

STAFF REPORT

City Council Business Agenda Item

DATE: January 18, 2021

TO: Honorable Mayor and Council Members

FROM: Liz Shorey, Deputy Director of Community Development

THROUGH: Merritt Perry, City Manager

SUBJECT: **Supplemental Budget Request to Use American Rescue Plan Act Funds for the Server Upgrades Necessary to Implement Tyler Technologies Software for the Community Development Department**

STAFF RECOMMENDATION:

Approve a Supplemental Budget Request (SBR) to use American Rescue Plan Act (ARPA) Funds in the amount of \$ \$80,230 for licensing and server upgrades necessary to implement the permit processing and tracking software for the Building and Planning divisions of the Community Development Department by Tyler Technologies.

EXECUTIVE SUMMARY:

In mid-2021, the City requested proposals for a new planning and building software system, to improve the public's ability to submit applications electronically, check their permit status online, and remotely pay fees and receive their permits. The software will also save staff time and improve permit flow by consolidating internal communication into one software portal, tracking key permit dates and deadlines including submittal, referral, corrections, and resubmittals, and creating electronic permit issuance. Staff's time is relieved of managing paper files, retrieving and filing information in multiple format electronic files, hand-delivering plan review copies, and relying on self-reminders. The software is comparable to the internet revolution in shopping online where purchases can be made instantly, shipping is tracked on one's phone, and goods are delivered without making a physical trip to the store. In this application, developers will be able to submit and seek project approvals without physically having to come into city hall. This is especially important as the COVID pandemic continues and physical contact is limited at times due to health and safety protocols.

Three proposals were received and evaluated by staff. Based on a number of factors (risks, costs, and management challenges), staff determined that the best choice is Tyler Technologies, which offers a complete permit tracking system, and will streamline the Finance Department's payment processing. Tyler's cost and services are comparable or better the other proposals received, with the additional attribute of having demonstrated their effectiveness in managing the Finance Department's software.

City Cost:

Staff is requesting that the Council approve the amount of \$55,230 for licensing and training by Tyler Technologies, and \$25,000 for purchase of hardware and server upgrades. Annual maintenance costs would be \$14,550 per year, to be allocated from the General Fund, and reimbursed with a “technology fee” of 5.5% on each permit. This would generate approximately \$14,660 per year, and would be collected as a percentage of building permit fees, ranging from \$5 on small permits, \$200 for single-family residential permits, and \$275 on new commercial buildings.

Builder’s Survey:

Staff issued a builder’s survey to 28 local builders. Twelve responses were received (see attached summary of responses). The responses were generally positive. Nine respondents were in favor of an online portal or email with digital building plans, and eight were in support of receiving a permit from an on-line portal or email. Eight were in support of an online payment portal. Six were in support of paying a fee for the service, and seven felt that online permitting would have a positive effect on their business.

FINANCIAL IMPACT:

The first year cost of \$80,230 would come from American Rescue Plan Act (ARPA) funds. The ongoing, annual maintenance cost of \$14,550 per year would come from the General Fund, and reimbursed by a 5% technology fee applied to building permits.

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentations and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Approve an SBR to use American Rescue Plan Act (ARPA) Funds for Tyler Technologies and the server upgrades necessary to implement the Community Development permitting software in the amount of \$80,230. Roll Call vote.

ATTACHMENTS:

- Tyler Quote
- Builder’s Survey
- SBR