



# Audit and Finance Committee Report

**Date:** November 6, 2017  
**To:** Audit, Finance and Enterprise Committee  
**Through:** John Pombier, Assistant City Manager  
**From:** Mary Cameli, Fire Chief  
**Subject:** MFMD Fees and Charges

## Purpose and Recommendation

The purpose of this report is to submit for review and consideration recommended new fees and charges for certain services provided by the Mesa Fire and Medical Department (MFMD).

MFMD requests Council approval of changes for the recommended MFMD Schedule of Fees and Charges, as outlined in this report and detailed in the attached Exhibit "A". The Fees and Charges, once approved, will be effective December 1, 2017.

## Background

The City of Mesa Fire and Medical Department (MFMD) provides fire and medical response to City of Mesa residents as well as automatic aid and mutual aid partners and their residents. MFMD also offers services ranging from social service interventions, public education, and hosting state-wide trainings for fire departments throughout Arizona. The department currently has fees and charges for services such as fire inspections, special event permits, CPR certifications, and various other services.

## Discussion

The Department is proposing new fees and charges for the City of Mesa's Public Safety Training Facility, for false alarm responses, and charges for MFMD response to gas leaks due to gas line damages. Rental fees at the training facility were determined based upon a market rate analysis for the facility, while the false alarm and utility response fees/charges are based on a cost-recovery model.

## **Public Safety Training Facility**

New fees are proposed at an hourly rate and daily rate for the following rentable areas at the Public Safety Training facility.

Driving Track	\$100 \$600	Per Hour Per Day	Minimum 2 hours
Burn Building	\$100 \$600	Per Hour Per Day	Minimum 2 hours
Grinder	\$100 \$600	Per Hour Per Day	Minimum 2 hours
Apparatus	\$100 \$600	Per Hour Per Day	Minimum 2 hours
Multi-Purpose Room (seats 160)	\$100 \$600	Per Hour Per Day	Minimum 2 hours
Auditorium (seats 340)	\$200 \$1200	Per Hour Per Day	Minimum 2 hours
Fire Hydrant	\$50	Per Connection	

Similar to the City of Chandler and City of Glendale's training facility policies, MFMD partners and Mesa Police Department's partners would be exempt from these rental fees. Partner cities/organizations include, but are not limited to Gilbert, Chandler, Queen Creek, Superstition, Scottsdale, Tempe.

## **False Alarm Fee**

MFMD is proposing a fee to commercial property owners whose alarm mistakenly cause a MFMD response. False alarms take first responders out of service and have become more prevalent in recent years. Other goals of adding this fee are to recover the cost of each of these false alarm responses, educate the public on proper fire alarm maintenance, and lower the number of false alarms that bog down the Dispatch Center each year.

This new fee is similar to the Police Department's false alarm fee as it is being billed only after a crew arrives on scene. Alarms cancelled en route will be not be charged a false alarm fee. MFMD is proposing a standard cost recovery fee for each false alarm rather than an incremental fee like the Police False alarm charge. The responsible party being billed will be the permit holder for the address at which the false alarm occurred.

Recommended Charge:	\$100	Per Incident
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Billable false alarms cause approximately 450 responses each year, averaging 16:36 minutes per call with an average of 1.37 miles from the

closest station to the false alarm location. Additionally, the national standard for administrative time needed to close each call, regardless of the call type, is 15 minutes. These variables were considered during the cost recovery analysis and proposal of the false alarm fees.

<b>False Alarm Cost Recovery Calculations</b>	<b>W/O 15 min admin time</b>	<b>W/ 15 min admin time</b>
Avg total cost for Fire response for false alarms:	\$ 94.32	\$ 147.74

### **Gas Leaks - Gas Line Damages**

Annually, MFMD responds to over 60 calls for gas leaks due to gas line damages citywide with the City of Mesa's Energy Resources Department. MFMD responds to these damaged lines as either first responders mitigating and stabilizing the situation until utility staff arrives, or as precaution to avoid any further damages to property or residents. The City of Mesa Energy Resources charges the responsible party of the damages for the Energy Resources personnel and the materials needed to fix the issue on scene but MFMD has not been recovering its cost associated with the call. MFMD proposes to bill the responsible party identified by Energy Resource staff.

MFMD is proposing charging for cost recovery on gas damaged utility line responses. Historically, these responses are on average 1.38 miles from the closest station and take an average of 50:51 minutes from dispatch to back-in-service. Due to the vast differences in severity of each type of call, times on scene range from several minutes to all-day. The MFMD proposes to charge a variable charge for the responsible parties. MFMD will use the cost recovery model based on the time spent on scene, the average distance for these types of calls and standard dispatch fee to determine a case-by-case charge to be sent with the Energy Resources bill to the responsible party. Fire Administration will work with Energy Resources to determine the time-on-scene and send an appropriate bill. Below is the current cost recovery model.

Dispatch Fee	\$ 26.50	Per Call
Personnel Cost	\$ 213.65	Per Hour
Apparatus O&M	\$ 3.56	Per Mile

### **Alternatives**

1. Take no action. Maintain the fees and charges for services provided by the Department in the previously approved areas. No fiscal impact on current revenue projections based on the existing fee structure would result.
2. Recommend alternative adjustments to the proposed fees and charges. The fiscal impact of this decision would depend on the changes proposed.

**Fiscal Impact**

There is an anticipated fiscal impact of \$45,341 in FY17/18 and \$77,728 FY18/19 with the adjustments outlined in this report. Staff will continue to assess cost recovery strategies and monitor all revenue to ensure that all fees and charges have met their intended goals. Reevaluation of the proposed fees will be a continuous process going forward.

**Coordinated With**

The recommended fees and charges were coordinated with the Mesa Fire and Medical Department and the Office of Management and Budget.

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Cori Hayes, Assistant Chief

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Mary Cameli, Fire Chief