



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 3/22/2022

To: County of Sonoma Board of Supervisors
Department or Agency Name(s): Department of Health Services
Staff Name and Phone Number: Tina Rivera, 707-565-4774
Vote Requirement: Majority
Supervisorial District(s): Countywide

Title:

Health Services Fees Proposed Ordinance (First Reading)

Recommended Action:

- A) Adopt a resolution reading the title and waiving further reading of a proposed ordinance titled "An Ordinance of the Board of Supervisors of the County of Sonoma, State of California, Adopting New Fees and Adjusting Fees Effective July 1, 2022 for the Sonoma County Department of Health Services Public Health Laboratory and Animal Services."
- B) Increase ongoing contribution by \$233,830 for Animal Services in Fiscal Year 2022-23 to fees for certain client and animal services determined to have a negative impact to residents and/or the program if fees are increased significantly.

Executive Summary:

The Department of Health Services is proposing new and amended fees effective July 1, 2022 for services associated with the Public Health Laboratory and Sonoma County Animal Services (SCAS). The Board of Supervisors is authorized to establish fees to recover the reasonable cost of providing certain services. Fees are imposed for a specific benefit conferred or service provided directly to the payor that is not provided to those not charged, and which do not exceed the reasonable costs to provide the benefit or service. Fees are also imposed for reasonable regulatory costs including enforcement inspections, investigations, and audits. It is the Department's practice to conduct outreach and communicate with those impacted by a proposed fee increase.

For Public Health Laboratory services, recommended fee adjustments intend to recover increased labor costs, which are expected to increase by 2.0% from FY 2021-22. Therefore, most of this division's fees are increasing approximately by 2.0%. Additionally, a new fee is proposed for Molecular Laboratory: FluA/FluB/RSV/COVID19 (PerkinElmer). Total estimated revenue change is \$56,249.

In 2019, the County Administrator's Office staff enacted best management practice implementation to periodically review fees and charges (F&C) for service cost components and calculation methodology assumptions. As a result, under department head authority, the CAO's Operations and Budget staff engaged NBS Consultants to conduct a review of three selected departments/programs. Sonoma County Animal Services was selected from our department. With this item staff presents two sets of fee scenarios for Animal Services; one with adjustments according to the consultant report with a focus on full recovery of the cost of delivering services; and another assuming a \$233,830 subsidy from General Fund included to maintain fees at

a reduced level with a cost of doing business increase for the benefit of the public and the program.

The Ordinance in Attachment 2 includes the fees for both scenarios. Staff will return during the Second Reading of the Ordinance with only the fees from one scenario chosen by the Board. On April 5, the final ordinance that reflects the Board's direction will be presented to the Board for final approval on consent calendar.

Discussion:

Public Health Laboratory Services Fees

The Public Health Laboratory provides clinical, environmental, and rabies testing services as mandated by Health and Safety Code 101150. These fee-based testing services aid doctors, hospitals, acute care facilities, environmental health agencies, and Sonoma County Animal Services in diagnosing and performing enforcement duties.

Revised fees are requested to recover increased labor costs that have increased 2.0%. The Department is proposing approximately 2.0% increases to most Public Health Laboratory fees.

Public Health Laboratory fees are set at below full-cost recovery amounts and are subsidized with 1991 Health Realignment funding. The Public Health Lab receives approximately \$1,200,000 million in subsidy from 1991 Health Realignment, \$37,000 in Grant funds, and \$251,000 of funding in Preparedness to support the Bio Safety Lab operations, which in turns supports and funds employees. Health Realignment funds can be used for nearly all public health programs and services. However, applying these funds as a subsidy, the lab continues providing market-rate, subsidized services to the public and non-government organizations allowing the Department to recover a portion of the cost of operating the laboratory by performing tests that meet a public benefit or would otherwise be taken to private labs.

Proposed Additions to the Public Health Laboratory fee schedule:

The Public Health Laboratory has one proposed addition to the Public Health Laboratory fee schedule this year, Molecular Laboratory: FluA/FluB/RSV/COVID19 (PerkinElmer.) This is a four-pathogen respiratory panel used for high-volume testing.

As with the case with other COVID tests added in August 2021, the Department would like to establish a fee for use in the future in the event that COVID-19 funding is no longer available to cover the cost of providing the testing service.

Changes to Existing Public Health Laboratory Fees:

Environmental Laboratory

All existing test fees are increased by approximately 2.0% due to increased labor costs, resulting in an estimated \$9,903 additional revenue.

Microbial Disease Laboratory

All existing test fees are increased by approximately 2.0% due to increased labor costs, resulting in an estimated \$14,906 additional revenue.

Virus Laboratory

All existing test fees are increased by approximately 2.0% due to increased labor costs, resulting in an estimated \$27,154 additional revenue.

Molecular Laboratory

All existing test fees are increased by approximately 2.0% due to increased labor costs, resulting in an estimated \$3,333. Due to adjustments made for COVID testing services, revenue is not calculated due to current grant funding support covering the costs to the public.

The overall increase in revenue for FY 22-23 Public Health Laboratory services is estimated at \$56,249

Sonoma County Animal Services Fees

SCAS provides sheltering and field services to areas within their jurisdiction, including unincorporated areas of the County and the City of Santa Rosa. Their mission is to create a balance between the population of domestic animals and a responsible home to care for them, by protecting the health and safety of people and animals. Public services include investigating and prosecuting animal cruelty, abuse, and neglect; educating the public about responsible domestic animal ownership; reducing pet overpopulation through spay/neuter programs; providing a safe environment for animals in need; and placing adoptable animals into caring homes. Animal Services is also responsible for rabies control for the entire County. Animal Services' service area is comprised of approximately 1,575 square miles with nearly 500,000 residents and includes an animal shelter that serves nearly 3,300 animals annually. All services described are performed by staff-either directly or indirectly-and are part of the fee-for-service structure.

On October 1, 2010, the County Administrators recommended-based on a review of comparable jurisdictions, an assessment of community sentiment, staff morale, and organizational missions-that the County should move Animal Care and Control out of the Agricultural Commissioner/Sealer organization and place SCAS within the Department of Health Services. The Department of Health Services adopted and maintained the same fee structure that was in place when the transfer took place.

A comprehensive analysis of all SCAS fees has not been performed since the transfer took effect. To date, the Department has only increased fees based mainly on labor cost changes when warranted, which has typically been between 3.0 %and 5.0%. Increases to fees were most recently approved in 2018 and 2019. Many fees have remained unchanged some dating as far back as 1999. This fee study focuses on analyzing fees and charges to align with the cost to deliver services to current legal parameters and industry standards.

It should be noted that while fees studied for SCAS are subject to the same regulatory requirements as any other user or regulatory fee in California, the public's interest in and benefit from the care of animals. Also, the desire to keep adoption and pet recovery attractive to residents, was not an element of consideration accounted for by NBS.

The Department has provided two fee scenarios for consideration. Your Board could adopt the fee proposal as developed at full-cost recovery for all services, which would result in a proposed aggregated increase of all fees of 13.69%. The 13.69% resulting increase is a combination of 6.06%, 3.63%, and 4.0% Cost of Doing Business Increases (CODBI) to cover 3-year of fee increases for FY 20-21 and FY 21-22, and FY 22-23 estimated CODBI. The increases of the fees might vary from other departments and divisions within Health Services for these fiscal years due to the different job classes and division specific expenses required by Animal Services.

The costs used in the analysis by the consultant to arrive at 100% cost recovery were from FY 19-20. Since then there have been significant increases in the cost of doing business requiring an adjustment including 7.74% in salary increases and a 5.96% increase in the cost of contracts, services, and supplies. The listing of fees for this scenario can be found on Attachment 4. There were several fees noted in the report that identified current fees set at above 100% cost recovery. Those fees would be decreased to the fee

recommended. This scenario would generate a total revenue increase to SCAS for in the amount of \$211,000. Reduction to the Sonoma County Animal Services Fee revenue used to support program costs may require the Department to reduce labor costs and to cut program offerings.

As stated above, NBS did not account for the Department's mission when developing their fee recommendations. Long-term program efforts such as increasing adoptions, spay and neutering, and licensing will have an impact to the community if a significantly higher fee is charged for services. In addition to losing traction in our efforts, ongoing fiscal impacts to the unit will occur, if clients are lost to other agencies or if there is low compliance in fees collected. It is a policy decision to charge less than 100% cost recovery. The option of lowering fees to encourage adoption, neuter/spaying, and licensing would have a significant impact to public participation and supporting animal health by shortening stays and quickly getting animals into supportive homes.

The listing fees for the second scenario found in Attachment 5 involves a request for ongoing support to subsidize fees and limiting their impact on the community and maintain the program's adoption and pet recovery appeal for overall community benefit. Total subsidy proposed to be funded with County General Fund for FY 22-23 for these categories is \$233,830 to maintain the fees at the same level with a CODBI adjustment. For the following fees, input was provided to key issues for consideration regarding recommended rates.

Issue - Adoption and adoptions fees

Impact on adoptability of senior animals; large fee increases for community members; potential of additional revenue loss with higher adoption fees potentially less adoptions

Leveling costs for all dogs and cats and rabbits would significantly impact the adoptability of certain animals (senior pets) and potentially increasing adoption rates could create revenue losses by having community members looking for less expensive options. Rabbits adoptions are not common and increased fees may make this type of adoption less of an option.

- Proposed adoption fee increases range from approximately 43% to 84% for dogs, 29% to 76% for cats and is 62% for rabbits.

Recommendation: Provide subsidy to adjust downward NBS 100% cost recovery calculations for FY 19-20 Cost of Service per Activity rates; apply CODBI factor, increasing the rates by 13.69% from FY 19-20 to arrive at FY 22-23 rates. Total amount of subsidy - \$96,030.64.

Fee Description (short)	Anticipated units, FY 2022-23	Proposed fee amount Per Consultant	Proposed fee amount with subsidy	Amount fee is subsidized by other funding (per unit), if any	Total Subsidy Amount
Adoption Fees					
Dog					
Over 6 years	9	\$ 335.39	\$ 107.45	\$ 227.94	\$ 2,051.46
Over 6 years, after 2 weeks	0	\$ 335.39	\$ 53.72	\$ 281.66	\$ -
Over 4 months to 6 years	237	\$ 335.39	\$ 144.02	\$ 191.36	\$ 45,352.32
Over 4 months to 6 years, After 2 weeks (optional)	0	\$ 335.39	\$ 72.01	\$ 263.37	\$ -
8 weeks to 4 months	268	\$ 335.39	\$ 192.03	\$ 143.35	\$ 38,417.80
8 weeks to 4 months, After 2 weeks (optional)	0	\$ 335.39	\$ 96.02	\$ 239.37	\$ -
Cat					
Over 6 years	11	\$ 126.20	\$ 60.58	\$ 65.61	\$ 721.71
Over 6 years, after 2 weeks	0	\$ 126.20	\$ 29.72	\$ 96.48	\$ -
Over 4 months to 6 years	184	\$ 126.20	\$ 90.30	\$ 35.89	\$ 6,603.76
Over 4 months to 6 years, After 2 weeks (optional)	0	\$ 126.20	\$ 45.72	\$ 80.47	\$ -
8 weeks to 4 months	268	\$ 126.20	\$ 126.88	\$ -	\$ -
8 weeks to 4 months, After 2 weeks (optional)	0	\$ 126.20	\$ 75.44	\$ 50.75	\$ -
Special cat or dog adoption fee (due to space or animals' condition)	26	\$126.20 cat/\$335.39 dog	\$ 28.52	\$35.89 Cat/\$191.36/Dog	\$ 557.04
Small Mammals/Rodents/Pow	35	\$ 62.53	\$ 12.57	\$ 49.96	\$ 1,748.60
Livestock/Exotic Animals	13	FMV	FMV	\$ -	\$ -
Rabbits	15	\$ 62.53	\$ 24.00	\$ 38.53	\$ 577.95
Total					\$ 96,030.64

Issue - Spay/Neutering programs

Impact on SCAS messaging on animal population control; large rate increases to community members

SCAS has invested time and resources in educating the public on the importance of spaying and neutering your animals. Reducing rates for licensing a dog that remains unaltered presents a mixed message as to the importance of this program and increasing rates for spay and neutering services will deter the public due to prohibitive costs.

- Proposed increases for spay and neuter costs range from 46% to 59% for dogs.

Recommendation: Provide subsidy to reduce NBS Recommended FY 19-20 Cost of Service per Activity rates for dog spay/neutering; apply CODBI factor, increasing the rates by 13.69% from FY 19-20 to arrive at FY 22-23 rates. Total amount of subsidy - \$3,134.57.

Fee Description (short)	Anticipated units, FY 2022-23	Proposed fee amount Per Consultant	Proposed fee amount with subsidy	Amount fee is subsidized by other funding (per unit), if any	Total Subsidy Amount
Dog					
Spay/Neuter (2-30 lbs.)	3	\$ 126.20	\$ 68.58	\$ 57.61	\$ 172.83
Spay/Neuter (31-75 lbs.)	34	\$ 167.12	\$ 80.01	\$ 87.11	\$ 2,961.74
Spay/Neuter (over 75 lbs.)	0	\$ 251.25	\$ 102.88	\$ 148.38	\$ -
Cat					
Spay	0	\$ 84.13	\$ 45.72	\$ 38.41	\$ -
Neuter	0	\$ 55.71	\$ 28.58	\$ 27.13	\$ -
Total					\$ 3,134.57

Issue - Licensing

Impact to community seniors renewing licenses

Licensing discount rates for Seniors are proposed to be removed as part of the study and leveled as part of the licensing fee structure for dogs. The increase could potentially decrease the number of adoptions and adversely affect a population who would benefit from having an animal.

- Proposed increase of 45% for individuals 62 or older to license altered dog would potentially have an adverse economic impact on individuals and may deter individuals seeking a license for altered dogs.

Recommendation: Provide subsidy to reduce NBS FY 19-20 Recommended Cost of Service per Activity rates for licensing for Seniors; apply CODBI factor, increasing the rates by 13.69% from FY 19-20 to arrive at FY 22-23 rates. Total amount of subsidy - \$63,074.76.

Fee Description (short)	Anticipated units, FY 2022-23	Proposed fee amount Per Consultant	Proposed fee amount with subsidy	Amount fee is subsidized by other funding (per unit), if any	Total Subsidy Amount
License Fees					
Dog					
Altered	17548	\$ 28.42	\$ 28.58	\$ -	\$ -
Altered - Senior Citizen	4998	\$ 28.42	\$ 16.00	\$ 12.62	\$ 63,074.76
Unaltered	2722	\$ 28.42	\$ 28.58	\$ -	\$ -
Late License Penalty	0			\$ -	\$ -
Cat					
Altered	420	\$ 13.64	\$ 13.72	\$ -	\$ -
Unaltered	0	\$ 13.64	\$ 13.72	\$ -	\$ -
Transfer/Duplicate - Dog or Cat License	1276	\$ 13.64	\$ 13.72	\$ -	\$ -
Total					\$ 63,074.76

Issue - Kennel/Pet Shop License

Impact to small business owners with large rate increases

Kennel and pet shops are required to have inspections and then are permitted to operate their businesses. For these small business owners, they must be inspected and provide licenses for the animals on the facility.

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- For a kennel operator, rates will increase 56% to 78% for dogs; rates for a kennel operator for cats will increase 78% to 89%.

Recommendation: Provide subsidy to reduce NBS FY 19-20 Recommended Cost of Service per Activity rates for Kennel/Pet Shop Licenses; apply CODBI factor, increasing the rates by 13.69% from FY 19-20 to arrive at FY 22-23 rates. Total amount of subsidy - \$6,283.76.

Fee Description (short)	Anticipated units, FY 2022-23	Proposed fee amount Per Consultant	Proposed fee amount with subsidy	Amount fee is subsidized by other funding (per unit), if any	Total Subsidy Amount
Kennel/Pet Shop License					
Commercial	31	\$ 223.97	\$ 225.18	\$ -	\$ -
Pet Fancier Kennel Dog					
Altered (also must purchase individual doglicenses)	17	\$ 223.97	\$ 49.15	\$ 174.82	\$ 2,971.94
Unaltered (also must purchase individual doglicenses)	25	\$ 223.97	\$ 99.45	\$ 124.52	\$ 3,113.00
Pet Fancier Kennel Cat					
Altered (individual cat license optional)	1	\$ 223.97	\$ 25.15	\$ 198.82	\$ 198.82
Unaltered (individual cat license optional)	0	\$ 223.97	\$ 49.15	\$ 174.82	\$ -
Hobby Kennel	1	\$ 223.97	\$ 225.18	\$ -	\$ -
Pet Shop	1	\$ 223.97	\$ 225.18	\$ -	\$ -
Late Penalty	0				\$ -
Transfer (inspection)	0	\$ 167.12	\$ 168.03	\$ -	\$ -
Periodic Inspection	0	\$ 167.12	\$ 168.03	\$ -	\$ -
Reinspection Fee	0	\$ 167.12	\$ 168.03	\$ -	\$ -
Total					\$ 6,283.76

Issue - Impound Fees

Impact to community with large rate increases; impact to Animal Care and Control operations

Increases to impound fees will impact the reunification of impounded animals with their owners given these new rates may be cost prohibitive and creating a hardship for owners to reclaim their animals.

- Proposed increase of impound rates of 23% to 63% for dogs and 75% to 79% for cats would make it cost prohibitive for owners, potentially having an increase in owner surrender.
- For small livestock under 300 lbs., the rate increases significantly to owners by 75%. For large livestock over 300 lbs., the rate increases to owners by 83%. Staff agree we should increase the rate but recommend a gradual step increase over a 5-year period of time to full cost recovery as to not impact owners at once.

Recommendation: Provide subsidy to reduce NBS FY 19-20 Recommended Cost of Service per Activity rates for Impound Fees; apply CODBI factor, increasing the rates by 13.69% from FY 19-20 to arrive at FY 22-23 rates. Total amount of subsidy - \$65,306.27.

Fee Description (short)	Anticipated units, FY 2022-23	Proposed fee amount Per Consultant	Proposed fee amount with subsidy	Amount fee is subsidized by other funding (per unit), if any	Total Subsidy Amount
Impound Fees					
Dog					
1st Impound - Licensed	160	\$ 209.19	\$ 77.73	\$ 131.46	\$ 21,033.60
1st Impound - Unlicensed	311	\$ 209.19	\$ 97.16	\$ 112.03	\$ 34,841.33
Additional Impound (within one year)	49	\$ 209.19	\$ 162.32	\$ 46.87	\$ 2,296.63
Cat					
Impound - Altered	43	\$ 126.20	\$ 26.29	\$ 99.91	\$ 4,296.13
Impound - Unaltered	6	\$ 126.20	\$ 32.01	\$ 94.19	\$ 565.14
Large Livestock - 300 lbs. & up (horse, bovine, etc.)	2	\$ 126.20	\$ 32.01	\$ 94.19	\$ 188.38
Small Livestock - Under 300 lbs. (sheep, goat, rabbit, bird, or other)	6	\$ 418.38	\$ 70.87	\$ 347.51	\$ 2,085.06
Exotic	0	\$ 55.71	\$ 56.01	\$ -	\$ -
Total					\$ 65,306.27

Total subsidy for FY 22-23 for these categories is \$233,830.

Fee Additions/New Fees:

The following new fees are veterinarian services being provided but were not specifically identified by cost or service type in the previous cost structure. Services vary in complexity and time and these new fees reflect full-cost recovery.

1. Additional Vet Care Services: Medication Fee - \$61.00 per unit
2. Additional Vet Care Services: Exam - \$74.00 per event
3. Additional Vet Care Services: Outside Lab Work Minor - \$49.00 per unit
4. Additional Vet Care Services: Outside Lab Work Comprehensive - \$49.00 per unit
5. Additional Vet Care Services: In House Lab Work - \$37.00 per unit
6. Additional Vet Care Services: Sedation - \$98.00 per event
7. Additional Vet Care Services: General Anesthesia - \$111.00 per event
8. Additional Vet Care Services: Surgery Level 1 - \$74.00 per event
9. Additional Vet Care Services: Surgery Level 2 - \$147.00 per event
10. Additional Vet Care Services: Surgery Level 3 - \$221.00 per event
11. Additional Vet Care Services: Veterinary Treatment Level 1 - \$74.00 per event
12. Additional Vet Care Services: Veterinary Treatment Level 2 - \$111.00 per event
13. Additional Vet Care Services: Veterinary Treatment Level 3 - \$147.00 per event
14. Other Vet Services Not Listed
15. Kennel Reinspection Fee - \$147.00 per event

Fee Deletions:

None

Strategic Plan:

N/A

Prior Board Actions:

On July 13, 2021 the Board conducted a public hearing to consider and adopt a resolution establishing new and amended fees to recover the reasonable cost of providing services associated with the Public Health Laboratory for the Department of Health Services effective August 1, 2021.

On March 24, 2020 the Board adopted a resolution establishing new and amended fees to recover the reasonable cost of providing services including fees associated with Environmental Health and Safety, Public Health Laboratory, and Tobacco Retailer Licensing for the Department of Health Services effective July 1, 2020.

On May 14, 2019 the Board adopted a resolution establishing new and amended fees to recover the reasonable cost of providing services including fees associated with Environmental Health and Safety, Public Health Laboratory, and Sonoma County Animal Services for the Department of Health Services effective July 1, 2019.

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY 22-23 Projected	FY 23-24 Projected
Budgeted Expenses		\$158,478	
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF		\$233,830	
State/Federal			
Fees/Other		(\$75,351)	
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Fee increases and any General Fund adjustments will be effective FY 2022-2023 on July 1, 2022. The baseline net effect of fee changes is estimated to be approximately \$158,478 without projected department workload increases. This amount includes a reduction of \$75,351 in revenue received from fees and \$233,830 from the General Fund and will be included in Sonoma County Animal Services' FY 2022-2023 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 - Resolution Introducing the Proposed Ordinance and Waiving the Reading of the Ordinance
- Attachment 2 - Proposed Ordinance with Proposed New Fees and Fee Adjustments as Exhibit A

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Attachment 3 - Public Health Laboratory Fee Chart

Attachment 4 - Sonoma County Animal Services Fee Chart without Fee Subsidy

Attachment 5 - Sonoma County Animal Services Fee Chart with Proposed Fee Subsidy

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

None