



# *CITY COUNCIL AGENDA REPORT*

---

**MEETING DATE:** June 2, 2009

**ITEM NUMBER:**

**SUBJECT:** FIRE PREVENTION APARTMENT 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  
(714) 754-7404

---

## **RECOMMENDATION:**

Staff recommends that City Council adopt the Fiscal Year 2009-2010 Fire Prevention Apartment Inspection Fee Schedule per Attachment 1.

This adoption will result in an estimated \$14,280.00 in additional revenue annually which will provide 100% cost recovery for the service provided.

## **BACKGROUND:**

The Fire Prevention Fees schedule has been developed at the direction of Council following Council's vote adopting the Fire Prevention Plan Check & Inspection Fees Program. This information was presented to City Council on May 5, 2009. The City Council had additional questions and requested we bring the additional information to the June 2, 2009 Council meeting. Council also requested the proposed fees be broken down into separate sections for consideration. They are: Apartment Inspection Fee, Fire Prevention Permit/Plan-Check Fees, Business Inspection Fees, and Hazardous Materials Fee for late filing. This City Council Agenda Report contains information regarding the proposed Apartment Inspection Fees.

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 reasonable borne for services provided to the community. The Fire Prevention Fees, as recommended, were calculated based on current labor cost to provide the service, including materials and overhead costs. The proposed fees also consider similar fees charged in the municipal marketplace.

The following new fee category is being implemented:

- Apartment Inspection Fee (Health & Safety Code 13146.2 State Mandated Inspection)

It is proposed this fee will take effect on July 1, 2009.

**ANALYSIS:**

In evaluating and determining the proposed Apartment Inspection Fee, staff considered the following:

- Services appropriate for the Fire Prevention Fee structure were identified.
- Fees data was collected using current salary/fringe benefit rates and some overhead costs.

The proposed Fire Prevention Fees reflect fire protection analyst salaries, administrative overhead, and benefit rates as applicable.

Staff anticipates this fee increase will add approximately \$14,280.00 to the General Fund revenues. The anticipated increase would provide complete cost recovery for the service.

**ALTERNATIVES CONSIDERED:**

As Council has directed that a fee schedule be developed, alternatives included:

1. Developing a schedule based on the mean average fees charged by other Orange County agencies providing the same, or similar services.
2. Developing a schedule based strictly on the hourly, fully loaded, cost of providing services.

During this process, it was found that using the hourly, full loaded, cost of providing services based on current Fire Prevention Analyst hourly wage provided a fees structure that was less than half of the mean average fees charged by the four Orange County agencies charging for apartment inspections. The four agencies are Brea, Huntington Beach, Santa Ana, and Orange City Fire Departments. Details can be seen on the attachment.

Because this method of fees development is fair, defensible, and meets the intent of the law, this is the format used to develop the fees schedule being presented for your approval.

**FISCAL REVIEW:**

If approved, given the estimated activity level for fiscal year 2009-2010 the total additional revenue should approximate \$14,280.00

**CONCLUSION:**

The Fire department respectfully recommends that the City Council approve the adoption of the Fire Prevention Apartment Inspection Fee Schedule as proposed per Attachment 1. This adoption will result in an estimated \$14,280.00 in additional revenue annually for the services provided by the Fire Prevention Bureau.

---

GREGG STEWARD  
Deputy Chief / Fire Marshal

---

SUSAN GUZZETTA  
Fire Prevention Analyst

---

MARC R. PUCKETT  
Director of Finance

- ATTACHMENT:    1    [Cost Recovery Recommendation  
for Apartment Inspections](#)  
                      2    [Council Resolution](#)

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