READ AND CONSIDERED
DATE 9/16 BY

Response to Grand Jury Report Form

Report Title: *Local Fees, Local Subsidies: Fees and subsidies cause local pain*

Report Date: June 13, 2025

Response by: Gerard Giudice Title: Mayor

Agency/Department Name: City of Rohnert Park

FINDINGS:

[List numbers: F1, F2, F3, F4]

I (we) agree with the findings numbered: F1, F2

I (we) disagree wholly or partially with the findings numbered: F3, F4

(Attach a statement specifying any portions of the findings that are disputed with an explanation of the reasons.)

RECOMMENDATIONS:

[List numbers R1, R2, R3,]

- Recommendations numbered: _____ have been implemented.
  (Attach a summary describing the implemented actions.)
- Recommendations numbered: R1, R2, R3 have not yet been implemented, but will be implemented in the future.
  (Attach a timeframe for the implementation.)
- Recommendations numbered: R1, R2, R3 require(s) further analysis.
  (Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. ***This timeframe shall not exceed six months from the date of publication of the Grand Jury report.)***
- Recommendations numbered: _____ will not be implemented because they are not warranted or are not reasonable.
  (Attach an explanation.)

Date: 09-09-2025 Signed: _____

Number of pages attached: _____

(See attached PC Civil Grand Jury Response Requirements)

Attachment 1

Statement Attached to Response to Grand Jury Form for City of Rohnert Park

"Local Fees, Local Subsidies" Grand Jury Report June 2025

Findings:

F1 – Agree.

F2 – Agree.

F3 – Partially disagree. although the Grand Jury requested a response from the City of Rohnert Park, the finding was based on actions taken by the City of Santa Rosa which are outside the jurisdiction of the City of Rohnert Park. Therefore, the City of Rohnert Park has insufficient information to agree or disagree with the finding.

F4 – Partially disagree. The City agrees that an annual report was not provided to City Council as specified by Rohnert Park Municipal Code Section 3.32.030(B). However, the City disagrees that the City's current fee schedule exceeds the City's costs of providing the services covered by the fees.

R1 – Recommendation 1 is addressed as follows. City staff plans to include in all future fee proposals presented to the Rohnert Park City Council a section identifying any fee changes that will exceed a council-specified threshold an any fees with past or proposed subsidies. The Grand Jury requested this recommendation be implemented by December 31, 2025; however, staff plans to return to the City Council by June 30, 2026, with a report on the status of all "cost recovery fees." The December 31, 2025, recommended date is not feasible at this time. The City adopted a budget in FY 25-26 that reduced costs and services by $4.9 million dollars over FY 2024-25. These reductions included identifying savings for current vacant positions and holding other positions as vacant until the City Manager authorizes the recruitment. This was done to avoid layoffs in FY 2025-26 and to save money for the upcoming FY 2026-27 budget in which cost are again expected to exceed City revenues. The City is currently reviewing City services and where further reductions may be made if necessary. Additionally, contract services was reduced in FY 2025-26 by $2.0 million, limiting the City's ability to contract for services that could provide support in reviewing the fees and fee policy. The City will make a plan to study fees not already in process by Departments over the next two to three years as resources become available.

R2 – Recommendation 2 has previously been partially implemented. Rohnert Park Municipal Code Chapter 3.32 is a policy intended to avoid abrupt fee increases by providing an annual public review of the percentage of City costs recovered through cost recovery fees. As noted in the City's responses to Finding 4 and Recommendation 3, the City recognizes that the cited Chapter 3.32 has not been fully implemented by the City in the recent past; and therefore, the City intends to update its policy as identified in the response to Recommendation 3. The City also wishes to note that the following fees are increased annually based on the Consumer Price Index (CPI) to avoid abrupt fee increases in these areas:

- Community Services: Recreation Facility Fees, PAC Rental Fees

- Development Services: Impact Fees, Planning Fees, Engineering Fees, Building Fees, and Rental Affordable Housing Fee

- Community Services is in the process of developing a new policy for Council consideration with regard to subsidy levels for Community Services Recreation fees. This new policy will replace Policy number 8.01.002, adopted in 2021. This is a multi-step process that is being done inhouse with staff, is expected to be completed over the next three years, thus not in time for the recommended deadline.

- Development Services is in the process of working on a Nexus Study for Development Fees. The estimated cost for the consultant to do this work is approximately $41,100. This study is expected to be completed in early 2026. Again, not in time to meet the recommended deadline.

- Water and Sewer Fees are subject to a rate study at least every 5 years and contain no subsidies. New Sewer fees were adopted in FY 2024-25, and a water rate study is currently in process.

R3 – Recommendation 3 will be addressed as follows. The City Council hereby directs staff to return to the City Council by June 30, 2026, with a recommended update to Rohnert Park Municipal Code Chapter 3.32 ("Chapter 3.32") in order to update the procedures or develop an alternate policy. The City does not currently have the resources to implement the recommendation by December 31, 2025.