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May 06, 2014

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

38 May 6, 2014

Sachi A. Hamai
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EXECUTIVE OFFICER



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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF AN ORDINANCE TO AMEND LOS ANGELES COUNTY CODE TITLE 8 – CONSUMER PROTECTION AND BUSINESS REGULATIONS, TITLE 11 – HEALTH AND SAFETY CODE, AND TITLE 20 – UTILITIES

SUBJECT

Approval to adopt an ordinance to amend Los Angeles County Code Title 8 – Consumer Protection and Business Regulations, Title 11 – Health and Safety Code, and Title 20 – Utilities.

IT IS RECOMMENDED THAT THE BOARD:

1. Instruct the Treasurer and Tax-Collector (TTC) to coordinate and finalize the transfer to the Department of Public Health’s (DPH) Environmental Health Division, responsibility for billing, collection, accounting, and issuing Public Health Permits and Licenses beginning July 1, 2014.
2. Introduce, waive reading, and adopt the attached ordinance (Exhibit A) amending the Los Angeles County Code (LACC) Title 8 – Consumer Protection and Business Regulations, Title 11– Health and Safety Code, and Title 20 – Utilities, to transfer the responsibility for duties related to the issuance of Public Health Permits and Licenses from the TTC and the Auditor-Controller (AC) to DPH, beginning July 1, 2014.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The DPH’s Environmental Health Division is empowered with regulatory authority relating to public health with which it performs mandated services that are principally offset by the collection of fees for licenses, permits, and services. The collection of these public health fees, including the billing and

issuance of permits and licenses, is currently coordinated and performed by the DPH and the TTC, while the AC issues and signs the blank permits and licenses.

Pursuant to the County Code, the AC issues the TTC blank permits and licenses that are signed by the AC. The TTC processes permit and license applications, bills the fees for the applications, issues and co-signs public health permits and licenses, performs related accounting functions, and maintains the financial system. The DPH bills fees for Environmental Health services that do not require a license or permit and audits bank accounts.

The functions have been divided among the three departments primarily because the database used by DPH, the Environmental Health Management Information System (EHMIS), maintained inspection data, including ownership information, but was incapable of tracking financial payments. As a result, the DPH has historically paid the TTC to manage the fiscal functions related to permits, licenses, services, and liens; mail permits and licenses; and respond to customer service inquiries related to the issuance and collection of public health permits, licenses, and liens.

On August 21, 2012, in an effort to combine the permitting and inspection management capabilities into one system, your Board approved a contract between the Decade Software Company, LLC and the DPH to replace the EHMIS, a paper-based central processing system, with a new permitting and inspection management system for the DPH. The new system, known as EnvisionConnect (EC), was implemented on July 1, 2013, when the inspection management capability began.

EC, a web-based central processing system, combines the permitting and inspection management capabilities and the TTC's financial data and license issuance capabilities into one system. Upon your approval of the recommended actions beginning with the fiscal year (FY) 2014-15 license and permit billing cycles, the DPH will use EC's permit and financial capabilities to assume the responsibilities listed below including, but not limited to:

- Accepting and processing applications;
- Signing and issuing Public Health Permits and Licenses;
- Collecting and posting re-inspection fees, health permit fees, license fees, and penalties;
- Accounting for and reporting the collection of all fees and penalties; and
- Performing system maintenance.

The DPH's assumption of these responsibilities will also provide customers with an improved and more efficient level of service. Some of these benefits include:

- Elimination of duplicative work processes required to update ownership and permit information in both the EC system and the TTC system;
- Elimination of ownership and permit discrepancies encountered when completing two separate workflows to update the ownership information in the two separate databases;
- Improved efficiencies from the use of electronic applications and forms instead of relying on pre-printed, sequentially numbered permit and license applications and forms;
- Improved accuracy and efficiencies through the usage of web forms instead of hardcopy forms, which will feature electronic submission of applications, rather than the submission of hard copy forms by courier;
- Improved customer service and more timely posting of payments due to a centralized point-of-

contact; and

- Immediate access to payment data for DPH Inspectors in the field.

The TTC will continue to provide related cash management and armored car services to the DPH, in its role as the County Treasurer. In addition, the DPH is working with the Registrar-Recorder/County Clerk (RRCC) and County Counsel on a Memorandum of Understanding to access the RRCC's system for liens.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness and Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The transfer of the responsibilities for billing, accounting, and issuing Public Health permits and licenses from the TTC to the DPH will not result in an increase in fees for customers (i.e., regulated operators).

The DPH currently reimburses the TTC approximately \$1 million per year for services. TTC activities transferred to DPH are fully offset by Environmental Health Fees. Funding has been allocated in the FY 2014-15 Recommended Budget with no impact to net County cost.

There is no negative impact to TTC employees as a result of this transfer, as employees performing these duties will be reassigned to equivalent, vacant positions elsewhere in the TTC.

The DPH will request, through the budget process, the positions necessary to perform these services and will contract with an outside vendor for the printing and mailing of the invoices and delinquency notices.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The DPH's Environmental Health Division is empowered with regulatory authority relating to public health with which it performs mandated services including, but not limited to, inspections and investigations related to food, housing, drinking water, water pollution, solid waste, and vector management. The State and local health and safety codes provide the DPH with the authority to carry out regulatory activities to protect public health and safety. These regulatory activities are principally offset by the collection of fees for licenses, permits, and services. The State law permits the DPH to collect fees to offset the "reasonable expenses" that arise from its general enforcement activities and, in the area of retail food activities, the "actual expenses" incurred in enforcing the California Retail Food Code.

The DPH will provide regulated business operators with information on the transfer of billing from the TTC to the DPH through website postings, mailers, and at regularly scheduled industry meetings. The information will include the new contact information for inquiries regarding Public Health Permits or Licenses.

To ensure the department's operational and fiscal accountability resulting from the shift of TTC

responsibilities, DPH has established internal control procedures for issuing permits/licenses and collecting related fees and penalties.

The TTC and the AC are in agreement with this recommendation.

County Counsel has reviewed and approved Exhibit A as to form.

ENVIRONMENTAL DOCUMENTATION

The Adoption of the recommended Ordinance is exempt from the California Environmental Quality Act pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273(a) of the California Environmental Quality Act Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

If adopted, the amended ordinance will authorize DPH, beginning with FY 2014-15, to assume the annual billing, collection, accounting, and issuance of Public Health Permits, Licenses, and service fees.

CONCLUSION

The DPH will continue to review its permit and license billing processes to identify further efficiencies and ways to improve customer service.

The Honorable Board of Supervisors

5/6/2014

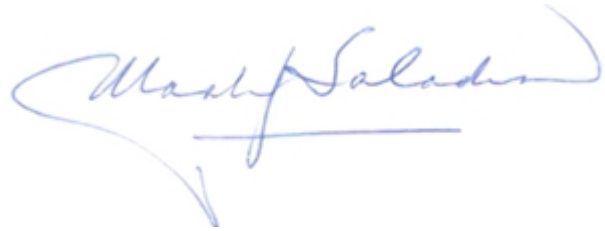
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Respectfully submitted,



JONATHAN E. FIELDING, M.D., M.P.H.

Director and Health Officer



MARK J. SALADINO

Treasurer and Tax Collector

JEF:av
BL# 02939

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Registrar-Recorder/County Clerk