



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **FROM:** Darryl Von Raesfeld

SUBJECT: FIRE PREVENTION NON-DEVELOPMENT FEE REVISIONS **DATE:** May 28, 2009

Approved *Darryl Von Raesfeld* Date *5/28/09*

RECOMMENDATION

Amend the 2009-2010 Fees & Charges Report to include language changes to the Fire Department's Non-Development fees and charges, presented in the 2009-2010 Fees & Charges Report, adding an hourly inspection rate for Annual Renewable Operating Permit Occupancy groups for inspections that exceed the base number of hours, and adding an hourly inspection rate for One-Time Non-Renewable Permits for inspections that exceed a base number of hours.

BACKGROUND

In order for the Fire Prevention Bureau to be cost recovery, the Fire Department charges fees for annual fire permits and hazardous materials permits. For annual fire permits, the current fee methodology groups different occupancy classifications together, and charges a fee based on "average inspection times." For 2008-2009, those range from \$389 to \$1,561 and remain unchanged for 2009-2010. Those costs are based on a specific number of inspection hours for each occupancy group, ranging from 2 to 9 hours.

The Department also charges fees for one-time non-renewable permits, for things such as fireworks shows, temporary tents, parade floats, etc. For 2008-2009, those range from \$383 to \$549 and remain unchanged for 2009-2010. Those costs are also based on a specific number of hours and the proposed fee change would detail the number of hours included in the base fee.

Two years ago the Department began efforts to bill consistently for re-inspections needed to bring a facility into compliance with the Fire Code. To accomplish that, the Department is working to move its fire inspection databases and billing system into the FireHouse Records Management System (RMS). The Department expects to begin billing through that system sometime between July and October 2009. The Department is programming RMS with the number of inspection hours attached to each occupancy class. At the same time, the Department will be able to charge appropriately for one-time permits, based on the actual number of hours spent in plan review or inspection.

ANALYSIS

To implement billing consistencies, the Department worked with the Budget Office and the City Attorney's Office to propose these amendments to the Fees and Charges schedule related to "Fee per Facility" as part of the Annual Renewable Occupancy Permits and "Permit Fees" as part of the One-Time Non-Renewable Permits. The recommended language mirrors existing language in the Ordinance for hazardous materials development fees. These proposed changes are detailed in Attachment A. These amended fees, if approved, will be reflected in the 2009-2010 Adopted Fees and Charges Report.

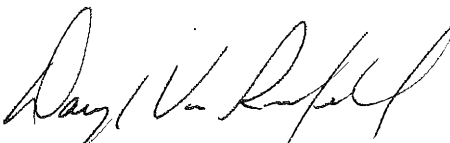
The outcome of adding the proposed language would be to clarify the number of inspection hours attached to the "base fee" (minimum fee) for that occupancy or one-time activity. Because RMS will track the number of hours spent on every inspection, it will be able to generate a bill for all inspection hours above the number included in the base fee. If a re-inspection is needed, it will only generate an additional bill if the total hours (initial inspection plus re-inspection) exceed the hours for the base fee.

PUBLIC OUTREACH

If approved, the Department will send a letter to businesses that have annual fire permits explaining the clarification. The Department will also provide updated information with each application for a one-time permit.

COORDINATION

This MBA has been coordinated with the City Attorney's Office.



DARRYL VON RAESFELD,
Fire Chief

Attachment: Fire Department Non-Development Fee Revisions

Attachment A - Fire Non-Development Fee Revisions

Fire Department	2008-2009 Adopted Fee	2009-2010 Revised Fee
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FIRE PREVENTION NON-DEVELOPMENT PROGRAM FEES-CATEGORY II

1. Annual Renewable Operating Permits

2 Fire Safety Permits	Permit fee per site with a range of \$389 to \$1,561 per permit (includes inspection fee); fee covers all required permits per facility.	Permit fee per site with a range of \$389 to \$1,561 per permit (includes base inspection ranging 2-9 hours) plus hourly rate if inspection surpasses base hours; fee covers all required permits per facility.
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3. Fire Safety Non-Renewable Permits

3 Permits Requiring BOTH a Plan Review AND an Inspection	\$549	Permit fee of \$549.00 plus hourly rate if review surpasses 2 hours.
4 Permits Requiring Either a Plan Review Or an Inspection	\$383	Permit fee of \$383.00 plus hourly rate if review surpasses 1 hour.