



# San Bernardino County

## Legislation Text

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**File #: 1974, Agenda Item #: 58**

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### **REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF THE BOARD GOVERNED COUNTY SERVICE AREAS AND RECORD OF ACTION**

**April 7, 2020**

#### **FROM**

**LUTHER SNOKE, Interim Director, Special Districts Department**

#### **SUBJECT**

Introduction of Proposed Ordinance relating to the 2020-21 Recommended Fees and Charges for Various Board Governed County Service Areas and Zones

#### **RECOMMENDATION(S)**

CONTINUED FROM TUESDAY, MARCH 24, 2020, ITEM NO. 73:

Acting as the governing body of Board Governed County Service Areas and their Zones:

1. Conduct a public hearing on proposed ordinance repealing Ordinance No. SD 19-02 and establishing various fees and charges for 2020-21.
2. Make alterations, if necessary, to proposed ordinance, including:
  - a. Amend ordinance to add Section 9. to include language to defer payment, eliminate the fee cap associated with the waiving of fees other than by the Board of Supervisors in the event of a disaster or other good cause shown to serve a public purpose, and to require approval by the County Chief Executive Officer, when obtaining Board of Supervisors' approval is not immediately feasible.
3. Approve introduction of proposed ordinance.
4. Read title only of proposed ordinance, waive reading of the entire text, and SCHEDULE FOR FINAL ADOPTION ON TUESDAY, APRIL 21, 2020 on the Consent Calendar.

(Presenter: Luther Snoke, Interim Director, 386-8811)

#### **COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

#### **FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The fees and charges for the County Service Areas (CSAs) and their Zones, including the Water and Sanitation Districts, are projected to generate an aggregate amount of approximately \$14.6 million in revenue for 2020-21. This revenue will be used to offset the cost of providing services.

Appropriation and revenue related to these fees and charges will be included in the 2020-21 Recommended Budgets for the applicable CSAs and Zones.

#### **BACKGROUND INFORMATION**

The Special Districts Department (Department) annually introduces a fee ordinance to the Board of Supervisors (Board) that may include fee revisions, the deletion of certain fees, and/or the addition of new fees for a variety of services including refuse, road maintenance, parks and recreation, detention basin

maintenance, landscaping, and streetlighting. For 2020-21, the Department is recommending several revisions, including the following significant changes:

- **Productive Hourly Rates:** The Productive Hourly Rates (PHRs) are revised for 2020-21 to include adjustments for recently negotiated employee memoranda of understanding (MOU), salary step changes, retirement rates, and other employee benefit costs. These revisions are needed to recover the full cost of service. Although the Department uses the average cost per classification when calculating the PHRs, the amount of salaries and benefits can fluctuate annually depending on the budgeted employees within each classification. As a result, the PHRs for 2020-21 include significant variances in percentage changes among the various classifications.
- **Service Charges:** Many of the CSAs contain service charges that generate revenue for various costs including, but not limited to, the following: road maintenance, snow removal, streetlights, park operations/improvements, and maintenance of detention basins. The per parcel service charge for a number of these CSAs includes the option for an annual inflationary adjustment (up to 1.5% or 2.5% depending on the CSA) as approved by the Board upon formation of the CSA. The Department is recommending implementation of this inflationary adjustment for 2020-21.

In addition to the above, the Board recently approved the formation of six new CSAs (five for streetlight services and one for detention basin maintenance) and established an annual service charge on parcels within each CSA. The 2020-21 recommended Fee Ordinance includes the addition of these previously approved service charges.

- **Water and Sanitation User Rates:** In 2017, the Board approved a five-year rate plan for the following CSAs:
  - Sanitation Districts:
    - County Service Area 70, Zone BL (Bloomington)
    - County Service Area 70, Zone GH (Glen Helen)
    - County Service Area 82 (Searles Valley)
  - Water Districts:
    - County Service Area 70, Zone CG (Cedar Glen)

For 2020-21, the fees for these CSAs are increased in accordance with year four of the approved five-year plan. The Department is presently in the process of conducting a fee review for all Water and Sanitation Districts. At the conclusion of this process, the Department will submit its recommendations for the Board's consideration and approval.

- **Various Fees:** Certain fees pertinent to the following are revised to now recoup actual costs as these requests can often vary in the amount of labor needed to provide the service:
  - Processing applications for division of land and bond.
  - Formation/Annexation/Detachment/Re-organization of a Board-Governed County Service Area or Special District Zone.
  - Inspections (Open Trench Excavation and Road Repairs/Improvement).
  - Streetlight Plan Check.

By revising these fees to reflect the actual cost of service, the Department is able to simplify the Fee Ordinance through deleting several related fees that will no longer be necessary.

- **Reproduction Charges:** Fees pertaining to copies of the Special Districts Water and Sewer Standards book are no longer applicable as the book is now available online and free of charge.

The Department ensures fee amounts comply with Proposition 26. Proposition 26 generally requires fees not to be higher than the cost of the activity and/or service provided, unless an exception applies as provided in the proposition. Some recommended fee amounts do not recover the full cost of services including those where 1) property tax revenue received partially funds the services and 2) fee increases are limited to a voter-approved fixed annual percentage.

On February 25, 2020 (Item No. 2), a fee workshop with the Board was conducted to discuss the 2020-21 proposed fees. This workshop resulted in no changes to the recommended fee proposal for the CSAs and their Zones. In response to the current COVID-19 pandemic, the addition of Fee Ordinance Section 9. is recommended to allow the Director of Special Districts to defer payment of, waive, or refund any fee in the event of a disaster, or other good cause shown to serve a public purpose if the following conditions are met:

1. Exigent conditions exist whereby obtaining Board approval of the fee waiver/refund/deferral would not be immediately feasible; and
2. The Department receives concurrence from the County Chief Executive Officer.

This proposed language change eliminates the \$500 fee amount threshold, offers the ability to defer payment, and requires concurrence by the County Chief Executive Officer.

Repeal of Ordinance No. SD 19-02 and establishment of the 2020-21 fees will be effective July 1, 2020.

#### **PROCUREMENT**

Not applicable.

#### **REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Dawn Martin, Deputy County Counsel, 387-5455 and Kenneth Hardy, Supervising Deputy County Counsel, 387-5401) on March 25, 2020; Finance (Wen Mai, Principal Administrative Analyst, 387-4020 and Tom Forster, Administrative Analyst, 387-4635) on March 25, 2020; and County Finance and Administration (Kelly Welty, Deputy Executive Officer, 387-5423) on March 25, 2020.