



Legislation Text

File #: 20-065, **Version:** 1

Report Prepared by: Denise Frazier, Chief Building/Construction Project Official

SUBJECT: Approval of an Increase of \$240,000 in Development Services Revenue Account 017-0805-310.03-00 License and Permits/Construction Permits, Appropriating \$220,000 in Development Services Expenditure Account 017-0805-512.17-00 Professional Services for Fiscal Year 2019-2020, and Appropriating \$20,000 in Development Services Expenditure Account 017-0805-511.04-01 Regular Overtime for Fiscal Year 2019-2020

REPORT IN BRIEF

Considers approving an increase of \$240,000 in Development Services Department revenue account 017-0805-310.03-00 License and Permits/Construction Permits; approving an appropriation of \$220,000 in Development Services expenditure account 017-0805-512.17-00 Professional Services for Fiscal Year 2019-2020; and approving an appropriation of \$20,000 in Development Services expenditure account 017-0805-511.04-01 Regular Overtime for Fiscal Year 2019-2020.

RECOMMENDATION

City Council - Adopt a motion approving an increase of \$240,000 in Development Services revenue account number 017-0805-310-00 (License and Permits/Construction Permits); approving an appropriation of \$220,000 in Development Services expenditure account number 017-0805-512.17-00 Professional Services; and approving an appropriation of \$20,000 in Development Services expenditure account 017-0805-511.04-01 Regular Overtime for Fiscal Year 2019-2020.

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 FY2019-20 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 Development Services Tech 3 days per week and two Building Inspectors through the Professional Services contracts with CSG Consultants Inc. and Interwest Consultants in order to supplement staff to meet everyday deadlines and demands for permit and plans processing and inspections. Staff is also working overtime in excess of the hours in the original budget.

The construction license and permits revenue generation is related to the inspections or works performed by the contracted Building Inspectors and Development Services Tech and overtime worked by staff.

The fiscal year 2019-20 revenue budget was estimated to be \$1.6 million. As of the end of January 2020, the revenue account 017-0805-310.03-00 (License and Permits/Construction Permits) has received 100% of the estimated revenue. There are five months left in the fiscal year in which we will continue to receive revenue; therefore is it appropriate to increase revenue and appropriations. The fees collected through this process would pay for the services such as processing plans, permits and inspections. Both the Professional Services account and Regular Overtime account need additional funds in order to keep development projects moving and meeting deadlines.

IMPACT ON CITY RESOURCES

An increase of \$240,000 is needed for Development Services Licenses and Permits revenue account and an appropriation of the same amount split accordingly between the Development Services expenditure account Professional Services and the Development Services expenditure account Regular Overtime to cover contracted and regular staff costs needed to meet deadlines for permits and plans processing and inspections.

ATTACHMENTS

None.