



Monterey County

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

Legistar File Number: RES 19-108

September 17, 2019

Introduced: 8/9/2019

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Matter Type: BoS Resolution

Conduct a public hearing to consider adoption of a Resolution amending Section 5 (Land Use) of Article I.E. of the Monterey County Fee Resolution, effective November 17, 2019, to adjust fees for the Monterey County Health Department's Environmental Health Bureau's review and processing of applications for land use and construction permits and entitlements.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt a Resolution amending Section 5 (Land Use) of Article I.E. of the Monterey County Fee Resolution, effective November 17 2019, to adjust fees for the Monterey County Health Department's Environmental Health Bureau's review and processing of applications for land use and construction permits and entitlements.

SUMMARY/DISCUSSION:

The Health Department's Environmental Health Bureau (EHB) is requesting approval of a three percent (3%) adjustment to Land Use Fees (Section 5) of Article 1.E of the County's Fee Resolution. With the proposed increase to the Land Use Fees, the permit application fees will more closely reflect, while still not exceeding, the actual and reasonable costs of services and benefits provided to the public by the EHB. Adoption of the proposed fees will contribute to the self-sufficiency of the indicated program; however, the fee increase will not fully cover cost of services and benefits and may still result in the need for additional future General Fund contributions for those services to remain at Fiscal Year 2019-20 staffing levels.

In Fiscal Year 2016-17, Environmental Health contracted with MGT America to conduct a fee/cost comparison analysis and establish a baseline for fees associated with Environmental Health. Through this analysis and evaluation, staff determined that a restructuring of fees and fee categories would reduce confusion for the public regarding fees associated with Land Use program services and revisions to the fees would increase cost recovery. A restructuring of fees and a fee adjustment was approved by the Board in Fiscal Year 2017-18. When first introduced, the recommendation by MGT America was to submit for consideration an overall 14% fee increase. However, the Board of Supervisors' recommendation was to increase fees incrementally to avoid creating a financial hardship impact to the public. Accordingly, a request to increase fees by 4% was approved for the 2017-18 Fiscal Year and no increase in fees for the EHRS program was requested for Fiscal Year 2018-19. A three percent (3%) increase in fees for activities performed by the Environmental Health Review Services (EHRS) program is requested for Fiscal Year 2019-20. Fee item descriptions have been amended to more closely coincide with or match the RMA's proposed fee schedule, in both structure and content.

Environmental Health is charged with the regulation of cannabis businesses, which requires more time and effort operationally and administratively to address the specific environmental and public health issues, both known and unknown, related to specific categories. On September 27, 2016, the fees for an initial commercial cannabis business permit and subsequent permit renewal were introduced and approved through Board of Supervisors Resolution 16-250.

On July 23, 2019, these fees were introduced for reduction and approved through Resolution 19-271. Article I.E. includes this fee as adopted by the Board of Supervisors on July 23rd and is not subject to the requested 3% fee increase.

By definition, the changes to these charges are not a 'tax' and are exempt from voter approval pursuant to Article XIII C section 1(e)(1)-(3) and (5) of the California Constitution (Prop. 26; charges imposed for specific benefit conferred/privilege/service or product, reasonable regulatory costs provided or granted to the payor, and/or fines and/or penalties). As such, they reflect no more than the actual cost of the service/benefit received by the payor.

The proposed fee documents describing the adjustment requests are attached as follows: The requested adjustment to fees are included in Attachment 1 - Redline Article I.E. Fee Schedule for Fiscal Year 2019-20. The Resolution adopting the requested fees is included in Attachment 2 - Board Resolution. The documentation supported by the MGT America assessment is included in Attachment 3 - Supportive Fiscal Assessment. The approved and updated cannabis permit and permit renewal fees are included in Attachment 4 - Resolution 16-250, Exhibit 3 and Attachment 5 - Resolution 19-271, Exhibit 1.

This work supports the Monterey County Health Department 2018-2022 Strategic Plan Initiatives to enhance community health and safety through prevention and engage MCHD workforce and improve operational functions to meet current and developing population health needs. It also supports three of the ten essential public health services, specifically, 2. diagnose and investigate health problems and health hazards in the community; 3. inform, educate, and empower people about health issues; and 6. enforce laws and regulations that protect health and ensure safety.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed, and approved as to legal form, the proposed resolution amending Article I.E. of the Monterey County Fee Resolution. Monterey County Resource Management Agency has been informed of the proposed fee changes.

FINANCING:

The recommended fee adjustments are intended to improve on the recapture of costs associated with the provision of the indicated services, and do not exceed actual costs for providing these services. As such, the fees represent a charge imposed for the specific regulatory service provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the County for providing the regulatory service. Anticipated revenues resulting from the proposed fee adjustments are included in the Fiscal Year 2019-20 Adopted Budget.

The proposed fee adjustments will offset actual expenditures incurred for services associated with the

proposed fees; however, the fee increase will not fully cover cost of services and benefits and may still result in the need for additional future General Fund contributions for those services to remain at Fiscal Year 2019-20 staffing levels.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This action supports the following Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

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Approved by: Elsa Jimenez, Interim Director of Health, x4526

Attachments:

Attachment 1, Redline Article I.E. Master Fee Schedule for Fiscal Year 2019-20 on file with the Clerk of the Board

Attachment 2, Board Resolution (proposed) with Exhibit 1 Article I.E. Master Fee Schedule Final on file with the Clerk of the Board

Attachment 3, Supportive Fiscal Assessment on file with the Clerk of the Board

Attachment 4, Resolution 16-250, Exhibit 3 on file with the Clerk of the Board

Attachment 5, Resolution 19-271, Exhibit 1 on file with the Clerk of the Board