



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 3/24/2020

To: Board of Supervisors
Department or Agency Name(s): County Administrator's Office
Staff Name and Phone Number: Peter Bruland, 565-3086
Vote Requirement: Majority
Supervisorial District(s): All

Title:

Consolidated Fee Hearing Fiscal Year 2020-2021 - Overview

Recommended Action:

Receive the adjustments to department and agency user fees and charges included in this agenda, reflecting new or updated user fee and charge schedules to be effective on July 1, 2020 unless otherwise noted.

Executive Summary:

The Constitution and laws of the State of California allows for the collection of certain fees and charges for cost recovery of government activities that provide a specific benefit or service or are in place for regulatory purposes such as issuing licenses or performing inspections. Each year the County departments and agencies adjust and/or add service delivery user fees, rates, and charges based on actual costs incurred to provide service and projected costs estimates for the coming fiscal year. This year 5 departments are submitting 325 adjustments to fees as part of this package. The total estimated revenue change for FY 2020-21 is \$911,199. Permit Sonoma, Agriculture/Weights and Measures, and Animal Services are currently working on comprehensive fee studies with consultants, and are not included in this package. When the fee study is completed, results and recommendations for adjustments will come to the Board separately, likely in the fall of 2020. More than two-thirds of the expected revenue is associated with Environmental Health fees. Subsequent individual agency reports highlight the specific changes to fees and program impacts. An executive summary of the changes is attached to this item.

Discussion:

On June 14, 2019 the Board ratified the Budget and Financial Revenue Management Policy, which states "Programs financed by charges for services, fees, grants, and special revenue fund sources shall pay their full and fair share of all direct and indirect costs to the extent feasible and legally permitted, including cost recovery towards future assets and/or system replacement."

Annually, staff presents for the Board's consideration ordinances and resolutions adjusting and adding user fees, rates, and charges based on operating cost estimates for the coming fiscal year. In accordance with Government Code 6062(a) public notice was given through publication of notice of the fee hearing on two successive weeks with at least five days between publications. In addition, all materials for this item were available online on February 24, 2020 to give additional time for public review, and were noted in the "Items of Significant Public Interest" section of the County's website.

The attached staff reports include the following departments: Auditor-Controller-Treasurer-Tax Collector, Clerk-Recorder-Assessor, County Administrator's Office, Department of Health Services, and the Sheriff's Office. Attachment A includes an executive summary of these changes and Attachment B includes a numerical summary of the fee adjustments, including percentage changes and anticipated Revenue changes. Permit Sonoma, Agriculture/Weights and Measures, and Animal Services are currently undergoing a comprehensive fee study, and are not included in this package. When the study is complete, it will be brought back to the board including an analysis of the full cost of providing the services and recommendations for what level to set fees at or below full cost recovery. The final report is expected to go to the board in the fall of 2020, and those departments will not adjust fees until the item is complete.

Departments are proposing 18 new fees, including two fees from the Sheriff's Office that are being reinstated. The largest number (16) are in the Department of Health Services, where new fees are being added for Cannabis Microbusinesses, in line with new State cannabis regulations, as well as additional categories of fees in food safety, body art, solid waste, and semi-frozen product sampling to allow for greater variation of services and ensure that customers are not charged for services that they do not require. These new fees are expected to bring in approximately \$76,000 in new revenue. In addition, the Sheriff is reinstating two fees for DUI response which were inadvertently omitted from the 2019-20 fee schedule. The DUI fees have not been utilized in recent years, and the Airport expects minimal usage of their new fees, but looks to ensure that they are in place to allow for potential needs.

Health Services is also eliminating 3 fees that are not utilized, and the Sheriff's Office is eliminating one fee for a redundant category. Health services also has several fees that appear on their list, but which are not changing.

Existing fees change primarily because of changes to the cost of doing business, particularly changes to staffing costs, and because of new time studies or analyses of work performed. The average increase to salary and benefit costs across the County in Fiscal Year 2020-21 is approximately 5.5 percent, however increases vary greatly between different job classes and departments due to specific equity adjustments to positions and to differences in other employee rates, such as workers compensation rates that differ depending on past experience. As such, some units have significantly higher rates of increase, including the Sheriff's Office and Public Health, which account for the majority of fees adjustments in this packet. Overall, about one sixth of the rates that are increasing are going up by less than 5.5 percent, while more than 85 percent are increasing by less than 11%. Of those that are increasing by more than 11%, 15 are Assessor's office fees that have not been increased since 2009, and one is a fee for collection of delinquent unsecured property tax which was last adjusted in 1998. While most fees are set for full cost recovery, the Public Health Laboratory fees are set well below actual costs. These fees are subsidized with funding received from the state, which could be directed to other purposes in the department.

The individual departmental items include additional information on the methodology and reasons for fee adjustments.

Prior Board Actions:

6/14/2019 - Adoption of the Budget and Financial Revenue Management Policy

5/14/2019 - Adoption of FY 2018-19 User Fee and Charges Schedules

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses		\$911,199	
Additional Appropriation Requested			
Total Expenditures		\$911,199	
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other		\$911,199	
Use of Fund Balance			
Contingencies			
Total Sources		\$911,199	

Narrative Explanation of Fiscal Impacts:

If approved, fees included in the individual items are expected to generate \$911,199 in additional revenue, all of which is offsetting costs in those departments. Individual items lay out the fiscal and operational implications to departments.

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 A: Executive Summary of Fee Changes
- Attachment B: Numerical Summary of Fee Changes

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

None