



COUNTY OF ORANGE HEALTH CARE AGENCY

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September 26, 2014

TO: Chairman Shawn Nelson, Supervisor, 4th District
Vice Chair Patricia C. Bates, Supervisor, 5th District
Supervisor Janet Nguyen, 1st District
Supervisor John M. W. Moorlach, 2nd District
Supervisor Todd Spitzer, 3rd District

**SUBJECT: BOS Meeting 9/30/14 Agenda Item #43
HCA Environmental Health Placards and Fees**

At the April 29, 2014 Board meeting, a draft response to the Grand Jury generated a discussion regarding an enhancement to the current food safety inspection notification program and the costs and fees associated with implementation. Two proposed updated fee schedules (one that includes the cost of restaurant placards and one that is calculated without the cost of placards included) will be presented at the September 30, 2014 Board meeting. Because Environmental Health (EH) fees have not been adjusted for six years, both proposed fee schedules show increases to current fees in order to maintain current service levels and to comply with the Board's expectation of full cost recovery.

Three charts are offered in an attachment to this letter to show Environmental Health information together with the Consumer Price Index (CPI) rate. The first chart (Chart 1) presents individual and cumulative CPI figures along with Environmental Health fee adjustments for the period FY09/10 to FY15/16. For clarification, there have been no general fee increases since FY08/09. In addition, the proposed FY15/16 fee increase in Chart 1 uses 'Fee Scenario A' which includes costs associated with implementation of the colored placards program. This chart illustrates that the current proposed fee increase remains lower than the pace of inflation since the last fee adjustment. The second chart (Chart 2) includes total program expenditures, annual CPI and cumulative rate. The rate of increase in total expenditures has exceeded the CPI rate primarily due to the increased rate in benefit expenditures. Finally, the third chart (Chart 3) provides similar information about Salary and Employee Benefits expenditures, but differentiates salary costs from benefits costs demonstrating that while salary expenditures have remained static, benefit costs have increased in excess of the CPI rate.

As part of the fee study, Environmental Health conducted fee comparisons for all programs with surrounding counties. Direct comparisons can vary because of differences in how jurisdictions assess fees. Environmental Health's largest program is the Food and Pool Safety Program and is provided as an example. The attached table compares Orange County food facility program fees

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against seven representative California counties. Where direct comparisons can be made, Environmental Health Fees will remain comparable or below other jurisdictions.

Since the last fee study, Environmental Health has eliminated twelve (12) positions, representing a 7% staffing reduction. In addition, vacancy rates over the same time period have increased as a result of challenges in recruitment of specialized staff.

Please contact Denise Fennessy, Director of Environmental Health, at (714) 433-6473 if you have any questions.



Mark A. Refowitz, Director

MAR:df – 14-073 EH Fees and Placards

cc: Michael B. Giancola, County Executive Officer
Mark Denny, Chief Operating Officer
Susan Novak, Clerk of the Board of Supervisors

Attachments

CHART 1

HCA / Environmental Health
Fee Increases 2009-10 through 2015-16 and CPI

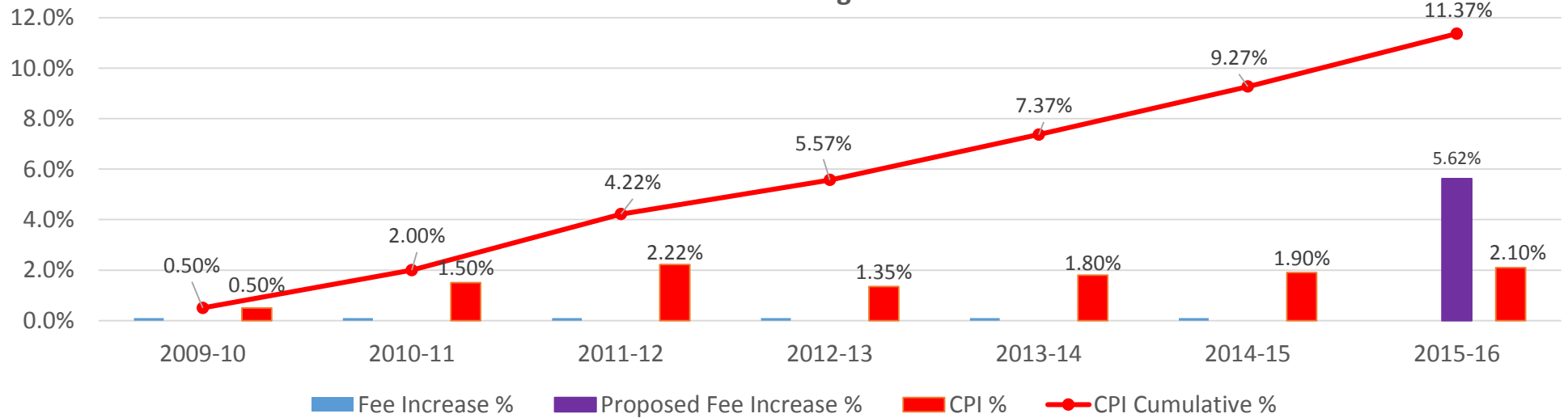


CHART 2

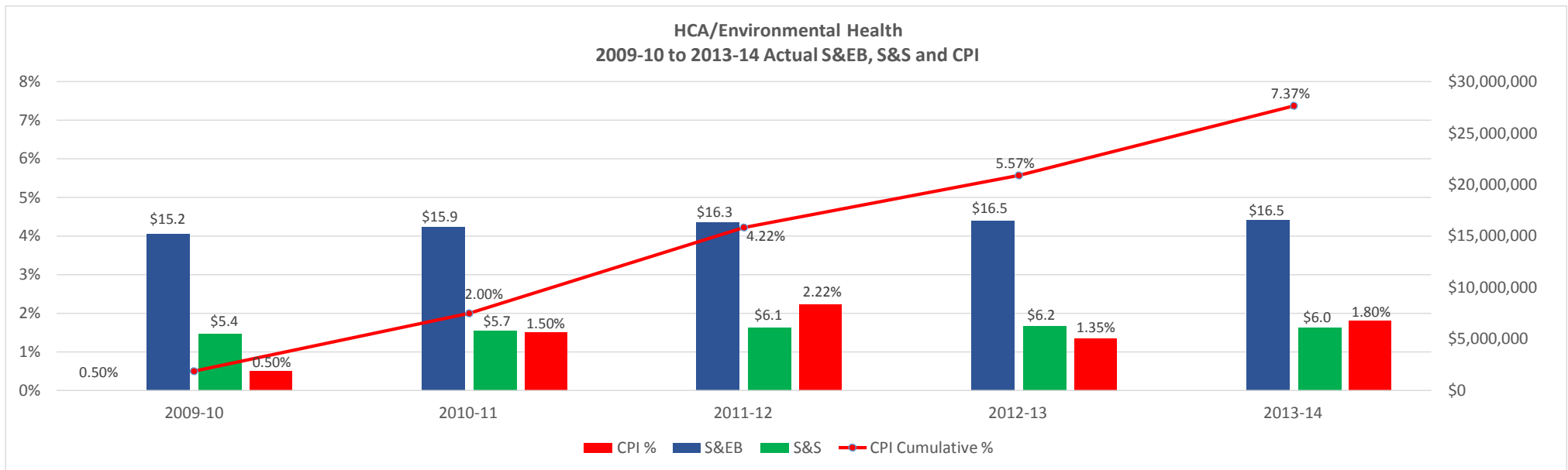
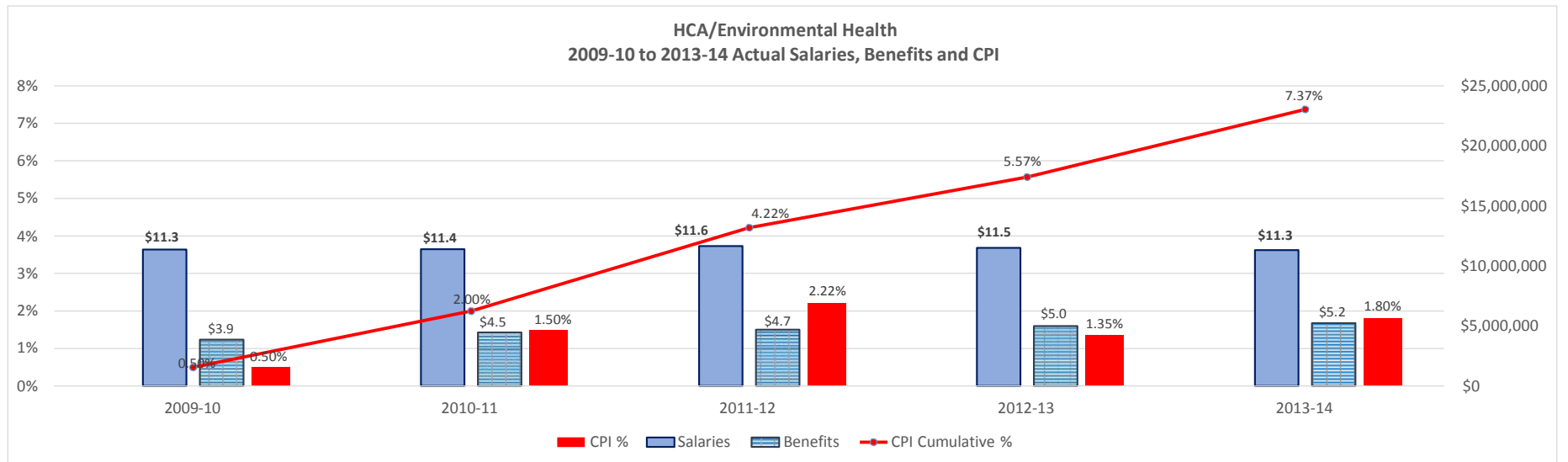


CHART 3



HCA ENVIRONMENTAL HEALTH DIVISION
Restaurant Fee Comparison With Other Counties

	Orange County	Orange County	Orange County	Los Angeles	San Diego	Riverside	Ventura	San Bernardino	Santa Clara	Sacramento
	<i>Current</i>	<i>Proposed A *</i>	<i>Proposed B *</i>							
Category Parameters	Seats/PHF	Seats/PHF	Seats/PHF	Seats/Risk	Employees	Sq Ft	Seats	Seats	Employees/ Risk	

Minimum Fee										
Lowest of Range-e.g., no PHF	\$197	\$217	\$216	\$277	\$397	\$208	\$502	\$497	\$635	\$1,130
	\$561 \$651 \$708 \$778 \$880	\$617 \$716 \$779 \$856 \$968	\$615 \$713 \$776 \$852 \$964	\$299 \$322 \$348 \$625 \$663 \$729 \$810 \$1,049 \$1,138 \$1,196	\$593 \$708 \$858	\$636 \$958	\$506 \$622 \$735 \$879 \$1,024	\$580	\$789 \$865 \$986 \$1,085 \$1,227 \$1,424 \$1,435	
Highest of Range	\$925	\$1,017	\$1,013	\$1,250	\$1,572	\$1,279	\$1,137	\$669	\$1,578	\$1,643

Additional Fees										
Fee for add'l section within facility (e.g. bar)						\$174	\$174			
Owner initiated inspection				\$287-\$383						
Food Worker Card					\$20	\$25		\$14		
Food Worker Card Print					\$6			\$10		
Placard Penalty					\$6			\$10		\$250-\$1,500
± Reinspection or Hourly	\$103	\$113	\$113	\$116	\$142	\$162		\$244	\$219	\$213

Specific Comparison										
<i>Fees for a small sandwich shop with 6 employees, 20 seats, and 1200sq² paid to county:</i>	\$561	\$617	\$615	\$1,049	\$749	\$756	\$506	\$580	\$1,085	\$1,130
<i>Fees for a large restaurant with 100 employees (80 food wkrs), 250 seats, and 10Ksq² paid to county:</i>	\$925	\$1,017	\$1,013	\$1,250	\$3,652	\$2,879	\$1,137	\$1,757	\$1,578	\$1,643

* Proposed A = Fees with color enhancement (FY 2015/16 only)
Proposed B = Fees without color enhancement (FY 2015/16 only)

± Hourly Rate: Other counties' average rate will remain 60% higher than O.C.'s proposed \$113.

Other Counties' average	\$179		
	\$113		
	\$66	66/113	58.4%