matrix consulting group
1650 S. Amphlett Blvd. Ste 213
San Mateo, CA 94402
650.858.0507

May 19, 2023

Overview of Fire Cost of Service Update

In 2019 the City of Dixon contracted with the Matrix Consulting Group to conduct a Citywide Cost of Service (User Fee) Study that calculated the full cost of providing City services, including: City Clerk, Building, Planning, Engineering, Finance, Fire, Parks and Recreation, Police, and Transit. During this study fees related to Planning and Building were significantly restructured. The results of this analysis were presented to and adopted by City Council.

The City contracted with Matrix Consulting Group to update the cost analysis associated with Fire Prevention fees to account for updated staffing and time estimates. The following memo provides a brief overview of the legal framework and methodology used to calculate updated costs as well as per unit results for Fire Prevention services.

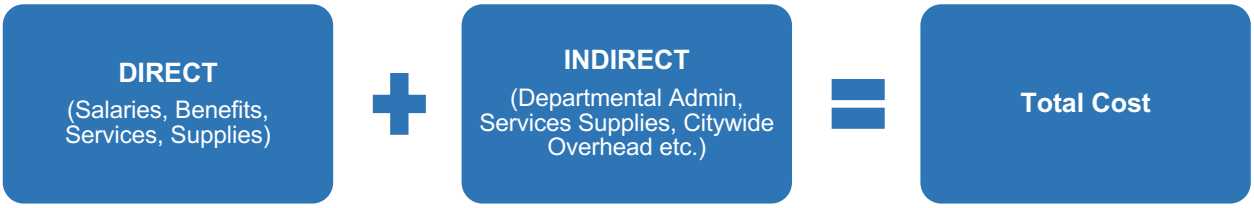
Legal Framework

This section of the report is intended to provide an overview regarding overall legal rule and regulations as well as general policy considerations for fees for service. A "user fee" is a charge for service provided by a governmental agency to a public citizen or group. In California, several constitutional laws such as Propositions 13, 4, and 218, State Government Codes 66014 and 66016, and more recently Prop 26 and the Attorney General's Opinion 92-506 set the parameters under which the user fees typically administered by local government are established and administered. Specifically, California State Law, Government Code 66014(a), stipulates that user fees charged by local agencies "…may not exceed the estimated reasonable cost of providing the service for which the fee is charged".

Methodology

As with the previous analysis, the Matrix Consulting Group utilized a cost allocation methodology commonly known and accepted as the "bottom-up" approach to establishing User Fees. The term means that several cost components are calculated for each fee or service. These components then build upon each other to comprise the total

cost for providing the service. The following chart describes the components of a full cost calculation:



The general steps utilized by the project team to determine allocations of cost components to a particular fee or service are:

- Calculate fully burdened hourly rates by position, including direct & indirect costs.
- Develop time estimates for the average time spent to deliver each service included in the study.
- Distribute the appropriate amount of the other cost components to each fee or service based on the staff time allocation basis, or another reasonable basis.

The results of these allocations provide detailed documentation for the reasonable determination of the actual cost of providing each service.

One of the key study assumptions utilized in the "bottom up" approach is the use of time estimate averages for the provision of each fee related service. Utilization of time estimates is a reasonable and defensible approach, especially since experienced staff members who understand service levels and processes unique to the City developed these estimates.

The project team worked closely with City staff in developing time estimates with the following criteria:

- Estimates are representative of average times for providing services. Extremely difficult or abnormally simple projects are not factored in the analysis.
- Estimates reflect the time associated with the position or positions that typically perform a service.
- Estimates provided by staff are reviewed and approved by the division / department, and often involve multiple iterations before a Study is finalized.

- Estimates are reviewed by the project team for "reasonableness" against their experience with other agencies.

- Estimates match the current or proposed staffing levels to ensure there is no over-allocation of staff resources to fee and non-fee related activities.

The Matrix Consulting Group agrees that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of service for which to base a jurisdiction's fees for service and meets the requirements of California law.

Fee Schedule Modifications

The Fire fee schedule generally reflects the services provided by staff related to their prevention duties. The main modification made to the fee structure was to reorganize how fees were listed (ensured alphabetical organization), and where they appeared within service categories. Staff also proposed the addition of fees to account for updated in the fire code, including Energy Storage Systems, Additive Manufacturing, Lithium Batteries, and Alternative Means and Method Request.

Per Unit Results

The total cost calculated for each service includes direct staff costs and Departmental and Citywide Overhead. The following table details the fee name, current fee, total full cost associated with providing these services, and the difference.

Fee Name	Unit	Current Fee	Total Cost	Difference
FIRE CODE CONSTRUCTION PERMIT FEES				
Automatic Fire Extinguishing Systems				
Fire sprinkler systems (includes plan review, hydrostatic test, and final inspection)				
1 - 49 heads	Flat	$412	$690	($278)
50 - 100 heads	Flat	$652	$1,089	($437)
101 - 200 heads	Flat	$892	$1,488	($596)
Each Additional 100 heads (>200 heads)	Each Add 100 heads	$253	$423	($170)
Kitchen hood systems (includes plan review and one inspection)				
1 - 25 nozzles	Flat	$333	$556	($223)
26 - 50 nozzles	Flat	$513	$856	($343)
Each Additional 25 nozzles	Flat	New	$557	
Automatic fire-extinguishing systems - Other	Each	$599	$1,022	($423)
Compressed gases	Each	$240	$423	($183)
Cryogenic fluids	Each	$240	$423	($183)
Emergency responder radio coverage system	Each	$240	$423	($183)
Energy Storage Systems	Each	New	$423	

Fee Name	Unit	Current Fee	Total Cost	Difference
Fire Alarm and Detection Systems and Related Equipment				
Fire alarm system (includes plan review, final inspection)				
<25 devices	Flat	$333	$556	($223)
25 - 50 devices	Flat	$422	$706	($284)
51 - 100 devices	Flat	$513	$856	($343)
101 - 250 devices	Flat	$602	$1,006	($404)
251 - 500 devices	Flat	$691	$1,156	($465)
501 - 750 devices	Flat	$782	$1,305	($523)
751 - 1,000 devices	Flat	$871	$1,455	($584)
>1,001 devices	Flat	$962	$1,605	($643)
Fire alarm and detection systems and related equipment - Other	Each	$599	$1,022	($423)
Fire pumps and related equipment	Each	$359	$623	($264)
Flammable and combustible liquids	Each	$359	$523	($164)
Fuel cell Power Systems	T&M			
Gas detection systems	Each	$120	$224	($104)
Gates and barricades across fire apparatus access roads	Each	$120	$224	($104)
Hazardous materials	Each	$479	$823	($344)
High-piled combustible storage	T&M			
Industrial ovens	Each	$240	$423	($183)
LP Gas	Each	$240	$523	($283)
Motor vehicle repair rooms and booths	Each	$300	$523	($223)
Plant extraction systems	Each	$359	$623	($264)
Private fire hydrants				
First Hydrant	Flat		$224	
Each Additional Hydrant	Each		$100	
Smoke control or smoke exhaust systems	Base + T&M for Inspection		$48	
Solar photovoltaic power systems	Each	$180	$323	($143)
Special event structure	Each	$180	$323	($143)
Spraying and dipping	Each	$359	$623	($264)
Standpipe systems	Each	$359	$623	($264)
Temporary membrane structures, tents, and canopies	Each	$180	$323	($143)
FIRE CODE OPERATIONAL PERMIT FEES				
Additive Manufacturing	Each	New	$323	
Aerosol products	Each	$240	$224	$16
Amusement buildings	Each	$240	$423	($183)
Aviation facilities	Each	$359	$623	($264)
Carnivals and fairs	Each	$359	$623	($264)
Cellulose nitrate film	Each	$240	$423	($183)
Combustible dust-producing operations	Each	$240	$423	($183)
Combustible fibers	Each	$240	$423	($183)
Compressed gases	Each	$240	$423	($183)
Covered and open mall buildings	Each	$359	$623	($264)
Cryogenic Fluids	Each	$240	$423	($183)
Cutting and Welding	Each	$120	$224	($104)
Dry Cleaning	Each	$120	$224	($104)
Energy Storage Systems	Each	New	$224	
Exhibits and trade shows	Each	$240	$423	($183)
Explosives	Each	$240	$623	($383)

Fee Name	Unit	Current Fee	Total Cost	Difference
Fire hydrants and valves	Each	$240	$224	$16
Flammable and combustible liquids	Each	$300	$423	($123)
Floor finishing	Each	$240	$224	$16
Fruit and crop ripening	Each	$240	$224	$16
Fumigation and thermal insecticidal fogging	Each	$120	$24	$96
Hazardous materials	Each	$359	$623	($264)
HPM facilities	Each	$479	$823	($344)
High-piled storage	Each	$359	$423	($64)
Hot work operations	Each	$240	$224	$16
Industrial ovens	Each	$240	$423	($183)
Lumber yards and woodworking plants	Each	$359	$423	($64)
Liquid- or gas-fueled vehicles or equipment in assembly buildings	Each	$359	$623	($264)
LP-gas	Each	$359	$623	($264)
Magnesium	Each	$359	$623	($264)
Miscellaneous combustible storage	Each	$240	$423	($183)
Mobile Fueling of hydrogen-fueled vehicles	T&M	T&M		
Motor fuel-dispensing facilities	Each	$359	$224	$135
Open burning	Each	$120	$48	$72
Open flames and torches	Each	$120	$224	($104)
Open flames and candles	Each	$120	$224	($104)
Organic coatings	Each	$359	$623	($264)
Outdoor assembly event	T&M	T&M		
Places of assembly	Each	$359	$623	($264)
Plant extraction systems	Each	$359	$623	($264)
Private fire hydrants	Each	$359	$224	$135
Pyrotechnic special effects material	Each	$359	$623	($264)
Pyroxylin plastics	T&M	T&M		
Refrigeration equipment	Each	$359	$423	($64)
Repair garages and motor fuel-dispensing facilities	Each	$240	$423	($183)
Rooftop heliports	Base + T&M for Inspection		T&M	$24
Spraying or dipping	Each	$359	$423	($64)
Storage of scrap tires and tire byproducts	Each	$240	$423	($183)
Temporary membrane structures, tents, and canopies	Each	$180	$323	($143)
Tire-rebuilding plants	Each	T&M	$423	
Waste handling	Each	T&M	$423	
Wood products	Each	$240	$423	($183)
Lithium Batteries	Each	New	$224	
Pyrotechnics and special effects	Base + T&M for Inspection		T&M	$24
Live audiences	Base + T&M for Inspection		T&M	$24
Miscellaneous Fees, Reviews, and Inspections				
Alternative Means and Method Request	Each	New	$423	
Special inspections and re-inspections (1 hour Minimum)	Each	$133	$224	($91)
Residential Construction Plan Review (Applies to both City of Dixon and Dixon Fire Protection District)	% of Bldg Permit		35%	

Fee Name	Unit	Current Fee	Total Cost	Difference
Commercial Construction Plan Review (Applies to both City of Dixon and Dixon Fire Protection District)	% of Bldg Permit		35%	

Most fees charged by the Fire Department show an under-recovery, with an average per unit deficit of $239. Of the 104 fees reviewed, only 8 show a surplus, which averages $58 per unit.

Building Plan Check Support

Fire prevention staff work with Building staff on all new construction permits to ensure they meet basic fire code requirements, including review of fire and life safety. The previous study calculated this review as 16% of the building permit. The project team worked with Fire staff to collect updated time estimates that reflect Building's new valuation-based fee structure. Based on the estimates collected, Fire support to Building related to new construction plan review is 35%. This fee should be included on Building's fee schedule to provide clarity to building permit applicants.