



County of Monterey

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

Board Report

File #: 14-426, **Version:** 1

Adopt a Resolution amending Article I.E. of the Monterey County Master Fee Resolution effective July 1, 2014, to adjust fees relating to oversight and services provided by the Health Department's Environmental Health Bureau pursuant to the attached Fee Schedule.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt a Resolution amending Article I.E. of the Monterey County Master Fee Resolution effective July 1, 2014, to adjust fees relating to oversight and services provided by the Health Department's Environmental Health Bureau pursuant to the attached Fee Schedule.

SUMMARY:

The Health Department's Environmental Health Bureau (EHB) is requesting approval of adjustments to the County Master Fee schedule, Article I.E., to more closely reflect, while still not exceeding, the actual and reasonable costs of services and benefits provided to the public by EHB. This proposal includes the deletion of some fees that no longer correspond to services provided, the creation of fees for new EHB services, and both increases and decreases in fees in order to more fairly reflect the costs of services provided to the public. There are also a number of fee types that have been redefined for clarity (Attachment 1 - Rationale for Fee Deletions, Additions, and Adjustments). Adoption of the proposed fees will contribute to the self-sufficiency of the indicated programs, thus minimizing the need for additional future General Fund Contributions for those services.

DISCUSSION:

The general costs of providing services to the community have continued to rise at a relatively low but steady rate. For example, operational costs within the County, including salaries, benefits, insurance and IT infrastructure and ERP upgrade services, as well as the daily business costs of transportation, fuel and utilities, have been steadily growing. This has prompted EHB staff to compute an updated hourly service fee, taking into account current overall operating expenses that more accurately represents the value of services provided in an hour by professional staff. The result is a relatively modest increase to the hourly service fee, and this increase has been applied to services that are directly based on hourly rates and as the basis for a small number of other fee changes included in the proposal.

An across-the-board rate increase is *not* being considered at this time. During the Fiscal Year 2014-15, EHB staff intends to obtain the assistance of outside professionals to examine and recommend improvements to the overall rate structure. It is anticipated, then, that EHB will return to the Board within the year with a proposal that will include a carefully crafted plan to improve the structure of the entire fee article.

Land Use fees were developed in conjunction with RMA fees, and approved by the Board in February 2014 (Attachment 2 - Board Resolution and Staff Report 02-25-14). Those fees have been incorporated as part of this proposed adjustment to the fee article to reflect proper tracking and are inserted without change into this proposed Article I.E. amendment, *with the exception* of non-deposit fees, that were originally computed using EHB's pre-2014 \$130.00 hourly service fee as a basis, as well as the correction of a separate clerical error and

adjustment in the fee for Variances. Fees based on the hourly rate have been adjusted to reflect the proposed 3.8% cost adjustment - or \$5.00 per hour - in accord with the documentation and intent of the EHB in the representation of the land use fees presented in the February 2014 staff report. The purpose of the proposed modification at this time is to keep EHB land use related fees tied to EHB's hourly service fee. The issue with the Variance fee is that, due to a typographical error, a digit was dropped and the pre-2013 fee of \$551.00 was reduced to \$51.00; in the process of discovering that error it was determined that, due to current conditions, it is proposed that the fee should be set at \$377.00 (plus \$94.00 for Condition Compliance) instead of reverting to the original \$551.00.

The calculations and documents in support of all fee adjustments recommended herein are attached hereto and/or on file with the Clerk to the Board. In all cases, the proposed fees reflect no more than the actual, reasonable, fully loaded costs of the services provided to the payor/applicant. By definition, these charges are not a 'tax' and are exempt from voter approval pursuant to Article XIII C section 1(e)(1)-(3) of the California Constitution (Prop. 26; charges imposed for specific benefit conferred/privilege/service or product, and/or reasonable regulatory costs provided or granted to the payor).

The proposed fee adjustments are set forth hereto as Attachment 3a - Revised Article I.E. Fee Schedule Strikethrough *and* Attachment 3b - Revised Article I.E. Fee Schedule Clean.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed, and approved as to legal form, the proposed amendment to Article I.E. of the Monterey County Master Fee Resolution.

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 (FY) 2014-15 Requested Budget.

The proposed fees adjustment would provide a net increase in overall revenue of approximately \$165,000, and will contribute to the self-sufficiency of the indicated programs, thus minimizing the need for additional future General Fund Contributions for those services.

Prepared by: Ted Pinson, Management Analyst, 1297

Approved by: Ray Bullick, Director of Health, 4526

Attachments:

Attachment 1 - Rationale for Fee Deletions, Additions, and Adjustments on file with the Clerk of the Board

Attachment 2 - Board Resolution and Staff Report Discussion 02-25-14 (land use related fees; provided for reference only) on file with the Clerk of the Board

Attachment 3a - Revised Article I.E. Fee Schedule Strikethrough on file with the Clerk of the Board

Attachment 3b - Revised Article I.E. Fee Schedule Clean on file with the Clerk of the Board

Attachment 4 - Resolution (proposed) on file with the Clerk of the Board