



City of San Antonio

Agenda Memorandum

File Number:20-5338

Agenda Item Number: 4E.

Agenda Date: 9/17/2020

In Control: City Council A Session

DEPARTMENT: Office of Management and Budget

DEPARTMENT HEAD: Scott Huizenga

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Amending Fees and Establishing New Fees for FY 2021

SUMMARY:

An ordinance amending fees within the Development Services Fund as recommended in the FY 2021 Proposed Budget as presented by the City Manager to the City Council on August 6, 2020.

BACKGROUND INFORMATION:

City staff annually reviews existing revenue sources and service delivery processes in order to identify both new sources of revenue and potential changes to existing revenues. In addition the budget periodically includes changes to fees and revenues resulting from changes in State Law, local ordinance, or as the result of an audit.

The Development Services Department facilitates an efficient and effective development process that supports economic development. This includes granting authority to develop land and to construct and occupy buildings. The department recovers the cost of reviewing plans and issuing permits through charges to its customers which are accounted for in the Development Services Enterprise Fund. These fees vary depending upon various factors including the project size, complexity, and/or square footage.

The permitting process for trade permits for services such as electrical, plumbing, and mechanical (HVAC) were reviewed by the City Auditor's Office. The audit found that a portion of the permits issued did not correctly charge the client for the amount of work performed for the project. The Proposed Budget includes amending the fee schedule for these permits to charge a fee based on the area of the project under development

as opposed to the number of fixtures requiring inspection. Additionally, permit and inspection fees combine all trades resulting in a more customer-focused, streamlined permitting and inspection process. The new permit fee structure is anticipated to be revenue neutral, resulting in no impact to the cost of development in San Antonio.

The fee amendments and changes are included in a draft ordinance as Attachment 1.

ISSUE:

The FY 2021 Proposed Budget includes changes to existing fees and charges for service within the Development Services Fund. These revenue items address an audit finding and are revenue neutral to the fund.

ALTERNATIVES:

This fee adjustment is consistent with the FY 2021 Proposed Budget.

FISCAL IMPACT:

This ordinance amends fees and charges for service within the Development Services Fund as included in the FY 2021 Proposed Budget. These changes are designed to be revenue neutral and will not have an impact on the cost of development in San Antonio.

RECOMMENDATION:

Staff recommends approval of the proposed fee amendments.