



Coastside Fire Protection District

STAFF REPORT

TO: Honorable Board of Directors

FROM: Jonathan Cox, Deputy Chief

DATE: November 15, 2023

SUBJECT: Provide Direction Regarding Proposed Amendments to the District's Fee Schedule

Staff Recommendation

Provide direction to staff regarding the proposed amendments to the District's Fee Schedule and review Draft Cost Recovery and Fee Schedule Policy.

Background/Discussion

The District recently conducted a formal fire prevention cost of services study to document current staffing, costs, and time assumptions associated for a variety of services provided by District staff. As part of the Fire Prevention Cost of Services (User Fee) Study, it was recommended that the District develop, adopt, and implement a formal Cost Recovery and Fee Schedule Policy and provide direction on the proposed amended fee schedule.

The District's fire prevention services are currently funded through the existing fee schedule and tax dollars. While the primary mission of government is to satisfy community needs, many of the services performed by the District benefit both the community and private individuals or businesses. These services should not be subsidized solely through general tax revenues, and therefore the District has established user fees to best ensure that those who use a proprietary service pay for that service in proportion to the benefit received.

The Draft Cost Recovery and Fee Schedule Policy document has been created, at the Boards request, to:

1. Provide a reference source for program and District staff, as well as applicants for understanding the existing positions of decision-makers' and outline the current philosophies and direction of the District.
2. Provide consistent guidelines that result in equitable, non-arbitrary, and non-discriminatory treatment of applicants.
3. Establish target recovery percentages.
4. Maintain the smoke detector inspection program for only a nominal fee.
5. Establish definitions to ensure that the intentions of those approving the policy

- are aligned with those responsible for implementing and adhering to the policy.
6. Establish a procedure for how often a formal study is conducted.
 7. Establish an annual rate for fee increases.

Conclusion

Staff requests the Board approve the proposed policy. Once approved staff will draft amendments to the current fee ordinance to reflect the direction provided in the policy and schedule the amended ordinance for the Board's review and introduction at an upcoming meeting. A second reading and approval will follow at a subsequent meeting.

Fiscal Impact

While this policy will not have a fiscal impact, future fee schedule adoptions based on this policy have the potential to increase District revenue.

Attachments

1. Draft Cost Recovery and Fee Schedule Policy
2. Proposed Fee Schedule (80% Recovery)

COST RECOVERY AND FEE SCHEDULE POLICY



COASTSIDE FIRE PROTECITON DISTRICT

NOVEMBER 15, 2023

COASTSIDE FIRE PROTECTION DISTRICT COST RECOVERY AND FEE SCHEDULE POLICY

Purpose

To provide general cost recovery guidelines for establishing and maintaining a comprehensive user fee schedule to ensure that the District adequately recovers costs for the provision of fire prevention services in an efficient, legal, and accountable manner.

Policy

Target Cost Recovery

There are several factors used in setting target cost recovery goals: 1) community-wide vs. private benefit; 2) service recipient vs service driver; 3) consistency with District goals and policies; 4) elasticity of demand for services; and 5) availability of services from the private sector.

The District has established that most of its fees provide both community-wide and private benefits and are driven by state codes and regulations. Additionally, these services are not available from the private sector, and the level of cost recovery does not affect the demand for service.

Therefore, the District has established a target cost recovery goal of **80%** for all its fees, except for smoke detector inspections which are determined to be a critical life-safety service that will be performed at a lower recovery rate.

Update to Cost Recovery

This cost recovery policy establishes that the District may conduct a comprehensive user fee study every five to seven years to determine the true cost of providing fee-based services. However, if a major organizational shift within the District occurs, the review may be conducted sooner.

In the interim, the District will apply an increase factor – Consumer Price Index (CPI) to its current user fees annually to account for increases in costs. If the CPI exceeds 4%, a Cost of Living Adjustment (COLA) may be utilized instead to match the increases more closely in staffing costs.

The annual fee increase may be built into the fee resolution to allow for annual increases through the fee schedule and budget update process.

COASTSIDE FIRE PROTECTION DISTRICT COST RECOVERY AND FEE SCHEDULE POLICY

Definitions

User Fees are fees imposed in return for a specific benefit conferred, privilege granted, or service provided directly to the payer of the fee that is not provided to those not charged. User Fees are not imposed for the purpose of raising revenue. Examples of Services that may be assessed user fees are Land Use / Entitlement Application Reviews, Building (Fire & Life Safety) Reviews, Extinguishing and Alarm Systems, and Annual Operational Fire Permits.

Cost Recovery is recouping all costs associated with a particular Service provided by the District. A fee may not exceed the estimated reasonable cost of providing the Service for which the fee is charged. Fees must be reasonable, fair, equitable and proportionally representative of the costs incurred by the District. Costs qualify for cost recovery if they would not occur if not for the need to provide the Service.

Direct Costs are the costs incurred directly for providing a specified Service. These costs include staff time spent providing the Service, and any costs that can be traced directly to the production of a given Service or product.

Indirect Costs are the incidental costs that are incurred by the District because of providing the Service not directly accountable or associated with the production of a Service. Indirect costs include District overhead such as operating expenses and internal administrative costs.

Procedures

Cost Recovery Calculation

The full cost of providing services shall be based on direct and indirect costs. Indirect costs shall include district overhead.

Determination of Cost Recovery Levels

User fees will be set at **80%** cost recovery and in accordance with State and Federal laws and regulations. Legal limitations on charging fees shall be adhered to and are not subject to this policy. Additionally, the following economic and policy considerations shall be considered when setting cost recovery levels as follows:

- The nature of the Services shall be considered when setting fees.
- Fee amounts shall be proportional and reasonably related to the costs associated with providing the Service. The full cost should include direct and indirect costs.

COASTSIDE FIRE PROTECTION DISTRICT COST RECOVERY AND FEE SCHEDULE POLICY

- Fees may be phased to full cost recovery, specifically fees that have a current cost recovery level below 50% to minimize impacts to the community.

These considerations will be critical when re-evaluating the full cost of fees every year.

Third Party (External) Direct Costs

Third party direct costs will be recovered in addition to the user fees outlined in the user fee schedule. Third party out of pocket costs include, but are not limited to, attorney fees, consultant fees, etc. required for the review and processing of applications and permits.

Annual Review

User fees may be updated annually based upon the Consumer Price Index (CPI) for San Francisco-San Mateo-Redwood City. District staff should utilize the CPI from March to ensure consistent CPI application. If the CPI exceeds 4%, then the Cost-of-Living Adjustment (COLA) for District staff may be utilized to increase fees. This will ensure that fees are increased to maintain the original established cost recovery target.

Frequency of User Fee Cost Studies

A comprehensive user fee study and review of this policy may be conducted every five to seven years. While an annual internal review is necessary to determine whether fees should be updated according to the policy (as outlined in Cost Recovery Calculation), a comprehensive annual user fee study may not be cost-effective because of its labor and time-intensive nature.

Availability of User Fee Information to Public

The User Fee Schedule shall be made available to the public.

Proposed Fire Fee Schedule (80% Recovery)

Coastside Fire Protection District

Fee Name	Unit	Current Fee	Proposed Fee
LAND USE / ENTITLEMENT APPLICATION REVIEW			
Single Family	Flat	\$116	\$152
Multi-Family	Flat	\$232	\$304
New Commercial	Flat	\$464	\$608
Commercial TI	Flat	\$116	\$152
BUILDING (FIRE & LIFE SAFETY)			
Single Family Residential Plan Review			
<u>New Construction</u>			
3,600 sq ft and less	Flat	\$174	\$228
3,601 sq ft and over	Per 3,600 sq ft	\$116	\$152
<u>Remodel / Addition</u>			
1,000 sq ft and less	Flat	\$116	\$152
1,001 sq ft and over	Per 1,000 sq ft	\$116	\$152
Single Family Residential Inspection			
<u>New Construction</u>			
3,600 sq ft and less	Flat	\$141	\$228
3,601 sq ft and over	Per 500 sq ft	\$141	\$228
<u>Remodel / Addition</u>			
500 sq ft and less	Flat	\$94	\$152
501 sq ft and over	Per 500 sq ft	\$94	\$152
Multi-Family Plan Review			
<u>New Construction</u>			
10 units or less	Flat	\$232	\$304
11-49 units	Flat	\$348	\$456
50 or more units	Per 10 Units	\$116	\$152
Tenant Improvement	Flat	\$116	\$152
Multi-Family Inspection			
<u>New Construction</u>			
10 units or less	Flat	\$94	\$152
11-49 units	Flat	\$188	\$304
50 or more units	Per 10 Units	\$94	\$152
Tenant Improvement	Flat	\$94	\$152
Commercial Plan Review			
<u>New Construction or Addition</u>			
Up to 5,000 sq ft	Flat	\$290	\$380
5,001 - 10,000 sq ft	Flat	\$580	\$760
10,001 - 20,000 sq ft	Flat	\$928	\$1,216
Each additional 10,000 sqft	Flat	\$290	\$380
<u>Alterations or Renovations</u>			
Up to 5,000 sq ft	Flat	\$232	\$304
5,001 - 10,000 sq ft	Flat	\$348	\$456
10,001 - 20,000 sq ft	Flat	\$464	\$608

Proposed Fire Fee Schedule (80% Recovery)

Coastside Fire Protection District

Fee Name	Unit	Current Fee	Proposed Fee
Each additional 10,000 sqft	Flat	\$232	\$304
Commercial Inspection			
<u>New Construction or Addition</u>			
Up to 5,000 sq ft	Flat	\$188	\$304
5,001 - 10,000 sq ft	Flat	\$282	\$456
10,001 - 20,000 sq ft	Flat	\$376	\$608
Each additional 10,000 sqft	Flat	\$94	\$152
<u>Alterations or Renovations</u>			
Up to 5,000 sq ft	Flat	\$188	\$304
5,001 - 10,000 sq ft	Flat	\$282	\$456
10,001 - 20,000 sq ft	Flat	\$376	\$608
Each additional 10,000 sqft	Flat	\$94	\$152
Miscellaneous			
<u>Alternate Means and Methods</u>			
Residential	Flat	\$232	\$304
Commercial	Flat	\$464	\$608
Radio Communications Systems	Flat	\$503	\$659
Certificate of Occupancy Inspection / Sign-Off	Flat	\$271	\$355
EXTINGUISHING AND ALARM SYSTEMS			
Automatic Sprinkler Systems			
<u>Plan Review</u>			
Residential	Flat	\$165	\$165
Commercial			
First 100 heads	Base	\$312	\$608
Each Additional 100 heads	Each Add 100 h	\$50	\$304
<u>Inspection</u>			
Residential (13R) First 35 heads	Base	\$248	\$608
Each additional head	Per Head	\$0.50	\$1.27
Commercial (13D) First 100 heads	Base	\$468	\$608
Each Additional 100 Heads	Each Add 100 h	\$50	\$152
Automatic Extinguishing Systems			
<u>Plan Review</u>			
Hood and Duct	Flat	\$58	\$304
Clean Agent	Flat	\$58	\$152
Spray Booth	Flat	\$58	\$152
<u>Inspection</u>			
Hood and Duct	Flat	\$58	\$203
Clean Agent	Flat	\$58	\$203
Spray Booth	Flat	\$58	\$203
Standpipe Systems			
<u>Existing System</u>			
Plan Review	Flat	\$76	\$152

Proposed Fire Fee Schedule (80% Recovery)

Coastside Fire Protection District

Fee Name	Unit	Current Fee	Proposed Fee
Inspection	Flat	\$76	\$152
<u>New Systems Plan Review</u>			
Dry Standpipe	Flat	\$76	\$152
Single Family	Flat	\$76	\$152
Commercial	Flat	\$76	\$304
ADU	Flat	\$76	\$152
Addition / Tenant Improvement	Flat	\$76	\$152
<u>New Systems Inspection</u>			
Dry Standpipe	Hourly	\$76	\$152
Single Family	Hourly	\$76	\$152
Commercial	Hourly	\$76	\$152
ADU	Flat	\$76	\$152
Addition / Tenant Improvement	Hourly	\$76	\$152
Fire Alarms			
<u>Existing System</u>			
Plan Review	Flat	\$100	\$304
Inspection	Flat	\$100	\$355
<u>New Systems Plan Review</u>			
Single Family	Flat	\$100	\$152
Commercial			
Up to 5,000 sq ft	Flat	\$100	\$304
5,001 - 10,000 sq ft	Flat	\$100	\$456
10,001 - 20,000 sq ft	Flat	\$100	\$608
Each additional 10,000 sqft	Flat	\$100	\$304
ADU	Flat	\$100	\$152
Addition / Tenant Improvement	Flat	\$100	\$152
<u>New Systems Inspection</u>			
Single Family	Flat	\$100	\$203
Commercial			
Up to 5,000 sq ft	Flat	\$100	\$304
5,001 - 10,000 sq ft	Flat	\$100	\$912
10,001 - 20,000 sq ft	Flat	\$100	\$1,824
Each additional 10,000 sqft	Flat	\$100	\$304
ADU	Flat	\$100	\$203
Addition / Tenant Improvement	Flat	\$100	\$203
Fire Pump			
Plan Review	Flat		\$608
Inspection	Flat		\$456
Hydrants - New Construction			
Fire Service Lines to Hydrants	First Line	\$199	\$659
Additional Hydrants Flowed	Per Hydrant	\$47	\$228
Hydrant Flows			

Proposed Fire Fee Schedule (80% Recovery)

Coastside Fire Protection District

Fee Name	Unit	Current Fee	Proposed Fee
Fire Flows	Per Hydrant	\$116	\$355
Additional Flows	Per Hydrant	\$47	\$152
SOLAR SYSTEMS			
<u>Residential</u>			
Solar PV	Flat		\$355
Solar PV with Energy Storage System (ESS)	Flat		\$659
Energy Storage System (ESS)	Flat		\$355
<u>Commercial</u>			
Solar PV	Flat		\$355
Solar PV with Energy Storage System (ESS)	Flat		\$659
Energy Storage System (ESS)	Flat		\$355
OCCUPANCY INSPECTIONS			
High-rise Building Inspections	Hourly	\$105	\$152
Multi-family Dwellings R-1, R-2 Occupancies	Hourly	\$105	\$152
State Facilities, State Required Pre-Inspection	Hourly	\$105	\$152
State Licensed Care Facility Inspections:			
State Licensed Care Facility Annual Inspection 6 or less clients	Annual	\$94	\$203
I-1 ,I-2 , I-3 , I-4 , R-2.1 , R-3 , R-3.1, R-4 Occupancies	Annual	\$94	\$355
ANNUAL OPERATIONAL FIRE PERMITS			
Aerosol Products	Annual	\$202	\$203
Amusement Buildings Seasonal	Annual	\$202	\$203
Aviation Facilities	Annual	\$202	\$203
Battery System Stationary Storage (capacity more than 50 gallons)	Annual	\$202	\$203
Carbon Dioxide Systems for Beverage Dispensing	Annual	\$202	\$203
Cellulose Nitrate Film (in Group A Occupancy)	Annual	\$202	\$203
Combustible Dust-Producing Operations	Annual	\$202	\$203
Combustible Fiber Storage/Handling	Annual	\$202	\$203
Compressed Gases Storage/Handling	Annual	\$202	\$203
Cryogenic Fluids	Annual	\$202	\$203
Cutting & Welding	Annual	\$202	\$203
Dry Cleaning Plants	Annual	\$202	\$203
Electric Fence	Annual	\$202	\$203
Explosives and/or Blasting Agents, Fireworks/Pyrotechnics manufact	Annual	\$202	\$203
Fire Hydrants and Valves (Use other than Fire Suppression purposes	Annual	\$202	\$203
Fireworks/Pyrotechnics	Per Hour	\$202	\$202
Flammable Combustible Liquids	Annual	\$202	\$203
Floor Finishing/Surfacing Operations	Annual	\$202	\$203
Fruit & Crop Ripening Facilities (use with ethylene gas)	Annual	\$202	\$203
Hazardous Materials Storage	Annual	\$202	\$203
High Piled Combustible Storage and Warehousing (Including Idle Wc	Annual	\$202	\$203
Hood and Duct	Annual	\$202	\$203
Hot Works Operations	Annual	\$202	\$203

Proposed Fire Fee Schedule (80% Recovery)

Coastside Fire Protection District

Fee Name	Unit	Current Fee	Proposed Fee
Hydrant Water flow testing	Annual	\$202	\$203
Liquefied Petroleum Gases	Annual	\$202	\$203
Lumber Yards & Woodworking Plants	Annual	\$202	\$203
Magnesium Working (less than 10 lbs.)	Annual	\$202	\$203
Medical Gas	Annual	\$202	\$203
Miscellaneous Combustible Storage	Annual	\$202	\$203
Mobile Food Preparation Vehicles (Food Trucks)	Annual	\$202	\$203
Monitor Sprinklered Buildings that do not require additional fire permi	Annual	\$202	\$203
Motor Vehicle and/or Marine Fuel-dispensing Stations	Annual	\$202	\$203
Open Flames and Torches	Annual	\$202	\$203
Organic Coatings	Annual	\$202	\$203
Ovens: Industrial, baking, or drying	Annual	\$202	\$203
Pallet Storage	Annual	\$202	\$203
Place of Assembly	Annual		
Occupant Load 50-300	Annual	\$202	\$203
Occupant Load 301-1,000	Annual	\$202	\$203
Occupant Load over 1,000	Annual	\$202	\$203
Plant Extraction Systems	Annual	\$202	\$203
Private Fire Hydrant System Inspections	Annual	\$202	\$203
Pyroxylin Plastics	Annual	\$202	\$203
Refrigeration Equipment (Ammonia, Freon, others)	Annual	\$202	\$203
Repair Garage and/or Service Garage (includes Cutting/Welding)	Annual	\$202	\$203
Self Storage - Mini Storage Facilities (With Private Hydrants and/or M	Per Hour	\$94	\$152
Spraying or Dipping - Flammable and/or Combustible Finishing	Annual	\$202	\$203
Temporary Membrane Structure, Tents & Canopies in excess of 400	Annual	\$202	\$203
Wood Products Storage: chips, hogged material, lumber or plywood i	Annual	\$202	\$203
TEMPORARY OPERATIONAL PERMITS			
Tents in excess of 400 sq. ft or canopies in excess of 700 sq.ft.	Flat	\$105	\$355
Seasonal Lots (X-Mas Trees, Pumpkin Patches, etc.)	Flat	\$105	\$659
Outdoor Assembly Events	Flat	\$106	\$355
HAZARDOUS MATERIALS			
Flammable / Combustible Liquid Tanks Inspection	Each	\$116	\$203
Flammable / Combustible Liquid Tank Removal	Per Tank	\$116	\$203
Liquid Petroleum Gas (LPG) Tanks Inspection	Per Tank	\$116	\$203
Medical Gas Systems Inspection	Each	\$199	\$203
OTHER SERVICES			
<u>Smoke Detector Inspection</u>			
Initial Inspection	Each	\$25	\$25
Subsequent Inspection	Each	\$25	\$25
Business Change of Ownership	Flat	\$94	\$152
Missed Inspection	Flat	\$105	\$304
Remote Travel	Hourly	\$105	\$152

Proposed Fire Fee Schedule (80% Recovery)

Coastside Fire Protection District

Fee Name	Unit	Current Fee	Proposed Fee
Knox Box / Gate	Flat		\$127
Cell Tower Inspection	Each		\$203
Cell Vault Inspection	Each		\$203
Standard 850 Fire Clearance Inspection	Hourly		\$152
<u>Temporary Condition of Occupancy</u>			
Approval	Flat		\$203
Extension	Flat		\$127
<u>Stationary Generators</u>			
Installation	Flat		\$152
Pressure Test	Flat		\$203
<u>Project Consultation</u>			
Remote / Video	Flat		\$152
Onsite	Flat		\$203
<u>Inspections (Stand Alone or Additional)</u>			
Normal Business Hours	Hourly	\$105	\$152
After Hours	Hourly	\$231	\$231
<u>Weed Abatement</u>			
Site Visit	Each		\$203
<u>Returned Check / NSF</u>			
First Check	Flat	\$25	\$25
Each Additional Check	Flat	\$35	\$35
SPECIAL EVENTS			
<u>Application</u>			
New	Flat		\$152
Annual	Flat		\$152
Inspection	Flat		\$152
Standby	Hourly		\$270
FALSE ALARMS			
1st & 2nd Alarms	Flat	\$0	\$0
3rd Alarm	Flat	\$157	\$541
4th Alarm	Flat	\$157	\$1,081
5th Alarm	Flat	\$157	\$2,163
6th Alarm	Flat	\$157	\$4,326
7th and Subsequent Alarm	Each	\$157	\$5,407