

Our Mission: To set the standard for excellence in public service by providing consistent quality and timely permitting, plan review, and inspection services both in building construction and zoning.

DEVELOPMENT FUND SUMMARY

The fee-supported units that comprise the CPHD Development Fund are the Zoning Division: Policy, Research, and Information Management; Counter Services; Zoning Enforcement; Zoning Plan Review; and Board of Zoning Appeals; and the following sections of the Inspection Services Division: Construction Permit Administration Services, Construction Field Inspection Services, and Construction Plan Review Services.

SIGNIFICANT BUDGET CHANGES

The FY 2027 adopted expenditure budget for the CPHD Development Fund is \$27,273,087 a one percent decrease under the FY 2026 adopted budget. The FY 2027 adopted budget reflects:

- ↑ Personnel increases primarily due to employee salary increases, an increase in the retirement contributions based on current actuarial projections, and an increase in chargeouts for inter-departmental services (\$69,217).
- ↓ Non-personnel decreases due to a decrease in the indirect payment to the General Fund (\$349,726), rent adjustments (\$581,182), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$1,533).
- ↑ Revenue increases due to changes in fees (\$1,000,407), partially offset by a decrease to the General Fund Transfer In (\$241,423).

FINANCIAL SUMMARY

	FY 2025 Actual	FY 2026 Adopted	FY 2027 Adopted	% Change '26 to '27
Personnel	\$18,033,617	\$17,934,983	\$18,601,202	4%
Non-Personnel	6,933,506	9,604,326	8,671,885	-10%
Total Expenditures	24,967,123	27,539,309	27,273,087	-1%
Transfer In from General Fund	-	1,734,821	1,493,398	-14%
Fees	18,804,031	28,439,617	29,440,024	4%
Total Revenues	\$18,804,031	\$30,174,438	\$30,933,422	3%
Permanent FTEs	128.00	128.00	128.00	
Temporary FTEs	8.00	5.00	5.00	
Total Authorized FTEs	136.00	133.00	133.00	

Expenses & Revenues by Line of Business

	FY 2025 Actual Expense	FY 2026 Adopted Expense	FY 2027 Adopted Expense	% Change '26 to '27	FY 2027 Adopted Revenue	FY 2027 Change in Fund Balance
Policy, Research and Information Mgmt	\$2,035,241	\$1,855,001	\$2,140,193	15%	\$5,782,912	\$3,642,719
Counter Services	903,051	922,859	936,356	1%	-	(936,356)
Zoning Enforcement	887,580	773,849	859,489	11%	-	(859,489)
Zoning Plan Review	1,064,000	1,098,048	1,116,840	2%	-	(1,116,840)
Board of Zoning Appeals	323,731	441,156	466,210	6%	-	(466,210)
Construction Permit Admin. Services	10,907,694	12,724,776	11,911,886	-6%	25,150,510	13,238,624
Construction Field Inspection Services	4,602,993	5,189,758	5,337,220	3%	-	(5,337,220)
Construction Plan Review Services	4,223,161	4,533,862	4,504,893	-1%	-	(4,504,893)
Total	\$24,967,123	\$27,539,309	\$27,273,087	-1%	\$30,933,422	\$3,660,335

Authorized FTEs by Line of Business

	FY 2026 FTEs Adopted*	FY 2027 Permanent FTEs Adopted	FY 2027 Temporary FTEs Adopted	FY 2027 Total FTEs Adopted
Policy, Research and Information Management	9.00	10.00	-	10.00
Counter Services	10.00	8.00	2.00	10.00
Zoning Enforcement	7.00	7.00	-	7.00
Zoning Plan Review	10.00	10.00	-	10.00
Board of Zoning Appeals	3.00	3.00	-	3.00
Construction Permit Admin. Services	36.00	32.00	3.00	35.00
Construction Field Inspection Services	33.00	33.00	-	33.00
Construction Plan Review Services	25.00	25.00	-	25.00
Total	133.00	128.00	5.00	133.00

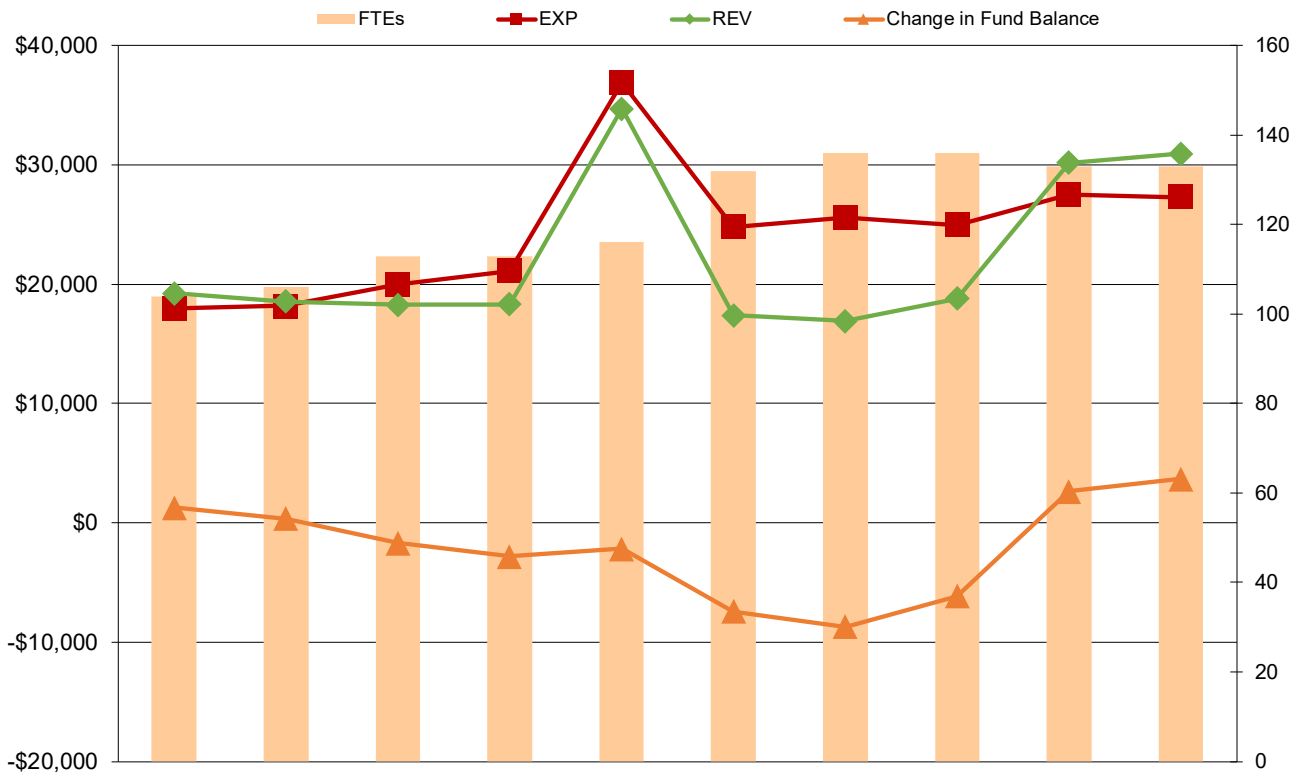
* FY 2026 Adopted FTE count includes temporary FTEs in Policy, Research, and Information Management (1.00), Counter Services (3.00), Zoning Plan Review (1.00), Construction Permit Admin. Services (2.00), and Construction Field Inspection Services (1.00)

CPHD Development Fund
Fund Statement

	FY 2025 Actual	FY 2026 Adopted	FY 2026 Re-estimate	FY 2027 Adopted
ADJUSTED BALANCE, JULY 1				
Contingent Fund Reserve	(\$5,346,791)	(\$13,312,804)	(\$11,509,883)	(\$3,729,034)
Capital Reserve	-	-	-	-
TOTAL BALANCE	(5,346,791)	(13,312,804)	(11,509,883)	(3,729,034)
REVENUE				
Fees	18,804,031	28,439,617	30,328,201	29,440,024
Transfer in from General Fund	-	1,734,821	1,734,821	1,493,398
TOTAL REVENUE	18,804,031	30,174,438	32,063,022	30,933,422
TOTAL REVENUE & BALANCE	13,457,240	16,861,634	20,553,139	27,204,388
EXPENSES				
Personnel	18,033,617	17,934,983	17,088,030	18,601,202
Non-personnel	6,933,506	9,604,326	7,194,143	8,671,885
TOTAL EXPENSES	24,967,123	27,539,309	24,282,173	27,273,087
BALANCE, JUNE 30	(11,509,883)	(10,677,675)	(3,729,034)	(68,699)
Contingent Fund Reserve	(11,509,883)	(10,677,675)	-	-
Capital Reserve	-	-	-	-
TOTAL BALANCE	(\$11,509,883)	(\$10,677,675)	(\$3,729,034)	(\$68,699)

- Beginning in FY 2023, development activity began to slow while expenses continued to rise. The Development Fund utilized reserve funds to offset lower revenue receipts. Since that time, service fees have significantly increased to offset the funds deficit. For FY 2027 it is projected that increased construction activity and additional fee increases will return the Fund to close to balance. It is projected that the fund will continue to generate revenues in excess of expenses in order to meet the adopted reserve levels.
- The Contingent Reserve targets a 30 percent balance of the total fiscal year's operating budget; this amount is equivalent to three to four months of annual operating expenditures.
- The Capital Reserve is a funding source for planned and unanticipated needs that exceed the amount available in the annual operating budget. The multi-year technology and one-time projects that have utilized the Capital Reserve monies in the past are the implementation of the Permit Arlington initiative, which included the replacement of the enterprise-wide permitting system and business process re-engineering; website improvements; and the creation of a customer service center.

EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS



	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual*	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Adopted Budget	FY 2027 Adopted Budget
EXP	\$17,936	\$18,191	\$19,945	\$21,122	\$36,894	\$24,822	\$25,620	\$24,967	\$27,539	\$27,273
REV	\$19,226	\$18,547	\$18,265	\$18,294	\$34,719	\$17,385	\$16,905	\$18,804	\$30,174	\$30,933
Change in Fund Balance	\$1,290	\$356	-\$1,680	-\$2,828	-\$2,175	-\$7,437	-\$8,715	-\$6,163	\$2,635	\$3,660
FTEs	104.00	106.00	113.00	113.00	116.00	132.00	136.00	136.00	133.00	133.00

* Beginning in FY 2022, actual expenditures and revenues received reflect the implementation of Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.

Fiscal Year	Description	FTEs
FY 2018	▪ Added an Associate Planner position to serve as the Assistant Counter Services Manager in Zoning Administration (\$124,686).	1.00
	▪ Added a Principal Planner to serve as the Zoning Administrative Supervisor in Zoning Administration (\$141,730).	1.00
	▪ Added positions related to One Stop Arlington including: Production Support Manager (\$148,500), GIS Systems Administrator (\$155,997), two Help Desk support positions for the second half of FY 2018 (\$141,730). Changes include a conversion of a limited term Assistant Permit Processing Manager position to a full-time position.	4.00
	▪ Transferred a Communications Specialist II (\$147,770) from the Business Operations Division to the Permits Administration Division in the Development Fund.	1.00
	▪ Non-personnel decreased due to the removal of one-time costs associated with the implementation of the business permitting system as part of the One-Stop Arlington Initiative (\$949,250), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$13,928). The decrease is partially offset by non-personnel increases for adjustments to rent costs associated with the 10 th floor office space (\$63,832) and indirect costs related to General fund operational support (\$62,134).	
	▪ Revenue increased due to the creation of a new permit type for Accessory Homestay home occupation at a rate of \$60 per application (\$29,452) and increased utilization of fund balance to cover projected expenses (\$282,662).	
FY 2019	▪ Transferred in a position from the Department of Human Services for the creation of Program Manager position in the Construction Permit Administration section to support the One Stop Arlington initiative (\$173,478).	1.00
	▪ Added a Mechanical Code Inspector position in Construction Field Inspection Services (\$82,954).	1.00
	▪ Added a Permit Processing Specialist in the Inspection Services Division (\$71,481).	1.00
	▪ Transferred out an Assistant Permit Administration Manager to the Department of Environmental Services (\$106,037).	(1.00)
	▪ Personnel expenses also reflect an adjustment to account for savings due to staff vacancies and turnover (\$254,493).	

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ Non-personnel increased due to the increase of one-time costs associated with the implementation of the enterprise permitting system as part of the One-Stop Arlington initiative (\$810,284), increases to overhead costs related to General Fund operational support (\$391,087), and non-personnel funds added for the Mechanical Code Inspector and Permit Processing Specialist positions (\$26,900). The increase is partially offset by adjustments to rent costs associated with the 10th floor office space (\$131,479) and adjustments to the annual expense for maintenance and replacement of County vehicles (\$49,523). ▪ Revenue increased primarily due to the application of an Employment Cost Index increase of 2.5 percent to all existing fees (\$309,252) and increasing the existing Automation Enhancement Surcharge from five to 10 percent based upon the successful implementation of the first phase of the One-Stop Arlington on-line permitting system (\$316,983). 	
FY 2020	<ul style="list-style-type: none"> ▪ Eliminated a Deputy Building Official (\$198,829). ▪ Added positions due to an anticipated increase in development activity and ancillary development activity associated with Amazon, including: <ul style="list-style-type: none"> ○ Zoning Plan Reviewer in the Zoning Division (\$90,000) and ○ Fire Protection Engineer in the Construction Plan Review Services Division (\$125,000). ▪ Transferred in three Code Enforcement positions from the CPHD General Fund to the Construction Permit Administration Services Division (\$401,395). ▪ Added a Business System Analyst in the Construction Permit Administration Services Division (\$101,131). ▪ Added a Permit Processing Specialist in the Construction Permit Administration Services Division (\$75,322). ▪ Added a Fire Inspector in the Construction Field Inspection Services Division (\$116,896). ▪ Personnel increased due to adjustments to overstrength positions associated with Permit Arlington (\$84,492). ▪ Added non-personnel funding for a Future Development Contingency Fund that will allow for flexibility in planning and development capacities related to Amazon (\$300,000). ▪ Added overhead costs related to General Fund operational support (\$170,529), operating expenses associated with new position adds (\$29,000), and increased rent associated with the 10th floor office space (\$16,798). ▪ Reduced non-personnel budget for Permit Arlington (\$148,626). ▪ Reduced the annual expense for maintenance and replacement of County vehicles (\$7,428). ▪ <i>As part of FY 2019 closeout, the County Board approved the addition of an Associate Planner (\$127,589) and a Customer Experience Manager (\$100,375) in the Zoning Division.</i> 	<p>(1.00)</p> <p>1.00</p> <p>1.00</p> <p>3.00</p> <p>1.00</p> <p>1.00</p> <p>1.00</p> <p>2.00</p>

Fiscal Year	Description	FTEs
FY 2021	<ul style="list-style-type: none"> ▪ Transferred out three permit positions to DES General Fund and other adjustments associated with Permit Arlington (\$265,798). ▪ Added a Receptionist position, which was partially funded by the DES General Fund (\$59,114). ▪ Non-personnel increased due to the increase in overhead costs related to General Fund operational support (\$291,563), the addition of one-time funds to support the Board of Zoning Appeals (BZA) (\$100,000), partially offset by a decrease associated with Permit Arlington (\$17,120). 	<p>(3.00)</p> <p>1.00</p>
FY 2022	<ul style="list-style-type: none"> ▪ The County Board added funding for a one-percent merit pay adjustment, a five percent increase in the range, and an increase to the one-time bonus for staff from \$500 to approximately \$900. ▪ Added an Associate Planner in the Board of Zoning Appeals section (\$118,869). ▪ Added a Zoning Technician in the Zoning Counter Services Section (\$85,841). ▪ Transferred in an Administrative Technician I from the CPHD General Fund (\$68,988). ▪ Increased the charge out to the Fire Department and County Attorney's Office in the General Fund to align budget with current staff salaries (\$50,682). ▪ Added funding for increased salaries resulting from job family studies for Engineers (\$401,433). ▪ Adjusted personnel associated with the Permit Arlington project (\$228,128). ▪ Removed salaries for positions added in the FY 2021 budget before the COVID-19 pandemic but held vacant and removed in FY 2022 (\$720,379). It should be noted that the FTEs were removed from the adopted FY 2021 budget, but the funding allocation remained if the County's financial condition improved in the fiscal year. ▪ Removed a contingent set-aside for Amazon development in FY 2020 (\$300,000). ▪ Removed one-time funds added in the FY 2021 budget to support the Board of Zoning Appeals (BZA) (\$100,000). ▪ Reduced printer expenses (\$16,098). ▪ Reduced non-personnel budget for the Permit Arlington project (\$218,440). ▪ Increased rent expenses associated with the tenth floor (\$93,716). ▪ Revenue decreases due to projected permit activity (\$6,510,627), partially offset by the addition of new fees for Zoning electrical, plumbing, and verification permits (\$61,820). ▪ <i>In FY 2021 closeout, funding was added for a one percent merit pay adjustment and a one-time bonus for staff of \$450.</i> 	<p>1.00</p> <p>1.00</p> <p>1.00</p>

Fiscal Year	Description	FTEs
FY 2023	<ul style="list-style-type: none"> ▪ The County Board approved an additional one percent merit pay adjustment for a total increase of 5.25 percent, increased the pay-for-performance budget by an additional 0.5 percent, and increased the pay range movement to five percent. Additional compensation changes approved by the County Board include an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more, a one-time increase in shift differential pay from \$0.75 to \$1.00 per hour for the B shift and from \$1.00 to \$1.30 per hour for the C shift, and a one-time increase in language premium from \$0.69 to \$0.92 per hour. ▪ Increased the expense for personnel charge outs to the Fire Department and the County Attorney’s Office in the General Fund to align budget with current staff salaries (\$21,942). ▪ Added funding for increased salaries resulting from Administrative job family studies (\$16,173). ▪ Added funds for a one-time bonus for staff of \$1,600 gross (\$140,000). ▪ Eliminated a Technology Manager position (\$229,447). ▪ Added the staffing below in response to a significant rise in complexity and volume of construction projects and permitting activity that has put a significant strain on the review and approval timeframes of permits in the Departments of Community Planning, Housing and Development (CPHD) and Environmental Services (DES). The addition of these positions will allow for the maintenance and in some areas an enhancement of service delivery in the permitting process. <ul style="list-style-type: none"> ○ Administrative Specialist (\$90,685, 1.00 FTE): Policy, Research, and Information Management ○ Administrative Assistant (\$84,984, 1.00 FTE): Construction Permit Administration Services ○ Code Enforcement Inspector (\$103,113, 1.00 FTE): Construction Permit Administration Services ○ Electrical Inspector (\$90,685, 1.00 FTE): Construction Field Inspection Services ○ Fire Inspector (\$96,781, 1.00 FTE): Construction Field Inspection Services ○ Building Inspector (\$90,685, 1.00 FTE): Construction Field Inspection Services ○ The addition of a Construction Management Specialist and a Permit Processing Specialist in the Department of Environmental Services General Fund that is charged to the CPHD Development Fund (\$199,889, 2.00 FTE) 	<p>(1.00)</p> <p>8.00</p>

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ In addition to the permanent positions noted above, the nine positions below have been added on a temporary basis to provide flexibility to expand or contract staffing as needed based on future permitting activity and revenue changes. <ul style="list-style-type: none"> ○ Administrative Technician (\$90,685, 1.00 FTE): Policy, Research, and Information Management ○ Two Customer Experience Staff Receptionists (\$131,716, 2.00 FTEs): Counter Services ○ Zoning Technician (\$90,685, 1.00 FTE): Counter Services ○ Permit Processing Specialist (\$78,286, 1.00 FTE): Construction Permit Administration Services ○ Code Enforcement Inspector (\$103,113, 1.00 FTE): Construction Permit Administration Services ○ Plumbing Inspector (\$90,685, 1.00 FTE): Construction Field Inspection Services ○ Commercial Building Plan Reviewer (\$121,438, 1.00 FTE): Construction Plan Review Services ○ Zoning Technician (\$90,685, 1.00 FTE): Zoning Plan Review ▪ Increased indirect costs related to General Fund operational support (\$262,570). ▪ Increased rent expenses for the tenth floor (\$40,110). ▪ Decreased non-personnel costs associated with the Permit Arlington project (\$202,710). ▪ Increased revenue due to projected permit activity (\$1,785,653) and an inflationary increase of four percent to fees (\$868,000). ▪ <i>At closeout of FY 2023, the County Board allocated \$2.0 million in funding from the General Fund to assist with an anticipated decrease in revenue in the Development Fund in FY 2024.</i> 	9.00
FY 2024	<ul style="list-style-type: none"> ▪ Added one-time \$2,000 (gross) employee bonuses (\$310,101). ▪ Increased salaries resulting from Administrative job family study (\$28,288). ▪ Increased the expense for personnel charge outs to the Fire Department and the County Attorney’s Office in the General Fund to align budget with current staff salaries (\$26,650). ▪ Transferred in a Community Codes Inspector III position from the General Fund (\$133,001). ▪ Converted four temporary positions to permanent positions, three of which were previously unbudgeted (\$440,091). <ul style="list-style-type: none"> ○ Construction Plans Examiners II (3.00 FTEs), Construction Plan Review Services ○ Zoning Inspector (1.00 FTE), Zoning Enforcement ▪ Decreased non-personnel costs associated with the Permit Arlington Project (\$1,517,476). 	1.00 4.00

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ Removed one-time funds for a transfer out to Fund 609 for electric vehicle costs in FY 2023 (\$6,704) and decreased electric vehicle purchase funds (\$1,815). ▪ Increased indirect costs related to General Fund operational support (\$1,023,023). ▪ Adjusted rent for vehicle parking at Bozman Government Center (\$41,148) and rent for the tenth floor (\$33,829). ▪ Revenue increased due to an inflationary increase of 5.2 percent to development fees (\$1,128,400), an increase of indirect costs of six percent to Inspection Services fees (\$961,375), and the establishment of a 21 percent indirect costs surcharge to Zoning fees (\$473,320); offset by a reduction in projected permit activity fees (\$868,000). 	
FY 2025	<ul style="list-style-type: none"> ▪ Adjustments to the annual expenses for maintenance and replacement of County vehicles (\$28,230). ▪ Increased indirect costs related to General Fund operational support (\$141,226), and an increase in costs associated with Permit Arlington operations (\$30,514); partially offset by a decrease in Bozman Government Center rent expenses (\$1,674). ▪ Funding added for contractual increases associated with the elevator inspection contract (\$600,000). ▪ Revenue increased due to changes in fees from the outcomes of the fee study (\$4,619,987) and additional revenue from the addition of an automation enhancement surcharge to the Department of Environmental Services (DES) Development Services fees (\$830,000); partially offset by a reduction in projected permit activity (\$4,415,095). 	
FY 2026	<ul style="list-style-type: none"> ▪ The County Board restored a proposed reduction of a filled Construction Plan Reviewer position (\$170,456). ▪ The funding of two DES permitting positions was transferred to the General Fund, a Permit Processing Specialist and a Construction Management Specialist, were transferred from the Development Fund to the General Fund (\$205,248). ▪ Froze three positions as a cost savings reduction: <ul style="list-style-type: none"> ○ Inspection Field Services: a vacant Building Inspector (\$136,036, 1.00 FTE); ○ Zoning Enforcement: a vacant Zoning Inspector Supervisor (\$130,439, 1.00 FTE); and ○ Zoning Counter Services: a vacant Zoning Technician (\$113,975, 1.00 FTE). 	

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ Eliminated three positions as a cost savings reduction: <ul style="list-style-type: none"> ○ Zoning Enforcement: a filled Zoning Inspector (\$131,365); ○ Zoning Counter Services: a filled Zoning Technician position (\$104,859); and ○ Zoning PRIM: a filled Principal Planner position (\$165,343). ▪ Reduction in non-personnel expenses for various divisions including operating equipment, printing, and office supplies (\$647,702). ▪ Added one-time funding to increase contractor support for the Permit Arlington Program (\$319,000). ▪ Adjustments to the annual expenses for maintenance and replacement of County vehicles (\$584). ▪ Revenue increased due to changes in fees (\$2,040,630), a General Fund Transfer In (\$1,734,821), and additional revenue from the addition of an automation enhancement surcharge to the Department of Environmental Services (DES) Development Services fees (\$1,101,000). 	(3.00)
FY 2027	<ul style="list-style-type: none"> ▪ Increased personnel charge outs to the Fire Department and the County Attorney’s Office in the General Fund to align budget with current staff salaries (\$69,217). ▪ Non-personnel expenses decreased due to the decrease of indirect costs related to General Fund operational support (\$349,726), and a decrease in Bozman Government Center rent expenses (\$581,182). ▪ Adjustments to the annual expenses for maintenance and replacement of County vehicles (\$1,533). ▪ Revenue increased due to changes in fees (\$1,000,407), partially offset by a decrease in General Fund Transfer In (\$241,432). 	