



County of Monterey

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

Board Report

File #: RES 17-066, **Version:** 1

Adopt a Resolution amending Article I.E. of the Monterey County Master Fee Resolution effective July 1, 2017, to adjust fees relating to oversight and services provided by the Health Department's Environmental Health Bureau pursuant to the attached Fee Schedule. (ADDED VIA SUPPLEMENTAL)

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, 2017, to adjust fees relating to oversight and services provided by the Health Department's Environmental Health Bureau pursuant to the attached Fee Schedule.

SUMMARY/DISCUSSION:

The Health Department's Environmental Health Bureau (EHB) is requesting approval of a proposed across-the-board fee increase 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 the EHB. A detailed summary of these services is included as attachment 3, Environmental Health Bureau Services Overview. Adoption of the proposed fees will contribute to the self-sufficiency of the indicated programs; however, the fee increase will not fully cover all the cost of services. This is consistent with the previous practice of using a General Fund subsidized cost recovery model when setting this fees.

Unanticipated expenditure increases to the Environmental Health Bureau include an 8% increase in payroll costs and significant increases in Environmental Health Bureau's share to the County Cost Plan Charges, share in the County Enterprise Resource Program (ERP) and Information Technology costs. Due to these unanticipated costs, the Environmental Health Bureau has found it necessary to propose an across-the-board 4% increase to its fees, effective July 1, 2017 to meet the 2017-18 proposed budget. In Fiscal Year 2016-17, the Environmental Health Bureau contracted with MGT America to conduct a comparison analysis of its facility and permit fees. The results of this analysis included a recommendation to increase fees by 14%, however, after evaluation of the impact of this increase to the public, Environmental Health is requesting a 4% increase for Fiscal Year 2017-18 (see Executive Summary attached).

An increase in fees for the Environmental Health Review Services (EHRS) program is not requested now to allow for sufficient time for noticing to the Public. A proposal for restructuring of fee categories as well as a fee adjustment will be presented to the Board in Fiscal Year 2017-18.

The Monterey County Environmental Health Bureau is a Certified Unified Program Agency (CUPA). On April 5, 2017, the California Environmental Protection Agency (CalEPA) notified all Certified Unified Program Agencies (CUPA's) of an immediate change in surcharge effective May 1, 2017, to be assessed and collected in the 2017-18 Fiscal Year. The breakdown of this surcharge is as follows:

- Oversight Surcharge: increase of \$14 from \$35 to \$49 per regulated business
- Underground Storage Tank (UST) Surcharge: increase of \$5 from \$15 to \$20 per regulated tank

The oversight surcharge will affect 2,174 regulated facilities, 219 of which have a total of 597 underground storage tanks. The CUPA surcharge is a pass-through cost submitted to CalEPA as required by participating

CUPA's, no portion of this surcharge is retained by the Environmental Health Bureau.

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 - Proposed Article I.E. Fee Schedule for Fiscal Year 2017-18 and Attachment 2 - Board Resolution.

This work supports the Monterey County Health Department 2011-2015 strategic plan initiatives: Empower the community to improve health through programs, policies, and activities; and Enhance community health and safety by emphasizing prevention. It also supports one 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 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) 2017-18 Recommended Budget.

The proposed fee adjustments will offset actual expenditures incurred associated with the proposed fees. This action will have no impact on the General Fund Contributions for these services.

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 Jimenez, Interim Director of Health, x4526

Attachments:

Proposed Article I.E. Master Fee Schedule for Fiscal Year 2017-18 on file with the Clerk of the Board

Board Resolution (proposed) on file with the Clerk of the Board

Supportive Fiscal Assessment on file with the Clerk of the Board