

**REPORT ON FALSE FIRE ALARM CHARGES**

**Recommendation**

The Fire Chief recommends:

1. That the report of the Fire Chief be received.

**Purpose**

The purpose of this report is to respond to the Budget Committee's direction (Report 16 Item 10, Recommendation #2, December 14, 2004) "to identify opportunities for cost reductions and revenue increases to the Operating Budget that would result in a lower tax rate"—as related to False Fire Alarm Charges.

**Background - Analysis and Options**

There are a number of municipalities in the GTA where fire departments invoice property owners for responding to false fire alarms within their jurisdictions on the basis of cost-recovery and financial deterrent to ensure proper maintenance and operating procedures for fire alarm systems. These include the municipalities of Mississauga, Brampton, Richmond Hill, Markham and Toronto.

**Mississauga**

The City of Mississauga charges for all "nuisance fire alarms" that result from alarm testing and allow one "grace" false alarm before charging for other nuisance fire alarms in a calendar year. Pertinent excerpts from the Mississauga by-law include:

*"nuisance false alarm" means the activation of a fire alarm system or emergency system through a mechanical failure, equipment malfunction, improper installation of the system or failure to maintain the system as prescribed by the Fire Code being O.Reg 388/97, as amended, but does not include the activation of a fire alarm system where the activation occurred as a result of accidental damage to the system.*

4. *If Fire and Emergency Services attends at a property in response to a fire alarm and upon conducting an investigation a member of Fire and Emergency Services determines that the alarm is a nuisance false alarm, the property owner shall be charged the fee as stipulated in Schedule A attached to this by-law.*
5. *If a property owner fails to notify the Fire and Emergency Services Communications Centre in advance of any work being conducted on a fire alarm system or emergency system at a property, and as a result of the work being done on a fire alarm system or emergency system a false alarm is triggered, the property owner shall be charged the fee as stipulated in Schedule A attached to this by-law if Fire and Emergency Services responds to the false alarm.*
6. *If Fire and Emergency Services responds to a fire alarm and upon conducting an investigation a member of Fire and Emergency Services determines that the alarm is a false alarm occurring as a result of a malicious act, the property owner shall be charged the fee as stipulated in Schedule A attached to this by-law.*

Mississauga also has a unique circumstance in which certain businesses are allowed up to four false alarms before charging. However, this is related to technology that is unique to Mississauga.

Mississauga charges \$700.00 per false alarm.

### Brampton

Brampton also charges for false fire alarms in a manner similar to Mississauga and allows a "grace period" of one false alarm. On the initial false alarm, Brampton Fire and Emergency Service issues a Notice to Rectify Form to the property owner instructing the owner to take action to prevent any further false fire alarms. After the Notice to Rectify Form has been served, all subsequent false alarms in a 12 month period for that property are invoiced to the owner. However, Brampton does not charge for responding to malicious false alarms.

Brampton charges \$300.00 per vehicle dispatched to a false alarm.

### Richmond Hill

Richmond Hill Fire Department also charges for nuisance false alarms, charging for all false alarms that fall under the Ontario Fire Marshal incident classifications of Alarm Equipment – Malfunction, Alarm Equipment – Accidental, and Human – Malicious. Richmond Hill allows a "grace period" of two false alarms within the calendar year and charges for the third and subsequent nuisance false alarms within the calendar year.

Richmond Hill charges \$350.00 per vehicle dispatched to a false alarm.

### Markham

Markham Fire and Emergency Services also charges for nuisance false alarms in a manner similar to Richmond Hill – that is they allow a grace period of two false alarms before charging for nuisance false alarms.

Markham charges \$300.00 per false alarm.

### Toronto

Toronto Fire Services will charge for the third and subsequent malicious false alarm within a year and will charge for the third and subsequent nuisance false alarm within a 2 month period.

Toronto charges \$300.00 per vehicle dispatched to a false alarm.

### York Regional Police Services

York Regional Police Services has a complex system that includes a registration process, suspensions, and re-instatement fees.

Through their alarm companies, property owners can register their alarm systems as a Priority Alarms System with the York Regional Police Service for an annual fee. The fees for the first year are \$45.00 for residential and \$115.00 for commercial/industrial. Subsequent annual fees are \$30.00 for residential and \$75.00 for commercial/industrial. Properties may also be registered without paying a fee but there are fewer number of false alarms allowed. It is not necessary to register an alarm system with the YRP, but registration of a property allows more false alarms before police response to alarms at that property are suspended.

Priority Alarm System registered properties are allowed three false alarms before being suspended.

Regular registered properties (no fee paid) are allowed two false alarms before being suspended.

Unregistered properties are allowed one false alarm before being suspended.

When a property has been suspended under this program, then the York Regional Police Service will not respond to any alarms at that property for the next 12 months. However, the suspended property can then pay a fee of \$150.00 to \$250.00 have the alarm response suspension lifted.

It should be noted that the York Regional Police generally respond to burglar alarms, whereas the fire departments respond to fire alarms. Burglar alarms are optional property protection devices that are not required by law, whereas fire alarms are required in certain premises by the Ontario Building Code to ensure life safety. Burglar alarms can be removed from a building, but fire alarms cannot. The fire alarm system serves to notify the occupants of the building and the fire department of a fire condition within the building and as such there is a strict obligation to respond to such alarms, unlike the response to burglar alarms. It would therefore not be prudent for a fire service to adopt a policy similar to the York Regional Police.

**False Fire Alarm By-law Comparisons**

	Toronto	Richmond Hill	Markham	Mississauga	Brampton
Charge for Malicious False Alarms	Yes	Yes	Yes	Yes	No
Charge for Nuisance False Alarms	Yes	Yes	Yes	Yes	Yes
Reimbursement if Preventive Measures Taken	Yes	No	Yes	No	No
Number of False Alarms Allowed Before Charging	Charge on 3 <sup>rd</sup> malicious alarm in a year Charge on 3 <sup>rd</sup> nuisance false alarm in a 2 month period	Charge on 3 <sup>rd</sup> malicious or nuisance alarm in calendar year	Charge on 3 <sup>rd</sup> malicious or nuisance false alarm in a 12 month period	Charge for 2 <sup>nd</sup> alarm in calendar year. Charge for every false alarm resulting from alarm testing	Charge for 2 <sup>nd</sup> alarm in a 12 month period Charge for every false alarm resulting from alarm testing
Rate Charged	\$300/Vehicle Dispatched	\$350/Vehicle Dispatched	\$300/False Alarm	\$700/False Alarm	\$300/Vehicle Dispatched

Vaughan

In 2004, the Vaughan Fire and Rescue Service responded to more than 9,200 incidents, of which the following were in the broad category of false alarms:

<u>Type of False Alarm</u>	<u>Number of False Alarms</u>
Alarm Equipment – Malfunction	860
Alarm Equipment – Accidental	385
Human – Malicious	72
Human – Perceived Emergency	308
Human – Accidental	293
Other False Fire Alarm	136
<b>Total Number of False Fire Alarms in 2004</b>	<b>2,054</b>

If Vaughan were to charge for every false fire alarm, there would be a significant revenue stream. However, currently the Vaughan Fire and Rescue Service does not make any determination as to which false alarms would be classified as nuisance false alarms. As it would require a significant detailed analysis to determine the exact number of nuisance fire alarms, a working figure of 1027 false fire alarms (50%) might be more appropriate for budget estimations. This could lead to potential annual revenue of about \$700,000 at the current call-out rate of \$700 per incident, in a similar manner as invoicing for response to motor vehicle incidents.

If Vaughan were to allow for one "grace false alarm", like Mississauga and Brampton, and charge for all nuisance fire alarms after the first "free" one, then, based on 2004 responses, the VFRS could invoice for approximately 430 nuisance fire alarms or \$300,000.

If Vaughan were to allow two "grace false alarms", and only charge on the third nuisance false fire alarm like Richmond Hill, then, based on 2004 responses, the VFRS could invoice for approximately 250 nuisance fire alarms or \$175,000.

Any of the three methods described above would represent significant increase in the department's annual revenue. However, it should be recognized that once the Vaughan Fire and Rescue Service begins charging for responding to nuisance false alarms, the anticipated result would be a drop in the number of nuisance false alarms. The by-law authorized fee would motivate property owners to ensure that their fire alarms were in proper operating condition all of the time. This would cause the positive effect of reducing nuisance fire alarms but would also reduce the predicted revenues.

Council should also be aware that the biggest offenders when it comes to nuisance fire alarms are nursing homes, residences for seniors, apartment buildings, schools, group homes/rehabilitation centers, shopping centers and other occupancies that require complex alarm systems because of the high occupant load or have occupants that have a tendency to initiate nuisance alarms.

#### Office of the Fire Marshal

There is a school of thought that criticizes the fee-for-service approach to responding to nuisance false alarms. The argument is that property owners might be inclined to illegally disable the fire alarm system to prevent costly false alarms, but thereby eliminate the protection the fire alarm system affords to the building occupants. Despite that argument, the Office of the Fire Marshal Public Safety Guideline 04-80-23 (Fees for Services) does endorse fees for service for "Specific false alarm...responses". However, the guideline also suggests that response to "unintentional or accidental false alarms" should be provided by the municipality without a fee being charged.

#### Resources to Administer Cost-Recovery Program

To administer a program of an additional (potentially) 1,027 transactions annually in addition to the approximately 750 transactions that the VFRS currently invoices for motor vehicle responses, would require the services of an additional full-time employee. The current review of operations by the external consultant, IER Limited, has indicated a demonstrated need to enhance the staff resource to manage the existing day-to-day budgeting and financial affairs within the VFRS business unit.

Mississauga and Markham have designated Accounts Co-coordinators and Brampton and Richmond Hill had sufficient administrative staff at this time to handle their cost-recovery programs.

In addition, to ensure that proper records are maintained, the VFRS would have to upgrade its Records Management System. Toronto, Mississauga, Brampton, and Markham all have

sophisticated Computer Aided Dispatch systems that flag nuisance fire alarm properties and can transmit to the firefighters on scene and the Accounts Co-coordinator the frequency of nuisance alarms for appropriate action depending on the process adopted by the individual fire service. While Vaughan does not have a sophisticated Computer Aided Dispatch System, it is anticipated that the proposed Centralized Fire Communications Centre would eventually provide an appropriate CAD/RMS, otherwise an investment in a computerized records management system is required to properly manage the call-history tracking and invoicing for the false alarm revenue stream. Currently, all of our invoicing is done manually without the need to first track the prior history of responses in determination of the need to invoice, or not, for the service rendered at motor vehicle incidents.

#### VFRS Operational Review Process

Council directed in the 2004 Budget Process that a review of the fire departments operations be undertaken to establish future direction of the department, etc. The VFRS 2005 Budget was submitted on the basis that only specific increases for staff salary progressions as required by the Collective Agreement and the deferred staffing from 2004 for Fire Station 7-9 and allocated increases for benefits and insurance costs were the only changes over 2004. It was intended that any other changes would be dependant upon Council's consideration of the recommendations resulting from the operational review process, which would also review cost-recovery and revenue opportunities.

The progress report and presentation was scheduled for the Operational & Strategic Planning Committee meeting on January 18<sup>th</sup> that was cancelled and is now scheduled for the next meeting on February 22<sup>nd</sup>. The presentation would have briefed Council that in addition to the internal Council, SMT and Staff interviews/surveys undertaken by IER Ltd., one of the next steps is to conduct a community *Service Excellence Survey* on several aspects of local fire protection services, including cost and funding related questions, such as:

The following statements to be answered: Strongly Disagree; Disagree; Neutral; Agree; or Strongly Agree:

- Fire and Rescue services should be only funded through property taxes
- Charge back fees should be instituted as a deterrent for unnecessary or False Fire Alarms
- User fees should be instituted to help pay for public education programs
- Existing charge back fees should be maintained for response to motor vehicle accidents and vehicle fires occurring in Vaughan
- Fees should be charged to help pay for smoke or carbon monoxide alarms installed by the fire department
- The public would be willing to provide an increased portion of taxes to ensure Service Excellence for fire protection and rescue services.
- The public would be willing to pay some user fees for selected services or as a deterrent to false alarms to help hold the line on taxes.

Do you feel \$209 per year per average household tax bill is a reasonable amount for fire protection?

[\\*Click here to view a chart of average household expenses within the City of Vaughan](#)

Drop down list:  Yes – that's reasonable,  
 No – that's somewhat high,  
 No – that's somewhat low

[“Large portions of nuisance or false alarm calls are generated from automated fire alarm systems.”](#)

Do you feel building owners that cause false alarms should be required to pay a charge/service fee as a deterrent if they do not adequately maintain their fire alarm systems?

YES  NO

It is intended to provide a copy of the *Service Excellence Survey* to the Operational & Strategic Planning Committee on February 22nd, before its public distribution. However, should Council adopt a By-Law for False Fire Alarm Charges at this time, the survey questions regarding cost and funding would be deleted.

### **Relationship to Vaughan Vision 2007**

This report is consistent with Vaughan Vision 2007, Item 2.3.1. Implement new value added services and enhance existing service cost recovery programs.

This report recommends a change from the priorities previously set by Council and the necessary resources have not been allocated.

### **Conclusion**

Charging a fee-for-service for responding to nuisance false fire alarms will have the affect of reducing the number of nuisance false fire alarms and enhancing the City's cost recovery revenues. The recommended additional staff resource cost would be funded from the new revenue.

Should Council desire to implement a program to generate an invoice to property owners for VFRS response to nuisance fire alarms, staff requires direction from Council on the following issues:

1. Should there be any free responses or "grace" nuisance fire alarms before the property owner is invoiced—if so, how many? In consideration of:
  - a. "No free responses" –with no need to track prior history,
  - b. Mississauga/Brampton's one "free response" with a need to issue a warning notification and tracking requirement; or
  - c. Richmond Hill's "two free responses"—and the need to track responses and re-set the clock each year.
2. Should Council determine that a certain number of free responses would be appropriate—recognizing that the revenue would be less and not flow as soon, Council must then decide if the free responses would be:
  - a. a "one-time" grace offering with a warning or
  - b. the free responses would be allowed within any calendar year or
  - c. the free responses would be allowed within a rolling 12-month or other period of time.

Staff suggests that a False Alarm Fee By-Law based on "no free responses" would be the simplest to administer and initiate the quickest cost-recovery and deterrent to those that may ignore fire alarm system maintenance or proper operating procedures. In lieu of issuing individual warning notices to offenders (if there were any 'free' responses'), a public advertising notice should suffice to advise all fire alarm system owners to ensure appropriate maintenance and operation of their systems.

Staff suggests the following, if Council desires to commence immediate cost-recovery for response to false fire alarm responses:

- 1 That the VFRS 2005 Operating Budget includes authorization to:

- a. Implement a program, including appropriate by-law preparation or by-law amendments as required to enable the VFRS to invoice property owners for VFRS response to false or unnecessary automated fire alarm system activations; and
  - b. Increase the VFRS staffing complement to include the addition of 1 FTE administrative staff resource position to invoice property owners for VFRS response to false fire alarms, as part of responsibilities for departmental financial and statistical administration and transactions.
2. That Council provide direction to staff on the extent of how many, if any, “free” responses to false fire alarms would be provided over any given period of time, or not.

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Respectfully submitted,

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