



Council Report

Date: December 11, 2017
To: Audit and Finance 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 false alarm and gas line damage responses 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 18, 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 commercial, industrial, and other non-residential false alarm responses and charges for MFMD response to non-residential gas line damages. The false alarm and utility line response fees/charges are based on a cost-recovery model looking at personnel cost, vehicle O&M, and the regional dispatch fee.

False Alarm Fee

MFMD is proposing a fee to commercial, industrial and other non-residential entities 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 after the first false alarm each calendar year rather than an incremental fee like the Police False alarm charge. The first false alarm would not have a fee associated with the MFMD response but would have outreach by Fire Prevention. The business owner/landlord/managing party should expect to be notified about the false alarm on the property, will be sent information on how to prevent future false alarms, and will be notified that any subsequent false alarms from the location will be subject to a false alarm fee. The responsible party being billed will be the permit holder for the address at which the false alarm occurred.

Recommended Charge:	\$100	Per Incident after the 1st False Alarm per calendar year
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False alarms covered by the proposed Fee where a crew arrives on-scene happen approximately 450 times 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.

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

Residential building types will be exempt from this charge. Additionally, consistent with the Mesa Police Department, the following building types will be exempt from false alarm charges: Governmental (including Federal, State, County, City, MPD, MFMD, and Public Schools).

Gas Leaks – Commercial Gas Line Damages

Annually, MFMD responds to over 55 calls for gas line damages and associated gas leaks citywide. 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.

MFMD is proposing charging for cost recovery on damaged gas 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. 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 \$12,789 in FY17/18 and \$28,419 in 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.

Fee Recommendation Schedule

Exhibit A

Department: Mesa Fire and Medical Department

<i>Description of Services</i>	Current Fee/Charge	Proposed Fee/Charge	Unit	Revenue Code	Fiscal Impact	Notes
					\$16,500	MFMD HAS IDENTIFIED \$94.32 TO BE THE PROPER COST RECOVERY FIGURE WITHOUT THE 15-MINUTE ADMINISTRATIVE TIME TO CLOSE A CASE AND \$147.74 TO BE FULLY COST RECOVERED WITH THE 15-MINUTE CLOSE OUT TIME. MFMD RECOMMENDS STARTING THE FEE AT A MARKET RATE OF \$100, SIMILAR TO THE \$105 CITY OF PHOENIX FALSE ALARM FEE, FOR THE SECOND FALSE ALARM AND ABOVE, RESETTING THE COUNT OF FALSE ALARMS EACH CALENDAR YEAR. WITH ABOUT 450 FALSE ALARMS A YEAR, 165 OF THEM ARE BILLABLE AS THEY ARE REPEAT FALSE ALARMS.
FALSE ALARM FEE – 2 nd FALSE ALARM AND BEYOND. THIS FEE IS SPECIFIC TO COMMERCIAL, INDUSTRIAL AND OTHER NON-RESIDENTIAL ENTITIES, EXCLUDING FEDERAL, STATE AND LOCAL GOVERNMENTS.		\$100.00	PER INCIDENT AFTER THE FIRST FALSE IN EACH CALENDAR YEAR	1101-4206		NEW FEE

<u>NON-RESIDENTIAL GAS UTILITY LINE DAMAGES–FIRE RESPONSE FEES</u> COST RECOVERY CHARGE WILL BE ASSESSED WHEN FIRE RESPONSE IS NEEDED FOR UTILITY LINE DAMAGES. RESPONSES WILL BE CHARGED THE CURRENT DISPATCH FEE, HOURLY PERSONNEL COST, AND PER MILE DISTANCE COST. THIS IS A COST RECOVERY BASED CHARGE.					\$11,919	WITH 55 BILLABLE INCIDENTS A YEAR AND AN AVERAGE OF 50:51 MINUTES ON SCENE AND A 1.38 MILE DISTANCE FROM THE CLOSEST STATION, WE WOULD EXPECT TO ROUGHLY INVOICE \$11,919 ANNUALLY
DISPATCH FEE-		\$26.50	PER CALL	1101-9835		NEW FEE
PERSONNEL COST-		\$213.65	PER HOUR			*APPARATUS O&M IS BASED OFF A 1.38 MILE AVERAGE DISTANCE FROM THE STATION AND 1.38 MILE AVERAGE DISTANCE BACK TO THE STATION.
APPARATUS O&M FEE*-		\$3.56	PER MILE			

FY17/18 – \$12,789

FY18/19 - \$28,419