



Legislation Text

File #: 18-649, **Version:** 1

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SUBJECT: Approval of Increase in the Amount of \$200,000 in Development Services Revenue Account for License and Permits/Construction Permits; and Appropriation of \$200,000 to Development Services Expenditure Account to Continue Professional Service Agreements for Fiscal Year 2018-2019

REPORT IN BRIEF

Considers approving an increase of \$200,000 in Development Services Department revenue account 017-0805-310.03-00 License and Permits/Construction Permits; and approving an appropriation of \$200,000 in the Development Services expenditure account number 017-0805-512.17-00 Professional Services.

RECOMMENDATION

City Council- Adopt a Motion:

- A. Approving an increase of \$200,000 in Development Services revenue account number 017-0805-310-00 (License and Permits/Construction Permits); and,
- B. Approving an appropriation of \$200,000 in Development Services expenditure account number 017-0805-512.17-00 Professional Services; and,
- C. Authorizing the Finance Officer to make the necessary budget adjustments.

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve subject to other than recommended by staff (identify specific findings and or conditions amended to be addressed by City Council motion); or,
- 3. Deny; or,
- 4. Refer back to staff for reconsideration of specific items (specific items to be addresses in the motion); or
- 5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Merced City Charter, section 1105

CITY COUNCIL PRIORITIES

As provided in the FY2018-19 adopted budget.

DISCUSSION

Pursuant to the adoption of permit fees, Resolution No. 2009-73, Section 1 (e) of this resolution states, "The amounts of the proposed Building and Plan Review fees do(es) not exceed the sums reasonably necessary to cover the costs of processing the applications and to cover the costs incurred in conducting required hearings, and that revenue sources for the services provided will be fees paid for such services;"

During the budget process, certain numbers and types of permits are taken into consideration in order to generate an amount for the estimated revenue, in this instance, revenue account 017-0805-310.03-00 (License and Permits/Construction Permits). The estimated revenue in the budget would cover all the estimated expenditures in the budget so the budget would be in balance.

Currently, the Inspection Services Department is using one full time Development Services Tech and one Building Inspector through the Professional Services contract with CSG Consultants Inc. in order to supplement staff to meet everyday deadlines and demands for permit processing and inspections. The construction license and permits revenue generation is related to the inspections or work performed by the contracted Building Inspector and Development Services Tech.

At this time, the revenue account 017-0805-310.03-00 (License and Permits/ Construction Permits) has received \$213,000 in excess of the estimated revenue for the fiscal year 2018-19. The fees collected through this process would pay for the services such as processing permits and inspections. The Professional Services account needs additional funds in order to keep development projects moving and meeting deadlines.

IMPACT ON CITY RESOURCES

An increase of \$200,000 is needed for Development Services Licenses and Permits revenue account and an appropriation of the same amount in the Development Services expenditure account Professional Services to cover contracted staff costs needed to meet deadlines for permits processing and inspections.

ATTACHMENTS

None.