

RESOLUTION NO R-2009-251

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, RELATING TO THE PROVISION OF FIRE INSPECTION SERVICES, FACILITIES AND PROGRAMS IN THE CITY OF HOLLYWOOD, FLORIDA, DESCRIBING THE METHOD OF ASSESSING FIRE INSPECTION ASSESSED COSTS AGAINST ASSESSED PROPERTY LOCATED WITHIN THE CITY OF HOLLYWOOD; ESTABLISHING THE ESTIMATED ASSESSMENT RATES FOR FIRE INSPECTION ASSESSMENTS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2009; DIRECTING THE PREPARATION OF AN ASSESSMENT ROLL, AUTHORIZING A PUBLIC HEARING AND DIRECTING THE PROVISION OF NOTICE THEREOF, PROVIDING FOR CONFLICTS, PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, annual fire inspections are mandated under the Broward County Local Amendments to the Florida Fire Prevention Code, Paragraph F-3.5, and Section 94 172 of the City of Hollywood's Code of Ordinances, and the City inspects or offers to inspect annually all Multi-family Properties as defined herein, and inspects all Non-Residential Properties in the City; and

WHEREAS, it is the City's intent to collect the charge for conducting these annual inspections as a special assessment on the annual ad valorem tax bill beginning November 2009 for ease of administration and collection, and the City Commission adopted Resolution No. R-2008-400 which authorizes the City to use the uniform method of collecting non-ad valorem assessments; and

WHEREAS, Ordinance No O-2009-19 was adopted by the City Commission on June 17, 2009, and sets forth the necessary procedures and standards for the imposition of fire inspection assessments under the general home rule powers of a municipality to impose special assessments; and

WHEREAS, this Initial Assessment Resolution, as defined in and required by Ordinance No. O-2009-19, is the initial proceeding for the imposition of the Fire Inspection Assessment and sets forth the Fire Inspection Assessed Cost to be funded; the methods of apportioning the cost and computing the Assessments for specific properties; and the estimated assessment rates for the Fiscal Year beginning October 1, 2009 and corresponding revenue expected to be collected, and

WHEREAS, this Initial Assessment Resolution directs the City Manager to prepare the initial Assessment Roll, and make the necessary notifications of a public hearing to be held in September by newspaper and by mailed notice to the property owners; and

WHEREAS, upon holding a public hearing in September, a final rate resolution will be adopted establishing the final rates of assessment and directing the submission of the final roll to the County Revenue Collector; and

WHEREAS, the annual fire inspection assessment is to be levied against all Multi-family Properties as defined herein, and all Non-Residential Properties in the City including government and institutional, wholly tax-exempt properties with the exception of State of Florida properties where annual inspection of those properties is conducted by the State Fire Marshall pursuant to Florida Statutes; and

WHEREAS, the fire inspection assessment rates will result in a projected fire rescue assessment roll to be collected of approximately \$940,000 00 for the Fiscal Year commencing on October 1, 2009;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA.

Section 1 **AUTHORITY** This resolution is adopted pursuant to the provisions of Fire Inspection Ordinance No O-2009-19 (the "Ordinance"), Florida Constitution, Article VIII, Section 2(b), Sections 166.021, 166 041, and 197.3632, Florida Statutes, the City Charter of the City of Hollywood, and other applicable provisions of law

Section 2: **PURPOSE AND DEFINITIONS** This resolution constitutes the Initial Assessment Resolution as defined in the Ordinance All capitalized words and terms not otherwise defined herein shall have the meanings set forth in the Ordinance. Unless the context indicates otherwise, words imparting the singular number, include the plural number, and vice versa. As used in this resolution, the following terms shall have the following meanings, unless the context hereof otherwise requires:

"Building Area" means the adjusted area of a Building expressed in square feet and reflected on the Tax Roll or, in the event such information is not reflected or determined not to be accurately reflected on the Tax Roll, that area determined by the City

"DOR Code" means a property use code established in Rule 12D-8.008, Florida Administrative Code, assigned by the Property Appraiser to Tax Parcels within the City

"Dwelling Unit" means a Building, or a portion thereof, available to be used for residential purposes, consisting of one or more rooms arranged, designed, used, or intended to be used as living quarters for one family only

"Estimated Fire Inspection Assessment Rate Schedule" means that rate schedule attached hereto as Appendix B and incorporated herein by reference, specifying the Fire Inspection Assessed Costs and the estimated Fire Inspection Assessments established in Section 7 of this Initial Assessment Resolution

"Improvement Codes" mean the building use codes assigned by the Property Appraiser to Tax Parcels within the City

"Multifamily Property" means those Tax Parcels with a Building, or portion of a Building, regardless of ownership, that contains three Dwelling Units or more, but not including Dwelling Units under a condominium form of ownership

"Non-Residential Property" means those Tax Parcels with a Building, or portion of a Building, regardless of ownership, that does not contain Dwelling Units, and including Government Property, but not including State Property

"Property Use Categories" means, collectively, Multifamily Property and Non-Residential Property

"State Property" means those Tax Parcels of Government Property that are owned by the State of Florida and therefore subject to fire inspections by the State Fire Marshall.

"Tax Parcel" means a parcel of property located within the City to which the Property Appraiser has assigned a distinct ad valorem property tax identification number

Section 3 PROVISION AND FUNDING OF FIRE INSPECTION SERVICES

(A) Upon the imposition of Fire Inspection Assessments for fire inspection services, facilities, or programs against Assessed Property located within the City and in accordance with the Broward County Local Amendments to the Florida Fire Prevention Code, Paragraph F-3.5 and § 94 172 of the City of Hollywood's Code of Ordinances, the City shall provide annual fire inspection services to such Assessed Property. A portion of the cost to provide one annual fire inspection to each Building of Non-Residential Property and each Dwelling Unit of Multifamily Property shall be funded from proceeds of the Fire Inspection Assessments. The remaining cost, if any, required to provide fire inspection services, facilities, and programs shall be funded by legally available City revenues other than the Fire Inspection Assessment.

(B) It is hereby ascertained, determined, and declared that each parcel of Assessed Property located within the City will be benefited by the City's provision of fire inspection services, facilities, and programs in an amount not less than the Fire Inspection Assessment imposed against such parcel, computed in the manner set forth in this Initial Assessment Resolution

Section 4 IMPOSITION AND COMPUTATION OF FIRE INSPECTION ASSESSMENTS Fire Inspection Assessments shall be imposed against all Tax Parcels within the Property Use Categories. Fire Inspection Assessments shall be computed in the manner set forth in this Initial Assessment Resolution

Section 5 LEGISLATIVE DETERMINATIONS OF SPECIAL BENEFIT AND FAIR APPORTIONMENT It is hereby ascertained and declared that the Fire Inspection Assessed Costs provide a special benefit to the Assessed Property based upon the following legislative determinations.

(A) Upon the adoption of this Initial Assessment Resolution determining the Fire Inspection Assessed Costs and identifying the Assessed Property to be included in the Assessment Roll, the general legislative determinations and legislative determinations of special benefit ascertained and declared in Sections 1 03 and 1 04 of the Ordinance are hereby ratified and confirmed

(B) It is fair and reasonable to use the DOR Codes and Improvement Codes for the apportionment of the Fire Inspection Assessed Costs because. (1) the Tax Roll database employing the use of such property use codes is the most comprehensive, accurate, and reliable information readily available to determine the property use and Building Area for improved property within the City, and (2) the Tax Roll database within such property use codes is maintained by the Property Appraiser and is thus consistent with parcel designations on the Tax Roll which compatibility permits the development of an Assessment Roll in conformity with the requirements of the Uniform Method of Collection

(C) The data available in the Improvement Codes is more useful and accurate to determine Building Area than the data maintained in the DOR Codes because (1) the data maintained in the Improvement Codes reveals the existence of a Building with a different use from the use described on the DOR Codes, and (2) the Improvement Codes represent records maintained by the Property Appraiser with the most information relative to Building Area regardless of property use

(D) Apportioning Fire Inspection Assessed Costs among Multifamily Properties and Non-Residential Properties based upon the time necessary to perform the annual fire inspections for such Tax Parcels of Assessed Property, as derived from the City fire prevention division's most recent activity analysis, in relation to the size of the Assessed Properties is fair and reasonable and proportional to the special benefit received.

(E) Of the total time spent on conducting annual inspections, there is a minimum amount of time necessary to inspect each Assessed Property regardless of its size, classification (Multifamily Property or Non-Residential), or occupancy. The minimum time is determined by analyzing the activities of the fire inspector and the time spent on conducting an annual inspection, as provided in the City fire prevention division's most recent activity analysis. The remainder of the time spent on an annual inspection is related to the size of the building or occupancy to be inspected as measured by Building Area in the case of Non-Residential properties and number of Dwelling Units in the case of Multifamily Property.

(F) The City fire prevention division's recent activity analysis is the most reliable data available to determine the minimum time commitment for fire inspection services and the cost burden generated by these activities. There exists sufficient data within the fire prevention division's recent activity analysis documenting the historical demand for fire inspection services from Assessed Property within the Property Use Categories and the cost burden of such fire inspection activities. This historical data is consistent with the fire prevention division's current experience with regards to the required work effort and cost burden.

(G) The Tax Roll database maintained by the Property Appraiser is the most reliable data available to determine the Building Area and number of Dwelling Units.

(H) The projected time necessary to perform a fire inspection of Multifamily Property is driven by the existence and number of Dwelling Units. Apportioning the Fire Inspection Assessed Costs for fire inspection services attributable to Multifamily Property on a per Dwelling Unit basis is required to avoid cost inefficiency and unnecessary administration and is a fair and reasonable method of apportionment.

(I) The projected time and associated cost required to perform a fire inspection of Non-Residential Property increases as the Building Area increases. Accordingly, it is a fair and reasonable method of apportionment to use ranges of Building Area for Non-Residential Property.

(J) The time required to perform fire inspection services is substantially the same for Non-Residential Property below a certain minimum size and within certain size ranges; therefore, it is fair, reasonable and equitable to provide a lesser assessment burden on improved property containing such Non-Residential Property by the creation of specific Building Area classification ranges for such parcels.

(K) The separation of improved Non-Residential Property into Building Area classification ranges is fair and reasonable for the purposes of the apportionment of the Fire Inspection Assessed Costs because: (1) the absence of a need for precise square footage data within the ad valorem tax records maintained by the Property Appraiser undermines the use of actual Building Area within each improved parcel as a basis for apportionment; (2) the administrative expense and complexity to determine by on-site inspection and track the actual Building Area within each improved parcel assessed is impractical; (3) the degree or amount of fire inspection services is not precisely determined or measured by the actual Building Area within benefited parcels; and (4) the classification of parcels within Building Area classification ranges is a fair and reasonable method to classify benefited parcels and to apportion costs among benefited parcels that have a similar requirement for fire inspection services.

(L) There may be additional factors that could increase time demand for fire inspection services and the associated cost burden required for a specific Building; however, the administrative burden of collecting and maintaining such data for every property within the City makes it impractical for the City to utilize these factors and greatly outweighs the benefit that could be realized from a further refinement of the methodology

Section 6: DETERMINATION OF FIRE INSPECTION ASSESSED COST, APPORTIONMENT METHODOLOGY

(A) The City is mandated to conduct annual fire inspections under the Broward County Local Amendments to the Florida Fire Prevention Code, Paragraph F-3.5 and Section 94 172 of the City of Hollywood's Code of Ordinances. In accordance with Section 94 172 of the Hollywood City Code, all Non-Residential property and Multifamily Property must be inspected at least annually by the City to ascertain any conditions which pose fire hazards and threats or otherwise obstruct or interfere with the Fire Department's operations.

(B) Conducting annual fire inspections is a fire prevention activity. The Department of Fire Rescue and Beach Safety has established a separate Fire Prevention Division which performs all related services, including fire inspections. Using the total annual budget for the City's Fire Prevention Division including all salaries, benefits, operating expenses and other applicable components, if any, the Fire Inspection Assessed Cost was determined. The Fire Inspection Assessed Cost to be assessed and apportioned among benefited parcels pursuant to the apportionment methodology described herein for the Fiscal Year commencing October 1, 2009, is the amount determined in the Estimated Fire Inspection Assessment Rate Schedule attached hereto as Appendix A.

(C) The apportionment of the Fire Inspection Assessed Cost among the Tax Parcels of Multifamily Property and Non-Residential Property shall be done in accordance with the apportionment methodology provided in that certain report entitled "City of Hollywood, Florida User Fee Cost Recovery Study," dated as of February 2007, prepared by Government Services Group, Inc., which study is attached hereto as Appendix B and incorporated herein by reference. The apportionment methodology contained in this study is hereby approved and adopted and found to be a fair and reasonable method of apportioning the Fire Inspection Assessed Costs among parcels of Assessed Property located within the City

(D) It is hereby acknowledged that the apportionment methodology described and determined in this Section 6 and accompanying Appendix B is to be applied in the calculation of the estimated Fire Inspection Assessment rates established in Section 7 of this Initial Assessment Resolution

Section 7 ESTABLISHMENT OF INITIAL FIRE INSPECTION ASSESSMENTS

(A) The approval of the Estimated Fire Inspection Assessment Rate Schedule, which is attached hereto as Appendix A, by the adoption of this Initial Assessment Resolution determines the amount of the Fire Inspection Assessed Costs. The remainder of such Fiscal Year budget for fire inspection services, facilities, and programs shall be funded from available City revenue other than Fire Inspection Assessment proceeds.

(B) The estimated Fire Inspection Assessments specified in the Estimated Fire Inspection Assessment Rate Schedule are hereby established to fund the specified Fire Inspection Assessed Costs determined to be assessed in the Fiscal Year commencing October 1, 2009. No portion of such Fire Inspection Assessed Costs is attributable to the provision of capital improvements necessitated by new growth or development, nor is any portion of the Fire Inspection Assessed Costs attributable to the provision of emergency medical services. Additionally, no portion of the Fire Inspection Assessed Costs will be recovered through the City's Fire Rescue Assessment program.

(C) The estimated Fire Inspection Assessments established in this Initial Assessment Resolution shall be the estimated assessment rates applied by the City Manager in the preparation of the preliminary Assessment Roll for the Fiscal Year commencing October 1, 2009, as provided in Section 8 of this Initial Assessment Resolution.

Section 8 ASSESSMENT ROLL.

(A) The City Manager is hereby directed to prepare, or cause to be prepared, a preliminary Assessment Roll for the Fiscal Year commencing October 1, 2009, in the manner provided in the Ordinance. The Assessment Roll shall include all Tax Parcels within the Property Use Categories. The City Manager shall apportion the estimated Fire Inspection Assessed Cost to be recovered through Fire Inspection Assessments in the manner set forth in this Initial Assessment Resolution. A copy of this Initial Assessment Resolution, the Ordinance, documentation related to the estimated amount of the Fire Inspection Assessed Cost to be recovered through the imposition of Fire Inspection Assessments, and the preliminary Assessment Roll (once prepared) shall be maintained on file in the office of the City Clerk and open to public inspection. The foregoing shall not be construed to require that the preliminary Assessment Roll be in printed form if the amount of the Fire Inspection Assessment for each parcel of property can be determined by the use of a computer terminal available to the public.

(B) It is hereby ascertained, determined, and declared that the method of determining the Fire Inspection Assessments for fire inspection services as set forth in this Initial Assessment Resolution is a fair and reasonable method of apportioning the Fire Inspection Assessed Cost among parcels of Assessed Property located within the City.

Section 9· AUTHORIZATION OF PUBLIC HEARING There is hereby established a public hearing to be held at 6:00 p.m. on September 14, 2009, in the City Commission Chamber, Room 219, General Joseph W. Watson Circle, 2600 Hollywood Boulevard, Hollywood, Florida at which time the City Commission will receive and consider any comments on the Fire Inspection Assessments from the public and affected property owners and consider imposing Fire Inspection Assessments for the Fiscal Year beginning October 1, 2009 and collecting such assessments on the same bill as ad valorem taxes for non-Government Property and pursuant to the alternative method of collection provided in Section 3.02 of the Ordinance for Government Property.

Section 10· NOTICE BY PUBLICATION The City Manager shall publish a notice of the public hearing authorized by Section 9 hereof in the manner and time provided in Section 2.04 of the Ordinance. The notice shall be published no later than August 24, 2009, in substantially the form attached hereto as Appendix C.

Section 11 NOTICE BY MAIL. Pursuant to section 200.069(11)(a), Florida Statutes, and with agreement of the Property Appraiser, the City Commission elects to combine the notice required by Section 2.05 of the Ordinance and this Resolution with the truth-in-millage notification required pursuant to section 200 069, Florida Statutes. Such mailed notice shall be in the form required by section 200 069(11)(a), Florida Statutes, and consistent with the Uniform Assessment Collection Act and the Ordinance for the purpose of imposing Fire Inspection Assessments for the Fiscal Year beginning October 1, 2009. Such notices shall be mailed no later than August 24, 2009. In the event the City Commission elects to not use the truth-in-millage notification, the first class mailed notice shall be in substantially the form attached hereto as Appendix D, which also must be mailed no later than August 24, 2009.

Section 12: APPLICATION OF ASSESSMENT PROCEEDS. Proceeds derived by the City from the Fire Inspection Assessments will be utilized for the provision of fire inspection services, facilities, and programs. In the event there is any fund balance remaining at the end of the Fiscal Year, such balance shall be carried forward and used only to fund fire inspection services, facilities, and programs.

Section 13. CONFLICTS All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 14 SEVERABILITY If any clause, section, other part or application of this resolution is held by any court of competent jurisdiction to be unconstitutional or invalid, in part or application, it shall not affect the validity of the remaining portions or applications of this resolution.

Section 15. EFFECTIVE DATE. That this Initial Assessment Resolution shall be in full force and effect immediately upon its passage and adoption

PASSED AND ADOPTED this 15 day of July, 2009



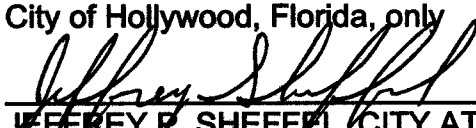
PETER BOBER, MAYOR

ATTEST



PATRICIA A. CERNY, MMC, CITY CLERK

APPROVED AS TO FORM AND LEGALITY
For the use and reliance of the
City of Hollywood, Florida, only

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JEFFREY P. SHEFFEL, CITY ATTORNEY

APPENDIX A

ESTIMATED FIRE INSPECTION ASSESSMENT RATE SCHEDULE

APPENDIX A

ESTIMATED FIRE INSPECTION ASSESSMENT RATE SCHEDULE

SECTION A-1 DETERMINATION OF FIRE INSPECTION ASSESSED COSTS The estimated Fire Inspection Assessed Costs to be assessed for the Fiscal Year commencing October 1, 2009 is \$940,000 00

SECTION A-2 ESTIMATED FIRE INSPECTION ASSESSMENTS The estimated Fire Inspection Assessments to be assessed and apportioned among benefited parcels to generate the estimated Fire Inspection Assessed Cost for the Fiscal Year commencing October 1, 2009, are hereby established as follows for the purpose of this Initial Assessment Resolution

Billing Unit Type	Building Area	Multifamily Rates	Non-Residential Rates
Dwelling Unit	N/A	\$22	
Building	≤ 1,999 sq ft		\$52
	2,000 - 3,499 sq ft		\$82
	3,500 - 4,999 sq ft		\$127
	5,000 - 9,999 sq ft		\$172
	10,000 - 19,999 sq ft		\$322
	20,000 - 29,999 sq ft		\$622
	30,000 - 39,999 sq ft		\$922
	40,000 - 49,999 sq ft		\$1,222
	≥ 50,000 sq ft		\$1,522

APPENDIX B

"CITY OF HOLLYWOOD, FLORIDA USER FEE COST RECOVERY STUDY"

City of Hollywood, Florida

User Fee Cost Recovery Study

FEBRUARY 2007

Presented By

Government Services Group, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308
(850) 681-3717
(850) 224-7206 (Fax)

Contact Person:

Camille P. Tharpe, Sr. Vice President

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Introduction

BACKGROUND

The City of Hollywood (City) has entered into a professional services agreement with Government Services Group, Inc. (GSG) to provide specialized services in developing a user fee/cost recovery study for specific services provided by the Fire Prevention and Life Safety Division (Fire Prevention Division) of the Hollywood Fire Rescue and Beach Safety Department (Fire Rescue Department).

OVERVIEW

For the purposes of this report, GSG determined the full cost for the delivery of fee related services within the Fire Prevention Division. Once the full cost was known, this report provides a recommended fee level for flat and variable fees that is both fair and equitable, but also provides for full cost recovery

The primary purpose of a user fee study is to document the cost of providing services for which service costs are, or could be, charged within a local government. Costs are not limited to direct departmental charges based on governmental accounting procedures, but rather are based on all-inclusive costs incurred by the jurisdiction in providing services.

BENEFITS OF THE STUDY

This user fee analysis will accomplish the following for the City of Hollywood:

- Provide an overall approach that will provide a consistent costing methodology with an emphasis on the implementation of specific recommended fees. Our approach recognizes the differences between the user of the service and the elasticity of each fee area;
- Identify opportunities for increased revenues by establishing new charges for services where appropriate; and
- Provide the City with documentation on all prospective user fees.

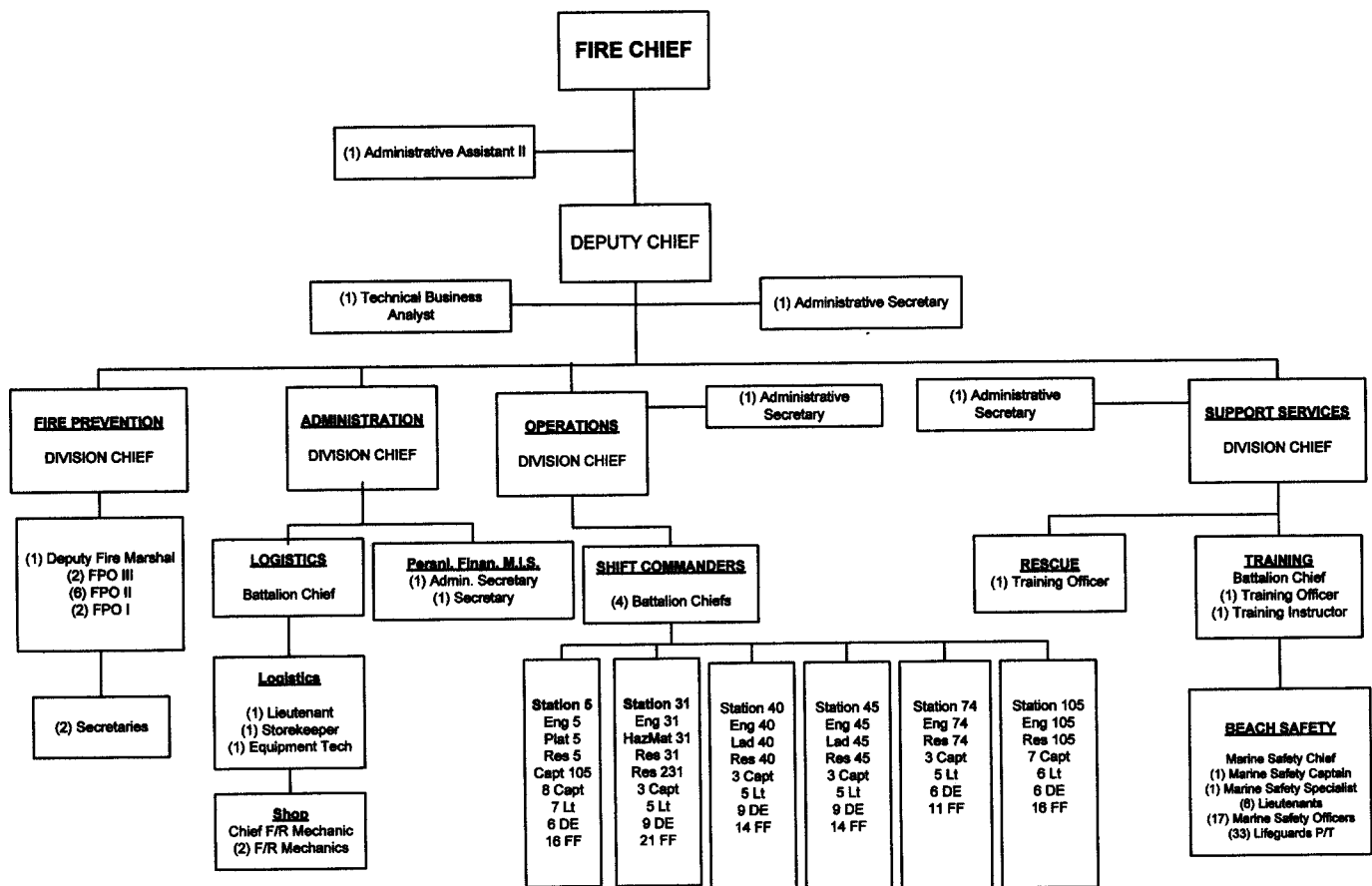
Fire Rescue Department Profile

The City of Hollywood Fire Rescue Department provides fire suppression and emergency medical rescue services to the Hollywood residents. In addition, the Fire Rescue Department provides other fire and medical related services including hazardous material response, state disaster response, dive rescue, emergency management and disaster preparedness, beach safety, fire prevention, including fire code enforcement and investigation, and life safety education. The Fire Rescue Department's fire service component is rated as a Class 1 Fire Service Department by the Insurance Service Organization (ISO). The Fire Rescue Department shares this rating with only 42 other fire districts out of the total 44,000 fire districts inspected by the ISO. The Fire Rescue Department's rescue service component is certified at an Advanced Life Support (ALS) level of service.

Table 1 illustrates the Fire Rescue Department's organizational structure and the relationship of the Fire Prevention Division within the Department.

Table 1
Fire Rescue Department's Organizational Chart

HOLLYWOOD FIRE RESCUE & BEACH SAFETY DEPARTMENT ORGANIZATIONAL CHART (FY '06)



Source: City of Hollywood, Fire Rescue and Beach Safety Department, (2006)

Prior to 1996, the City imposed user fees for fire inspections. The fire inspection fee program was last updated in 1993 and a new fee schedule was adopted in 1995. In 1996, the City initially developed and implemented a fire rescue assessment program that funded approximately \$5.2 million, or nearly 25 percent, of the \$20.8 million total assessable costs of the City's provided fire rescue services for the Fiscal Year 1996-97

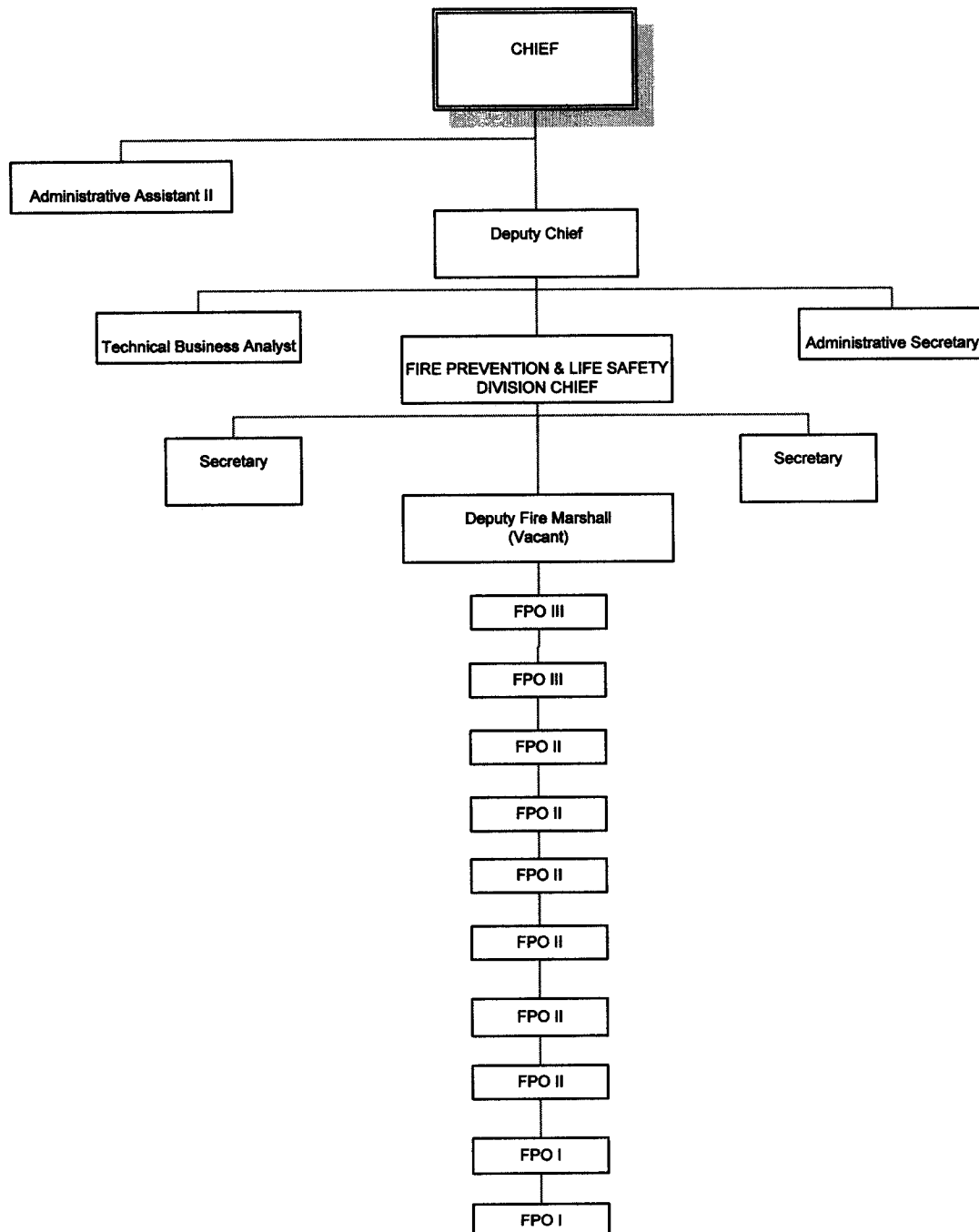
The Fire Rescue Department's Fiscal Year 2006-07 adopted budget is approximately \$42 million. The Fiscal Year 2006-07 fire rescue assessment adopted rates fund approximately 28.47% percent of the total Fire Rescue Department budget and fund approximately 53.18% percent of the assessable costs of providing fire suppression services. Therefore, the Fire Rescue Department is not fully funded by the fire rescue assessment program and must search for other alternative funding options.

The Fire Prevention Division has several responsibilities related to their primary function of fire prevention. These duties include investigating causes of fires, conducting public education and information programs, review site plans and construction plans for new developments, inspections for certificates of occupancy and occupational licenses and conducting annual fire inspections required by Florida statutes and the City ordinance. The Fire Prevention Division is staffed with the Division Chief (Fire Marshall), the Deputy Fire Marshall (Vacant), two Fire Prevention Officer III positions, six Fire Prevention Officer II positions, two Fire Prevention Officer I positions and two administrative staff positions.

Table 2 illustrates the Fire Prevention Division's organizational structure and relationship within the Fire Rescue Department.

Table 2
Fire Prevention Division's Organizational Chart

HOLLYWOOD FIRE PREVENTION DIVISION ORGANIZATIONAL CHART (FY '06)



User Fee Analysis and Recommendations

FIRE PREVENTION DIVISION BUDGETED COSTS

Table 3 provides the Fiscal Year 2006-07 adopted budget for the Fire Prevention Division to provide all services (fee and non-fee related).

Table 3
Fire Prevention Division Budget
Fiscal Year 2006-07

	Fiscal Year 2006-07 Budget
Personal Services	\$1,956,870
Operating Expenses	\$127,223
Capital Outlay	\$0
Debt Service	\$0
Total Expenditures	\$2,084,093

Using the total adopted expenditures for Fiscal Year 2006-07 and the recorded hours worked by Division staff in Fiscal Year 2005-06, the Fiscal Year 2006-07 cost per hour is \$130.00. This hourly rate includes all costs associated with the Division such as salaries, benefits and operating expenses.

ANNUAL INSPECTIONS COST ANALYSIS

Based on an activity analysis by Division staff, approximately sixty percent of the inspector's time is spent on conducting annual inspections. There are three cost components necessary to calculating a fee for annual inspections:

- Base component unrelated to size or height of structure or occupancy
- Size component related to size of structures or occupancies
- Height component related to number of stories within a structure or occupancy

Of the total time spent on conducting annual inspections, there is an amount of time related to the annual inspection regardless of the size or type of building or occupancy. This time is used to calculate the base component. This time is estimated at approximately ten minutes; therefore, the base charge is \$22.00. The base charge is applied to every multi-family dwelling unit or non-residential building or occupancy to be inspected.

The remainder of the time spent on annual inspections is related to the size of the building or occupancy to be inspected and number of stories within a structure or occupancy. The expenditures related to size component are allocated to the sizes of the non-residential building or occupancy based on the same square foot tier basis used for the fire rescue special assessment program.

The expenditures related to the height component are computed based on the time differential spent on single story versus multi-story buildings or occupancies. Interviews with Division staff indicate that each floor within a multi-story structure or occupancy required an additional twenty minutes; therefore the height component charge is \$44 00 per floor. The height charge is applied to every multi-story building or occupancy to be inspected over two stories, regardless of property category.

Interviews with Division staff indicate that re-inspections take the same base time but about one-half of the time spent on the initial inspection. Therefore, the re-inspection fee will include the base charge plus fifty percent of the size component charge.

PLANS REVIEW COST ANALYSIS

Based on interviews with Division staff, approximately one hour is spent on reviewing the building plans for multi-family development less than 10,000 square feet and approximately two hours are spent on reviewing the building plans for non-residential development less than 10,000 square feet. For every 10,000 square feet of additional multi-family or non-residential development, an incremental fifty percent of the initial time is spent on reviewing each additional 10,000 square feet.

There are times when the building plans require a re-review by the Division staff for minor issues; the Division wants to provide the first re-review at no charge. However, there are times when additional re-reviews must be made by the Division. Interviews with Division staff indicate that these additional reviews (after the first re-review) take about one-half of the time spent on the initial reviews. Therefore, the additional re-reviews after the first one should be charged at fifty percent of the original plans review charge.

RECOMMENDED FEES

In performing the service cost analysis of the City's Fire Prevention Division, GSG reached conclusions regarding the service fee amounts the City should consider charging. These results are presented in Tables 4 through 6. Table 4 illustrates the recommended fees for annual inspections of multi-family and non-residential properties that include the base component and size component. An additional fee should be charged for every multi-story building or occupancy over two stories regardless of property category.

Table 4
Fees for Annual Inspections¹

Residential Property Use Categories		
Multi-Family (Includes Apartments and Condos)	Rate Per Dwelling Unit	\$22
Non-Residential Property Use Categories	Building or Occupancy Classification (In Square Foot Ranges)	Rate Per Building or Occupancy
(Includes Commercial, Industrial, Warehouses, Institutional and Hotels and Motels)	≤ 1,999	\$52
	2,000 - 3,499	\$82
	3,500 - 4,999	\$127
	5,000 - 9,999	\$172
	10,000 - 19,999	\$322
	20,000 - 29,999	\$622
	30,000 - 39,999	\$922
	40,000 - 49,999	\$1,222
	≥ 50,000	\$1,522

¹ Table does not include additional fee of \$44.00 for every floor over two stories.

Table 5 illustrates the recommended fees for re-inspections for the annual inspections of multi-family and non-residential properties.

Table 5
Fees for Annual Re-Inspections¹

Residential Property Use Categories		
Multi-Family (includes Apartments and Condos)	Rate Per Dwelling Unit	\$22
Non-Residential Property Use Categories	Building or Occupancy Classification (In Square Foot Ranges)	Rate Per Building or Occupancy
(Includes Commercial, Industrial, Warehouses, Institutional and Hotels and Motels)	≤ 1,999	\$42
	2,000 - 3,499	\$62
	3,500 - 4,999	\$92
	5,000 - 9,999	\$122
	10,000 - 19,999	\$222
	20,000 - 29,999	\$422
	30,000 - 39,999	\$622
	40,000 - 49,999	\$822
	≥ 50,000	\$1,022

¹ Table does not include additional fee of \$44.00 for every floor over two stories.

Table 6 illustrates the recommended fees for plans reviews for multi-family and non-residential properties.

Table 6
Fees for Plans Review

Multi-Family (Includes Apartments and Condos)	Building or Occupancy Classification (In square foot ranges)	Rate Per Building or Occupancy
	≤ 10,000	\$130
	10,000 - 19,999	\$195
	20,000 - 29,999	\$260
	30,000 - 39,999	\$325
	40,000 - 49,999	\$390
	≥ 50,000	\$455
Non-Residential	Building or Occupancy Classification (In square foot ranges)	Rate Per Building or Occupancy
(Includes Commercial, Industrial, Warehouses, Institutional and Hotels and Motels)	≤ 10,000	\$260
	10,000 - 19,999	\$390
	20,000 - 29,999	\$520
	30,000 - 39,999	\$650
	40,000 - 49,999	\$780
	≥ 50,000	\$910

Table 7 illustrates the recommended fees for re-reviews of the plans for multi-family and non-residential properties after the first re-review

Table 7
Fees for Plans Re-Review

Multi-Family (Includes Apartments and Condos)	Building or Occupancy Classification (In square foot ranges)	Rate Per Building or Occupancy
	≤ 10,000	\$65
	10,000 - 19,999	\$98
	20,000 - 29,999	\$130
	30,000 - 39,999	\$163
	40,000 - 49,999	\$195
	≥ 50,000	\$228
Non-Residential	Building or Occupancy Classification (In square foot ranges)	Rate Per Building or Occupancy
(Includes Commercial, Industrial, Warehouses, Institutional and Hotels and Motels)	≤ 10,000	\$130
	10,000 - 19,999	\$195
	20,000 - 29,999	\$260
	30,000 - 39,999	\$325
	40,000 - 49,999	\$390
	≥ 50,000	\$455

ECONOMIC AND POLICY CONSIDERATIONS IN SETTING FEES

This section provides background information to consider in the setting of user fees. Setting fees is essentially equivalent to establishing the prices for services. In the private sector, prices are set to maximize profits. Profits are not an objective of the City when providing services. Therefore, fees should be established at a level which will recover the cost of providing each service. There are circumstances however, when it is reasonable to set fees at a level which does not reflect the full cost of providing the service. These circumstances are described in the following paragraphs.

ELASTICITY OF DEMAND

Sometimes, the price charged for a service affects the quantity demanded by potential users. In many cases, raising the price of a service results in fewer units of service purchased. This poses a problem for the City in attempting to set fees on a basis which will recover the full cost of providing the services. The unit cost is affected by the volume produced. If the fee discourages some citizens from using the service, the resulting decrease would increase the unit cost, requiring further fee increases to fully recover these costs.

SUBSIDIZATION POLICY

There may be circumstances where it is preferable to set the fees below the full cost for some services. Subsidies are provided for two purposes: (1) to permit an identified group to participate in services which they cannot otherwise afford, and (2) to provide benefits for groups beyond the immediate recipients of a service. Assuring access to important services to the public without regard to ability to pay is a legitimate function of government. The other type of subsidy is based on the premise that the services may provide benefits for those not qualifying as immediate recipients. For example, annual inspections ensure compliance with State and City ordinances which are designed to protect citizens from potential safety hazards. It may be appropriate to set a fee less than the full cost to spread the cost of the service over the larger base of potential beneficiaries.

ECONOMIC INCENTIVES

It may be desirable to use fees as a means of encouraging or discouraging certain activities or patterns of use. For example, setting a high fee for scarce resources may encourage conservation.

COMPETITIVE CONSTRAINTS

Although the City may monopolize certain services within its boundaries, there are instances of competitive pressure which constrain the ability to raise fees. When there are alternatives to service delivery available, the City may decide to set a fee less than the full cost to compete with the other service delivery providers.

PROJECTED REVENUES

The user fees presented in this report assume a certain portion of staff time and associated expenditures in conducting these services. As well, the user fees are based on the number of buildings or occupancies that require an annual inspection and the number of developments that require a plans review. The number of buildings or occupancies requiring an annual inspection was obtained from the non-ad valorem assessment roll maintained by the Property Appraiser's office on behalf of the City. This data will need to be verified by the Fire Prevention Division. The number of plan reviews conducted by the Division is experiencing a recent downturn due to the real estate market conditions in Florida, so the revenue projections cannot be estimated using historical trends. Accordingly, the projected revenues provided in Table 8 should be monitored during the initial year to avoid Division revenue shortfalls.

Table 8 illustrates the projected revenue by fee area and the assumptions used to predict the revenue.

Table 8
Projected Revenues

Fee Area	Assumption	Annual Revenue
Annual Inspections	Annual Division expenditures related to inspections, reduced by 20% for actual collections and assumes collection from tax-exempt properties of approximately \$92,000	\$1,043,828
Plans Review	FY 06 Actual Activity, reduced by 40%, calculated at lowest fee	\$91,182
Total Revenue		\$1,135,010

*Total Revenue equates to approximately 54% funding of the Division's FY '07 adopted budget of \$2,084,093.

Overview of Collection Methods

ANNUAL INSPECTIONS

The City of Hollywood has four options for collecting the fees for annual inspections. These are summarized and provided in the order of most efficient and effective collection mechanism, as follows:

- Option 1.** Ad valorem tax bill as additional non-ad valorem assessment amount
- Option 2:** Utility bill
- Option 3:** Issuance of Annual Occupational License
- Option 4.** Separate bill

Option 1. Ad valorem tax bill as non-ad valorem assessment

The City could construct an additional non-ad valorem assessment amount for the properties requiring annual inspections based on their annual inspection fee. The special assessment roll would have to be populated with the billing unit information necessary to calculate the annual inspection fee, but the fee structure has been developed to parallel the existing fire special assessment methodology so this effort would be minimal. Issues related to multiple buildings or occupancies with mixed uses or a single mixed use building or occupancy would require a one-time resolution before billing. In addition, this mechanism would not allow for collection of institutional, tax-exempt (including government) properties that are currently exempt from the fire assessment program. An additional issue related to including the annual inspection fee in the non-ad valorem assessment program is that the additional amount could be construed as an assessment rate increase.

Option 2: Utility bill

The City could include the annual inspection fee in the January (or another month) utility bill issued by the City. However, the utility billing system would have to be populated with the billing unit information necessary to calculate the annual inspection fee. In addition, the utility bill would be sent to the utility account customer, who might not be the property owner, which may result in non-payment. Finally, it may not be legally feasible to turn off utility services such as water or sewer for non-payment of the annual inspection fee.

Option 3: Issuance of Annual Occupational License

The City can require payment of the fee for annual inspections as a prerequisite for obtaining an occupational license to conduct business in the City. The occupational license database would have to be populated with the billing unit information necessary to calculate the annual inspection fee. However, it is important to note that not all businesses abide by the requirement for obtaining occupational licenses, and therefore may not pay annual inspection fees nor comply with annual inspection requirements.

Option 4. Separate bill

The City can mail a separate bill to the property owner of the property to be inspected, using the information from the ad valorem tax roll, utility billing system and/or occupational license database. The database used to create the separate bill would have to be populated with the billing unit information necessary to calculate the annual inspection fee. The enforcement mechanism and collection rate associated with the use of a separate bill is a lien process with the lowest collection rate of the four options.

PLANS REVIEW

For collecting the fees for plans review services, the City of Hollywood should piggyback the collection methods and timing of collection used by the City's Building Department for collection of the Building Department plans review fees.

Future Fee Analysis

This User Fee Cost Recovery report has only examined the use of fees to recover the costs of providing two services within the Fire Prevention Division:

- Annual inspections
- Plans review

However, in order to continue to accurately account for, collect, and recoup expenditures within these fee areas, the Fire Prevention Division should implement procedures to better monitor the time spent on these additional activities, including the number of units and number of actual square footage inspected within each inspection category

There are opportunities to develop and implement additional fees for other services within the Fire Prevention Division in the future. Typical fee areas include:

- Inspections for
 - Alarm systems
 - Spray booths
 - Smoke evacuation systems
 - Standpipe/sprinklers
- Catering unit inspections
- Hazardous materials inspections

In order to pursue any of these available fee areas, the Fire Prevention Division should implement procedures to monitor the time spent on these additional activities, as well as the number of such activities conducted. This will enable the Division to develop sufficient data to allow for the future implementation and collection of these new fee areas.

APPENDIX C

FORM OF NOTICE TO BE PUBLISHED

APPENDIX C

FORM OF NOTICE TO BE PUBLISHED

To Be Published by August 24, 2009

[INSERT MAP OF CITY]

NOTICE OF HEARING TO IMPOSE AND PROVIDE FOR COLLECTION OF FIRE INSPECTION SPECIAL ASSESSMENTS

Notice is hereby given that the City Commission of the City of Hollywood will conduct a public hearing to consider imposing fire inspection special assessments for the provision of fire inspection services within the City of Hollywood.

The hearing will be held at 6:00 p.m. on September 14, 2009, in the City Commission Room, General Joseph W. Watson Circle, 2600 Hollywood Boulevard, Hollywood, Florida, for the purpose of receiving public comment on the proposed assessments. All affected property owners have a right to appear at the hearing and to file written objections with the City Commission within 20 days of this notice. If a person decides to appeal any decision made by the City Commissioners with respect to any matter considered at the hearing, such person will need a record of the proceedings and may need to ensure that a verbatim record is made, including the testimony and evidence upon which the appeal is to be made. In accordance with the Americans with Disabilities Act, persons needing a special accommodation or an interpreter to participate in this proceeding should contact the Office of the City Manager at (954) 921-3201 (voice) or (800) 955-8771 (V-TDD) at least five business days prior to the date of the hearing.

The assessment for each parcel of property will be based upon each parcel's classification and the total number of billing units attributed to that parcel. The following table reflects the proposed fire inspection assessment schedule.

Billing Unit Type	Building Area	MultiFamily Rates	Non-Residential Rates
Dwelling Unit	N/A	\$22	
Building	≤ 1,999 sq ft		\$52
	2,000 - 3,499 sq ft		\$82
	3,500 - 4,999 sq ft		\$127
	5,000 - 9,999 sq ft		\$172
	10,000 - 19,999 sq ft		\$322
	20,000 - 29,999 sq ft		\$622
	30,000 - 39,999 sq ft		\$922
	40,000 - 49,999 sq ft		\$1,222
	≥ 50,000 sq ft		\$1,522

Copies of the Fire Inspection Assessment Ordinance, Initial Assessment Resolution and the preliminary Assessment Roll are available for inspection at the City Clerk's office in Room 221, General Joseph W Watson Circle, 2600 Hollywood Boulevard, Hollywood, Florida.

The assessments for non-Government Property will be collected on the ad valorem tax bill to be mailed in November 2009, as authorized by Section 197 3632, Florida Statutes. Failure to pay the assessments will cause a tax certificate to be issued against the property which may result in a loss of title. The assessments for Government Property will be collected pursuant to a separate bill to be provided by the City

If you have any questions, please contact the City Fire Prevention Division at (954) 967-4404

CITY COMMISSION
OF HOLLYWOOD, FLORIDA

APPENDIX D

FORM OF NOTICE TO BE MAILED

APPENDIX D

**FORM OF NOTICE TO BE MAILED
IF TRIM NOT USED**

******* NOTICE TO PROPERTY OWNER *******

**City of Hollywood
P O. Box 229045
Hollywood, Florida 33022**

**CITY OF HOLLYWOOD, FLORIDA
NOTICE OF HEARING TO IMPOSE AND PROVIDE
FOR COLLECTION OF FIRE INSPECTION NON-AD
VALOREM ASSESSMENTS
NOTICE DATE. August 24, 2009**

Owner Name

Address

City, State Zip

Tax Parcel # _____

Legal Description _____

As required by Section 197.3632, Florida Statutes, notice is given by the City of Hollywood that an annual assessment for fire inspection services using the tax bill collection method, may be levied on your property for the fiscal year October 1, 2009 - September 30, 2010. The purpose of this assessment is to fund fire inspection services benefiting certain improved property located within the City of Hollywood. The total annual fire inspection assessment revenue to be collected within the City of Hollywood is estimated to be \$_____. The annual fire inspection assessment is based on the classification of each parcel of property and number of billing units contained therein.

The above parcel is classified as _____

The total number of number of billing units on the above parcel is _____

The annual fire inspection assessment for the above parcel for Fiscal Year 2009-10 and future fiscal years is \$_____

A public hearing will be held at 6:00 p.m. on September 14, 2009, in the City Commission Room, General Joseph W. Watson Circle, 2600 Hollywood Boulevard, Hollywood, Florida for the purpose of receiving public comment on the proposed assessments. You and all other affected property owners have a right to appear at the hearing and to file written objections with the City Commission within 20 days of this notice. If you decide to appeal any decision made by the City Commission with respect to any matter considered at the hearing, you will need a record of the proceedings and may need to ensure that a verbatim record is made, including the testimony and evidence upon which the appeal is to be made. In accordance with the Americans with Disabilities Act, persons needing a special accommodation or an interpreter to participate in this proceeding should contact the Office of the City Manager at (954) 921-3201 (voice) or (800) 955-8771 (V-TDD) at least five business days prior to the date of the hearing.

Unless proper steps are initiated in a court of competent jurisdiction to secure relief within 20 days from the date of City Commission action at the above hearing (including the method of apportionment, the rate of assessment and the imposition of assessments), such action shall be the final adjudication of the issues presented.

Copies of the Fire Inspection Assessment Ordinance, the Initial Assessment Resolution and the preliminary assessment roll are available for inspection at the City Clerk's office, Room 221, General Joseph W. Watson Circle, 2600 Hollywood Boulevard, Hollywood, Florida.

Both the fire inspection non-ad valorem assessment amount shown on this notice and the ad valorem taxes for the above parcel will be collected on the ad valorem tax bill mailed in November. Failure to pay the assessments will cause a tax certificate to be issued against the property which may result in a loss of title.

If there is a mistake on this notice, please contact the City so it can be corrected. If you have any questions regarding your fire inspection assessment or require corrections, please contact the City Fire Prevention Division at (954) 967-4404.

***** THIS IS NOT A BILL *****