



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Adam Rush, Community Development Director

MEETING DATE: January 9, 2024

SUBJECT: Consideration of Resolution 2024-14, Approval of Cost of Services Study and the Proposed Amendment to the City of Banning City-wide Master User Fee Schedule for the following City Departments and Fee Groups: Fire

RECOMMENDATION:

1. Waive full reading and introduce, as read by title only, Ordinance 1599, An Ordinance of the City of Banning, California, Amending Table B (Public Safety Services) of Section 3.36.080 (Schedule of Fees and Service Charges) of Chapter 3.36 (Fee and Service Charge Revenue/Cost Comparison) of Title 3 (Revenue and Finance) of the Banning Municipal Code to Add References to Fees and Charges for Fire Inspections of Existing Businesses and Operational Fire Permits, and Making a Determination of Exemption from the California Environmental Quality Act, and

2. Adopt Resolution 2024-14 approving the Proposed Amendments to the Master User Fee Schedule to Establish Fees and Charges for the Annual Fire Inspections, Operational Permits, Fire Safety Permit Inspections, and Plan Check Review Services.

BACKGROUND:

At the September 12, 2023 Meeting, the City Council held a Public Hearing and Adopted an Amendment to the Codified State Fire Code to authorize the City to conduct Annual Business Fire Inspections. At the October 17, 2023 Budget & Finance Committee Meeting, the proposed Fee Schedule was reviewed and recommended to the City Council for approval.

The City's existing Contract with Riverside County Fire Department includes one (1) hourly rate (\$189 per hour) for all Plan Checking and Inspection Services. The adopted 2019 Master Fee Schedule of User Fees never incorporated an updated Fee Schedule for Fire Planning and Inspection Services. As such, the City is losing money through the administration of Fire Protection Services related to private development projects, new and redeveloped businesses. This practice does not implement the City policy that development must pay-their-own-way. The City of Banning contracts with Riverside County for both Fire Suppression and Protection Services. As part of this contract, Riverside County provides qualified and experienced staff to provide fire protection and prevention services through the review of codes, examination of plans, issuance of permits, and scheduling of inspections for a wide variety of land uses.

The City contracts for one full-time equivalent (FTE) Fire Safety Specialist, which is currently a vacant position but is being back-filled by an Assistant Fire Marshal while a recruitment is underway. This single staff member is responsible for all fire safety related matters in the City and essentially serves as the "Banning Fire Marshal". As the City grows, the need for additional staffing becomes ever more critical.

An increase in fire prevention staff will provide the opportunity for the City to provide inspection-related services to businesses on an annual basis, that is not being conducted at this time.

Each year, the Banning Fire Marshal conducts "state-mandated" fire safety inspections on select business, as specified by law. These land uses include "Residential Care Facilities" (e.g., Congregate and Residential Care Facilities, Transitional Living Facilities, Nursing Homes), "Schools", "Hospitals", and "Apartment Buildings", to name a few. The majority of City businesses do not receive an annual inspection, although it is a prudent measure and has only been deferred due to limited staffing resources.

Recently the City decided to initiate an amendment to the County Fire Services Contract which will add one (1) full-time Assistant Fire Marshal to the existing Fire Safety Specialist position. By utilizing two (2) FTEs, the City is able to conduct annual inspections of all qualified businesses within the City, a measure that will aide in code compliance and support the reduction of vacant and distressed buildings and businesses within the City.

The Fee Schedule will also update permit and plan checking fees associated with the existing permit structure of the Building & Safety Department.

JUSTIFICATION:

The Fire Code Amendments will allow the regular and routine inspection of qualified businesses and business operations within the City. Creating the annual inspection program will positively contribute to the protection of life and property within the City. In order to complete the program implementation, adoption of a Fee Schedule is required to ensure compliance with the Council's policy of total cost recovery related to development and business related activities.

The Fee Schedule has been developed by the Riverside County Fire Marshal's Office and implemented in several other Cities as part of their Annual Inspection Programs. The Fee Schedule will be applied on a permit-by-permit basis as applicable to the business need. This program differs from the construction and inspection process required for new development or businesses in the City, rather the program is applied to existing businesses operating under a valid City permit and business license. Items to be inspected annually can include sprinklers, alarm systems, command centers, and extinguishers, just to name a few.

Riverside County Fire Department contracts with both the Cities of Banning and Beaumont. The County provides staffing for Fire Plan Checking and Inspection Services, as well as conducting Annual Compliance Inspections for existing businesses and issuing Operational Permits for certain Commercial and Industrial facilities. The City of Banning's contract with Riverside County Fire differs in the amount of our Fully Burdened Hourly Rate, which is \$189.00 per hour versus \$149.97 per hour which is charged in the City of Beaumont. The difference in this contracted rate is due solely to the number of staff provided in the City of Beaumont and a policy direction from the Beaumont City Council to subsidize certain fees charged through to the development community.

The methodology utilized in the Fee Study, for this analysis, is the "costs reasonably borne" test established by Section 8(c) of Proposition 4, now Article XIII B of the California Constitution. The Fee Study has analyzed the ways in which Fire support services can be financed more equitably to assure the City's future financial viability. The Fire Department relies on the authority granted by the all of the provisions and appendices of the 2022 California Fire Code, as amended and adopted by the City in December of 2022 (e.g., Tri-Annual Building Code Update).

The methodology followed determines the full business cost of providing the reported City services, by Riverside County Fire. It also identifies the beneficiaries of those services and determines if they are paying in relationship to benefits derived or if they are deserving of a subsidy paid from the taxes paid by all local citizens and businesses. The Council's policy is that Development Review Services (i.e.,

entitlements, building, grading, public works, engineering, fire, and electrical permit review support services) are responsible for 100% of their reasonably assessed costs. There is no subsidy for such services, with one (1) exception, that being the Preliminary Application Conference (or “Pre-App”) review. This is a one (1) hour maximum meeting with City Development Review Staff that can advise new applicants, owners, and developers on the potential requirements, restrictions, and fees associated with a new, and sometimes “highly speculative” project. A recent example of a completed PAC application is a proposed Car Wash located at the southwest corner of West Ramsey St. and 8th Street (adjacent to the Rite Aid) which would replace the expired application for an Arby’s® Restaurant.

Appendix D: Fire Prevention Fees, located on pages 421-428 of the Fee Study, identifies the number of hours (rounded to the nearest ¼ hour) that Fire Prevention Staff requires to conduct each plan check review or inspection. These timeframes were established by the Riverside County Office of the Fire Marshal through documentation of “real” hours dedicated to each case or application type. For example, a Fire Safety Specialist (entry level staff for the City of Banning) will spend an average of 3.75 hours to conduct a full plan check review of a commercial tenant improvement (with a Hazardous Use) for a building that ranges between 25,001 and 50,000 square-feet and the same amount of time conducting inspections for the same building.

The range in square-footage is the same methodology used by the City to conduct Building Plan Review and Inspections and each timeframe anticipates a maximum of three (3) rounds of plan checking and a maximum of three (3) inspections per item (e.g., three inspections for the Tenant Improvement, three inspections for the New Alarm System, etc.). It is the City’s policy to charge an hourly rate of \$189.00, in 1.5 hour increments, for any additional plan check reviews or inspections that exceed the limit of three per item. However, this occurred in less than 5% of the total number of permits for calendar year 2022 (City of Banning Building and Safety Division, Permit Servicing (January, 2024)).

FISCAL IMPACT:

The Staff Report was prepared by the Community Development Director, respectively, as part of their normal course of duties and responsibilities. The City Attorney’s office reviewed the draft Ordinance and Resolution. No additional costs were incurred.

Upon adoption and implementation of the amended Fire fee schedule within the Master User Fee Schedule, City staff anticipates an increase in revenue generated from additional inspections being performed and a greater capture of expenses through the updated Fee Schedule.

ALTERNATIVES:

1. Take no action and provide feedback to staff.
2. Continue and request additional research from staff.
3. Suggest modifications to the individuals fees (e.g., subsidies, removal of individual line items, etc.)

ATTACHMENTS:

1. [Resolution 2024-14.docx](#)
2. [EXHIBIT A.pdf](#)
3. [Banning_-_Ordinance_No._1599__Schedule_of_Fees_and_Service_Charges_.pdf](#)
4. [Banning_-_Public_Hearing_Notice__Ord._1599_User_Fees__20240109.pdf](#)
5. [Attachment D - Beaumont Cost of Services Study updated 01.24.23.pdf](#)