

BOARD OF SUPERVISORS | MAY 19, 2020

TREASURER-TAX COLLECTOR FEE SCHEDULE UPDATE

Presentation of Findings

ClearSource Financial Consulting

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PURPOSE OF FEE STUDY

Optimize Revenues Available to Fund County Services:

- ➔ Ensure user and regulatory fees are set according to the **costs of service**, in compliance with statutory allowance and limits
- ➔ Enable more direct recovery of costs incurred to serve **private interests/benefit** or respond to **individual actions**
- ➔ Provide opportunity for **relief to General Fund resources** that are often viewed more critical to services of broader public benefit, subject to Board of Supervisors policy direction
- ➔ Enable **continuity of service level expectations** by improving cost recovery levels

STUDY SCOPE

⇒ Not Examined

- Taxes are NOT examined as part of this study (e.g. Property Tax, Transient Occupancy Tax)

⇒ Examples of Fees Examined

- Business Licenses
- Tax Collector Support for Property Sales
- Special Requests for Tax Collector Services

STATUTORY ALLOWANCE AND LIMITATIONS

Board of Supervisors has Authority to Directly Approve User and Regulatory Fees and Increases to Fees:

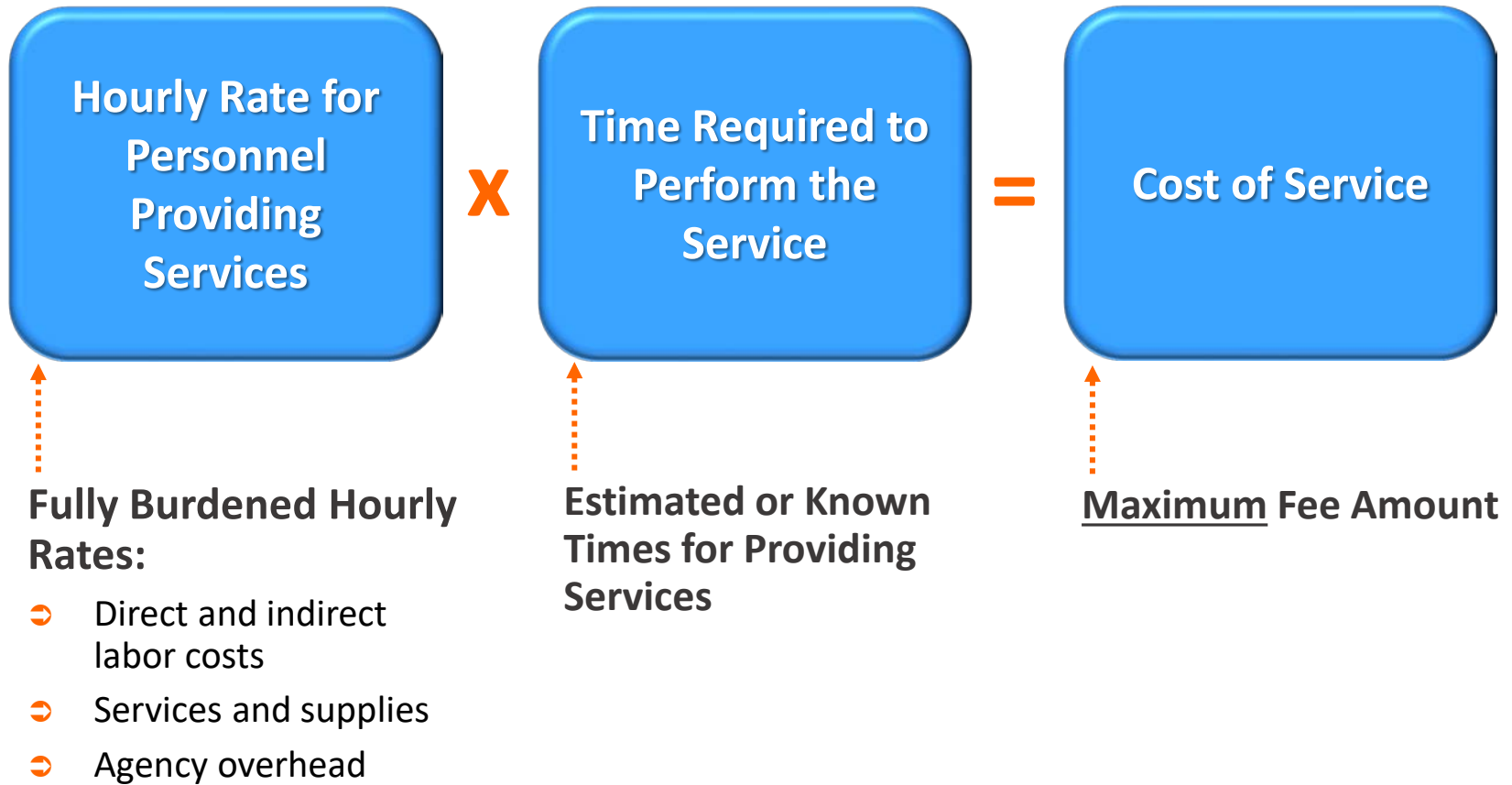
- ➔ Fees proposed are not taxes, as defined by Article 13C of the California State Constitution
- ➔ Fees are set in accordance with parameters set by Article 13C and by Section 54985 of the California Government Code:
 - Costs allocated to the payer should bear a fair or reasonable relationship to the payer's burdens on or benefits received from the governmental activity
 - Fees should not exceed the reasonable cost of providing the service for which the fee is charged



COST OF SERVICE METHODS

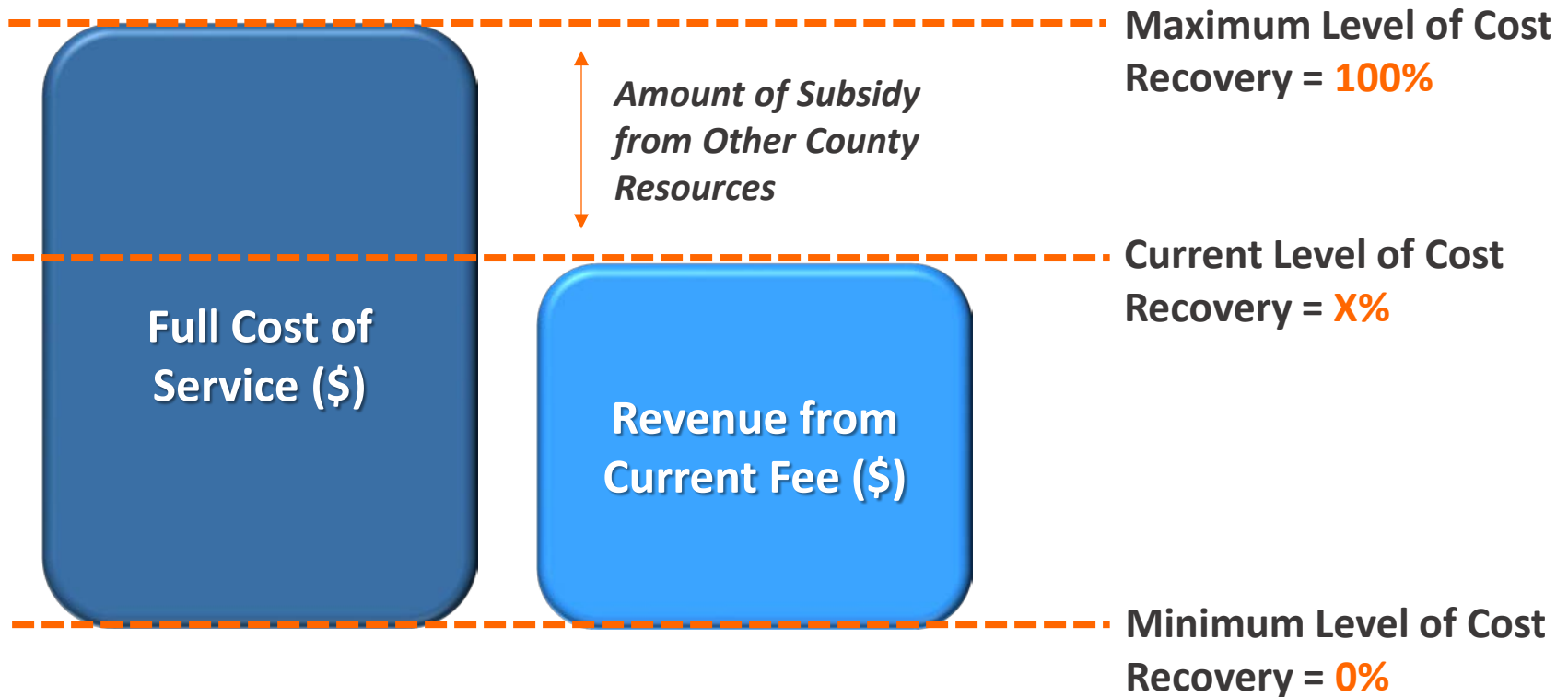
DERIVING THE COST OF SERVICE

Apply fully burdened hourly labor rates to time required to perform



EVALUATING COST RECOVERY

Compare full cost of service to revenues available to fund activities
Set policy for targeted recovery within the spectrum





FINDINGS AND IMPACTS OF POTENTIAL ACTION

COST RECOVERY PERFORMANCE

Description	Revenue at Current Cost Recovery Level	Revenue at Proposed Cost Recovery Level	Revenue at Full Cost Recovery Level (100%) *
Revenue	\$795,000	\$1,225,000	\$1,254,000
Cost of Service	\$1,390,000	\$1,390,000	\$1,390,000
County Subsidy	\$595,000	\$165,000	\$136,000
Cost Recovery Level	57%	88%	90%
FISCAL IMPACT	\$0	\$430,000	\$459,000

* Some amounts collected by Treasurer-Tax Collector are established and limited by the State of California, consequently, full cost recovery may be less than the County's actual cost of service.

Additional revenues from proposed changes are intended to offset the cost of providing services

OVERALL FINDING AND ACTION REQUESTED

The County may enhance cost recovery for services of individual benefit or cause:

- ➔ Current fees and charges for service in certain service areas can be increased and/or restructured to statutory limits or less
- ➔ General Fund subsidy of individually-based service can be reduced

The Board of Supervisors may direct changes to fees

ACTION REQUESTED

Conduct public hearing
and consider adoption of proposed fee adjustments

EL DORADO COUNTY

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DISCUSSION & QUESTIONS

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