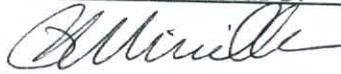


AGENDA ITEM NO.	1A
COUNCIL MEETING	1/15/08
APPROVED BY	
	
DEPARTMENT DIRECTOR	
CITY MANAGER 	

January 15, 2008

FROM: PATRICK WIEMILLER, Director 
Public Works Department

BY: SCOTT L. MOZIER, P.E., Assistant Director/Interim City Engineer 
Public Works Department, Engineering Division

SUBJECT: ANNUAL REVIEW AND ACCEPTANCE OF THE FY07 IMPACT FEE ANNUAL REPORT
AS REQUIRED BY CALIFORNIA GOVERNMENT CODE

KEY RESULT AREA

One Fresno

RECOMMENDATIONS

Staff recommends that the City Council review and accept the FY07 Impact Fee Annual Report as required by California Government Code.

EXECUTIVE SUMMARY

In 1974, the City embarked upon a direction of financing certain public facilities and infrastructure from the establishment of impact fees commonly referred to as Urban Growth Management (UGM) fees. The stated objective of the Urban Growth Management process is to facilitate urban development in such a way that the expansion of urban service delivery systems can be accomplished in a fiscally sound manner, while still providing required City services on an equitable basis to all community residents. The accompanying Impact Fee Annual Report (the "Annual Report") is a complete accounting of UGM and citywide impact fees for the fiscal year ended June 30, 2007, in accordance with Section 66006 (b) of the California Government Code. The Annual Report was independently audited by the accountancy firm of Blankenship & Company.

KEY OBJECTIVE

Customer satisfaction is the key objective. The development community and City staff will be able to ascertain the status of all UGM impact fees as they pertain to funds balances, FY07 revenue and expenditure transactions, current fiscal year developer reimbursements and maximum remaining eligible developer reimbursements.

BACKGROUND

The Annual Impact Fee Report was prepared pursuant to the reporting requirements of Section 66006 (b) of the California Government Code. This legislation requires that local agencies account for impact fees and report the beginning balances, fees collected, interest income, transfers, reimbursements, expenditures and

REPORT TO THE CITY COUNCIL
REVIEW AND ACCEPTANCE OF THE FY07 IMPACT FEE ANNUAL REPORT
January 15, 2008
Page 2

the ending balances for each fiscal year. The legislation also requires that the report include information on the status of the project(s) to be constructed with the impact fees. The Annual Report materially includes this information from July 1, 2006 through June 30, 2007. It should be noted that the Annual Report does not purport to examine the relationship ("nexus") between the amount of an impact fee and the cost of public facilities or portion thereof.

The City collected \$16,124,944 of impact fees during the year. These fees, in addition to the balances on hand and inclusive of other transactions specified in the Annual Report, totaled \$42.4 million for the fiscal year ended June 30, 2007.

An audit of the Annual Report was performed by the accountancy firm of Blankenship & Company in accordance with generally accepted auditing standards. The audit examined, on a test basis, evidence supporting the amounts in the Annual Report so that they could obtain a reasonable assurance that the financial statements were free of material misstatement. The audit also included assessing the accounting principles used. The conclusion of the audit was an issuance of an opinion stating that the Annual Report presents fairly, in all material respects, the financial position of impact fees as of June 30, 2007, in conformity with generally accepted accounting principles.

FISCAL IMPACT

There is no fiscal impact of implementing the staff recommendation.

Attachment: Impact Fee Annual Report for the Fiscal Year Ended June 30, 2007

THE FISCAL YEAR 2007 IMPACT FEE ANNUAL REPORT
WAS DISTRIBUTED TO THE COUNCILMEMBERS, CITY
MANAGER AND CITY ATTORNEY BY THE PUBLIC
WORKS DEPARTMENT ON DECEMBER 27, 2007,
UNDER SEPARATE COVER . THE CITY CLERK'S
OFFICE HAS A REPORT ON FILE FOR REVIEW.

