



REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

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915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
July 20, 2010

**Honorable Members of the
Law and Legislation Committee**

Title: Ordinance: Adopting City Code Chapter 8.128 Relating to Fire Cost Recovery

Location/Council District: Citywide

Recommendation: Staff recommends the Law and Legislation Committee approve the proposed ordinance and transmit to the City Council for adoption.

Contact: Lloyd Ogan, Deputy Fire Chief, 808-1300

Presenter: Lloyd Ogan, Deputy Fire Chief, 808-1300

Department: Fire Department

Description/Analysis

Issue: A growing number of fire departments have implemented fees to recover a portion of the cost of providing emergency response services to non-residents of their cities. The adoption of City Code Chapter 8.128 will allow the City of Sacramento to recover costs associated with emergency response services provide non-residents involved in motor vehicle accidents.

Policy Considerations: The City already charges fees for some services provided by the Fire Department (e.g. hazardous materials calls, high risk rescues, etc.). The fees are intended to recover costs associated with the delivery of service. A growing number of fire departments, including the cities of Roseville, Stockton and Oakland, have implemented fees to recover a portion of the cost associated with providing emergency response services to non-residents of their cities.

Environmental Considerations: This action is not subject to the California Environmental Quality Act (CEQA) because it does not constitute a “project” as defined in section 15378 of the CEQA Guidelines.

Sustainability Considerations: None

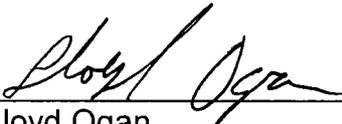
Committee/Commission Action: None

Rationale for Recommendation: The purpose of this ordinance is to recover costs for a portion of emergency services provided to non-residents that otherwise are paid by Sacramento taxpayers.

Financial Considerations: The City estimates annual recovery of approximately \$1 million in costs associated with emergency response services provided to non-residents involved in motor vehicle accidents.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully submitted by:



Lloyd Ogan
Deputy Fire Chief

Recommendation Approved:


Gus Vina
City Manager

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BACKGROUND

A growing number of fire departments have implemented fees to recover a portion of the cost of providing emergency response services to non-residents of their cities. The adoption of City Code Chapter 8.128 will allow the City of Sacramento to recover costs associated with emergency response services provided to non-residents involved in motor vehicle accidents.

The fees charged by the City must be based on the type and amount of services provided. Fees may take into account the cost of personnel, supplies, and equipment present or used at the scene. Fees may not be unreasonable nor exceed the City's actual cost of provided services. The City may also include an administrative charge to cover the expenses and costs of administering and processing the collection of these fees.

The following chart summarizes the emergency response cost recovery efforts of several California public agencies.

Agency	Residents/Non Residents or Both	Motor Vehicle Accidents/Fires	Structure Fires	Rescues	Hazmat Incidents
Hemet	Both		X	X	X
Loomis Fire Protection District	Non-Residents	X			
Nevada City	Non-Residents	X			
Oakland	Non-Residents	X	X		X
Petaluma	Non-Residents	X			
Pinole	Both	X			
Roseville	Non-Residents	X			
Sacramento	Non-Residents	X (proposed)			X* (already implemented)
Stockton	Non-Residents	X		X	X
Woodland	Both	X	X		X

*Responsible party is billed (applies to residents and non-residents)

Cost recovery billing is frequently provided by a third party cost recovery company. The experience and advanced billing methods typically result in much higher claim

reimbursement rates. Third party billing typically requires the City to pay a percentage of funds recovered. Presently, the City does not have the staff or experience to consider processing reimbursement claims. As a result, if directed to prepare an ordinance for City Council consideration, staff will also prepare a Request for Proposal (RFP) to seek a qualified vendor with a competitive rate structure and the necessary experience to assist the City in processing reimbursement claims. The RFP may be developed concurrently with the proposed ordinance to facilitate timely implementation of fire cost recovery fees.

Proposed Ordinance

Staff has prepared an ordinance (see Attachment 2) for the Committee's review that will authorize the City to seek emergency response services cost recovery related to motor vehicle accidents and vehicle fires. The Fire Department responds to approximately 3,600 auto accidents annually in the City limits. A significant number of the vehicle accidents involve drivers that are not residents of the city, a figure that is likely higher than many cities given the state and interstate highways bisecting Sacramento and the fact that it is the region's employment center.

As proposed, the ordinance will exempt City residents from the proposed fire recovery fees due to the significant general fund related taxes they pay to support city services. As a General Fund expense, Fire related services account for the second largest service provided by the City (second only to police services). Taxes residents pay include:

- Utility User Tax (e.g. gas, telephone, electric, telecommunications, water, sewer, garbage)
- Property Tax
- Real property transfer taxes

The above taxes represent approximately \$218 million (more than 75 percent) of the City's estimated \$258 million general fund tax revenue in Fiscal Year 2010/11.

Staff has prepared a proposed Fee Schedule (see Attachment 3) summarizing the fees for Fire Department cost recovery claims. The proposed fees represent the City's actual cost of providing services. Staff estimates fire cost recovery fees will generate approximately \$1 million annually.

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE ADDING CHAPTER 8.128 TO TITLE 8 OF THE SACRAMENTO CITY CODE RELATING TO FIRE COST RECOVERY

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

The city council finds and determines that:

A. The city of Sacramento operates a fire department that provides timely and efficient services to city residents and visitors.

B. The fire department responds to a high volume of calls for service, including, but not limited to, car fires, motor vehicle accidents, structure fires, and rescues.

C. The volume of calls for service continues to grow.

D. The high volume of calls responded to by the fire department causes a significant drain on the finances of the city, and it could jeopardize the city's ability to continue to operate a fire department.

E. Operating a fire department, with modern equipment and sufficient numbers of trained professional personnel, is essential for the protection of the public health, safety, and welfare of city residents and visitors.

F. Cost recovery for fire department service calls is essential for the continued operation of the fire department as a modern, professional, and first-class public safety operation, which ultimately reduces the costs to motorists, property owners, members of the general public, and their insurers, by minimizing personal injury and property damage through fast and capable responses to accidents, fires, rescues, and other incidents.

G. City residents support the provision of fire department services through payment of real property tax, real property transfer taxes, and utility user tax.

H. In recognition of the foregoing, and to promote the public health, safety, and welfare, this ordinance authorizes the establishment of fees for recovery of costs

for fire department services. Since city residents already support the provision of fire department services through payment of taxes, the cost recovery fees shall only apply to persons not residing in the city.

SECTION 2.

Chapter 8.128 is added to Title 8 of the Sacramento City Code to read as follows:

Chapter 8.128

Cost Recovery for Fire Services

8.128.010 Cost Recovery

A. Fees are established to recover the cost of services provided by the Sacramento fire department in responding to the scene of any incident. The amount of a recovery for specified fire services shall be set by resolution of the city council, shall be based on the type and amount of services provided, and shall not exceed the recovery of the actual cost of personnel, supplies, and equipment present or used at the scene. The cost recovery fees shall include an administrative charge in an amount set by resolution of the city council. The cost recovery fees shall only apply to persons not residing within the city.

B. This section shall not apply to response costs covered by California Vehicle Code Section 53150.

SECTION 3.

If any of the provisions of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this ordinance are severable.

Sacramento Fire Department

Suppression Services
For Motor Vehicle Accidents and Vehicle Fires

Description	Proposed Amount
Level 1 – Scene stabilization and hazardous materials assessment ⁽¹⁾	\$435.00
Level 2 – Scene stabilization, hazardous materials assessment, clean up and material used (sorbents) for hazardous fluid clean up and disposal ⁽²⁾	\$495.00
Level 3 (Vehicle Fire) – Scene safety, fire suppression, breathing air, rescue tools, hand tools, hose, tip use, foam, structure protection, and clean up gasoline or other automotive fluid	\$680.00
Level 4 – Scene stabilization, hazardous materials assessment, clean up and material used (sorbents) for hazardous fluid clean up and disposal, and extrication (heavy rescue tools, ropes, airbags, cribbing, etc.) ⁽³⁾	\$1,875.00
Level 5 – Scene stabilization, hazardous materials assessment, clean up and material used (sorbents) for hazardous fluid clean up and disposal, and extrication (heavy rescue tools, ropes, airbags, cribbing etc.) and Air Care (multi-engine company response, mutual aid, helicopter) ⁽⁴⁾	\$2,275.00
 <u>Miscellaneous</u>	
Engine Company per hour rate	\$400.00
Truck Company per hour rate	\$500.00
Miscellaneous Equipment per item	\$300.00
Command and Control unit per hour rate	\$75.00

Endnotes

- (1) Billed every time a fire department responds to an accident.
- (2) Billed only if gasoline or other automotive fluids spills need to be cleaned.
- (3) Billed only if equipment is deployed.
- (4) Billed any time a helicopter is utilized to transport the patient(s).