

***BIC Regular Meeting  
of  
January 17, 2024***

***Agenda Item 7***



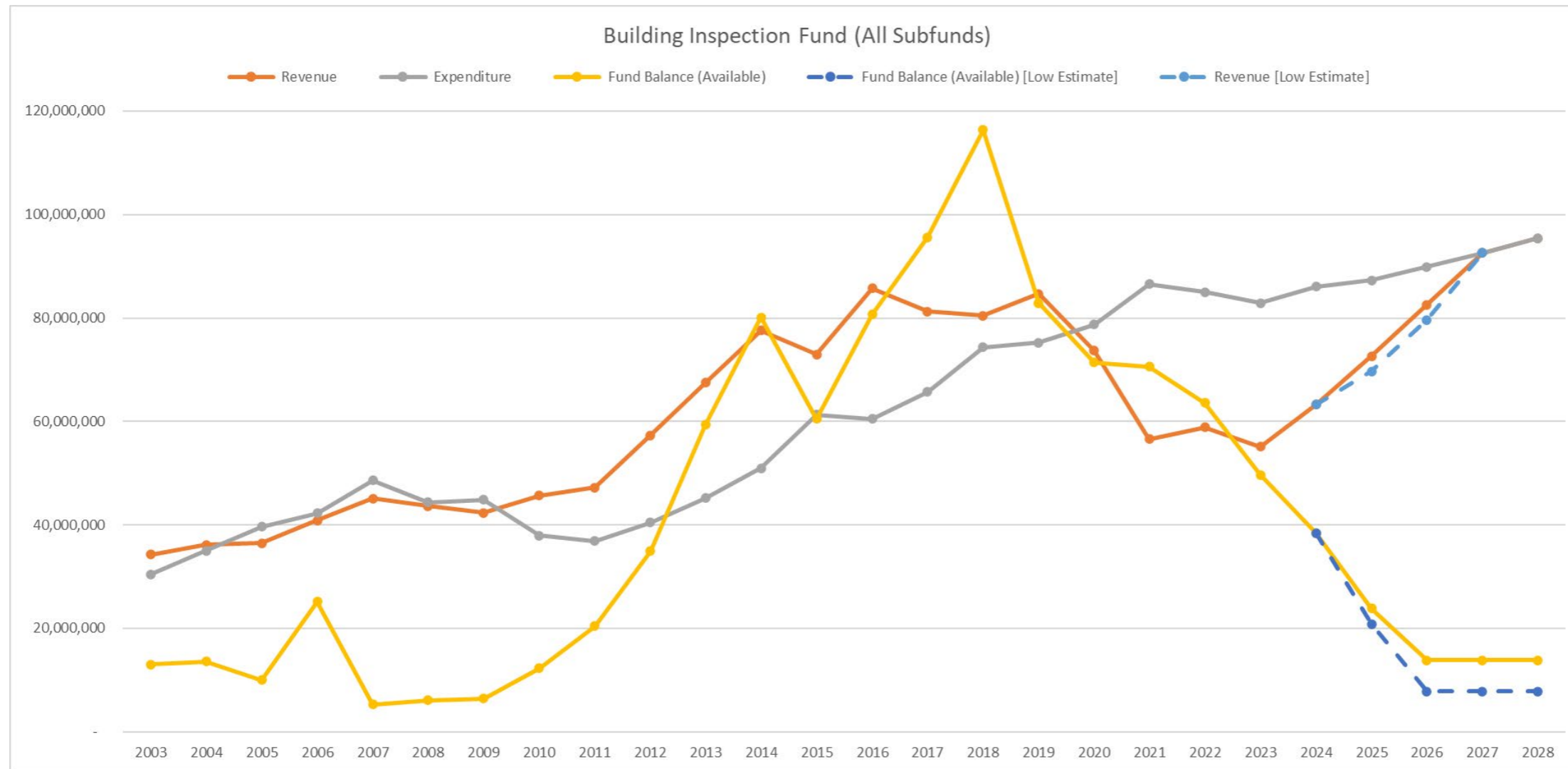
# DBI Proposed Budget FY 2024-25 & 2025-26

Building Inspection Commission – January 17, 2024

# Budget Schedule

- January 17 - First Budget Meeting
- TBD - Second Special Budget Meeting, BIC recommendation to Mayor
- February 21 - All departments submit 2-year budget proposal to Mayor's Budget Office and Controller
- March to April – BIC recommends proposed legislation adopting new fees and fee adjustment process
- February to June - Mayor's Budget Office develops Mayor's proposed budget
- May 1 - Mayor's proposed budget introduced to Board of Supervisors
- May - Board of Supervisors modifies Mayor's proposed budget
- Late July - Board of Supervisors adopts final budget and trailing legislation
- Late August - Department certification letters sent to Controller and Mayor

# Financial History



# Fund Balance

- \$35.9M available fund balance is projected at the end of FY24.
- Last year, the approved FY25 budget was balanced with \$24.5M of fund balance and did not assume any fee increase in FY25. As a result of the fee study, an additional \$9.9M of fee revenue will be added, reducing the need for use of fund balance in FY25 to \$14.6M.
- This would leave \$21.2M available fund balance at the end of FY25.
- The tentative plan is to continue phasing in fee increases in FY26 to achieve full cost recovery fees in FY27. Use of fund balance of \$7.3M is budgeted for FY26, half the amount of FY25.
- This would leave \$13.9M available fund balance at the end of FY26.
- Staff may reduce fee revenue estimates by \$3M each for FY25 and FY26 due to lower than expected FY24 YTD collections. If so, this would leave \$7.9M available fund balance at the end of FY26.

# Fund Balance Table

Fiscal Year	Beginning Available Fund Balance	Revenue	Additional Fee Increase Revenue	Expenditure	Use of Fund Balance	Ending Available Fund Balance
2025	35.9	62.8	9.9	(87.3)	14.6	21.2
2026	21.2	72.7	9.9	(89.9)	7.3	13.9
2025 (Possible)		(3.0)			3.0	18.2
2026 (Possible)		(3.0)			3.0	7.9

# Budget Changes So Far

- Added Fee Study Revenue estimates and adjusted use of fund balance
- Technical salary and benefit changes made by Controller
- 10% General Fund Support reduced per Mayor's citywide direction
- Continuing Fund project cleanup

# Budget Changes To Come

- Department initiatives
- CBO funding
- Work order changes from other departments
- Interest calculated by Controller
- Countywide Cost Allocation (Overhead) calculated by Controller



# Proposed Budget

Account Type	Account	FY 2023-24 Adopted Budget	Change	FY 2024-25 Original Budget	Change	FY 2024-25 Department Proposed Budget	Change	FY 2025-26 Department Proposed Budget
<input checked="" type="checkbox"/> Expenditure	Salaries	41,362,210	1,380,127	42,742,337	(54,428)	42,687,909	1,928,792	44,616,701
	Fringe Benefits	16,798,842	438,008	17,236,850	85,903	17,322,753	679,659	18,002,412
	Overhead Allocations	1,352,456	(2,826)	1,349,630	-	1,349,630	-	1,349,630
	Nonpersonnel Services	3,761,000	(158,000)	3,603,000	(300,000)	3,303,000	-	3,303,000
	City Grant Program	4,800,000	-	4,800,000	(210,000)	4,590,000	-	4,590,000
	Materials & Supplies	442,000	(10,000)	432,000	-	432,000	-	432,000
	Services of Other Departments	17,587,066	40,001	17,627,067	-	17,627,067	-	17,627,067
	Project Carryforwards		-		(1,745,432)	(1,745,432)	1,745,432	-
	Programmatic Projects		-		1,745,432	1,745,432	(1,745,432)	-
<b>Expenditure Total</b>		<b>86,103,574</b>	<b>1,687,310</b>	<b>87,790,884</b>	<b>(478,525)</b>	<b>87,312,359</b>	<b>2,608,451</b>	<b>89,920,810</b>
<input checked="" type="checkbox"/> Revenue	Licenses	7,718,319	-	7,718,319	4,364,826	12,083,145	-	12,083,145
	Interest	1,922,127	-	1,922,127	-	1,922,127	-	1,922,127
	Charges for Services	47,057,008	12,546	47,069,554	5,551,140	52,620,694	9,929,621	62,550,315
	Other Revenue	1,250,000	-	1,250,000	-	1,250,000	-	1,250,000
	Work Order Recovery	204,053	-	204,053	-	204,053	-	204,053
	General Fund Transfer In	5,100,000	-	5,100,000	(510,000)	4,590,000	-	4,590,000
	Use of Fund Balance / Reserve	22,852,067	1,674,764	24,526,831	(9,884,490)	14,642,341	(7,321,170)	7,321,170
<b>Revenue Total</b>		<b>86,103,574</b>	<b>1,687,310</b>	<b>87,790,884</b>	<b>(478,525)</b>	<b>87,312,359</b>	<b>2,608,451</b>	<b>89,920,810</b>

# Labor Budget

	FY 2023-24 Adopted FTE	FY 2023-24 Adopted Amount	FY 2024-25 Department FTE	FY 2024-25 Department Amount	FY 2025-26 Department FTE	FY 2025-26 Department Amount
Administration	57	11,785,468	57	12,149,445	57	12,684,512
Inspection Services	129	26,882,728	127	27,231,325	127	28,347,779
Permit Services	85	17,719,981	86	18,269,277	86	19,054,505
<b>Grand Total</b>	<b>271</b>	<b>56,388,177</b>	<b>270</b>	<b>57,650,047</b>	<b>270</b>	<b>60,086,796</b>

- No changes have been made to the position budget other than Controller's technical adjustments
- FTE changes are due to calculated attrition



**THANK YOU**