



Fees and Charges Report

Date: September 7, 2023

To: Audit, Finance & Enterprise Committee

Through: Scott Butler, Assistant City Manager

From: Mary Cameli, Fire Chief
Shawn Alexander, Deputy Chief/Fire Marshal

Subject: Mesa Fire & Medical Department Update to Schedule of Fees and Charges, Citywide

Purpose and Recommendation

Mesa Fire and Medical Department proposes to update the existing fee structure for commercial building inspections to include additional categories under a new “High Risk Plus” category based on building square footage as follows:

- 100,000 < 300,000 sq. ft. - \$561
- 300,000 < 500,000 sq. ft. - \$663
- 500,000 < 1,000,000 sq. ft. - \$867
- >1,000,000 sq. ft. - \$1,275

Additionally, a new fee of \$100 will be added for each reinspection beginning with the third visit for those occupancies greater than 100,000 square feet.

The new fee structure will be effective January 1, 2024.

Background

Arizona Revised Statute 37-1383 A.5 allows cities to enforce compliance with an adopted fire code. Mesa Fire Code section 104.1 grants the authority to conduct fire inspections within the City of Mesa (COM). In January 2007, COM Resolution 8894 approved the collection of fees “with respect to services provided by the fire department.” Initially, the fees were for high and medium risk occupancies only. The fee structure was generic and did not recognize actual time spent by a Mesa Fire Inspector to plan, conduct, and formally document each inspection. An operational philosophy change began in January 2015 when Mesa Fire Prevention started following the National Fire Protection Association standard 1730 which recommended frequency of inspection of occupancies in the high, medium, and low risk categories. In May 2018,

Mesa City Council approved the low risk inspection program and the addition of a triennial inspection fee. Revenue generated by these fire inspections should offset staff time to conduct the fire inspection.

Mesa Fire Prevention uses an education-based methodology to address fire code violations with a goal of gaining voluntary compliance to correct open violations rather than through enforcement of fines or citations.

Discussion

The current fire inspection fee structure was created/last updated in 2008. The city has since seen immense growth in larger buildings that require much more time for a Fire Inspector to conduct the annual inspection.

The current reinspection fee is \$50 beginning with the third visit, regardless of building size. Larger buildings take longer to reinspect, so increasing the fee to \$100 for buildings 100,000 square feet and greater will allow the department to better recover the costs of providing the service. As with the need for the larger building inspection fees, this fee should reflect the additional time to conduct a reinspection.

Fire Prevention has discussed the fee increases with the business community and has received no negative feedback.

Methodology

The National Fire Protection Association (NFPA) provides standards on the average time it takes to conduct an inspection based on square footage and fire risk (risk classification). The new fee categories are derived using the High Risk Occupancy category as the base, plus the additional time to conduct the inspection multiplied by the hourly cost of an inspector to conduct the inspection. The hourly rate based on the mid-range of the Fire Inspector II position (\$51 per hour). Calculations for each category are shown below:

High Risk Plus Occupancy Inspections

- 100,000 < 300,000 sq. ft.: Additional 2 hours from High Risk Occupancy
 - $\$459 + (\$51/\text{hr.} * 2 \text{ hours}) = \561
- 300,000 < 500,000 sq. ft.: Additional 4 hours from High Risk Occupancy
 - $\$459 + (\$51/\text{hr.} * 4 \text{ hours}) = \663
- 500,000 < 1,000,000 sq. ft.: Additional 8 hours from High Risk Occupancy
 - $\$459 + (\$51/\text{hr.} * 8 \text{ hours}) = \867
- >1,000,000 sq. ft.: Additional 16 hours from High Risk Occupancy
 - $\$459 + (\$51/\text{hr.} * 16 \text{ hours}) = \$1,275$

High Risk Plus Occupancy Reinspections

- $\geq 100,000$ sq. ft.: Additional 1 hour from Low to High Risk Occupancy
 - $\$50 + (\$51/\text{hr.} * 1 \text{ hour}) = \101 , rounded to an even \$100

Alternatives

Mesa Fire and Medical Prevention Division attempts to recover all costs. If the fees are not increased, cost recovery is diminished, shifting the burden to the General Fund.

Fiscal Impact

Total estimated fiscal impact based on the added fees/charges is \$86,800 annually.

- 100,000 < 300,000 sq. ft. - \$70,000
- 300,000 < 500,000 sq. ft. - \$11,000
- 500,000 < 1,000,000 sq. ft. - \$3,700
- >1,000,000 sq. ft. - \$1,600
- Reinspection fee \geq 100,000 sq. ft. - \$500

Coordinated With

Mesa Fire and Medical Department worked with the Office of Management and Budget. Fire Prevention proactively engaged the business community to communicate these potential changes and received no negative feedback.

Fees & Charges Schedule – Key

Heading Configuration

| |
|--|
| <u>Schedule of Fees & Charges</u> |
| Department |
| Contact Information |
| |
| HEADING 1 |
| HEADING 2 |
| <i>Heading 3</i> |
| Description of Fee |
| Description of Fee 2 |

Font Indications

| Font | Font Indications |
|--------------------------|---|
| Regular Font | Existing fee or language |
| Strikethrough | Fee or language will be deleted from the Fee Schedule |
| BOLD CAPS | Language is being added to Fee Schedule |
| Bold | New or increased Fee Amount |

Schedule of Fees & Charges

Exhibit A – High Risk Plus Occupancy Inspections

Department: Mesa Fire and Medical Department

| Description of Service | Current Fee Range | Proposed Fee Range | Unit | Revenue Source Code | Total Fiscal Impact | Notes |
|--|-------------------|--------------------|----------------------------|---------------------|---------------------|--|
| <i>Fire Inspections</i> | | | | | | |
| High Risk Occupancy >12,000 sq ft <100,000 sq ft | \$459 | | annual | 3145 | | Updated range to end less than 100,000 sq ft; larger buildings will fall into new categories |
| High Risk Plus Occupancy 100,000 < 300,000 sq ft | n/a | \$561 | annual | 3145 | \$70,000 | Adding new fee for additional costs based on square footage of building/time Inspectors take to inspect (2 additional hours from High Risk Occupancy) |
| High Risk Plus Occupancy 300,000 < 500,000 sq ft | n/a | \$663 | annual | 3145 | \$11,000 | Adding new fee for additional costs based on square footage of building/time Inspectors take to inspect (2 additional hours from High Risk Plus Occupancy 100,000 < 300,000 sq ft) |
| High Risk Plus Occupancy 500,000 < 1,000,000 sq ft | n/a | \$867 | annual | 3145 | \$3,700 | Adding new fee for additional costs based on square footage of building/time Inspectors take to inspect (4 additional hours from High Risk Plus Occupancy 300,000 < 500,000 sq ft) |
| High Risk Plus Occupancy ≥ 1,000,000 sq ft | n/a | \$1,275 | annual | 3145 | \$1,600 | Adding new fee for additional costs based on square footage of building/time Inspectors take to inspect (8 additional hours from High Risk Plus Occupancy 500,000 < 1,000,000 sq ft) |
| High Risk Plus Occupancy Re-Inspection Fee ≥ 100,000 sq ft (to be assessed for each site visit starting with the third visit) | n/a | \$100 | Each site visit | 3145 | \$500 | Adding a fee for reinspections after the first reinspection for buildings falling in the High Risk Plus Occupancy categories |

Estimated Total Annual Fiscal Impact: \$86,800