

## S T A T E O F M I C H I G A N

## BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

**HEALTH DEPARTMENT—APPROVE 2020 FOOD FEE SCHEDULE**

**WHEREAS**, the Board of Commissioners (Board) adopted a methodology for the establishment of fees; and

**WHEREAS**, the Board slated the food fee services as a pilot to embed this new methodology; and

**WHEREAS**, the Health Department has proposed a new food fee schedule in alignment with the new methodology and Michigan Department of Agriculture and Rural Development requirements.

**THEREFORE BE IT RESOLVED** that the Board hereby approves the 2020 Food Fee Schedule, as attached, effective February 1, 2020; and

**BE IT FURTHER RESOLVED** that the Board Chairperson and/or the County Administrator are authorized to sign the necessary documents on behalf of the County and that the Budget and Finance Director is authorized to make the necessary budget adjustments to complete this action; and

**BE IT FINALLY RESOLVED** that the food services fee schedule shall be reviewed annually for alignment with the methodology and confirmed through the annual budget process.



ALLEGAN COUNTY  
REQUEST FOR ACTION FORM

Completed RFA form must be attached to a work order request through the Track-It System. If you have any questions regarding this process, please contact Administration @ ext. 2633.

RFA#: 187-660

Date: 12/27/19

Request Type Routine Items Select a Request Type to reveal and complete required form.  
Department Requesting Health  
Submitted By Angelique Joynes, MPH, RN and Randy Rapp, RS  
Contact Information ajoynes@allegancounty.org or RRapp@allegancounty.org

Description

Respectfully requesting the Board of Commissioners to consider approving a revised Food Fee schedule for 2020, utilizing the recently-approved Board methodology. All fees have been updated. Deadline: These new fees need to be adopted by January 20, 2020 (before Martin Luther King Day) to meet MDARD requirements.

The annual licensing fees proposed represent a flat rate for profit entities and there will be a reduced flat rate for non-profit entities. The restaurants will still be categorized by risk for internal prioritization of inspections and to align with Michigan Department of Agriculture and Rural Development moving forward. Please see the proposed fee schedule.

**ALLEGAN COUNTY HEALTH DEPARTMENT**

3255 122nd Avenue, Suite 200

Allegan, MI 49010

Phone: (269) 673-5415

**2019 FOOD FEE SCHEDULE**

<b>FIXED FOOD SERVICE ESTABLISHMENTS + State Fee</b>	<b>County Fee</b>	<b>State Fee</b>	<b>Total</b>
0-15	380.00	30.00	410.00
16-49	427.00	30.00	457.00
50-100	473.00	30.00	503.00
101-125	519.00	30.00	549.00
125+	600.00	30.00	630.00
Tax Exempt/Non Profit	196.00	30.00	226.00
Profit – Limited License	254.00	30.00	284.00
SCHOOLS - Main Preparation Kitchen	485.00	30.00	515.00
SCHOOLS - Satellite Kitchen	254.00	30.00	284.00

<b>MOBILE UNITS + State Fee</b>	<b>County Fee</b>	<b>State Fee</b>	<b>Total</b>
Unit that returns to a fixed location commissary every 24 hours.	224.00	30.00	254.00

<b>TEMPORARY LICENSES + State Fee</b>	<b>County Fee</b>	<b>State Fee</b>	<b>Total</b>
Application received 10 business days prior to the event	106.00	9.00	115.00
LATE FEE \$50.00 if received < 10 business days prior to the event	156.00	9.00	165.00
Non Profit Organization > 10 business days prior to the event	80.00	5.00	85.00
LATE FEE \$50.00 if received < 10 business days prior to the event	130.00	5.00	135.00

**Note:** Individuals who hold a Veterans License, under authority of Act 309 PA 1921, check with this department regarding fees.

<b>TRANSITORY FOOD UNIT (STFU) STATE MANDATED FEES</b>	<b>County Fee</b>	<b>State Fee</b>	<b>Total</b>
License Fee	111.00	44.00	155.00
Non-Profit	111.00	5.00	116.00
Inspection Fee (submitted with Notice of Intent at least 4 days prior to start operation)			90.00

**ALL LICENSING FEES DUE – APRIL 30 of every year** Payable to the Allegan County Health Department (ACHD)  
**A LATE FEE of \$5.00 per day will be assessed if payment is not received or postmarked by April 30.**

<b>ENFORCMENT FEES</b>	<b>Total</b>
Follow-up evaluation fee assessed on 2 and more follow ups AND on Increased Frequency Inspections	110.00
Administrative Review	220.00
Office Conference	220.00
Informal Hearing	440.00
Formal Hearing	880.00

<b>EXISTING ESTABLISHMENT SITE REVIEW</b>	<b>Total</b>
Site review of an existing establishment for a change of use, change of owner and or change of operation. (includes existing establishment walk through, equipment and standard operating procedures review – can be applied to the a plan review fee) Non – Profit establishments are exempt	231.00

<b>PLAN REVIEW FEES - All fees will be doubled for starting construction without prior written approval.</b>	<b>Total</b>
Special Transitory Food Unit (STFU) Plan Review OR Existing Unit Evaluation	346.00
REMODEL – Existing Establishment	346.00
CONSTRUCTION - New Food Service Establishment	693.00



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**PROPOSED FEES TO BE REVIEWED BY THE BOC**

<b>FIXED FOOD SERVICE ESTABLISHMENTS + State Fee</b>	<b>County Fee</b>	<b>State Fee</b>	<b>Total</b>
Flat Fee, no difference for seating capacity or menu	430	30	460
Flat Fee, Non-Profit	325	30	355

<b>MOBILE UNITS + State Fee</b>	<b>County Fee</b>	<b>State Fee</b>	<b>Total</b>
Unit that returns to a fixed location commissary every 24 hours.	135	30	165

<b>FIXED FOOD LICENSE LATE FEES (Due April 30 of each year)</b>	<b>County Fee</b>		
May 1-15	75		75
After May 15	165		165

**Note:** Individuals who hold a Veterans License, under authority of Act 309 PA 1921, check with this department regarding fees.

<b>TRANSITORY FOOD UNIT (STFU)</b>	<b>STATE MANDATED FEES</b>	<b>County Fee</b>	<b>State Fee</b>	<b>Total</b>
License Fee		111	44	155
Non-Profit License Fee		111	5	116
Inspection Fee (submitted with Notice of Intent at least 4 days prior to start operation)				90

<b>TEMPORARY LICENSES + State Fee</b>	<b>County Fee</b>	<b>State Fee</b>	<b>Total</b>
License and field evaluation	125	9	135
License and field evaluation – Non-profit	105	5	110
Less than 10 day notice Late Fee	85	9	94
Less than 10 day notice Late Fee – Non-profit	70	5	75
Less than 48 hour notice Late Fee	120	9	129
Less than 48 hour notice Late Fee – Non-profit	100	5	105

<b>ENFORCMENT FEES</b>	<b>Total</b>
Increased Frequency Evaluations and second and all subsequent follow up re-evaluation	170
Administrative Review	330
Office Conference	385
Informal Hearing	625
Formal Hearing	920

<b>EXISTING ESTABLISHMENT SITE REVIEW</b>	<b>Total</b>
Site review of an existing establishment for a change of use, change of owner and or change of operation. (includes existing establishment walk through, equipment and standard operating procedures review – can be applied to the a plan review fee) Non – Profit establishments are exempt	270

<b>PLAN REVIEW FEES - All fees will be doubled for starting construction without prior written approval.</b>	<b>Total</b>
Special Transitory Food Unit (STFU) Plan Review OR Existing Unit Evaluation	240
REMODEL – Existing Establishment	400
CONSTRUCTION - New Food Service Establishment	400

# Summary of Board actions regarding Fee principles and methodology

**January 24, 2019:**

## 1. Confirm Compliance

1. A user fee must serve a regulatory purpose rather than a revenue generating purpose.
2. A user fee must be proportionate to the necessary costs of the service or commodity, and imposed on those benefiting from the right/service/improvement supported by the fee.
3. A user fee is voluntary in nature as opposed to being compulsory.

## 2. Establish Cost

1. **Direct** Salaries, benefits and allowable departmental expenditures.
2. **Departmental Overhead** Departmental administration / management and clerical support.
3. **County-wide Overhead** Central service costs such as payroll, human resources, budgeting, county management, etc. Often established through a cost allocation methodology or plan (In this case, the County provided these costs).
4. **Cross-Departmental Support** Costs associated with review or assistance in providing specific services. For example, costs associated with the Planning Department's review of construction plans.

## 3. Establish Benefit Level

1. Benefit Level 1 - Services that Provide General "Global" Community Benefit (0% – 30% cost recovery)
2. Benefit Level 2 - Services that Provide Both "Global" Benefit and also a Specific Group or Individual Benefit (>30% - 70% cost recovery)
3. Benefit Level 3 - Services that Provide a Primary Benefit to an Individual or Group, with less "Global" Community Benefit (>70% - 100% cost recovery)

**March 28, 2019:**

### □ Methodology:

- Total Costs minus Dedicated Revenue = Net Cost
- Net Cost divided by # of hours = net hourly rate
- Net Hourly rate times number of hours to perform service= Net cost per service
- Net cost per service times % of user support = user fee
- User fee plus other revenue = net cost per service

**September 12, 2019:**

Level 1: Fees cover 0 - 30% of the cost      No services      25%

Level 2: Fees cover 30 - 70% of the cost      Few services      50%

Level 3: Fees cover 70 - 100% of the cost      Majority of County services -  
100% or- 75%, depending upon  
service or customer

# IMPACT TALKING POINTS

## PROPOSED FOOD FEES

FLAT RATE AT \$430 (PROFIT)

FLAT RATE AT \$325 (NON-PROFIT)

JANUARY 2, 2020

<u>CURRENT FEE DESCRIPTION</u>	<u># OF FACILITIES</u>	<u>CURRENT FEE W/O MDARD FEE</u>	<u>CHANGE</u>	<u>% of Total Facilities</u>
<b><u>Profits</u></b>				
0 – 15 SEATS	41	\$380	+\$50	15.5
16 – 49 SEATS	61	\$427	+\$3	23.0
50 – 100 SEATS	92	\$473	-\$43	34.7
101 – 125 SEATS	14	\$519	-\$89	5.3
125 +	48	\$600	-\$170	18.1
PROFIT LIMITED LICENSE	9	\$254	+\$176	3.4
<b><u>Non-profits</u></b>				
TAX EXEMPT/NON-PROFIT	40	\$196	+\$129	39.3
SCHOOL MAIN KITCHEN	30	\$485	-\$160	29.4
SCHOOL SATELLITE KITCHEN	32	\$254	+\$71	31.4

1. 96.6% of the “for profit” establishments’ licenses, will increase no more than \$50 or be reduced.
2. The profit limited license is effected the most however, there are 9 establishments, of this type, or 3.4% of the total. These are hotels, cinemas, hand dipped ice cream cones, etc...
3. The most effected establishments, outside of the “profit limited license”, will be “tax exempt/non-profit”, they will increase \$129 or 39.7%. These are churches, school concessions, government entities such as fire departments and non-profit clubs
4. The school main kitchen license fee will be reduced by \$160 or 33%.
5. Over 70% of the non-profits will see their license fee increase \$71 or more.