

REVENUE GENERATION: FIRE INSPECTION FEE FOR SERVICE

EXECUTIVE DEVELOPMENT

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An applied research project submitted to the National Fire Academy
as part of the Executive Fire Officer Program

December 2000

Appendices Not Included. Please visit the Learning Resource Center on the Web at <http://www.lrc.fema.gov/> to learn how to obtain this report in its entirety through Interlibrary Loan.

ABSTRACT

The Temple Terrace Fire Department was asked by City Council to look at alternative funding sources. This was necessary as the revenue generated from ad valorem taxes remained stable, but operational costs continued to escalate. As part of this directive and a problem for the Temple Terrace Fire Department, a fee schedule for fire inspections and plan reviews did not exist.

The purpose of this research was to develop a comprehensive fee for service program that was comparable and competitive to other Florida fire departments. This research project engaged the use of action research methodology to answer the following questions:

1. What are the fees and types of fees agencies within the State of Florida charge for fire inspection and plan review?
2. What are the legal limitations placed on fire departments that charge for fire inspection and plan review?
3. What are the barriers that the fire department would need to overcome in order to implement a fee for service for fire inspection and plan review?
4. What would be the anticipated revenue generated as a result of a comprehensive and competitive fee for service?

Procedures utilized with this project included literature review, research of city documents, survey of Florida fire departments and an analysis of fee structures by Florida fire departments.

The result of the project created a fee schedule that was comparable and competitive to other Florida fire departments. From the proposed fee schedule, \$35,375 of new revenue would be generated through the adoption of the fee schedule.

The recommendation of this project is the continued pursuit for adoption by City Council of the fee schedule. Also included as recommendations were the continued fee analysis and annual review of billing rates.

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INTRODUCTION

Funding for the fire service has become a difficult challenge for chief fire executives. Tax stabilization and/or reduction initiatives have educated the fire services in creative thinking to solve budgetary limitations. The maintenance of current levels of service and the need to meet additional service levels continue to challenge the fire service budgets. The fire service has risen to these challenges and made modifications to services provided and changed operational philosophies. With these changes, financial resources are still needed to implement outstanding and future changes.

During the last 25 years the fire service has face new challenges and continues to do so. Examples of these include; increased need for public education, the evolution of emergency medical services (EMS) into the fire service, demand for technical responses including hazardous material, trench and confined space rescue, and today we are facing the threat of domestic and international terrorism.

Funding to meet these demands has created a deviation from the norm. The fire service was solely funded through taxes, "Some fire departments are now defining the basic services covered by taxes." (Federal Emergency Management Agency, 1993). The use of alternative funding has become a major part in the ability of the fire service to meet and finance these demands. Alternative funding has also allowed the fire service to fund in whole or part other programs within the department and allowed the reallocation of funds for the new challenges.

Fees for fire prevention services are being used to pay much of the cost of fire prevention, a part of fire department budgets that has traditionally received little public support, and has been hard to fund adequately. (Federal Emergency Management Agency, 1993).

The problem statement that has prompted this applied research project is that the Temple Terrace Fire Department does not have a fee-for-service program for the fire inspection and plan review programs. The purpose of this research project is to develop a comprehensive fee for service program that is comparable and competitive to other Florida fire departments. This research project engaged the use of action research methodology to answer the following questions:

1. What are the fees and types of fees agencies within the State of Florida charge for fire inspection and plan review?
2. What are the legal limitations placed on fire departments that charge for fire inspection and plan review?
3. What are the barriers that the fire department would need to overcome in order to implement a fee for service for fire inspection and plan review?
4. What would be the anticipated revenue generated as a result of a comprehensive and competitive fee for service?

The procedures used to foster this paper consisted of a literature review, review of the City of Temple Terrace City Council documents, survey of buildings and occupancies within the City of Temple Terrace and a survey distributed to fire departments throughout the State of Florida.

BACKGROUND AND SIGNIFICANCE

Overview of City

The City of Temple Terrace is a community that is located on the southwest coast of Florida. It neighbors the City of Tampa on our north and west jurisdictional lines and

unincorporated Hillsborough County on our south and east lines. With a population of 24,000 citizens, the fire department consists of 40 employees working to protect the city's six square miles.

The City of Temple Terrace is currently working to restore its image as a prominent area. The city has seen decay of some residential and commercial properties. This decay has been the result of aging buildings and less than desirable businesses moving in due to the lower rent. Decay within the neighboring jurisdiction has also resulted in spillover decay. Temple Terrace is working to redevelop these commercial and residential areas and re-establish the prominent level it previously enjoyed. This decay has also reduced the potential revenue generated by ad valorem taxes as a result of the low property values.

History of Financial Position

In the late 1980's, and the through the mid-1990's, the city has faced spurts in growth. The growth has been the result of new developments and annexations, all resulting in a higher demand for service. The fire department demand for service grew by 227% during the past decade (Bailey, 1990; Hiers, 2000).

In the early 1990's, the Temple Terrace Fire Department developed a proposal and made a presentation to City Council for the implementation of a fee for service. Temple Terrace was following the lead taken by the City of Tampa and Hillsborough County during the late 1980's. The fire department proposal involved a detailed projection of the expected number of inspections and the potential revenue generated. The proposal was prepared and designed to develop a fire prevention program managed by a newly created and funded Fire Inspector position. (Bailey, 1991) The proposal was tabled by City Council during an August 1991 Council Meeting. City Council was concerned with the perception of double taxation. The

ability to define what services were to be provided with revenue from the ad valorem tax and the ability to define what fees should be charged for services above the basic level for public safety. (Jones, 1991).

The Temple Terrace Fire Department hired the first Fire Inspector in 1997. The Fire Inspector is responsible for the annual inspection and code compliance of all commercial and multifamily residential occupancies.

Current Perspective

Today, City Council is again requesting all city departments to re-evaluate the services and funding. City Council implemented a fee for service program for the transportation of medical patients by the Temple Terrace Fire Department in 1996. The contract with Hillsborough County Emergency Medical Service was not renewed. This began the definition of what services would be covered by the revenue generated by the ad valorem taxes and the fee for services. This fee schedule was recently revised, and it continues to allow for the definition of what basic services the fire department can and will provide from ad valorem taxes.

The City of Temple Terrace City Council and City Manager annually review the vision of the city. (City of Temple Terrace, 1999) Through this review, they modify or identify new direction for the city's departments. As part of the Fiscal Year 1999/2000 budget approval process, City Council requested city departments to evaluate several issues having a potential financial impact. The first was "Cost-effective accountability with more detail and basis for what we are charging versus services we are providing." The second issue was to take a "Proactive and aggressive approach to annexation." (City of Temple Terrace, 1999)

The Temple Terrace Fire Department began analyzing the services and funding in October 1999. The analysis and research continued to lead the department in the direction that

they were the only agency within Hillsborough County that did not charge for fire inspection services. This began the fire department drive to again evaluate and propose a fee for service for fire inspections.

The annual primary fire inspection accounts for a projected 772 inspections. From these primary inspections, the fire department conducts reinspections in over 40% of the properties. An additional 25% of the initial inspections require three or more inspections to resolve the code violation. The fire department also is responsible for an estimated 100 plan reviews and the related new construction inspections which account for an estimated 500 additional inspections annually. (City of Temple Terrace, 2000)

Future Expectations

While modifications to redevelop the decayed areas are being planned, immediate effects with additional revenue will not be seen for years. Of primary concern is the development of an additional Fire Inspector/Public Educational Specialist to further widen the awareness of fire safety. The fire department is also currently attempting to develop a capital improvement-funding plan for equipment and facilities.

This project is a required component of the National Fire Academy, Executive Fire Officer course, Executive Development. This class is designed to develop fire officer skills including: research, problem solving, creativity and innovation, and the legal aspects of fire protection. These skills were utilized as part of the development of this applied research paper.

LITERATURE REVIEW

The literature review was conducted to identify information that was relevant to the applied research project. This information was utilized in the development and support of the fee

structure. The literature review focused on four primary issues; Alternate Funding, Fees for Fire Prevention Services, Legal Limitation for Implementation and Barriers to Overcome.

A literature review began in June 2000 at the Learning Resource Center, located at the National Emergency Training Center. Research was conducted using the Internet through online search engines, fire department web sites, and on-line newspaper articles. Research was also conducted using the University of South Florida Library, Temple Terrace Library, and Hillsborough County Public Library system. Documents were also reviewed from the City of Temple Terrace including annual budget reports, fire department annual reports, and council meeting minutes received from the City Clerk's office.

Alternative Funding

“The work of the fire service continues to grow and become more complex each day.” (International Association of Fire Chiefs Foundation, 1996). Of primary concern is the ability to have funding to meet the growing complexity. In years past, “The fire chief would list the resources needed for the community's suppression force; the budget office would calculate the funds required, and council would appropriate the money.” (Federal Emergency Management Agency, 1995) Government and the fire service saw changes with funding beginning in the 1970's. California implemented Proposition 13 and taxpayers in Massachusetts approved Proposition 2-1/2. “Officials began to explore the possibilities of purchasing services from another government, or the budgetary and service impacts of a little more or less of service.” (Federal Emergency Management Agency, 1995) Alternative funding and cost recovery programs also began to evolve in local government.

The foundation for a cost recovery program is to determine the value of the services you provide. This service value should be approached the same way a business owner figures the cost of providing his or her goods. There are no “free” services. (Ward, 1988)

Fire prevention has become an important issue for the fire service. Funding has been diverted to create fire prevention bureaus that have developed and implemented fire codes. Since the adoption of fire codes, Deputy Chief Bob Delgado stated, “It is interesting to note that, when fire permits were issued at no cost, people placed little value on them or the requirements for their issuance. However, merely assigning a \$10 fee resulted in an added measure of respect for the permit.” (Delgado, 1982)

In 1981, Cincinnati Fire Department began to explore the implementation of charging user fees after a budget seminar. Fire Chief Norman Wells stated, “The trend nationally is to try to recover some of the costs for city services.” (Arbogast, 1983) Cincinnati’s exploration led to the approval of a user fee for code required fire inspection permits. The fee was approved with only two people in attendance at the public hearing opposing the user fee. From the experience, Chief Norman Wells offered advice to other fire departments that may be considering the implementation of a user fee.

First, make sure you understand what the law says you can and cannot do. Second have all the working mechanisms in place before the ordinance is passed so that once it is passed you can put it to work immediately. Third, be fully prepared to sell your position as well as defend it. Finally, put the ordinance into effect as quickly as possible after it is passed. (Arbogast, 1983)

In 1988, Chief Earl Goff of Hillsborough County Fire Department sent a memo to the Fiscal Policy and Budget Team, indicating that 75% of the fire departments he surveyed had a

user fee or were in the final stages of implementing a user fee. Chief Goff further indicated that the “trend to implement User Fees are increasing throughout the state.” (Goff, 1988)

Fees for Fire Prevention Service

A governmental agency charging for services has always been an issue debated by politicians and the community. The fire service user fee has been no exception. In 1991, the Temple Terrace Fire Department proposed the implementation of a user fee during a City Council meeting. Councilmember Bill Hammontree stated during the August 20, 1991 presentation that a fire department should not charge when you tell a place how to be safer from fire, as it is working not only to protect those citizens but also to protect the city’s overall costs to put out fire. (Jones, 1991) The statement made by Councilmember Hammontree has been similarly stated throughout the nation. The definition of the basic services covered by the taxes has been the cause of the discussion. Councilmember Frank Musolino stated “There are a lot of things we feel the citizens have a right to expect from the Police and Fire Departments.” (Jones, 1991)

“Small investments in prevention resources often yield substantial benefits in reducing the risk from fire.” (Federal Emergency Management Agency, 1993). Our industry has always been reactive in nature, staffing fire departments for emergency responses. Fire service education has driven home the need for expanding the focus of fire prevention. It was for this reason that fire departments sought alternative funding for fire prevention. Fees for prevention services, although a small part of the budget, can have a large impact. (Federal Emergency Management Agency, 1993)

Although the benefits of inspection programs accrue to the entire community, the major benefactors are the owners, employers, customers and clients of the businesses,

institutions or multi-family dwellings that are inspected. The owners of inspected properties therefore can be asked to pay for some or all of the expenses of conducting the inspections from which they benefit. Inspection fees have long been used by fire departments to offset prevention costs, and are well accepted. (Federal Emergency Management Agency, 1993).

Agencies throughout the State of Florida have developed various charging formats. These formats have ranged from a flat inspection fee, fee on the occupancy type, fees for permit operations and fees based on the square footage of the occupancy. A survey was distributed to 100 fire departments throughout the State of Florida; 71 departments responded and identified that over 67% of the fire departments that charge for fire inspections and plan review fees.

Legal Limitations for Implementation

Chapter 633 of the Florida State Statute; was approved by legislation to establish the parameters of Fire Prevention and Control. The Fire Prevention and Control statute designates fire inspection authority to municipalities who are required to hire or contract with a fire safety inspector. Florida Statute 633.081 (1) permits counties, municipalities, or special taxing districts who have the responsibility for fire inspections, to establish a fee schedule. This fee schedule is only permitted through this statute, to recover the inspection and administrative costs. (Florida State Statutes, 1999a)

Marion County Fire Rescue acknowledged in the submitted survey difficulty defining to City Council the cost of providing the inspection service. (Marion County, personal communication, August 9, 2000) Hillsborough County Fire Department conducted a detailed study in 1988 of the time parameters and costs related to various occupancies. (Chastain, 1988)

This study was reviewed and adapted to the City of Temple Terrace for this project. It proved that the fee schedule met the criteria established by Florida Statute 633.081 (1).

In addition to Chapter 633, Chapter 166 was established to regulate the authority of municipalities. Florida Statute 166.221 permits municipalities to establish reasonable fees for business, professional and regulating occupations. Chapter 166.201 permits municipalities with the authority to enforce the collection of fees provided the collection manner is described by the fee schedule ordinance. (Florida State Statutes, 1999b)

Barriers to Overcome

As part of the survey sent to fire departments in the State of Florida, it was interesting to note the similarity of the challenges each fire department faced while implementing the tax. Oakland Park Fire Department faced the perception of double taxation and belief that this was an additional financial burden placed on businesses. (J. Henson, personal communication, August 9, 2000) Orange County also identified this challenge and successfully managed this through the development of a Business Task Force to review and provide feedback. (Orange County, personal communication, August 4, 2000) Coral Springs Fire Department addressed this same problem by defining the services covered by ad valorem taxes. They defined the ad valorem taxes as those paid for the services enjoyed by all property owners. (Coral Springs, personal communication, August 3, 2000) This typically paid for the operational costs including personnel, equipment, and buildings used to provide emergency services.

PROCEDURES

The goal of this applied research project was the development of a fee for service program for the fire prevention inspection, and plan review programs. In order to achieve this goal, it was necessary to systematically proceed through the research.

The applied research project began in early 2000, during the City of Temple Terrace fiscal year 2000-2001 budget submittal period. As part of the budget cycle and as directed by City Council, alternative means of funding were sought out. During the budget process, the fire department identified that it would not be possible to submit this proposal as part of this year's proposed budget. The project was time consuming and needed detail to address previous issues that were raised. The decision was made to incorporate the fee schedule for fire inspections and plan reviews as the applied research project for the National Fire Academy, Executive Fire Officer program.

Prior to the class at the National Fire Academy, preliminary research was conducted with the local fire departments surrounding Temple Terrace. Tampa and Hillsborough County were both making preparations for modification of their fee schedules. Preparation included the identification of what type of information the department would need to support the adoption of the fee schedule. This was designed to make use of the limited time at the National Fire Academy, Learning Resource Center (LRC).

At the National Fire Academy, the class received direction concerning the format of the project and work began immediately utilizing the resources available at the LRC. Fellow classmates provided guidance concerning direction and the information to include. The Problem Statement, Purpose Statement, Research Questions, and Research Action were completed at the

end of the first week. This provided direction for the additional research while at the National Fire Academy.

Current research was limited, and the majority of documents were dated from the late 1980's through the early 1990's. Current State of Florida Statutes were researched to determine the legal limitations that would impact the implementation of a fee schedule. The research further identified barriers that other departments had experienced nationally while implementing their fee schedules.

A survey was developed in July and sent to 100 fire departments in the State of Florida, and 71 fire departments responded by mid-August. These departments were obtained from the *National Directory of Fire Chiefs and EMS Administrators* (9th Ed.). It was evident from the responses that fire inspection and plan review fee schedules remained a viable issue with the fire service. Over ten responding fire departments requested copies of this applied research project. Twelve fire departments currently are proceeding through the process of proposing a fee schedule. The data collected was analyzed in late August. One of the questions asked as part of the survey dealt with the challenge the fire departments had to overcome during the implementation. Fortunately, many of the departments provided solutions to these challenges in an effort to overcome the barriers that typically exist.

The survey demographics indicated that the respondents' municipalities ranged in population size from 3,200 to 850,000, and ranged in size from 4 to 1,600 square miles. Of the respondents, 99% of the departments were conducting fire inspections, 95% plan reviews and 43% were collecting revenue for this work. Appendix B identifies a breakdown of the fire inspection costs derived from the submitted fee rates. A similar analysis was developed for the

plan review cost in Appendix C. From the revenue generated, 85% of the jurisdictions reported that the money collected went back into the municipalities' General Fund.

During July and August research continued and focused on obtaining the city documentation. The City Clerk's office was extremely beneficial by providing records from 1991 when the department initially proposed a fee schedule.

The month of August and September were spent defining the City of Temple Terrace and the businesses that would be impacted from the fee schedule. The Fire Department's records for fire inspections continued to be handwritten and not feasible for data compilation. The City of Temple Terrace Finance Department was contacted and a report was provided identifying all the Occupational Licenses within the City of Temple Terrace. The information was reviewed and manually entered into a spreadsheet. Over 50% of the Occupational Licenses reviewed were for individuals that would not require a fire inspection. This included real estate agents and residents who were self-employed and operating out of a home office. Contact was also made with Sam Albano of the Hillsborough County Property Appraiser's office to attempt to receive a report containing all the Commercial, Residential Multi-family and Assembly-Church including the addresses and square footage. The report was possible to develop; however, the timing of the request was poor. Due to the development of Hillsborough County's proposed and final property tax assessments, the report would be placed on a waiting list with a possibility of receiving the report in two months at a cost of \$200.00. The idea was cancelled and a manual review was conducted.

The month of October was spent developing a list of the Commercial, Residential Multi-family and Assembly-Church properties in the City of Temple Terrace. Included with this was

an estimate of the occupancy square footage. When there was a question with the actual square footage, the figure was calculated manually.

The month of October also entailed the analysis of the fee structures that were received by the department as part of the survey sent to the Florida fire department. Nine fire departments included their fee schedule. This information was reviewed and as a result of similar formatting, an analysis was developed looking at what the cost would be for the majority of businesses in Temple Terrace. The spreadsheet was developed detailing nine different occupancy uses and then subdivided into three different square footage components. Each of the nine fire department fee schedules were applied to these components. The mean, median and mode cost were compiled in an effort to reflect and identify a competitive and fair fee schedule for the City of Temple Terrace. A competitive and fair fee schedule was difficult to develop due to the disparity between Hillsborough County and the City of Tampa. The analysis of the fire department fee schedule identified that the use of median cost reflected a cost competitive with the responding Florida fire departments. They included Hillsborough County and were below the cost of the City of Tampa, which was one of the top fee schedules analyzed. This analysis was used to develop the proposed fee schedule for the City of Temple Terrace. With the proposed fee schedule developed, the data from the occupancy and square footage analysis were then applied. This allowed for a determination of the potential revenue generated from the implementation of the proposed fee schedule.

The final month was the development of the letter to the Fire Chief recommending implementation of a proposed city ordinance implementing the proposed fee structure (Appendix G). Attached to this recommendation was a proposed city ordinance detailing the proposed fee schedule. A study was completed of the relative costs associated with conducting a fire

inspection and plan review. This was necessary to ensure that the costs related to the fee schedule were not exceeding the cost to conduct the inspection and the related administrative costs.

The billing for the fire inspections would be conducted through the Billing Insurance Representative. This fire department position is responsible for the billing of medical treatment and transportation. Utilizing the existing billing software, a separate agency would be created that would utilize the newly developed charge codes. The existing medical invoices would be modified to be compatible with all billing conducted by the department (Appendix H). A separate revenue account would be established by the City of Temple Terrace Finance Department for all revenue that is generated prior to the fee schedule implementation.

Definitions

Ad Valorem Tax. Real estate and personal property taxes. Ad valorem is defined by Webster's New World Dictionary as "in proportion to the value." The taxes are assessed on a portion of the value of the property. Local governments set the levy.

Annual Primary Fire Inspection. The annual inspection of a building to identify code and life safety hazards. A Notice of Inspection is provided to the owner, occupant or their representative identifying any corrective action that is required.

Occupancy License. All persons who operate a business occupation or profession in the City of Temple Terrace are required to pay a license fee and need to obtain and maintain a City Occupational License.

Reinspection. The follow-up inspection of a building to identify that corrective action was taken concerning the code and life safety hazards. The Notice of Inspection previously provided to the owner, occupant or their representative identifying the corrective action is

modified detailing the status of the pending hazards. One or more reinspections may be required.

RESULTS

The problem that resulted in the development of this project was that the Temple Terrace Fire Department did not have a fee schedule for fire inspections and plan review. After detailed analysis and research, the result of this project was the development of a fee schedule that was both competitive and comparable to other fire departments in Florida. This fee schedule is attached as Appendix D and E.

Research Question #1 - Fees and Types of Fees Agencies Charge for Fire Inspection and Plan Review

A survey was conducted involving 100 Florida fire departments. Of the 100 fire departments, 71 returned information that was included with this applied project. Fire inspection and plan review has become one of the most widely used fees for service. Of the 71 Florida fire department's surveyed, 43% of the department had implemented or were in the final steps of adopting a fee schedule for fire inspection and plan review. The use of fees for fire inspections and plan reviews were not observed to be based on demographics or geography in the Florida area.

Several of the departments included, as requested, a copy of the fee schedule. It was noted that there were some similarities noted concerning how the fees were determined. Many agencies utilized a square footage range that was based on the type of occupancy. Other departments based the fee schedule on the type of occupancy, or the use of operational permits.

Of the departments that were charging fees, 67% were handling the billing of the fees within the fire department's organizational structure, while 33% either had a private business or

another city department handling the billing. Over 85% of the funds generated by the fire inspection and plan review were placed back into the general fund of the municipality or county.

Research Question #2 - Legal Limitations

The research of the legal limitations found that Florida Statute permitted municipalities to charge for fire inspection and plan reviews. Florida statutes further indicated that the fees were limited to only recovering the costs related to the inspections and administrative costs. With the limitation established by Florida statute, it was necessary to review the administrative and inspection costs to ensure that the proposed fees were not in conflict with Florida statute.

An evaluation was conducted over a one-week period to determine the time costs based on the various occupancies in Temple Terrace. It was not possible to view all the various occupancies, however, it appeared that the related time was very similar to all occupancies of the same or similar square footage. The analysis proved that the proposed fee schedule was between 48% to 49% below the actual costs incurred of conducting a fire inspection. This indicated that the department had room to make adjustments in the future should additional alternative funding be needed.

Research Question #3 - Barriers to Overcome

In 1991, the Temple Terrace Fire Department presented to City Council a recommendation for the implementation of a fee schedule for fire inspections and plan reviews. The proposal met resistance from City Council who was concerned about double taxation. Since the proposal, the city has requested departments to look at alternative funding sources. From this recommendation, the fire department began to define what service levels were considered as part of the ad valorem taxes. In 1996 a medical treatment and transport fee schedule was implemented. The fees were generated on a cost reduction for all city residents. This proposal

was amended in 1998 and defined the level of service for the basic level of protection. In 1998, fee schedules for the department's CardioPulmonary Resuscitation program were also modified to permit the charging of residents within the City of Temple Terrace, however, at a reduced rate. With the establishment of other alternative funding sources, the perceived definition of the basic level of protection was to an extent becoming defined. Double taxation was becoming a smaller issue as time progressed. Additionally, the other fire departments immediately surrounding the City of Temple Terrace have had working fee schedules for fire inspections and plan reviews for over ten years. To prevent additional concerns about double taxation, the fee schedule was designed to illustrate that reinspections or second submissions for plan reviews were not charged an additional fee.

Business resistance is an additional barrier for the department to overcome. Little resistance was previously seen in Temple Terrace, however, the resistance has been seen in other jurisdictions as indicated during the survey. With the highest annual fees to any of the businesses being \$35, it is expected that the new fee will be easily accepted.

Research Question #4 - Anticipated Revenue

The study resulted in the development of a proposed fee schedule for fire inspection and plan review. Through the analysis of the commercial properties within the City of Temple Terrace, the commercial buildings were identified as to the square footage and types of uses. Based on the result of the analysis, the figures were then placed into a spreadsheet with the proposed fee schedule.

The anticipated revenue generated from the fire inspections is expected to be \$30,760. This assumes the current percentage of a third reinspection or more remains at 25% for amount

of primary fire inspections. The amount also assumes that all the revenue generated is collected and within the fiscal year.

The anticipated revenue generated from the plan review is expected to be \$4,615. This assumes the current building trend remains at the current levels. The amount of revenue generated will have a high collection rate since a permit will be issued upon the submission of all fees. The amount also assumes that all the revenue generated is collected within the fiscal year.

DISCUSSION

The research conducted including; the fees charged by Florida fire departments, the legal limitations, the barriers of implementing a fee schedule, and the anticipated revenue have been extremely beneficial in laying a foundation for the Temple Terrace Fire Department. It is now time for the fire department to take the next step and proceed with preparing for presenting the concept to City Council.

The research of the project and survey closely resembled the findings of the literature review. It was interesting to note that much of the literature review was dated in the late 1980's. The information proved very beneficial and accurate even though it was dated. The information in the late 1980's indicated that alternative funding is an issue the fire service should research and determine how to apply. Fire departments throughout the State of Florida have implemented fees schedules for fire inspections and plan reviews, as was indicated throughout the surveys. Concerns for the implementation of a fee schedule with the perception of double taxation can be overcome through proper cooperation, communication and planning.

The information and research has led to further development of the project. Charging businesses for fire inspections and plan reviews have become an accepted practice throughout

Florida and the nation. Businesses have become accustomed to charges and fees that they must pay. If the costs remain reasonable, the business community will not directly oppose the new fees. A committee involving various business types can be developed to identify the particular issues businesses may have. This would ensure that the rates are reasonable and allow development of a partnership with the business community. This partnership will further assist when the proposal is brought before City Council and could prevent the concern of double taxation.

The development and implementation of the fee schedule could have a negative impact for the city, the fire department and the business community. This negativity could create a lasting problem for the city and the fire department. These implications could be caused by several factors. The first is that all the business concerns would not be properly addressed. Second is that a political action committee would publicly oppose the action. The third issue is that the revenue generated would not be used to assist the fire department. This could create a potential morale issue within the fire department and the businesses question where the money is being utilized. The fourth issue is the possibility that the fee schedule would not be passed. The negativity and issues raised during a public hearing could prove detrimental to the fire department just as previously indicated.

RECOMMENDATIONS

This research project accomplished the problem statement with the development of the fee schedule for fire inspection and plan reviews. It is recommended that the proposed fee schedule be presented to the City Manager for adoption by City Council. In order to proceed with the adoption of the fee schedule, several additional steps still need to be accomplished.

1. Identification of Program Funding: With the anticipated new revenue source, the revenue generated will need to be identified for use. The primary area within the Temple Terrace Fire Department is the establishment of a Fire Inspector/Public Education Specialist.
2. Meeting with City Manager: A meeting will be established with the City Manager to review and discuss the findings of the report. The meeting will also discuss the proposed procedure to finish implementation. This meeting will help identify the support within the City Manager's office and identify questions that city council may have with the proposal.
3. Business Task Force: As directed and approved by the City Manager, a task force would be recommended to be established with the Temple Terrace Chamber of Commerce and several business partners as recommended by the chamber. The purpose of the task force would be to review the material with the potential adversaries of the fee schedule. The research would be reviewed with the intent to identify the concerns, problems, and impact the businesses would have with the fee schedule.
4. Public Hearing: A public hearing will be established through the City Clerk's office, to allow a presentation before City Council. The public hearing will provide the ability for the general public to speak concerning the proposed fee schedule. It would be anticipated that all questions and issues would be identified and addressed.
5. Billing Software Modified: Provided the fee schedule is continuing toward adoption as expected, modifications to the computer-billing program would occur. This would facilitate the rapid implementation of the fee schedule upon approval of the fee

- schedule. The Billing Insurance Representative would modify the existing software that is currently owned by the Temple Terrace Fire Department.
6. Form Letter to Businesses Generated: A form letter to all business owners would be drafted explaining the fee schedule. The letters would be sent to all businesses following the adoption of the ordinance.
 7. City Council Adoption: The proposed ordinance would be presented to City Council for adoption. The date for adoption of the fee schedule would be immediate.
 8. Fee Schedule Implemented: The fee schedule would be implemented and the letters sent to all businesses.
 9. Quarterly Fee Analysis: The billing procedures would be reviewed each quarter during the first year. Shortcomings and problems would be identified and the solutions found to any problems. The analysis would evaluate the billing collection rate, actual billing rate versus projected billing rate, and the evaluation of time for the collection of the revenue.
 10. Annual Review of Billing Rates: The fire department will need to continuously re-evaluate the internal costs for conducting fire inspections and plan reviews. The proposed fees collected currently are a fraction of the costs incurred. It was anticipated that the proposed fees would be comparable to those in the State of Florida. While the fees are currently comparable, these may change over a year period.

Fire departments in the future should consider the nature of user fees in their region. This applied research project focused solely on the use of user fees for fire inspections and plan review. Various different types of alternative funding exist. Annually new grants are offered to

the fire service and recently, the Fire ACT bill was signed by the President of the United States and waits for appropriations. This will make additional funding available for all fire departments in the United States.

The final product for the project was the development of a fee schedule for Temple Terrace. The fee schedule was developed and is comparable to Florida Fire Departments. Readers who are considering a similar project should survey departments within their region to identify what fee schedules exist and how they apply to the various businesses in their community.

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