

AGENDA ITEM #: _____

DATE: February 24, 2020

CAR #: 2020-6882



CITY COUNCIL ACTION REPORT

SUBJECT: Development Activity Related Budget Increase Request and Expenditure Authorization

STAFF PRESENTER(S): Christopher Baker, Development Services Director

OTHER PRESENTER(S): Rebecca Zook, Engineering Director; Barbara Chappell, Deputy Public Works Director

Summary: Budget increase and expenditure authorization for one-time contract services and equipment purchases to address peaking development related activity in the areas of Development Services, Engineering, Information Technology-Geographic Information Systems (GIS), and Water services.

Recommendation: Approve budget transfers totaling \$1,049,000 in General Funds and \$182,500 in Water Operating funds for one-time contract services and equipment purchases to address peaking development related activity in the areas of Development Services, Engineering, Information Technology (GIS), and Water services and approve an increase to expenditures from \$761,500 to a new total of \$944,000 for water meters.

Fiscal Impact: It is recommended that the \$1,049,000 General Fund portion of these requests be paid from FY2020 beginning fund balance. Last year the development related fee revenues exceeded the estimate by \$4 million which contributed to a higher than planned FY2020 beginning fund balance. This year revenues are tracking to again significantly exceed the budgeted level.

Development Services	\$ 300,000
Engineering	686,400
Information Technology (GIS)	62,600
Total General Fund	<u>\$1,049,000</u>

Because expenditure savings and revenue increases are used to fund future year one-time costs, this will reduce General Funds available in FY2021 for one-time supplemental and capital project requests.

The Water services request is an Enterprise Fund activity that is revenue supported. This request will be funded from the Water enterprise operating fund balance and its revenue stream will provide funding to cover the increased cost.

Water	\$182,500
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Background and Previous Actions

Development Services

The department's FY2020 budget included one-time supplementals totaling \$686,000 approved for Building Safety Inspections and Plan Review to pay for Building Safety Inspectors and Plan Reviewers in order to meet the projected FY2020 development demand. Development has increased more than anticipated and a total of seven contract inspectors and three contract plan reviewers are now needed to maintain the 24-hour turnaround time promised to our customers.

Engineering

The department's FY2020 budget included one-time supplementals totaling \$1,055,600 to support three divisions – Plan Review, Inspections and Permitting (front counter). Halfway through the fiscal year, we have expended close to 80% of the supplemental budget as a result of the increased workload. In addition to this increased demand, both the hourly rates and the need for individuals with higher qualifications have also increased causing the funds to be expended at a faster pace than anticipated.

Information Technology Services-Geographic Information Systems (GIS)

The number of approved preliminary plats, final plats, and as-built construction drawings that need to be updated in the GIS has seen an average compounded year-to-year growth is 176% since 2015. There is currently a 90-case data backlog with approved development plans dating back to November of 2019 that have not been entered into the GIS. Additional information related to Public Works and Parks and Recreation assets also need to be captured from both historic and current plans to support their departments' use of the Lucity asset management software. There are an additional 23 GIS data layers that need to be captured/updated and will only be possible with additional data entry GIS staff.

Public Works

On June 11, 2018, Public Works received Council approval for a \$135,000 budget transfer from the FY2018 Water Operating fund balance to purchase new water meters and equipment necessary for installation in new developments as construction growth was trending higher than anticipated.

On November 5, 2018, Public Works received Council approval for a \$142,000 budget transfer from the FY2019 Water and Solid Waste Operating fund balances. Of this total, \$61,000 was used for new water meters to keep pace with development and the remainder was used for solid waste containers and contract fees to meet the demand of new single-family residential units.

On January 27, 2020, Public Works received Council approval for expenditures of \$761,500 for the purchase of water meters. This included \$471,500 budgeted for routing replacement and new meters in the department operating budget, plus the authorization of the budget transfer to use \$290,000 in savings from the Adaman Well capital project to fund the replacement of an additional 1,000 meters identified as malfunctioning or not reading.

Staff Analysis

Over the past 6 months, the workload throughout the Development Continuum, specifically Building Safety and Inspections, Engineering Plan Review & Inspections, Front Counter/Permitting, Information Technology-GIS and Water services have increased to a level where assistance is needed in order to continue to meet customer demands.

Building Safety Inspections and Plan Review

At this time, Development Services is requesting an additional \$300,000 to fund an additional two (2) Contract Inspectors and one (1) Contract Plan Reviewer needed for the remainder of FY2020. It is important to note the service standard set with the building community is next day inspections; this means that when a builder requests an inspection, they receive the needed inspection within one day. The number of building permits requiring inspections has steadily increased in the past few years and has continued to rise throughout FY2019.

Plan Review demand has increased with large industrial buildings and tenant improvements with extremely demanding timelines. There are four authorized full time employees (FTE), however, due to vacancies, there is currently one city FTE on staff. Due to continued staffing difficulties within this area, one (1) additional Plan Reviewer is needed for the remainder of FY2020.

Engineering

The department is requesting an additional one-time supplemental for the remainder of FY2020 totaling \$686,400 for the same three (3) engineering divisions utilizing contract/temporary assistance: (2) Plan Reviewers, (2) Civil Engineer Level II Inspectors, and (1) Permit Administrator/Tech IV.

Information Technology Services-GIS

GIS provides support services to the Development Continuum as it relates to Preliminary and Final plat mapping and addressing of parcels. In addition, GIS is responsible for inputting all of the newly constructed underground utilities and parks related infrastructure into our mapping system. We are currently projected to carry 36% percent of the current backlog of the approved plans and as-built from 2019 into 2020. At this time, we are requesting funding for one temporary GIS Analyst for the remainder of FY2020 to help with GIS data entry at a cost of \$62,600.

Public Works

Currently, \$304,500 is budgeted in the FY2020 Water Operating budget for new water meters. During the first half of the fiscal year, new meter installations have doubled compared to the last six months of last fiscal year. Based on an average of 94 single-family permits per month being issued in the Goodyear water service area, for the first six months of this fiscal year, we are

tracking about 144% of our annual budget for new meters. Continued growth will result in the need for more water meters than our base budget can absorb. In order to meet the increased demand of new single-family residential units, as well as large commercial developments which requires larger meters, the Water Distribution division seeks an additional \$182,500 and expenditure authority for up to \$944,000 for meters and equipment necessary for installation.

Attachments

None