



SACRAMENTO FIRE DEPARTMENT
"An All-Risk Organization"

JULIUS J. CHERRY
FIRE CHIEF

CITY OF SACRAMENTO
CALIFORNIA

November 12, 2004

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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: PROPOSED INCREASE FOR FIRE CODE ENFORCEMENT FEES

LOCATION/COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report recommends that the Mayor/City Council:

- 1) approve a new fee schedule for Fire Code Enforcement fees as indicated in Attachments A & B effective February 1, 2005,
- 2) approve a phased in approach to reaching optimum cost recovery in these fees, and
- 3) direct that the City's Fees and Charges Report be modified to reflect the new fee schedule.

CONTACT PERSON: Julius J. Cherry, Fire Chief, 433-1601
Troy Malaspino, Assistant Chief, Fire Prevention, 433-1620

FOR CITY COUNCIL MEETING OF: December 14, 2004

SUMMARY:

During the FY2004/05 Budget hearings, the Mayor/City Council considered proposed fee increases for Fire Code Enforcement Permits. At that time, the Mayor/City Council directed staff to: develop a phased approach to attaining optimum cost recovery; conduct a public outreach effort relative to the new fee schedule; and report back to Mayor/City Council with a recommended fee schedule.

BACKGROUND:

During the FY2004/05 Proposed Budget Hearings, the Fire Department presented a report recommending adjustments to the Fire Code Enforcement Fees. These fees have not been increased in over a decade and the inspection cycle is currently 3-5 years. In many cases, state law under the California Health and Safety Code and the California Fire Code requires an inspection cycle of 1 year. Revenue from the proposed fee increases would fund additional staff to increase fire code enforcement and reduce the inspection cycle.

At the hearings, the Mayor/City Council directed staff to develop a phased approach to implementing fees increases to avoid 'sticker shock' to those paying the fees, conduct a public outreach effort to solicit input on the proposed fee schedule and report back to the Mayor/City Council with a proposed fee schedule.

Outreach

Following the Mayor/City Council direction, staff has met with and/or solicited input from a variety of stakeholders on this issue including:

- ◆ Chambers of Commerce
- ◆ Rental Housing Association of Sacramento Valley
- ◆ California Restaurant Association
- ◆ Current Permit Holders

Stakeholders were invited to attend an informational meeting regarding the fees and letters were sent to over 1,800 current permit holders. A permit fee "hotline" and email address were established to promote communications. Feedback from the informational and subsequent meetings indicate that the phased-in fee increase approach was generally well received.

Development of Fee Schedule

MuniFinancial, experts in cost analysis, recently conducted a study to evaluate the current fire code enforcement fee structure. The evaluation included identifying costs associated with the inspection, issuance and enforcement of the various fire code enforcement permits including labor, administration, vehicles and supplies. Using this data and the volume of different inspections, a determination of the full cost for each permit category was identified and the appropriate level of fee to charge in order to achieve full cost recovery for code and compliance issues.

MuniFinancial also conducted comparisons of the proposed fee levels compared to other jurisdictions. Where a comparison can be made to other similar cities and Sacramento County, the proposed fee levels are comparable. Smaller communities for the most part do not have the scope, volume or complexity of fire code enforcement issues compared to large urban cities.

Phased Multi-Year Approach

Due to the large gap between the City's current fees and full cost recovery, a combination of phased-in increases over three years and a change to multi-year inspection cycles is recommended to reach full cost recovery. Attachment A provides a list of those code enforcement categories that require an annual inspection by law. Fees would start off at 50% of full cost in Year 1 and increase each of the following two years to achieve full cost recovery in Year 3. Staff is also recommending a multi-year inspection cycle in some categories where allowed by law to spread the increased fee cost over several years. For example, currently an aircraft refueling vehicle is required to be inspected once a year for a fee of \$40. Under the proposed fee schedule, the aircraft refueling vehicle would be inspected on a triennial basis for a fee of \$130 (or \$43.33 a year). Attachment B of this report indicates those categories where this could apply and the cycle frequency recommended.

Staff is also recommending a modified fee structure for city special events requiring a fire permit. The fee for the permit is a flat rate of \$40 with additional costs of the inspection (when required) to be borne by the specific event. Small events would pay substantially less than large events that tend to incur higher inspection costs.

FINANCIAL CONSIDERATIONS:

Fire code enforcement permits have not been increased during the last ten years. The proposed fee increases will offset the increased operating costs of the fire code enforcement process over a period of three years and provide funding to increase enforcement and reduce the inspection cycle in compliance with legal requirements.

ENVIRONMENTAL CONSIDERATIONS:

This report concerns administrative activities that will not have any significant effect on the environment, and that do not constitute "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3);15378(b)(2)].


POLICY CONSIDERATIONS:

This report is in compliance with the City Council's direction for 100% cost recovery of code and compliance enforcement.

ESBD EFFORTS:

There are no goods or services being purchased as a direct result of this action.

Respectfully Submitted,


FOR Julius J. Cherry
Fire Chief

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

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Attachment A

Annual Fire Code Enforcement Permit Phased Fee Schedule

ANNUAL PERMIT	Current Fee	Permit Fee Year 1 (2004/2005)	Permit Fee Year 2 (2005/2006)	Permit Fee Year 3 (2006/2007)
Apartments (3-8)	\$30	\$30	\$30	\$30
Apartments (9-16)	\$30	\$30	\$30	\$30
Apartments (17-30)	\$80	\$113	\$170	\$226
Apartments (31-60)	\$110	\$113	\$170	\$226
Apartments (61-100)	\$120	\$137	\$206	\$274
Apartments (101-150)	\$130	\$137	\$206	\$274
Apartments (151-200)	\$140	\$161	\$242	\$322
Apartments (201-250)	\$150	\$161	\$242	\$322
Apartments (251-300)	\$160	\$186	\$278	\$371
Apartments (301-350)	\$170	\$186	\$278	\$371
Apartments (351-400)	\$180	\$210	\$314	\$419
Apartments (401-450)	\$190	\$258	\$386	\$515
Apartments (451-500)	\$200	\$258	\$386	\$515
Apartments (501-550)	\$210	\$258	\$386	\$515
Apartments (551-600)	\$220	\$306	\$458	\$611
Apartments (601-650)	\$220	\$306	\$458	\$611
Apartments (651-700)	\$220	\$306	\$458	\$611
Apartments (701-750)	\$220	\$355	\$532	\$709
Apartments (751-800)	\$220	\$355	\$532	\$709
Apartments (800+)	\$220	\$355	\$532	\$709
Compressed Gases	\$40	\$137	\$206	\$274
Cryogenics	\$40	\$137	\$206	\$274
Day Care (7-12)	\$40	\$89	\$134	\$178
Day Care (13-49)	\$67	\$137	\$206	\$274
Day Care (50-99)	\$76	\$186	\$278	\$371
Day Care (100+)	\$95	\$210	\$314	\$419
Explosives	\$40	\$278	\$416	\$555
Fireworks (Storage)	\$0	\$201	\$301	\$401
Flammable or Combustible Liquid	\$67	\$89	\$133	\$177
Hazardous Materials	\$40	\$137	\$206	\$274
Hospital Acute Care	\$325	\$350	\$524	\$699
Hotel/Motel (3-8)	\$40	\$77	\$116	\$154
Hotel/Motel (9-16)	\$50	\$107	\$161	\$214
Hotel/Motel (17-30)	\$76	\$107	\$161	\$214
Hotel/Motel (31-60)	\$88	\$137	\$206	\$274
Hotel/Motel (61+)	\$100	\$257	\$386	\$514
Institution (Less than 14)	\$67	\$71	\$106	\$141
Institution (15-49)	\$100	\$125	\$188	\$250
Institution (50+)	\$135	\$239	\$358	\$477
Live Audiences (TV/movies)	\$0	\$113	\$169	\$225

Attachment A

Annual Fire Code Enforcement Permit Phased Fee Schedule

ANNUAL PERMIT	Current Fee	Permit Fee Year 1 (2004/2005)	Permit Fee Year 2 (2005/2006)	Permit Fee Year 3 (2006/2007)
LPG	\$40	\$113	\$170	\$226
Multi-story (75'+) (fee per square foot)	\$0.0025	\$0.0031	\$0.0038	\$0.0050
Places of Assembly (300+)	\$135	\$157	\$236	\$314
Places of Assembly (50-299)	\$67	\$78	\$116	\$155
Places of Assembly (Stadiums/Auditoriums)	\$135	\$257	\$386	\$514
Radioactive Materials	\$40	\$217	\$325	\$433

Attachment B

Biennial Fire Code Enforcement Permit Fee Schedule

BIENNIAL PERMIT	Current Fee	Proposed Fee
Aerosol Products	\$40	\$226
Aircraft Refueling Vehicle	\$40	\$130
Aircraft Repair Hangar	\$40	\$226
Artists Live & Work	\$40	\$226
Automobile Wrecking Yard	\$40	\$334
Battery System	\$0	\$263
Candles/Open Flame in assembly areas	\$40	\$154
Fire Alarm Systems (Commercial)	\$40	\$274
Heliport	\$40	\$214
Helistop	\$40	\$214
High Piled Combustible Storage	\$40	\$274
Hot Work Operations	\$40	\$178
Marinas	\$40	\$394
Motor Vehicle Fuel Dispensing Stations	\$40	\$177
Multi-story (3+ not a highrise)	\$40	\$467
Repair Garages	\$40	\$226
Spraying or Dipping	\$40	\$274

Attachment B

Triennial Fire Code Enforcement Permit Fee Schedule

TRIENNIAL PERMIT	Current Fee	Proposed Fee
Cellulose Nitrate Film	\$40	\$274
Cellulose Nitrate Storage	\$40	\$274
Combustible Fiber Storage	\$40	\$334
Combustible Material Storage	\$76	\$334
Commercial rubbish-handling operation	\$67	\$274
Dry Cleaning Plants	\$40	\$334
Dust Producing Operations	\$40	\$334
Fruit Ripening	\$40	\$274
Lumber Yard	\$40	\$334
Magnesium Working	\$40	\$274
Malls - Covered	\$67	\$699
Organic Coatings	\$40	\$214
Ovens, industrial baking or drying	\$40	\$214
Production Facilities (TV/Movie)	\$0	\$226
Refrigeration Equipment	\$40	\$274
Tire Storage	\$67	\$274
Wood Products	\$67	\$274

Attachment B

Single Event Permit and Services Fee Schedule

Permit/Service per Occurance	Current Fee	Proposed Fee
Alternate Means and Methods	\$0	\$65 plus hourly rate of staff or consultant
Asbestos Removal	\$0	\$0
Carnivals and Fairs	\$90	\$379
Carnivals and Fairs (One day event)	\$50	\$30 plus insp fee
Christmas Tree Lots Deposit	\$80	\$80
Community Care Facility Pre-Inspection <25	\$50	\$50
Community Care Facility Pre-Inspection 25+	\$100	\$100
Day Care Facility Pre-Inspection <25	\$50	\$50
Day Care Facility Pre-Inspection 25+	\$100	\$100
Fire Hydrants and water control valves	\$0	Fee administered by Utilities
Fireworks Booth	\$40	\$130
Fumigation	\$0	\$0
Helistop Undesignated	\$0	\$214
Inspections - After-hours	\$60	\$142.50 per hour/minimum 1 hr
Inspections - Call back	\$60	\$142.50 per hour/minimum 4 hrs
Inspections or Consultations	\$60	\$95 per hour
Liquid or gas fueled equipment in assemblies	\$40	\$225
Parade Floats	\$40	\$130
Plan Review - Schools	\$135	\$95 per hour
Pyrotechnical special effects materials	\$135	\$394
Pyrotechnics and special effects	\$135	\$394
Residential Care Facility Pre-Inspection <25	\$50	\$50
Residential Care Facility Pre-Inspection 25+	\$100	\$100
Temporary membrane structures	\$40	\$226

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AMENDING THE CITY OF SACRAMENTO
FEE AND CHARGE REPORT TO REVISE FEES FOR FIRE
CODE ENFORCEMENT PERMITS AND SINGLE EVENTS
AND SERVICES**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. The City of Sacramento approves a three year phased approach to reach full cost recovery of Fire Code Enforcement Permit fees as identified in Attachment A.
2. The City of Sacramento approves a multi-year permit approach to reach full cost recovery of Fire Code Enforcement Permit fees as identified in Attachment B.
3. The City of Sacramento approves a full cost recovery approach for single event permits and services as identified in Attachment B.
4. The City of Sacramento Fee and Charge Report is amended as to include the revised fees for fiscal year 2004/2005 as identified in Attachment A and Attachment B.
5. Based upon the information presented to it and upon all information in public record, and in compliance with Public Resources Code Section 21080(b)(8), the City Council finds that the increased fees are for the purpose of meeting operation expenses, including wage rates and fringe benefits.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____