

READ AND CONSIDERED
DATE 9/16 BY Ch

Response to Grand Jury Report Form

Report Title: Local Fees, Local Subsidies
Report Date: June 13, 2025
Response by: Kevin McDonnell Title: Mayor
Agency/Department Name: Petaluma City Council

FINDINGS:

[List numbers: ie. F1, F2]

I (we) agree with the findings numbered: F1

I (we) disagree wholly or partially with the findings numbered: _____

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

RECOMMENDATIONS:

[List numbers: ie. R2, R3]

- Recommendations numbered: R1 have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered: _____ have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered: _____ 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: 9/8/2025

Signed: Kevin McDonnell
Signed by:
FE316449A062476

Number of pages attached: 1

(See attached PC Civil Grand Jury Response Requirements)

Sonoma County Civil Grand Jury
Local Fees, Local Subsidies
City of Petaluma Response

F1. Long Intervals between fee studies can result in large fee increases that are unacceptable to the public.

The City of Petaluma agrees with this finding. The City of Petaluma conducts an annual review of its fees and undertakes a comprehensive evaluation of services and associated fees approximately every five years. This broader review includes the addition, modification, or removal of fees for various programs and services. The most recent fee study was adopted by Council in 2024. Following the City's practice of routinely reviewing and updating fees, the City Council previously reviewed and adopted updated fees in FY 2019, FY 2016, FY 2010 and approximately once every 5 years prior. In addition, and a significant element in the development of any fee schedule, is that it has the flexibility to remain current. Thus, as part of a long-standing practice, and in an effort to minimize sharp increases in fees over time, the City includes an inflationary factor based on the Consumer Price Index (CPI) that is used annually to increase fees. This practice provides a level of predictability, is transparent and ensures revenues are sufficient to cover costs and enables long-term financial planning for both the City and its customers.

R1. By December 31, 2025, the City Council of Petaluma, Rohnert Park, and Santa Rosa direct staff to include a section in all future fee proposals that identifies any fee changes that will exceed a council-specified threshold and any fees with past or proposed subsidies.

This recommendation has already been implemented. The Petaluma City Council's process already incorporates the suggested recommendations described in R1. The City Council reviews and approves fees, which are built based on the cost of providing the service and does not utilize a threshold. Fees are either set at full cost recovery or set at a lesser amount per Council policy based on subsidy percentages listed within the fee report and adopted by City Council. Each fee report includes the fee description, current fee, full cost, subsidy percentage, suggested fee and fee changes. Current and past fee reports can be found on the city webpage at <https://cityofpetaluma.org/>.