



2024 Final Budget

Ensuring life safety and welfare of our community through efficient and consistent application of adopted codes and standards.

Serving the Communities of



Ensuring life safety and welfare of our community through efficient and consistent application of adopted codes and standards.

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Introduction and Overview
Governing Boards and Members

Pikes Peak Regional Building Department

Regional Building Commission

Carrie Geitner, Chair

El Paso County Commissioner

Todd Dixon, Vice Chair

Mayor of Green Mountain Falls

Brian Risley, Member

City Council member, City of Colorado Springs

Advisory Board

Loren Moreland, Chair

Board of Review member, Building A, B, or C
Contractor

Vince Colarelli, Vice Chairman

Board of Review member, Building A or B
Contractor

Nick Donzello, Member

Trustee, Town of Green Mountain Falls

John Graham, Member

Mayor, City of Manitou Springs

Sana Abbott, Member

Councilmember, Town of Monument

Dennis Stern, Member

Trustee/Mayor Pro Tem, Town of Palmer Lake

Richard Applegate, Member

City Council Member-at-Large, City of Fountain

Christopher Freer, Member

Board of Review member, Engineer

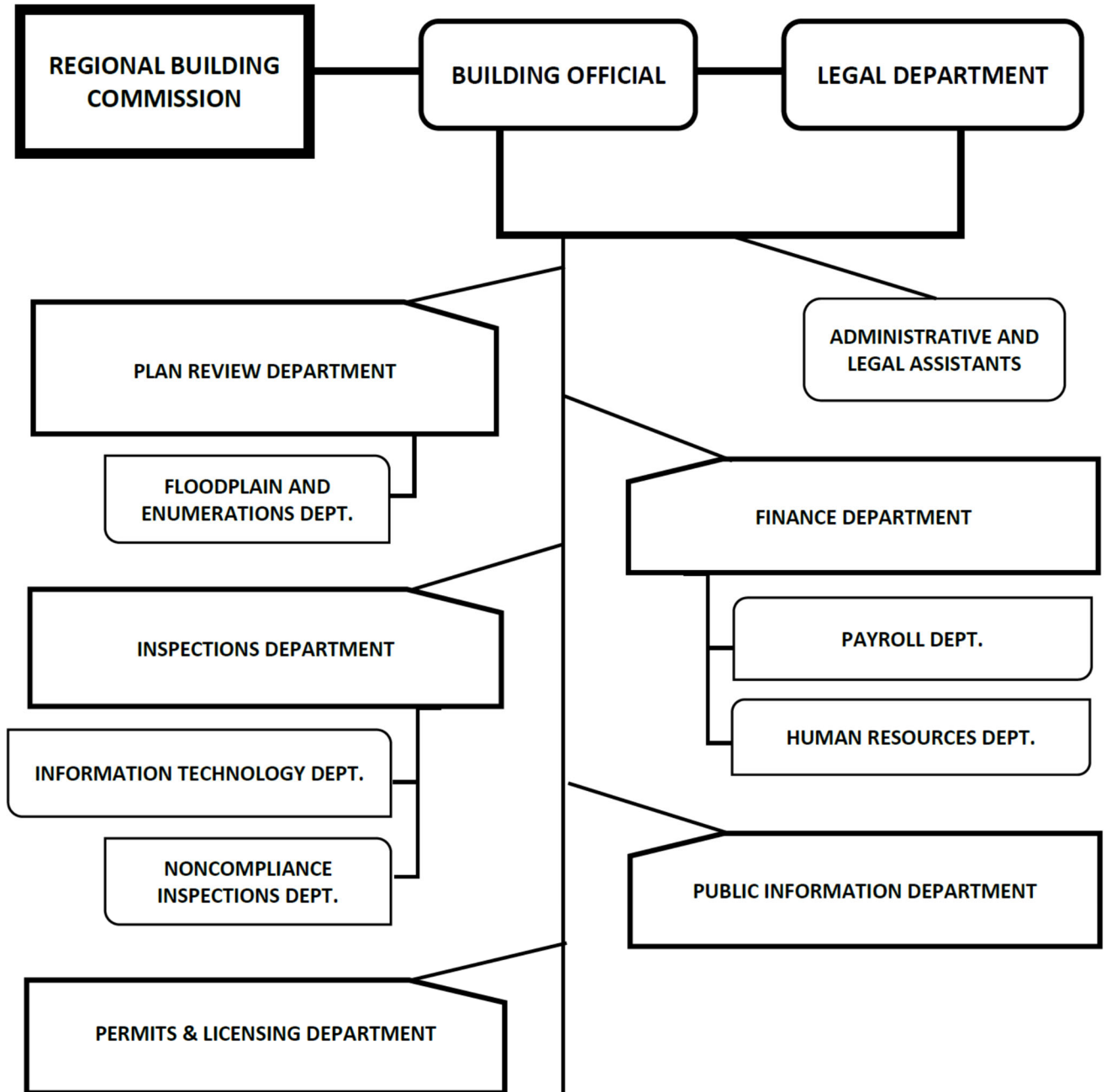
Christine Riggs, Member

Board of Review member, Architect

Jeff Finn, Member

Board of Review member, Citizen-at-Large

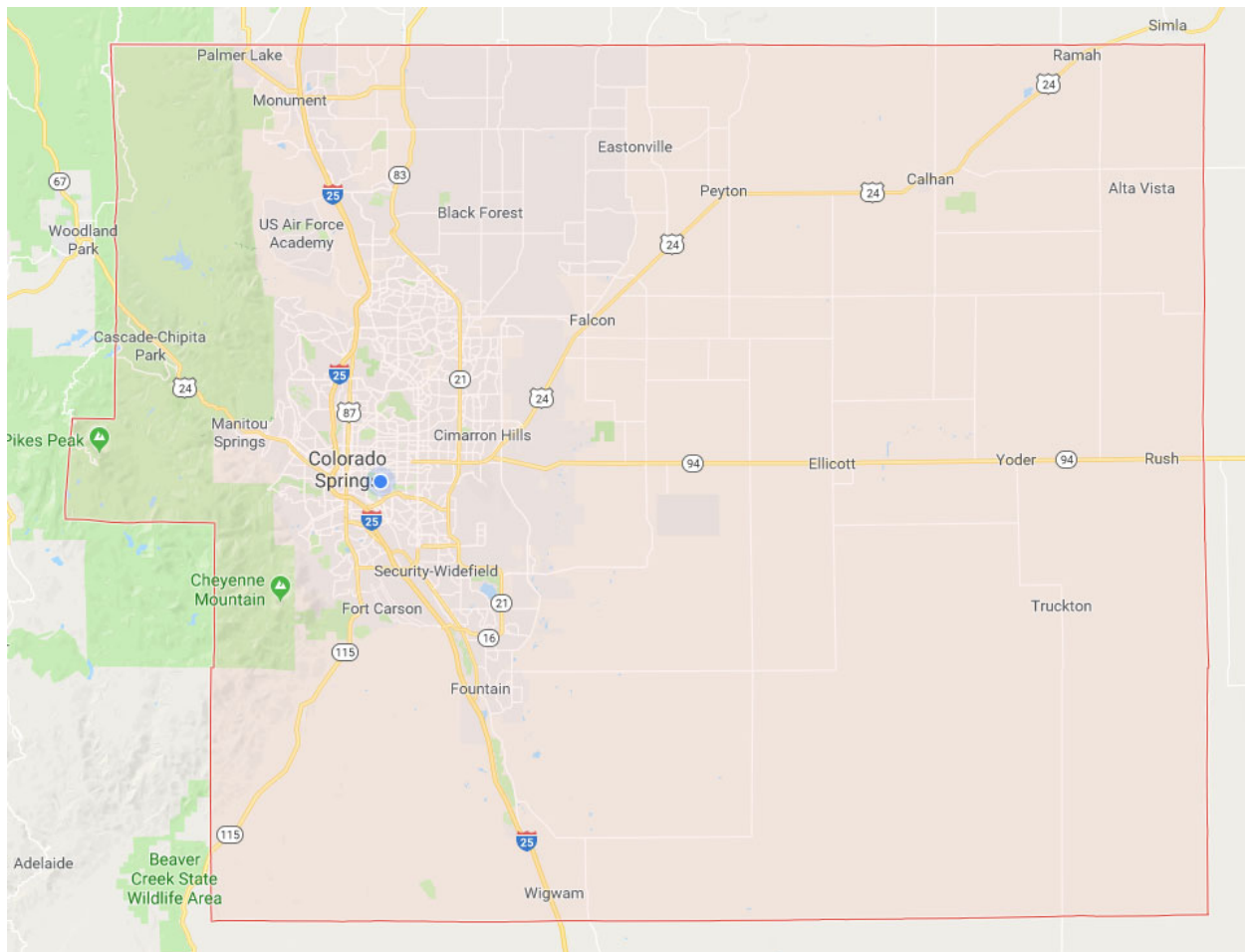
Organizational Chart



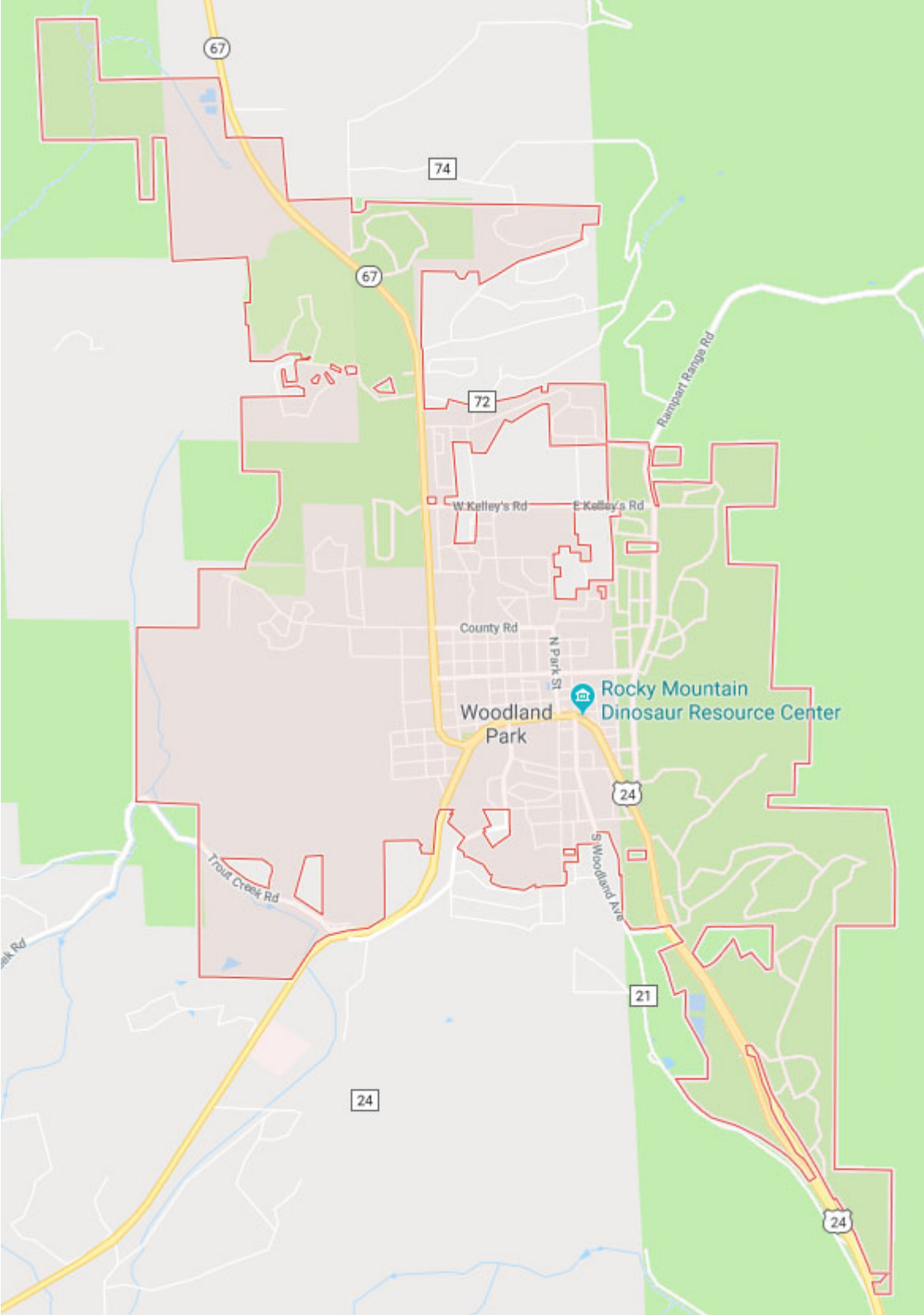
Map of Service Area

Pikes Peak Regional Building Department is responsible for the plan review, permitting, and inspections of all building construction activity within the unincorporated areas of El Paso County, as well as the participating incorporated municipalities in the county. These currently include the cities of Colorado Springs, Fountain and Manitou Springs, and the towns of Green Mountain Falls, Monument and Palmer Lake. Pikes Peak Regional Building Department is also responsible for licensing and/or registration of contractors providing construction consulting and/or performing construction work regulated by the adopted building codes in the jurisdictions it services.

Further, Pikes Peak Regional Building Department also services the City of Woodland Park, in Teller County, which is directly to the west of El Paso County.



El Paso County, Colorado



Woodland Park, Colorado

Introduction

Pikes Peak Regional Building Department (the “Department”) is responsible for the administration and enforcement of all building and construction codes, which include codes that govern enumerations, floodplain, building (commercial and residential), plumbing, mechanical and electrical work adopted by its member entities.

The Department is self-funded with revenue generated from plan reviews, permits, and licensing fees. Fee adjustments are proposed when the Regional Building Commission determines them to be necessary to maintain the Department’s operation.

The Department was created by an inter-governmental agreement between the Board of County Commissioners of the County of El Paso and the City of Colorado Springs in 1966 to provide uniform and regional service to their jurisdictions. The cities of Fountain and Manitou Springs, and the towns of Green Mountain Falls, Monument and Palmer Lake soon became parties to the agreement. The City of Woodland Park, having authority to adopt and enforce building or construction codes in its jurisdiction, later entered into a separate inter-governmental agreement with the Department for inspection and enforcement services.

The Department is administered by the Regional Building Commission, which is a three-member governing body consisting of one county commissioner designated by the Board of County Commissioners of the County, one council member designated by the City Council of the City of Colorado Springs, and one elected official chosen by the other five-member entities to the inter-governmental agreement from a list supplied by the other member entities. The Regional Building Commissioners’ terms are for two years. The Regional Building Commission provides general supervision of administration and policy direction to the Department. Among its powers and functions, the Regional Building Commission is responsible for budget oversight and approval of the Department’s budget. The Regional Building Commission meets on the fourth Thursday of each month.

The Regional Building Advisory Board (“Advisory Board”) assists the Regional Building Commission in matters relating to the administration, financing and budget of the Department. The Advisory Board consists of the Department’s five-member Board of Review (as appointed by the City of Colorado Springs and El Paso County) and one appointed representative from each of the remaining five-member entities.

Members of the Board of Review and its advisory committees are appointed for a three-year term. The Regional Building Technical Committee and the Regional Building Licensing Committee advise the Board of Review. These committees are responsible to make recommendations regarding requests for variances from code requirements, review license applications, and inspect the construction work in accordance with the various adopted building and construction codes.

Budget Message

From: Roger N. Lovell, Building Official

Date: September 11, 2023

As Building Official, it is my distinct honor to present you with the Department's Budget for Fiscal Year 2024 (the "Budget" or this "Budget"). This Budget provides information about revenue and expenditure forecasts for the Department for 2024.

As anticipated, 2023 has continued to bring new and different challenges to the Department, and the Department has continued to adapt to each challenge. Each challenge the Department faces is used as an opportunity to build on its strength, resilience, and innovation.

With a health pandemic behind us, the Department continues to adapt to a changing business climate. Business practices that were commonplace as little as five years ago have changed, and the Department must continue to adapt and find new ways to attract and maintain a quality workforce. Changes in the regulatory environment coupled with a slowing economy have strained the Department in 2023; notwithstanding, the Department remains well positioned for the future. While this Budget is critical to the operations of the Department in coming years, equally as critical is the Department's ability to continue to build a strong and dedicated workforce willing to accomplish each goal it sets.

The 2023 fiscal year has followed a trend similar to 2022 and been one of extremes for the Pikes Peak Region, due in part to adoption of the 2023 Pikes Peak Regional Building Code. In June of 2023, the Department issued 578 single family permits and 127 single family permits in July of the same year. On average, the Department has issued 248 single family permits through August 31, 2023. In total, the Department has issued 1,980 single family permits through August 31, 2023, a decrease of 33% and 45% over the same time periods in 2022 and 2021, respectively. With rising costs, increased interest rates, and limited inventory, single family permits in 2023 are following a trend similar to fiscal year 2015.

The Department anticipated this slowdown in single family construction and anticipates reduced single-family activity to continue throughout 2024.

While commercial construction in the Pikes Peak Region has remained strong, it too is showing signs of decline. As of August 31, 2023, the Department issued 309 new commercial building permits, a decrease of 29% and 25%, over the same time periods in 2022 and 2021, but an increase of 1.6% over 2020. Valuation for commercial construction follows a similar trend, standing at \$640,882,722 as of August 31, a decrease of 42% and 13% over the same time periods in 2022 and 2021, respectively. The Department anticipates commercial construction will remain near pre-pandemic levels throughout 2024.

Multi-family construction remains strong in 2023 but has also been subject to a slowing economy. As of August 31, 2023, 2,133 multi-family units have been permitted, a decrease of 50% over the same time period in 2022, but an increase of 18% and 180% over the same time periods in 2021 and 2020, respectively. As of the end of August more than 9,572 multi-family units are under construction in the Pikes Peak Region. As housing prices continue to rise, the Department anticipates multi-family construction to remain an attractive option in 2024.

Total construction valuation, to include new commercial, new residential, and alterations and remodels stands at \$2,344,277,510 as of August 31, 2023, a decrease of 20%, 18%, and 12% over the same time period in 2022, 2021, and 2020, respectively.

It should be noted that the Department has experienced record-breaking permit numbers in the past few years, and the current trend appears to indicate a return to pre-pandemic activity.

With the continued challenges year 2023 has brought, including, but not limited to an increased demand for Department services, supply chain issues, labor shortages, and increased workload, the Department has achieved many of the accomplishments set forth in 2022. These accomplishments set the basis for any and all improvements the Department wishes to accomplish in 2023 and beyond.

Accomplishments:

- **Code Development and Implementation:** In 2021, the Department began its detailed review of the 2021 International Codes with a target adoption date of late 2023. Legislation introduced at the State level, and later signed by the governor in early 2022 expedited the adoption schedule. The Department was faced with a choice to continue the path set by the State or accelerate the internal process to achieve adoption of a code in advance of State deadlines. The Department elected to accelerate the internal processes while expanding public input and was successful in adoption of the 2023 Pikes Peak Regional Building Code for all of its eight jurisdictions in advance of State requirements, saving the industry and its communities from significant increase(s) in cost of construction. Prior to implementation, the Department developed an extensive series of code training classes which have been made available to the public. In total, the Department presented approximately 15 publicly available training classes at multiple locations to more than 500 contractors and design professionals. Effective June 30, 2023, the Department implemented the 2023 Pikes Peak Regional Building Code and is happy to report that the implementation process has gone exceptionally well, due in a large part to extensive public outreach and training.
- **Technology Enhancement:** In 2022, the Department began the process of expanding the use of available geographic information system (GIS) and other mobile technology to extend the GIS beyond the office and implement a web-based application for staff and public use to allow the Department to make accurate, real-time decisions and collaborate in both field and office operations. These applications build on current technology and allow the public and partner jurisdictions access to real-time information based on location. In June of 2023, the Department launched the first phase of the publicly available, enhanced GIS portal. This system allows the user to select from an extensive menu to customize search results as well as save search criteria and export results. The Department anticipates the release of the second phase of the GIS portal by the end of the year. Technology enhancement is an ongoing goal and will continue to be a high priority for the Department for many years to come.

Strategic Goals:

- **Focus on Employees and Commitment to Excellence:** The Department's single largest asset and expense is staff. Without an exceptional staff, the Department cannot provide the service the community expects and deserves. Not only must the staff be educated and knowledgeable, but they must also be willing to engage, consider alternatives, work toward a common goal, and provide accurate and exceptional customer service. Throughout 2023, administrative staff has worked to redevelop soft skills that were lost during the pandemic. Additionally, all staff

participate in technical training(s) and undergo individual assessment(s) to assist in enhanced teamwork and performance. While the Department performs at an exceptional level, a continued focus on staff retention and development is critical to service levels.

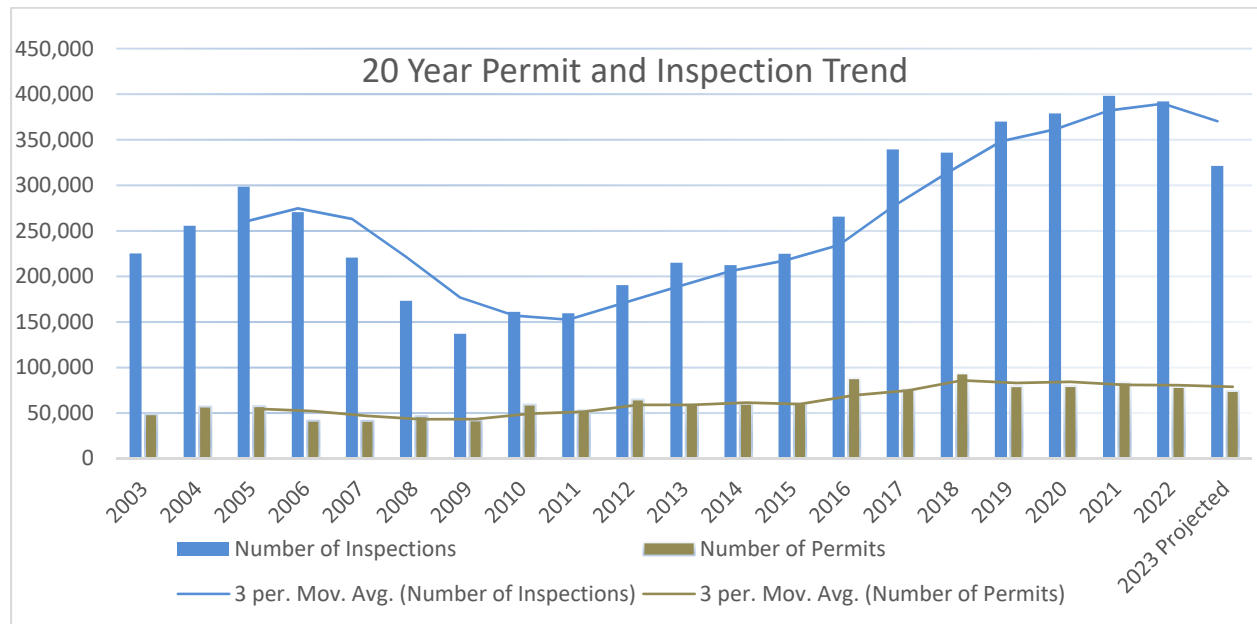
Administrative staff continuously work to enhance current and future employee benefits at a reduced cost to the Department and its staff. The Department negotiated a 1.1% decrease in the cost of benefits for 2023 with no reduction in quality. The Department anticipates a further reduction in cost of benefits for 2024 of approximately 6% through new, innovative solutions with no resulting reduction in benefits offered by the Department. When the Department invests in its employees, the result is staff that work as a team, is educated, knowledgeable, innovative, and provides exceptional service in a timely manner. This is what the Department defines as “excellence”. Exceptional service requires exceptional employees; to attract and maintain a qualified workforce, the Department must measure what is important and compensate its employees fairly. As proposed, the 2024 Budget includes a cost-of-living increase of up to 4.5%¹. The focus of the Department will remain on performance-based reviews and resulting merit(s) during the 2024 calendar year. Performance reviews and considerations result in difficult, but needed, conversations to be had. It is the Department’s position that a performance-based merit system is **essential in managing and** maintaining a productive, accountable, and engaged workforce.

- **Online Services:** Throughout 2024, the Department will continue to develop and implement an extremely educational, factually accurate and current, interactive, and user friendly website, which, (i) the industry, relies upon daily for its construction-related operations and projections; (ii) the jurisdictions served by the Department rely upon for planning and construction related operations and decision-making; and (iii) the public accesses for public records and all other construction-related needs, including, but not limited to permit information, inspection information, estimated inspector arrival times, current walk-in times, variance applications and submittals, plan submittals, floodplain locations and images, activity charts, use tax information, natural disasters information, utility meter reset information, and complaints. This continuous project requires a substantial financial investment in the Department’s IT Department, but, as already commented above, the Department has been investing in this important and overall large-scale project for a few years now.
- **Licensing Reward Program:** This Budget extends for the eighth consecutive year the Department’s Licensing Reward program for contractors (excluding fire licensed contractors) that have been licensed with the Department for at least 3 years, remain in good standing, and have no “administratively closed” status permits at the time of renewal of their license. If such criteria are met, the qualifying contractors may renew their license / registration at no cost. The fees range from \$75 to \$200 per contractor, and in the past five years, the non-collection of such fees has resulted in approximately \$300,000 annual savings to those qualifying contractors. In 2022, 1586 licenses and registrations were renewed at no cost. As of August 31, 2023, 1210 licenses and registrations have been renewed at no cost.

As shown below, over the past 20+ years, the number of inspections has steadily increased, and more than doubled since 2009, with more than 300,000 inspections for the last six years. In 2023, the total number of inspections remains difficult to project, as fewer single-family home permits result in fewer inspections and the full impact of the summer hailstorms has yet to be realized. With a shift toward larger

¹ The actual cost of living increase payments to employees will be determined by administrative staff in December of 2023 and throughout 2024, if needed, based upon availability of funds and current economic circumstances.

commercial and multi-family construction, the Department and its staff must continue to adapt and adjust. This trend is evident in both commercial and residential construction as the valuation(s), as well as the ratio of inspections to permits, continue to rise. Larger projects require more time and knowledge to conduct accurate plan reviews and the associated inspections. Further, because of action taken by the legislature in 2022, the Department implemented a new energy code in June 2023. Not only was the Department engaged at the legislative level, it was successful in reducing the impact of State requirements, but new energy codes require additional inspections, time, and training for staff and industry. Currently, the Department conducts an average of 1,121 field inspections per day.



This Budget does not propose any fee increases, although the Department continues to be faced with increasing costs and the impacts of inflation. The Department is not immune to higher costs of vehicles, required electrification(s), supplies and services, gas, insurance, and employee benefits. Further the Department must remain competitive in a tight labor market; failure to do so will result in a reduction of service levels to the jurisdictions served by the Department. While the Department has not increased fees in the last 18 years and has maintained the lowest fees in the state of Colorado for single family housing, and second lowest in the State for new commercial projects, 2024 and forthcoming legislation will continue to strain the current fee structure. With inflation on the rise, a slowing economy, and a tight labor market, it is imperative that the Department’s administrative staff maintain a conservative approach to spending while working to retain and reward knowledgeable, efficient, and professional staff.

The increase in construction activity that occurred over the past three years resulted in a significant increase in staffing levels within the Department. While the Department does not anticipate the need to increase staffing levels in 2024, the Department must remain flexible and retain the ability to adapt to an ever-changing industry and the needs of the jurisdictions it serves.

The Department is adaptive to change and sustainable; its future looks stable; and its staff continues to be more educated, more diverse, and more efficient than ever before. The Department is well-positioned and prepared for future growth as well as a weakening economy. The Department is self-sustainable to

help make the communities it serves greater, stronger, more sustainable, and more affordable and attainable place(s) to live, raise a family, work, and do business.

The Department remains committed to providing exceptional services to the citizens of El Paso County, the City of Colorado Springs, the City of Fountain, the City of Manitou Springs, the Town of Green Mountain Falls, the Town of Monument, the Town of Palmer Lake, the City of Woodland Park, and the 14 School Districts it serves. This Budget proposes no fee increases in 2024, while continuing to invest in the Department's greatest resource, its staff, as well as facility improvements, and activities anticipated to reduce operating expenses and improve revenue through increased and enhanced services.

As the construction and development industry is adapting to a changing economy, the Department must adapt and respond as well. The 2024 Budget anticipates \$20,619,148 in revenue, a decrease of 9.0% over the 2023 Budget due in large part to the current and future anticipated reduction in single-family and commercial projects. As the region has seen significant growth over the last six years, the Department anticipates continued revenue from alterations and remodels, as well as additional revenue from new construction. While this Budget represents a decrease of 9.0% decrease over the 2023 Budget, it further represents a decrease of 14% over the 2022 Budget, but an increase of 3.3% over the Department's 2021 Budget.

This Budget anticipates up to \$21,300,469 in Department expenses, a decrease of 6.0% over the 2023 Budget. As submitted, this conservative budget anticipates expenses possibly exceeding revenue up to \$681,321. In the unlikely event expenses do exceed revenue, the Department has several options at its disposal. One, the Department may need utilize its fund balance to offset the loss; and/or two, the Building Commission may adjust the Building Valuation Modifiers, as it deems necessary.

In closing, this Budget provides for a sustainable Building Department, increased public access and service, more educated and knowledgeable staff, and increased efficiency with no increase in fees providing a positive impact on the construction industry and communities served by the Department.

It is my pleasure to serve as the Regional Building Official, and on behalf of the entire Department, I thank you for your support. We all look forward to a successful 2024.

Respectfully,

Pikes Peak Regional Building Department



Roger N. Lovell, Regional Building Official

Key Economic Factors and Assumptions

In the development of this Budget, the Department has identified several key assumptions that guide, and may affect, the Department's projections.

- Unemployment rate (3.7% as of July 2023)
- Continued slowing of the single-family housing market and permits
- Higher than average inflation (4.7% as of June 2023)
- Weather delays and natural disasters

Long-Range Financial Planning

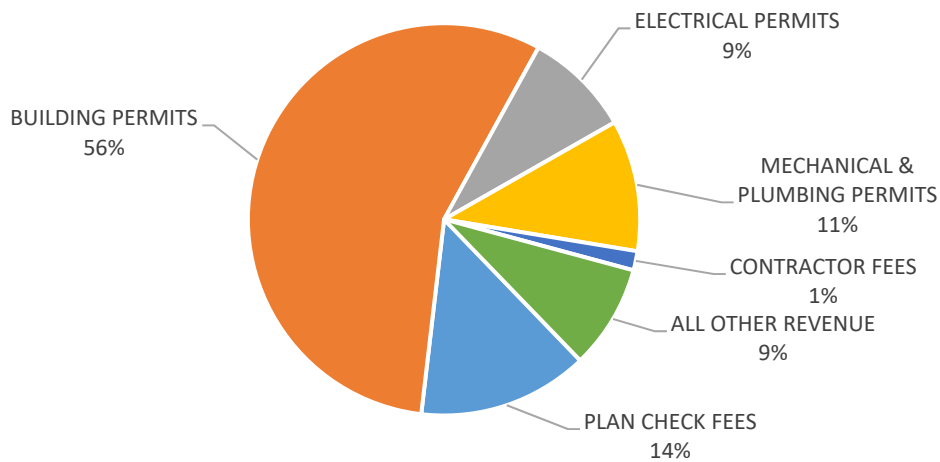
The Department is committed to the use of long-range financial planning as a tool to continue to insure the construction of safe and sustainable building practices within the community. These practices include, but are not limited to, maintaining cash levels, strategic hiring, and maintaining balanced budgets.

While construction is currently strong and home prices remain at high levels, it is reasonable to expect a down turn in the near future. The Department is well-positioned at this point in order to face an economic sustainability challenge.

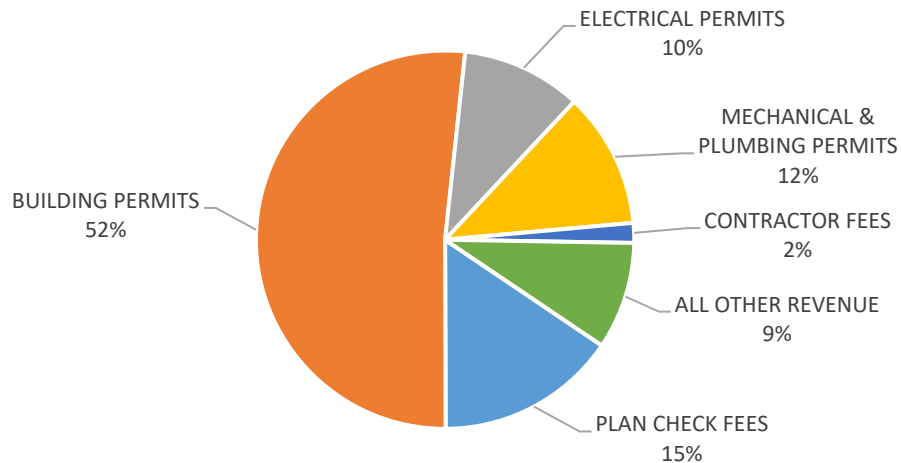
Revenue Analysis

We are anticipating a softening in the construction market in 2024. Building permits are the largest revenue category for the Department. This includes new residential and commercial buildings, remodels and reroof permits. In order to combat the increased inflation the US economy is currently experiencing, the Federal Reserve has made several increases in the federal funds. These continued increases in the federal funds rate have significantly slowed the demand for single-family houses, thereby decreasing permitting revenue. With the uncertainty around inflation, the federal funds rate, and the economy heading into 2024, we have taken a more conservative outlook on all our revenue sources. In 2024, the Department will continue the Licensing Rewards program. This program incentivizes contractors to be Pikes Peak Regional Building Code compliant and, as a result, worth the loss in revenue the program generates. The benefit to the Department is reduced monitoring of contractors' permits.

2021 YEAR TO DATE REVENUE BY CATEGORY



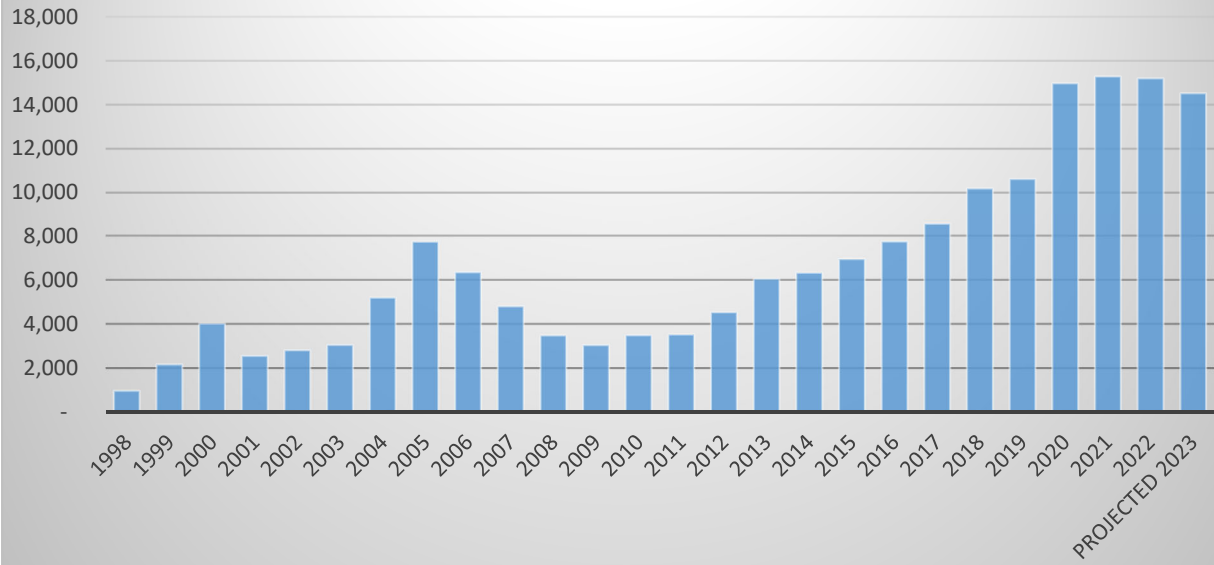
2022 YEAR TO DATE REVENUE BY CATEGORY



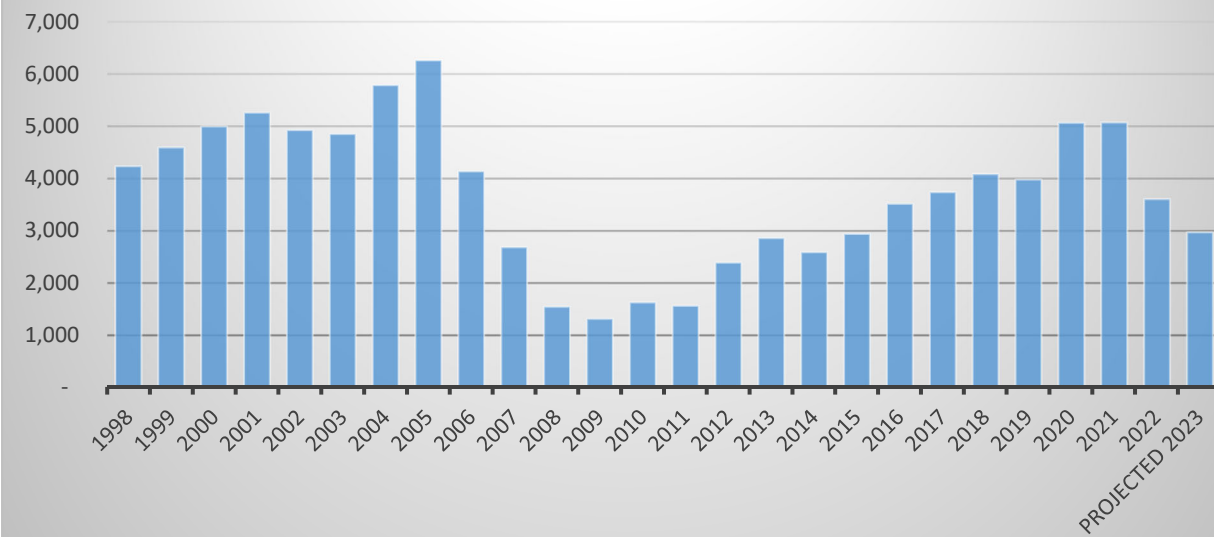
Revenue Forecast

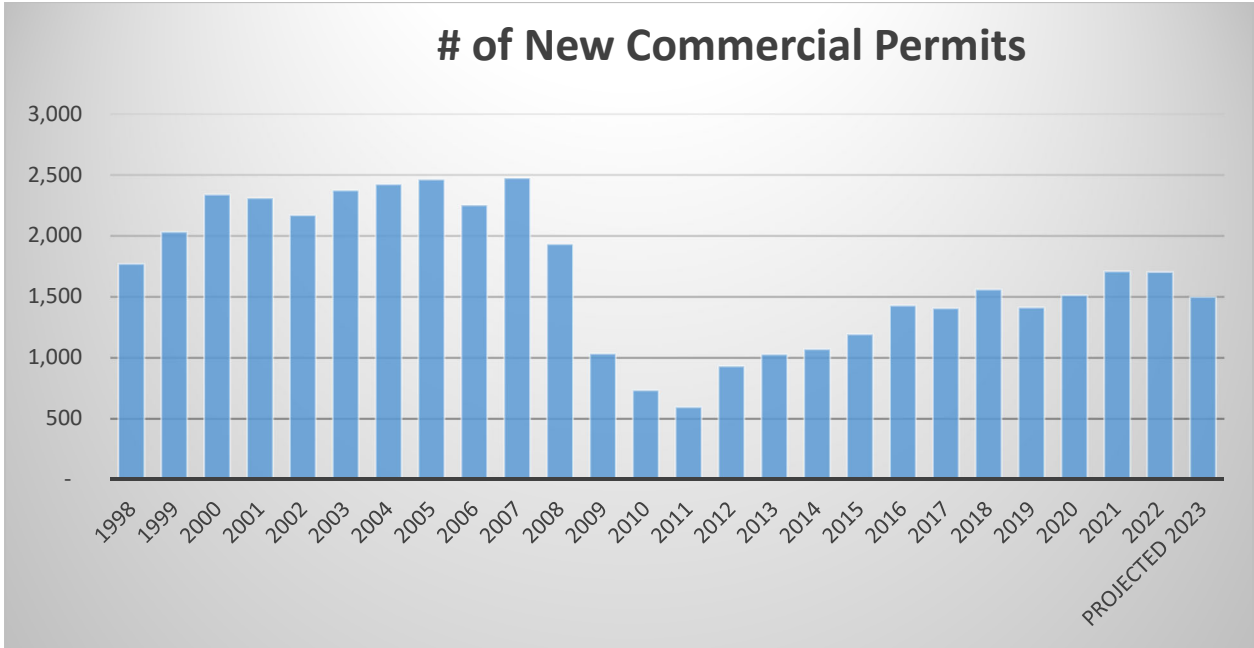
Plan reviews are a leading indicator of future permits. Plan reviews are anticipated to continue to increase in 2024. Large scale projects such as new single-family homes, commercial buildings, and remodels require the building plans to be reviewed and approved prior to the issuing of a permit. Not all plan reviews take the same amount of time. Smaller remodel projects can be completed over the counter, while larger projects require the plans to be submitted for review. The Plan Review Department has developed, continues to improve and implement an electronic plans submittal and review process. This has increased the efficiency of the Department in allowing it to review plans promptly and get such out to external agencies, whose review and approval are also required in the permitting process. Electronic plans submittal and review process does not, however, mean reduction in workload because of the increase in the number of submittals and required triage and electronic work (including electronic review and resulting communications) by Department staff.

Total # of Plan Reviews



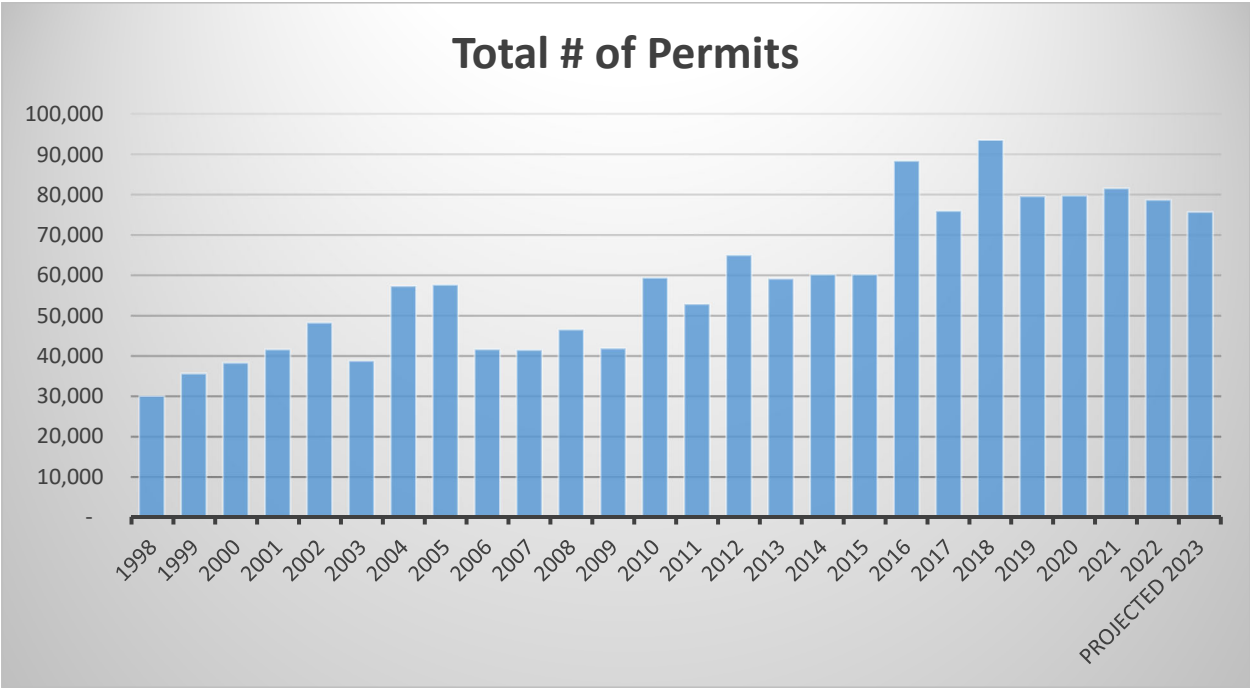
of Single Family Permits



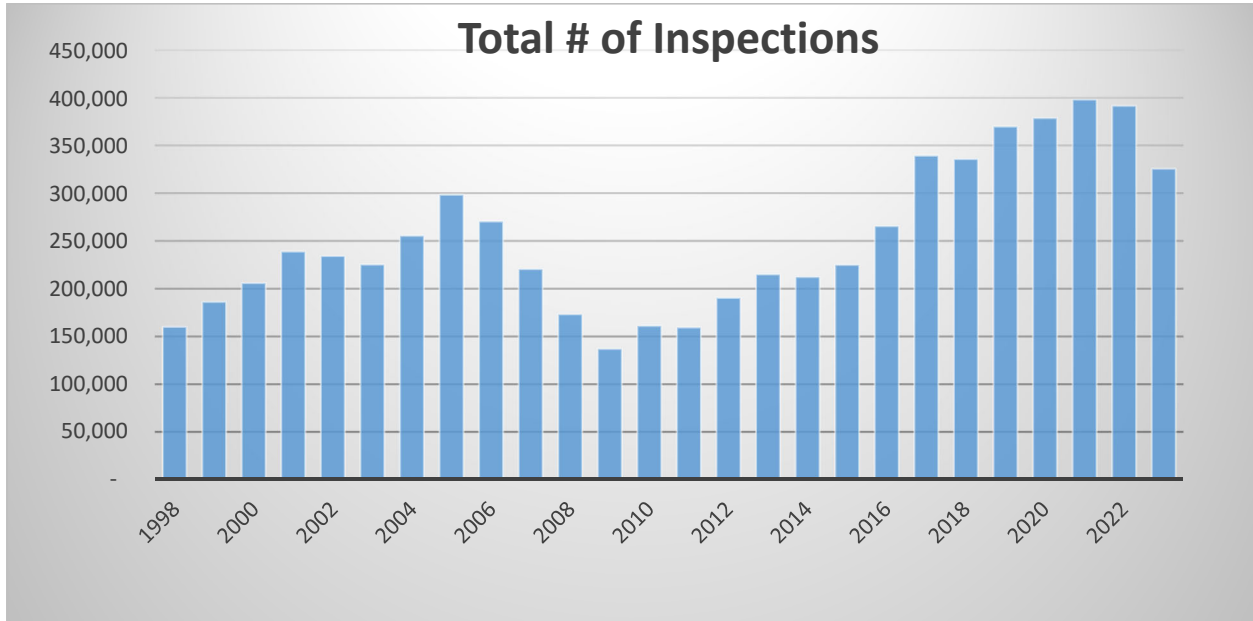


While the Department anticipates that new commercial activity in 2024 will trail the activity in 2023, it is not in a position to estimate such.

The chart below shows the total number of permits issued per year beginning in 1998. This includes new residential, new commercial, as well as remodels and other projects that require permits. The spike in permits issued in 2016 and 2018 is due in part to hail storms.



The total number of inspections drives staffing at the Department. Some of the permits issued only require one inspection, while large commercial projects may require hundreds of inspections. The increase in the number of inspections in recent years is due to a healthy construction economy with numerous large projects under construction.



Budget Process

The Department charges fees for services, thus the Department’s fund is a proprietary fund and is reported as such. The Department only has one (1) fund and this Budget and audit report reflects this.

Formal budgetary accounting is employed as a management control device for the fund. The Department adheres to the following procedures in establishing the budgetary data reflected in its financial statements:

- Prior to October 15, the Department submits the proposed budget to the Advisory Board and then to the Regional Building Commission.
- Prior to its adoption, the budget is open for inspection by the public.
- After public inspection and consideration of any objections, the Advisory Board and the Regional Building Commission review the proposed budget and formally adopt it.

June 1	Work with Building Official to determine priorities for the next year
July 1	Begin work with Department managers in developing detailed budget in line with priorities
August 31	Review proposed budget with Building Official and finalize
September 20	Present Budget to Advisory Board for comments
September 28	Present Budget to Building Commission for comments
October 18	Present Budget to Advisory Board for approval
October 26	Present Budget to Building Commission for approval
October – December	Present Budget to El Paso County and City of Colorado Springs

The budget is created using the accrual method of accounting. This is the same method used for the financial statements. This Budget is not prepared in accordance with accounting principles generally accepted in the United States of America because they do not include accrued vacation and sick leave.

The Director of Finance works with the Building Official in determining the priorities for the upcoming year. The Finance Department then works with Department managers to finalize the detail of those priorities and establishes department budgets.

In general, a balanced budget is strived for where revenue equals expenses. This year the Department is proposing a balanced budget. Budgets may be amended to account for changes in revenue or expenses. The amended budget is reviewed and approved by the Advisory Board and the Building Commission.

Budget Trends

Expenses are anticipated to be \$21,300,469, a decrease of 6.0% from the 2023 budget. The decrease is due to attrition of staff, a change to our credit card processing and related fees, and the completion of the GIS project.

Summary of Revenue and Expenditures

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>	<u>% Change</u>
Revenue					
Permit Revenue	\$ 16,975,528	\$ 15,434,187	\$ 17,060,661	\$ 15,525,202	-9.0%
Fee Revenue	4,907,238	4,852,246	5,065,410	4,582,523	-9.5%
Other Revenue	704,746	877,788	525,128	511,423	-2.6%
Total Revenue	22,587,512	21,164,221	22,651,199	20,619,148	-9.0%
Expenses					
Salary & Benefits	14,760,699	12,309,526	17,045,010	16,342,800	-4.1%
Operating Expenses	2,780,251	3,583,603	4,436,189	4,007,669	-9.7%
Cost of Sales	797,228	884,719	1,170,000	950,000	-18.8%
Total Expenses	18,338,178	16,777,848	22,651,199	21,300,469	-6.0%
Net Income	4,249,334	4,386,373	-	(681,321)	
Beginning Fund Balance	17,763,143	22,012,477	26,398,850	26,398,850	
Ending Fund Balance	\$ 22,012,477	\$ 26,398,850	\$ 26,398,850	\$ 25,717,529	

Financial Summary Schedules

Revenue

Revenue is generated in the form of permits, fees and licensing, and other miscellaneous sources.

Below is a short description of each type of revenue. See Fee Schedule in the Pikes Peak Regional Building Code for additional information.

Plan Check Fee – Revenue received upon submittal of new plans for review by the Department staff. The fee is 28% of the estimated permit fee determined by the estimated contract price of the job.

Building Permits – Revenue for building/structural permits itself, which covers the cost of inspections. Depending on the type of projects, the fee is determined by the calculated valuation or the contract price of the project.

Electrical Permits – Revenue for electrical permits/inspections is based on valuation.

Mechanical/Plumbing Permits – Revenue for mechanical/plumbing permits/inspections is based on valuation.

Elevator Permits – Revenue for new elevator permits.

Floodplain Permits – Revenue for new floodplain permits.

Mobile Home Permits – Revenue for manufactured home set permits/inspections.

Elevator Inspections – Revenue for the annual inspection for the permits to operate any conveyance equipment.

Contractor Licenses – Revenue for issuing licenses to conduct business that requires permit and licensing in the Department's jurisdiction.

Mechanics Licenses – Revenue for issuing licenses to conduct mechanical business that requires permit and licensing in the Department's jurisdiction.

Special – Various fees generally in relation to collecting fees for other entities.

Re-Inspections – Penalty fees when inspection fails repeatedly for same issues.

Variance Requests – Fees to apply for variances to be heard at the Technical Committee monthly meetings.

Address Assignment Fees – Flat fees assigned at time of plan review for all new construction.

Floodplain Plan Review – Flat fees assigned at time of plan review for all new construction.

Utility Fees – Revenue generated from resealing Colorado Springs Utilities' electric meters after completion of electric inspections.

Misc. Revenue – Revenue from miscellaneous sources.

Code Sales – Revenue from the sale of building code books.

Rental Income – Revenue from the rental of facilities.

Gain on Sale of Asset – Revenue from the sale of fixed assets minus accumulated depreciation.

Interest Earnings – Revenue from interest bearing bank accounts or other investments.

EPC CAM Back Bill – Revenue from El Paso County for common area maintenance where the Department paid the full original expense.

Revenue

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	2023 Budget - 2024 Budget	% Change
Permit Revenue						
Building Permits	\$ 12,452,801	\$ 10,740,721	\$ 12,422,286	\$ 11,304,278	\$ (1,118,008)	-9.0%
Mechanical/Plumbing Permits	2,453,492	2,419,856	2,503,725	2,278,390	(225,335)	-9.0%
Electrical Permits	1,983,613	2,173,594	2,047,868	1,863,560	(184,308)	-9.0%
Elevator Permits	66,842	80,666	66,833	60,818	(6,014)	-9.0%
Floodplain Permits	5,840	2,910	6,983	6,355	(628)	-9.0%
Mobile Home Permits	12,940	16,440	12,968	11,801	(1,167)	-9.0%
Total Permit Revenue	16,975,528	15,434,187	17,060,661	15,525,202	(1,535,459)	-9.0%
Fee Revenue						
Plan Check Fees	3,186,213	3,284,075	3,412,305	3,105,198	(307,107)	-9.0%
Contractor Licensing Fees	567,219	565,513	575,558	523,758	(51,800)	-9.0%
Licensing Reward Program	(209,400)	(205,725)	(300,000)	(300,000)	-	0.0%
Elevator Inspections	331,020	353,202	326,183	296,827	(29,356)	-9.0%
Address Assignment Fees	196,365	144,570	201,495	183,360	(18,135)	-9.0%
Mechanical Licenses	14,182	14,945	13,965	12,708	(1,257)	-9.0%
Re-Inspections	238,550	222,810	231,420	210,592	(20,828)	-9.0%
Floodplain Plan Review	111,600	54,000	126,683	115,282	(11,401)	-9.0%
Variance Requests	6,450	6,110	6,983	6,355	(628)	-9.0%
Utility Fees	15,852	17,320	17,955	16,339	(1,616)	-9.0%
Collection & Other Fees	449,188	395,426	452,865	412,105	(40,760)	-9.0%
Total Fee Revenue	4,907,238	4,852,246	5,065,410	4,582,523	(482,887)	-9.5%
Other Revenue						
Code Sales	41,766	30,691	44,888	40,848	(4,039)	-9.0%
Rental Income	-	-	19,740	-	(19,740)	-100.0%
Misc. Revenue	243,123	237,258	190,000	72,900	(117,100)	-61.6%
Gain On Sale Of Assets	387,879	390,673	142,500	129,675	(12,825)	-9.0%
Interest Earnings	3,184	122,216	60,000	200,000	140,000	233.3%
EPC CAM Back Bill	28,794	96,950	68,000	68,000	-	0.0%
Total Other Revenue	704,746	877,788	525,128	511,423	(13,704)	-2.6%
Draw from fund balance	-	-	-	681,321	681,321	
	\$ 22,587,512	\$ 21,164,221	\$ 22,651,199	\$ 21,300,469	\$ (1,350,730)	-6.0%

Expenses

The largest portion of expenses is salary and benefits. The Department is a service organization and depends upon employees to provide the expertise and service to its customers. Actual and projected expenses have increased in direct relation to increased staffing levels and remaining staffing needs. Expenses have increased at a slower rate than revenue due to Department efficiencies such as electronic inspections, reorganizing inspectors' routes, and projects' length. By projects' length, the Department refers to the time between permit and plan review fees are collected in comparison to when the services are provided; i.e., the services continue to be provided for a long time after the payment of fees, and are sometimes carried over to the next budget year.

Expenses for the Department are outlined below. Total expenses are budgeted to decrease to \$23,300,469 (a 6.0% decrease from the 2023 Budget). Salary & Benefits are decreasing due to attrition, and a modest cost of living adjustment in line with local Front Range employers. The Department is anticipating a supplemental CAM expense in 2024 to address some deferred maintenance. Additionally, we are budgeting a decrease in cost of sales due to a change in our credit card processor.

At the end of 2024, in accordance with this Budget, the Department projects cash as a percent of budget to be 70.79%.

Expenses						
	2021 Actual	2022 Actual	2023 Budget	2024 Budget	2023 Budget - 2024 Budget	% Change
Salaries & Benefits	\$ 14,760,699	\$ 12,309,526	\$ 17,095,010	\$ 16,352,800	\$ (742,210)	-4.3%
Rent	579,332	581,183	580,800	800	(580,000)	-99.9%
Supplies	372,212	540,639	472,600	407,600	(65,000)	-13.8%
Maintenance	8,485	13,962	32,000	32,000	-	0.0%
Fleet	279,982	383,996	1,005,000	825,000	(180,000)	-17.9%
Insurance	294,858	347,796	470,000	445,000	(25,000)	-5.3%
Services	633,910	1,112,235	1,192,632	1,189,112	(3,520)	-0.3%
Common Area Maintenance	357,706	357,706	407,707	937,707	530,000	130.0%
Community Engagement & Education	164,255	132,000	225,000	160,000	(65,000)	-28.9%
Depreciation	797,228	884,719	900,000	900,000	-	0.0%
Cost Of Sales	89,512	114,087	270,450	50,450	(220,000)	-81.3%
Total Expenditures	\$ 18,338,178	\$ 16,777,848	\$ 22,651,199	\$ 21,300,469	\$ (1,350,730)	-6.0%

Capital Expenditures

The Department classifies a capital asset as property and equipment, which includes land, building, leasehold improvements, furniture and fixtures, and other equipment that have a useful life greater than one year and have a cost greater than \$5,000. The Department maintains a capital reserve. Unless otherwise noted, capital expenditures will be paid from the operating budget and not the capital reserve.

The schedule below shows the budgeted capital expenditures for 2024.

Capital Project	2024 Budget
Fleet Replacement	500,000
Fleet Additions	-
Total Capital Spending	500,000

The Department operates a fleet of roughly 95 vehicles. The fleet is made up of small trucks and SUVs. The vehicles are rotated around 40,000 miles. This helps the Department avoid substantial maintenance costs and retain a high trade-in (sales) value. Fleet replacement is an ongoing capital expenditure and is planned for out of the operating budget instead of the capital reserve. Fleet additions are based on the need to hire additional staff members.

Statistical Section

El Paso County is located in east central Colorado and covers about 2,158 square miles. As of 2020, the population was 731,641 and had grown 1.27% from the prior year. The county is most populated county in the state.

Year	Population			
	Colorado	% Change	El Paso County	% Change
2010	5,029,196	1.05%	622,263	2.26%
2011	5,116,302	1.73%	637,302	2.42%
2012	5,189,458	1.43%	644,964	1.20%
2013	5,268,367	1.52%	654,928	1.54%
2014	5,352,866	1.60%	663,957	1.38%
2015	5,454,707	1.90%	675,663	1.76%
2016	5,542,951	1.62%	689,577	2.06%
2017	5,616,567	1.33%	701,544	1.74%
2018	5,694,311	1.38%	714,398	1.83%
2019	5,763,976	1.22%	722,493	1.13%
2020	5,782,914	0.33%	731,641	1.27%
2021	5,812,069	0.50%	737,867	0.85%
2022	5,839,926	0.48%	740,567	0.37%

source: United States Census Bureau

Below is various other statistical information about the region.

Median household income (2017-2021)	\$	71,957
Owner-occupied housing unit rate		61.0%
Median value of owner occupied housing units (2017 - 2021)	\$	324,100
Median gross rent (2017 - 2021)	\$	1,300
Households		188,699
High school graduate or higher % of persons age 25+ years		93.9%
Bachelor's degree or higher % of persons age 25+ years		40.2%
Mean travel time to work (minutes)		23.2
All employer firms (2017)		10,815

<https://www.census.gov/quickfacts/fact/table/coloradospringscitycolorado,US>