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# NEWS LEADER

## County to keep fees down, cut Building Department

*By Ryan Smith, News-Leader*

The Nassau County Commission voted Wednesday to keep reduced building permit fees and suspended impact fees.

The permit fees, and portions of the impact fees, are used to fund the Nassau County Building Department - which has been operating at a projected \$1.7 million deficit this year. Instead of returning the fees to their original levels, County Coordinator Ed Sealover recommended the department cut spending - including the elimination of jobs.

Building permit fees were halved and the collection of impact fees suspended in July 2008, with the intent of stimulating the local construction industry. The fee cuts were intended to last a year, but Sealover recommended keeping the current permit fee schedule in place until the end of the fiscal year Sept. 30, and continuing to suspend permit fee collection until at least Dec. 31.

Sealover said the Building Department's real problem was spending that was out of line with revenue - a problem he said wouldn't be solved by reinstating the original fee structures. He recommended cutting the department's \$2.2 million 2009-10 budget by about \$800,000 and reducing its staff from 35 budgeted employees to 16.

While the cuts wouldn't eliminate the deficit, Sealover said they would help put a dent in it. "By (making the cuts), the deficit projected for '09-10 would come in at just under \$900,000," he told the commission. "I urge your serious consideration for this spending plan."

While Commissioner Mike Boyle agreed that cuts had to be made, he questioned the wisdom of continuing permit and impact fee cuts. "Why are you recommending that we leave impact fees and permitting fees where they are?" he asked.

"What you have to deal with is the other side of the equation, the spending side," Sealover said. "You simply don't have the activity to satisfy the current spending plan."

"Why do you want to put (the fee issue) off until next fiscal year?" Boyle asked.

"We have taken the position that the top priority in this situation is not going to be solved - or even marginally solved - by raising the permit fees in the last three months of the fiscal year," Sealover said.

Boyle was unconvinced. "The reality is, if we put this off another quarter, we'll have this same discussion then, and the same forces at play to say, 'Let's put it off another quarter,'" he said.

"I view this as a spending issue. I do not believe that the fees are the issue you must be concerned with," Sealover insisted. "You must be concerned with the spending issue."

However, he agreed that building permit fees, at least, would eventually have to be raised. "You cannot indefinitely let the permit fee schedule stay at this level," he said. "Let it go for three months, then sit down and talk about it."

Commissioner Danny Leeper said a budget cut for the department was overdue. "That's where we failed - we knew we were going to have reduced revenue, but we didn't address the spending," he said. "... We should have made the effort to reduce our expenditures back in 2006, when we saw this trend starting. That's where we missed the boat."

However, Boyle still said the fees should be reinstated. "I voted for this reduction the first time because I thought it had a chance of doing some good, even though I was skeptical of its success," he said. "I have not seen any evidence that it has been working here."

Commission Chair Barry Holloway said the reduction in fees might do some good now. Last year, he said, many builders had to sell off pre-existing inventory before starting new projects.

"I think we were a year too early," he said. "Now's the time when we should probably be doing it. ... I think anything we can do to put a nail in a board or put a plumbing guy to work or an electrician to work, we need to do it - but we can't do it forever. (The Building Department's reserve fund) is going to exhaust itself pretty soon the way things are going."

The commission voted 4-1 to retain the current fee structure, with Boyle voting nay. Sealover's recommendations for budget cuts will be addressed at a later meeting.

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