



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 3/25/2025

To: Board of Supervisors

Department or Agency Name(s): Sonoma County Public Infrastructure

Staff Name and Phone Number: Johannes J. Hoevertsz, 707-565-2550

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Consolidated Fee Hearing - FY25-26 Rental Rates and Fees for Veterans Buildings

Recommended Action:

Adopt a Resolution approving:

- A) The proposed Fiscal Year 2025-26 rental rates and fees for certain Sonoma County Veterans Memorial Buildings; and
- B) The proposed "Rental Discount Policy" for all County-operated Veterans Memorial Buildings.

Executive Summary:

The Sonoma County Public Infrastructure Department (SPI) is recommending adoption of the proposed Fiscal Year 2025-26 rental rate and fee changes for the Sonoma County Veterans Memorial Buildings. SPI also is recommending review and approval of the existing Discount Policy, to apply at County-operated Buildings (currently, Sonoma, Petaluma, and Guerneville).

Discussion:

Sonoma County Public Infrastructure (SPI) maintains seven (7) Veterans Memorial Buildings located throughout the county. These buildings are rented out for a variety of uses by individuals and groups. Rental rates for space and equipment are charged based on specific rooms, minimum and actual hours used, and for incidentals such as audio systems, chairs, tables, set up, and cleaning. Existing rates have been in effect for over ten years, and rate increases are now being proposed due to increased costs associated with operating the facilities including salary and benefits, routine maintenance, and utilities. While proposed rate increases will not fully cover costs for staffing, operating, and maintaining the buildings, they will help offset increases to these costs which otherwise would require additional discretionary support.

Pursuant to Military and Veterans Code Section 1264, the Board of Supervisors may provide for use of the Veterans Buildings by persons and organizations other than veterans, at "stated compensation" rates to aid in defraying costs of maintenance of the facilities.

Rental rates are charged at all Veterans Memorial Buildings based on factors such as room size and location of building. While the rental rates are charged to most users, in accordance with the County's "Veterans Memorial Building Use Policy", facility use charges are either waived or reduced for veteran's associations and individual veterans for certain uses (equipment and incidental services remain chargeable at standard rates).

The biggest revenue comes from fees charged for the use of rooms on an hourly basis to the general public and non-profit organizations.

SPI is requesting a seventeen percent (17%) on average increase for all rates, as well as new rates for certain incidentals to help offset the costs of replacing aging furniture, equipment, and other items. Increases would be effective July 1, 2025, for all new bookings. Bookings already in place as of the effective date of this Board item will be honored at current rates.

There are a total of seven (7) Veterans Memorial Buildings. Two are actively managed by SPI for events and community activities, and one (Guerneville) is currently used as an ongoing homeless shelter. The remaining four (4) are managed by outside entities, including the Buildings at Santa Rosa, Cotati, and Sebastopol. With regard to the proposed rate increase, the management group for Santa Rosa and Cotati locations have requested the increase, and Sebastopol has found an increase was necessary for ongoing increases to their costs to operate.

Rates and Costs

SPI is proposing the following rate increases:

- A. **Room and Kitchen Fees:** An average of 10-17% increase to the hourly rates to rent the rooms and facilities at the buildings. The proposed fees will help recover the cost of salary, benefits, and utilities along with replacing much needed items such as folding chairs, silverware, and maintaining the theater systems and auxiliary items such as projector screens often used by renters.
- B. **Parking Lot Fees** - The parking lot increases range from 33% to 50% due to the large venue and recommendations by the Santa Rosa Fair and City of Cotati who oversee these locations. The fees for the parking lot will help recover the maintenance costs for parking lot repairs, paving, and striping the parking spots.

The last fee increase was in FY 2011-12. Since then, staffing costs, including salaries and benefits, and total operation costs, have increased substantially. In the last three years, utilities alone have increased \$140,815 per year, which is a 54% increase. Overall, net annual operating costs as to the seven Veterans Buildings have increased from \$177,851 FY 20-21 to \$614,931 FY 22-23. This is 246% in a three-year period. In FY 23-24, total Veterans Building expenditures were \$1,174,913 and revenues were \$573,432, resulting in a net cost of \$601,481.

During the Veterans Memorial Buildings Advisory Committee meeting on February 4, 2025, the rate increases were discussed and well received. Some building representatives felt it was time to raise rates and that ten percent perhaps was not enough, while others had concerns about impacts to lower-income renters who rely on the buildings and may not be able to afford to go elsewhere. They all agreed that raising the rates and monitoring impacts until next fee hearings was the prudent thing to do. The Committee voted to recommend that the proposed 10% increase be adopted. A final summary of proposed increases was later sent to the Committee.

Discounts

Discounts for use of County-operated Veterans Memorial Buildings were approved by your Board in October 2015, pursuant to Resolution 15-0425. At that time, discounts were applied at the Guerneville and Sonoma locations only. Subsequently, the Petaluma Building came back to direct County operation and management. The Resolution proposed today will extend the existing Discount Policy to uses at the Guerneville, Sonoma, and Petaluma locations, and to any other Buildings which may become directly operated by the County in the future.

The Discount Policy encourages uses during weekdays and facilitates uses by non-profits. Weekday discounts for “Non-peak days (Monday – Thursday) of 20% encourage renters to book during off-peak times. Since nonprofits often have limited budgets, offering a non-profit discount (in addition to any other discounts) makes the Buildings more accessible for events, meetings or other activities that help to benefit the community. Multi-day rentals will receive a 50% discount to the first and last day of the rental if those days will be used to either set up or break down the event.

Strategic Plan:
N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?
No

Prior Board Actions:
None

FISCAL SUMMARY

	FY 24-25 Adopted	FY 25-26 Projected	FY 26-27 Projected
Expenditures			
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other		\$98,286	
Use of Fund Balance			

Contingencies			
Total Sources		\$98,286	

Narrative Explanation of Fiscal Impacts:

If approved, the proposed rate increases would increase FY2025-26 rental revenue from the Veteran’s Buildings (10005-21030200) by an estimated \$98,286. The increase in revenue will partially offset the increased cost of operating the Buildings.

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

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Attachment 1 – FY2025-26 Proposed Fee Summary

Attachment 2 – Resolution

Attachment 3 – Rental Discounts

Related Items “On File” with the Clerk of the Board:

None