



County of Monterey

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

Board Report

File #: RES 20-036, **Version:** 1

Adopt a Resolution to:

Amend Article I.E. of the Monterey County Master Fee Resolution effective July 1, 2020, to adjust fees relating to oversight and services provided by the Health Department's Environmental Health Bureau pursuant to the attached Fee Schedule.

RECOMMENDATION:

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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 cost of services and benefits and may still result in the need for additional future General Fund Contributions for those services to remain at 2019-20 staffing levels.

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 that analysis included a recommendation to increase fees by 14%, however, after evaluation of the impact of this increase to the public, Environmental Health was requested by the Board of Supervisors to implement increases incrementally. The Environmental Health Bureau has adhered to this request by asking for Board approval of an across-the-board fee increase of 4% in Fiscal Year 2017-18, 3% in Fiscal Year 2018-19 and 3% in Fiscal Year 2019-20. The EHB is now requesting approval for an across-the-board 4% fee increase effective July 1, 2020 to meet its Fiscal Year 2020-21 Requested Budget.

Of note is the fact that, although the current fee request is the final implementation of the fee adjusted supported by the 2017 MGT fee study, that study was based on costs current only up to that date. Since that time, additional costs and expenses, including but not limited to cumulative across the board employee salary COLA's (10.5%), COWCAP/Indirect Costs (35%), and salary adjustments (11%) based on market, are not included in the adjustment at this time. The current fee adjustment requested herein therefore only continues to partially recapture the true current cost of services.

In addition to the across-the-board fee increase requested, some adjustments to specific fee categories are now requested to bring these fees in alignment with the analysis recommendation, as well as supported by a comparison of fees charged in comparable counties.

Environmental Health is also 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. Cannabis related fees were initially introduced and included in the Article I.E. Master Fee Schedule effective FY 2018-19. These fees are also subject to the requested across-the-board 4% increase.

An increase in fees for the Environmental Health Review Services (EHRS) program is not requested at this time; a fee adjustment was approved by the Board in Fiscal Year 2019-20, effective November 1, 2020. New fees for the Consumer Health Protection Services program were also introduced in Fiscal Year 2019-20 for inspections of Catering Operations (AB2524), Host Facilities (AB2424), Microenterprise Home Kitchens (AB626) and Charitable Feeding Operations (AB2178). At some future time, these fees, as well as an attempt to recapture additional costs that have been added to the fully loaded costs of services will be brought back to your Board for consideration.

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 2020-21, Attachment 2 - Board Resolution, Attachment 3 - Supportive Fiscal Assessment and Attachment 4 - Fee Introduction.

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 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 a portion of the 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) 2020-21 Requested Budget (001-4000-HEA005).

The proposed fee adjustments will partially offset actual expenditures incurred associated with the proposed fees. This action will have no immediate 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.

Prepared by: Robin Kimball, Management Analyst I, x1297

Approved by:

Date:

Elsa Jimenez, Director of Health, x4526

Attachments:

Proposed Article I.E. Master Fee Schedule for Fiscal Year 2020-21 (tracked and clean) is on file with the Clerk of the Board

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

Fiscal Assessment Summary is on file with the Clerk of the Board

New Fees Explained is on file with the Clerk of the Board

2017 MGT America Fee Study available upon request