The County of Yuba

Community Development and Services Agency

TO: Board of Supervisors

FROM: Community Development and Services Agency
Mike Lee, Director
Kevin Perkins, Assistant Director
Melanie Marquez, Financial Manager

SUBJECT: Community Development and Services Agency: Ordinance - Hold public hearing, waive first reading and introduce Ordinance repealing and re-enacting Chapters 13.00.054, 13.20.100, 13.20.200, 13.20.300, 13.20.400, 13.200.500 and 13.20.600 of the Yuba County Consolidated Fee Ordinance Code

DATE: April 9, 2024

NUMBER: 154/2024

Recommendation:

Adopt Ordinance – Hold public hearing, waive first reading and introduce Ordinance repealing and reenacting Chapters: 13.00.054, 13.20.100, 13.20.200, 13.20.300, 13.20.400, 13.200.500 and 13.20.600 of the Yuba County Consolidated Fee Ordinance Code for Fiscal Year 2024-2025.

Background:

Each year, County Departments conduct reviews of their fees to ensure they accurately reflect the true cost of services. As part of this process, CDSA has made adjustments by adding new fees, eliminating obsolete ones, and revising fee labels. Additionally, the department seeks to update fees based on an inflationary factor to maintain financial sustainability.

CDSA is almost exclusively a fees for service department with very limited contributions from the General Fund or other outside sources. Land use services provided by CDSA are mandated by the State and require substantial staff time and resources to process projects, and administer and educate the public on regulatory requirements. Maintaining a healthy fee structure ensures residents that they can receive timely and effective assistance when accessing county services by having adequate staffing levels and service capacity.

Discussion:

Historically, CDSA has attempted to keep fees as low as possible, while at a level that covers service costs and minimizes reliance on the General Fund. However, a comprehensive review of fees has not been conducted in over a decade, leading to a mismatch between costs and revenues. This is compounded by the fact that CDSA has only raised its hourly billing rate from $147/hr to $157/hr over the last decade, a rate significantly less than the corresponding inflationary increases.

Having adequate and appropriate department rates helps reduce the burden on taxpayer funds and the General Fund, while maintaining the long-term financial sustainability of the Agency. The overarching goal is to align projected costs with revenue targets to support effective budget planning and resource management. For FY 24/25, CDSA is proposing a 15% increase in hourly rates, from the current $157/hr. to $180/hr. The proposed increase is warranted and justified by considering several key factors identified below:

1. **Consumer Price Index (CPI):** The CPI data shows a significant increase in costs from 2014 to current day, with a calculated CPI increase of 34.77%. The proposed rate increase aims to better align fees with current inflationary trends.
2. **Surrounding Jurisdiction Comparison:** A comparison of hourly rates with neighboring jurisdictions (Butte, Nevada, and Sutter) reveals that even with the proposed increase, Yuba County's rates will remain the lowest. This strategy ensures that residents and businesses receive cost-effective services while enabling CDSA to cover operational expenses.
3. **Internal Cost Increases:** CDSA has experienced notable cost increases over the past decade, including employee-related costs (such as health insurance and pension contributions), operational expenses (such as liability insurance, software and other IT charges, and vehicle charges), A-87 charges, and other overhead costs. Most, if not all, of these increases are outside of our control and are simply passed on to or assigned to us. The proposed rate adjustment will help offset these rising expenses and ensure the sustainability of service delivery.
4. **Hourly Rate Analysis:** An analysis based on the 23/24 budgeted costs, including operational expenses (salaries, benefits, services and supplies), versus reimbursements from user fees and other revenue sources, and potential billable hours, supports the need for the proposed rate increase to maintain service levels and financial sustainability.

After careful consideration of the factors outlined above, CDSA is proposing a 15% increase in hourly rates for land use services for FY 24/25. This adjustment is crucial for covering operational costs, maintaining service quality, and ensuring the long-term financial viability of the agency.

Going forward, to avoid a large increase in one given fiscal year, CDSA will propose to increase its hourly rate annually by the CPI inflationary factor.

Committee Action:

This item was not heard at Committee as it is traditionally brought before the full Board for consideration.

Fiscal Impact:

The proposed revisions to the Consolidated Fee Ordinance and associated fee schedule represents the department's estimate of the cost to provide services or are set by state law. Consequently, fee adjustments, either up or down, are meant to eliminate a subsidy or to ensure there is no revenue in excess of the cost of the services provided from the fees being charged to perform the services.

Approval of the fee increase will result in a corresponding 15% increase in all user fees and billable hours providing additional revenues to cover operational expenses of the Agency.

Attachments:

154/2024 FY 24-25 Master Fee Ordinance
154/2024 FY 24-25 Revised Fee Schedule
154/2024 FY 24-25 Fee Ordinance Summary of Changes