

Proposed Fee Adjustments Frequently Asked Questions

EH = Environmental Health

DW = Drinking water program

Food = Food & Living Environment program

OSS = On-Site Septic program

SHW = Solid & Hazardous Waste program

Why is the Kitsap Public Health District proposing fee adjustments/increases?

Kitsap Public Health Board Budget Policy directs the Health District to recover the cost of service for fee related activities, and also directs the Health District to maintain a minimum operating reserve of no less than the cost of two months of budgeted operating expenses.

Several EH service fee programs have a projected deficit for 2018 of approximately **\$590,620** (DW: \$188,250; Food: \$164,700; OSS: \$237,670). Based on a recent review and evaluation of Environmental Health service fees, the current hourly rate used to calculate each fee is no longer sufficient to recover the cost of service. The base hourly rate has not been adjusted since 2009. An increase in the base hourly rate is needed to recover the full cost of services.

One reason the hourly rate has not been adjusted since 2009, even though costs (e.g., salaries, benefits, supplies, etc.) have all increased over time is because the Health District was able to obtain grant funding to help offset our indirect costs (e.g., clerical support). This grant funding is no longer available, so fees will need to be adjusted to make up for this loss of funding.

The Health District does not have taxing authority, so the only way to cover the costs of fee related services is with service fees. The Health District is proposing fee adjustments that will be phased in over a two-year period.

How are these fees calculated?

Health District service fees are calculated by determining the amount of time to complete the work (tracked by time accounting) and then multiplying that amount of time by our established hourly rate to determine the appropriate fee. Our established hourly rate is based on the actual Health District cost of conducting work (staff salary, expenses, overhead, etc.). Based on the Health District's actual cost of providing service in the fee supported programs, the hourly rate has been calculated to be \$145 for 2018 (it is currently \$109). To reduce the impact of a significant fee increase based on the actual

hourly rate, the Health District is proposing a two-year phase in period with an incremental increase each year.

When were the fees last adjusted?

The majority of EH service fees have remained unchanged and have not been increased since 2009 (excluding Food program fees which were increased modestly in 2016 (see Table 1). The base hourly rate used to calculate fees has remained unchanged since 2009 even though costs (salaries, benefits, utilities, technology, etc.) have increased annually.

Table 1: Summary of Environmental Health Fee Schedule Adjustments (2007 – 2017)

Year	Summary of changes
2007	No change ; same as 2006
2008	9% Increase in base hourly rate from \$92.50 to \$101.00
2009	8% increase in base hourly rate from \$101 to \$109 and 8% increase for FOOD, only
2010	15% - 62% decrease in select DW, only
2011	No change
2012	No change
2013	Eliminated four (4) fees in DW & OSS; created market-adjusted risk categories in Food; combined two (2) SHW compost facility fees into one
2014	No change
2015	No change
2016	Various service hours adjustments to FOOD, only
2017	Decreased two (2) DW fees for Group B Systems; added two (2) Food fees; adjusted two (2) SHW fees; and added Secure Medicine Return fees.

How do KPHD fees compare with other Local Health Departments/Districts?

The base hourly rate used to calculate fees for the Kitsap Public Health District in the middle of comparable local health jurisdictions (see Table 2).

Table 2: Comparison of Comparable LHJ Base Hourly Rates for 2017

Local Health Jurisdiction (LHJ)	2017 Base Hourly Rate
Thurston	\$195
Snohomish	\$180
Tacoma-Pierce	\$165
<i>Kitsap – 2019 Proposed</i>	<i>\$145</i>
Spokane	\$130
<i>Kitsap – 2018 Proposed</i>	<i>\$130</i>
Whatcom	\$126
Clark	\$120
<i>Kitsap – 2017 Current</i>	<i>\$109</i>

What has KPHD done to reduce costs and avoid fee increases?

Process improvements (see Table 3) have helped keep fees stable, and the Health District will continue to seek and implement process improvements to reduce costs, but such improvements will not erase the projected deficit for 2018.

DW, Food, and OSS have all added staff positions since 2013 to improve processing and response times for applications and permits; in order to continue to maintain and improve processing and response times, these positions must be funded.

Table 3: EH Process Improvements

Program	Process
Food	Electronic inspection reporting
Food	Electronic Food Worker Card testing
Food	Online temporary event applications
DW/OSS	Online inspection request system
DW/OSS	Online OSS maintenance reports
DW/OSS	Building permit final approval process with local building departments
DW/OSS	Online application tracking and notification for applicants/contractors
DW/OSS	Online property records GIS mapping tool
DW/OSS	Online applications – Property Conveyance Inspection reports and drinking water status reports

Will all fees be increasing?

Although the Health District’s hourly rate is being adjusted to cover the actual cost of providing service, not all fees will increase in a flat fashion. The Health District periodically reviews time accounting information to determine the amount of time an application takes to review. Based on these reviews, some applications are taking more or less time to review and fees will adjust accordingly. In addition, during this fee schedule review, the Health District is consolidating some fees to simplify our fee structure.

When will the fees take effect?

The Health District is proposing fee adjustments that will be phased in over a two-year period. The first fee adjustment will be effective 1/1/18. The second phase of the adjustment will take effect 1/1/2019.

What if I have additional questions?

Feedback or questions on the proposed ordinance will be accepted until Wed., Nov. 22 at 4:30 p.m. and can be submitted:

- 1) Online at www.kitsappublichealth.org/fees
- 2) Via phone by calling 360-728-2205
- 3) Via mail:
Kitsap Public Health District
ATTN: EH Fee Adjustments
345 6th Street Suite 300, Bremerton, WA 98337
- 4) At the public listening session:
Thursday, November 16, 2017 from 4:30-6:30 p.m.
Norm Dicks Government Center Chambers
345 6th St., Bremerton, WA 98337

If you'd like a response to your inquiry, be sure to include your contact information when you submit your feedback.

A public hearing is scheduled during the Kitsap Public Health Board's monthly meeting, scheduled for Tues., Dec. 5 from 1:45 – 3 p.m. in the Chambers of the Norm Dicks Government Center.