



# FY 2023-24 Consolidated Fee Hearing

**March 21, 2023**

# Introduction

- **Overview of Fee Package**
- **Discussion of Departmental Changes and Primary Factors of Change**
- **Recommended Action**



# Introduction

## Why a Consolidated Fee Hearing

- Fees hearing noticed on March 7 and March 14
- Fee hearing takes place in spring so that adjustments can be included in revenue projections for the new year
- Fee hearings consolidated for transparency



# Introduction

- **Revenue Management Board Policy was ratified on 6/18/2021**
  - **“...fees and charges should cover all costs of the services provided, unless otherwise directed by the Board of Supervisors, to provide for the public benefit.”**
- **FY22-23 Fee Hearings presented findings from a fee study for Ag/Weights & Measures, Permit Sonoma and Animal Care and Control.**
  - **General Fund subsidies were approved for fees that were below cost recovery.**



# Overview of Fee Changes By Department

Department	Fee Increasing	Fee Decreasing	Fee Eliminated	New Fee / Reinstated	Total
Ag/Weights & Measures	43	0	0	0	<b>43</b>
Health Services	75	0	13	4	<b>92</b>
BOS/CAO (Criminal Justice Admin Fee)	1	0	0	0	<b>1</b>
Sonoma County Public Infrastructure (Airport)	97	0	1	8	<b>106</b>
Regional Parks (including Marinas)	18	0	0	2	<b>20</b>
Sheriff's Office	67	3	0	0	<b>70</b>
Permit Sonoma	563	0	0	0	<b>563</b>
<b>Total</b>	<b>864</b>	<b>3</b>	<b>14</b>	<b>14</b>	<b>895</b>



# Overview of Fee Changes: 3 Factors

## Factor 1: Increases in Cost of Doing Business

### Two Drivers:

- **Salary and Benefits**
  - **Average S&B expected to rise by 5%, in FY 2023-24, but some departments are increasing by up to 8%**
- **Goods and Services**
  - **Consumer Price Index for San Francisco Bay Area – 6%**
- **Average total around 5%**



# Overview of Fee Changes: 3 Factors

## Factor 2: Improving Cost Recovery

- **Applies to VESCO fees in Ag/Weights & Measures and Permit Sonoma fees.**
- **Cost recovery is based on a comprehensive fee study that included these 2 departments.**
- **Study was launched in 2019; findings were delayed due to COVID.**
- **FY22-23 Fee Hearings unveiled findings and proposed multi-year goals to improve cost recovery.**



# Overview of Fee Changes: 3 Factors

## Factor 3: Hold on Fee Increases during COVID

- **Applies only to Airport fees in Sonoma County Public Infrastructure**
- **Fees were held flat in FY19-20 through FY22-23 due to impacts of COVID on the travel industry**
- **Potential lost fee revenue was offset by funding from various federal relief sources**

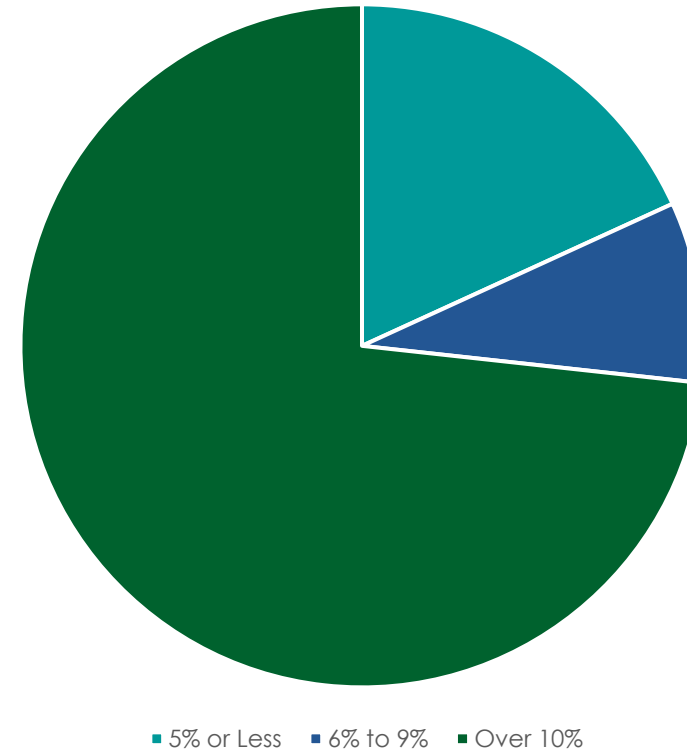




# Overview of Fee Changes

**Most increases are related to improving cost recovery or due to holds on fee increases during COVID.**

## Rate of Fee Increases



# Overview of Fee Changes

## Estimated Revenue Increase

Department	Total
Ag/Weights & Measures	\$62,953
Health Services	\$199,164
BOS/CAO (Criminal Justice Fees)	\$0
Sonoma County Public Infrastructure (Airport)	\$1,192,970
Regional Parks (including Marinas)	\$94,274
Sheriff's Office	\$51,922
Permit Sonoma	\$1,663,897
<b>Total</b>	<b>\$3,265,180</b>



# Overview of Fee Adjustments by Change type

## Factor 1: Increases in Cost of Doing Business



# Criminal Justice Admin Fee (Jail Booking Fee) (CAO)

Total change: \$0 Expected

- Jail Booking Fees charged to arresting agencies for booking of inmates *only* if the state does not allocate funding
  - Not expected to be charged in FY 2023-24
- Jail Access Fee charged to arresting agencies for certain misdemeanor arrests in excess of average



# Public Health Lab

**Total change: \$199,164**

- **Public Health Lab primarily funded with other sources**
- **Increase of 5% to align with average cost increases**
- **Primary revenue increase (~\$131k) based on revenue generated from COVID-19 testing, which had previously been paid for by various grant funds**



# Regional Parks – Including Marinas

**Total change: \$94,274**

- **Increases largely associated with an effort to keep up with costs of doing business.**
- **Marina fees increasing on average by about 3.5%; department is planning a review of the Marina fee schedule in FY24-25.**
- **Setting hike/bike in camping fee equal to day use fee (\$5 to \$7).**
- **Adding new fee categories to incentivize employers to make bulk purchases of Parks passes.**



# Sheriff's Office

Total change: \$51,922

- **Adjustments to a variety of fees based on changes to cost.**
- **The majority of revenue increases are primarily associated with projected increases in security services due to more anticipated events.**



# Agriculture/Weights & Measures – Excluding VESCO Fees

**Total change: \$12,197**

- **Increases in the 6-9% range, due to increase in costs.**
- **Fees are generally very small, so many are increasing by \$1-\$2.**
- **Department will do a complete cost recovery analysis of Weights & Measures fees for FY24-25.**





# Overview of Fee Adjustments by Change Type

## Factor 2: Increases to Improve Cost Recovery Goals



# Agriculture/Weights and Measures – VESCO fees

## Total Changes: \$50,757

- Total Cost recovery at 50% in study.
- FY22-23 fees brought cost recovery to 57% and \$145,000 in General Fund was provided as a subsidy.
- Stated goal was to arrive at 66% in FY23-24.
- Proposing a 25% increase in VESCO fees; this will bring the unit to 59% cost recovery.
- General Fund contributions to this unit, as opposed to Ag programs have an adverse impact on State Gas Tax revenues.



# Permit Sonoma

**Total Changes: \$1,663,897**

- **Fee study revealed increase of 35% would be needed to achieve cost recovery.**
- **Fees were increased 9% last year with a tentative plan to increase fees by 7% per year for 3 subsequent years.**
- **\$1 million in General Fund was provided as a subsidy.**
- **Fees are increasing by 10% to maintain cost recovery rate, due to higher than anticipated increases in costs.**



# Overview of Fee Adjustments by Change Type

**Factor 3: Increases related to fee stabilization during COVID-19**



# Transportation and Public Works - Airport

**Total change: \$1,192,970**

- **Hold on Fee increases for FY19-20 through FY22-23 (four years).**
- **Fee increases for FY23-24 are up to 20% (average of 5%/year); based on operational increases over time and market comparison.**
- **New fees for digital advertising are anticipated to generate over \$700,00 in revenues.**



## **FY 2023-24 Fee Hearings Recommended Action**

**Approve fee adjustments as described in individual board items.**

