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HONORABLE MAYOR AND CITY COUNCIL  
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**COST SUMMARY/IMPLICATIONS**

There are no net costs to the General Fund resulting from the recommended actions. In anticipation of the execution of the Funding and Reimbursement Agreement with \_\_\_\_\_, the 2017-2018 Mid-Year Budget Review recognized \$850,000 in advance permit fees in the Public Works Development Fee Program, reserving \$450,000 for future staffing costs to be incurred in 2018-2019. Of the \$1,000,000 also recognized as part of the 2017-2018 Mid-Year Budget Review for the process improvement grant, a reduction of \$750,000 is now recommended to align anticipated receipts with the expected first installment of \$250,000. The remaining three installments, and corresponding expenses for the Broadband and Digital Inclusion Strategy Citywide appropriation, will be recognized and allocated in 2018-2019 as part of the regular budget process.

Additional revenue from small cell leases is anticipated as permitting activity increases and will be recognized through future budget actions based on actual activity. In accordance with the proposed terms, expected lease revenue is \$1,500 per year, per small cell site license for the first five years with no inflation escalator.

**BUDGET REFERENCE**

The table below identifies the fund and appropriations recommended as part of this memo. Actions to adjust the 2018-2019 Operating Budget will be brought forward for Council consideration as part of the regular budget process to recognize and allocate the remaining \$750,000 in process improvement grant funding for 2018-2019.

Fund #	Appn #	Appn Name	Total AppnAppn	Amt. of Increase/ (Decrease)	2017-2018 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	R130	Other Revenue	\$183,958,167	(\$750,000)	p. 269	02/13/2018 78505
001	202K	Broadband and Digital Inclusion Strategy	\$1,000,000	(\$750,000)	N/A	02/13/2018 78505



