



Agenda Report

MEETING DATE: Tuesday, May 25, 2021

TO: City Council

FROM: ADMINISTRATIVE SERVICES DIRECTOR CZERWIN
MARISSA DURAN, ASSISTANT FINANCE DIRECTOR

SUBJECT: MOTION TO ACCEPT IMPACT FEE REPORT FY 19/20 AND
RESOLUTION APPROVING ADVANCE PAYABLES (LONG TERM
INTERFUND LOANS)

STATEMENT OF ISSUES:

The City's Interfund and Transfer Policy gives authority to the City's Chief Financial Officer to approve short-term loans for cash flow purposes, and long term loans are proved by the City Council in the form of a resolution. Also the State of California requires that we report annually on fees collected for Development Impact Fees and their use.

RECOMMENDED ACTION:

That the City Council Approve by Resolution, the Advance Payables (Long term interfund loans) and Accept the Impact Fee Report for FY 2019-20

DISCUSSION:

AB 1600 (Stats 1987) effective January 1, 1989 was codified as California Government Code §§ 66000 et seq. adding a new chapter to the Government Code regarding fees on development. The chapter sets forth a number of requirements that local agencies must follow for developers to defray the cost of construction of public facilities or expanded public service obligations related to development. Section 66006 mandates the reporting requirements on fees that the local agency must adhere to each fiscal year.

The AB 1600 report consists of a brief description of the fee type in the account or fund, the amount of the fee, the beginning and ending balance of the account or fund, the amount of fees collected and the interest earned. If there are funds in the accounts then there is also a requirement to make a finding that there is a reasonable relationship between current needs for and the purposes for which they were originally collected.

The advances payables are long-term interfund balances. These arise in the normal course of business. These loans are not expected to be repaid during the next fiscal year.

STRATEGIC PLAN:

02-Fiscal Health

FINANCIAL IMPACT:

The acceptance of this report and its attachments, including the attached Resolution, has no direct fiscal or budgetary impact to the City of Watsonville.

ALTERNATIVE ACTION:

No reasonable alternatives are known at this time.

ATTACHMENTS AND/OR REFERENCES (If any):

- 1) None.