

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	May 19, 2014
	Agenda Item No.	49
	Roll Call No.	<u>14-0815</u>
	Communication No.	<u>14-230</u>
	Submitted by:	John F. TeKippe, Fire Chief

AGENDA HEADING:

Amending Schedule of Fees regarding construction, temporary, and annual permits issued by the Fire Department Fire Prevention Bureau.

SYNOPSIS:

Consistent with the recommendations found in the fee study performed by Management of America Inc. on behalf of the City of Des Moines, approval of this Amended Fee Schedule updates the current Fire Department Fire Prevention Bureau fee structure for permits (construction, temporary, and annual permits). To provide sufficient time to incorporate the new fee structure into the contractor bidding process, it is proposed that this revised fee structure will be effective beginning on September 1, 2014.

FISCAL IMPACT:

Amount: Approximately \$75,000 revenue increase annually

Funding Source: FD107114 Commercial Fire Inspection

ADDITIONAL INFORMATION:

Utilizing the guidance of the fee study and analyzing the number of staff hours dedicated to the issuance of construction, temporary, and annual permits, the fire department recommends the schedule of fees be amended to reflect current costs. Current fees for these items have not been amended since 2002. The amended Fee Schedule incorporates the changes recommended in the fee study done by Management of America Inc. That study based fee amounts on the amount of Fire Department staff time to conduct the appropriate review, inspection, testing, and applicant correspondence and education. This methodology is congruent with the Des Moines Building Department’s fee structure.

An example of the need to update the fees is the permit fee for a fire protection system. The current fire protection system permit fee schedule is a flat fee (\$150) regardless of the size of the project. The revised fee structure acknowledges the actual cost (number of staff hours) required to review the plan, correspond with project stakeholders, inspect, and conduct final testing. The new fees establish a structure that is relative to the size and cost of the project. Additionally, plan reviews are being professionally reviewed by the Des Moines Fire Department’s Fire Protection Engineer. The creation of a re-submittal fee for plans that are not approved and returned to the contractor for re-design will be equal to half of the original fee. Presently, when the Des Moines Fire Department receives plans that are inadequately designed, a detailed plan review is performed which results in the permit applicant receiving in effect “free” or grossly under market engineering guidance. These extensive reviews of

incomplete plans lead to time delays for review of all projects. The re-submittal fee would serve to discourage contractors/design professionals from abusing the current review process, and will serve to improve compliance with initial plan submittals, thereby decreasing the amount of time required to review a plan (improve customer service).

In accordance with City Code 46-1 (h), permit fees will be doubled whenever a permit is not obtained prior to the installation of a fire equipment system or the use, storage or transportation of materials requiring a permit has begun without first obtaining a permit. The current Schedule of Fees limits that doubling of permit fees to a maximum of \$400. With the new permit fee structure, this limitation is lifted so that a double fee will be more costly (worst case scenario- \$3,450 X 2 = \$6,900). The double fee should particularly serve as a deterrent to prevent installation work from beginning before a fire equipment system plan has been reviewed, approved, and a permit is issued. This will ultimately serve the interests of the building/business owner by decreasing the need for costly change orders for improperly designed and installed systems. These changes at the last minute also cause delays in building occupancy leading to lost revenue, this fee seeks to reduce the incidence of last minute changes. Many Building and Fire Departments in Iowa have similar double fee policies for beginning work prior to obtaining a permit.

PREVIOUS COUNCIL ACTION(S):

Date: March 10, 2003

Roll Call Number: 03-545

Action: Amending Chapter 46 of the Municipal Code regarding fire protection systems and equipment, connection to fire department communication center for fire alarm monitoring and removal of underground storage tanks. #14,213. Moved by McPherson that this ordinance do now pass, Motion Carried 6-1.

Date: December 18, 2002

Roll Call Number: 02-3007

Action: Adopting a Schedule of Fees for various City services, for the use of City property and equipment, and for various permits and licenses issued by the City, as follows: Moved by McPherson to adopt. Council Member Vlassis voted NO on Item K; Item "Q" is to be deferred to second meeting in January 2003. (1-27-03). Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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