



County of Monterey

Item No.25

Board Report

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

Legistar File Number: RES 26-036

March 24, 2026

Introduced: 2/26/2026

Current Status: Health Department -
Consent

Version: 1

Matter Type: BoS Resolution

Adopt a Resolution to:

- a. Amend Article I.E. of the County of Monterey Master Fee Resolution effective July 1, 2026 to adjust fees relating to oversight and services provided by the County of Monterey Health Department's Environmental Health Bureau; and
- b. Find that adoption of this Resolution is statutorily exempt from the California Environmental Quality Act under Public Resources Code section 21080(b)(8), as it modifies public agency fees to cover agency operating expenses.

RECOMMENDATION:

It is recommended that the Board of Supervisors Adopt a Resolution to:

- a. Amend Article I.E. of the County of Monterey Master Fee Resolution effective July 1, 2026 to adjust fees relating to oversight and services provided by the County of Monterey Health Department's Environmental Health Bureau; and
- b. Find that adoption of this Resolution is statutorily exempt from the California Environmental Quality Act under Public Resources Code section 21080(b)(8), as it modifies public agency fees to cover agency operating expenses.

SUMMARY:

The County of Monterey Health Department, Environmental Health Bureau (EHB) requests the Board of Supervisors' approval of a proposed 9% 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, 2026. The proposed increase is necessary to more closely recover the EHB's actual and reasonable cost of providing services while not exceeding that cost.

DISCUSSION:

The Environmental Health Bureau (EHB) contracted with MGT Impact Solutions, LLC (MGT) to conduct a comprehensive fee study for all environmental health services during Fiscal Year (FY) 2025-26. MGT conducted the previous fee study in 2022, using the same methodology here, in part, to compare the current study with the 2022 study. MGTs calculated fully burdened hourly rates for staff services by combining direct costs, i.e. staff's hourly rate for each service it provides, and the applicable portion of indirect costs, i.e. staff salaries and benefits. The total cost is the sum of the direct cost together with a proportionate share of allowable indirect costs. MGT's fee study analysis indicated that EHB's overall fees have kept pace with the changing market conditions and expenditure levels over time. EHB's fee recovery rates are within 75-95% of its actual costs. MGT found this rate

to be in the normal range for Environmental Health Departments.

To keep pace with rising service costs, EHB must adjust fees annually. EHB requests a proposed 9% 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, 2026. The recommended fee adjustments are intended to improve on the recapture of costs associated with an anticipated 4% increase in wages in FY 2026-27, 9% in medical benefit costs, and other direct costs related to services and supplies. Even the proposed increase, if approved, would only partially recover the actual cost of services.

Adoption of the proposed fees will contribute to the self-sufficiency of EHB programs. Conversely, not implementing the fee adjustments would result in diminished cost recovery and potentially increased reliance on County funding.

Staff is not currently requesting an increase in fees for the Environmental Health Review Services program. The Health Department will work with the County Housing and Community Development Department to generate an aligned request to bring back to the Board to adjust fees for these services.

The proposed fee adjustments are attached as follows: Attachment 1 - Redlined Article I.E. Fee Schedule for Fiscal Year 2026-27, Attachment 2 - Board Resolution with Article I.E. Fee Schedule for Fiscal Year 2026-27 and Attachment 3 - MGT Impact Solutions, LLC Cost Recovery Study.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) COMPLIANCE

In conjunction with approval of the proposed Resolution, staff is also asking the Board to find that the proposed change in fees is statutorily exempt from CEQA under Public Resources Code section 21080(b)(8), which exempts from CEQA review “[t]he establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies” that the County finds necessary to, among other things, meet operational expenses. This fee increase is specifically intended to fund operational expenses for environmental health services through specific charges tied to those services and which the MGT study demonstrates are reasonably connected to the actual cost of those services. Consequently, staff recommends that, in addition to adopting the proposed Resolution, the Board find that the act of adopting the proposed Resolution is statutorily exempt from CEQA review.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

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

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) 2026-27 Requested Budget (001-4000-HEA005).

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

The requested action supports the Board of Supervisors’ Strategic Plan goals by promoting fiscal

responsibility in County operations that fiscally sustain program delivery of essential environmental health services to the public.

Mark a check next to the related Board of Supervisors Strategic Plan Goals:

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Administrative

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Approved by: Elsa Mendoza Jimenez, Director of Health Services, 755-4621

Attachments:

Board Report

Redlined Article I.E. Master Fee Schedule for Fiscal Year 2026-27

Board Resolution (proposed) with Attachment 1: Article I.E. Master Fee Schedule for Fiscal Year 2026-27

MGT Impact Solutions, LLC Cost Recovery Study