

EXECUTIVE SUMMARY

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: June 24, 2011

IBA Report Number: 11-42

City Council Docket Date: June 28, 2011

Item Numbers: 333 & 334

Modified/New Fire-Rescue User Fees for High-Rise Inspection and Air Medical Transportation Services

The Fire-Rescue Department has proposed a modified High-Rise Fire Inspection Fee and a new Air Medical Transportation Fee for inclusion in the City's General Fund Budget for FY 2012. These user fee proposals seek full cost recovery for the services provided. The FY 2012 budget was adopted on June 6, 2011 incorporating revenue from these proposed fees with the understanding that staff would expeditiously bring the specific fee details forward for City Council consideration and approval.

The IBA has reviewed the modified High-Rise Fire Inspection Fee and new Air Medical Transportation Fee with Fire-Rescue Department staff. Although the proposed fees have changed since their inclusion into the Proposed Budget for FY 2012, the IBA believes the current structure of the fees will result in cost recovery revenue that is close to the amounts budgeted for FY 2012.

Per Council Policy 100-05, "regular annual changes to user fees in the General Fund shall be first reviewed by the Budget and Finance Committee and proposed to the City Council during the annual budget process". Although the Fire-Rescue Department user fee proposals were brought forward as a part of the Budget and Finance Committee budget hearing, that setting did not allow for ample review and discussion of the proposed fees, or the adoption of the resolution and ordinances necessary to modify the fees before adoption. In the future, we recommend fee proposals be brought forward to Council in advance of budget adoption.

In keeping with our support of the FY 2012 Budget and in accordance with Council Policy 100-05, the IBA is recommending the City Council adopt the resolutions for a modified High-Rise Fire Inspection Fee and a new Air Medical Transportation Fee.