken up by local jurisdictions everywhere looking for means of "enhancing revenues" and of avoiding the wrath of taxed-to-the-max local voters.

The actual process of letting "growth pay its own way" usually means that government presents an up-front bill to builders and developers for the public service impacts their projects are expected to bring to the local community.

The county's fiscal analysis study assumes that if a community population grows by 20 percent and its government stays the same size, then government services have been degraded by 20 percent. The difficult task of analyzing and proving that theory has been whittled down to bare essentials in the study by the firm RPI of Durango.

If someone wants to build a new house in Delta County, they could be considered a burden on government services and required to "pay their own way" with an impact fee assessment. The study assumes that everyone who lives in existing housing is already paying their own way, even if they move here from somewhere else into existing vacant housing and increase the population – which would otherwise be considered growth.

Governments see themselves as being squeezed from every direction – by unfunded mandates from state and federal lawmakers, by inflating costs of supplies and services, and by local taxpayers who seem ready to oppose almost any new taxes.

The fiscal analysis study is being completed by RPI Consulting of Durango for the county commissioners and five of the county's six municipalities. RPI conducted a similar study for Montrose County that was used as the basis voter approved impact fees on new residential and commercial construction there.

For Delta County government the following preliminary findings have been released.

Administration

- On average it costs the county annually \$65,701 per administrative employee to provide administrative services to the public. This translates into an (annual) operations cost of \$217 per housing unit.
- The county currently has 1.51 administrative employees for every 1,000 county residents.
- Administrative departments will require significant capital investment by 2018, including new office space, equipment and land. This cost will equal \$258 per housing unit.

Law enforcement

- On average it costs \$58,249 per county law enforcement employee annually to provide law enforcement services. This translates to an annual operations and maintenance cost of \$169 per housing unit.
- The county employs 1.31 law enforcement personnel per 1,000 county resident.
- To maintain the current level of service, county law enforcement will need to hire an additional employee every year for the next ten years at a total additional operational cost of over a half-million dollars annually.
- Capital costs for the same 10-year period are pegged at \$654,016, or \$230 per housing unit.

Health/human services

- On average it costs \$68,436 per department employee annually to provide health and human services to the public. This translates into an operations cost of \$287 per housing unit.
- The county employs 1.9 people per 1,000 residents in the HHS department.

[< Prev](#)[Next >](#)