

**PLACER COUNTY
OFFICE OF EMERGENCY SERVICES**

M E M O R A N D U M

To: Honorable Board of Supervisors

From: Thomas Miller, County Executive Officer
by: Rui Cunha, Program Manager, Office of Emergency Services

Date: November 3, 2009

Subject: Conduct a public hearing on authorizing collection of fees for fire protection planning in the Placer County Fire area, approve a resolution adopting the fee schedule, and adopt an ordinance incorporating this change in Chapter 15.04.050 of Placer County Code.

ACTION REQUESTED

That your Board 1) conduct a public hearing on authorizing the collection of fees for fire protection planning in the Placer County Fire area, 2) approve a resolution adopting the fee schedule, and 3) adopt an ordinance incorporating this change in Chapter 15.04.050 of Placer County Code.

BACKGROUND

The California Code of Regulations, Title 24, Part 9, Slice 1, also known as the California Fire Code (CFC), establishes "the minimum requirements consistent with nationally recognized best practices to safeguard the public health, safety and general welfare from the hazards of fire, explosions or dangerous conditions in new and existing buildings, structures, and premises, and to provide safety and assistance to fire fighters and emergency responders during emergency operations." It is updated approximately every three years; your Board adopted the latest version for Placer County in a Building Department action on November 6, 2007.

The CFC addresses two types of permits:

- *Construction Permits:* Permits that allow an applicant to install or modify systems and equipment for which a permit is required by the CFC.
- *Operational Permits:* Permits that allow the applicant to conduct an operation or a business for which a permit is required by CFC (Appendix Chapter 1 section 105.6). The permits are either issued for a prescribed period or until renewed/revoked. Operational permits are used for high hazard occupancies and processes, such as flammable and combustible liquid storage facilities, magnesium work, and lumber/woodworking plants.

This action only addresses *Construction Permits*.

In order to comply with the CFC for even a single construction project, Placer County Fire (PCF) fire protection planners complete one or more of 38 different tasks (Attachment D) which might include a plan review, alarm system installation check, subdivision and multi-residential Development fire protection plans check, code compliance check, fire suppression equipment/apparatus inspection and operability check, etc. All but three of the 38 tasks require a site visit and physical inspection.

PCF provides fire protection planning, whether remunerated or not, for the entire unincorporated County except in those areas served by independent fire protection districts. While most fire protection districts (and, for that matter, city fire departments) realize revenue from fire protection planning, PCF realizes revenues in only two ways: it earns revenue from Community Development/Resource Agency (CDRA) "Major Projects," and it earns revenue from development located only within the boundaries of North Auburn/Ophir Fire (Zone of Benefit 193). It does not realize revenues from the greatest portion of its geographic response area, but a standardized, systemwide fire protection planning fee schedule for PCF would bring significant revenues. It would also bring PCF into compliance with your Board's previously stated policy requiring new development "pay its own way." The current budget for PCF fire protection planners must be augmented by General Fund revenues to cover the added expense of uncompensated planning – an expense that approximates \$200,000 annually.

Current Fees: As noted above, Placer County Fire realizes revenue from fees for fire protection planning, which are collected from two sources. First, revenues are realized for development projects in the geographic area (Zone) of North Auburn/Ophir Fire. This is as a result of the incorporation of that area, along with its existing planning fee schedule, into PCF after the 2006 dissolution of Placer Consolidated Fire Protection District (PCFPD), the previous fire protection agency in that Zone. The 2006 PCFPD fee structure (Attachment C) remains in effect three years later and as a result, it naturally does not fully cover current costs. Secondly, revenues are realized in "Major Projects" where fire protection planning is compensated on a time-and-materials basis. Both of these revenue sources are deeply impacted by the on-going economic downturn.

Recommended Fees: At Attachment D are individual data sheets for the 38 fire protection planning tasks for which cost recovery is sought. The information provided, including the average number of hours required for each task, was derived from 2007 data and the rate of proposed compensation was computed at an hourly rate of \$109.97/hour. That rate was derived as shown at Attachment E and uses pay scales set in the current County contract with CAL FIRE. In addition to salary, benefits and planned overtime, the calculation included the costs of the Information Technology provided to fire planners, cost for space occupied in CDRA, and a charge for the provision and usage of vehicles. Finally, it includes a 5% overhead charge to fund CDRA collection of permit fees and for administration by County Executive Office fiscal staff.

In order to ensure widespread understanding of the logic, reasoning and computations used to develop this new fee structure, the Program Manager of the Office of Emergency Services made presentations to two professional associations: Placer Architects, Geologists, Engineers, and Surveyors (P.A.G.E.S.), and the Placer County Contractors Association. Phone calls, emails and written correspondence with the North State Building Industry Association (BIA) went unanswered (copy of letter to BIA attached).

ANALYSIS

As alluded above, this is a follow-on addition to a January 22, 2008 Board action that granted approval for 100% cost recovery by CDRA for development applications in the "Major Projects" category. However, Major Projects represent only a fraction of the fire protection planning workload and there are numerous other permit applications requiring far more of the fire protection planners' skills, knowledge and time.

The major differences between other permit applications and Major Projects is that that other permits are far more numerous, much more geographically distant, and individual tasks

more varied. As such, staff has determined that it is more efficient to allocate an empirically determined average fee to each task rather than track each on a *time-and-materials* basis. Consider:

- A fixed-fee schedule gives the applicant complete knowledge of permit costs from the outset. This is especially valuable for smaller, non-developer completed projects often involving homeowners, small businesses and contractors, non-profits, and others. In addition, it eliminates any potential for time disputes between the applicant and staff.
- Fees are not subject to year-over-year fluctuations due to internal training and technological improvements whose impacts are rarely constant due to staff turnover.
- Fees are applicable to only one function, fire protection planning, and are consistent with those charged by fire departments and districts in Placer County and in other California cities and fire protection districts (see Attachment F).

FISCAL IMPACT

Revenues received from the fire planning tasks listed in Attachment D will reduce General Fund augmentation to the CAL FIRE Contract. Using 2008 activity as the bench mark, staff projects that implementation of these additional fees will generate a total of approximately \$90,000 in revenues in the coming fiscal year.

Attachments

- A - Resolution to Adopt Fee Schedule
- B - Ordinance to Revise County Code
- C - Fire Planning Fee Schedule in NA/OF
- D - Fire Planner Tasks and Fee List
- E - Fire Planner Hourly Rate Derivation
- F - Comparison of Fire Planner Hourly Rates
- G - Copy of Letter to Building Industry Association