



DeKalb County

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Department of Finance

Internal Audit and Licensing

TO: Keith A. Barker, Chief Operating Officer and Executive Assistant

FROM: Deputy Director of Finance, Internal Audit & Licensing

SUBJECT: **Comprehensive Revenue Study Report**

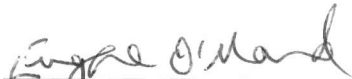
DATE: September 28, 2009

Finance Department's Division of Internal Audit conducts compliance and operational audits as well as reviews and special projects requested by upper management. Per your request, Internal Audit has completed a countywide revenue study.

Internal Audit collected fee information from various departments, but presented only those that indicated a willingness to increase fees at this time based on their justification or evaluation. It should be pointed out that, a few months ago, Internal Audit analyzed, held discussions and received indications from the departments that they would consider increasing fees and charges.

The results of the revenue study disclose user fees/charges and a new business occupation tax for retail liquor package stores based on a profitability ratio presented in this report. It should be pointed out that County Code Chapter 15 – Licenses, Permits and Miscellaneous Business Regulations would need to be amended to include the business occupation tax, since it is not covered in the existing code.

Internal Audit would like to extend appreciation to all departments that participated in this study.


Eugene O'Mard

EOM/CL/MW

cc: Dr. Michael J. Bell, Chief Financial Officer
William (Ted) Rhinehart, Deputy Chief Operating Officer – Infrastructure
William Z. Miller, Director of Public Safety
Joel Gottlieb, Assistant Director of Finance
Russell Frankofsky, Deputy Director of Finance, Budget & Grants

COUNTYWIDE FEE STUDY

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EXECUTIVE SUMMARY

The following is a summary of recommended fee increases submitted by the various departments:

- Finance – Business License: The recommendation is to charge retail package liquor stores a general business occupation tax in addition to their license fee. **The projected additional revenue is \$ 131,000.**
- Fire Rescue Services – The recommendation is to increase Base Rates, Mileage Fee, and fees related to medical services provided. **The projected additional revenue is \$ 1,200,000.**
- Human Development – The recommendation is to increase fees for Senior Center membership, rentals, cafeteria and leases. **The projected additional revenue is \$ 119,000.**
- Parks and Recreation – The recommendation is to increase fees at the Mystery Valley and Sugar Creek Golf Courses. **The projected additional revenue is \$ 340,000.**
- Planning and Development - The recommendation is to increase fees for sign permits, zoning, and re-submittals of documents for commercial building permits and to initiate fees for State Water Determination and Arborist Tree Assessments. **Due to the current economic situation and uncertainty of development projections, no projections were made for several of these increases, but a partial projection of additional revenue is \$ 241,000.**
- Police Services – The recommendation is to change the pricing structure of False Alarm billings, to add a Surrender Charge for Animal Control, increase various fees for background checks and permits, and to charge 911 fees for those who use the VOIP-internet phone format. **The projected additional revenue is \$ 430,000.**
- Public Works – Transportation: The recommendation is to increase the prices of Hang Tags and Parking Decals and create a Utility Encroachment Permit. **The projected additional revenue is \$ 39,000.**
- Tax Assessors – The recommendation is to increase the cost of the Complete Tax Digest to \$ 100. **The projected additional revenue is \$ 2,000.**

Conclusion

The total projected additional revenue from the above recommendations is **\$ 2,502,000** with no projections made for several of the fee increases due to the uncertainty of the volume of activities and transactions that are controlled by the economy.

PURPOSE, SCOPE AND METHODOLOGY

Purpose and Scope

The following were the primary objectives:

- Obtain recommendations from each Department for user fee increases and their projected increase of total revenue.
- Summarize recommended fee increases and projected additional revenue.

Methodology

The following DeKalb County Departments were included in this study:

- Finance
- Fire Rescue Services
- Human Development
- Parks and Recreation
- Planning and Development
- Police Services
- Public Works
- Tax Assessors

Internal Audit compiled and summarized responses given by the above listed Departments. Some Departments had no recommendations, had recently increased fees, or have fees regulated by the State of Georgia. Details of recommendations and projected additional revenues, by Department, follow:

FINANCE - BUSINESS LICENSE

Gross Receipts	\$1,000,000.00
DeKalb Fee Rate	<u>0.00042</u>
Annual Gross Fee	\$420.00
Administrated Fee	\$75.00
Base Fee	\$50.00
Employee Fee	<u>\$8.00</u>
	\$553.00
	<u>236</u> *
Potential Revenue	<u><u>\$130,508.00</u></u>

* Estimated number of Package Stores in unincorporated DeKalb

Comments

DeKalb County charges retail liquor package store establishments a flat fee (\$4,900) for an alcohol license.

Fulton, Cobb, Clayton and the City of Atlanta charge a flat fee in addition to requiring the retail liquor package stores to pay an annual general business occupation tax. Gwinnett is considered a dry county; therefore, retail package stores are not permitted. DeKalb does not require them to pay a general business occupation tax. The Law Department informed us that the current code would have to be amended if we wanted to begin charging retail liquor package stores a general business occupation tax like the other counties.

The anticipated revenue shown above is a conservative estimate that would vary depending on the gross receipts, number of employees and the fee rate.

FIRE RESCUE SERVICES

CATEGORY	FEE			PROJECTED ADDITIONAL REVENUE
	CURRENT	PROPOSED	INCREASE	
BLS Emergency Base Rate	\$425.00	\$500.00	\$75.00	\$1,200,000.00
ALS Emergency Base Rate	\$475.00	\$550.00	\$75.00	
Ground Mileage	\$6.50/mi.	\$7.00/mi.	\$0.50	
Oxygen Administration	\$36.00	\$45.00	\$9.00	
All-encompassing ALS 2 Rate <i>(for cardiac arrest, etc.)</i>	\$0	\$650 + Mileage	\$650 + Mileage	
EGK Monitoring and Interpretation Rate	\$0	\$75.00	\$75.00	
Vehicle Extrication Fee	\$0	\$250	\$250.00	

Comments

A charge for vehicle extrication was added to the list of proposed fees. Fire Rescue provides approximately 300 extrications per year.

The rate increases will minimally affect Medicare or Medicaid, which represent more than 60% of patients. Those reimbursements rates are established by contract. In addition, a Strategic Plan focus of improved documentation will make an additional impact of approximately \$750,000 in annual revenue, once the rates are in effect.

Fire Rescue recommended developing a Level#4 Collection Notice; this will result in an approximately \$300,000 annual impact on the open collection accounts.

HUMAN DEVELOPMENT

CATEGORY	FEE			PROJECTED ADDITIONAL REVENUE
	CURRENT	PROPOSED	INCREASE	
Senior Center Membership	\$60.00	\$100.00	\$40.00	\$72,000.00
Neighborhood Senior Center Rentals	\$100.00	\$200.00	\$100.00	\$8,000.00
Senior Center Cafeteria Sales	\$4.27	\$5.27	\$1.00	\$10,436.00
Senior Center Lease Payments	\$2.50	\$5.00	\$2.50	\$4,000.00
Senior Center Weekend Rentals	\$900.00	\$1,000.00	\$100.00	\$25,000.00
Total Projected Revenue				\$119,436.00

PARKS AND RECREATION

CATEGORY	FEE			PROJECTED ADDITIONAL REVENUE
	CURRENT	PROPOSED	INCREASE	
<i>Golf Fees - Mystery Valley</i>				
<u>Green & Cart Fees</u>				
<i>Resident Rates</i>				
Week Days	\$17.00	\$19.00	\$2.00	
Weekends	\$24.00	\$26.00	\$2.00	
Annual Pass	\$800.00	\$900.00	\$100.00	
Senior & Junior Pass	\$600.00	\$700.00	\$100.00	
Cart Fees	\$11.00	\$13.00	\$2.00	
<i>Non-Resident Rates</i>				
Week Days	\$23.00	\$25.00	\$2.00	
Weekends	\$30.00	\$32.00	\$2.00	
Annual Pass	\$900.00	\$1,000.00	\$100.00	
Senior & Junior Pass	\$700.00	\$800.00	\$100.00	
Cart Fees	\$11.00	\$13.00	\$2.00	
Total Projected Additional Revenue (<i>Mystery Valley</i>)				\$185,000.00
<i>Golf Fees - Sugar Creek</i>				
<u>Green & Cart Fees</u>				
<i>Resident Rates</i>				
Week Days	\$15.00	\$17.00	\$2.00	
Weekends	\$21.00	\$23.00	\$2.00	
Annual Pass	\$800.00	\$900.00	\$100.00	
Senior & Junior Pass	\$600.00	\$700.00	\$100.00	
Cart Fees	\$11.00	\$13.00	\$2.00	
<i>Non-Resident Rates</i>				
Week Days	\$21.00	\$23.00	\$2.00	
Weekends	\$27.00	\$29.00	\$2.00	
Annual Pass	\$900.00	\$1,000.00	\$100.00	
Senior & Junior Pass	\$700.00	\$800.00	\$100.00	
Cart Fees	\$11.00	\$13.00	\$2.00	
Total Projected Additional Revenue (<i>Sugar Creek</i>)				\$155,000.00

PLANNING AND DEVELOPMENT

CATEGORY	FEE			PROJECTED ADDITIONAL REVENUE
	CURRENT	PROPOSED	INCREASE	
<i>Planning Division*</i>				
Rezoning	\$37,098	\$70,200	\$33,102	
Special Land Use Permits	\$9,600	\$12,000	\$2,400	
Comp Plan Amendments	\$8,500	\$12,750	\$4,250	
Auto Zoning Certificates	\$0	\$2,100	\$2,100	
Letters of Non-Conformity	\$0	\$1,500	\$1,500	
Zoning Certificates	\$6,450	\$32,250	\$25,800	
HPC Cert of Appropriateness	\$0	\$19,000	\$19,000	
Admin Variances	\$32,000	\$40,000	\$8,000	
BOA Variances	\$54,000	\$63,000	\$9,000	
Total Projected Additional Revenue	\$147,648	\$252,800	\$105,152	\$105,152
<i>Development Division*</i>				
State Water Determination Fee	\$0.00	\$200.00	\$200.00	\$10,000
Arborist Tree Assessment Fee <i>(Per Site visit)</i>	\$0.00	\$100.00	\$100.00	\$1,800
Dumpster Permit Fee	\$0.00	\$50.00	\$50.00	\$1,750
Plans Review - Residential	\$300 + \$15/Lot	\$300 + \$20/Lot	\$5/Lot	\$850
Plans Review - Commercial	\$300/Acre,\$300 min.	\$350/Acre,\$350 min.	\$50/Acre, \$350 min	\$12,400
Inspection - Road	\$0.00	\$10/Lin. Ft.	\$10/ Lin. Ft.	\$17,400
Inspection - Curb & Gutter	\$0.00	\$5/ Lin. Ft.	\$5/ Lin. Ft.	\$8,700
Inspection - Storm Drainage	\$0.00	\$10/ Lin. Ft.	\$10/ Lin. Ft.	\$15,500
Inspection - Sidewalk	\$0.00	\$2/ sq. ft.	\$2/ sq. ft.	\$17,400
Sign Permit - Wall Signs	per sq. ft.	\$50.00	Varies	\$24,138
Sign Permit - Ground Signs	per sq. ft.	\$100.00	Varies	\$17,092
Extensions <i>(For six months only)</i>	\$0.00	\$100.00	\$100.00	\$2,000
Final Plat Review	\$100.00	\$200 + \$5/Lot	\$100 +\$5/Lot	\$6,900
Total Projected Additional Revenue				\$135,930
<i>Proposed Zoning Fee Schedule</i>				
<u>Single-Family</u>				
>0-5 acres <i>(up to 12 units/acre)</i>	\$500.00	\$500.00	\$0.00	
>5 to 10 acres <i>(>12 units/acre)</i>	\$750.00	\$1,000.00	\$250.00	
>10 to 20 acres	\$750.00	\$1,200.00	\$450.00	
>20 to 100 acres	\$750.00	\$1,800.00	\$1,050.00	
>100 acres	n/a	\$2,000+\$30	\$2,000+\$30	
Maximum Fee	\$750.00	\$5,000.00	\$4,250.00	

* Projection based on 2008 Statistics

CATEGORY	FEE			PROJECTED ADDITIONAL REVENUE
	CURRENT	PROPOSED	INCREASE	
<u>Multi-Family</u>				
>0-5 acres	\$750.00	\$750.00	\$0.00	
>5 to 10 acres	\$750.00	\$1,200.00	\$450.00	
>10 to 20 acres	\$750.00	\$1,500.00	\$750.00	
>20 to 100 acres	\$750.00	\$2,000.00	\$1,250.00	
>100 acres	n/a	\$3,000+\$50	\$3,000+\$50	
Maximum Fee	\$750.00	\$6,000.00	\$5,250.00	
<u>Non-Residential</u>				
>0-5 acres	\$750.00	\$750.00	\$0.00	
>5 to 10 acres	\$750.00	\$1,500.00	\$750.00	
>10 to 20 acres	\$750.00	\$2,000.00	\$1,250.00	
>20 to 100 acres	\$750.00	\$2,500.00	\$1,750.00	
>100 acres	n/a	\$3,000+\$50	\$3,000+\$50	
Maximum Fee	\$750.00	\$6,000.00	\$5,250.00	
<u>Mixed Use</u>				
>0-5 acres	n/a	\$1,000.00	\$1,000.00	
>5 to 10 acres	n/a	\$1,800.00	\$1,800.00	
>10 to 20 acres	n/a	\$2,200.00	\$2,200.00	
>20 to 100 acres	n/a	\$2,500.00	\$2,500.00	
>100 acres	n/a	\$3,000+\$50	\$3,000+\$50	
Maximum Fee	n/a	\$6,000.00	\$6,000.00	
<u>Other Fees</u>				
Special Land Use Permits	\$400.00	\$500.00	\$100.00	
Variances-BOA	\$300.00	\$350+\$100/add'l variance	\$50+\$100	
Comp Plan Amendment	\$500.00	\$750.00	\$250.00	
<u>Other Zoning Services</u>				
Auto Zoning Certificates	\$0.00	\$50.00	\$50.00	
Seasonal Permits	\$0.00	\$50.00	\$50.00	
Zoning Certifications	\$30.00	\$150.00	\$120.00	
Letters of Nonconformity	\$0.00	\$100.00	\$100.00	
Zoning Minor Modifications	\$250.00	\$250+\$50/add'l mod	+\$50	
Zoning Major Modifications	\$250.00	\$750+\$50/add'l mod	\$500+\$50	
Administrative Variances	\$200.00	\$250+\$50/add'l mod	+\$50	
Certificate of Appropriateness/HPC	\$0.00	\$100.00	\$100	
Certificate of Appropriateness/Admin	\$0.00	\$50.00	\$50	
<u>Land Development Inspection Fees</u>				
<u>Buffer Reduction Fee-Variance</u>				
Residential	\$100	\$200	\$100	
Non-Residential	\$100	\$300	\$200	

CATEGORY	FEE			PROJECTED ADDITIONAL REVENUE
	CURRENT	PROPOSED	INCREASE	
<u>Erosion Control</u>				
Residential (<i>Under 5 acres</i>)	\$10/Dist. Acre	\$20/Dist. Acre	\$10/Dist. Acre	
Other (<i>Under 5 acres</i>)	\$10/Dist. Acre	\$50/Dist. Acre	\$40/Dist. Acre	
<i>Over 5 acres (\$250/Dist. Acre)</i>				
 <i>Final Plat Review Fees</i>				
50 Lot Subdivision / 4 Sheets	\$100.00	\$450.00	\$350.00	
100 Lot Subdivision / 6 Sheets	\$100.00	\$700.00	\$600.00	

Comments

Due to the current economic situation and uncertainty of development projections, no projections were made for several of these increases.

POLICE SERVICES

CATEGORY	FEE			PROJECTED ADDITIONAL REVENUE
	CURRENT	PROPOSED	INCREASE	
False Alarm Billing Per calendar year 4 free 5th with cost	\$25.00			
False Alarm Billing 6th & up	\$100.00			
False Alarm Billing Per calendar year 2 free 3 & up cost/ea.	-	\$100.00	\$75.00	\$320,000
Surrender of Animal	-	\$25.00	\$25.00	\$10,000
Background Checks	\$20.00	\$25.00	\$5.00	
Fingerprinting/Card (Manual)	\$5.00	\$7.50	\$2.50	
Fingerprinting Scan (Livescan/Electronic)	-	\$25.00	\$25.00	\$100,000
Alcohol Permits	\$35.00	\$50.00	\$15.00	
VOIP - Internet Phone Format	\$0.00	\$1.50/month	\$1.50	
Total Projected Additional Revenue				\$430,000

Comments

It was noted Police Services currently has difficulties in collecting false alarm billings so the projected additional revenue might not all be recognized.

PUBLIC WORKS - TRANSPORTATION

CATEGORY	FEE			PROJECTED ADDITIONAL REVENUE
	CURRENT	PROPOSED	INCREASE	
Utility Encroachment Permit (new)	\$0.00	\$65.00	\$65.00	\$39,000

Comments

In our revenue analysis, parking decals were considered as a possible increase. Public Works-Transportation Division has decided not to increase the decal fee at this time; due to the insignificant amount of revenue that may be generated.

TAX ASSESSORS

CATEGORY	FEE			PROJECTED ADDITIONAL REVENUE
	CURRENT	PROPOSED	INCREASE	
Complete Tax Digest	\$64.26	\$100.00	\$35.74	\$1,787.00