



CITY OF LONG BEACH

DEPARTMENT OF PLANNING AND BUILDING

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November 23, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Hearing on a Resolution Proposing Continuance of the Surcharge to Finance the Development Services Center Computer System Replacement and On-going Annual Maintenance Costs (Citywide)

DISCUSSION

On September 17, 2002, the City Council enacted an ordinance imposing a 5 percent surcharge on building, electrical, plumbing and mechanical plan check and permit fees in order to generate funding to finance the conversion of the Integrated Land Management System (ILMS) database from its current proprietary environment to an open database. In addition, the surcharge is intended to fund the conversion of records currently maintained on microfiche into a digitized format for storage and ease of retrieval by Development Service Center staff. The document imaging project was completed in FY 04.

Prior to beginning the development of the open database, the Department of Technology Services formulated a comprehensive, citywide technology master plan. The master plan included the ILMS database conversion project. Technology Services received bids on the citywide project and estimates that the new ILMS component will cost approximately \$2 million to install. In addition, the new ILMS's annual maintenance is expected to cost approximately \$300,000 per year.

The current 5 percent surcharge has generated approximately \$960,000 since its inception. The surcharge is scheduled to end ("sunset") on December 22, 2004. In order to fund the implementation and annual maintenance costs of the new ILMS database, it is recommended that the City Council take action to continue the 5 percent surcharge.

As part of the City Manager's optimization studies, the Department is involved in the citywide fee study that is intended to review fees collected for services provided. The fee study consultants have communicated that many other municipalities utilize technology surcharges to pay for their computer systems. The fee study consultant recommends that the City consider continuing the surcharge for the purpose suggested in this request, and to periodically review the surcharge to ensure it is appropriately set to cover the Department's technology costs.

This matter was reviewed by Assistant City Attorney Michael J. Mais and Budget Management Officer David Wodynski on November 11, 2004.

TIMING CONSIDERATIONS

The existing 5 percent surcharge became effective on December 23, 2002, and the ordinance contains a provision that the surcharge shall be repealed ("sunset") and shall be of no further force and effect two years after the effective date, or December 22, 2004, unless otherwise repealed or extended by the City Council. City Council action on this matter is requested on November 23, 2004, to allow the continuance of the 5 percent surcharge to offset the cost of the new ILMS and related annual maintenance costs.

FISCAL IMPACT

The revenues collected from the continuance of the 5 percent surcharge will provide funding for the new Integrated Land Management System and related annual maintenance costs. All surcharge revenue will be deposited in a restricted account in the General Fund (GP) in the Department of Planning and Building (PB).

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive the supporting documentation into the record, conclude the public hearing and adopt the resolution.

Respectfully submitted,



FADY MATTAR
ACTING DIRECTOR OF PLANNING AND BUILDING



MICHAEL A. KILLEBREW
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

Attachment: Resolution

APPROVED:



GERALD R. MILLER
CITY MANAGER