

SALT LAKE CITY COUNCIL STAFF REPORT
BUDGET ANALYSIS – FISCAL YEAR 2006-07

DATE: May 16, 2006

BUDGET FOR: **FIRE DEPARTMENT**

STAFF REPORT BY: Jennifer Bruno and Gary Mumford

cc: Rocky Fluhart, Sam Guevara, Chuck Querry, John Vuyk, Steve Fawcett, Kay Christensen, DJ Baxter

The proposed fiscal year 2006-07 budget for the Fire Department is \$30,549,938. This represents an increase of \$1,853,527, or 6.5% over fiscal year 2005-06.

FIRE DEPARTMENT PROPOSED BUDGETS					
	Adopted 2005-06	Proposed 2006-07	Difference	Percent Change	Explanation of Change
Office of the Chief (including financial management, payroll, purchasing, inventory, research, human resource management, facility maintenance)	\$ 1,836,463	\$ 2,099,297	\$ 262,834	14.3%	New Deputy Fire Chief, Early Retirement Incentive Funding
Operations (including airport operations)	21,452,456	22,343,450	890,994	4.2%	Contractual Pay Increase
Special Operations (including hazardous material incidents, water rescues, high-rise rescues, trench rescues)	203,410	252,898	49,488	24.3%	Heavy Rescue Equipment Purchase
Communications (dispatch, equipment maintenance & repair, technical support, records management)	1,597,382	1,801,662	204,280	12.8%	Funding for new CAD/RMS system
Training (including managing fleet acquisitions, maintenance and supplies activities)	1,773,610	2,216,171	442,561	25.0%	Transfer personnell from Fire Prevention, Fuel Increase
Fire Prevention (business inspections, hazardous materials permits, new construction, special events, community training, public education)	1,166,356	1,151,936	(14,420)	-1.2%	Transfer personnell to Fire Prevention
Emergency Medical Services (including medical training, certification, quality assurance)	666,734	684,524	17,790	2.7%	
Total	\$ 28,696,411	\$ 30,549,938	\$ 1,853,527	6.5%	6.5%

POTENTIAL MATTERS AT ISSUE

- A. Elimination of positions – The Fire Department is recommending the elimination of 1 FTE captain position through attrition from the Operations Division, and transferring this position to add a Deputy Fire Chief in the Office of the Chief.
- B. Addition of positions – The Fire Department is recommending replacing the eliminated captain position with 1 FTE Deputy Fire Chief.
- C. Other Budget Changes –
- \$ 865,872 – Contractually-obligated compensation adjustment
 - \$ 263,196 – Pension and insurance rate changes (City share)
 - \$ 30,800 – Workers compensation increased costs
 - \$ 81,101 – Fleet maintenance
 - \$ 47,772 – Fleet fuel
 - \$ 24,000 – New deputy Fire Chief (net after offset by 1 FTE elimination of Fire Captain)
 - \$ 428,000 – New apparatus equipment
 - \$ 43,750 – Capital outlay for heavy rescue equipment
 - \$ 53,500 – Self Contained Breathing Apparatus (SCBA) equipment
 - \$ 6,200 – CPR heart saver materials and equipment
 - \$ 182,500 – Computer Aided Dispatch(CAD)/Record Management System (RMS) (phased over FY 2007 & 2008)
 - \$ 45,000 – Early retirement incentive program for firefighters
- D. Early Retirement Incentive Program – There are currently 41 employees with 30-plus years of experience, and another 5 employees that will reach the 30 year mark this year. The Department’s tentative proposal is to make a \$5,000 payment to incentivize these eligible employees to retire. The Management Audit of the Fire Department made a number of recommendations that addressed the SLCFD’s number of near-retiree employees. One recommendation pointed out that a retirement incentive program would help the City’s long-term planning and budgeting efforts, by giving the department a longer “lead-time.” The amount budgeted for this purpose is not sufficient to guarantee payouts to all of these eligible employees, but the Department indicates that it would go a long way in helping the department budget for retirees. It should be noted that the Administration has not proposed a similar program for the Police Department or for other City employees.
- E. Computer Aided Dispatch (CAD)/Record Management System (RMS) - The Administration is recommending an investment (\$182,500) in an improved computer aided dispatch/record management system. The current system is plagued with technological problems, and does not interface efficiently with new programs. The Fire Department and IMS have located an improved system that is easy to operate and will interface well with other current applications. This system will cost approximately \$365,000. The proposed budget would phase this cost over two years.

- The department recently obtained \$315,000 in grant funds to improve technology. These funds will be used in addition to the \$365,000, in order to equip all fire trucks with the necessary technology to interface with the overall system.
- The recent departmental audit recognized the current system inefficiencies and recommended that SLCFD work quickly with IMS to correct the situation (recommendation #136).
- The Council may wish to ask the Fire Department how this proposed system may or may not be compatible with the City's overall GIS system, used by Engineering and Planning – and whether it would help streamline service to citizens.

F. Capital Outlay for Equipment - \$428,000 would equip new apparatus, including two fire engines, one heavy rescue vehicle, one fire truck, two grass trucks, and six light fleet vehicles. The Administration is recommending this equipment in order to replace outdated equipment. Other equipment is recycled as much as possible.

G. Self Contained Breathing Apparatus – The Administration is recommending \$54,000 to replace outdated hazardous materials equipment with improved carbon filters.

AUDIT RECOMMENDATIONS RELATING TO THE BUDGET

The Council initiated an audit of the Salt Lake City Fire Department, which was completed in May, 2005. The audit was discussed at a Council briefing on January 17, 2006. Issues discussed included audit recommendations that SLCFD agrees can be implemented with little or no budget impact, as well as audit recommendations that would need additional appropriations. The Council asked the SLCFD to prioritize these audit recommendations and have basic cost estimates for implementation of those recommendations that are a priority to the department. While the department has not officially prioritized their audit recommendation responses, the proposed budget does incorporate a number of changes that stem directly from the Audit:

1. Computer Aided Dispatch (CAD)/Record Management System (RMS) – The Audit found the current system to be lacking. This change is discussed in greater detail in Item E, above.
2. Fees:
 - a. Fire Plan Review Fees: *(Also addressed in the Community Development Department Budget)* The Fire Department currently provides fire plan review for fire code regulations and fire suppression systems. The Audit found that at the current time, no fee is specifically designated to pay for fire plan review. This service is instead funded by the general fund and an unidentified portion of business licensing construction permit fee. The Mayor's proposed budget includes charging for this fee as a part of the "one stop" permit counter. The proposed Fire Plan Review fee would be a separate fee on top of the

“one stop” fee. Council staff has asked the Administration the following question regarding this issue – the response is pending:

- o Given that the function of Fire Plan Review will be covered by a single FTE at the “one stop” counter located in Business Licensing, can a separate “Fire Plan Review” fee be justified?
- b. Fire Hazardous Materials Fees: The Fire Prevention Bureau currently collects fees for hazardous materials permits, tank permits, blasting permits, high rise permits, fireworks public display permits, temporary structure permits, health care facility inspections and day care inspections. A recent review of business license fees showed that the fee amounts were less than the costs. The Administration is recommending that fees be established based on size, difficulty, and the type of permit or inspection needed. In addition to the items listed above, the proposed ordinance establishes a fee schedule for open burning permits, flame effects permits, assembly permits, trade show permits, suppression, alarm or detection system installation permits, hot works operations permits and re-inspections.
- c. The following is a review of the specific audit recommendations relating to Fire Permit and inspection fees (The Council may wish to inquire as to the status of these fees):
- #104 Institute fees for all permits (only 14 fees out of 47 permits).
 - #85 Establish fees for fire construction permits that are sufficient to cover the cost of the entire construction code enforcement function including fire plan review and fire construction inspection.
 - #103 Fire construction permits *with fees* should be issued for the construction and renovation of permanent or temporary structures and for all fire protection systems (alarms, mains, standpipes, sprinklers, hood, etc.)
 - #105 Fees should be instituted for initial inspections and re-inspections for all operational code enforcement inspections.
 - #107 Fees should be instituted for initial inspections and re-inspections conducted by fire companies.
 - #108 Evaluate feasibility of building Services issuing all permits and collecting fees rather than the Fire Department.
3. Staffing Changes: While the staffing changes within the fire department do not tie directly to the audit (a shift of 1 FTE), the proposed budget includes the addition of a Fire Inspection Plan Reviewer in the Community Development Department to assist the “one stop” counter. The Council may wish to ask the department that if the “1 stop” concept is funded, are there any operational efficiencies that could be realized by re-assigning the staff in the Fire Department that currently do plan review. Specifically, what functions will the two staff members who have been conducting the 400 plus plan reviews per year be assigned in the future; might there be opportunity to enhance other Fire programs that have been reduced in recent years? The following are audit recommendations directly relating to fire plan review and inspections:

- #81 Convert all employees except four (fire marshal and three sworn fire investigators) in the Fire Prevention Bureau to civilian positions through attrition.
- #99 Require fire captains and/or battalion chiefs to become certified as fire inspectors so they can supervise company inspections.
- #86 Contract with 1 or 1.5 civilian certified fire plan examiners (or private companies) to provide fire code plan checking services.
- #88 The hazardous material inspector should become certified as a fire inspector to allow greater flexibility in assignment,
- #91 .5 to 1 FTE clerical position is needed to provide 5-10 hour day coverage for reception and phone duties, at a lower cost than having certified fire inspectors perform these duties.

AUDIT BACKGROUND INFORMATION

The following section re-caps findings and recommendations from the audit report that relate directly to the budget, grouped in general categories. These recommendations, as well as the SLCFD responses, were presented to the Council in January. This list is intended for background information purposes:

1. Recommendations relating to overtime/retirement management:

- a. #30 The Fire Department uses salary savings from vacant positions to supplement overtime costs, which can result in more overtime. There are times of 20 or more vacancies. Consider some overhire process.
- b. #21 Design an incentive program to provide more notice of retirement.
- c. #10 Explore alternative work schedules that could reduce the reliance on overtime
- d. #11 Identify current trends in leave use and establish a smaller number of people allowed off each day on scheduled leave
- e. #12 Implement incentives to reduce sick leave taken (reduce overtime)
- f. #14 and #115 Assign some basic cause and origin investigation to company officers rather than bring investigator in (overtime) for clear-cut cases
- g. #161 Implement a sick leave reduction program to reduce overtime and provide some health insurance funding after retirement.

2. Recommendations relating to staffing changes:

- a. #49 Staff Station 9 during peak hours only. #48 In the next five years, move Station 9 further southeast to justify full-time operation with sufficient volume of calls.
- b. #46 Add a 2-person Advanced Life Support (ALS) unit in the downtown area from 10 A.M. to 10 P.M.
- c. #37 Continue using four-person staffing on all engines and trucks in the SLCFD.
- d. #144 Fire communications center requires a total of 20 employees, but the center has only 16 employees. (The proposed budget addresses this recommendation)
- e. #47 Upgrade Engine 1 to advanced life support and downgrade Rescue Engine 4 to an engine to better address the distribution of EMS demand.

- f. #55 Institute an officer rotation policy for all captains
- g. #66 Consider adding a provision to its upcoming RFP for ambulance services that would include a single medical director for both the ambulance service provider and the fire department. (SLCFD has previously responded to this issue in a memo to Council Staff. Staff will provide a copy of this memo if desired.)
- h. #81 Convert all employees except four (fire marshal and three sworn fire investigators) in the Fire Prevention Bureau to civilian positions through attrition.
- i. #148 The radio technician position with the Fire Department should be consolidated into IMS Division.
- j. #99 Require fire captains and/or battalion chiefs to become certified as fire inspectors so they can supervise company inspections.
- k. #110 The deputy fire marshal (captain) over investigations should be a working captain active in fire investigations.
- l. #86 Contract with 1 or 1.5 civilian certified fire plan examiners (or private companies) to provide fire code plan checking services.
- m. #88 The hazardous material inspector should become certified as a fire inspector to allow greater flexibility in assignment.
- n. #90 The civilian Public Education Specialist should be retained to provide adult and children programs.
- o. #91 .5 to 1 FTE clerical position is needed to provide 5-10 hour day coverage for reception and phone duties, at a lower cost than having certified fire inspectors perform these duties.

3. Recommendations relating to general operations:

- a. #36 Monitor response times in areas with traffic calming devices.
- b. #43 and #44 Call processing, dispatch and turnout times much higher than recommended standards. Implement changes such as to dispatch first fire unit before all call information is entered into the CAD system.
- c. #67 The City should maintain the current two-tiered system that involves the SLCFD and a private ambulance provider in the delivery of Advanced Life Support (ALS) and Basic Life Support (BLS) pre-hospital care and ambulance transport. (SLCFD has previously responded to this issue in a memo to Council Staff. Staff will provide a copy of this memo if desired.)
- d. #68 The SLCFD should formalize and strengthen its organizational structure and oversight of EMS service delivery within the Operations Division. (SLCFD has previously responded to this issue in a memo to Council Staff. Staff will provide a copy of this memo if desired.)

4. Recommendations relating to budget increases/fees:

- a. #6 Add technologies to eliminate manual processes for firefighter shift schedules and free up staff resources for other critical projects.
- b. #69 The SLCFD should explore a legal mechanism that will allow the ambulance transport provider to pay the City an annual fee for its “paramedic first responder” program. (Fee not allowed under state law. (SLCFD has previously responded to this issue in a memo to Council Staff. Staff will provide a copy of this memo if desired.)
- c. #16 Allocate revenue from special events back to the EMS Division to offset the cost of the bike patrol.
- d. #99 Establish a self-inspection program for the lower risk businesses.

- e. The following recommendations all relate to the issue of fees charged (or not charged) for permits and inspections:
 - i. #104 Institute fees for all permits (only 14 fees out of 47 permits).
 - ii. #85 Establish fees for fire construction permits that are sufficient to cover the cost of the entire construction code enforcement function including fire plan review and fire construction inspection.
 - iii. #103 Fire construction permits *with fees* should be issued for the construction and renovation of permanent or temporary structures and for all fire protections systems (alarms, mains, standpipes, sprinklers, hood, etc.)
 - iv. #105 Fees should be instituted for initial inspections and re-inspections for all operational code enforcement inspections.
 - v. #107 Fees should be instituted for initial inspections and re-inspections conducted by fire companies.
 - vi. #108 Evaluate feasibility of building Services issuing all permits and collecting fees rather than the Fire Department.
- f. #122-128 Workload data on the number of plans reviewed and the amount of time spent on each type of plan should be collected. Establish goals.
- g. #149 Mobile computer devices should be installed in fire apparatus to improve communication capabilities and response times.

PERFORMANCE MEASUREMENTS (Goals and measurable results)

The Fire Department has several goals and objectives to guide the budgeting process and provide a means for management to better evaluate overall Department performance. In order to assist the Council in evaluating progress, Council staff summarized the goals and noted the results or steps taken by the Department through December of 2004.

1. Goal/Objective: Maintain an average time from dispatch to arrival on life-threatening emergencies of less than or equal to 5 minutes. *During 2004 the department maintained an average response time of less than four minutes for each month.*
2. Goal/Objective: Maintain a turnover rate below 10% per year. *The department's "turnover" rate during 2004 was approximately 3.3%.*
3. Goal/Objective: Fire Prevention Bureau inspectors will complete 6,500 fire inspections and preplans annually. *The bureau has exceeded this goal in 2004 with 7,901 building inspections and preplan reviews.*
4. Goal/Objective: Complete 350 community training events with 19,000 participants annually. *The department far exceeded these goals in 2004 with 862 community training events and 33,255 participants.*

5. Goal/Objective: Ensure 90% of employees will perform at or above the “satisfactory” level on their annual performance evaluation. *Currently 99% (up from 95% the previous year) of the employees have received satisfactory or better on the annual performance evaluation.*

LEGISLATIVE INTENT STATEMENTS

- A. In the Fiscal Year 2005-06 budget process, the Council adopted the following legislative intent statement with regard to the Fire Department:
- “It is the intent of the City Council that the Administration explore opportunities to fund a fire engineer at the ‘One-Stop Permit Counter’ (e.g. identifying on-going revenue, transferring one FTE from the Fire Department, or setting fees to recover the cost).” (Intent #A3, response forthcoming, is included in the proposed budget)
 - Administration’s Response: The Community Development Department has collected all of the information needed to determine the cost of plan review by all departments, and will be discussed as part of the FY 2006-07 Mayor’s Recommended Budget.
- B. In previous budget years, the Council adopted a legislative intent regarding the reduction in reliance on overtime. The Fire Department had previously responded that it “...continues to oversee its full staffing program in an attempt to reduce overtime costs and strives to use employees entitled to straight time rather than those entitled to overtime.” The Audit of the SLCFD presented to the Council in 2005 made a number of recommendations relating to the use of overtime (see above). While the audit recommends increasing the base staffing levels to cover needs without overtime, it also recognizes that this may be a more expensive solution. The audit recommends that a study of leave use to determine the number of FTE hours expended on leave, could result in policy changes that may help reduce in the reliance on hiring back “overtime” personnel.

SIX YEAR BUSINESS PLAN

The following are goals and anticipated needs identified by the Fire Department within their six year business plan:

- Additional budget may be requested to cover the rising costs of utilities and basic required safety equipment, and required replacement of certain training equipment. *Department note: Budget has already been requested, and will continue as utility rates increase and safety equipment ages and is in need of repair.*
- Any other budgetary increases will be defined by the approved adjustments based on the salary compensation plan.
- Currently the City mission is to have every Fire apparatus staffed with four firefighters. Currently a portion of the department’s overtime budget is used to accomplish this. However, if it could be accomplished with straight-time firefighters, it would result in a savings to the City. (The Department uses the Fair Labor Standards Act – FLSA – to allow hiring personnel at a straight time rate, saving the City the cost of funding a full time position including benefits).

- The Fire Department will continue to aggressively pursue annual grants from the Utah State Bureau of Emergency Medical Services, which ranges between \$50,000 and \$100,000 per year. (The Department has been able to secure not only funding from the Utah State Bureau of Emergency Medical Services but other sources enabling the SLCFD to meet some of its equipment and training needs without coming to the City for additional funding.)

APR 25 2006

SALT LAKE CITY ORDINANCE
No. _____ of 2006
(Enacting Regulations Pertaining to Business Fees Collected by the City)

AN ORDINANCE ENACTING SUBSECTION 2.12.040, *SALT LAKE CITY CODE*,
PROVIDING PERMIT FEES TO BE COLLECTED FROM BUSINESSES BY THE CITY.

WHEREAS, the City Council finds that the proposed ordinance is in the best interest of
the City.

Now, Therefore, be it ordained by the City Council of Salt Lake City, Utah, as follows:

SECTION 1. Subsection 2.12.040, *Salt Lake City Code*, pertaining to permit fees to be
collected from businesses by the city be, and the same hereby is, enacted to read as follows:

2.12.040 Business Permit Fees:

The city shall collect the following permit fees for each business activity regulated by the fire
prevention bureau under the International Fire Code or other authority.

- A. Hazardous materials permit: minimal dispensing, use or storage --
500 pounds (227 kilograms) or less for solids,
or 55 gallons (208.2 liters) or less for liquids,
or 200 cubic feet or less for compressed gases,
or 504 cubic feet or less of oxygen. \$390.00.
- B. Hazardous materials permit:
storage – quantities exceeding minimal storage. \$440.00.
- C. Hazardous materials permit:
dispensing or use – quantities exceeding
minimum use or dispensing. \$585.00.
- D. Hazardous materials permit: production and processing. \$685.00.
- E. Hazardous materials permit:
tank install, alter, removal, abandonment, or disposal. \$585.00.

F.	Hazardous materials permit: gas stations.		\$365.00.
G.	Fireworks public display outdoor.		\$685.00.
H.	Fireworks public display indoor.		\$485.00.
I.	Fireworks public display Delta Center.		\$685.00.
J.	State licensed health care facility.		\$485.00.
K.	Hospitals.		\$685.00.
L.	Lock box.	Small.	\$130.00.
		Large.	\$230.00.
M.	National Fire Incident Report (NFIR) form or property incident search report.		\$95.00.
N.	Blasting		\$585.00.
O.	High rise.		\$880.00.
P.	Open burning.		\$390.00.
Q.	Flame effects before an audience.		\$290.00.
R.	Temporary membrane structures, tents, or canopies.		\$400.00.
S.	Place of assembly.		
	0 – 5,000 square feet		\$300.00.
	5,001 – 10,000 square feet		\$400.00.
	10,001 – 25,000 square feet		\$525.00.
	25,001 – 50,000 square feet		\$675.00.
	50,001 – 80,000 square feet		\$825.00.
	80,001 – 125,000 square feet		\$1,000.00.
	125,001 – 200,000 square feet		\$1,250.00.
	200,001 square feet or greater		\$1,250.00 plus \$100.00 for any

		portion of each additional 20,000 square feet.
T.	Exhibit and trade show.	
	0 – 5,000 square feet	\$175.00.
	5,001 – 10,000 square feet	\$250.00.
	10,001 – 25,000 square feet	\$325.00.
	25,001 – 50,000 square feet	\$400.00.
	50,001 – 80,000 square feet	\$475.00.
	80,001 – 125,000 square feet	\$550.00.
	125,001 – 200,000 square feet	\$700.00.
	200,001 square feet or greater	\$700.00 plus \$100.00 for any portion of each additional 20,000 square feet.
U.	Suppression, alarm or detection system installation.	10% of system cost.
V.	Hot works operations.	\$300.00.
W.	Re-inspection.	\$240.00.

SECTION 2. This ordinance shall take effect immediately upon the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2006.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

ATTEST:

CHIEF DEPUTY CITY RECORDER

(SEAL)

Bill No. _____ of 2006.
Published: _____.

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 25 APRIL 2006
By [Signature]

APR 25 2006

ISSUE: FIRE PREVENTION FEES

POLICY

Salt Lake City should establish a fee structure for each business activity regulated by the Fire Prevention Bureau under the International Fire Code (IFC) or other authority.

BACKGROUND

For many years the Fire Prevention Bureau has been charging fees for issuing permits and performing inspections. The fees were established in accordance with the Uniform Fire Code, now the International Fire Code (IFC), which allowed jurisdictions to bill for the permitting and inspection process. The original fees for hazardous materials were established in the 1990's based on cost standards set forth by the City Fire Marshal.

Over time, as the Fire Prevention Bureau added responsibilities, additional fees were added. The most recent fee for temporary structure permits was added as a result of the numerous temporary structures scheduled to be in place for the 2002 Winter Olympics. The original fee schedule has been updated once since its inception to better reflect the costs.

Additionally, the Business Licensing Division also charges a base fee for permitting. This fee included many of the aspects of the fees established by the Fire Prevention Bureau. As a result of a recent revenue audit, these fees have been removed from Business Licensing.

The Fire Prevention Bureau currently collects fees for hazardous materials

permits, tank permits, blasting permits, high rise permits, fireworks public display permits, temporary structure permits, health care facility inspections and day care inspections.

ANALYSIS

The City revenue auditors in conjunction with the Fire Department conducted an audit of the fees collected by the Fire Prevention Bureau. This audit showed that the fees were being double billed in Fire Prevention and Business Licensing but that the amounts in total were less than the total costs.

Following the audit, the current fee structure was established. This fee structure is based on time standards set forth by the City Fire Marshal for the specific types of inspections and permits that are issued. These time standards were established based on past practices over the past two years.

Additionally, the fee structure was established on rates set forth by the revenue auditors. The rate was established by looking at direct costs from the Fire Prevention Bureau and includes portions of other costs from throughout the city that have been allocated to the Fire Prevention Bureau.

The analysis also established that additional fee standards should be set based on size, difficulty, and the type of permit or inspection needed. The new ordinance will establish a set fee schedule for hazardous materials permits, tank permits, blasting permits, high rise permits, fireworks public display permits, temporary structure permits, health care facility inspections and day care inspections similar to what

was previously billed by the Fire Prevention Bureau. It will also establish a fee schedule for open burning permits, flame effects permits, assembly permits, trade show permits, suppression, alarm or detection system installation permits, hot works operations permits and re-inspections.

ALTERNATIVES

Business as Usual

Salt Lake City could continue to charge the same fees as it currently does without an ordinance allowing for the fees to be collected.

This approach would not address the issue of the City not having an ordinance to set standards for the collection of fire prevention fees. It would also not change the billing and residents may believe they are paying twice for the same thing, once in Fire Prevention and once in Business Licensing.

Create a Standardized Fee Schedule

Salt Lake City could provide a consistent fee schedule for all Fire Prevention activities. The fee schedule would standardize all the fees and would eliminate the double billing by both Fire Prevention and Business Licensing.

RECOMMENDATION

Salt Lake City should adopt the ordinance and establish a set fee schedule for all of the activities under the Fire Prevention Bureau.

APR 25 2006

SALT LAKE CITY ORDINANCE
No. _____ of 2006
(Enacting Regulations Pertaining to Business Fees Collected by the City)

AN ORDINANCE ENACTING SUBSECTION 2.12.050, *SALT LAKE CITY CODE*,
PROVIDING FEES TO BE COLLECTED FROM BUSINESSES BY THE CITY.

WHEREAS, the City Council finds that the proposed ordinance is in the best interest of
the City.

Now, Therefore, be it ordained by the City Council of Salt Lake City, Utah, as follows:

SECTION 1. Subsection 2.12.050, *Salt Lake City Code*, pertaining to planning fees to be
collected from businesses by the city be, and the same hereby is, enacted to read as follows:

2.12.050 Business Planning Fees:

The city shall collect the following fees for each business plan reviewed or regulated by the fire
prevention bureau under the International Fire Code (IFC) or other authority.

- A. Plan Review: assembly – use groups A-1, A-2, A-3, A-4, or A-5.

0 – 50,000 square feet	\$300.00.
50,001 – 100,000 square feet	\$600.00.
100,001 square feet or greater	\$900.00.

- B. Plan review: business, non-hi rise – use group B.

0 – 40,000 square feet	\$225.00.
40,001 – 80,000 square feet	\$450.00.
80,001 – 150,000 square feet	\$675.00.
150,001 square feet or greater	\$900.00.

- C. Plan review: business, hi rise. \$1,500.00.

D.	Plan review: educational – use group E.	
	0 – 30,000 square feet	\$300.00.
	30,001 – 80,000 square feet	\$525.00.
	80,001 – 150,000 square feet	\$750.00.
	150,001 square feet or greater	\$1,050.00.
E.	Plan review: factory or industrial storage – use groups F-1, F-2, S-1, or S-2.	
	0 – 30,000 square feet	\$150.00.
	30,001 – 100,000 square feet	\$300.00.
	100,001 square feet or greater	\$450.00.
F.	Plan review: high hazard – use group H.	\$900.00.
G.	Plan review: institutional – use groups I-1, I-2, I-3, I-4 – non-hi-rise.	
	0 – 20,000 square feet	\$300.00.
	20,001 – 50,000 square feet	\$600.00.
	50,001 – 100,000 square feet	\$900.00.
	100,001 square feet or greater	\$1,200.00.
H.	Plan review: institutional hi-rise.	\$1,500.00.
I.	Plan review: mercantile – use group M – free standing building or shopping center.	
	0 – 30,000 square feet	\$300.00.
	30,001 – 80,000 square feet	\$525.00.
	80,001 – 150,000 square feet	\$750.00.
	150,001 square feet or greater	\$975.00.

J.	Plan review: enclosed shopping mall.	
	0 – 50,000 square feet	\$600.00.
	50,001 – 100,000 square feet	\$900.00.
	100,001 square feet or greater	\$1,500.00.
K.	Plan review: residential – use groups R-1, R-2, R-4 – non-hi-rise.	
	0 – 10,000 square feet	\$150.00.
	10,001 – 30,000 square feet	\$300.00.
	30,001 – 80,000 square feet	\$450.00.
	80,001 – 150,000 square feet	\$600.00.
	150,001 square feet or greater	\$750.00.
L.	Plan review: residential – hi-rise.	\$1,500.00.
M.	Plan review: utility – miscellaneous – use group U.	
	0 – 30,000 square feet	\$75.00.
	30,001 square feet or greater	\$150.00.
N.	Plan review revisions.	\$25.00 per quarter hour.
O.	Tenant improvement plan review: assembly – use group A-1, A-2, A-3, A-4, or A-5.	
	0 – 1,000 square feet	\$75.00.
	1,001 – 5,000 square feet	\$150.00.
	5,001 – 10,000 square feet	\$225.00.
	10,001 square feet or greater	\$300.00.

P. Tenant improvement plan review: business, education, or mercantile – use groups B, E, or M.

0 – 5,000 square feet	\$75.00.
5,001 – 10,000 square feet	\$150.00.
10,001 – 25,000 square feet	\$225.00.
25,001 – 50,000 square feet	\$300.00.
50,001 square feet or greater	\$450.00.

Q. Tenant improvement plan review: factory, industrial high hazard, or storage – use groups F, H, S.

0 – 10,000 square feet	\$75.00.
10,001 – 20,000 square feet	\$150.00.
20,001 – 50,000 square feet	\$225.00.
50,001 – 100,000 square feet	\$300.00.
100,001 square feet or greater	\$450.00.

R. Tenant improvement plan review: institutional or residential – use groups I-1, I-2, I-3, I-4, R-1.

0 – 3,000 square feet	\$75.00.
3,001 – 7,500 square feet	\$150.00.
7,501 – 12,000 square feet	\$225.00.
12,001 – 20,000 square feet	\$300.00.
20,001 – 40,000 square feet	\$450.00.
40,001 square feet or greater	\$600.00.

S.	Tenant improvement plan review:	
	utility or miscellaneous – use group U.	\$25.00.
T.	System plan review: sprinkler system – building shell.	
	0 – 10,000 square feet	\$150.00.
	10,001 – 30,000 square feet	\$250.00.
	30,001 – 75,000 square feet	\$350.00.
	75,001 – 125,000 square feet	\$475.00.
	125,001 – 200,000 square feet	\$600.00.
	200,001 square feet or greater	\$727.00.
U.	System plan review: sprinkler system- tenant alterations or additions.	
	0 – 50 sprinkler heads	\$75.00.
	51 – 100 sprinkler heads	\$150.00.
	101 – 150 sprinkler heads	\$225.00.
	151 or more sprinkler heads	\$300.00.
V.	System plan review: underground fire service line.	\$25.00.
W.	System plan review: standpipe.	\$75.00.
X.	System plan review: range hood fire protection.	\$75.00.
Y.	System plan review: fire alarm- non-hi-rise.	
	0 – 20 devices	\$150.00.
	21 – 50 devices	\$225.00.
	51 – 100 devices	\$300.00.
	101 devices or more	\$375.00.
Z.	System plan review: fire alarm – hi-rise.	\$1,500.00.

AA.	System plan review: fire pump.	\$75.00.
BB.	System plan review: halon, carbon dioxide, dry chemical, water foam sprinkler, methane gas detection, carbon dioxide detection, other specialized systems.	
	0 – 10 devices	\$150.00.
	11 – 25 devices	\$300.00.
	26 – 50 devices	\$450.00.
	51 – 75 devices	\$600.00.
	76 – 100 devices	\$750.00.
	101 devices or more	\$900.00.
CC.	System plan review: petroleum storage tank.	
	Single tank	\$75.00.
	Multiple tanks	\$150.00.
DD.	System plan review: propane storage tank.	
	Single tank	\$25.00.
	Multiple tanks	\$75.00.
EE.	System plan review: medical gas storage tank or piping distribution system.	
	Single floor or zone	\$150.00.
	Multiple floors or zones	\$150.00 plus \$75.00 for each additional floor or zone.
FF.	System plan review revisions.	\$25.00 per quarter hour.

SECTION 2. This ordinance shall take effect immediately upon the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2006.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

ATTEST:

CHIEF DEPUTY CITY RECORDER

(SEAL)

Bill No. _____ of 2006.

Published: _____.

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 25 APRIL 2006
By [Signature]

APR 25 2006

ISSUE: FIRE PLAN REVIEW FEES

POLICY

Salt Lake City should establish a fee structure for fire plan reviews conducted by the Fire Prevention Bureau under the International Fire Code (IFC).

BACKGROUND

The Fire Prevention Bureau has been conducting reviews of business plans with regard to fire suppression systems and fire code regulations. The previously adopted 1997 Uniform Building Code placed the responsibility for fire plan review, fire systems testing and inspecting, and the collection of the fees for these services upon the Building Code Official (BCO). However, the 2003 International Building Code, which is currently adopted by the City, (Section 101.4.6) transferred these responsibilities to the Fire Code Official (FCO) or City Fire Marshal and Salt Lake City has been operating under that system.

The Fire Department currently provides fire plan review for site, architectural, fire suppression, alarm, and detection systems. The Fire Department has two employees dedicated to fire plan review. In 2003, they reviewed 392 plans. In 2004, they reviewed 403 plans. January 1, 2005 thru June 30, 2005, 376 plans have been reviewed. The average time spent reviewing each plan is eight hours. Currently, the average turnaround time is six to eight weeks per fire plan review.

No fee is currently being collected that is specifically designated to pay for fire plan review. The salaries and benefits for these employees come out of the Fire

Department budget. This service is instead funded by taxpayer dollars and an unidentified portion of Business Licensing's construction permits rather than by fees collected specifically for fire plan reviews of construction projects.

The two employees dedicated to fire plan review are unable to provide optimal service to the citizens.

The City has considered hiring a fire protection engineer at the one stop counter to complete these reviews, but the funding necessary for this position has not been identified.

ANALYSIS

The Fire Department studied what other local and similarly sized national fire departments are doing for fire plan review and permit processing. It was determined that many departments outsource all plan review for fire suppression, alarm, and detection systems. The Fire Department researched the cost to retain a fire engineering firm for outsourcing of fire plan review. This was done to ensure that any proposed fees would cover the costs associated with outsourcing the fire plan review.

The Fire Department also reviewed the fee schedules from other fire and building departments to determine a justifiable rate for the fire plan review and permitting process. The proposed fee schedule is based on a study of time spent per plan review performed by Fire Protection Engineers in Fairfax County, Virginia based on occupancy type and building square footage. The rate used in establishing the fees was determined by

City revenue auditors and the Fire Department by taking the direct costs from the Fire Prevention Bureau and allocating applicable portions of other expenses from throughout the City.

Additionally, the Fire Department considered current levels of customer service and satisfaction. Customers expressed that expedited fire plan review turn around time was a priority in meeting construction schedules.

The result of the proposed plan review process and collection of associated fees will allow the Fire Prevention Bureau to support a funded proactive code enforcement and fire prevention program. This provides safety to the community and fire fighters, while reducing risk to the City. A safer community improves our Insurance Services Organization (ISO) rating thus reducing private and business insurance premiums.

ALTERNATIVES

Business as Usual

Salt Lake City could continue to charge the same fees as it currently does through business licensing without tracking the fee charged for fire plan reviews.

This approach would not address the issue of the Fire Prevention Bureau not having adequate personnel or funding to increase personnel to meet the demands of citizens.

Create a Standardized Fee Schedule

Salt Lake City could provide a consistent fee schedule for all fire plan reviews. The fee schedule would standardize all the fees and would allow the Fire

Prevention Bureau to ensure it has enough personnel to keep up with the demands of the citizens.

This approach would create a double billing to the citizens.

Create a Standardized Fee Schedule but not collect the fees until a review of Business Licensing and its fees is completed

Salt Lake City could adopt an ordinance enacting a consistent fee schedule for all fire plan reviews. The fee schedule would standardize all the fees and would allow the Fire Prevention Bureau to ensure it has enough personnel to keep up with the demands of the citizens.

This approach would not create a double billing to the citizens as the fees would not be collected until a review of Business Licensing can be done and their fees can be reduced accordingly.

RECOMMENDATION

Salt Lake City should adopt the ordinance and establish a set fee schedule for all fire plan reviews but not collect the fees until a review of Business Licensing is completed.