



## Legislation Text

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**File #:** 18-0054, **Version:** 1

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### Resolution to Approve FY19 Fee Adjustments for Safety Service Area - Fire Department Service Fee Schedule

Attached for your review, consideration, and approval is the resolution approving fee adjustments to the FY 2019 Fire Service Area fee schedule.

As promised to the community business stakeholders, work group meetings were held to review and update the newly structured fire safety inspection fee schedule implemented in FY17 that was based on a more fair and equitable charge by square footage. A diverse group of small, medium and large business owners/management firms participated in four work group meetings. Overall, the FY17's equitable fee schedule approach has been a great success with only having two areas of concern that needed to be reviewed.

With the community's input, the following fee schedule changes are being proposed:

#### ***Implement a Self-Inspection Pilot Program for Hotels, Transient Boarding and Storage Occupancies***

A pilot self-inspection program will be offered to businesses with leased or rented individual rooms including hotels, transient boarding; and storage facilities (R1, S1 and S2 building classes), in order to accommodate their accessibility issues, but also to ensure that all rooms are inspected. This pilot self-inspection program will also give a break in the overall increased square footage inspection fee to these businesses, which was one of the concerns of the FY17 fee schedule. All of the building's common areas along with a minimum of five percent (5%) of the leased or rented individual rooms will be inspected and charged accordingly. It will be the discretion of the fire inspector to increase the number of additional rooms above the minimum five percent based on conditions and/or violations discovered at the time of the inspection.

#### ***Large Building Cost Break***

Participating business stakeholders supported the change to the flat square footage fee of .06 cents to .045 cents for buildings with more than 50,000 square feet and buildings with 50,000 or less square feet to .065 cents. The recommendation that larger buildings be reduced was based on an analysis of administrative time spent on an inspection, which concluded that the administrative time spent was the same no matter the size of the building (i.e., scheduling, communicating and driving).

#### ***Non-Compliant Inspection Fees***

The work group participants unanimously felt that businesses after six years of safety inspections should know what is expected to be compliant with the Fire Code. It was recommended that violation schedules incorporate higher fees for repeat offenders of non-compliant inspections. In addition, it was recommended the no-show inspection fee be increased to reflect the additional administrative costs involved and the flat inspection fee.

- No-show inspection fee will be charged \$250.00;

- The posting fee where violations exist after the first re-inspection will be \$200.00;
- The posting fee and inspection fee for violations after a second re-inspection with violations will be \$350.00 and \$160.00 respectively;
- The posting fee and inspection fee for violations after a third re-inspection with violations will be \$500.00 and \$160.00 respectively.

Fire Services intends to reconvene the business and citizens work group within one to three years of the 2018 fee schedule implementation with the intent to review the fees and pilot program in moving towards awarding businesses with good compliancy history.

It is important to note that, as in the past, the proposed inspection fees do not provide full cost recovery for mandated fire inspections services but are intended to supplement taxes paid for this service in an effort to share the overall cost burden of fire inspections with those most directly impacted by the service. The City of Ann Arbor is unique in that fires occur more often in commercial buildings than residential buildings and the Fire Department strives in making its community safer by providing these services.

### **Hourly Fee Change**

In addition to the fire safety inspection fee charge review, the hourly fees were reviewed to determine if the cost of other services rendered are covered by charges. It was determined that the hourly rate of the fire prevention bureau and fire operations needed to be increased to \$125.00 and \$96.00 respectively based on an analysis of allocated resources to providing the respective services..

The Fire Service Area is recommending approval of the changes to its Fee Schedule in maintaining a working relationship with the community business owners in becoming more efficient in reducing cost of service for safety inspections and to adjust the hourly fee to recover current costs for services rendered.

Prepared by: Ellen Taylor, Assistant Fire Chief  
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Kathleen Summersgill, Acting Fire Marshal  
Larry Collins, Fire Chief  
Karen Lancaster, Finance Director  
Approved by: Howard S. Lazarus, City Administrator

### **..Body**

Whereas, All Service Areas of the city government review their Schedule of Fees each as part of the budget process;

Whereas, The Fire Department has reviewed their existing Fees Schedule with community input to improve their Fee Model;

Whereas, Community work group meetings were held with a diverse group of community business owner/managers to review and update the FY17 newly structured fire safety inspection fee schedule based on a flat square footage fee;

Whereas, A self-inspection pilot program will be implemented to be more accommodating to hotels, transient boarding houses and storage facilities who rent or lease individual rooms, which are difficult in ensuring 100% of the building is inspected;

Whereas, Fire Services have determined that the proposed fee schedule is proportionate to the necessary program-wide costs of the service:

- The hourly rate of fire prevention bureau personnel and fire operations personnel needed to be increased to \$125.00 and \$96.00 respectively to recover current costs for services rendered.
- The flat square footage fee will be changed from \$.06 cents to \$.045 cents for buildings with more than 50,000 square feet and .065 cents for buildings with 50,000 or less square feet.
- Charges for violation posting notices will progressively increase sequentially with each re-inspection required; \$200.00, \$350.00, and \$500.00 respectively
- The no-show inspection fee will be changed to \$250.00;
- Re-inspections fees will be increased to \$160.00

Whereas, Finance has reviewed Fire Services analysis of the proposed fee schedule and concurs in the analysis used to determine the costs of service;

RESOLVED, City Council adopt the attached Fire Department Fire Inspection Fee Schedule;

RESOLVED, That the attached fee schedule becomes effective July 1, 2018; and

RESOLVED, That City Council authorizes the City Administrator to take necessary administrative actions to implement this resolution.