



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 4/5/2016
Agenda Placement: 9G
Set Time: 2:30 PM PUBLIC HEARING
Estimated Report Time: 15 minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Leanne Link for Nancy Watt - County Executive Officer
County Executive Office
REPORT BY: Molly Rattigan, PRINCIPAL MANAGEMENT ANALYST - 253-4112
SUBJECT: Fee Update

RECOMMENDATION

County Executive Officer, Agricultural Commissioner, Assessor-Recorder-County Clerk, County Counsel, Director Public Works and Treasurer-Tax Collector request that the Board hold a public hearing and adopt a resolution establishing, increasing, decreasing and deleting certain fees for Agricultural Commissioner/Sealer of Weights and Measures, Assessor, Clerk of the Board, County Executive Office; County Fire Department; County Counsel, Department of Public Works, Recorder-County Clerk, Treasurer-Tax Collection, and Fees in Section III of the Napa County Board Policy Manual, including County Document Reproduction Fees.

ENVIRONMENTAL DETERMINATION: Pursuant to CEQA Guidelines Section 15273, CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of fees which the agency finds are for the purpose of recovering or partially recovering operating expenses. As the fees affected by the proposed resolution and ordinance are designed solely to cover the cost of services being provided by the County as documented in the study by MGT on file with the Clerk of the Board, CEQA does not apply.

EXECUTIVE SUMMARY

State law allows for government agencies to establish fees to recover the cost of providing services. Napa County has a long history of reviewing fee schedules. In 2009, the County last performed a comprehensive fee study and made changes to fees based on the results of that study. Since 2009, fees have been adjusted using factors such as the Consumer Price Index (CPI). Additionally, smaller more targeted studies have been performed for specific departments to ensure that fees were based on the cost of a service.

In April 2015, the County contracted with MGT to perform the comprehensive analysis. MGT used the adopted FY 2015-16 budget, staffing and operational information when making its recommendation regarding fees. Phase 1 of the study is complete and included a review of fee-for service activities within the following departments:

- | Agricultural Commissioner
- | Assessor
- | Recorder-County Clerk
- | Clerk of the Board
- | County Counsel
- | Fire Marshal
- | Housing and Intergovernmental Affairs (County Executive Office)
- | Public Works (Surveyor and Roads divisions)
- | Treasurer-Tax Collector

The requested action approves fee additions and increases effective July 1, 2016 and decreases effective immediately.

PROCEDURAL REQUIREMENTS

1. Open Public Hearing.
2. Staff reports.
3. Public comments.
4. Close Public Hearing.
5. Motion, second, discussion and vote to adopt the resolution.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Adoption of the proposed resolution will increase certain user fees or establish other fees which will increase revenue for the General Fund, Roads Fund and Fire Fund.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This item is discretionary in that the Board of Supervisors has the ability to set fees and adjust fees as determined necessary. The changes being recommended today are part of an effort to recover the full cost of providing specialized services as determined by a comprehensive fee study. Revenue is expected to increase by approximately \$283,626 of which \$65,911 is in the Fire Fund, \$143,229 is in the Roads Fund and \$74,486 is in the General Fund.
Is the general fund affected?	Yes
Future fiscal impact:	Departments receiving user fee revenues will see increases in fee revenue as a result of these amendments to fees.
Consequences if not approved:	If this item is not approved, fees will not be amended or increased. The current fees will continue to be charged despite a comprehensive fee study that identifies different costs.
Additional Information:	

ENVIRONMENTAL IMPACT

There is no Environmental Impact for this item.

BACKGROUND AND DISCUSSION

State law allows government agencies to establish fees to recover the cost of providing services. Napa County has a long history of reviewing and revising fee schedules to reflect changes in the actual cost of providing services. The most recent countywide fee study was completed in 2009. Since 2009, County fees have been adjusted using factors such as the Consumer Price Index (CPI). Additionally, specific departments have performed smaller targeted studies that report the costs of specific services to ensure that fee-related services are based on actual cost.

In April 2015, the County contracted with MGT to perform a comprehensive analysis of fees. MGT used the adopted FY 2015-16 budget, staffing and operational information to determine appropriate fees. Phase 1 of the study is complete and included a review of fee-for service activities within the following departments:

- | Agricultural Commissioner
- | Assessor
- | Recorder-County Clerk
- | Clerk of the Board
- | County Counsel
- | Fire Marshal
- | Housing and Intergovernmental Affairs (County Executive Office)
- | Public Works (Surveyor and Roads divisions)
- | Treasurer-Tax Collector

A comprehensive review of all divisions of the Planning, Building, and Environmental Services (PBES) department is also underway and nearing completion. A separate report of findings of this department's user fee analysis will be presented at a later date.

Study Purpose and Methodology

While the purpose of this study is to identify the cost of fee-related activities, one of the outcomes of the analysis is to provide a complete picture of the full cost of all services offered. It is necessary to identify all costs, whether fee-related or not, so that there is a fair and equitable distribution of all indirect or overhead costs across all activities. This ensures that there is a relationship between the cost of the service and the fee that is charged. No service should be burdened with costs that cannot be directly or indirectly linked to that service. Therefore, the first task in this study is to separate the fee-for-service activities from the non-fee activities. Some non-fee related activities such as public safety or public improvement projects are appropriately funded by general fund monies (or other special revenue sources). The cost of providing these other services are identified and set aside from the user fee services.

A cost of service study is comprised of two basic elements:

- | Hourly rates of staff providing the service.
- | Time spent to provide the service.

The product of the hourly rate calculation multiplied by the time spent yields the cost of providing the service. If a user fee primarily benefits the fee payer, the fee is typically set at, or close to, 100% full cost recovery. Before

creating a final recommendation, each fee was reviewed for legal restrictions, economic barriers, community benefits or other policy considerations that may result in a less than 100% cost recovery. In general, Napa County's fees are proposed at a 100% recovery rate unless a legal restriction existed.

Study Findings

The cost to Napa County for the fee related services provided is approximately \$1.416 million. While each Department varies, the current collection rate is approximately 78% with a subsidy to the public of approximately \$306,910. Staff is proposing that 100% of fees be collected, with the exception of fees restricted by law and a few instances where a fee is set to match a similar agency or service. The end result is the presentation of the attached fee schedules that represent a collection rate of 98% of cost and an increased revenue of \$283,626. New fees and increased fees will be effective July 1, 2016. Decreases in fees or deletion of fees will be effective immediately.

Public Outreach Efforts

In addition to complying with California law regarding the public noticing of fees, the County Communications and Public Information Officer worked with each impacted department on targeted outreach to regular customers. A "Fee Day" was held on March 31, 2016. Representatives from each department were present and members of the public were invited via press release and social media to attend to ask fee-related questions.

Attachments

The documents attached to this item include the Comprehensive Fee Report prepared by MGT and the resolution for adopting fees that includes Exhibits A-S. The exhibits detail the fees for each department in two formats -- comparison (tracked) and clean (final). On the tracked version, adoption of new fees or amended language are noted by underline and the document includes two columns (where applicable) that list the current fee and the proposed fee. Rescinded fees are noted by strike-through. Fees that are neither underline or struck-through are not fees adopted by the proposed resolution, but are existing fees included for informational purposes only.

SUPPORTING DOCUMENTS

- A . MGT-Final Fee Report
- B . 2016 Fee Resolution
- C . Exhibit A-Agricultural Commissioner Comparison
- D . Exhibit B-Agricultural Commissioner Clean
- E . Exhibit C Assessor Division Comparison
- F . Exhibit D Assessor Division Clean
- G . Exhibit E-Clerk of the Board Comparison
- H . Exhibit F Clerk of the Board Clean
- I . Exhibit G-County Executive Office Clean (New Fee Only)
- J . Exhibit H-Fire Marshal Comparison
- K . Exhibit I- Fire Marshal Clean
- L . Exhibit J-Recorder Division Comparison
- M . Exhibit K-Recorder Division Clean
- N . Exhibit L-County Counsel Comparison
- O . Exhibit M-County Counsel Clean

- P . Exhibit N-Public Works Comparison
- Q . Exhibit O-Public Works Clean
- R . Exhibit P-Countywide Fees Comparison
- S . Exhibit Q-Countywide Fees Clean
- T . Exhibit R-Treasurer-Tax Collector Fees Comparison
- U . Exhibit S-Treasurer-Tax Collector-Clean

CEO Recommendation: Approve

Reviewed By: Bret Prebula