



## Legislation Text

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**File #:** 16-476, **Version:** 1

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*Report Prepared by: Janet German, Secretary III, Fire Dept.*

**SUBJECT:** Continued Public Hearing - Merced Fire Department User Fees

### REPORT IN BRIEF

Public Hearing to hear comments and adopt a resolution updating the Merced Fire Department's user fees.

### RECOMMENDATION

**City Council** - Adopt **Resolution 2016-48**, A Resolution of the City Council of the City of Merced, California, Adopting Fees for Required Permitted Fire and Life Safety Inspections.

### ALTERNATIVES

1. Approve as recommended; or,
2. Approve, subject to other than recommended by staff; or,
3. Refer to staff for reconsideration of specific items; or,
4. Continue item to a Future Council meeting; or,
5. Deny the request.

### AUTHORITY

Charter of the City of Merced, Section 412. Adoption of ordinances and resolutions. California Government Code Sections 66014, 66016, and California Health and Safety Code Section 19132-19132.3.

### CITY COUNCIL PRIORITIES

Public Safety, as provided for in the 2016-17 Adopted Budget.

### DISCUSSION

#### **Background:**

#### **History**

Previous City Council's (1998) direction was to ensure that existing fees were calibrated to the cost of providing services, therefore, in 2013, the Fire Department contracted with a third party consultant to conduct a Comprehensive User Fee Study (study) to evaluate and update those fees.

In 2016, the consultant prepared a "draft" of the proposed user fee, which was presented to various citizen groups, the public at large and City Council members. Based upon their feedback, the MFD staff made modifications to the user fees and presented them to the community and council again.

MFD staff considered the new input received and reviewed the user fees and its methodologies. In other words, the MFD staff re-evaluated various components utilized in deriving costs for fees and inspection times and adjusted them based upon input from Fire Prevention Bureau staff, resulting in the new user fees that are being presented.

It can be concluded that the Merced Fire Department should implement the recommended fees based on the reviewed Fire service costs and comparative data with other jurisdictions. The overall recovery rate of the Fire Bureau's expenditures could increase from 19% (\$83,000 in revenues) to 81% (\$364,000 in revenues), resulting in \$281,000 additional revenue.

Implementation of the increased fees should occur on January 1, 2017, which will coincide with the adoption of the 2016 California Fire Codes and local amendments. Necessary fee ordinances, budget revisions, user notifications and personnel education will be undertaken by the Fire Prevention Bureau staff in order for these fees to be in place on January 1, 2017.

As noted, the implementation of these fees is projected to increase the Fire user fee revenues by approximately \$281,000 in a 12-month period. At this time, the MFD will not prepare a supplemental appropriation, thereby allowing the department to determine a baseline of revenues collecting between January and June. The MFD will utilize those baseline revenues and incorporated them into the FY 17/18 budget.

## **IMPACT ON CITY RESOURCES**

As noted earlier, the department may realize additional revenues with no added expense. Inspections will continue to be performed by existing staff.

## **ATTACHMENTS**

1. User Fee Resolution
2. User Fee Study