



# WASHOE COUNTY

Integrity Communication Service

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CM/ACM	<u>X</u>
Finance	<u>X</u>
DA	<u>X</u>
Risk Mgt	<u>n/a</u>
HR	<u>n/a</u>
Other	<u>n/a</u>

## STAFF REPORT

BOARD MEETING DATE: February 14, 2017

**DATE:** Wednesday, February 08, 2017

**TO:** Board of County Commissioners

**FROM:** Mark Mathers, Budget Manager  
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**THROUGH:** Christine Vuletich, Assistant County Manager  
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**SUBJECT:** Receive presentation on fees charged by county departments to public and other governments for services, including but not limited to discretionary statutory fees, autopsy fees, incarceration fees, dispatch fees, forensic services, franchise fees, and surcharge fees; and provide direction to staff. [No impact]. (All Commission Districts)

### SUMMARY

Washoe County collects approximately \$61 million annually in fees and charges, including certain fees categorized as intergovernmental revenues, fines and miscellaneous revenues. An initial fee review was conducted by the Budget Office, and this presentation provides tentative conclusions and recommendations for future actions.

Washoe County Strategic Objective supported by this item: Stewardship of our Community

### PREVIOUS ACTION

The Board of County Commissioners (BCC) approved the Fiscal Year 2016-17 final budget on May 17, 2016, which includes fee revenues based on existing rates and fees. Throughout the years, the BCC has periodically received requests for updates or changes to fees from departments.

### BACKGROUND

Last year, the Budget Office began a review of fees charged and collected by County departments. This review included fees set by the Nevada Revised Statutes as well as fees set by the BCC either via staff report, resolution or ordinance. The attached presentation summarizes the steps undertaken in this review, tentative conclusions and options for the BCC to consider.

### FISCAL IMPACT

There is no fiscal impact related to this item.

AGENDA ITEM # 7

**RECOMMENDATION**

It is recommended that the Board of County Commissioners receive the presentation on fees charged by county departments to public and other governments for services, including but not limited to discretionary statutory fees, autopsy fees, incarceration fees, dispatch fees, forensic services, franchise fees, and surcharge fees; and provide direction to staff.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendations, a possible motion would be: "Move to receive the presentation on fees charged by county departments to public and other governments for services, including but not limited to discretionary statutory fees, autopsy fees, incarceration fees, dispatch fees, forensic services, franchise fees, and surcharge fees; and direct staff to pursue the options for fee reviews identified in the attached presentation."



# Washoe County Fee Discussion and Direction

February 14, 2017



# Why Do a Fee Review?

- For many departments, fees have not been reviewed in a number of years.
  - Thus, fees for these departments have not kept up with inflation and COLA's.
- Fees provide a method for the County to recover its costs for services provided to a specific set of customers.
  - Otherwise, the service is being subsidized by taxpayers.
- If fees can recover 100% of costs, general tax dollars can then go to pay for services (public safety, legal, judicial) that cannot be supported by fees.



# Why Do a Fee Review?

- Even with revenue growth, it is still important to look at cost recovery.
  - Going forward, tax revenues are likely to flatten.
- County policy
  - User fees “shall be established at a level related to the cost of providing those services. The user fees shall be adjusted on a predetermined schedule or annually so as to avoid major fluctuations.”
  - The County’s enterprise funds shall review user fees on a predetermined schedule approved by the Board of County Commissioners or annually



# Initial Fee Review

- Last year, Budget Office began a review of fees collected by County departments
- No master County fee schedule
- Take-aways from review:
  - Master County fee schedule that would be brought to the BCC as part of the budget process
  - Revenue Manual
  - Consideration of future fee/rate studies



# Types of Fees

## Fees subject of this Review:

1. Fees for services to public
  - Some set specifically by State law
  - Others set by BCC either via staff report or ordinance
2. Fees paid by other government agencies
  - ME's Office: Autopsy and other fees paid by non-Washoe County agencies
  - Sheriff: Federal incarceration fees
  - Sheriff: Dispatch fees paid by non-Washoe County agencies
  - Sheriff: Forensic services to local governments
3. Franchise Fees/Other Surcharges (E911)



# Types of Fees (Cont'd.)

## Other Fees that were not considered in this

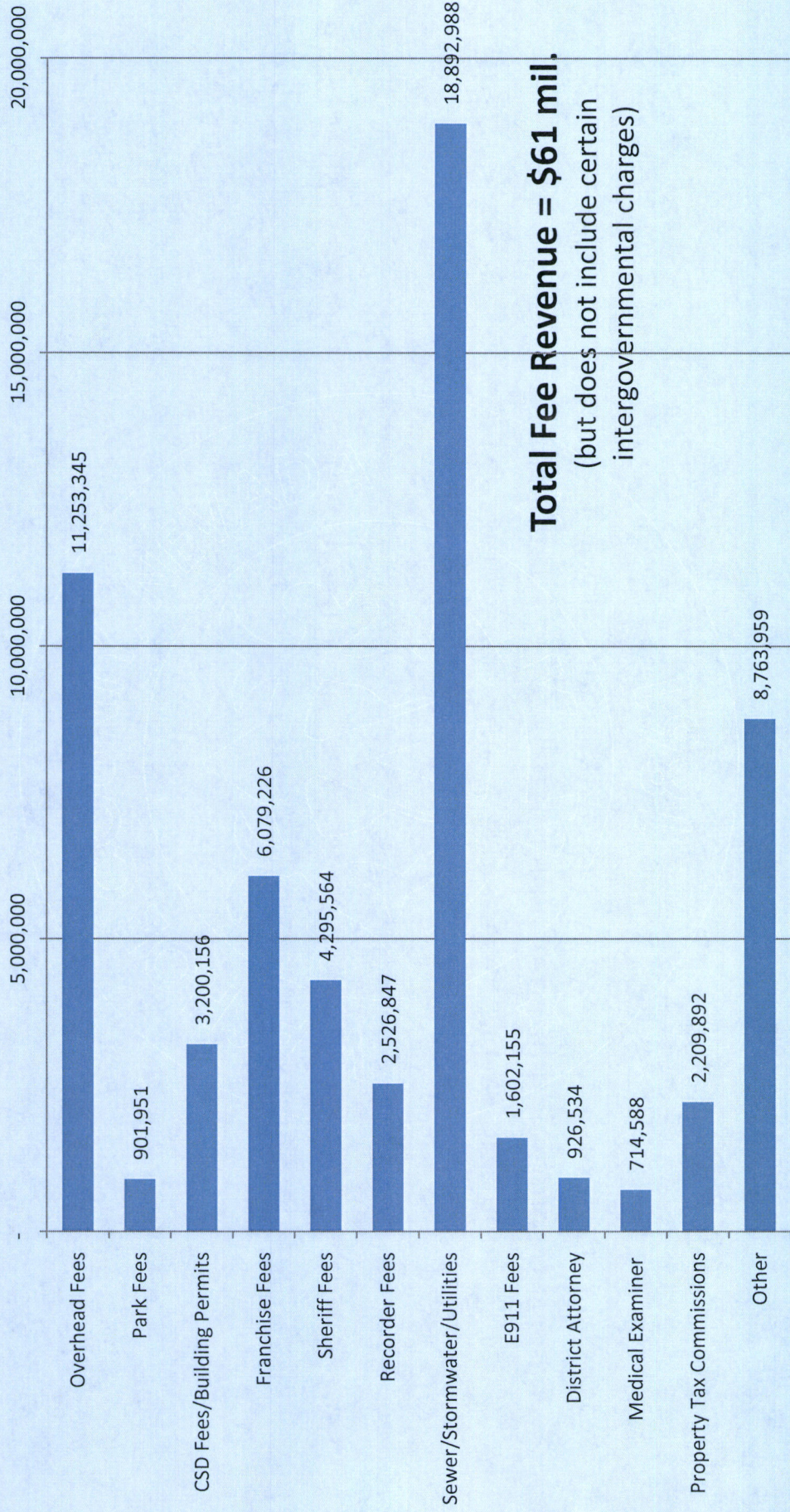
### Preliminary Review:

4. Property tax fees set by law (penalties, commissions on personal property taxes)
5. Fees, fines, and forfeitures set by the District Court and justice courts
6. Health District fees





# FY2016 County Fee Revenue





# When were Fees Set?

Fees Last Updated	Departments
Pre-Great Recession:	Alternative Sentencing, Public Administrator, Public Guardian, Animal Services, Business Licenses, Juvenile Services
Late 2000's:	Building & Safety
Since 2010: (in last five years)	Liquor Licenses, Parks & Recreation, Utilities (Sewer, Stormwater), Medical Examiner, certain District Attorney fees, Library, miscellaneous fees for Building & Safety
Other:	Fees imposed in the Washoe County Development Code (Chapter 110) have been adjusted multiple times but have not been comprehensively reviewed for a number of years.
Fees set by NRS:	County Clerk, County Recorder, County Treasurer, Gaming Fees, certain D.A. fees, certain Sheriff fees, Registrar of Voters





# Tentative Conclusions of Budget's Review

- 1. Need for a comprehensive, more centralized process to review fees**
  - a) Fee adjustments have been made in an ad hoc way
  - b) Disparity between departments and approaches used
  - c) Incorporate as part of the budget process
- 2. Initial Review indicates some fees may not provide full cost recovery**
- 3. Policy Issues – balance of:**
  - a) Cost recovery
  - b) Market considerations
  - c) Policy for subsidy of certain functions



# Possible Next Steps

1. **Continue to develop master fee schedule and bring it to BCC as part of FY18 budget process**
  - a) Provides a more comprehensive look versus periodic, unscheduled fee revisions by departments
  - b) Update existing fees that are based on hourly rates for current County salaries and benefits – but with some cap
  - c) Annual inflation adjustment



# Possible Next Steps (Cont'd.)

## 2. Prioritize areas for potential fee studies

- a) Development Services first, due to somewhat unique nature of services and fees.
  - A fee study in this area is an initiative of the County Strategic Plan Goal of “Being Responsive to Pending Economic Impacts”.
  - Include review of peer agency fees.
- b) Prioritize remaining departments/areas of the County after completion of Development Services review



# Possible Next Steps (Cont'd.)

## 3. Validation of basis for franchise fees and surcharges such as E911 fees

- a) Due to changes in city/county boundaries, technological developments, etc., is there a need to review remittances of fees to County by franchisees?
- b) Policy decision – do not seek retroactive payments due to errors, prospective only
- c) Consider issuance of RFP to be brought back to BCC



# Questions?

