



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 3/26/2024

To: Sonoma County Board of Supervisors, Sonoma County Water Agency Board of Directors and the Board of Directors of the Sanitation Districts

Department or Agency Name(s): Permit Sonoma

Staff Name and Phone Number: Michelle Arellano 707-565-2296

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Consolidated Fee Hearing - FY 24-25 Fees for Permit Sonoma (First Reading)

Recommended Action:

Permit Sonoma recommends the Board of Supervisors, Sonoma County Water Agency Board of Directors and the Board of Directors of the Sanitation Districts take the following actions:

A. Board of Supervisors, County of Sonoma

Adopt a resolution introducing, reading the title and waiving further reading of a Proposed Ordinance to increase and adjust fees for development applications, permits and services provided by the Permit and Resource Management Department (Permit Sonoma) to recover the cost of providing these service effective July 1, 2024.

B. Board of Directors, Sonoma County Water Agency, Board of Directors, Occidental County Sanitation District, Board of Directors, Russian River County Sanitation District, Board of Directors, South Park County Sanitation District, Board of Directors, Sonoma Valley County Sanitation District

Adopt a concurrent resolution introducing, reading the title and waiving further reading of a proposed ordinance adjusting certain fees for sewer permit, plan check, and inspection services for the Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, South Park County Sanitation District, and Sonoma Valley County Sanitation District effective July 1, 2024.

Executive Summary:

Permit Sonoma provides land use planning, permitting services, and plan check and inspections for: planning, building, engineering, fire prevention, hazardous materials, natural resources, and code enforcement for the unincorporated areas of Sonoma County. Permit Sonoma also provides related permitting services pursuant to a Memorandum of Understanding for Sonoma Water, Sonoma Valley County Sanitation District, Russian River County Sanitation District, South Park County Sanitation District, and Occidental County Sanitation Districts.

The County of Sonoma engaged with a consultant, NBS (Consultant), to perform a User Fee Study (Study), which was completed in late 2021. The goal of the Study was to present findings regarding maximum allowable cost recovery amounts and to provide best management practices for the review of fees and

charges (F&C) for service and calculation methodology assumptions. It was determined through that study that most of the fees collected by Permit Sonoma were significantly under the cost recovery amount. During the FY 2022-23 consolidated fee hearings, staff recommendation #2 supported by the Board included increasing the annual General Fund support by \$1 million to support capping annual fee changes at a projected 7% annual average for the following 2 fiscal years. Subsequently, due to continued escalating cost the FY 2023-24 F&C changes were mostly adjusted by 10% bringing cost recovery to 78% of the FY 2023-24 operating costs.

The Consolidated Fee Hearings for FY 2024-25 is the third year of the 3-year phased approach. The department is proposing an 8.5% increase to fees based on projected salaries and benefits increases and if approved, will become effective July 1, 2024, or sixty (60) days from passage of the ordinance(s), whichever is greater.

The FY 2024-25 anticipated revenue projections from the recommended 8.5% fee increase is approximately \$1,591,557.

Discussion:

In 2019, to ensure compliance with California law and as part of Budget and Fiscal improvements, the County Administrator's Office engaged [NBS <https://www.nbsgov.com/>](https://www.nbsgov.com/) to conduct a User Fee Study for multiple departments, including Permit Sonoma. The NBS Fee Study found that, in aggregate, Permit Sonoma was recovering 79% of costs based on FY 2019-20 data. Prior to the review, there had been no increases to Permit Sonoma fees since FY 2019-20 pending the completion of the fee study. To moderate the impacts to Permit Sonoma's clients, in FY 2022-23 the Board of Supervisors approved increasing fees through a phased approach, while also accepting that fees would not reach full cost recovery and formalizing a General Fund subsidy.

In FY 2022-23 the Board approved increasing fees by 9% based on a cost recovery from fees and charges approach, as provided in the NBS Fee Study, in addition to increasing the department's General Fund support by \$1 million (from \$3.6 million to \$4.6 million). This allowed fees and charges adjustments to be limited to 9% in FY 2022-23 and projected to be 7% over the next three fiscal years (through FY 2024-25). However, given that the full cost recovery amount used in the NBS Fee Study was based on FY 2019-20 costs, and once operational cost escalations for FY 2020-21 through FY 2022-23 were factored and estimated at approximately 11%, the Board approved a 10% increase in fees in FY 2023-24 to keep up with the level of cost recovery.

FY 2024-25 proposed adjustments are based on projected salaries and benefits increases while ensuring that the rates do not exceed 100% of the cost to deliver services. The FY 2024-25 proposed rate increases above current fees are as follows:

- Planning fees increase by 8.5%
- Engineering fees increase by 8.5%
- Well and Septic fees increase by 8.5%
- Building fees increase by 8.5%
- Fire fees increase by 8.5%

Administrative Staff Hourly Labor Rates

Staff hourly rates are used to set fees and to bill staff hourly charges to at-cost projects and contracts. These rates are calculated based on employees' salaries and benefits costs. The department is proposing to increase administrative staff hourly rates by 8.5% in FY 2024-25 based on projected increases to salaries and benefits. Proposed increases are as follows:

	FY 2023-24 Adopted	FY 2024-25 Proposed
Accountant	\$123	\$133
Clerical	\$107	\$116
Code Enforcement Inspector	\$182	\$197
Customer Service	\$138	\$150
Division Manager	\$249	\$270
Information Systems	\$147	\$159

Code Enforcement Services Fees

The Code Enforcement Division handles violations of the County's building, zoning, and health regulations. The department is proposing to increase Code Enforcement fees for services by 8.5% in FY 2024-25 based on projected increases to salaries and benefits. Proposed increases are as follows:

	FY 2023-24 Adopted	FY 2024-25 Proposed
Code Enforcement Reinspection (each)	\$274	\$297
Abatement Repair Permit	\$623	\$676
Building Board and Secure	\$125	\$136
Hearing Officer		
County Staff Support	\$488	\$529
Hearing Officer - Hearing	\$2,288	\$2,482
Hearing Officer - Drive Time	\$215	\$233
Court Reporter	\$583	\$633
Board of Building Appeals	\$715	\$776

Fee Description Changes

Permit Sonoma is recommending approval of nine (9) description changes to fire prevention fees, and seven (7) description changes to engineering encroachment fees, and one (1) well & septic service fee. See Attachment 17 for details.

Sewer Systems Plan Check Services

Permit Sonoma provides permitting services pursuant to a Memorandum of Understanding for Sonoma Water, Sonoma Valley County Sanitation District, Russian River County Sanitation District, South Park County Sanitation District, and Occidental County Sanitation Districts. The fees to recover these services are set by the

Agenda Date: 3/26/2024

Water Agency and Sanitation Districts. The FY 2024-25 fees are seen in the table below. There is no change from the previous year.

	FY 2024-25 Fee Amount
Sanitation District Record Drawing - Sewer System	
Residential/Subdivision	\$153
Commercial/Industrial	\$307

Furthermore, mitigation fees that may result from modifications to the proposed Tree Protection Ordinance or adoption of a new Oak Woodland Ordinance will be considered by the Board of Supervisors at a future date and will follow a separate process from the proposed fees that are being considered today.

Strategic Plan:

N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

03/21/2023: FY 2023-24 Fees & Charges: Ordinance No. 6407 for Occidental County Sanitation District; Ordinance No. 6408 for Sonoma Valley County Sanitation; Ordinance No. 6409 for South Park County Sanitation District; Ordinance No. 6410 for Sonoma County Water Agency; Ordinance No. 6411 for Russian River County Sanitation District; and Ordinance No. 6412 Board of Supervisors Permit Sonoma Fee Schedule.

FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
Budgeted Expenses		\$1,591,557	\$1,591,557
Additional Appropriation Requested			
Total Expenditures		\$1,591,557	\$1,591,557
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other		\$1,591,557	\$1,591,557
Use of Fund Balance			
General Fund Contingencies			
Total Sources		\$1,591,557	\$1,591,557

Narrative Explanation of Fiscal Impacts:

Agenda Date: 3/26/2024

The fee increases will become effective on July 1, 2024. The baseline net effect of fee changes without projected department workload increases is estimated to be approximately \$1,591,557. This amount will be included in Permit Sonoma's projected total revenues as part of the FY 2024-25 Recommended Budget.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1: Board of Supervisors Resolution Introducing Ordinance
Attachment 2: Concurrent Resolution of the Water Agency and Sanitation Districts
Attachment 3: Permit Sonoma Fee Cover Sheet FY 2024-25
Attachment 4: Permit Sonoma Fee Schedule Ordinance
Attachment 5: Building Fee Schedule
Attachment 6: Code Enforcement Fee Schedule
Attachment 7: Fire Prevention and Hazmat Fee Schedule
Attachment 8: Engineering & Water Fee Schedule
Attachment 9: Well & Septic Fee Schedule
Attachment 10: Planning Fee Schedule
Attachment 11: Permit Sonoma Services Fee Schedule
Attachment 12: Occidental Sewer Area Ordinance
Attachment 13: Sonoma Valley Sewer Area Ordinance
Attachment 14: South Park Sewer Area Ordinance
Attachment 15: Water Agency Sewer Service Area Ordinance
Attachment 16: Russian River Sewer Area Ordinance
Attachment 17: Permit Sonoma FY 2024-25 Fee Description Changes
Attachment 18: Permit Sonoma At Cost Projects Overview

Related Items "On File" with the Clerk of the Board:

N/A