

Memorandum

Date: October 19, 2010

To: Bruce Glasscock, Deputy City Manager

From: Hugo Esparza, Fire Chief

Subject: Annual Fire Inspection Program - Cost Recovery Plan

During a City Council budget retreat last year, the Fire Department was requested to research charging for annual business fire inspections performed by the Department.

Executive Summary

We cannot expand the number of inspections currently being conducted with our existing staffing. This document contains one option for City Council consideration if they wish to expand the number of facilities inspected and charge a fee for that service.

- There are approximately 3000 buildings that are subject to fire inspection.
- Currently the FD only inspects 1200 annually.
 - These are considered “high risk” such as schools, hospitals, nursing homes, daycares, high-rises, etc.
- FD has two (2) full-time State certified inspectors performing the 1200 inspections.
- The remaining 1800 facilities receive a fire safety “survey” conducted by fire companies.
 - These are not considered officially recognized “fire inspections” by the State as they are not conducted by State certified fire inspectors.
- A number of cities across the state and nation perform fire inspections and charge fees associated with that service.
- The current fire inspection program covering 1200 inspections and managing the 1800 safety surveys cost the city \$355,000 annually.
- We recommend expanding the service to cover every building (1800 annually and 1200 bi-annually). Higher risk/hazard properties (examples would be schools, hospitals, high rise buildings, etc.) would be inspected on an annual basis while lower risk occupancies such as the local drive-in store such as a 7-11, would be inspected every other year.
- The program will require two additional State certified fire inspectors.
- We recommend a fee structure based on square footage for most facilities; multi-story structures (over three stories) would be charged per floor.

- Revenue is projected to be approximately \$649,000 annually.
- Total program cost would be covered, netting the City approximately \$64,000 annually, based on full collection. At 90% collection, the city would break even.
- There are time restraints associated with the implementation of this proposal that need to be considered should the desire be to implement the proposal.

Background

The Plano Fire Department began a fire inspection program in the mid-1980's. This program included training all Fire Department personnel to conduct fire inspections. During the mid-1990's, the additional cost of training all personnel was not considered cost effective. In the late 1990's, the Texas Commission on Fire Protection (TCFP) passed a rule that fire inspections must be conducted by a certified inspector. By early 2000, a vast majority of our personnel were not certified as fire inspectors. In the last Legislative session, a law was passed requiring anyone conducting fire inspections to be certified by the State through the TCFP.

For the past few months, the Fire Prevention Division has been exploring the possibility of charging for annual fire inspections. Fire inspections are required to be conducted by the Fire Department in accordance with the International Fire Code, at a frequency designated by the Department. We currently charge for plan review and fire inspections associated with new and remodel construction, but do not charge for existing occupancy business fire inspections.

Currently, we have two (2) full-time, State certified fire inspectors performing fire inspections in 1200 of the approximately 3000 commercial buildings in the City. These are high-risk properties, such as schools, nursing/assisted living facilities, hospitals, daycares, target hazards (i.e., Dallas Morning News), hotels, high-rises, and assemblies over 1000 occupants. The remaining 1800 buildings receive a fire safety "survey," conducted by fire companies, which is not recognized by the State as a fire inspection. The fire safety surveys conducted by the fire companies cover some basic inspection related issues, such as blocked exits, missing fire extinguishers, extension cords, and basic fire hazards. However, they are not trained to perform the more extensive fire inspections needed to meet the State requirements to be considered a true fire inspection of the structure, contents, and automatic detection and suppression systems found in most commercial and business buildings.

Proposed Staffing Option

- Our existing program is staffed with one (1) Captain and two (2) Lieutenants conducting 1200 annual inspections and administering the fire safety inspection program at the company level. The current budget cost for this program is \$355,000, with no budget savings.
- The proposed staffing model will allow us to inspect 1800 businesses annually and 1200 on a biennial basis. This model would require two (2) additional Fire Lieutenants be added to the Department. This model will allow us to charge for fire inspections, with an estimated revenue of

\$649,100. This option would fully fund the program paying for the three (3) existing personnel and the two (2) proposed additional personnel needed to provide the service.

- Should the decision be to move forward with the proposed program, there is a key timing issue that requires consideration. The training for State certified fire inspectors is limited in this region. Collin County College offers one fire inspection certification class each year and it is conducted in January. Therefore, in order to select, reassign and enroll personnel to attend the next class in January 2011, the implementation has to occur before late November. Otherwise, it would not be until January 2012 before the next opportunity arrives to send personnel.

The Program Staffing Options Chart below shows each option with the number of personnel needed for each option. The first line indicates the budget expenditure for the existing program.

CURRENT INSPECTION PROGRAM

# of Buildings Inspected	Revenue	Captains (1)	Lieutenants (2)	Total
1200	\$0	\$125,000	\$230,000	(\$355,000)

PROPOSED INSPECTION PROGRAM

# of Buildings Inspected	Revenue	Captains (1)	Lieutenants (4)	Total
2400	\$649,100	\$125,000	\$460,000	\$64,100

Proposed Fee Schedule

PLANO ANNUAL INSPECTION PROGRAM

Commercial Business Inspection Program

Range (sq. ft.)	Fee	#Buildings	Revenue
0-2,000	\$60	305	\$18,300
2,001-20,000	\$125	1270	\$158,750
20,001-100,000	\$200	447	\$89,400
100,001-200,000	\$250	131	\$32,750
200,001-500,000 +	\$500	49	\$24,500
Total Projected Revenue			\$323,700

Apartment Inspection Program

Apartments by Type	Fee	#Buildings	Projected Revenue
Garden	\$125	2100	\$262,500
Interior Access	\$150	240	\$36,000
Total Projected Revenue			\$298,500

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High Rise Inspection Program

# High Rise Buildings	Fee per Floor	Total # Floors	Projected
			Revenue
41	\$100	269	\$26,900

Program Projected Revenue

\$649,100

Non-fire sprinkled apartments will be charged \$125 per building. Fire sprinkled apartments will pay half of the fee. Multi-story buildings (three or more stories) will be charged \$100 per floor, to a maximum \$800 per building. We recommend that Plano Independent School District (PISD), Collin County government facilities, community college campuses, and City of Plano buildings be exempt from the fees. The remaining properties will be charged based on square footage, as indicated by the annual fee schedule. The billing mechanism is currently being studied using existing City resources and systems.

Some cities, such as Fresno, California, have a modified inspection calendar where some buildings are not inspected annually. This is the program model we have chosen.

If adopted, we propose an education campaign which will include information on the Fire Department and City of Plano websites, fliers in the water bills, and information distributed through the Chamber of Commerce to explain the program.

Please let me know if you have any questions about this program or recommendations you may have.

Survey data collected is attached for review.

SURVEY CITIES

Building Square Footage	Bedford	Arlington
5000 Sq. Ft.	\$30	\$40
5001 - 10,000 Sq. Ft.	\$40	\$45
10,001 - 25,000 Sq. Ft.	\$50	\$55
25,001 - 50,000 Sq. Ft.	\$60	\$70
50,001 - 75,000 Sq. Ft.	\$80	\$105
75,001 - 100,000 Sq. Ft.	\$100	\$140
100,001 - 200,000 Sq. Ft.	\$120	\$140.00 +\$20.00 for each additional 50,000 sq. ft or any portion thereof.
Over 100,000 Sq. Ft.	None	
Over 200,001 Sq. Ft.	\$280	
Each Floor over 4 Floors	\$30	
Each Additional 50,000 Sq. Ft.	None	

Occupancy Type	Harris County	Lewisville	Austin	Round Rock	San Antonio
Assembly	\$225	\$20 min - \$250 max	\$100		
Business Occupancy	\$225	\$25 min - \$275 max			
Educational Occupancy	\$300	\$20 min - \$250 max			
Factory Occupancy	None	\$25 min - \$300 max			
Hazardous Occupancy	\$425	\$50 min - \$425 max			
Storage Group	\$425	\$25 min - \$300 max			
Multi-Family	\$225	\$150 per building			
High Pile Storage	\$300	None	\$100		
Day Care	\$150	\$20-\$250	\$50	\$50	\$51
Group/Foster/Adult Care	\$50-\$125	\$50-\$175	\$50<16 beds	\$50	\$103
Health Care	\$125	\$50-\$175	\$30		154
Hospitals	\$300	\$50-\$175	\$1 per bed	\$1 per bed	\$3.09 per bed
Nursing Homes	\$300	\$50-\$175	\$1 per bed	\$1 per bed	\$3.09 per bed

Lewisville charges based on square foot with the min/max noted in the chart above.

El Paso

Permit	Fee
Aerosol products	\$50
Aviation facilities	\$50
Battery systems	\$50
Blasting operations	\$100
Blaster's license	\$250
Blaster's license renewal	\$50
Combustible dust-producing operations	\$50
Combustible fibers	\$50
Compressed Gases	\$50
Covered mall buildings	\$50
Cryogenic fluids	\$50
Explosives	\$100
Flammable and combustible liquids	\$50
Floor finishing	\$50
Fruit and crop ripening	\$50
Fumigation and thermal insecticidal fogging	\$50
Hazardous materials	\$200
HPM facilities	\$200
High piled storage	\$250
Industrial ovens	\$50
Lumber yards & woodworking plants	\$50
Liquid or gas-fueled vehicles or equipment in assembly buildings	\$50
LP-gas	\$50
Magnesium	\$50
Organic coatings	\$50
Places of assembly	\$50
Private fire hydrants	\$50
Pyroxylin plastics	\$50
Refrigeration equipment	\$50
Repair garages and service stations	\$50
Rooftop heliports	\$50
Spraying or dipping	\$50
Storage of scrap tires and tire byproducts	\$50
Temporary membrane structures	\$50
Tire rebuilding plants	\$50
Waste handling	\$50
Wood products	\$50
For-use permit	\$50
Open burning	\$50

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Dallas

Dallas charges for 41 operational permits annually. The fees range from \$65 to \$350. Dallas also charges an annual inspection fee for high hazard occupancies, such as high-rises, hospitals, nursing homes, etc.

Farmers Branch

Farmers Branch is studying this issue and has a proposal to charge \$50 to \$500 if implemented.