




COMMUNITY DEVELOPMENT SERVICES PLANNING & BUILDING DEPARTMENT

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Date: February 19, 2019
To: Honorable Board of Supervisors
From: Tiffany Schmid, Director 
Subject: Department of Planning and Building Mid-Year Projections for FY 18-19

Community Development Services began the implementation of TRAKiT on May 14, 2018.

The Department's typical fee collecting method is to collect 50% of the building permit fees due at application submittal and the remaining 50% at permit issuance. Shortly after TRAKiT implementation began, staff realized that after collecting the 50% building permit fee at application, there was an issue with the formula calculating the fee for the remaining 50% of the fee due at permit issuance; resulting in inaccurate fees and excessive staff time to manually calculate them. Instead of continuing to collect the inaccurate fees, staff proposed to delay the collection of permit fees due at application until the time of permit issuance.

On July 25, 2018, the Director of the Department of Planning and Building at the time issued a memo to the CAO indicating the Department would begin delaying the collection of fees effective immediately.

To date, system estimates place the deferred revenue associated with this decision at \$650,000.

Community Development Services Administrative and Finance staff is projecting revenues to come in at \$1.3 less than budgeted. Approximately half of this shortfall is related to the deferred permit revenue noted above and about half is related to a decline in overall building permit activity. This deficit will be offset in part by a reduction in expenses in the amount of \$400,000 (in the area of Services and Supplies and Salaries and Benefits), and \$350,000 in deferred permit revenue for building permits applied for from August 1, 2018 to December 31, 2018 that are expected to be actualized in the current calendar year.

After these adjustments, it is estimated that there will be a net shortfall of \$550,000 for Fiscal Year 2018-19, resulting in a corresponding increase in net County cost.

Currently, the Department is continuing to defer the collection of 50% of the building permit fees due at application submittal. However, the system limitation has been remedied and staff is in the process of testing the accuracy and it is anticipated that the process of collecting 50% of the

building permit fee at application submittal with the remaining 50% collected at permit issuance will be reinstated by the end of the Fiscal Year.

Please let me know if you would like to discuss this further.

- c: Don Ashton, Chief Administrative Officer
- Shawne Corley, Assistant Chief Administrative Officer
- Laura Schwartz, Deputy Chief Administrative Officer
- Becky Morton, Chief Fiscal Officer of Community Development Services