

SUPPLEMENTARY REPORT ON FALSE FIRE ALARM CHARGES

Recommendation

The Fire Chief and the Director of Financial Services, in consultation with the City Manager, recommends:

1. That the VFRS 2005 Operating Budget includes authorization to implement a program, including appropriate by-law preparation or by-law amendments as required to enable the City to invoice property owners for VFRS response to all false or unnecessary automated fire alarm system activations on the basis of a cost recovery fee of \$350 per occurrence, effective May 1, 2005;
2. That a full-time complement position be added in the Financial Services department, funded by a combination of a reduction in part-time salaries and approximately \$28,000 from the revenues generated from invoicing for false alarms; and,
3. That the request for an increase to the VFRS staffing complement to include an administrative staff resource position to charge property owners for VFRS response to false fire alarms, as part of responsibilities for departmental financial and statistical administration and transactions, be deferred to the outcome of the current Operational Review of the VFRS;

Purpose

The purpose of this report is to respond to the Budget Committee's direction January 31st, 2005 "to refer...for further review, including a review of the provision for "free" responses to false alarms, and that a report with recommendations be provided..."

Background - Analysis and Options

This report reflects discussions that took place at the last Budget Committee meeting. The recommendations herein represent a program that will enable the VFRS to deter false fire alarm system activations and recover reasonable operating expense.

The VFRS currently charges a flat rate of \$700 for response to motor vehicle fires and accidents, where a service is performed. If the motor vehicle related-incident is very minor and no service is performed, an invoice is not sent.

In similar consideration, if a fire alarm activation causes the VFRS to dispatch two or more fire trucks and the first officer arrives to verify that it is a 'False Alarm' and thus cancels the other responding units—no service is provided in a like-manner as fighting a motor fire or extrication, etc., where the units would be committed and not available for other emergencies and a \$700 invoice would be issued. However, the first-arriving Fire Officer must verify the cause of the false fire alarm and ensure corrective measures are taken. Thus staff recommends a cost recovery fee of \$350 per occurrence.

At the January 31st, 2005 meeting, Committee requested the Fire Chief to provide more information to shed some light on why some municipalities charge for varying numbers of false alarms within varying periods of time.

Staff consulted with the individual municipalities listed on the attachment and they could not provide any documentation in support of the decisions with respect to the number of false alarms allowed before charging for false alarm responses over the given period of time. The information

is based on the anecdotal verbal descriptions provided by various Municipal employees to explain their respective decision-making processes.

The common theme for determining the number of false alarms was expressed as “three strikes – you’re out”. More detailed explanation outlined that action following the first false alarm was notification about the program and an initial warning. Action following the second false alarm was a final warning and then action following the third false alarm was billing the property owner. The resetting of the annual false alarm count to zero seemed to be a reasonable thing to do, but not supported by any evidence with respect to the deterrence aspect of the program.

The municipalities that currently charge after the first false fire alarm did in fact use to charge after the second false fire alarm (three strikes – you’re out). They changed however because they believed that the fire alarm problem should be rectified after the first false alarm and that allowing a second false alarm before charging did not serve their deterrence goal.

VFRS staff believes that invoicing for all false or nuisance fire alarm system activations is much simpler, from a logistics standpoint of tracking occurrences-over-time and initiates the ‘deterrence’ factor much sooner, while recovering reasonable operating costs for all such responses, which is estimated to be about \$233,450 from May 1st until year-end 2005 and about \$350,000 annually thereafter, based on the 2004 history of response statistics.

Finance Comments

Currently the Financial Services department invoices for all miscellaneous charges on behalf of all departments across the City, including vehicle accident call outs for the Fire department. In addition to invoicing, a significant amount of time is required for follow-up and collection. Centralizing these functions has proven to be effective.

Currently the miscellaneous billing process in Financial Services is staffed by one part-time employee with external support as required. The more significant aspect of billing is the collection of the invoice, which is much more time consuming. Existing resources have had difficulty coping with current volumes and cannot accommodate the additional workload associated with invoicing and collecting for false alarms. Finance Staff recommends that a full-time complement position be added in the Financial Services department and the cost be offset by a combination of a reduction in part-time salaries and \$28,000 from the revenues generated from invoicing for false alarms.

Conclusion

Charging a fee-for-service for responding to all nuisance false fire alarms will have the affect of reducing the number of nuisance false fire alarms in the future and enhancing the City’s cost recovery revenues.

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Attachments

1. Budget Committee Agenda January 31, 2005 Item #3: REPORT ON FALSE FIRE ALARM CHARGES
2. Table: False Fire Alarm By-Law Comparisons

Respectfully submitted,

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Fire Chief

Barry Jackson
Director of Financial Services

False Fire Alarm By-law Comparisons

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