

FIRE COMMITTEE MINUTES

October 16, 2006

The Fire Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on October 16, 2006 at 3:30 p.m.

COMMITTEE PRESENT

Rex Griswold, Chairman
Kyle Jones
Tom Rawles

COMMITTEE ABSENT

None

STAFF PRESENT

Christopher Brady

COUNCIL PRESENT

Mayor Keno Hawker
Mike Whalen

1. Hear a presentation, discuss and provide direction on a new Fire Prevention fee model.

Fire Chief Harry Beck explained that although today's presentation is with regard to a proposed Fire Prevention fee model, the Fire Department's ultimate goal is enhanced fire and life safety. He stated that the new fees would provide a means by which that goal could be accomplished.

Chief Beck introduced Assistant Fire Chief Cliff Puckett and Civilian Fire Prevention Inspector Supervisor Cina Sunderhaus, who were prepared to address the Committee regarding this issue.

Chief Puckett displayed a PowerPoint presentation and provided an extensive overview of this agenda item. (The PowerPoint presentation is available for review in the City Clerk's Office.) He reported that during the FY 2006/07 budget review process, it was necessary for the Fire Department to reduce its number of Full Time Employees (FTEs), including two positions in the Fire Prevention Bureau. Chief Puckett commented that after presentations from the Fire Department regarding potential fee models, the Council directed staff to proceed with the development of a full cost recovery model that would allow the Fire Prevention Bureau to expand its services to, at a minimum, inspect high and medium-risk occupancy businesses in the community on a regular basis. He added that the proposed fee model would generate sufficient revenue to cover the full cost of expanding Fire Prevention programs to the service level recommended by the Council and allow for an additional 14 staff members. (At a cost of \$1,015,000.)

Chief Puckett outlined the definitions of the various occupancies as follows:

High-risk businesses include occupancies that have a higher than average probability of a fire or other emergency occurring due to the type of business, quantity of materials stored, used and handled; processes performed; occupancy and size and complexity of structure. These types of structures include, but are not limited to, large assemblies, adult and child care facilities, woodworking and spray finishing businesses, semiconductor manufacturers, hospitals, large mercantile (greater than 50,000 square feet) and high rise structures. Examples include TRW, Boeing and local hospitals. **Of the 2000 high-risk businesses in Mesa, currently half are inspected annually. Under staff's proposal, all 2000 businesses would be inspected on an annual basis.**

Medium-risk businesses include occupancies that have an average probability of a fire or other emergency occurring due to the type of business, quantity of materials stored, used and handled on site, and processes performed in business operations. This kind of occupancy includes, but is not limited to, assemblies not classified as high risk, educational facilities, hotels, apartments, mercantile or businesses 12,000 – 50,000 square feet. Examples include Big O Tires, churches and hotels. **There are currently 3000 medium-risk businesses in the City, of which 600 are currently inspected on an annual basis. Staff's proposal would increase the annual inspection number to 1500.**

Low-risk businesses include occupancies that have a below average probability of fire or other emergency occurring or do not store a type or quantity of hazardous chemicals or products that cause increased risk or concern. Risk of injury or death to occupants is below average. These kinds of occupancies include, but are not limited to, convenience stores, self-serve storage units, banks, car washes, mercantile or businesses less than 12,000 square feet. Examples include Hallmark card shops and Subway. **There are currently 9000 such occupancies in the City, of which staff currently contacts, but does not inspect, 4500 annually. Under the proposal, staff would contact all 9000 businesses annually.**

Chief Puckett further highlighted the key elements of the proposed Fire Prevention fee model which include:

- Implement an annual \$30 Public Safety Operational Permit Fee.
- Implement an annual \$200 High-Risk Occupancy Inspection Fee.
- Implement an additional fee of \$200 to High-Risk Occupancies over 12,000 square feet.
- Implement a Medium-Risk Occupancy Inspection Fee of \$100.
- Implement a re-inspection follow-up fee of \$50. This would be charged to businesses for each follow-up and re-inspection after the Fire Inspector has been at the location twice without compliance by the business.

Chief Puckett stated that the total estimated revenue generated from the fees would be \$1,155,000, and added that the approximate cost to implement and maintain the program is \$1,015,000.

Discussion ensued relative to the fact that the Public Safety Operational Permit Fee would be paid annually by every Mesa business (with the exception of home-based businesses) and would allow the businesses to have general business information, including emergency contact

information, entered into the Public Safety dispatch system; that the type of business being conducted at the site would be confirmed; that low-risk occupancies would receive a self-inspection checklist that can be returned to the Fire Prevention Bureau; and that businesses would receive a certificate of compliance to be posted on the premises and also fire safety information.

Chief Puckett referred to a document entitled "Cost Per City" and provided an analysis of various fire prevention fees imposed in Phoenix, Tempe and Chandler as compared to Mesa's proposed fees. (See Attachment 1.)

Chief Puckett noted that in response to previous Council feedback, fees would be waived for low-risk occupancy businesses in which sprinkler systems are installed and maintained but not required. He added that all Mesa businesses would also receive only one bill annually (with the exception of a follow-up re-inspection fee).

Chief Puckett requested direction from the Committee relative to this issue and inquired if the Committee would consider it appropriate for staff to take the proposal to the Development Advisory Forum for their input. He said that in November, staff plans to send letters to all Mesa businesses to apprise them of the proposed fees, to notify the media regarding this matter, and to implement the fee model in March 2007.

In response to a question from Committeemember Rawles, Chief Puckett explained that it is difficult to provide an average cost for the high-risk occupancy inspections due to the size variation and complexity of each business. He noted that some inspections take as little as an hour to complete and others, such as TRW, could last two or more days.

Committeemember Rawles expressed a series of concerns regarding the proposed Fire Prevention fee model. He commented, among other things, that the low-risk occupancy businesses would receive the least benefit from the model and yet pay approximately 35 to 40% of the total cost; that if the goal is full cost recovery so that the Fire Prevention Bureau can expand its services, he would prefer to focus on what staff believes it would cost to inspect the 2000 high-risk occupancies and to charge those businesses that amount and to do the same for the inspection of the medium-risk occupancies; and that he is reluctant to "tack on" a \$30 fee for the low-risk occupancy businesses when all they would receive is their emergency contact information entered into the Public Safety dispatch system, which is already gathered every other year by existing staff.

In response to Committeemember Rawles' comments, Chief Puckett clarified that one of the reasons staff proposed a \$30 Public Safety Operational Permit Fee is that in their analysis of this item, to his recollection, it would have cost approximately \$550 to inspect a high-risk occupancy business. He advised that staff was concerned with the cost and said that to a large corporation, \$550 would not represent a significant financial impact, but for a smaller company it would. He added that the \$30 fee was developed to "cushion" a higher fee for those businesses.

Further discussion ensued relative to the Partners in Prevention Program, which was previously administered by fire crews in the field who delivered self-inspection forms to and made contact with low-risk occupancy businesses; that no specific staff was utilized for this program with the exception of a staff member who processed the paperwork; that the program has been replaced by the Brass Program, which will take the engine companies into the field and utilize their time

more efficiently in the area of fire prevention, and the self-inspection forms would now be mailed to the low-risk occupancy businesses; that the Partners in Prevention Program was a voluntary program and the business owners did not always complete and return the self-inspection forms to the Department; that under the Public Safety Operational Permit Fee, the business would be required to fill out the basic emergency contact information and if it was not completed within 90 days, a Fire Inspector would be sent to the business; and that other communities do not charge low-risk occupancy businesses a permit fee, but rather an annual business license fee (which is also charged to high and medium-risk occupancy businesses) that is not related to fire prevention services.

Committeemember Jones stressed the importance of updated information from businesses for public safety purposes. He also questioned staff regarding the actual cost of mailing and processing the self-inspection cards for low-risk occupancy businesses.

Chief Puckett explained that the program would require one staff member to mail out the self-inspection forms and also to conduct follow-up in that regard. He stated that those costs are included in the budget and added that he would compile the staff and commodity costs associated with the program for the Council's review.

Chairman Griswold expressed concern regarding the occupancy of a building such as a Hallmark card store that is converted to a nail salon, the new business utilizing and storing chemicals on the premises, and the Fire Department being unaware of that situation. He stated that as a businessman, he considers the \$30 Public Safety Operational Permit Fee a valuable tool for the Fire Department with which to obtain emergency contact information for all Mesa businesses. Chairman Griswold acknowledged that the fee does subsidize the high-risk occupancy inspection costs and commented that although it is not necessarily the system he was anticipating, it is "a good start."

Chairman Griswold further expressed support for the model, would like to see a one-year program, perhaps with the inclusion of a sunset clause, and recommended that the program be evaluated at the end of that period of time.

Committeemember Rawles questioned if Chairman Griswold meant to say he would agree to the funding mechanism and not the program itself, and that he was supportive of staff trying the system for a year and continuing the system either with the same or a modified fee structure. Committeemember Rawles added that at the end of the year, he would not want to be in a position to lay off the additional 14 employees who would be hired to expand the fire prevention programs.

Chairman Griswold concurred with Committeemember Rawles' clarification.

An extensive discussion ensued among the Committeemembers regarding possible alternative fee options.

It was moved by Committeemember Rawles, seconded by Committeemember Jones, to recommend to the Council the following Fire Prevention fee model: Implement an annual \$250 High-Risk Occupancy Inspection fee; Implement an additional fee of \$200 to High-Risk Occupancies over 12,000 square feet; Implement a Medium-Risk Occupancy Inspection fee of \$150; and Implement an annual \$15 Public Safety Operational Permit Fee for all Mesa

businesses. (Note: Implement a re-inspection follow-up fee of \$50 was not included in the motion, but the Committee previously discussed allowing that item to remain a component of the fee model.)

Committeemember Rawles further directed that if, by implementing the above-mentioned fees, the estimated revenue generated annually is greater than \$1,155,000, that such fees be reduced accordingly so that the revenue does not exceed that amount.

Carried unanimously.

Chairman Griswold thanked staff for the presentation.

2. Hear an update on the current level of service requests, response times and implications to the strategic plan.

Fire Chief Harry Beck reported that at the present time, the Mesa Fire Department's emergency response time goal is four minutes 90% of the time, which is consistent with national standards. He explained that in 2005, the Department met this goal only 63% of the time. Chief Beck commented that as growth in service demand continues, without a corresponding increase in resources, ongoing service degradation would occur in Fire and EMS services. He added that staff is examining alternative deployment models to assist in managing this concern through this transition period.

Assistant Fire Chief Gary Bradbury displayed a PowerPoint presentation and provided an extensive update of the Fire Department's Master Plan and status of response times and response coverage. (The PowerPoint presentation is available for review in the City Clerk's Office.)

Chief Bradbury stated that the Fire Department bases its deployment model on incident intervention and performance measurements. He advised that the intervention time, which is calculated in minutes, begins with the 911 call, moves through alarm notification, dispatch, travel time, and intervention by fire and medical crews.

Chief Bradbury explained that with regard to Fire service, the crew endeavors to engage in fire suppression activities within a five to eight minute response time. He noted that at eight minutes, flashovers occur and that is also the point in time at which the survivability of occupants becomes questionable and structural damage begins to occur. Chief Bradbury said that with regard to EMS calls, at four minutes, the brain begins to be damaged due to a lack of oxygen, and at four to six minutes, critical brain damage occurs.

Discussion ensued relative to the fact that the Fire Department deployment system is behind by four fire stations and five replacement fire apparatus; that in 1980, the population served per fire station was 19,000 and in 2006 that number has increased to 26,000; that in 2003, the emergency response time goal of four minutes, 90% of the time, was met 67.7% of the time (three minutes, 27 seconds), and that in 2006, that number decreased to 61.2% of the time (three minutes, 56 seconds).

Chief Bradbury referred to a diagram depicting the Fire Department's 2005 call volume in the existing fire stations, with the highest call volume (over 4000 calls annually) received at Station 203 in west Mesa. He advised that it is preferable that the response unit call volumes not exceed 2500 calls per year, which allows all units operating out of neighborhood fire stations to respond to emergencies in their areas at greater than 60% of the time without requiring backup. He added that it also creates the opportunity for crews to participate in community education, service and fire prevention activities.

In response to a question from Chairman Griswold regarding the close proximity of Station 203 to Tempe's border, Chief Bradbury clarified that the Fire Department does respond to calls in Tempe as part of the automatic aid system. He stated that Mesa responds to an estimated 4% of the automatic aid calls and receives approximately 5% support from the neighboring region.

Chairman Griswold questioned whether it would be appropriate for Mesa to build another fire station near Station 203 or whether Tempe should "step up to the plate" and consider the construction of a new station nearby in their community. He stated that this might be an appropriate issue for discussion at a future joint meeting with the Tempe City Council.

Chief Bradbury continued to display diagrams depicting Mesa fire stations by response times at the current configuration and at City build out (2025) with no additional fire stations; current, future and proposed stations throughout the City; Mesa fire stations by response times at build-out with proposed and future stations; and projected four minute response areas.

Further discussion ensued relative to the fact that the longer response times are a combination of increased workloads and geographical distance travel issues; the circumstances under which patients are transported to local hospitals by Mesa Fire as opposed to ambulance companies; the fact that Mesa currently has 17 fire stations and needs to double the number by build-out; that staff is scheduling for bond purposes \$3.5 million for the cost to build one fire station; that Leisure World and the surrounding County islands were included in the 2025 build-out estimates; and that the Department's highest priority is the construction of a new 203 Station.

In response to a question from Committeemember Rawles, Financial Services Manager Bryan Raines clarified that \$3.1 million in Quality of Life funds were set aside in next year's budget for the construction of Station 218.

Chairman Griswold stated that he would prefer that Mesa "get out of the ambulance business" and that private ambulance companies provide those services.

Chief Beck acknowledged that the City is experiencing serious financial difficulties, but commented that the timeframe within which to acquire the necessary capital and to build a new fire station is a minimum of two years. He stressed that the City is "at a point of no return" in terms of Fire and EMS services and added that if the matter is not resolved, the Department would not be able to achieve a four minute response time even 30% of the time.

Committeemember Rawles commented that although this is not an action item, he suggested that because of the seriousness of this issue, that staff make a presentation to the entire Council at a future Study Session.

Chairman Griswold requested that staff provide additional information including a separate breakdown of Fire and EMS response times, and also the frequency within which Mesa and Tempe and Mesa and Gilbert assist each other on calls.

Chairman Griswold thanked staff for the presentation.

3. Hear a presentation, discuss and provide direction on the request to enter into a five-year fire apparatus purchase agreement.

Assistant Fire Chief Gary Bradbury reported that staff is requesting approval for the City of Mesa to enter into a five-year fire apparatus purchase agreement for Pierce fire apparatus through First In, Inc. He explained that by entering into such an agreement, the Fire Department's goal is to standardize fleet, standardize and reduce parts inventory, standardize training for fire mechanics and firefighting personnel, and reduce down time and cost per mile.

Chief Bradbury noted that specifications for fire apparatus are developed in the Fire Department and sent to Purchasing for formal bid assistance; that the bids are received and evaluated; that recommendations are sent to Purchasing; that Purchasing sends a recommendation to the Council for approval; and the bid is awarded. He stated that this procedure is typically done on an annual basis, with a possible six-month extension for each one of the bid processes.

Chief Bradbury highlighted a series of advantages of fleet standardization including, but not limited to:

- Due to personnel's familiarization with apparatus, down time is minimized and apparatus cost per mile is reduced for maintenance and operations staff.
- The volume of necessary parts on hand is reduced, thus inventory cost is reduced.
- Increased familiarity would result in increased safety for fire mechanics and suppression personnel.
- Because the apparatus will have all the same systems in the same locations, training and operations for fire mechanics and firefighters will require less time and be more cost effective. (The current cost of a one-hour training program for 400 employees is \$10,000.)
- Only one vendor for service and warranty issues.
- The City would receive various discounts from the apparatus purchase agreement. (10% discount on apparatus. \$5000-\$8000 per truck discount on multiple orders, 15% discount on any Pierce service and repair parts.)

Chief Bradbury further commented that the typical down time for fire apparatus in the industry is 6 to 10% and said that through fire maintenance, the Mesa Fire Department currently averages an estimated 4% down time.

Chief Bradbury reported that based on the normal Fire Department Apparatus Replacement Schedule, the first year apparatus purchase savings would be approximately \$253,700 and \$18,000 in first year parts savings. He added that the five-year cumulative apparatus purchase savings is estimated at \$1,361,200, with a five-year cumulative parts savings of \$97,494.

Committeemember Rawles requested input from staff as to why the Council would not want to approve this purchase agreement.

City Manager Christopher Brady acknowledged that while the cost savings to the City is an important consideration, he questioned what would happen if the Fire Department moved its entire fleet to a sole manufacturer and the company was, for instance, bought out or ceased operations. He stated that he and Fire Department staff are currently addressing such concerns.

Committeemember Rawles concurred with Mr. Brady's concerns. He also suggested that due to time constraints, this item be forwarded on to the full Council for further discussion and consideration.

In response to a question from Committeemember Rawles, Financial Services Manager Bryan Raines stated that he did not have an opportunity to review the proposed cost savings generated by the Fire Department. He expressed confidence, however, that they were based on the quantities staff identified and purchasing history. Mr. Raines added that his staff would review the accuracy of those estimates.

Chairman Griswold commented that Pierce is a top-of-the-line company and suggested that it could be advantageous for the Fire Department to use a sole source if that source were a reliable one. He added that he would be interested in staff researching Pierce's background and the company's financial viability.

It was moved by Committeemember Rawles, seconded by Committeemember Jones, that staff be directed to bring this agenda item forward to the Council for further consideration and direction.

Carried unanimously.

4. Adjournment.

Without objection, the Fire Committee meeting adjourned at 4:55 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the Fire Committee of the City of Mesa, Arizona, held on the 16th day of October 2006. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK