

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 16, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER /s/

DOCKET TITLE:

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Resolution to Adopt Fire Department Fee Increases

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ISSUE: A resolution to revise the Fire Department Fire Prevention and Life Safety Section Fees.

RECOMMENDATION: That City Council adopt the attached resolution with an effective date of July 1, 2013.

BACKGROUND: This memorandum provides detailed information regarding proposed Fire Department fee increases for FY 2014. The increases in fees are projected to bring in an additional \$259,000 in revenues for the City in FY 2014.

DISCUSSION: The Fire Department has not increased fees since 2009 while costs have increased steadily. The fee increases would narrow the gap between the cost of services provided and recovery of those costs. Even with the proposed fee increases, the Fire Department fee rates remain competitive with neighboring jurisdictions. The fee changes were presented in the proposed budget, considered through the budget deliberation process, and included in the approved budget.

The Fire Department proposes to increase fees for Fire Prevention Permits Initial Inspections and Re-Inspections and for System Retesting and cancellations, and to implement fees for Faulty Alarm Inspections and Private Hydrant Inspections.

For the Fire Prevention Permit (FPP) initial inspection, the Fire Department proposes to increase the fee from an average rate of \$175.00 to an average rate of \$200.00. The revised fee may appear higher in comparison to Fairfax County's average rate of \$125.00 and Arlington County's average rate of \$85.00. It should be noted that the Fire Department's current fee of \$175.00 includes a re-inspection rate of \$62.50. For the price of an initial inspection and re-inspection

together, Arlington charges \$215.00 and Fairfax charges \$253.00. So the AFD rate would still be lower than our neighboring jurisdictions.

For the Fire Prevention Permit Re-inspections Fee (after the first Re-inspection which is included in the price of the initial inspection), the Fire Department proposes a change from a flat rate of \$62.50 per re-inspection to an hourly (or prorated) fee of \$125.00 per hour, per inspector. The re-inspection is essentially the same as \$62.50 is one half of \$125.00. But the AFD would like to keep the fee structure (of hourly charges) uniform. The proposed rate is still a lower rate in comparison to Fairfax (\$128.00/hour) and Arlington (\$130.00/hour).

FPP inspections may be required both during the development and post-development phases of a project. FPP inspections may be required during development either at the beginning, end, or throughout the project for processes such as cutting and welding, hot work, asphalt kettles, and the storage and use of hazardous materials including, for example, temporary fuel tanks and propane cylinders on construction sites. FPP inspections required for post development work are normally maintenance-related and are required to maintain a specific use of a building (assembly or educational) or to regulate the storage and use of hazardous materials or hazardous processes.

The Fire Department is also proposing to implement a Faulty Alarm Inspection Fee. The Fire Department has assessed that at least 192 properties have had three or more false alarms in the last year. By implementing an inspection fee after the second false alarm, the Fire Department projects increased annual revenues of approximately \$24,000.

A Private Hydrant Inspection Fee is also proposed. The Fire Department provided, at no cost to the owners of private hydrants, approximately 300 private hydrant inspections in calendar year 2012. By implementing an inspection fee for private hydrants, the Fire Department projects increased annual revenues of approximately \$19,000.

FEE ADJUSTMENTS:

Staff recommends the following fee changes for the next fiscal year.

- 1) **System Retesting** – 12% fee increase.
- 2) **System Retesting Cancellations** – Change in fee structure from a \$175 flat rate to a \$125 per hour, per inspector rate.
- 3) **FPP Inspections** – 14% fee increase.
- 4) **FPP Re-Inspections** – Change in fee structure as discussed in the section above.
- 5) **Faulty Alarm Inspections**- This new fee of \$125 per hour, per inspector is expected to yield \$24,000 in generated revenue.
- 6) **Private Hydrant Inspections**- This new fee of \$125 per hour, per inspector is expected to yield \$19,000 in generated revenue.

FISCAL IMPACT: The fiscal impact of the proposed resolution is an overall annual increase in revenues of approximately \$259,000.

ATTACHMENTS:

Attachment 1 – Resolution

Attachment 2 – City of Alexandria Fee Schedule

STAFF:

Adam K. Thiel, Fire Chief