



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: April 5, 2022 and April 26, 2022

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TO: Board of Supervisors

SUBJECT

NOTICED PUBLIC HEARING: FINANCE AND GENERAL GOVERNMENT GROUP FEES AND RATES RELATING TO DEBT SERVICES, OFFICE OF COUNTY COUNSEL, AND CLERK OF THE BOARD OF SUPERVISORS (DISTRICTS: ALL)

OVERVIEW

Today's actions request that the Board of Supervisors (Board) review and approve amendments to San Diego County Administrative Code Article XX, San Diego County Administrative Code X-A, and the San Diego County Assessment Appeals Boards and Assessment Hearing Officers Rules of Procedure related to fees for Debt Services, provided by the Office of Financial Planning, and the Clerk of the Board of Supervisors. In addition, the Board is requested to approve a resolution relating to rates for the Office of County Counsel.

Today's recommended ordinance and resolution represent a comprehensive package that seeks to support the Finance and General Government Group's services. The proposed changes are the result of an analysis of services provided to the public, processing times, and corresponding costs to provide those services. The Finance and General Government Group reviewed a total of 10 fees, resulting in five increases and five decreases.

The Auditor and Controller has reviewed and approved the supporting documentation and the methodology for establishing the fees in this proposal for Fiscal Year 2022-23.

Today's actions include adoption of a resolution relating to County Counsel hourly billing rates and approving the introduction of three ordinances that amend fees and rates charged by Debt Services and the Clerk of the Board of Supervisors.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

On April 5, 2022:

1. Pursuant to Article IX, Section 143, of the San Diego County Administrative Code, adopt a resolution entitled:

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A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO RELATING TO COUNTY COUNSEL HOURLY BILLING RATES FOR ATTORNEY AND PARALEGAL SERVICES

2. Approve the introduction of the following ordinances (First Reading):

AN ORDINANCE AMENDING ARTICLE XX OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO FEES AND CHARGES FOR DEBT SERVICES

AN ORDINANCE AMENDING ARTICLE X-A OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO FEES CHARGED BY THE CLERK OF THE BOARD OF SUPERVISORS

AN ORDINANCE AMENDING RULE 8(a) OF THE SAN DIEGO COUNTY ASSESSMENT APPEALS BOARDS AND ASSESSMENT HEARING OFFICERS RULES OF PROCEDURE RELATING TO FEES CHARGED BY THE CLERK OF THE BOARD OF SUPERVISORS FOR WRITTEN ASSESSMENT APPEALS BOARD FINDINGS AND CONCLUSIONS

If on April 5, 2022, the Board of Supervisors takes action as recommended on Item 2 above, then on April 26, 2022:

1. Submit ordinances for further Board consideration and adoption (second reading):

AN ORDINANCE AMENDING ARTICLE XX OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO FEES AND CHARGES FOR DEBT SERVICES

AN ORDINANCE AMENDING ARTICLE X-A OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO FEES CHARGED BY THE CLERK OF THE BOARD OF SUPERVISORS

AN ORDINANCE AMENDING RULE 8(a) OF THE SAN DIEGO COUNTY ASSESSMENT APPEALS BOARDS AND ASSESSMENT HEARING OFFICERS RULES OF PROCEDURE RELATING TO FEES CHARGED BY THE CLERK OF THE BOARD OF SUPERVISORS FOR WRITTEN ASSESSMENT APPEALS BOARD FINDINGS AND CONCLUSIONS

EQUITY IMPACT STATEMENT

The proposed actions would amend fees and charges for services that are provided to agencies or individuals outside of the County of San Diego organization. The fees and rates that are included in this fee package are intended to cover the full cost of services that will be provided to such agencies or individuals. By collecting the full cost of services, the County ensures that services

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that benefit a single agency or individual does not reduce the available resources that could be available to the entire region for other vital services that are provided by County departments.

FISCAL IMPACT

Funds for this proposal will be included in the Fiscal Year 2022-24 CAO Recommended Operational Plan for the Finance and General Government Group Executive Office, Office of County Counsel, and Clerk of the Board of Supervisors. If approved, the proposed rates and fees will ensure full cost recovery for services provided. Amounts are anticipated to be minimal for the Finance and General Government Group Executive Office. If approved, the proposed hourly rates for the Office of County Counsel’s attorneys and paralegals are projected to result in approximately \$3,348,000 of annual revenue generated from the hourly billable services provided to clients. If approved, the proposed fee package for the Clerk of the Board of Supervisors is projected to result in approximately \$10,000 of annual revenue. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

The proposed fee changes are considered reasonable and too small to have a measurable impact on the local business community.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The Office of Financial Planning, the Office of County Counsel, and the Clerk of the Board of Supervisors have recently conducted a review of their fees and rates. Board Policy B-29 (Fees, Grants, and Revenue Contracts—Department Responsibility for Cost Recovery) requires departments to ensure costs are fully recovered for services provided to agencies or individuals. To ensure compliance with this policy, the departments performed a comprehensive analysis of services provided to customers to examine the tasks and functions performed and their direct and indirect costs in relation to the specific services. The Auditor and Controller has reviewed and approved the fees and rates below, affirming that the methodologies used are consistent with Board Policy B-29 and in conformance with existing cost policies and procedures. All fee changes will go into effect on July 1, 2022.

The following provides an overview of the fee and rate adjustments, by department.

Debt Services

The Office of Financial Planning provides various administrative services related to debt financing including those for Tax, Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearings, Community Facilities District (CFD), and conduit financings. The Office of Financial Planning conducted a review of the fees and rates charged for these services and determined that the fees and rates should be established as follows:

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Fee Name	Fee
TEFRA Fee	\$991
CFD Issuance	17 basis points* of par value
CFD Administration	\$8,547
Conduit Administration	1.1 basis points* of outstanding par value

* basis point (bps) is equivalent to one hundredth of one percent; 1 bps = .01%

TEFRA Fee – This fee is assessed to nonprofit public benefit organizations or for-profit corporations with a public benefit project wishing to borrow at tax-exempt rates. These organizations are able to borrow via governmental joint powers authorities in which the County participates (JPA). In accordance with Internal Revenue Code Section 147(f), an applicable legislative body must provide approval for the JPA to proceed with its determination for the financing. This fee reimburses the County for costs associated with actions related to the TEFRA process.

CFD Issuance Fee – In compliance with Section 53312.7 of the Government Code, the County has developed Board Policy I-136, Comprehensive Goals and Policies for Community Facilities Districts, which includes parameters for special taxes to be levied within the boundaries of a CFD. In alignment with these goals and policies, the County supports projects that address a public need and provide a public benefit by facilitating the issuance of bonds to be repaid by special taxes collected within a CFD. This one-time fee is assessed for each bond financing of a CFD to reimburse the County for costs associated with the coordination of the financing structure and bond sale on behalf of a CFD.

CFD Administration (Annual Fee) – This ongoing fee is assessed annually to a CFD for each bond financing and covers the costs for the ongoing administration of the bonds after they have been issued.

Conduit Administration (Annual Fee) – Board Policy B-65, Long-Term Obligations and Financial Management Policy, provides that the Board may consider conduit financing on behalf of non-profit organizations upon recommendation of the Debt Advisory Committee. Conduit financing allows non-governmental entities to raise capital via tax-exempt bonds. In this type of financing, the County acts as the conduit issuer and assists a conduit borrower (the non-governmental entity). The conduit borrower is responsible for making payments to bondholders. Projects that may arise through this method of financing include projects that benefit either the public at large (airports, sewage facilities, etc.) or specific populations (students, low-income homebuyers, etc.). This fee is assessed annually to a conduit borrower for each bond financing to cover the costs associated with the oversight of the long-term obligations after the bonds have been issued.

Office of County Counsel

The Office of County Counsel provides legal services to billable clients, including special districts, and enterprise funds. County Counsel’s current legal services billing rates are \$247 per attorney hour and \$124 per paralegal hour. County Counsel conducted a review of its attorney and paralegal hourly billing rates by performing a full cost study. The study was based on projected Fiscal Year

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2022-23 costs for salaries and benefits and services and supplies, as well as on an average of three years' productive hours for billable attorneys and paralegals. The full cost recovery study concluded that the County Counsel billing rates for attorney and paralegal services should be established as follows:

Attorney Hourly Billing Rate	Paralegal Hourly Billing Rate
\$248	\$123

Clerk of the Board of Supervisors

The Clerk of the Board conducted a full review of its fees. The department has identified four fees that require action by the Board of Supervisors.

1. *Copies of Audio Recordings:* This fee is charged when a member of the public requests a copy of the audio recording from a Board of Supervisors' meeting, Property Tax Assessment Appeal Hearing, County Hearing Officer Hearing, or other public meeting. This fee has not been updated by the Board since 2018. The department conducted a cost study and determined the fee for an audio recording on compact disc (CD) should be increased from \$5.51 to \$6.50, primarily due to increases in labor costs.
2. *Passport Photo Fees:* Since 2010, the Clerk of the Board has been providing passport photo services to complement the department's passport acceptance services. Nearly 70% of the department's passport customers utilize the department's passport photo services. This fee has not been updated by the Board since 2009 as previous cost studies did not require adjustments to the fee. The department conducted a cost study and determined the fee for two passport photos should be increased from \$10.00 to \$11.00, primarily due to increases in labor costs. On average, passport photo fees charged at other passport acceptance facilities are \$14.00.
3. *Money Order Fees:* The Clerk of the Board provides money order issuance services to complement the department's passport acceptance services as the U.S. Department of State requires passport applications payments by check or money order. This fee has not been updated by the Board since 2003 as previous cost studies did not require adjustments to the fee. The department conducted a cost study and determined the fee for the issuance of a money order should be increased from \$1.30 to \$2.00 per money order, primarily due to increases in labor costs. Money order fees from the United States Postal Service and private sector businesses range from \$1.00 to \$2.00.
4. *Written Assessment Appeals Board Findings and Conclusions:* Property Owners may request a written summary of the facts and evidence used by the Property Tax Assessment Appeals Board in reaching its decision on a Property Tax Assessment Appeal. Revenue and Taxation Code, Section 1611.5 allows for a reasonable fee to be imposed by the County to cover the expense of preparing findings and conclusions. Rule 308 of the California Board of Equalization Property Tax Rules also states, "The county may impose a reasonable fee, as determined by the board of supervisors, to cover the expense of preparing

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the findings and conclusions and may require a deposit to be paid prior to the end of the hearing.” This fee has not been updated by the Board since 2018. The department conducted a cost study and determined the fee for the issuance of written assessment appeals board findings and conclusions should be increased from \$156 to \$169, primarily due to increases in labor costs. The fee is consistent with the Written Findings and Conclusions fee charged by other counties in the state and would be 52% lower than the average of counties with a population of over 1 million residents.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today’s proposed action to approve amendments to the fees and rates charged by Debt Services, the Office of County Counsel, and the Clerk of the Board of Supervisors supports the Sustainability and Empower Strategic Initiatives in the County of San Diego’s 2022-2027 Strategic Plan by aligning the County’s available resources with services to maintain fiscal stability and fiscal integrity.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Attachment A: Summary of Finance and General Government Group Fee Updates

Attachment B: Resolution for County Counsel Rates

Attachment C: Ordinance Amending Admin Code Related to Fees and Charges for Debt Services (Clean)

Attachment D: Ordinance Amending Admin Code Related to Fees and Charges for Debt Services (Informational)

Attachment E: Ordinance Amending Admin Code Related to Fees and Charges for Clerk of the Board (Clean)

Attachment F: Ordinance Amending Admin Code Related to Fees and Charges for Clerk of the Board (Informational)

Attachment G: Ordinance Amending Rule 8(a) of Assessment Appeals Board Rules of Procedure Related to Fees Charged by the Clerk of the Board (Clean)

Attachment H: Ordinance Amending Rule 8(a) of Assessment Appeals Board Rules of Procedure Related to Fees Charged by the Clerk of the Board (Informational)