



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 25-009

April 15, 2025

Introduced: 1/22/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt a Resolution amending Article I.E. of the County of Monterey Master Fee Resolution effective July 1, 2025, to adjust fees relating to oversight and services provided by the Health Department's Environmental Health Bureau.

RECOMMENDATION:

It is recommended that the County of Monterey Board of Supervisors:
Adopt a Resolution amending Article I.E. of the County of Monterey Master Fee Resolution effective July 1, 2025, to adjust fees relating to oversight and services provided by the Health Department's Environmental Health Bureau.

SUMMARY:

The Health Department's Environmental Health Bureau (EHB) requests the Board of Supervisors (BOS) approval of a proposed 12% increase to EHB facility permitting fees, as set forth in Article I.E. of the County of Monterey Fee resolution, to be effective on July 1, 2025. The proposed increase is necessary to more closely recover the EHB's cost of providing services while not exceeding the actual and reasonable cost.

DISCUSSION:

To keep pace with the cost of providing services, the EHB must adjust fees annually. The proposed 12% fee increase 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 programs within the EHB. Conversely, not implementing the fee adjustments would result in diminished cost recovery and potentially increased reliance on county funding.

In 2022, EHB, contracted with MGT America to conduct a cost recovery study. The cost-of-services study considered the product of the hourly rate calculations time the time spent yields the cost of providing the service. EHB staff utilized the same methodology employed in 2022 to prepare recommended fee adjustments effective July 1, 2025. In summary, the increase is based on baseline budget development and the cost versus revenue gap after all known salaries and benefits plus services and supplies are factored in. The recommended fee adjustments are intended to improve on the recapture of costs associated with the provision of indirect services, and do not exceed actual costs for providing these services. Factoring an increase in costs associated with wage of (8%) up to FY2026, in addition to increase in benefits and direct costs, connected to services and supplies, the current fee adjustment requested herein only continues to partially recapture the true current cost of services. As recommended and in preparation for fee adjustments in FY 2026-27, EHB will engage a

consultant to refresh the cost recovery study to assure fees remain in alignment with the cost recovery policy.

An increase in fees for the Environmental Health Review Services (EHRS) program is not requested currently. The Health Department will work with the County Housing and Community Development Department on aligning a request for fee adjustments for these services.

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 adjustments are attached as follows: Attachment 1 - Redlined Article I.E. Fee Schedule for Fiscal Year 2025-26, Attachment 2 - Board Resolution with Article I.E. Fee Schedule for Fiscal Year 2025-26 and Attachment 3 - MGT America Cost Recovery Study

This work supports the County of Monterey Health Department 2025-2028 Strategic Plan Goal(s) to Deepen Organizational Effectiveness and Support Long-Term Sustainability.

It also supports the following 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 provided recommendations regarding this proposed fee increase.

FINANCING:

The recommended fee adjustments are intended to maintain the recapture of a portion of the costs associated with the provision of the indicated services, and do not exceed actual costs for providing these services. If approved, the anticipated revenues resulting from the proposed fee adjustments will be included in the Fiscal Year (FY) 2025-26 Requested Budget (001-4000-HEA005).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related 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 Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:

Board Report

Redlined Article I.E. Master Fee Schedule for Fiscal Year 2025-26

Board Resolution (proposed) with Article I.E. Master Fee Schedule for Fiscal Year 2025-26

MGT America Cost Recovery Study