

# Agenda Report

June 8, 2026

**TO:** Honorable Mayor and City Council

**FROM:** Fire Department

**SUBJECT: ADOPTION OF FISCAL YEAR 2027 RECOMMENDED GENERAL FEE SCHEDULE FOR THE FIRE DEPARTMENT**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the action proposed herein is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15273 (Rates, Tolls, Fares, and Charges); and
2. Adopt a resolution approving the Fiscal Year (FY) 2027 General Fee Schedule for the Fire Department.

## **BACKGROUND:**

Each year, the City Council adopts a resolution approving the General Fee Schedule as part of the annual budget process. Consistent with California law and Pasadena Municipal Code Section 1.08.070, fees shall not exceed the cost of providing the service. Pursuant to PMC Section 1.08.060, fees are adjusted annually based on the Consumer Price Index (CPI), which increased by 2.932% between March 1, 2025, and March 1, 2026.

The fees proposed herein are not routine CPI adjustments. In 2023, the City engaged AP Triton, LLC to conduct a multi-phase evaluation of the Fire Prevention Bureau (FPB), which found that the FPB was not meeting state-mandated inspection frequencies, was experiencing delays in construction inspection turnaround times, and was performing multiple services without cost recovery.

Building on that work, AP Triton completed a comprehensive Fire Prevention Fee Analysis in May 2026, resulting in a defensible, data-driven fee structure consistent with applicable California statutes. Given the scope of the restructuring, staff determined that separate consideration from the City-wide adoption was warranted. Attachment A is a complete listing of fees presented for adoption by resolution.

## **New Fees**

In addition to annual CPI adjustments, the Fire Prevention Bureau fee study recommends the addition of approximately 117 new fees, detailed in Attachment B. These represent services the Bureau currently performs for which no fee has previously been charged. Below is a summary of the primary new fee categories by service area.

### **Fire Prevention Bureau — New Fees (Attachment B)**

- **HazMat: CERS Reviews from Regulated Facilities — \$181** The fee is based on an hour of HazMat Specialist time plus 0.25 hours of Senior Office Assistant time. Per Department records, this service has been performed approximately 247 times annually but has not previously been captured as a standalone fee. A CERS review is a legal requirement to review, update and certify the place of business environmental compliance data such as HMBP or hazardous waste into the states centralized reporting system (CERS).
- **Construction Plan Review and Inspection: New Occupancy-Based Fees — \$162–\$1,679:** The existing plan review and inspection fee structure has been reorganized to separately capture fees by occupancy type (A, B, E, F, I, M, R, S) and by specialized building system, including photovoltaic, battery storage, fire alarm monitoring, and two-way communication systems. These categories were previously bundled within broader fee classifications; the restructured schedule provides greater specificity and ensures cost recovery is accurately tied to the type and complexity of review performed.
- **AB 38 Brush Inspections — \$162:** A new transaction-based fee is proposed for brush inspections. This is a mandatory wildfire safety and defensible space evaluation required for California home sellers whose properties are located within designated High or Very High Fire Hazard Severity Zones.
- **Reinspection Fee (Construction Projects) — \$128:** A new reinspection fee is proposed for construction projects not ready for inspection or not approved during the initial inspection. Based on 2025 volumes of approximately 1,822 reinspections annually, this fee is projected to generate approximately \$233,000 in new annual revenue.
- **Plan Resubmittal — \$315:** A fee is proposed for construction plan resubmittals on the third and subsequent submittals, based on a one-hour minimum at the applicable plans examiner rate. This fee encourages complete and code-compliant submittals.
- **Annual Fire Code Inspections (Residential, High-Rise, Schools, Hospitals, Care Facilities) — \$128–\$594 per inspection:** The Bureau currently performs annual fire and life safety inspections for a wide range of occupancy types—including apartment buildings (R1/R2), high-rises, schools and childcare facilities, hospitals and nursing homes, and care facilities—without an associated fee. These inspections are legally eligible for cost recovery and are commonly assessed by peer agencies. Fees are structured by occupancy type and inspection time required.
- **California Fire Code Section 105 Operational Permits — \$195–\$304 per permit:** A comprehensive operational permit program is proposed for 29 permit

categories authorized under CFC Section 105, including aerosol storage, compressed gases, flammable liquids, high-piled storage, and other regulated activities. Each permit includes one inspection. The absence of a formalized operational permit structure has limited the City's ability to systematically track and manage regulated occupancies. These permits are mandated under the California Fire Code, that authorizes a business or individual to conduct specific activities, handle hazardous materials, or operate venues with high life-safety risk.

- **HazMat Plan Review for Public Dining and Business License Permits — \$261–\$342:** New fees are proposed for HazMat plan review services associated with public dining permits and business license permits involving hazardous materials above threshold amounts, both of which are currently performed without cost recovery.

### **Revised Fees**

Attachment C is a detailed listing of approximately 57 existing fees recommended for revision. Revisions include updated fee descriptions, changes to billing methodology (including standardization of minimum charges and billing increments), and fee amount adjustments to align rates with the actual cost of service delivery. Revisions include revised language, simplification and standardization of fee structures, reductions to fee amounts to comply with government code, and fees that are increasing by more than the 2.932% CPI adjustment. Notable revisions include:

- **Hazardous Materials Permits/Inspections:** Current HazMat permit fees are significantly below actual cost. Level I fees are proposed to increase from \$145 to \$825 (approximately 5×). Levels II through IV are similarly adjusted to reflect the time-intensive nature of these services.
- **False Alarm Response:** Proposed increase from \$463 to \$558, reflecting updated fully burdened costs. This fee is administered through a third-party vendor (CryWolf) and is not calculated using the standard cost model.
- **Inspection and Standby Billing Increments:** Billing increments are standardized to 30-minute minimums across inspection and standby fee categories. Notably, Fee 76 (Inspections/Permits — Fire Inspector) decreases from \$147 to \$128, reflecting a more accurate alignment of the fee with the time and personnel resources required for routine inspection services.
- **Sprinkler System Fees:** The tiered sprinkler system fee structure is reorganized and simplified. Legacy tier categories with zero activity are deleted and replaced with a cleaner, more consistent structure covering systems from under 100 heads through over 1,000 heads, with per-100-head add-on fees for large systems.

### **Deleted Fees**

Attachment D provides a summary of fees recommended for deletion from the General Fee Schedule. Deletions are proposed for the following reasons:

- Legacy sprinkler system tier categories with zero service volume and no active use are recommended for deletion and replaced with a simplified tiered structure.
- The Hazardous Materials Spill Response fee is recommended for deletion. Emergency hazardous materials response is provided by the Fire Department's

operations division, not the Fire Prevention Bureau, and is not appropriate for cost recovery through the prevention fee schedule.

- System Piping & Manifolds and Tech Reports — the fees are recommended for deletion as inactive or redundant, with associated services captured under remaining fee categories.

Upon adoption of the resolution, the amendments to the General Fee Schedule are expected to increase revenues in the Fire Prevention Bureau by approximately \$1,579,856 annually across the General Fund (Fund 101) and Building Fund (Fund 204). Staff notes that this estimate should be considered conservative. Historical record-keeping practices did not consistently capture reinspection activity or multiple plan review submittals, and volume data for several newly established fee categories is limited. Actual revenues may exceed projections as billing systems are updated and fee collection matures in the first year of implementation.

### **COUNCIL POLICY CONSIDERATION:**

This proposed action supports the City Council's strategic planning goal of maintaining fiscal responsibility and stability through the periodic review and update of the General Fee Schedule and by ensuring that, where appropriate, the City is reimbursed for the cost of providing selected services.

### **ENVIRONMENTAL ANALYSIS:**

The adoption of the City's FY 2027 Recommended General Fee Schedule is statutorily exempt from CEQA pursuant to State CEQA Guidelines Section 15273 (Rates, Tolls, Fares, and Charges), which states that: CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies, which the public agency finds are for the purpose of:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits;
- (2) Purchasing or leasing supplies, equipment, or materials;
- (3) Meeting financial reserve needs and requirements;
- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas; or
- (5) Obtaining funds necessary to maintain such intra-city transfers as are authorized by City Charter.

**FISCAL IMPACT:**

Upon adoption of the resolution, the amendments to the General Fee Schedule are expected to increase revenues in the Fire Department by approximately \$1,579,856 annually. Of this amount, \$559,976 will be from fee revisions allocated to the Building Fund (Fund 204), reflecting construction plan review and inspection services. \$1,019,880 will be from fees allocated to the General Fund (Fund 101), reflecting fire prevention, hazardous materials, and related operational services.

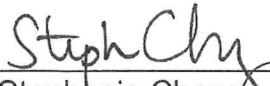
Respectfully submitted,



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Attachments: (4)

- 1) Attachment A – Fire Department FY 2027 Recommended General Fee Schedule
- 2) Attachment B – Fire Department New Fees
- 3) Attachment C – Fire Department Revised Fees
- 4) Attachment D – Fire Department Deleted Fees