COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL

(1) DEPARTMENT	(2) MEETING DATE	(3) CONTACT/PHONE
Administrative Office	11/22/2016	David E. Grim / 781-5011

(4) SUBJECT
Hearing to consider an ordinance implementing the County Fee Schedule "A" for Calendar Year 2017 and Fee Schedule "B" for Fiscal Year 2017-18. All Districts.

(5) RECOMMENDED ACTION
It is recommended that the Board:

1. Hold a hearing and adopt the attached ordinance updating the County Fee Schedule "A" for Calendar Year 2017 and Fee Schedule "B" for Fiscal Year 2017-18, and that Ordinance No. 3312, dated November 24, 2015, be superseded and replaced by this ordinance;
2. Waive the reading of the ordinance; and
3. Direct the Clerk of the Board to publish the adopted ordinance in a newspaper of general circulation printed and published in the County of San Luis Obispo within 15 days of adoption of the ordinance, pursuant to Government Code Section 25124.

(6) FUNDING SOURCE(S)	(7) CURRENT YEAR FINANCIAL IMPACT	(8) ANNUAL FINANCIAL IMPACT	(9) BUDGETED?
N/A	$0.00	$0.00	Yes

(10) AGENDA PLACEMENT
{ } Consent **{ }** Presentation **{X}** Hearing (Time Est. 30 mins.) **{ }** Board Business (Time Est.___)

(11) EXECUTED DOCUMENTS
{ } Resolutions **{ }** Contracts **{X}** Ordinances **{ }** N/A

(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)	(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: **{ }** 4/5 Vote Required **{X}** N/A

(14) LOCATION MAP	(15) BUSINESS IMPACT STATEMENT?	(16) AGENDA ITEM HISTORY
N/A	No	**{ }** N/A Date: November 22, 2016 Item #1

(17) ADMINISTRATIVE OFFICE REVIEW
This item was prepared by the Administrative Office.

(18) SUPERVISOR DISTRICT(S)
All Districts.

County of San Luis Obispo

TO: Board of Supervisors

FROM: Administrative Office / David E. Grim / 781-5011

DATE: 11/22/2016

SUBJECT: Hearing to consider an ordinance implementing the County Fee Schedule "A" for Calendar Year 2017 and Fee Schedule "B" for Fiscal Year 2017-18. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Hold a hearing and adopt the attached ordinance updating the County Fee Schedule "A" for Calendar Year 2017 and Fee Schedule "B" for Fiscal Year 2017-18, and that Ordinance No. 3312, dated November 24, 2015, be superseded and replaced by this ordinance;
2. Waive the reading of the ordinance; and
3. Direct the Clerk of the Board to publish the adopted ordinance in a newspaper of general circulation printed and published in the County of San Luis Obispo within 15 days of adoption of the ordinance, pursuant to Government Code Section 25124.

DISCUSSION

Fees help offset the cost of services which are beyond the basic tax-supported services provided by many County departments. Examples of these services include animal adoption and registration, building permits, rental of County facilities, and passes to recreational areas such as campgrounds and golf courses. Implementation of the fee schedule continues the Board's past practice of recovering costs from those who benefit from services the County provides which are above and beyond the basic tax-supported services which benefit the community as a whole (e.g. law enforcement, health services, etc.).

Updates to the fee schedule reflect the Board of Supervisors' budget policy number 21, Cost Recovery Through Fees, directing departments to recover costs through fees where reasonable and after all cost-saving options have been explored. As noted later in this staff report, not all fees are set at a level to allow for full recovery of costs (i.e. other funding sources, including the General Fund, offset some portion of these costs.)

Budget Policy 21: Cost Recovery Through Fees

Utilize fees to recover costs where reasonable and after all cost saving options have been explored. Exceptions will be reviewed on a case-by-case basis. County departments will review fees annually to ensure that they meet statutory requirements, fall within the range of fees being charged by comparator counties and achieve cost recovery.

Every year, County departments are asked to conduct a thorough analysis and justification for the fees they charge and to update their fee schedules. This involves reviewing any changes to their own cost of providing services and then working with the Auditor-Controller Treasurer-Tax Collector Public Administrator's (Auditor's) Office and the Administrative Office to determine that all laws, policies, and cost assumptions are correctly applied.

In 1999, the Board of Supervisors decided to review only proposed changes to the fee schedule each year and once every five years review all fees. The last five-year review of fees occurred on November 25, 2014 for the Fiscal Year (FY) 2015-16 fee cycle; therefore, only fees that are proposed to change in the FY 2017-18 cycle are considered for this hearing and included for review in this report.

There are two schedules used: Schedule "A," which goes into effect at the start of the calendar year, and Schedule "B," which goes into effect at the start of the fiscal year. The majority of fee changes will go into effect on July 1, 2017 as part of Schedule "B." In December 1999, the Board approved exceptions to this effective date for Parks, Golf, and Airport parking fees. These fees were moved to Schedule "A" and become effective at the start of each calendar year in order to better serve customers and effectively manage the finances of these services. Probation fees were moved to Schedule "A" in November 2011. In November 2013, Clerk-Recorder fees for birth and death records as well as copies of records to government agencies were moved to Schedule "A" to bring them into better alignment with the State statutory fee schedule. In addition, Airport parking fees were moved back to Schedule "B" for the FY 2015-16 cycle to avoid conflicts with holiday travelers unaware that parking fee increases could go into effect on January 1.

At the conclusion of this hearing, a master fee schedule containing the fees charged to the public for services established by the Board of Supervisors will be produced and distributed to County departments and posted on the County's web site for the public.

Executive Summary

A current total of 2,000 fees were reviewed by County departments. Of the current total, 1,511 (76%) are recommended to remain unchanged, 404 to increase (20%), 56 (3%) to decrease, and 29 (1%) to be deleted. Sixty are recommended to be added, which, in conjunction with the deleted fees, would result in a total of 2,031 fees for FY 2017-18.

The majority of fees (68%) are at full cost recovery. "Full cost recovery" indicates that the fee amount captures 100%, or nearly 100%, of the cost of the service, in accordance with Budget Policy #21. Other fees may recover a large portion of costs, but perhaps not all costs. In many cases, those that are not capturing all costs are either kept below full recovery due to specific Board policy or direction, or because they are limited by statute. Additionally, some fees, such as certain Library fees, are set lower than cost in order to encourage the return of Library materials, or Health Agency fees, which are oftentimes set lower in the interest of public health and safety.

Labor cost calculations for fees were based upon the current salary and benefit projection, and do not reflect the most recent prevailing wage increases. Many of the proposed fee increases are related to staff costs, either from previous prevailing wage increases or shifts in the composition of staff who provide the service. The use of the Consumer Price Index-All Urban Consumers (CPI-U) was an option for departments as well, and the April 2016 Los Angeles-Anaheim Consumer Price Index for all Urban Consumers was calculated at 2.0%. Departments are encouraged to employ a long-term view in adjusting fee amounts; for example, if costs have fluctuated up and down the past few years then adjusting the fee amount may not be necessary.

Procedures Used to Determine Fees

Departments had the option not to make any changes to their current fee schedules if 1) the current fee was already at full cost recovery; 2) a time study or review of actual costs based on historical information did not indicate a fee change was warranted; or 3) there had been no change to statutory fees. Fee increases were determined by one of four methods depending on information available on the cost of providing the service:

1. *Calculation of Actual Cost Based on Historical Information.* This is the preferred method for determining fees. The actual cost of a service is usually calculated through the use of the County's cost accounting system. The majority of departments factor actual cost information into their fees.

2. *Time-and-Motion Studies.* Where a large volume of services is provided and it is impractical to determine the actual cost for each service, a time-and-motion study based on an average hourly rate is used. The departments employing this method include but are not limited to the Health Agency, the Clerk-Recorder, County Fire, Agriculture, and Planning and Building.

3. *Comparable Fee Survey.* When cost accounting and time-and-motion studies are impractical, rates charged by comparable agencies for a similar service can be used as cost indicators. The departments using this method include but are not limited to Central Services, Parks and Recreation (including Golf), Library, and the Clerk-Recorder. This method is especially relevant for services which operate in an industry with private or other competing entities, such as golfing, camping, or airports.

4. *Statutory Fees.* Departments using fees based on statute may request changes to their fees that are within the allowable range as defined by statute. Many departments have fees which are set or limited by statute, although a few departments have more than others, including Probation and the Sheriff.

Information on fee changes for FY 2017-18 is reported in the departmental/fund center summaries in this staff report, below. Each department or fund center summary contains a table detailing the number of fees changing, including those that are increasing, decreasing, being deleted, or that are new or unchanged, and also how many fees are at, or are very near, full cost recovery.

Fee Change Highlights

Briefly, some of the more significant changes proposed by departments include the following:

Animal Services

Animal Services has 79 fees, 26 of which are proposed to increase and 2 to decrease, with 2 new fees added. Animal Services provides critical services that benefit not only specific customers, but the community as a whole, such as adoptions, quarantines, and the spay/neuter program. As such, Animal Services looks at certain fees and makes a determination on the proper balance between cost recovery and incentivizing actions for the welfare of the animal population and the community. For example, the dog adoption fees are projected to recover 70% of costs. This year, Animal Services is proposing a variety of changes, including a 26% decrease for adoption of standard-common animals, decreases of up to 29% for boarding and quarantine fees, a 25% increase for commercial kennel/pet shop permits, and miscellaneous increases for dangerous animal citations and investigations. The increases in fees are due in large part to increases in labor, services, and supplies. Also proposed are 2 new fees, which are discussed in the following section. Animal Services recovers approximately 50% of the costs of providing fee-based services through its fee amounts.

Behavioral Health – Mental Health and Drug and Alcohol Services Divisions

Behavioral Health is proposing to increase 14 fees, decrease 2 fees, and add 2 new fees, among other changes discussed more in the following section. The most significant increases (between 10 and 39%) are for Drug and Alcohol Services including medication evaluation, patch testing, detox for alcohol and opiates, and intensive outpatient treatment. Medi-Cal reimbursement rates for these services are established per State-determined maximum rates. If there are any services that are not Medi-Cal eligible, clients can pay according to a sliding scale. In general, private pay has declined since passage of the Affordable Care Act. The Health Agency has submitted an implementation plan to the State for participation in a Drug Medi-Cal Organized Delivery System demonstration program, which would change the Drug and Alcohol Services division fees from a fee-for-service model to a cost reimbursement rate model. If approved by the State, the Health Agency would return to the Board to seek approval to change its fees accordingly.

Public Health – Environmental Health

Environmental Health is proposing changes that would increase various food facility fees, replace old fees in order to accommodate different scales of food-preparation operations and seasonal pool operations, and increase three well construction and destruction permit fees. The largest individual factors in changing fee amounts are increases in overhead costs and salary and benefits, affecting 118 out of a total of 146 current fees. Of those 118 fees that are increasing, 15 are increasing by 10% or more, including fees for food operations, food retailers, and other food-related facilities, as well as the water well construction and destruction permits. Also affected are the underground storage tank installation or modifications fees, which are increasing by 12%, and hazardous waste generators, which are increasing by 10%. Although some fees may be increasing by 10% or more, this does not necessarily mean that costs in salary and benefits or overhead are increasing by the same amount each year. Departments track costs over time and if the trend across years continues to increase, it may warrant an increase. Changes for some fees will affect more customers than others—more detailed information is provided in sections below. In setting fee amounts, Environmental Health (and by the same token many other departments) must strike a balance between recovering costs per Board policy and yet not making fees cost prohibitive. For example, the fee for a mobile food push cart is recommended to recover 80% of costs, which means that 20% of the costs in fulfilling the County's mandated responsibility for ensuring these operators meet environmental health standards is subsidized.

Golf

The Department of Parks and Recreation proposes to increase 49 fees and add 21 fees for the Golf program. Most of

these fee increases are moderate (2-4%); many of these fees have not been increased for a few years in order to encourage more play, especially at Dairy Creek Golf Course. A few of the more significant increases are for senior weekday discounts. The discount rates for seniors during the week have historically amount to 30% or more compared to the normal rate, while comparator golf course typically offer these types of discounts of 20-25%. The department proposes to increase the fees but keep them in line with the bottom end of discounts found in the market. The department will also be looking for ways to incentivize seniors to play more rounds on the weekends, and a few new fees are being established that would add discount rates for that purpose. Other new fees are proposed to be added, which include special replay rates and a young adult rate to replace the student rate. The need to recover costs at the Dairy Creek Golf Course has become more imperative in the last year.

It is important to note that, while the department has made every attempt to keep fees as low as possible, the Golf program is now partly reliant on a significant subsidy from the General Fund in order to cover costs at Dairy Creek. The department is projecting a decline in budgeted fee revenue of $209,851 or 10% compared to FY 2016-17, due to the declining business at Dairy Creek. Fee changes for Golf have been reviewed by the Golf Course Advisory Committee and Parks and Recreation Commission.

Planning and Building

The Department of Planning and Building has a large number of fees (901) that reflect the variability in size and scope of building projects, ensuring that customers do not pay for services which may or may not reflect the workload associated with processing their application. This year, improvements in processing efficiency for some land use and building-related permits prompted the department to propose significant decreases for 21 fees. Included in the proposed reductions are grading permits and plan check and inspections for photovoltaic systems.

It is important to note that Planning and Building and/or the Board of Supervisors often waive building fees. In FY 2015-16, $211,490 in fees were waived.

On October 4, 2016, Planning and Building brought an item to the Board discussion on the challenges and opportunities in affordable housing. One of the topics discussed was the desire to reduce, waive, and defer fees for affordable housing, and/or to scale fees to unit size. In accordance with Board direction, Planning and Building staff is currently working on recommendations that can be brought back to the Board for implementation. Because of timing and the importance of this issue, changes in affordable housing fees will be addressed separately from the FY 2017-18 fee cycle.

Public Works – Special Services

Public Works is proposing to increase 13 and decrease 2 of its 27 fees for Special Services, which includes the development services and services to special districts programs. Among those increasing, the notable ones are for conditional use permits and building permit initial reviews and flood hazard reviews. Each of these fee changes is expected to affect a different amount of customers. The department is projecting that, in FY 2017-18, 23 conditional use permits will be processed and about 6 flood hazard reviews will be performed. The building permit initial review, however, may be processed as much as 1,000 times. The fee for this is proposed to increase by $5, from $49 to $54. More detail on these fees is provided below. All development services fees are set at full cost recovery except for records of survey and filing corner records, which are subsidized at 50%, per Board policy.

Fees Not Proposed to Change

The following departments and/or fund centers have no proposed changes for FY 2017-18, and are therefore not included in this report or in the attachments listing Schedule A and B fee changes:

- Clerk-Recorder Schedule A – Fund Center 110 (Clerk-Recorder has Schedule B changes, included below)
- County Counsel – Fund Center 111
- County Fire – Fund Center 140
- Fleet Services – Fund Center 407
- Public Works ISF – Fund Center 405
- Sheriff – Fund Center 136
- Social Services – Fund Center 180

Golf – Fund Center 427

Golf has a current total of 92 fees, with 49 recommended to increase, 21 new fees to be added, and 6 to be deleted, for a new proposed total of 107 in FY 2017-18.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
92	37	49	0	21	6	107	N/A

Calculation Method

The method used to calculate fees did not change from previous years. This included market surveys of golf fees, and working with the concessionaires, the Golf Course Advisory Committee, and the Parks and Recreation Commission to formulate the best strategy to keep each course as competitive as possible.

Recommended Changes

While County golf fees have largely remained static over the past few years in order to encourage people to play golf during the economic downturn, moderate increases are both appropriate and necessary in order to help compensate for the decline in revenue from Dairy Creek.

There are 49 fees increasing, mostly by about 2% to 4%. Most of these fees have not increased in three years. Three fees—weekday charges for seniors at Morro Bay, Dairy Creek, and Chalk Mountain—would increase the discount rates for seniors by 7.7%, 22.2%, and 4%, respectively. Market surveys indicated that other courses offering special rates for seniors typically provide a discount of 20% to 25%, whereas the County has offered discounts greater than 30%. The proposed increases would bring these fees in line with the lower end of the market range. Seniors also have the option of purchasing an annual pass which provides a significant savings compared to weekly fees.

There are 21 new fees being proposed, which will add discounted rates for seniors and young adults on weekends and special replay rates at all courses. The 6 deleted fees, which offered special rates to students, will be replaced by those for young adults which will broaden the customer base that can qualify; customers in the 19 to 25-year age range will no longer be required to show proof of being a student to qualify for the special rate.

Cost Recovery

As an Enterprise Fund, Golf operations are meant to be entirely supported by fees. At the same time, the amount charged to customers must be competitive with other municipal golf courses in the area while offering a high quality yet lower cost alternative to private golf courses. Because of the declining number of rounds played at Dairy Creek, the golf program will not be able to keep holding rates steady and continue to cover its expenses. In the future, significant changes will need to occur at Dairy Creek in order to ensure a financially sustainable operation. The Department of Parks and Recreation is currently developing short, medium, and long-range plans to both meet the expectations of the golfing community and address the unmet needs of the non-golfing community in order to generate more revenue.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to decrease by $209,851 or 10% compared to the FY 2016-17 budgeted amount of $2,163,374. As discussed above, the decrease is due to the decline in revenue from Dairy Creek. General Fund contingencies may be needed in FY 2017-18 to ensure the golf program can cover its expenses, which include a debt service payment for construction of Dairy Creek.

Parks – Fund Center 305

Parks has a current total of 87 fees, with 2 recommended to be added in FY 2017-18 for a new total of 89.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
87	87	0	0	2	0	89	N/A

Calculation Method

The method used to calculate fees did not change from previous years. This mostly comprises market surveys of other park-related fees according to the type of facility, location, and user demand.

Recommended Changes

Parks is not proposing to change any of its existing fees for FY 2017-18; however, it is proposing to add two new fees for cabin and yurt rentals. Cabins and yurts would be new for Parks, and would offer the community a unique recreational experience. The department is exploring the feasibility of cabin and yurt rentals at various locations, and actual costs will be determined when the facilities and equipment are purchased and installed/built. Therefore, the new fees will be initially established using a rate range of $65 to $125 per night for yurts and $85 to $195 per night for cabins.

Cost Recovery

It is important to note that Parks is significantly subsidized by the General Fund. Many Parks programs and facilities have a broader public benefit for communities throughout the county, while some recreational services are provided for specific customers, such as campers or boaters. For FY 2016-17, support from the General Fund constitutes about 41% of this fund center's budget. Charges for services cover the majority of costs, at 51% of the budget. Some individual fee amounts may not necessarily reflect the direct cost of a specific service but assist in defraying the expenses of individual program areas.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to increase by $247,280 or 5.4% over FY 2016-17. Actual fee revenue seen in FY 2014-15 and 2015-16 came in above budget, and continued improvements in the regional economy and tourism activity are positive signs for the future. The department is actively exploring and implementing strategies to diversify its recreational opportunities to meet the growing needs and desires of the community.

Probation – Fund Center 139

Probation has a current total of 34 fees, with 11 recommended to increase, one to decrease, one to be deleted, and one new fee to be added.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
34	21	11	1	1	1	34	31

Calculation Method

Fee calculations for Probation are based on actual historical cost except for those fees set by statute.

Recommended Changes

Eleven fees are recommended to increase. This is due to an increase in indirect costs and increases in hourly labor costs to provide services. The department's two fees related to juvenile programs are recommended to increase the most, with

both increasing over 100%.

Fee	Current Fee	Proposed Fee	$ Change	% Change	# of Units Expected
Change of Plea – Superior Court	$70.00	$80.00	$10.00	14%	80
Adult Probation Intake	83.00	94.00	11.00	13%	94
Adult Probation Monitoring	65.00	68.00	3.00	5%	68
Pre-Plea & Pre-Sentencing Reports	501.00	565.00	64.00	13%	565
Juvenile Home Supervision	46.00	98.00	52.00	113%	98
Juvenile Diversion	24.00	53.00	29.00	121%	53
Mail Return	15.00	19.00	4.00	27%	19
Debtor's Exam Fee	206.00	234.00	28.00	14%	234
Interstate Compact Fee	129.00	145.00	16.00	12%	145
Jurisdictional Transfer Fee	129.00	145.00	16.00	12%	145
Firearm Seizure Fee	143.00	162.00	19.00	13%	162

The Diagnostic Care fee is decreasing from $223 to $116. This fee is set by the California Department of Corrections and Rehabilitation based on a bi-annual contract for services. One fee is recommended to be deleted. Due to legislative changes, the Record Sealing fee is no longer authorized to be charged to any individual under the age of twenty-five years old.

Probation is currently implementing a Targeted Case Management program and as part of the program the department is required to have a fee to charge for comprehensive case management services provided to clients with a demonstrated ability to pay. Program staff will have the authority to waive the fee for clients that meet eligibility requirements.

Cost Recovery

All fees are set at full cost recovery with the exception of the juvenile detention and account processing fees which are set by statute. However, the department does not expect full cost recovery in the year that the fees are applicable for the following reasons:

- The fees are ordered by the judge. Not every eligible fee is ordered in every case.
- Although Probation has calculated and proposed its fees at the maximum amount that can be ordered by the court, every client is assessed for their ability to pay and the fee amount is reduced accordingly.
- Pursuant to Assembly Bill 3000, priority of collection is set by the State Controller's Office, and local fees and reimbursement for local services are prioritized last on any criminal court ordered case.
- Since all restitution and state monies would be collected first, local fees are often not collected until the second or third year of the typical three-year grant of probation.

Fee Revenue Projection

As a result of these considerations, it is difficult to accurately project the amount of fee revenue the Probation Department will collect and realize within a fiscal year. Additionally, the department's fee schedule includes projected revenue amounts for fees that are collected by Probation, but are ultimately disbursed to other agencies (State Controller's Office, other County agencies etc.). The department estimates that the fee revenue for FY 2017-18 will be on par with the FY 2016-17 adopted amount of approximately $360,125.

Administrative Office – Fund Center 104

The Administrative Office has a current total of 2 fees, with 1 recommended to increase. Both are set at full cost recovery in FY 2017-18.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
2	1	1	0	0	0	2	2

Calculation Method

The methodology to calculate this year's proposed fees did not change from the previous year. Fees are either set by County ordinance (per page copy charge), or based upon the most recent prior year's actuals (agenda and Budget Book copying fees).

Recommended Changes

The fee for the purchase of the Budget Book is recommended to increase from $43 to $46 which will keep this fee at full cost recovery. The Budget Book is available online at the County website[1] and can be viewed at the local libraries and in the County Administrative Office at no cost. No change to the per page copy rate is recommended.

Cost Recovery

Both fees are set at full cost recovery.

Fee Revenue Projection

The fee revenue of the Budget Book is projected to increase to $92.00 in FY 2017-18 from a projected $86.00 from FY 2016-17.

Agricultural Commissioner – Fund Center 141

The Department of Agriculture/Weights and Measures has a total of 82 current fees with 2 fees increasing, 2 being added, 8 being deleted, with 6 set at full cost recovery. With these changes, the total number of new fees is 76.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
82	72	2	0	2	8	76	6

Calculation Method

The methodology to calculate this year's proposed fees did not change from previous years and is based on time/cost studies and average staff hourly rates. The exceptions are *Weights and Measures device* fees and *Pesticide Use Enforcement* fees, which are limited by statute.

[1] http://www.slocounty.ca.gov/admin/Budget.htm

Recommended Changes

Two out of the current 82 fees are proposed to increase. The annual *Market Registration* fee is proposed to increase by $100 or 29% from the current fee amount of $340. The new proposed fee of $440 brings this fee toward full cost recovery of $578. The *Weighing Devices >=10,000 lb. – Device Fee Only* is currently set at $100 per location plus $100 each device, the proposed fee increases the amount charged for each device by $100 or 66% from the current per device fee amount of $150. The department raises the fees biannually to be in line with the maximum allowed by state mandate without exceeding actual cost.

Two new fees are being proposed, *Weights and Measures Electric Submeter* and *Weights and Measures Vapor Submeter*. Although these fees are new to the fee schedule, in previous years they were grouped with a single submeter fee combining water, vapor, and electric. The department is proposing to separate each submeter to reflect the different costs of testing as well as to separate allowable fees that are set in statute.

The proposed fee schedule eliminates the individual mileage charges associated with inspections and instead adds a footnote to the corresponding hourly rate, indicating that the *Federal Standard Mileage* rate will be charged. This will eliminate the need to adjust the fee annually or as the *Federal Standard Mileage* rate changes.

Cost Recovery

Six of the 76 proposed fees are set at full cost recovery. The department attempts to balance the potential impact of fees on county businesses with a reasonable level of cost recovery. There are some fees that have historically remained at less than full cost recovery to keep in line with fees charges by neighboring counties for the same service, such as export certificates. Also, qualified certified farmers' market producers receive a veteran's exemption from fees pertaining to certificates and site inspections. Due to the statutory limits on some fees, full cost recovery will not be achieved.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to increase approximately $48,560 to $565,654 or 9% compared to the FY 2016-17 budgeted amount of $517,094. This is primarily due to increased industry requests for *Export Certifications*.

Airports – Fund Center 425

Airports has a current total of 65 fees, with 4 recommended to increase and 1 to be deleted in FY 2017-18, for a new total of 64 fees.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
65	60	4	0	0	1	64	N/A

Calculation Method

The method used to calculate fees did not change from previous years. This includes market comparisons, analysis of actual costs, and compliance with the Federal Aviation Administration's (FAA) Rates and Charges Policy, where applicable.

Recommended Changes

Three parking-related fees and 1 ground transportation fee are recommended to increase. These include the *Annual Permit* for parking (from $575 to $600 or 4%), the *Tenant Employee Parking Permit* (from $30 to $35 or 17%), the *Tenant Employee Replacement Parking Permit* (from $40 to $50 or 25%), and the annual *Ground Transportation – Shuttle and Taxi* fee (adding a $125 per vehicle fee component for fleet sizes greater than 10 vehicles).

One fee is recommended to be deleted—the *Commuter Permit* for parking. This fee was intended for airline crew members based out of the San Luis Obispo County Regional Airport, but since no airline currently has any crew members

based out of this location, it is no longer necessary. Any future crew members seeking a long-term parking permit will be offered the *Annual Permit*.

Cost Recovery

As an Enterprise Fund, Airports must recover as much of its operating expenses as possible. A variety of revenue sources is relied upon, including fees. Some fee amounts may not necessarily reflect the direct cost of a given service (e.g. parking), but assist in defraying the expenses of the operation as a whole.

Airports plans to conduct a comprehensive fee review study upon completion of the new airport terminal project, which is planned in the summer of 2017. Since this project represents a large investment in the San Luis Obispo County Regional Airport, it will be necessary to ensure those costs are being recovered over time in reasonable rates and charges that remain competitive in the marketplace.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to increase slightly by $61,265 or 1.5% compared to the FY 2016-17 budgeted amount of $4,020,412. The department is cautiously optimistic that this will end up constituting a conservative estimate, since a healthy level of growth in enplanements was seen in FY 2015-16 and is anticipated for future fiscal years due to increased capacity and operational efficiencies that will be offered by the new airport terminal facility. At the same time, there are broader regional economic factors that may come into play, and the department will monitor those developments for potential impacts to its operations.

Animal Services – Fund Center 137

Animal Services has a current total of 79 fees, with 22 recommended to increase, 4 recommended to decrease, 53 to remain unchanged, and 2 new fees. A total of 22 fees are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
79	53	22	4	2	0	81	22

Calculation Method

The method used to calculate fees did not change from previous years. The method includes using an average productive hourly rate, time studies, the consumer price index, and division specific indirect costs. In some cases, comparable fees for service are used, such as for licensing and boarding fees.

Recommended Changes

Twenty-two fees are recommended to increase between approximately 5%-44%, due primarily to an increase in current costs and, in some instances, to increase the amount of cost recovery. Of the 22 fees increasing, 5 are increasing by less than 10% and 17 are increasing by 10% or more. The most significant increases in terms of percentage (10% or greater) are shown in the table below.

Fee	FY 16-17 Fee	Proposed FY 17-18 Fee	$ Change	% Change
Adoption of Other Animals Exotic/Horses	$52	$75	$23	44.2%
In-house Vet Exam	$23	$26	$3	13.0%
Owner Services Request for Owned Animal Pick Up- First Animal	$34	$41	$7	20.6%
Owner Services Request for Owned Animal Pick Up- Each Additional Litter	$34	$41	$7	20.6%
Owner Services Request for Owned Animal Pick Up- Litter (up to 4 month old animals)	$34	$41	$7	20.6%
10-50 Lbs Disposal Fee	$50	$60	$10	20.0%
91-150 Lbs Disposal Fee	$70	$80	$10	14.3%
Potentially Dangerous Dog Citation/Fine	$357	$415	$58	16.2%
Vicious Dog Citation/Fine	$284	$330	$46	16.2%
Potentially Dangerous Dog (PDD) License Surcharge	$85	$100	$15	17.6%
Investigation/Inquiry with guilty finding	$358	$415	$57	15.9%
Nuisance Abatement Appeals	$239	$277	$38	15.9%
Commercial Kennel & Pet Shop Permit	$160	$200	$40	25.0%
Permit Penalty up to 30 days	25% surcharge	25% surcharge*		
Permit Penalty up to 60 days	50% surcharge	50% surcharge*		
Permit Penalty up to 90 days	75% surcharge	75% surcharge*		
Permit Penalty in excess of 90 days	100% surcharge	100% surcharge*		

**While the permit penalty by percentage is not increasing, the permit amount is increasing, so the surcharge amounts will also increase accordingly.*

Four fees are recommended to decrease by between 21%-75%, including a 21% or $5 decrease for *Regular Ward* boarding fees and a 29% or $10 decrease for *Quarantine, Isolation, Hold Ward* boarding fees (based on an average of other available county boarding fees), a 26% or $8.50 decrease for *Adoption of all Standard-Common* animals (excludes cats and dogs), based on a revised study for kennel staff time to provide the service, and a 75% or $15 decrease for *Reissuance Fees* of lost tag/transfer of ownership to promote compliance with licensing laws, in line with replacement tag fees in other counties.

The two new recommended fees include: a $2.25 fee for a prorated monthly license for altered animals with a valid rabies vaccine that expires in less than 12 months and a $40 fee for an officer call out-non emergency to recover costs for services performed outside of the scope of Animal Services' mission.

A total of 53 fees are recommended to remain unchanged.

Cost Recovery

Twenty two fees are set at 98.0% or higher cost recovery. Some of the fees remain less than full cost recovery to incentivize practices benefiting the public safety and animal welfare. For example, the fees for adoptions of cats and dogs are set below full cost recovery in order promote adoption of shelter animals.

Fee Revenue Projection

The fee revenue for FY 2017-18 is projected to be $21,639 or 2% less than the FY 2016-17 estimated amount of $977,345. The FY 2016-17 budgeted revenue is $1,044,605. The total units of service are increasing by 4% or 949 units (from 23,589 to 24,538), but individual units of service vary in some cases significantly compared to FY 2016-17. For example, the *Regular Ward* boarding fee units are projected to be 494 in FY 2017-18, compared to 667 in FY 2016-17. However, the one year license fee for altered (spayed/neutered) dogs is anticipated to increase from 9,094 in the current year to 11,973 in FY 2017-18. The number of licenses issued may fluctuate significantly from year to year as does the mix between single and three year licenses purchased. Licensing revenue represents approximately 69% of Animal Services'

fee revenue.

Assessor – Fund Center 109

The Assessor's Office has a total of 21 current fees with 4 fees increasing, 6 decreasing, 11 unchanged, with 18 set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
21	11	4	6	0	0	21	18

Calculation Method

The methodology used to calculate this year's proposed fees did not change from previous years and is based upon average productive hourly rate, indirect and direct salary costs, average labor cost per service, countywide overhead cost, as well as surveys of other County Assessor offices for comparable fees.

Recommended Changes

Four fees are recommended to increase, primarily due to compensation increases for staff and a change in staff providing the service within the Mapping Section. Six fees are proposed to decrease due to reduced time needed to complete tasks. The proposed fee changes are shown below.

Fee Indicator No.	Fee	Current Fee	Proposed Fee	$ Difference from Prior Year	% Difference from Prior Year
1003	Parcel Boundary Change	$300.00	$307.00	$7.00	2.3%
1004	Tract Map Bond	$130.00	$135.00	$5.00	3.8%
3008	Custom GIS Reports	$85.00	$93.00	$8.00	9.4%
4004	Index Maps	$10.00	$11.00	$1.00	10%
3001	Processing Fee	$70.00	$67.00	($3.00)	(4.3%)
3002	Parcel Reports	$70.00	$67.00	($3.00)	(4.3%)
3003	Name and Address Labels	$70.00	$67.00	($3.00)	(4.3%)
3004	Programming Changes Labor Rate	$70.00	$67.00	($3.00)	(4.3%)
4006	Existing Separate Tax Bill – Non Departmental	$77.00	$72.00	($5.00)	(6.5%)
4007	Initial Separate Tax Bill – Non Departmental	$77.00	$72.00	($5.00)	(6.5%)

Cost Recovery

For FY 2017-18, 18 out of 21 or 86% of the fees are set at full cost recovery. While this accounts for the majority of the fees, the *Proposition 58 Parent/Child Transfer* fee has historically remained at less than cost per California Revenue and Taxation Code, which sets the fee at an amount not to exceed $175. The other 2 fees not at full recovery (related to printing copies and maps) are not recommended to increase due to the very slight change in cost and minimal revenue impact.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to decrease very slightly ($362 or less than 1%) compared to the FY 2016-17 budgeted amount of $37,337.

Auditor-Controller – Fund Center 107

The Auditor-Controller's Office has a current total of 11 fees, with 9 recommended to remain the same and 2 recommended to increase in FY 2017-18.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
11	9	2	0	0	0	11	11

Calculation Method

The majority of the fees for this department are calculated based on actual cost or are set by statue.

Recommended Changes

Two fees, purchase of *Final Budget Book* and the *Comprehensive Annual Financial Report (CAFR) on CD*, are recommended to increase by $3.00. These increases are based on the actual charge from the County's outside printing vendor.

Cost Recovery

All fees can be considered set at full cost recovery with fees charged at either actual costs or set by statute. The fees for the purchase of the *Final Budget Book* and the *CAFR CD* are slightly under, 99% and 98% respectively, of full cost recovery.

Fee Revenue Projection

The Auditor-Controller's Office gets very little fee revenue. Revenue from this source is projected to increase minimally in FY 2017-18, $927 or 35%, when compared to the FY 2016-17 budgeted amount of $2,625.

Behavioral Health – Mental Health and Drug and Alcohol Services Divisions – Fund Center 166

Behavioral Health, which includes Mental Health and Drug and Alcohol Services, has a current total of 20 fees, with 14 recommended to increase, 2 to decrease, 2 to be deleted, 2 remaining unchanged, and 2 new fees proposed, for a total of 20 fees for FY 2017-18. Five of the fees are for Mental Health Services and 15 are for Drug and Alcohol Services. A total of 14 fees are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
20	2	14	2	2	2	20	14

Calculation Method

Specialty Mental Health Services - The method used to calculate the proposed fees did not change from the prior year, and includes the use of the FY 2016-17 California Department of Health Care Services published rate for San Luis Obispo County Specialty Mental Health Services plus a 2.0% consumer price index factor on non-salary related costs and a 5.5% increase on salary related costs, to create a published upper payment limit. The division is reimbursed for actual costs.

Drug and Alcohol Services - The method used to calculate fees did not change from previous years for Drug and Alcohol Services. The method includes using the cost of providing direct services and the average time each service takes based on periodic time studies and service units recorded.

Recommended Changes

Specialty Mental Health Services - Four of the 5 fees are recommended to increase, all by less than 10%. It is important to note that almost all clients receiving specialty mental health services are covered by Medi-Cal and do not pay the published fees. The fifth fee, which is recommended for deletion, is the *Mental Health Adult Residential* fee, since the division does not utilize the fee. The County contracts with Transitions Mental Health to provide adult residential services and therefore no longer uses this fee.

Drug and Alcohol Services - Drug and Alcohol Services has 15 fees, of which 10 are recommended to increase, two are recommended to decrease, one is recommended for deletion, and two new fees are proposed. Of the 10 fees increasing, four are recommended to increase by more than 10%. The most significant increases in terms of percentage are for medication evaluation, a patch test fee, detox hourly fee for alcohol and opiates, and intensive outpatient treatment. Those fees are increasing between approximately 10% and 39%.

It is important to note that Drug and Alcohol Services reimbursement rates for Drug Medi-Cal are established based on a State-determined maximum rate. All eligible Drug Medi-Cal fees are set higher than the State's rates, and for services that are not Drug Medi-Cal eligible, the client is eligible to pay on a sliding fee scale. Additionally, in FY 2016-17, the Health Agency was approved to submit an implementation plan to the State to participate in a Drug Medi-Cal Organized Delivery System (DMC-ODS) demonstration waiver. Once the plan is approved by the State, the County's published fee structure for drug and alcohol service will change from a fee for service model to a cost reimbursement rate model.

One of the two fees recommended to decrease is significant, with a $63 or 46% decrease for non-perinatal *Intensive Outpatient Treatment*. The significant decrease is due to an average group size of 7 instead of 4.48, which decreases the cost per participant. The other fee recommended to decrease is a *Detox Program Fee-Suboxone*, which is decreasing by 3% or $25 due to a change in the staffing used for the service. The fee recommended for deletion, the *Client Assessment*, is now incorporated into another fee called *Assessment/Screening Program* fee.

The two new fees proposed are for *Medication Assisted Treatment (MAT)* and for a *Prevention/Outreach* hourly fee for school based services. The new *MAT* fee is a newly covered service under the Drug Medi-Cal waiver program. The *Prevention/Outreach* hourly fee will enable school districts that contract with the County to have a standardized rate that they can use for budgeting. While the schools have been contracting with the County for prevention/outreach, historically there has not been a published fee associated with the service.

Cost Recovery

Fourteen fees out of the total of 20 fees are set at full cost recovery. The 6 fees not set at full cost recovery are in Drug and Alcohol Services, one of which is set at the maximum rate per Penal Code ($150/assessment). The remaining 5 fees are projected to recover 74%-94% of the cost. Those 5 fees include urine testing (three separate fees depending on the test type), breathalyzer, and patch test. The division may use a sliding fee scale for any fee if the client is not covered by a third party insurer or Medi-Cal.

Fee Revenue Projection

The projected fee revenue for Drug and Alcohol services is projected to be $4,000 or 5% higher than the FY 2016-17 budgeted amount of $83,000, and represents fee revenue that is not reimbursable by third party insurance carriers and subject to a sliding fee scale for those clients meeting minimum income levels.

Private pay fee revenue has generally been on a decline in Drug and Alcohol Services since the passing of the Affordable Care Act (ACA) which allows the division to bill Drug Medi-Cal for services provided. Additionally, the division is waiting for approval of the Drug Medi-Cal Organized Delivery System Waiver plan from the State. Once it is approved, the Health Agency will return to the Board to add or adjust fees based on the contract requirements.

Central Services – Fund Center 116

Central Services currently has a total of 24 fees with one new fee being recommended. The majority of the fees, 21, are remaining unchanged while three are decreasing.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
24	21	0	3	1	0	25	3

Calculation Method

Fees for mail and real property services are set at actual costs based on historical information. Fees associated with the rental of the San Luis Obispo (SLO) Veterans Hall, access and/or use permit, and film permits are based on comparable fee surveys.

Recommended Changes

As noted above, 21 Central Services fees are not recommended to change. While there is one new fee, *Reservation Transaction Charge*, recommended to be added to the department's fee schedule, this is not a new fee to the overall County fee schedule. As a result of the dissolution of the General Services Agency, Central Services took over responsibility for the renting of the SLO Veterans Hall. Rental of this facility was previously overseen by the Parks Department which has this same reservation transaction charge fee on its fee schedule. The $9.00 fee amount remains unchanged from previous years.

The three fees recommended to decrease are for mail services. Fees for mail pickup and delivery to outside agencies is proposed to decrease by $12.25 or 8.6% per pick-up while the same service to locations within the County downtown government center complex (e.g. courts) is decreasing by $13.74 or 13.1% per pick-up. The overhead charged for these services is also decreasing by 12%. The number of deliveries to outside agencies increased with the Parks and Recreation Department moving to the Kimball Building. Additional deliveries, along with a reduction in postage costs, drove the cost of these services down.

Cost Recovery

Some fees, such as for film permits, have been historically remained at lower than full cost recovery as an incentive for their use. Fees for *Real Property Services* and Mail are at full cost recovery.

Fee Revenue Projection

Overall, the department is projecting a total of $97,558 in fee revenue. This is a less than a 1% decrease, or $1,451, from the FY 2016-17 budgeted amount. This slight decrease is attributed to a decrease in mail fee revenue as well as fewer film permits.

Clerk-Recorder – Fund Center 110

There are a total of 80 fees on Schedule B (the Clerk-Recorder has fees on Schedule A, but they are not proposed to change). Of those, 79 are proposed to remain unchanged and 1 fee is being deleted. There are 28 fees set a full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
80	79	0	0	0	1	79	28

Calculation Method

The methodology to calculate the Schedule B proposed fees did not change from previous years. The methodology involves using an average productive rate and time studies. This method was utilized for all fees that are under local control, as all services provided by the Clerk-Recorder have a labor component. The one exception to this methodology is the *Findings of Fact* fee, which utilized a comparable fee survey, along with productive rate. Mandated fees are dictated by California laws and are not subject to yearly increases.

Recommended Changes

The majority of the department's fees are recommended to remain unchanged. One fee, passport photographs, is recommended for deletion. The Clerk-Recorder has not been a passport agency for over four years. However, due to owning passport photo equipment and supplies, they have continued to offer that service. Over time there has been a decline in requests for these photos and as a result, the photo supplies are degrading and it is no longer cost effective to offer this service.

Cost Recovery

Twenty-eight fees are at, or very near, full cost recovery. The fees that are set by State mandates have not had the actual costs determined, therefore it is unknown what percentages of those fees fall above or below actual cost. While the Clerk-Recorder tries to achieve full cost recovery for every fee, it is also imperative that vital services remain affordable for the general public.

Fee Revenue Projection

Overall, the Clerk-Recorder projects approximately $2.7 million in fee revenue for FY 2017-18 which is an increase of $88,385 or 3% compared to FY 2016-17 budgeted levels. This projection includes the collection of fees for other agencies such as the State, and other departments. Adjusting for this, the Clerk-Recorder's total fee revenue is projected to increase by 5% or $88,385 when compared to FY 2016-17 budgeted fee revenue of $1.7 million. Actual fee revenue for FY 2015-16 was $1,602,072 which was a 4% or $66,840 increase when compared to FY 2014-15 actual revenue of $1,535,232. The projected increase is primarily due to delivering more units of service for various recording fees.

District Attorney – Fund Center 132

The District Attorney (DA) has a current total of 7 fees, with 1 recommended to increase, 1 to decrease, and 1 new fee, for a new total of 8 fees.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
7	5	1	1	1	0	8	4

Calculation Method

As in past years, fee calculations for the DA's fees are based on average productive hourly rates, Indirect Cost Rate Proposal (ICRP) rates, and time studies, with the exception of the fee for photocopies, which has been set by Board policy at 10 cents per copy.

Recommended Changes

One fee is recommended to increase. The *CD Copies* fee is increasing from $9 to $10 due to a slight increase in actual costs. The *Flash Drive – 8GB* fee is decreasing from $31 to $26 due to a decline the decline in the unit cost. A new discovery fee, *Flash Drive – 16GB*, is proposed at $29. The new fee will accommodate the increase in volume of evidence provided electronically for discovery purposes.

Cost Recovery

Four fees are set at full cost recovery. The remaining fees are set at less than full cost recovery based on reasonableness of the fees and cost comparisons with other counties.

Fee Revenue Projection

The department projects that fee revenue for FY 2017-18 will remain essentially flat, increasing by only $1,500 compared to the FY 2015-16 actual and the FY 2016-17 budgeted amount of $17,500.

Driving Under the Influence – Fund Center 375

Driving Under the Influence (DUI), a division of the Health Agency, has a current total of 8 fees, with 8 recommended to increase in FY 2017-18. Only 1 fee is set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
8	0	8	0	0	0	8	1

Calculation Method

The basic approach used to calculate the proposed fees did not change from prior years; however, there was one correction made. The method involves the cost of providing direct services and the average time that each service takes based on periodic time studies and service units recorded. The previous year's indirect labor costs erroneously excluded benefits associated with the indirect labor, and the FY 2017-18 calculations include those indirect benefit costs.

Recommended Changes

All eight fees are recommended to increase, with seven recommended to increase by more than 10%. The increases include:

Fee	Current Fee	Proposed Fee	Fee Amount Increase	% Increase
Initial Registration	$96	$119	$23	24%
Reinstatement	$81	$91	$10	12%
Transfer	$81	$91	$10	12%
Session Charge	$39	$43	$4	10%
Missed Meeting	$39	$43	$4	10%
Notice of Completion	$20	$23	$3	15%
Leave of Absence	$26	$30	$4	15%
Urine Testing	$24	$25	$1	4%

The *Initial Registration* fee is increasing by 24% due to the addition of a workbook material cost of $20, which has been absorbed by the division.

Cost Recovery

One fee is set at 98% cost recovery and the remaining range from 80-93% cost recovery. The Division will continue to recommend incremental increases to all fees to continue toward full cost recovery.

Fee Revenue Projection

Fee revenue is projected to increase by $2,701 or less than 1% compared to the FY 2016-17 estimated revenue amount of $1.5 million, and $86,170 or 6% more than the FY 2016-17 budgeted amount of $1.4 million. The units of service, or number of times a fee is charged for DUI services, are decreasing from 37,705 in FY 2016-17 to 34,262 in FY 2017-18, a 3,443 or 9% decrease.

Human Resources – Fund Center 112

As shown in the chart below, the fee schedule workbook submitted by the Human Resource Department contains a total of 8 current fees with 4 fees increasing, 4 unchanged, with all 8 set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
8	4	4	0	0	0	8	8

Calculation Method

The method to calculate this year's proposed fees did not change from previous years and is based on an average productive hourly rate, indirect costs, and time study results.

Recommended Changes

Four fees are recommended to increase primarily due to compensation increases for staff and a change in staff providing the services. The four fees increasing fall within the *Research/Special Project Rate* fee category which are fees for administrative support and professional staff services. Increases in the *Paraprofessional Staff*, *Administrative Support Staff*, *Professional Staff* and the *Outside Agency Fees* are shown in the table below.

Fee Indicator No.	Fee	Current Fee	Proposed Fee	$ Difference from Prior Year	% Difference from Prior Year
2001	Para-Professional Staff	$71.03	$74.41	$3.38	4.8%
2002	Admin Support Staff	$50.64	$56.82	$6.18	12.2%
2003	Professional Staff	$102.85	$118.22	$15.37	14.9%
2005	Outside Agency Fee (no legal services)	$92.25	$103.61	$11.36	12.3%

Cost Recovery

All proposed fees are set at full cost recovery.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to increase by $3,730 or 12% compared to the FY 2016-17 budgeted amount of $31,786. This projected increase is primarily a result of an increase in the number of hours charged for the *Outside Agency Fee*.

Information Technology – Fund Center 114

The Information Technology Department primarily supports County departments but also supports some outside agencies and special districts. Information Technology has a total of 13 current fees with 9 fees increasing, 3 decreasing, and 1 remaining unchanged. All 13 are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
13	1	9	3	0	0	13	13

Calculation Method

The methodology to calculate this year's proposed fees did not change from previous years and uses current fiscal year budgeted salary and benefit costs and prior fiscal year's actual services and supply costs with manual adjustments. A manual adjustment was needed to capture the reduction in mainframe costs and email software licensing/maintenance costs that will not continue in FY 2017-18. The annual Microsoft Office 365 software subscription cost, Microsoft Premier Support consulting cost and Azure subscription cost, which started in FY 2016-17, offset this adjustment.

Recommended Changes

As shown in the table above, nine fees are recommended to increase and three to decrease. The changes are due to either a change in units recovered by the service costs, change in supplies costs to support the services, organizational changes in positions providing the services, or a combination thereof. Significant fee changes are shown in the following table:

Fee Indicator No.	Fee	Current Fee	Proposed Fee	$ Difference from Prior Year	% Difference from Prior Year
1001	Radio Communications	$112.92	$129.82	$16.90	15.0%
2001	Voice Support	$0.73	$1.42	$0.69	94.5%
2002	Voice Mail Box	$3.57	$3.09	($0.48)	(13.4%)
3005	Server Housing	$16.18	$17.79	$1.61	10.0%
3006	Virtual Server (Blade Center)	$33.56	$37.07	$3.51	10.5%
3010	Virtual Server Memory	$10.08	$8.65	($1.43)	(14.2%)

Cost Recovery

All proposed fees are set at full cost recovery.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to decrease by $7,025 or less than 1% compared to the FY 2016-17 budgeted amount of $2,095,201. This is due to a projected decrease in the units of service charged for *General Consulting* as a result of staffing changes.

Library – Fund Center 377

The Library has a total of 41 current fees with 1 fee decreasing and 40 remaining unchanged. None of the fees are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
41	40	0	1	0	0	41	0

Calculation Method

As in prior years, the Library used actual costs and the comparable fee survey methods for calculating the FY 2017-18

fees. The actual cost method involves a direct labor/productive rate combined with an average replacement cost. The comparable fee survey method was used to calculate the Library's overdue material fees. The Black Gold Cooperative Library System schedule of overdue fines was used as the foundation for the comparison.

Recommended Changes

The Library is proposed to decrease the *Multimedia CD Rom Materials, DVDs, Games, CDs* fee from $1.00 to $0.25 to bring in line with other Black Gold Libraries.

Cost Recovery

The amount of revenue received from fees only covers a fraction of the actual costs of providing library services. Fees are purposely kept low in order to encourage the return of Library materials and to maintain the patronage of customers who may occasionally return their materials late. The fees are similar to those charged by neighboring library systems, and as mentioned above, are kept in line with other Black Gold Libraries.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to decrease approximately $63,676 or 35% compared to the FY 2016-17 budgeted amount of $182,800 and a decrease of approximately $29,211 or 20% from FY 2015-16 actuals. This is primarily due to the decrease in the *Multimedia CD Rom Materials, DVDs, Games, CDs* fee from $1.00 to $0.25 and a decrease in units due to a new automatic renewal system put into place in FY 2015-16.

Planning and Building – Fund Center 142

The Planning and Building Department has a current total of 901 fees, with 2 recommended to be deleted, 1 to increase, and 21 to decrease. The proposed new total of fees is 899.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
901	877	1	21	0	2	899	892

Calculation Method

The methodology to calculate this year's proposed fees is the same method used in prior years. For FY 2017-18 fees, any significant changes in time and motion for services provided were calculated. The hourly rate calculation includes a portion of the cost for planned future investments in technology and general plan updates as allowed by law (one-fifth of the total cost needed over the next five years).

Recommended Changes

The department has a large number of fees that reflects the variations in building projects. This approach ensures that clients do not pay the same fee for review of a smaller project (in terms of square footage) as a client would pay for a larger project. This is a more equitable approach and allows the applicant to better understand the cost of their permit. For land use and land division applications, the department recognizes the various types of environmental review that may need to be conducted. The fee structure reflects the difference in the time it takes to process a specific type of environmental determination and the difference in resources required to process a simple application compared to a complex application. Many of the fees on Planning and Building's fee schedule are rarely if ever used but have been put in place in case these projects are proposed by applicants.

The majority (97%) of the department's fees are remaining unchanged, and no new fees are proposed. Two fees are proposed for elimination, since it was determined that they are duplicative of other fees. The first fee proposed for elimination is *Specific Plan, New or Amend with Initial Study*, which is redundant of the *General Plan Amendment with Initial Study.* The second fee proposed for elimination is *Business License (New) Zoning Clearance* which is determined to be the same as *Business License – Zoning Clearance with Plot Plan*.

The department conducted time and motion studies for certain land use, land division and building-related fees, and due to gains in processing efficiencies, the department is proposing 21 fee decreases and 1 fee increase based on the results of these studies.

The department is proposing to increase the *Fire Sprinkler System - New Construction or Tenant Improvement, Residential - 10 heads or less* fee by $67.00 or 203% above the current amount of $33.00. The department performed a comprehensive time and motion study and after several rounds of review, it was determined that this fee requires more time than previous studies indicated. The estimated number of times this service will be required is not anticipated to change. The two other fees for *Fire Sprinkler System - New Construction or Tenant Improvement, Residential*, 11-50 heads and each additional 100 heads, will remain unchanged.

The following table contains a summary of the fees proposed to increase or decrease:

Fee Indicator No.	Fee	Current Fee	Proposed Fee	$ Difference from Prior Year	% Difference from Prior Year
20016	Over 1 acre disturbed, 1,001-10,000 cu. Yds., Inspection	$399	$266	($133)	-33%
20017	Over 1 acre disturbed, 10,001-100,000 cu. Yds., Inspection	$531	$399	($132)	-25%
20022	Grading Permit add on fee for NPDES, <5000 cu yds, Inspection	$1,069	$798	($271)	-25%
20023	Grading Permit add on fee for NPDES, >5000 cu yds, Inspection	$1,469	$1,064	($405)	-28%
22006	Cell/Radio/TV Antenna, New or Replacement, Inspection	$266	$133	($133)	-50%
22064	Fire Sprinkler System - New Construction or Tenant Improvement, Residential (plan check, 10 heads or less)	$33	$100	$67	203%
22128	Photovoltaic System - Commercial, Up to 10 kW [kilowatt], Plan Check	$266	$133	($133)	-50%
22129	Photovoltaic System - Commercial, Over 10 kW to 100 kW [kilowatt], Plan Check	$665	$399	($266)	-40%
22130	Photovoltaic System - Commercial, Over 100 kW to 250 kW [kilowatt], Plan Check	$1,064	$665	($399)	-38%
22131	Photovoltaic System - Commercial, Over 250 kW to 500 kW [kilowatt], Plan Check	$1,330	$931	($399)	-30%
22132	Photovoltaic System - Commercial, Over 500 kW to 750 kW [kilowatt], Plan Check	$1,596	$1,197	($399)	-25%
22133	Photovoltaic System - Commercial, Over 750 kW to 1000 kW [kilowatt], Plan Check	$1,862	$1,463	($399)	-21%
22135	Photovoltaic System - Commercial, Up to 10 kW [kilowatt], Inspection	$333	$266	($67)	-20%
22136	Photovoltaic System - Commercial, Over 10 kW to 100 kW [kilowatt], Inspection	$601	$532	($69)	-11%
22137	Photovoltaic System - Commercial, Over 100 kW to 250 kW [kilowatt], Inspection	$1,068	$798	($270)	-25%
22138	Photovoltaic System - Commercial, Over 250 kW to 500 kW [kilowatt], Inspection	$1,603	$1,064	($539)	-34%
22139	Photovoltaic System - Commercial, Over 500 kW to 750 kW [kilowatt], Inspection	$2,137	$1,330	($807)	-38%
22140	Photovoltaic System - Commercial, Over 750 kW to 1000 kW [kilowatt], Inspection	$2,404	$1,596	($808)	-34%
22147	Photovoltaic System - Residential Grid Tied, Inspection	$200	$133	($67)	-34%
22148	Photovoltaic System - Residential Grid Tied, with meter, Inspection	$266	$200	($66)	-25%
22150	Photovoltaic System - Residential Grid Tied, with meter, OTC, Inspection	$266	$200	($66)	-25%
22154	Photovoltaic System - Residential Standalone, Inspection	$266	$200	($66)	-25%

Cost Recovery

Almost all of the recommended fees (892 out of 899 total or 99%) for Planning and Building are set at full cost recovery. Per Board policy, some fees and fee deposits have historically been set at less than full cost recovery. The *Voluntary Merger* and *Pre-Application Meetings* fees have been reduced below cost to encourage use. The *General Plan* fee is subject to full cost recovery techniques if the processing cost of an application will be substantially in excess of the fee/deposit. The appeal-related fees continue to be set below cost to allow for the process to be affordable to the appellant. It is important to note that the department and the Board of Supervisors authorized fee waivers totaling $211,490 in FY 2015-16.

Fee Revenue Projection

The department is anticipating that there will be a small decline of $127,611 or 2% in fee revenue from the FY 2016-17 budgeted amount of $5,395,716. The decline in revenue is due to the proposed decrease in fee amounts; the department is assuming no decline in the use of any fee-based service compared to FY 2016-17.

Public Health – Multiple Divisions – Fund Center 160

Overall, Public Health has a current total of 292 fees in all of its divisions. Of those 292 fees, 248 are recommended to increase, 8 to decrease, 28 to remain unchanged, 28 to be added, and 8 to be deleted, for a new total of 312 fees. A total of 223 are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
292	28	248	8	28	8	312	223

Of the 248 recommended to increase, 85 (34%) are recommended to increase by 10% or more. The projected fee revenue for FY 2017-18 is $215,304 or 4.8% more than the FY 2016-17 estimated revenue amount of $4.8 million.

The Public Health fee changes by division are discussed below.

Public Health – Emergency Medical Services Agency (EMSA)

The EMSA has a current total of 18 fees, with 14 recommended to increase and 4 to remain unchanged, with no fees set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
18	4	14	0	0	0	18	0

Calculation Method

The method used to calculate fees did not change from previous years. The method includes using an average productive hourly rate, Indirect Cost Rate Proposal (ICRP), consumer price index, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of minutes from the time study. The increased fees are primarily due to an increase in indirect labor, an ICRP increase from 20.3% to 26.2%, and a consumer price index increase from 0.5% to 2.0%. The increase is partially offset by a decrease in actual overall services and supplies costs due to one-time costs not incurred last year compared to the prior year.

Recommended Changes

Fourteen fees are recommended to increase, in line with comparable counties. Of those 14 fees increasing, five are recommended to increase by 10% or more and they include: a $14 (20%) increase for a continuing education provider, a

$2 (20%) increase for a lost card replacement, a $27 (19%) increase for a program review fee per hour, a $15 (13%) increase for mobile intensive care nurse refresher course, and a $9 (13%) increase for a rush fee. It should be noted that the Health Agency does not expect any new entities to apply for Training Program Review in FY 2017-18. However, an anticipated 45 people will take the mobile intensive care nurse refresher course, up from an estimated 40 people in FY 2016-17, a 12.5% increase.

Four fees are recommended to remain unchanged.

Cost Recovery

None of the fees are set at full cost recovery to help prevent financial barriers to renew certifications for local emergency personnel. Overall, 88% of the fees are projected to be recovered in FY 2017-18. The EMSA fees provide emergency medical professionals with classes, certification, accreditation, and continuing education. New fees are in line with comparable counties.

Fee Revenue Projection

The FY 2016-17 budgeted revenue is $41,809. Total units of service are proposed to decrease from 623 to 590 (a 5% decrease) overall. However, some of the individual services such as the Mobile Intensive Care Nurse (MICN) Initial Authorization course, are projected to increase. That MICN course is anticipated to serve 22 people in FY 2017-18, up from 10 people in FY 2016-17, and that fee is also recommended to increase by $22 or 7%. The MICN fee alone is expected to increase revenue by $4,300.

Public Health – Environmental Health

Environmental Health has a current total of 146 fees, with 118 recommended to increase, 1 to decrease, 19 to remain unchanged, 28 new fees to be added, and 8 fees to be deleted, for a new total of 166 fees. A total of 124 are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
146	19	118	1	28	8	166	124

Calculation Method

The method used to calculate fees did not change from previous years. The method includes using an average productive hourly rate, Indirect Cost Rate Proposal (ICRP), an increase in the consumer price index, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of minutes from the time study. Primary factors contributing to the increases in fees are an ICRP increase from 20.3% to 26.2%, a consumer price index increase from 0.5% to 2.0%, and salary and benefit increases. Some of the fees are also recommended to increase in an effort to move toward greater cost recovery.

Recommended Changes

One hundred eighteen (118) fees are recommended to increase, due to the factors listed above. Of those 118 fees, 15 (13%) are recommended to increase by 10% or more. Most (83% or 98) of the other increases range between approximately 1% and 6%.

The most significant changes to fees in terms of percentage change from the prior year are shown in the table below.

Changes of 10% or More Compared to FY 2016-17				
Fee	FY 16-17 Fee	Proposed FY 17-18 Fee	$ Change	% Change
Temporary Food Facility - Single Event	$110	$121	$11	10.0%
Temporary Food Event Organizer Fee	$190	$209	$19	10.0%
Class A Cottage Food Operation	$115	$127	$12	10.4%
Class B Cottage Food Operation	$230	$253	$23	10.0%
Retail Markets/Restaurants/Bars/B&B/Ag Homestay Major Remodel	$876	$964	$88	10.0%
Retail Markets/Restaurants/Bars/B&B/Ag Homestay Minor Remodel	$668	$735	$67	10.0%
Retail food facility new construction: Retail Markets/ Restaurants/Bars/B&B/Ag Homestay < 500 sq. ft.	$950	$1,045	$95	10.0%
Retail food facility new construction: Retail Markets/ Restaurants/Bars/B&B/Ag Homestay 501 - 5,000 sq. ft.	$1,175	$1,293	$118	10.0%
Water Well Construction Permit	$703	$773	$70	10.0%
Water Well Destruction Permit	$188	$216	$28	14.9%
Monitoring Well Destruction Permit	$195	$220	$25	12.8%
Verification of Water Supply/Sewage Disposal	$521	$469	($52)	-10.0%
Hazardous waste generator: 1 waste stream (all others < 27 gals/month self-reporter)	$80	$88	$8	10.0%
Hazardous waste generator: 2 waste streams (all others < 27 gals/month)	$105	$116	$11	10.5%
New Underground Storage Tank Installation/ Modification Fee Facility Modification	$1,997	$2,237	$240	12.0%
New Underground Storage Tank Installation/ Modification Fee Minor Repair	$974	$1,091	$117	12.0%

Of the fees proposed to increase by 10% or more, the two fees anticipated to affect the highest number of customers is the *Temporary Food Facility – Single Event*, anticipated to increase by $11 or 10% with a projected 268 customers who will require that service in FY 2017-18, and the *Water Well Construction Permit*, increasing by $70 or 10% with 328 projected customers to be charged.

Fees related to water systems, well construction and destruction, and other miscellaneous water fees are recommended to increase by an average of 7%. The most significant increases related to water in terms of percentage increases are the *Water Well Destruction Permit*, increasing by $28 or 15%, and the *Monitoring Water Well Destruction*, increasing by $25 or 13%. A total of 44 customers are projected to be charged these two fees in FY 2017-18. The fee most commonly charged is for *Cross-Connection Plan Check*, and that fee is increasing by $7 or almost 8%.

Environmental Health's land use fees and food facility fee categories are each recommended to increase by an average of 5%. Some of the fees are increasing in an effort to maintain or move toward cost recovery. Land use fees include, for example, review of tract maps, parcel maps, minor use permits, development plans, and certification of water supply/sewage disposal. An estimated 142 customers will be charged these land use-related fees in FY 2017-18. The one fee recommended to decrease is for verification of water supply/sewage disposal, and it is recommended to decrease by $52 or 10% based on a reduction of minutes associated with performing the task. Food facility fees include, for example, annual retail food facility fees for restaurants/bars and retail markets, temporary events, new construction, and remodels of facilities with food. An estimated 2,607 customers will be charged food facility fees in FY 2017-18.

There are 28 new fees proposed. One of those new fees is a consultant fee associated with technical expert review of projects that may potentially penetrate multiple aquifers. Well construction approval procedures were modified with input from stakeholders due to the drought and the potential risk of impacting water quality from contamination by a lower quality water aquifer. The new fee will be paid by the well driller for the actual cost of a consultant in the amount of $140 per hour. Most well drillers will pay between 1 to 4 hours of a consultant's time for this service.

Twenty-one of the recommended new fees are to replace seven existing fees, as shown in the table below. Those new

fees, which are for inspections of restaurants/bars and retail food production/retail markets, take into account the amount of food preparation rather than solely basing inspections on seating capacity and square footage. The eighth fee recommended for elimination is no longer being used (a permit application fee).

Converted Fees		
Fee Description	Current Fee	Proposed Fee
Restaurant/Bars		
Seating capacity - 10 and under	$502	Deleted
Seating capacity - 10 and under - FULL FOOD PREPARATION		$512
Seating capacity - 10 and under - LIMITED FOOD PREPARATION		$502
Seating capacity - 10 and under - MINIMAL FOOD PREPARATION		$492
Seating capacity - 11-50	$583	Deleted
Seating capacity - 11 – 50 - FULL FOOD PREPARATION		$609
Seating capacity - 11 – 50 - LIMITED FOOD PREPARATION		$583
Seating capacity - 11 – 50 - MINIMAL FOOD PREPARATION		$571
Seating capacity - Over 50	$667	Deleted
Seating capacity - Over 50 - FULL FOOD PREPARATION		$667
Seating capacity - Over 50 - LIMITED FOOD PREPARATION		$654
Seating capacity - Over 50 - MINIMAL FOOD PREPARATION		$654
Retail Food Production/Retail Markets		
Less than 150 sq ft	$310	Deleted
Less than 150 sq ft - FULL FOOD PREPARATION		$341
Less than 150 sq ft - LIMITED FOOD PREPARATION		$326
Less than 150 sq ft - MINIMAL FOOD PREPARATION		$322
150 - 5,000 sq ft	$420	Deleted
150 - 5,000 sq ft - FULL FOOD PREPARATION		$441
150 - 5,000 sq ft -LIMITED FOOD PREPARATION		$441
150 - 5,000 sq ft - MINIMAL FOOD PREPARATION		$412
5,001 -10,000 sq ft	$625	Deleted
5,001 -10,000 sq ft - FULL FOOD PREPARATION		$625
5,001 -10,000 sq ft - LIMITED FOOD PREPARATION		$613
5,001 -10,000 sq ft - MINIMAL FOOD PREPARATION		$613
Greater than 10,000 sq ft.	$711	Deleted
Greater than 10,000 sq ft - FULL FOOD PREPARATION		$711
Greater than 10,000 sq ft - LIMITED FOOD PREPARATION		$697
Greater than 10,000 sq ft - MINIMAL FOOD PREPARATION		$697

Of the other recommended new six fees, four are related to seasonal pool permits (single pool, two pools, three pools, and four or more) to reduce the financial burden on facilities that are not open throughout the year. Another one is the *Temporary Facility-Single Event-Prepackaged* fee based on service level to distinguish prepared food versus prepackaged food, and the last new fee is an after-hours inspection/plan review fee for expedited plan review.

Cost Recovery

One hundred twenty-four of the fees are set at full cost recovery, and most of the fees below cost recovery were increased by an average of 6.5% due to the overall increase in the hourly rate calculation. Some fees are not set at full cost recovery to ensure that the fees are not cost prohibitive for the customer. For example, the mobile food push cart is proposed to recover 81% of costs. While the total number of service units, or fees charged, are anticipated to decrease by 1%, the costs to provide the services is increasing due to the reasons discussed previously.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to increase $106,682 or 3.9% compared to the FY 2016-17 estimated and budgeted revenue amount of $2,718,102. There is a 1% anticipated decrease to units of service overall (from 7,901 to 7,825). Major drivers of revenue changes include a $53,189 or 10% increase from water well construction permits due to a $70 or 10% increase in the fee as well as a 15% increase in the volume of business, and a $20,160 revenue increase from temporary food facility-multiple events, due to an anticipated 38% increase in the volume of business (from 210 to 290).

Public Health – Laboratory

The Public Health Laboratory division has a current total of 107 fees, with 97 recommended to increase, 7 to decrease, and 3 to remain unchanged. A total of 89 fees are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
107	3	97	7	0	0	107	89

Calculation Method

The method used to calculate fees did not change from previous years. The method includes using an average productive hourly rate, Indirect Cost Rate Proposal (ICRP) including division specific indirect costs, direct laboratory test supply costs, the consumer price index, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of minutes from the time study. The increased fees are primarily due to an increase in indirect labor, an ICRP increase from 20.3% to 26.2%, consumer price index increase from 0.5% to 2.0%, and laboratory testing kits specific to the type of test. The increase is partially offset by a decrease to direct fee related labor, the result of a decrease in the overall amount of direct labor hours involved in testing.

Recommended Changes

A total of 107 fees are recommended to increase, with 63 or 59% increasing by 10% or more. No fees are recommended to increase by more than 15.2%.

The fees recommended to increase are for a variety of laboratory tests. The three tests most frequently performed are for Chlamydia, Gonorrhea, and HIV-1 antibody, all increasing by less than 8%. It is important to note, however, that virtually all tests are performed for Medi-Cal patients, the State Office of Family Planning program or for clients that are privately insured. These funding sources pay a fixed, predetermined rate for each test, which is typically lower than the fee reflected on the fee schedule. Also, it is important that fees are set at actual costs in the event reimbursement rates increase over time. Given this situation, the increases in fees may not generate additional revenue.

Seven fees are recommended to decrease due to a decrease in the specific direct laboratory test supply costs and a decrease in time it takes to complete the test. Three of those seven fees are decreasing by more than 10%. The most significant decrease is for a respiratory lower PCR panel, decreasing by 39% or $151 due to new time saving technology and a decrease of the direct cost of the test supplies.

Cost Recovery

A majority of fees (83% or 89 out of the 107 fees) are set at full cost recovery. Under the authority of the Health Officer and California Health and Safety Code, fees may be waived or reduced to an amount that the patient is able to pay.

Fee Revenue Projection

Revenue is expected to remain flat at about $1 million. Fee revenue comes in as reimbursement from third party payers (Medi-Cal, the State Office of Family Planning, and private insurance), and are not guaranteed to increase in response to increased charges for services. Public Health is assuming that 67.6% of services will be reimbursed in FY 2017-18, compared to 72.3% in FY 2016-17 due to uncertainty as to whether the third party payer sources will increase their

reimbursement rates as well. The total anticipated units of service are expected to increase by less than 1%.

Public Health – Nursing

Nursing has a current total of 14 fees, with 12 recommended to increase, 2 recommended to remain unchanged, and 3 set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
14	2	12	0	0	0	14	3

Calculation Method

The method used to calculate fees did not change from previous years. The method includes using an average productive hourly rate, Indirect Cost Rate Proposal (ICRP), consumer price index, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of minutes from the time study. Primary factors contributing to the increase in fees are related to a higher hourly rate due to an ICRP increase from 20.3% to 26.2%, a consumer price index increase from 0.5% to 2.0%, and general salary and benefit increases, including an additional 10% rate increase for hard to recruit nursing positions.

Recommended Changes

A total of 12 fees are recommended to increase, of which 2 are recommended to increase by 10% or more. Those include a 10% or $7 increase for a 15 minute office visit for an established client and a 10% or $2 increase for two or more immunizations during one office visit. Those services are either billed to third party payer sources (Medi-Cal and the State Office of Family Planning), or a sliding fee scale is used. Medical Marijuana ID cards are recommended to increase by 9% or $9 due to increases in labor, the ICRP rate, and consumer price index rate, which are partially offset by decreases in services and supplies and a 20 minute decrease in the time it takes for the service to be provided (from 80 minutes down to 60 minutes).

Cost Recovery

The nursing division is not expected to achieve cost recovery for a majority of the fees (only three fees are set at full cost recovery) because third party insurance carriers do not reimburse at full cost. In high-risk situations where the health and well-being of a client or the public are deemed to be a public risk, fees may be waived or a sliding scale used with federal poverty guidelines based on family size and income level. Additionally, a sliding scale is used for family planning services to ensure that all individuals have the ability to access reproductive health services. The fees are consistent with low income clinics in the community, and only 2% of clients are eligible for the sliding scale.

Fee Revenue Projection

Estimated revenue is anticipated to increase by $98,387 or 11% compared to the FY 2016-17 revenue estimate of $887,988, and $11,150 or 1% compared to the FY 2016-17 budgeted amount of $975,250. One of the factors affecting the proposed revenue amount is that while Nursing fees may be increasing, third party insurance carriers' reimbursement rates may not, thus explaining the modest revenue increase of 1% compared to the FY 2016-17 budgeted amount. As a result, the estimated percentage of reimbursement from third party insurers is falling to 82%, from an estimate of 85% in FY 2016-17.

Public Health – Suspected Abuse Response Team (SART)

SART has a current total of 6 fees, with 6 recommended to increase, all set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
6	0	6	0	0	0	6	6

Calculation Method

The method used to calculate fees did not change from the prior year. The method includes using an average productive hourly rate, indirect cost rate proposal rate (ICRP), CPI, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of minutes from the time study. The fee increases are due to an ICRP increase from 20.3% to 26.2%, a consumer price index increase from 0.5% to 2.0%, and salary and benefit increases, including an 8% increase for hard to recruit nursing positions that went into effect in FY 2016-17. The increases are partially offset by a decrease in costs related to independent physician contractors for the program.

Recommended Changes

All six SART fees are recommended to increase by approximately 9% due to the reasons stated above. SART fee revenue is based on the estimated number of non-County entities (cities) requesting an evidentiary medical exam, sometimes referred to as a SART exam.

Cost Recovery

All of the fees are set at full cost recovery.

Fee Revenue Projection

The fee revenue for FY 2017-18 is projected to remain flat compared to FY 2016-17 budgeted amount of $60,000. While the fees are increasing, the number of SART level 3 exams is projected to decrease by three or 10%.

Public Health – Tobacco Control

Tobacco Control has a current total of 1 fee and it is recommended to increase. The fee is set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
1	0	1	0	0	0	1	1

Calculation Method

The method used to calculate the fee did not change from previous years, which includes using an average productive hourly rate, indirect cost rate proposal rate (ICRP), consumer price index, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of minutes from the time study. Factors contributing to the increased fee include a higher hourly rate due to an ICRP increase from 20.3% to 26.2%, consumer price index increase from 0.5% to 2.0%, and salary and benefit increases. The increase is partially offset by a decrease in services and supplies for fee related gift cards and incentive items for training of student volunteers.

Recommended Changes

The *Tobacco Retailer License* fee is recommended to increase by less than 1% (from $488 to $492) due to increases in

costs mentioned above. The Auditor fee of $69 remained unchanged and the Sheriff's salary costs decreased by 3% due to utilizing staff at lower steps and the number of stores increasing from 63 to 67, spreading the total costs over more units of service. The Sherriff's Office, in coordination with Public Health's staff, run compliance checks on tobacco retailers.

Cost Recovery

The tobacco retailer license fee is set at full cost recovery.

Fee Revenue Projection

The revenue for the Public Health portion of the fee only is projected to increase by $2,129 or 13%, from $16,028 to $18,157 compared to the FY 2016-17 budget. The total fee revenue for all departments involved is projected to be $32,964 in FY 2017-18, which is $2,220 or 7% more than the FY 2016-17 estimated amount of $30,744. The Auditor is projected to receive $69 per license for a total of $4,623 in FY 2017-18, and the Sheriff's Department is projected to receive $152 per license for a total of $10,184. Service units, or the number of tobacco checks, are also anticipated to increase 6% (from 63 to 67), as previously discussed.

Public Works – Special Services – Fund Center 201

Public Works – Special Services has a current total of 27 fees, with 13 recommended to increase and 2 to decrease in FY 2017-18.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
27	12	13	2	0	0	27	25

Calculation Method

The method used to calculate fees did not change from previous years. Methods include using actual costs averaged over the most recent three year time span, with a few exceptions. One fee (*Filing Corner Records*) is set by statute, two fees (*Flood Hazard Reports* and *Annexation Map Review*) are increasing according to the CPI (2.0%), and a number of fees incorporate deposits and reimbursements for specific large-scale projects.

Recommended Changes

Thirteen fees are recommended to increase between 1.8% and 25%, while most increases are below 5%. Increases are due to a higher three-year average of costs, an increase in overhead, and an increase in the CPI. The most significant increases in terms of dollar amount and percent change are for the *Conditional Use Permit* (from $1,806 to $2,257 or 25%), the *Building Permit Review – FEMA* (from $398 to $442 or 11%), and the *Building Permit Initial Review* (from $49 to $54 or 10%).

Public Works processes about 23 *Conditional Use Permits* per year. These permits are typically for large or contentious land development projects, and a number of these complex projects have required a greater amount of time and senior staff to process. The fee amount is proposed to increase in order to reflect and continue to fully recover these additional costs.

The *Building Permit Review – FEMA* service is required only about 6 times per year for ensuring that structures are located to minimize flood hazards. Less complicated projects are subject to a lower fee (the *Drainage Flood Building Permit*, at $145), while the former fee is for those requiring engineering services, site inspections, meetings with applicants, and other time-consuming activities. The increase represents a one-half hour increase in staff time for this permit.

Approximately 1,000 customers per year use the *Building Permit Initial Review* service, which is proposed to increase $5, from $49 to $54. This increase in cost is driven in part by the CPI and overhead, but also to reflect more time required for review and corrections from encroachment, drainage, road improvements, and stormwater regulatory compliance.

Two fees are recommended to decrease reflecting a revised three-year average cost, including the *Parcel Map Application* (from $1,201 to $1,169 or 3%) and *Drainage Flood Building Permit* (from $158 to $145 or 8%).

Cost Recovery

All fees are set at full cost recovery except for *Filing Corner Records* and *Records of Survey*. The *Filing Corner Records* fee is limited by statute and cannot exceed the cost for recording a two-page deed, which is currently set at $17 by the Clerk-Recorder. The *Records of Survey* fee is subsidized 50% per Board policy to encourage the filing of maps.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to increase by $12,287 or 4.6% compared to the FY 2016-17 budgeted amount of $264,922.

Public Works – Roads – Fund Center 245

Public Works – Roads has a current total of 14 fees, with 4 recommended to increase and 4 to decrease in FY 2017-18.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
14	6	4	4	0	0	14	11

Calculation Method

The method used to calculate fees did not change from previous years. Methods include using actual costs averaged over the most recent three year time span and incorporating an increase in the CPI (2.0%), with a few exceptions.

Recommended Changes

Eight fees are proposed to change, with four increasing and four decreasing. All of these changes reflect revised three-year cost history information, as well as the CPI for those which are increasing. The proposed percent changes are moderate, between -7.7% and 7.2%. The *Transportation Encroachment* and *Transportation Blanket Encroachment* fees are set by Caltrans and are not proposed to change.

Cost Recovery

All but three fees are set at full cost recovery. The ones that are not include the *Transportation Encroachment*, *Transportation Blanket Encroachment*, and *Adopt-A-Road* fees. The first two are set by Caltrans and the third is meant to encourage participation in the Adopt-A-Road program and therefore only reflects the cost of the sign used to indicate the name of the sponsor.

Fee Revenue Projection

The projected fee revenue for FY 2017-18 is expected to increase by $9,085 or 4.5% compared to the FY 2016-17 budgeted amount of $200,044. This increase is largely driven by the *Utility Encroachment* fee service, which is estimated to be administered 33 more times than in FY 2016-17.

Treasurer-Tax Collector – Fund Center 108

The Treasurer-Tax Collector has a total of 36 fees with 29 recommended to remain unchanged and seven to increase in FY 2017-18.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
36	29	7	0	0	0	36	25

Calculation Method

The methodology used to calculate proposed fees has not changed from prior years. Fee calculations are based on average productive hourly rate, Indirect Cost Rate Proposal (ICRP), and time studies. These methods were utilized for all fees, except for the Card Games or Tables for Hire Fee, which were determined based on a survey of comparable counties to determine an appropriate fee amount.

Recommended Changes

Of the 36 fees charged by the Treasurer-Tax Collector, seven are proposed to increase $0.14 to $1.00 or 0.6% to 6.3%. None are considered significant increase or controversial.

Cost Recovery

Eleven fees are not set at full cost recovery. Of these, seven are fixed amounts set by State Statute. Two are subject to programing constraints by the Property Tax System and two are rarely used and have no associated revenue.

Fee Revenue Projection

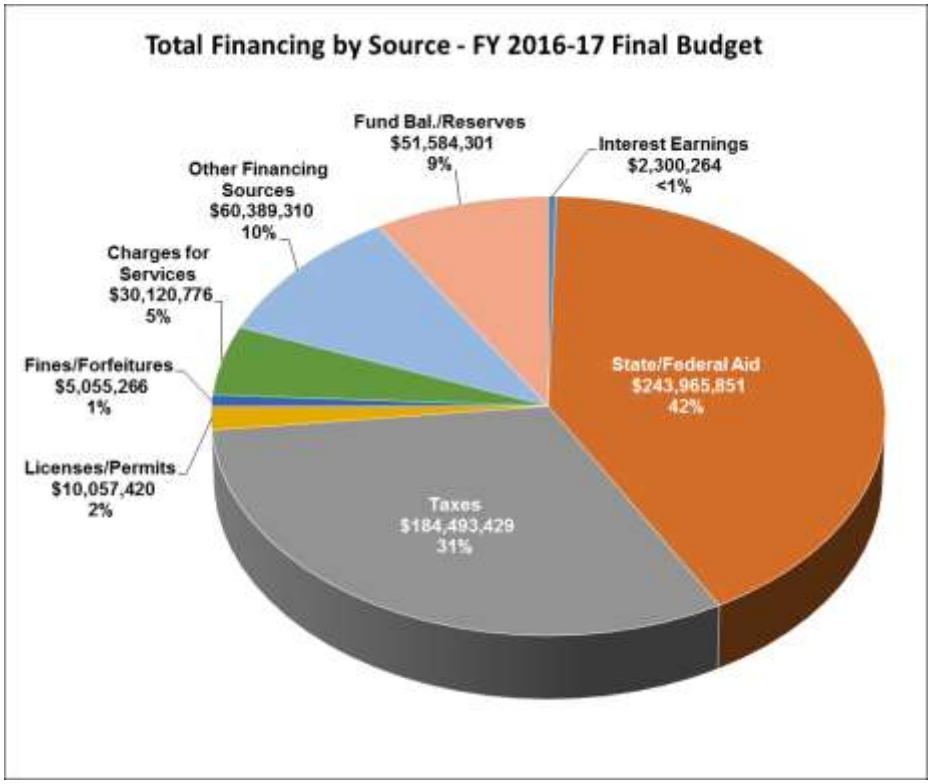
Overall, FY 2017-18 fee revenue in the amount of $460,098 is an increase of $3,725 or 0.8% when compared to FY 2016-17 revenue. This projection includes $51,409 in revenue collected from the timeshare separate bill fee. This revenue is budgeted in Non-Departmental Revenue. Public Administrator revenue in the amount of $32,500 is collected by the Treasurer-Tax Collector and transferred to the Auditor where the program now resides. FY 2015-16 actual revenue was a $29,713 or 6.6% decrease from FY 2014-15 levels of $50,137.

OTHER AGENCY INVOLVEMENT/IMPACT

All departments that charge fees are responsible for updating their fee schedules, supported by actual cost calculations or other methods as mentioned above. The proposed fees have been reviewed and approved by the appropriate commissions and advisory bodies. All calculations are reviewed by the Auditor's Office for compliance with accepted methodology as allowed per the State Government Code. The fees are then submitted to the Administrative Office, where they are reviewed for County policy consistency and to ensure fee revenue does not exceed the costs of providing services. County Counsel has reviewed the fee authority and fee ordinance for form and legal effect.

FINANCIAL CONSIDERATIONS

Fees help offset the cost of providing non-tax supported County services to those who benefit from them. Fees for services, including charges for services, fines/forfeitures, and licenses/permits, represent approximately $45.2 million of the County's sources of financing for FY 2016-17. This compares to other major revenue sources of $244 million of State/Federal Aid (42% of total revenues) and $298.8 million in taxes, interest, and other financing sources, as well as fund balance/reserves (50% of total revenues). Fees for services represent approximately 7.7% of total revenues. This is on-par with fee-related revenue in FY 2015-16, which was 7.8%, and in FY 2014-15, which was 7.9%. The total amount of budgeted revenue from departments that is anticipated to be generated from fees in FY 2017-18 constitutes an increase of only $95,141 or 0.31% over FY 2016-17.



Fees as a percentage of funding in FY 2017-18 are unknown at this time since the budget for FY 2017-18 has not yet been created.

RESULTS

This hearing allows departments to adopt changes to County fees in order to recover costs and to allow for reduced fee amounts where efficiencies or other cost savings measures have been made. The hearing also provides an opportunity for the public and the Board of Supervisors to discuss fee amount changes, cost-recovery through fees, how fees are calculated, and the difference between tax-supported services and fee-supported services.

Implementation of the fee schedule will continue the Board of Supervisors' past practice of recovering costs from those who benefit from certain services the County provides beyond the basic tax supported services.

ATTACHMENTS

Fee Schedule "A" Changes
Fee Schedule "B" Changes
FY 2017-18 Fee Ordinance