

PROPOSED NEW MUNICIPAL FEES

In accordance with Arizona Revised Statues (A.R.S.) 9-499.15, this report provides notice that the City of Phoenix may propose new fees associated with administration of inspection, testing, and maintenance requirements of the Phoenix Fire Code.

<u>Background</u>

Fire Prevention is the inspection, education, and enforcement division of the Phoenix Fire Department; providing life safety services through fire code enforcement. One major component of protecting Phoenix residents and businesses from a destructive fire is the regular inspection, testing and maintenance of fire protection systems. It is estimated that more than 40,000 fire protection systems exist in Phoenix, and each one must be evaluated and maintained properly. The Fire Code, that is based on nationally-accepted standards and has been codified by the Phoenix City Council, requires third party contractors to conduct these inspections and report life safety system deficiencies to Phoenix Fire Prevention for appropriate follow-up and enforcement.

Proposed Fees

A \$30 submittal fee will be charged to the contractor submitting the inspection, testing, and maintenance reports to the Fire Department. This fee will be paid directly to a 3rd party contractor hired by the City to track inspections and ensure Fire Code compliance. The fee will also help the City recover the staffing costs of administration of records and to investigate charges of non-compliance, and also the costs to support customers with education and assistance on achieving and maintaining Fire Code compliance. This proposed \$30 fee is 80% cheaper than the minimum \$150 cost of traditional Fire Department inspection services. The proposed fee for submitting the inspection, testing, and maintenance reports to the Fire Department will not exceed \$30 and will be paid by the submitting contractor.

The proposed fee amounts were developed based on careful consideration of the costs of managing fire inspection data and anticipated staff time.

In addition, a market comparison was conducted for municipalities with similar programs. The proposed \$30 fee is competitive and conservative based on comparison of equivalent municipal programs.