



# *CITY COUNCIL AGENDA REPORT*

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**MEETING DATE:** June 2, 2009

**ITEM NUMBER:**

**SUBJECT:** FIRE PREVENTION HAZARDOUS MATERIAL DISCLOSURE LATE FILING 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 Fiscal Year 2009-2010 Late Hazardous Material Disclosure Fee per Attachment 1.

This adoption will result in an estimated \$4,000 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 that 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 late filing of Hazardous Materials Disclosures.

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 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.

In addition the following new fee category is being implemented:

- Hazardous Material Filing Late Fee

It is proposed that these fees take effect July 1, 2009.

### **ANALYSIS:**

In evaluating and determining the proposed late filing fee for hazardous materials, staff considered the following:

- Contact the Orange County Health Care Agency (OCHCA). This is the agency that currently does our billing.
- Determine if the OCHCA has a “late fee” policy already in place.
- Adopt the identical policy.

The instituting of a fee may help to reduce the number of businesses that submit their disclosures late, currently without penalty. Fees collected will offset the additional time the Hazardous Material Consultant must spend communicating with the billing agency regarding unpaid disclosure fees. **Staff anticipates this late fee will add approximately \$4,000 to the General Fund revenues.**

### **ALTERNATIVES CONSIDERED:**

Since Council has directed that a fee schedule be developed, alternatives include:

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, fully loaded, cost of providing services based on current Fire Prevention Analyst hourly wage, provided a fees structure that nearly matched the mean average fees charged by other Orange County agencies. The suggested 25% late fee is also the same fee the OCHCA currently charges.

Because this method of fees development is fair, defensible, and meets the intent of the law, it 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 \$4,000.

### **CONCLUSION:**

The Fire department respectfully recommends that the City Council approve the adoption of the Hazardous Materials Disclosure late filing fee as proposed per Exhibit A. This adoption will result in an estimated \$4,000 in additional revenue annually for the services provided by the Fire Prevention Bureau.

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GREGG STEWARD  
Deputy Chief / Fire Marshal

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SUSAN GUZZETTA  
Fire Prevention Analyst

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MARC R. PUCKETT  
Director of Finance

ATTACHMENT:    1    [Cost Recovery Fee Proposal for  
Late Hazardous Materials  
Disclosures](#)  
                  2    [Council Resolution](#)

DISTRIBUTION:   City Manager  
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