

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
Supervisory District(s): All

Title:

Fiscal Year 2019-20 Consolidated Fee Hearing Overview

Recommended Actions:

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, 2019, unless otherwise noted.

Executive Summary:

The laws of the State of California allows for the collection of certain fees and charges for cost recovery of government activities such as those for regulatory purposes, 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 8 departments are submitting 975 adjustments to fee amounts as part of this package. The total estimated revenue change for FY 2019-20 is \$2,083,392. The largest share, \$930,600, is related to a 3.9% increase in Permit Sonoma fees, which have not increased for two years. These fee adjustments are set to recover the reasonable cost of providing these services to the fee payers. 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, 2018 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 April 19, 2019 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: Agriculture/Weights and Measures, Clerk-Recorder-Assessor, County Administrator's Office, Department of Health Services, Permit Sonoma, Regional Parks, the Sheriff's Office, and Transportation and Public Works – Airport. 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.

Departments are proposing a total of 31 new fees. Of these, 16 are in the Department of Health Services, primarily to allow new categories of food service operations allowed under changes to state law and to account for new testing that is offered at the Public Health Laboratory. The Airport is proposing 8 new fees, the most significant of which is a Customer Facility Charge of \$10 on rental contracts that would generate an estimated \$387,000 annually to go toward construction of a new consolidated car rental facility. They also have new fees related to uncovered aircraft storage on newly constructed unpaved storage areas, ground lease rental rates for non-aeronautical use, and other storage and commercial tenant parking fees. Regional Parks is proposing 5 new fees for new recreation programs that they plan to offer, and Permit Sonoma is requesting 2 new fees for Sewer Pump System Review fee, a one-time plan review fee to ensure sewer permit applications comply with County and Water Agency Sanitation codes, and a state-mandated fee for Certified Access Specialist Training.

In addition to the new fees, Departments are making adjustments to 944 additional fee items (note that a single fee that includes multiple categories, such as a permit fee with different amounts depending on the size of the project reviewed, would count as multiple fee items). The Department of Health Services is eliminating two fees for testing no longer offered at the Public Health Lab. An additional 18 fees are being decreased, primarily in the Sheriff's Office, and 924 fees are being increased. Each fee change is justified based on the changes to the costs of providing a service, however one baseline for comparison is the general increase in expected departmental costs. The January 2019 Consumer Price index for the San Francisco Bay Area all urban consumers was 4.5%. Across the County, budgeted Salary and Benefits for Fiscal Year 2019-20 are also anticipated to increase by an average of approximately 4.5%.

Of the 924 fees that are increasing, 83% are increasing by the CPI of 4.5% or less. This includes all fees in the Department of Agriculture/Weights and Measures and nearly all in Permit Sonoma. Of the remainder, 13% are going up by between 4.5% and 6% due to greater cost increases in specific programs. In particular, fees in the Department of Health Services – Environmental Health division are going up by 4.8% to reflect greater expected labor increases in that division. Of the 39 fees going up by more than 6%, 15 are at the Airport, primarily on fees related to penalties for vendors at the airport. An additional 15 fees are in the Sheriff's Office and 9 in the Clerk-Recorder-Assessor, and are related to updated time studies.

Individual departmental reports provide additional information on the changes.

Prior Board Actions:

6/14/2018 – Adoption of the Budget and Financial Revenue Management Policy

5/8/2018 – Adoption of FY 2018-19 User Fee and Charges Schedules

FISCAL SUMMARY

| | FY 18-19 Adopted | FY19-20 Projected | FY 20-21 Projected |
|------------------------------------|-----------------------------|------------------------------|-------------------------------|
| Expenditures | | | |
| Budgeted Expenses | | \$2,083,392 | |
| Additional Appropriation Requested | | | |
| Total Expenditures | | \$2,083,392 | |
| Funding Sources | | | |
| General Fund/WA GF | | | |
| State/Federal | | | |
| Fees/Other | | \$2,083,392 | |
| Use of Fund Balance | | | |
| Contingencies | | | |
| Total Sources | | \$2,083,392 | |

Narrative Explanation of Fiscal Impacts:

The fee changes associated with the attached items have a total net impact on revenues of \$2,083,392. Individual departmental reports lay out the fiscal and programmatic impacts on the departments.

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

Narrative Explanation of Staffing Impacts (If Required):

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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:

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| Department | Fee/Service Charge | Adjustments | Revenue Change |
|---|---|---|------------------|
| Agriculture/Weights and Measures | | | |
| Agricultural Division | Hazardous Materials fees | Increase fees associated with the Certified Unified Program Agency hazardous materials program by 3% to reflect rising costs of providing the service. | \$ 2,168 |
| | Cannabis Cultivation Program | Increase fees associated with permitting and inspections for the Cannabis Cultivation Program by 3% to reflect rising costs of providing the service. | \$ 4,410 |
| Land Stewardship Division | Vineyard and Orchard Site Development Program | Increase fees associated with permitting and inspections for the Vineyard and Orchard Site Development Program (commonly referred to as VESCO) by 3% to reflect rising costs of providing the service. | \$ 11,201 |
| | | Agriculture/Weights and Measures Subtotal: | \$ 17,779 |
| COUNTY ADMINISTRATOR | | | |
| Court Support Services | Jail Booking Fee | A 4.7% increase (\$195.00 to \$204.17) allowed by GC 29550. This fee would go in effect if the \$35 million State booking fee allocation falls short and be charged to arresting agencies. | Not Applicable |
| | | County Administrator Subtotal: | \$ - |
| Clerk/Recorder/Assessor | | | |
| Recorder Fees | Official Public Record fees for copies of official public records | Based on a time study and increased staffing costs, and in order to better recover costs that fell below full cost recovery, increase fees for various public records by between \$1 and \$3 per copy. | \$ 36,400 |
| Clerk Fees | Fictitious Business Name Filings and Notary Oaths fees | Fees for fictitious Business Name Filings and Notary Oaths are increasing by \$10 (to \$55 and \$50, respectively) based on increased costs of services. | \$ 25,250 |
| | Duplicate Marriage License Fees and Marriage Ceremony Fees | Duplicate marriage license fees, which were reduced from \$88 to \$50 in FY 2018-19, are increasing to \$56 as the Department continues to calibrate the rates to match costs. Marriage ceremony fees are increasing by \$4 (to \$60 or \$82, depending on whether the Clerk needs to provide witnesses) to reflect increased staffing costs. | \$ 4,690 |
| | | Clerk/Recorder/Assessor Subtotal: | \$ 66,340 |

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|---|--|--|-------------------|
| HEALTH SERVICES | | | |
| Public Health Division - Environmental Health & Safety | Food Safety, Storm Water, Housing, Recreational Health, Water Systems, Septage Haulers, Solid Waste Facility Permits, Medical Waste Permits, Body Art Permits, Environmental Drilling Permits, Cannabis Permits and other/misc. services | Most Environmental Health and Safety fees are increasing by 4.8% to reflect increased costs of providing the services. This follows a three-year program to bring fees to the level of cost recovery, and represents an increase approximately in line with the Consumer Price Index and tied heavily to salary and benefit increases. Milk and Dairy fees, which have state maximums, are not changing. These fees do not meet cost recovery and the department will evaluate whether it can more cost-effectively provide the service or may recommend returning the program to the state. | \$ 328,912 |
| | New Fees a: Permanent Facilities; Food Facility - Host Facility | Assembly Bill 2524, implemented in January 2019, allows for additional facilities, including breweries, wineries, and commercial buildings that meet certain requirements, to provide food directly to individual customers. The Department is proposing three new fees for permits and inspections of these newly-allowed businesses which do not qualify under existing permits. | \$ 2,686 |
| | New Fees: Limited Charitable Feeding Operations | Assembly Bill 2178, which was implemented in January 2019, creates a new category in California Retail Food Code for operation of food service by nonprofit charitable organizations solely for providing charity. To implement this and create equity in fees, five new categories (reflecting different levels of on-site food preparation) are being requested. | \$ 2,012 |
| | New Fees: Food Facility - Caterer (Local Limited Producer) | A new category and fee is being created to bridge existing gaps in the permit structure and allow small businesses that currently sell only at farmer's markets better opportunities to retail their food outside of those markets. | \$ 1,182 |
| | New Fees: Small Water System Plan Check and Site Review | Two new fees are being proposed to capture additional work on State Small Water Systems plan and site review. These fees would apply to time spent over the standard amount on review of these systems | \$ 776 |
| Public Health Division - Public Health Laboratory | Microbial Disease Laboratory, Environmental Lab, and Molecular Lab, Virus Lab | All existing fees within the various laboratories are increasing by about 4.5% to account for increased labor costs. | \$ 22,326 |
| | New Fees: Gene sequencing to identify bacteria, yeast, fungus and mycobacteria; screening for diseases, and shipping and handling | New fees are being proposed to account for new types of screening and analysis being offered in the Public Health Laboratories. In addition a \$30 shipping and handling fee is being requested to account for shipping costs of test samples and materials | \$ 41,734 |
| | Fees Eliminated: Services no longer offered | The Environmental Lab and Virus Lab are each eliminating one fee for services that are no longer offered or have been replaced. | \$ - |
| Public Health Division - Sonoma County Animal Services | Impound, boarding, quarantine, and kennel/pet shop license | Fees in the Sonoma County Animal Services division are going up by an average of 4.4% to reflect increased costs, particularly of staffing | \$ 39,592 |
| Health Services Subtotal: | | | \$ 439,220 |

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| Permit Sonoma | | | |
| Permit Sonoma | Planning, Building, Hazardous Materials, and Fire Prevention Fees | Permit Sonoma has not increased most fees during the last two years, nor have Fire Prevention and Hazardous Materials fees, formerly housed in Fire and Emergency Services, increased during that time period. In order to partially recoup the increases to wages and benefits, as well as other costs, during this time, the Department is proposing fee increases of about 3.9% for all fees. The department is coordinating with the County Administrator's Office and County Counsel on a new fee study expected to be completed during FY 2019-20. | \$ 891,520 |
| | New Fee: Sewer Pump System Review | The department is proposing a new one-time plan check fee of \$352.50 to capture costs associated plan review on new sewer permit applications that require pump systems. | \$ 7,060 |
| | New Fees: State Mandated Fee for Certified Access Specialist Training | The department is requesting that a state-mandated \$4 fee be imposed to support mandated Certified Access Specialist training. This fee will be charged on all building permits, as per state code | \$ 32,020 |
| | Proposition 218 Sanitation Charges | Permit Sonoma will also be conducting a hearing in accordance with Proposition 218 to set sanitation rates in CSA #41 - Sea Ranch. These charges will be decreasing from \$195 to \$168, following one year in which no fees were charged due to the expiration of the previous fee and sufficient accumulated fund balance. These fees have been noticed to property owners, who can protest the rates. Given the complexities of the past changes in the rate structure and the fact that all proceeds accrue to the sanitation zone, revenue estimates of \$256,200 are excluded here. | \$ - |
| Permit Sonoma Subtotal: | | | \$ 930,600 |
| REGIONAL PARKS | | | |
| Parks Division | New Fees: Recreation Programs, Multi-Day Excursions, and Trainings | Regional Parks is looking to enhance their recreational opportunities by offering new programs such as kayaking, whale watching, and other activities, as well as multi-day overnight camping and backpacking opportunities in the expanding Parks system. In addition, they seek to offer trainings to partner agencies on topics such as wilderness first aid, and cultural and natural resource interpretation. All fees will be set at the direct cost of providing the services and will range from \$100 to \$300. | \$ 51,500 |
| Spring Lake Park | Fee Reduction: Aquatic Park Group Use Revenue | Regional Parks is proposing to adjust the Aquatic Park Group Reservation rate from \$350 for 50 passes to \$250 for 25 passes to better align with the demands of consumers, who generally have smaller groups. While the rate is decreasing, Regional Parks expects increased usage to result in an increase in revenues. | \$ 850 |

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| | New Fees: Recreation Programs, and Multi-Day Excursions | As described above, Regional Parks is looking to enhance recreational opportunities through new programs. They propose equivalent fees to those above for relevant programs at Spring Lake Park. | \$ 9,750 |
| | | Regional Parks Subtotal | \$ 62,100 |
| SHERIFF - CORONER | | | |
| Central Information | Body Worn Camera Videos, Carrying Concealed Weapons permits, Copies of documents, Fingerprinting, Firearm Storage & Release, Gaming, Gun Dealer, Picture Arcade, Secondhand Dealer, Taxicab, and Verification Letters | Each year the Sheriff's Office conducts a review of fees to determine actual costs of providing a service. This year 33 fees in the Central Information Bureau are proposed to increase by between 2.1% and 37%. The largest increase is for new Carrying Concealed Weapons permits (renewals are decreasing). Additionally, 6 fees are proposed to decrease. The largest decrease is for copies of crime photos, audio, video, and data from originals after November 2018. Previously all copies were charged at the same rate, but because newer items are more easily available, a new reduced rate is being charged. While more items are increasing than decreasing, the greater volume of decreasing items leads to a net decrease in revenue. | \$ (12,658) |
| Coroner | Body Removal Fee, Base Morgue Use Fee, Morgue Biohazard Waste Disposal, and Morgue Staff Rates | Body removal fees are decreasing by 0.6%, while base Morgue Use Fee is increasing by 2% and Biohazardous Waste Disposal Charges are increasing by 5%. Staffing rates are increasing by an average of 5.9%, largely reflecting increases to benefits costs including retirement, health and disability insurance, and Peace Officer Standards and Training Premiums. | \$ (508) |
| Patrol | Helicopter, DUI response, Bomb Squad, Response to Unabated Disturbances, Security Services, and Towed Vehicle Release fees | Within the Patrol unit, 11 fees are increasing by an average of 3.2%. These include billable rates for security services staffing. An additional 8 fees are decreasing based on cost studies. | \$ 13,405 |
| Telecommunications | Telecommunications Manager Rate and change to Telecommunications Technician rate | Telecommunications Technician rates are increasing by 7% and Telecommunications manager rates by 4% to reflect increased costs in these classes. | \$ 3,549 |
| | | Sheriff - Coroner Subtotal: | \$ 3,788 |
| Transportation and Public Works | | | |
| Airport Fees | | | |
| Airport | Landing Fees, Terminal Space Rentals, Ground leases, Application Fees, Lock and Key Sets | Landing fees are increasing by an average of 3.3%, and various terminal space rentals, ground service fees, and non-refundable applications fees are also increasing by between 3% and 4%. The exceptions are Ticket Counter And Queue Rental, which are decreasing by 22%, and Lock and Key Set fees for purchasing Lock and Key sets, which are increasing by 44% to recover actual costs. | \$ 12,673 |

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| | Security Penalty Fees | The Airport imposes security penalty fees on badge holders to ensure compliance with Transportation Security Administration (TSA) regulations. Fees are set to recover costs of monitoring and to deter infractions. These fees are increasing by between 50% and 200% to secure these goals | \$ 4,760 |
| | New Fees: Aircraft Storage | The Airport is requesting 4 new fees for uncovered aircraft storage on newly developed, unpaved storage areas. Fees will be between \$31 monthly or \$10 nightly for small aircraft and \$182 monthly or \$33 nightly for helicopters. | \$ 891 |
| | New Fee: Vehicle Parking Commercial tenant | With the construction of the Long Term Parking Lot, the Airport is proposing a \$80 monthly fee for Commercial Tenants to park in the lot. This represents a 20% discount over the commuter parking rates | \$ 2,400 |
| | New Fees: Customer Facility Charge on Rental Car Contracts | The Airport is proposing a \$10 fee on rental car contracts in order to pay for development of a new consolidated car rental facility. The proposal for the facility, including information the needed fee, are going to the Board of Supervisors on April 30, 2019. If the Board gives direction not to proceed with this plan at that time, this fee will be removed from the packet. | \$ 387,000 |
| | New Fee: Ground Lease Annual Rental Rates | In alignment with Federal Aviation Administration regulations, the Airport is proposing a new rate of \$0.70 per square foot for Non-Aeronautical use of the Airport controlled property. | \$ 130,900 |
| | New Fee: Airline Terminal Rates and Airline Charges | The Airport is proposing a new fee of \$1 per square foot per month for storage on the Airport ramp. | \$ 500 |
| | | Transportation and Public Works - Airport Subtotal | \$ 539,124 |
| | 12 | Total Potential New Revenue from Adjusted Fees/Charges | \$ 2,041,171 |

Summary of Fees with Proposed Changes

| Department | Fee Eliminated | Fee Decreasing | Fee Increasing | New Fee | Total |
|---------------------------------|-----------------------|-----------------------|-----------------------|----------------|--------------|
| Agriculture/Weights&Measures | 0 | 0 | 36 | 0 | 36 |
| County Administrator's Office | 0 | 0 | 1 | 0 | 1 |
| Clerk-Recorder-Assessor | 0 | 0 | 11 | 0 | 11 |
| Health Services | 2 | 0 | 242 | 16 | 260 |
| Permit Sonoma | 0 | 0 | 546 | 2 | 548 |
| Regional Parks | 0 | 1 | 0 | 5 | 6 |
| Sheriff's Office | 0 | 15 | 52 | 0 | 67 |
| Transportation and Public Works | 0 | 2 | 36 | 8 | 46 |
| Total | 2 | 18 | 924 | 31 | 975 |

Rate of Change of Fees that are Increasing (Consumer Price Index - 4.5%)

| Department | 4.5% or Below | 4.5% to 6% | Over 6% | Total |
|---------------------------------|----------------------|-------------------|----------------|--------------|
| Agriculture/Weights&Measures | 36 | 0 | 0 | 36 |
| County Administrator's Office | 0 | 1 | 0 | 1 |
| Clerk-Recorder-Assessor | 2 | 0 | 9 | 11 |
| Health Services | 132 | 110 | 0 | 242 |
| Permit Sonoma | 546 | 0 | 0 | 546 |
| Sheriff's Office | 29 | 8 | 15 | 52 |
| Transportation and Public Works | 21 | 0 | 15 | 36 |
| Total | 766 | 119 | 39 | 924 |

Note: fees under 4.5% include fees that are increasing by 4.5% rounded to the nearest dollar.

Estimate of additional Revenue

| Department | Total |
|---------------------------------|--------------------|
| Agriculture/Weights&Measures | \$17,790 |
| County Administrator's Office | \$0 |
| Clerk-Recorder-Assessor | \$90,890 |
| Health Services | \$439,220 |
| Permit Sonoma | \$930,600 |
| Regional Parks | \$62,100 |
| Sheriff's Office | \$3,788 |
| Transportation and Public Works | \$539,124 |
| Total | \$2,083,512 |