



Board Agenda Item 9

DATE: June 04, 2019

TO: Board of Supervisors

SUBMITTED BY: David Pomaville, Director, Department of Public Health

SUBJECT: Amendment to Fresno County Master Schedule of Fees, Charges, and Recovered Costs

RECOMMENDED ACTION(S):

- 1. Conduct first hearing to amend the Master Schedule of Fees, Charges, and Recovered Costs Ordinance by amending Section 900 - Environmental Health, sections 902 through 906, 908 through 917, 919 through 934.1, 938 through 940.2, and 948 through 951; and waive reading of the Ordinance in its entirety and set second hearing for July 9, 2019;**
- 2. Designate County Counsel to prepare a fair and adequate summary of the proposed Ordinances; and**
- 3. Direct the Clerk of the Board to post and publish the required summaries in accordance with Government Code, section 25124(b)(1).**

Approval of the recommended actions would schedule the second hearing to amend the identified service rates Section 900 of the Master Schedule of Fees, Charges, and Recovered Costs Ordinance (MSF) provided by the Department of Public Health. The proposed amendments to Section 900 is an 8% to 13% increase as part of the second year increase of a three year 25% to 33% phased-in increase approved by your Board on July 10, 2018. To allow for the eventual 90% cost recovery in Section 900, a similar increase will be required in FY 2020-21, thereby reducing the use of 1991 Health Realignment (Realignment) to offset permit fee-based program costs. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct Department staff to use current fees or propose alternative fees.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The rates, as shown in Exhibit A, will be used by the Department to recover direct and indirect costs for services performed at 90% by the Department's - Environmental Health Division (EHD) with the 10% difference in program costs covered by Realignment to ensure the continued protection to public health.

DISCUSSION:

On July 10, 2018, the Board approved the first of three phased-in increases to allow for the eventual 90% cost recovery in Section 900, for identified services provided by EHD.

The recommended rates in Exhibit A are the second year increase of a three-year 25% to 33% phased-in increase and consist of applicable direct and indirect salaries, benefits, services and supplies, including department and countywide overhead costs. Exhibit B provides a summary of 2018 costs compared to revenues at existing rates, indicating the second year phased-in increase is still necessary to achieve an eventual 90% cost recovery rate in the third year. Attachment A provides detail of the changes proposed to the existing rates for comparative purposes, which includes revised, reduced, and increased fees.

The proposed amendment is an estimated 8% to 13% increase, with the exception of subsection 902 - Kennel License, which is based on the current hourly rate, required for review of those facilities; and subsections 939.1 - Dairy Farm Follow-Up Inspection and 939.2 - Semi Frozen Soft Serve License, which are mandated by the California Department of Food and Agriculture (CDFA). Except for these three subsections, to allow for the eventual 90% cost recovery, a similar increase will be required in FY 2020-21.

The Department completed its Environmental Health Permit Fee study in 2017. In March 2018, the Auditor-Controller/Treasurer-Tax Collector reviewed and approved the methodology and calculation of the permit rates. During the study, the Department reflected an increase for subsection 939.1 - Dairy Farm Follow-Up Inspection above the allowable rates per the California Food and Agricultural Code, section 33254. The recommended rates reflect a downward adjustment to meet the current CDFA mandated maximum rates. Additionally, subsection 951 - Body Art Monitoring (c) Reinspection is adjusted to reflect EHD's standard hourly reinspection rate of \$109. In the last ten years, increased CDFA mandated programs and costs to run the programs have driven the need for the proposed permit fee increases. The amendment would decrease the use of Realignment to offset permit fee-based program costs. The redirection of Realignment in 2014 resulting from Assembly Bill 85 and the redirection of growth to the In-Home Support Services Account beginning in 2018 have significantly reduced Realignment available for programs and services. Additionally, increased costs in other Realignment funded programs including correctional health and public health lab have reduced available funding for EHD programs.

The recommended rates, including the calculation, and the methodology applied for cost recovery, along with the three-year phased-in increase schedule, was reviewed and approved by the Auditor-Controller/Treasurer Tax-Collector. If approved, the second hearing will be scheduled on July 9, 2019.

REFERENCE MATERIAL:

BAI #59, July 10, 2018
BAI #10, June 12, 2018
BBR - Proposal to Increase Environmental Health Permit Fees, May 4, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - Proposed Rates Environmental Health
Exhibit B - Environmental Health 2018 Program Revenues and Expenses Summary
Attachment A - Environmental Health MSF Rate Change Comparison
Environmental Health Proposed Ordinance
On file with Clerk - Summary of Ordinance - Environmental Health

CAO ANALYST:

Sonia M. De La Rosa