

**NOTICE OF PUBLIC HEARING ON ADOPTING NEW USER FEES OR
REVISING EXISTING USER FEES
(GOV. CODE SECTION 66018)**

On May 7, 2019 at 9:00 a.m., or as soon thereafter as the matter may be heard, at the Solano County Administration Center, 675 Texas Street, Fairfield, California, the Solano County Board of Supervisors will hold a public hearing to adopt by resolution new and deleted user fees or revised existing user fees as described in the staff report and summarized below:

1. Development Project Fees

- a. The Department of Resource Management proposes to revise its existing fees to reflect a composite hourly rate increases and the anticipated time to perform services for environmental health and hazardous materials programs. This results in environmental health program fees increasing from 0.3% to 7.5% or \$1 to \$732 with a median increase of 5.4% or \$24. Almost all hazardous materials program fees will be increasing from 6.1% to 6.4% or \$7 to \$214 with a median increase of 6.3%, or \$40. This increase excludes the Program 4- Refinery fee which is increasing by 6.3% or \$4,303.

The department proposes to add three new fees in Program 16 - Consumer/Food, one new fee in Program 21 Hazardous Materials/Hazardous Waste and one new fee in Program 48 – Miscellaneous Fees. The new fees in Program 16 - Consumer/Food are added due to the adoption of new laws that became effective January 1, 2019 that added requirements to the state's food code. These laws include the permitting of host facilities that support catering operations and registration of out of town caterers who are not already registered with the department. A new law also requires permitting of microenterprise home kitchens (MEKs) if a local jurisdiction (city or county) has adopted an ordinance within its jurisdiction that specifically allows the preparation and selling of up to \$50,000 of perishable and potentially hazardous foods from a private home kitchen. Currently neither the County nor any city in the county has adopted a local ordinance to allow MEKs. The new fee in Program 21 Hazardous Materials/Hazardous Waste is for a Petroleum Refinery Hazardous Materials Business Plan (HMBP) review fee. The new fee aligns itself with the typical cost to perform this service and provides an efficient reimbursement method.

The new fee in Program 48 – Miscellaneous Fees is a \$0 fee for Business License Review-Veteran Exemption to memorialize compliance with exemption criteria required by the Business and Profession Code section 16102, for honorably discharged veterans operating certain businesses, a practice that is already being implemented by the department for issuance of permits/licenses.

The proposed increase to existing fees and addition of the new fees will allow continued cost recovery given the time required to perform all environmental health related inspections and services.

- b. From FY2009/10 through FY2017/18 the Board opted to accept the Department of Resource Management's recommendation to discount Planning Service fees and adopted modest fee increases ranging from 0% to 4.9% to spur economic activity but were below the actual cost to provide the service. Given the improving economy, in FY2018/19 the Board accepted the department's recommendation to balance the need to recover costs of services with the need to reduce impact to businesses and the public by increasing fees for

services used frequently by 7% and those services that were used less frequently by 24%. The intent was that all service fees would be increased over a two to three year period to fully recover actual costs.

For FY2019/20 the Department of Resource Management recommends continuing this phased fee increase approach. Most fees for services used routinely (generally smaller scale applications/projects), such as administrative permits, lot line adjustments, minor use permit applications, building permit reviews, and business license reviews and those related to agriculture will be increased from 13.8% to 14.5% with a median increase of 13.9% to begin to catch up to the actual cost for service. This results in increases for fees that are routinely used from \$7 to \$632 with the median increase being \$92. This phased fee approach provides approximately 10% less than the actual costs for the service. The other remaining fees, many of which are not routinely used or are for complex services such as General Plan Amendments or re-zonings, will be increased from 10.3% to 11.2% or from \$10 to \$1,081 with a median increase of 10.5% or \$151 to immediately recover costs for services. This percentage of increase is lesser compared to fees for services used routinely as these fees were raised to actual cost in FY2018/19 and were not discounted during that fiscal year.

The department is also recommending a change in the classification of some fees in FY2019/20. The time associated with some land use and subdivision projects is variable and establishing a base fee is difficult given the various issues specific to an individual application. This can result in undercharging applicants for services with very complex projects within the same fee category as less complex projects. The department does have the ability, and is charging for actual time, but this creates confusion for the applicants as they do not know the actual cost until billing is made which takes place after work is performed considering that there is the applicant's expectation that the fee is the set price. To address these issues and assist in full cost recovery, the Department is recommending changing many of its land use and subdivision fees to be a non-refundable initial fee deposit which will be collected at the time the application for the project is submitted. If the completion of the project exceeds beyond the time included in the initial non-refundable fee deposit, an additional fee deposit will then be required prior to continuing to perform the work in completing the project. The deposit method is used by most counties in the Bay Area which aims to reduce confusion while improving cost recovery.

The department is recommending establishing a new \$0 fee for Business License New/Renewal Review- Veteran Exemption to memorialize compliance with exemption criteria required by the Business and Profession Code, section 16102, for honorably discharged veterans operating certain businesses, which is already being implemented within the department for issuance of permits/licenses.

- c. The Department of Resource Management recommends that the County fee table Exhibit IIIC- Building and Safety Division reflect the State of California code fee table references as revised by the International Code Council in August 2018. This results in an average increase in building permit valuation fees of approximately \$90 for a standard 3,000 square foot residential home and of \$350 for a standard 10,000 square foot commercial building. The department also recommends increasing most of the building supplemental service fees for inspection and other miscellaneous fees by 6%, resulting in fee increases from \$3 to \$100 due to increases in operating costs and the time required to perform inspection services. This increase will improve cost recovery for services while still being reasonable to support development.

The hourly rate for code compliance is decreasing by \$103 or 42% resulting in a decrease of \$130 for re-inspection fees. The decrease in hourly rate is a technical adjustment resulting from the proposed addition of a new Code Compliance Officer in FY2019/20, which spreads the cost for providing services to the higher number of employees. The department also proposes to increase \$6 or 21% on the business license renewal code enforcement review fee based on cost and additional time required to perform the service.

The Department is recommending the addition of a new \$0 fee for Business License Renewal Code Enforcement Review-Veteran Exemption to memorialize compliance with exemption criteria required by the Business and Profession Code, section 16102, for honorably discharged veterans operating certain businesses, which is already being implemented within the Department for issuance of permits/licenses.

- d. The Department of Resource Management proposes to revise its existing fees for Administrative Services work in the Business License program from 3.6% to 7.1%, resulting in a fee increase ranging from \$2 to \$5 for review and processing of initial, renewal and revised business licenses applications. The fee increases offset operational cost increases and are based on administrative staff's hourly rate and estimated time to perform the functions.

The Department is recommending the addition of a new \$0 fee for Business License - Veteran Exemption to memorialize compliance with exemption criteria required by the Business and Profession Code, section 16102, for honorably discharged veterans operating certain businesses, which is already being implemented within the Department for issuance of permits/licenses.

The Department of Resource Management proposes a \$4 increase in productive hourly rate for Civil Engineer and decreases of \$13 for Engineering Technician and \$10 for the County Surveyor due to filling vacancies at lower step rate.. As a result of the proposed changes in the productive hourly rates, most permit fees and service hourly rates are proposed to increase from 0.6% to 13.8%, or from \$2 to \$76, with the median increase being 4.3% or \$15. The proposed fee increases include surveyor map check fees, transportation permit, encroachment permit, major grading permit, road signage, and fees associated with land development and land use review, such as those for subdivisions and building reviews. The department also proposes to delete fees for Building Envelope Review as the costs associated with this service are recovered through grading permit or subdivision review fees.

- e. The Department is recommending twenty-three new fees associated with land development and land use review projects to recover costs from assisting the Planning Services Division in processing applications. These include fees associated with pre-application land use review and with the permitting or review of administrative permits, new development agreements, environmental evaluations, performance standards, sign permits, specific plans, policy plan overlays, variance permits, use permits, marsh development permits, and minor subdivisions. These new fees range from \$141 to \$2,119 with the median new fee being \$211. When an application is submitted to Resource Management for these permits or reviews, the Planning Services Division collects a fee for their services and acts as the lead division. Public Works reviews each of these applications with respect to road improvement standards, determining the need for encroachment or grading permits, assessing traffic flow and ensuring adequate access. Presently Public Works does not collect a fee for most of these services. Since the majority of these permits are for private development, the time

spent by Engineering and Survey staff is not Road Fund eligible cost and must be reimbursed by the applicant. The Department is also proposing a new fee for Map Reproduction – electronic copy for \$24 for providing customers with electronic map files in place of printed paper or mylar maps, and adding the hourly rates for Engineering Technician \$98, Civil Engineer \$131, and County Surveyor \$134 in the Road Division for research requested by the public and time spent in excess of the fee collected, which align with the same existing hourly rates listed for the Surveyor/Engineer Division

2. General Government Fees

a. The Agricultural Commissioner/Sealer of Weights and Measures proposes a 2% to 3% fee increases, ranging from \$0.75 to \$8.00 on fees based on the current year's fee. While the recommended fees for two fees are less than the actual costs to perform the service, the department's proposal is to phase in the fee increases to minimize impact on small farm operations and is comparable to fees in seeking services from neighboring counties.

The department is recommending the establishment of three new fees CNG (for the calibration of natural gas devices), LNG (for the calibration of liquefied natural gas devices) for an increasing rate starting calendar year 2019 for \$75, \$125 and \$185 for each of the succeeding years. The other new fees are for Industrial Hemp Registration for \$900.00 and for computing scales for \$23. All of the three new fees are set by statute. In addition, the department proposes to delete the Service Agent Exam Fee as this is administered at the state level

b. The Assessor's Office recommends decreasing twenty fees ranging from \$1 to \$109 representing 1% to 126% decrease and increasing one fee by \$1, which is a 1% increase. Some fee decreases are due to a decrease in the department's productive hourly rate. Two fees, one for Redevelopment projects and the other for Property System Special Project Request, were deleted as the Assessor no longer provides these services. In addition, the department proposes to add one new fee for \$10 for List of Transfers Data Service.

The Recorder's Office also recommends decreasing five fees ranging \$1 to \$2, representing a range from 2% to 25% decrease in the Recorder's Office due to decrease in their productive hourly rate. The department recommends deleting one new fee, Official Record Copies – 1st page Coin Operated fee since it no longer have coin operated microfilm machine.

c. The Public Guardian (a program in Health and Social Services) proposes adjustments in fees to recover portion of the cost for providing the services.

d. The Office of the Tax Collector/County Clerk proposes decreases of four fees for electronic records requests. as these may be considered a public record act request where department cannot charge for ancillary tasks necessarily associated with the retrieval, inspection and handling of the file

e. The Office of the Auditor/Controller proposes a fee schedule that reflects increase of fees ranging from \$0.40 to \$10 and a decrease of \$0.62 of one fee to reflect full cost recovery for the services provided.

f. The Registrar of Voters proposes a decrease to five of their existing fees that are based on the cost recovery for the services provided.

g. The Clerk of the Board proposes a decrease of one fee resulting from decrease in the productive hourly rate for its services.

h. County Counsel proposes a 1% increase in the hourly rate for its services.

i. The Health and Social Services Department proposes fee adjustments and new fees for its Behavioral Health Services and Public Health Services (including primary care clinic, injections, dental programs and public health laboratory).

j. The Sheriff's Office proposes to increase various existing fees to recover actual administrative and/or service related costs as allowed by State statutes or regulations. The department also proposes to decrease 5 of its existing fees due to slight decrease in operational cost. It also proposes to delete various fees as they were consolidated into other fees and some fees are not provided to the public. There are 41 fees unchanged from the current schedule.

k. The Sheriff's Animal Care Services (a division under the Sheriff's Office) proposes increasing 11 existing fees to recover actual administrative, and/or service related costs. These increases are primarily due to minor increases in productive hourly rates. The proposed fee schedule also reflects decreasing 12 existing fees to reflect lower operational costs.

There are 44 existing fees that remain unchanged, of which 12 are for licensing and are based on similar fees charged by neighboring jurisdictions and eight for adoptions. Included as unchanged are four related to dangerous dog tags, permits and hearings that are set by County ordinance, and three impound penalties established by California statute. Unchanged fees also include four wherein the actual cost of the service is unknown (livestock boarding for example), and 13 wherein actual costs remained constant.

l. The Department of Human Resources proposes a \$10 increase for Skill Development Training to reflect the cost to perform the service.

m. The Department of Child Support Services proposes fee adjustment from \$25 to \$35 based on State statute for the annual fee from the custodial party for the families that have never received Temporary Assistance for Needy Families (TANF) if at least \$550 is collected annually on their behalf.

n. The Department of General Services – Nut Tree Airport proposes fee adjustments for 2% for the Nut Tree Airport's fees based on the cost recovery for the services provided. It also proposes to increase by 3% the hangar rentals and 16% for storage units.

If the Board of Supervisors adopts these fees, they will become effective on July 1, 2019. The Resource Management's Planning Division will be effective July 8, 2019 to meet the statutory requirements of 60 days following the board's adoption of fees. The Department of Child Support Services, per State statute is effective October 1, 2019. Supporting documentations for

all these fees are available for public review in the County Administrator's Office, 675 Texas Street, Suite 6500, Fairfield.

Dated: April 25, 2019

BIRGITTA E. CORSELLO, Clerk
Solano County Board of Supervisors

By: -----
Jeanette Neiger, Chief Deputy Clerk