

# Seattle Fire Department



## FIRE MARSHAL'S OFFICE FEE STUDY

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# Overview



- **Fire Marshal's Office (FMO) fee supported programs**
  - Regulating Construction
  - Hazardous Materials
  - Special Events
  - Code Compliance
- **Cost Allocation**
- **Business Process Changes**
- **Demand Analysis**
- **Rate Design and Revenues**

# 2012 Projected Cost Recovery By Service Category



Service Category	2012 Estimated Costs	2012 Projected Revenues	Cost Recovery %
Construction Inspections	\$960,828	\$780,600	81%
OT Construction Inspections	\$127,438	\$127,438	100%
Plan Review	\$585,035	\$387,550	66%
Confidence Testing	\$296,766	\$190,000	64%
Certification	\$286,741	\$135,282	47%
Hazardous Materials	\$2,631,020	\$2,042,400	78%
Special Events	\$592,579	\$391,620	66%
Code Compliance	\$563,266	\$161,125	29%
Re-inspections/Knox Box	\$155,437	\$9,775	6%
<b>Total</b>	<b>\$6,199,110</b>	<b>\$4,225,790</b>	<b>68%</b>

- Explanation of cost recovery factors and rationale that underlie the fees

# Cost Recovery Factors



- Acknowledgement of general public benefit derived from Fire Prevention services
- Economic conditions of the City
- Type of activity
- Comparables with other jurisdictions
- Recognition of non-billable services
- Community/Customer impact
- Predictability of fee for the Customer and revenue for the City

# Examples of Fees



Service Category	Description	Examples
<b>Plan Review</b>	Review architectural plans for approval of fire protection systems	Smith Fire Systems paid \$20,000 in 2010 and would pay \$23,000 for those services in 2011 (15% increase from 2010)
<b>Confidence Testing</b>	Paid by businesses to report whether their fire protection systems are fully functional	\$10 per report fee added in 2011
<b>Certification</b>	Technicians seeking certification to maintain fire protections systems	\$225 (10% increase from 2010)
<b>Hazardous Materials</b>	Permits allowing the storage and usage of hazardous materials	Rick's Tire and Service – code 2903 (repair garage): \$459 Miller Paint Company – code 801 (storage of hazardous materials by quantity): \$490.00 Air Clean Technologies – code 4912 (cutting and welding): \$215 (grandfathered) Pedersen's Rentals – code 4503 (flammable liquids): \$247
<b>Special Events</b>	These fee are separate from the city-wide special events (Bumbershoot, Seafair, etc)	Greenwood True Value – 8201 code (LPG gas): \$319 Seattle University – 2503 code (place of assembly, temporary, outdoors, 1,000 people and below): \$173
<b>Code Compliance</b>	Paid by businesses for Fire code compliance enforcement	Salmon Bay School paid \$159 in 2010 and would pay \$183 in 2011

# Next Steps



- Continue review of each individual permit code (customer class) cost and associated fee
- Consider fee rate changes for different customer classes
  - Fees based on actual labor time versus flat fees
    - ✦ Permit renewals
    - ✦ Fireworks
  - Simplify fee structure
    - ✦ Hazardous Materials
  - Other changes
    - ✦ Add installation of hazardous systems permits
    - ✦ Possibly charge a fee for non-profit annual place of assembly permits
    - ✦ Modify business process/fee associated with Confidence Testing reports
    - ✦ Identify possible rate changes that would result from different cost recovery and fee equity objectives