



# Audit, Finance & Enterprise Committee Report

**Date:** April 2, 2015  
**To:** Audit, Finance & Enterprise Committee  
**Through:** Christopher J. Brady, City Manager  
**From:** Harry Beck, Fire Chief  
Tara Acuna, Assistant to Fire Chief  
**Subject:** Inspection fee increase recommendation  
Citywide project

## Strategic Initiatives



## Purpose and Recommendation

The purpose of this report is to recommend an increase to inspection fees. Fees have not been increased since the inception of the program and currently do not cover the associated delivery costs. The recommended two percent increase will bring the program closer to cost recovery without a dramatic increase.

## Background

The Fire Inspectors in Mesa Fire and Medical's Fire Prevention Division have a schedule that they follow for inspecting buildings within the City of Mesa. The fees charged for the inspections are minimal, but have not been increased in eight years while salary and benefits have continued to increase. The reason for the study is to gradually increase the fees to catch up to the personal services increase while minimally affecting the public.

## Discussion

There are four categories for inspections: low-risk occupancy – no fee; medium-risk occupancy – \$150; high-risk occupancy – \$250; and high-risk occupancy > 12,000 square feet – \$450. There is also an annual fire safety operational permit fee of \$15 for all occupancies eligible for inspection that is not being reviewed at this time. Several different methods for increasing fees were analyzed and the two percent increase was the most fair and consistent at this time. The increases for the four categories would be \$0, \$3, \$5, and \$9 respectively.

## **Alternatives**

Alternative fee increase methods considered included a flat dollar amount increase, more frequent inspections (change in current schedule), and a full-scale review of the approach from which the schedule is created. Of these methods, the two percent increase was selected based on the minimal fiscal impact on the public.

Alternately, no fee increase could be assessed which would continue to increase the gap in expenses and cost-recovery.

## **Fiscal Impact**

With minimal financial impact to the citizens, the two percent increase in fees would bring in an additional \$14,254 in revenue annually.

**Fee Recommendation Schedule**

**Department: Fire AND MEDICAL  
Proposed Changes to Fees & Charges**

**Document of Change: Resolution**

Description of Services:	Current Fee/Charge	Unit	Proposed Fee/Change	Date Last Revised	FY 15/16 Fiscal Impact	Notes
<b>FIRE INSPECTIONS</b> High Risk Occupancy >12,000 sq ft High Risk Occupancy <12,000 sq ft Medium Risk Occupancy Re-Inspection Fee (to be assessed for each site visit starting with the third visit)	<del>\$450.00</del> <del>\$250.00</del> <del>\$450.00</del> \$50.00		\$ 459.00 \$ 255.00 \$ 153.00	02/01/07	\$ 3,845.81 \$ 6,104.46 \$ 4,303.65	
					\$ 14,253.92	

Plus Transaction Privilege (Sales) Tax, where applicable.