



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: May 1, 2015
Board Meeting Date: June 16, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean S. Fraser, Chief, Health System
Heather Forshey, Director, Environmental Health Services

Subject: Adoption of an amendment to an Ordinance relating to collection of fees for enforcement of state public health laws

RECOMMENDATION:

Adoption of an amendment to Section 5.64.070 (Collection of Fees) of Chapter 5.64 (Fees for Enforcement of State Public Health Laws) of Title 5 (Business Regulations) of the San Mateo County Ordinance Code, relating to collection of fees for enforcement of state public health laws, previously introduced on June 2, 2015, and waive the reading of the ordinance in its entirety.

BACKGROUND:

Section 101325 of the California Health and Safety Code permits recovery of costs incurred in enforcing state public health laws and regulations. Environmental Health (EH) fees are established by ordinance by the Board of Supervisors and are effective in both cities and unincorporated areas of the County.

EH provides unique public health services, community and business education, and regulatory oversight through the technical expertise and consultation of its professional staff. EH program costs are covered by permits and fees for service; less than one percent of its total revenue comes from general funds.

DISCUSSION:

The proposed fee ordinance amendment increases EH fees to maintain current service levels. Fee increases are necessary to cover the multi-year salary and benefit increases and equity adjustments approved by your Board in November 2014, as well as other operational and equipment cost increases. EH has not implemented an across-the-board fee increase since January 2011 and is now operating at a deficit.

To fully recover projected costs over the next three fiscal years, fees would need to be increased by: 17.5% effective July 1, 2015, an additional 4% in 2016, and an additional 3% effective 2017. Recognizing the hardship a 17.5% percent increase might have on our regulated community, EH proposes an alternate approach to fee increases. The “smoothed” multi-year fee amendment would consist of:

9% increase effective August 1, 2015

9% increase effective August 1, 2016

9% increase effective August 1, 2017

Reserves will subsidize the shortfalls in the first two years (\$676,558 in year one and \$168,066 in year two).

EH surveyed environmental health fees charged by other comparable Bay Area counties. A comparison of the proposed fees for San Mateo County with other comparable Bay Area counties reveals that a majority of EH’s proposed fees are less than the Bay Area average. The table below provides examples of some proposed fee increases; the full list of EH fees is available in the ordinance.

Sample Environmental Health Fees	Current Fee	Proposed Fee as of 8-1-2015	Proposed Fee as of 8-1-2016	Proposed Fee as of 8-1-2017	Bay Area Average
hourly rate	153	167	182	198	190
Coffee House/Bar/minimal handling (e.g. Starbucks)	459	500	545	594	694
Food Prep - 11 to 100 seats risk category 2 (e.g. Subway)	765	834	909	991	939
Food Prep - 11 to 100 seats risk category 3	1300	1417	1545	1684	1443
New Restaurant Plancheck	1492	1626	1773	1932	1960
Oil Changing (e.g. Jiffy Lube)	759	827	902	983	1805
Gas Station with 3 tanks	1435	1564	1705	1858	2734
Hotel/motel with 26 units or more (e.g. Marriott)	901	982	1070	1167	1399
Apartment House with 95 units	821	895	976	1064	4120
Establishment with pool	637	694	757	825	1230
State Small Water System	1077	1174	1280	1395	808
Installation of Conventional Septic System	4294	4680	5102	5561	3826
Solid Waste Chipping/Grinding/Storage	1224	1334	1454	1585	1876
Body Art Establishment	306	334	364	396	630
Medical Waste- (e.g. Seton Hospital 423 beds)	1031	1124	1225	1335	2801

All public notification requirements have been met.

The ordinance has been reviewed and approved by County Counsel.

The proposed fee amendment contributes to the Shared Vision 2025 outcome of an Environmentally Conscious Community by securing funding to cover the cost of program delivery and by assuring that those who use EH services pay the cost of those services. It is anticipated that 90% of permitted facilities will receive an annual inspection in FY 2014-15.

PERFORMANCE MEASURE:

Measure	FY 2013-14 Actual	FY 2014-15 Projected
Number of permitted facilities receiving an annual inspection	82% 11,500	90% 12,700

FISCAL IMPACT:

The proposed ordinance takes effect 30 days after adoption. Anticipated revenue from the proposed ordinance is included in the Health System's FY 2015-16 and FY2016-17 Recommended Budgets. There will be no change in the net county cost as a result of this action.