CITY of BELVEDERE

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June 7, 2001

The Honorable John A. Sutro, Jr.
Marin County Superior Court
PO Box 4988
San Rafael CA 94913-4988

Dear Judge Sutro:

Following represents the City of Belvedere's response to the recent Marin County Grand Jury report regarding building fees:

Finding # 1: We agree with this finding to the extent that at the end of the 1999/2000 fiscal year, we had a cumulative three-year excess balance of $318,222. However, as we pointed out in our December 19, 2000 response to the Grand Jury's request for information, fees that are collected in one year must cover the ongoing cost of services that in many instances stretch over two or more years. Ergo, when reviewing the figures for 1997/98 and 1998/99, the numbers are considerably closer to being even than the figure provided for the most recent period which is 1999/2000. The carrying over of funds to defray the ongoing provision of services is a normal occurrence that must be taken into consideration.

Finding #2: We agree with this finding.

Finding #3: We are not sure how to respond to Finding #3 because as written, we are not sure what the finding is. The figures indicated, do, however, correspond to the figures provided by the City.

Finding #4: While the finding's reference to percentages is accurate, we disagree with this finding's statement that the excess fees collected should have been subjected to a reduction in FY1999/2000 for the very reason articulated in the response to Finding #1. In other words, it is unreasonable to expect that every dollar collected in one fiscal year for a project will be offset by expenditures associated with that project in the same fiscal year, especially when the majority of projects for which the fees were collected overlap into subsequent fiscal years.

Recommendation #1: The City of Belvedere agrees with this recommendation and to the extent it is practicable, it will keep records of the time and direct personnel costs involved in providing building inspection services.

Recommendation #2: The City of Belvedere agrees with this recommendation and to the extent it is practicable, it will keep records of the assignment of indirect costs from other departments and general overhead costs involved in providing building inspection services.

Recommendation #3: The City of Belvedere agrees this recommendation and is aware of the requirement.

Recommendation #4: The City of Belvedere agrees with this recommendation and will take it under advisement to the degree it is practicable.

Recommendation #5: The City of Belvedere agrees with this recommendation and will establish an appropriate account within the General Fund in which all building permit fees will be recorded and reviewed regularly.

Your Honor, the City of Belvedere appreciates the work that the Grand Jury undertakes each year on behalf of the residents of Marin County. We always welcome the opportunity to work with the Jury and provide it with whatever information it requests. Please convey the City's thanks for its service to the County of Marin.

Sincerely,

Steger P. Johnson

Steger P. Johnson
Mayor

SPJ/sd

cc: W. Jack Friesen, Foreman
Marin County Civil Grand Jury