



# *CITY COUNCIL AGENDA REPORT*

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MEETING DATE: JUNE 2, 2009

ITEM NUMBER:

**SUBJECT:** FIRE DEPARTMENT BUSINESS INSPECTION FEE

**DATE:** MAY 20, 2009

**FROM:** FIRE DEPARTMENT/PREVENTION DIVISION

**PRESENTATION BY:** GREGG STEWARD, DEPUTY CHIEF/FIRE MARSHAL AND  
SUSAN GUZZETTA, FIRE PREVENTION ANALYST

**FOR FURTHER INFORMATION CONTACT:** GREGG STEWARD, DEPUTY CHIEF / FIRE MARSHAL  
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## **RECOMMENDATION:**

Staff recommends that City Council adopt the Fire Department Business Inspection Fees. This adoption will result in an estimated \$360,000.00 in additional revenue annually.

## **BACKGROUND:**

The Fire Department Business Inspection Fee has been developed at the direction of Council, following Council's vote adopting the Fire Prevention Plan Check & Inspection Fees Program.

This fee has been removed from the previous schedule and is being presented independently for approval as requested by Council.

Fire Prevention Fees are considered "beneficiary charges" which are defined as payments made by consumers in direct exchange for government services received.

The California Health & Safety Code allows municipalities to recover the costs reasonably borne for services provided to the community. The Fire Department Business Inspection fee as recommended, are based on current Fire Prevention Analyst's hourly wage.

If it is approved, the proposed fees will take effect on July 1, 2009.

## **ANALYSIS:**

The Costa Mesa Fire Department provides fire company business inspections for 6,000 business occupancies per year. These inspections ensure fire and life safety for employees and patrons. The inspections range from simple, small business occupancies to complex occupancies. The City of Costa Mesa does not currently charge for these inspections. There are 6,000 business inspections conducted by Costa Mesa fire companies each year. With the assistance of our Finance Department, we have determined our "cost recovery" fee to be at \$60.00 per half hour with a \$60.00 minimum. Using the minimum of \$60.00 for

each of the 6,000 annual inspections, the City would see a positive change in revenue of \$360,000.00 annually.

**ALTERNATIVES CONSIDERED:**

As Council has directed that a fee schedule be developed, an alternative would be to conduct inspections without cost recovery for the required service.

**FISCAL REVIEW:**

Given the estimated activity level for fiscal year 2009-2010, the total additional revenue should approximate \$360,000.00 per year. These funds will be deposited into the City's general fund and be available for appropriation for the fiscal year 2009-2010 operating and capital improvement budget.

**CONCLUSION:**

Staff respectfully recommends that the City Council approve the adoption of the Fire Department Business Inspection Fees as proposed.

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GREGG STEWARD  
Deputy Chief / Fire Marshal

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SUSAN GUZZETTA  
Fire Protection Analyst

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MARC R. PUCKETT  
Director of Finance

- ATTACHMENT:    1    [Cost Recovery Recommendation  
for Business Inspection Fees](#)  
                      2    [Council Resolution](#)

- DISTRIBUTION:    City Manager  
                          Assistant City Manager  
                          City Clerk  
                          Director of Finance  
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