

City of Hollywood, Florida

Fire Inspection Fee Memorandum

June 2024

Presented By:

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Introduction

The City of Hollywood (City) has engaged the professional services and specialized assistance of Anser Advisory Consulting, LLC. (Anser), formerly known as Government Services Group, to assist with updating the City's fire inspection fees for Fiscal Year 2024-25.

Anser is a consulting firm that specializes in addressing and resolving local government finance and taxation issues by working with cities, counties, special districts, and state agencies to develop uniquely tailored funding and service delivery solutions for critical infrastructure and service needs.

This document is the City of Hollywood Fire Inspection Fee Memorandum (Inspection Fee Memorandum), which is one of the project deliverables specified by the agreed-to Scope of Services.

BACKGROUND

In Fiscal Year 2023-24, the fire inspection fee program funded approximately \$2.85 million of the City's total fire prevention costs. Table 1 lists the current fire inspection fees as implemented by the City for Fiscal Year 2023-24.

Table 1
City of Hollywood Fire Inspection Fees (Fiscal Year 2023-24)

Residential Property Use Categories		Rate Per Dwelling Unit
Dwelling Unit		\$19
Non-Residential Property Use Categories	Building Classifications (in square foot ranges)	Non-Residential
	≤ 2,499	\$124
	2,500 – 4,999	\$228
	5,000 – 7,499	\$437
	7,500 – 9,999	\$646
	10,000 – 19,999	\$855
	20,000 – 29,999	\$1,691
	30,000 – 39,999	\$2,527
	40,000 – 49,999	\$3,363
	50,000 – 59,999	\$4,199
	60,000 – 69,999	\$5,035
	70,000 – 79,999	\$5,871
	80,000 – 89,999	\$6,707
	90,000 – 99,999	\$7,543
	100,000 – 124,999	\$8,379
	125,000 – 149,999	\$10,469
	> 149,999	\$12,559

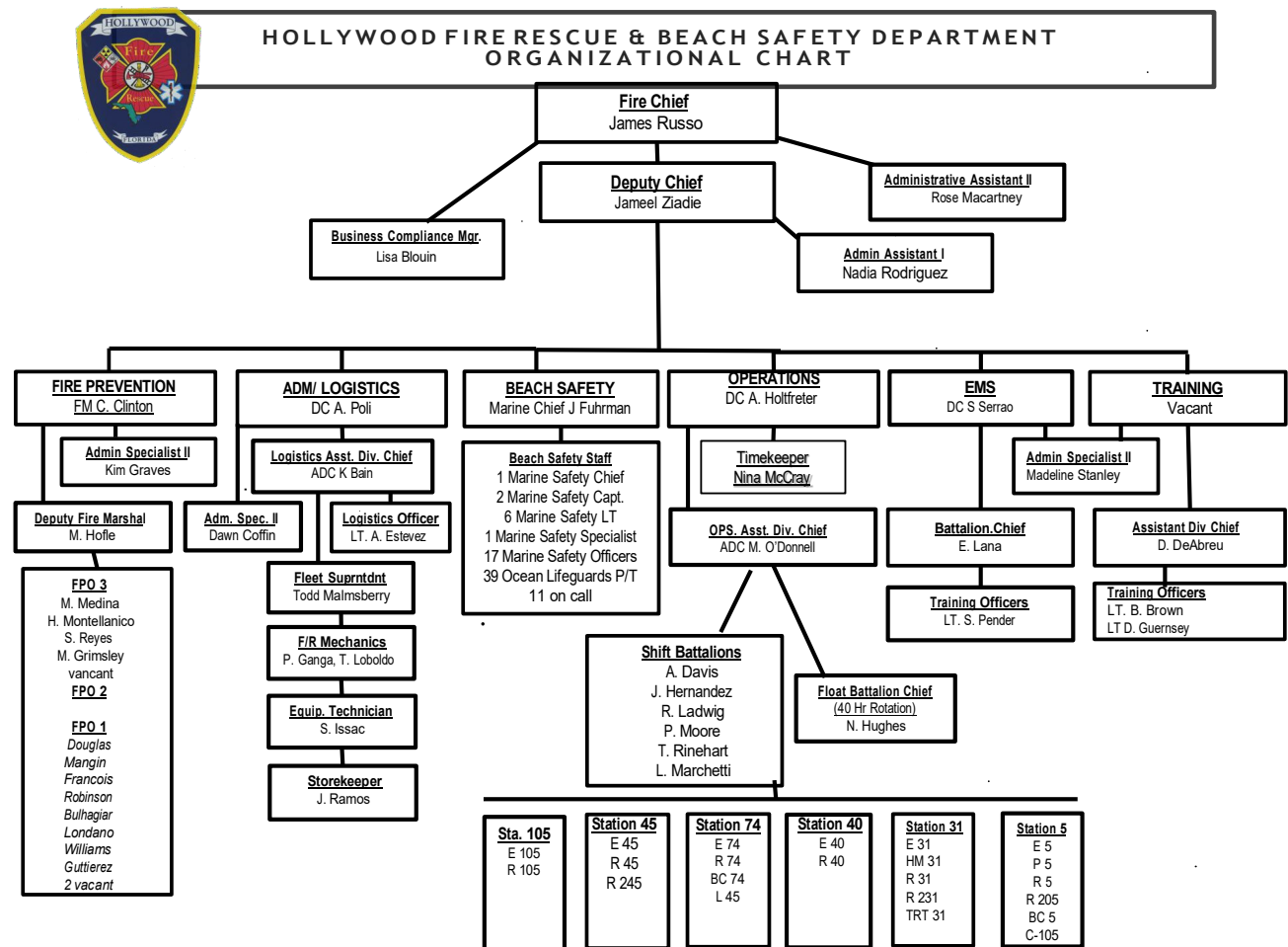
For Fiscal Year 2024-25, the City has decided to update the fire inspection fee program to reflect changes in the City's fire prevention budget, property composition and fire prevention operations.

Fire Rescue Department Profile

In addition to standard fire suppression and emergency medical rescue services, the Fire Rescue Department provides additional services including hazardous material response, state disaster response, emergency management and disaster preparedness, beach safety, fire prevention including 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's rescue service component is certified at an Advanced Life Support (ALS) level of service.

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

Table 2
Fire Rescue Department's Organizational Chart



Dept. Personnel.ppt April 16, 2024

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. In the upcoming year, the Fire Prevention Division is projected to be staffed with the Division Chief (Fire Marshall), the Deputy Fire Marshall (Battalion Chief), five Fire Prevention Officer III positions, three Fire Prevention Officer II positions, seven Fire Prevention Officer I positions, and two administrative staff positions.

Recoverable Costs

The first step in the analysis was to determine the portion of the Fire Prevention costs that could be included in the fee calculations given the fact that the Fire Prevention Division performs other tasks/duties that are not related to fire inspections. The personnel costs and a relative portion of the operating costs for each position within the Fire Prevention Division were allocated to the recoverable fire inspection budget based on the estimated time associated with fire inspections for each position. These calculations are shown in Table 3 below.

Table 3
Fire Prevention Division Cost Allocation (Fiscal Year 2025)

Position	FY 25 Total Personnel Expenses	FY 25 Operating Expense Allocation	FY 25 Personnel and Operating Expenses	Staff Time Allocation	Assessable Personnel and Operating Expenses FY 2025
Administrative Specialist I - 1054	\$104,972	\$2,184	\$107,157	60%	\$64,294
Fire Prevention Officer III - 3005	\$239,132	\$4,976	\$244,108	40%	\$97,643
Fire Prevention Officer I - 3000	\$206,394	\$4,295	\$210,689	90%	\$189,620
Fire Prevention Officer I - 3000	\$206,394	\$4,295	\$210,689	90%	\$189,620
Fire Prevention Officer I - 3000	\$166,231	\$3,459	\$169,691	90%	\$152,722
Fire Marshal/Division Chief - 3009	\$417,715	\$8,692	\$426,407	25%	\$106,602
Fire Prevention Officer I - 3000	\$179,115	\$3,727	\$182,842	90%	\$164,558
Fire Prevention Officer I - 3000	\$166,578	\$3,466	\$170,044	90%	\$153,040
Administrative Specialist II - 1058	\$129,659	\$2,698	\$132,357	85%	\$112,504
Fire Prevention Officer III - 3005	\$216,985	\$4,515	\$221,500	40%	\$88,600
Fire Prevention Officer I - 3000	\$169,674	\$3,531	\$173,204	90%	\$155,884
Deputy Fire Marshal/Battalion Chief - 2065	\$399,675	\$8,317	\$407,992	50%	\$203,996
Fire Prevention Officer I - 3000	\$165,267	\$3,439	\$168,706	90%	\$151,836
Fire Prevention Officer I - 3000	\$166,578	\$3,466	\$170,044	90%	\$153,040
Fire Prevention Officer III - 3005	\$289,070	\$6,015	\$295,086	40%	\$118,034
Fire Prevention Officer III - 3005	\$302,155	\$6,288	\$308,442	40%	\$123,377
Fire Prevention Officer III - 3005	\$220,478	\$4,588	\$225,066	40%	\$90,026
Fire Prevention Officer I - 3000	\$166,231	\$3,459	\$169,691	90%	\$152,722
Fire Prevention Officer I - 3000	\$169,292	\$3,523	\$172,815	90%	\$155,534
	\$4,081,594	\$84,936	\$4,166,530		\$2,623,649

ADDITIONAL COST CALCULATIONS

The total fire inspection recoverable cost calculations are based on the following assumptions for the purpose of this Fire Inspection Fee Memorandum.

- Pursuant to section 197.3632, Florida Statutes, the tax collector and property appraiser may each enter into an agreement with the local government for reimbursement of necessary administrative costs incurred from the collection of the non-ad valorem assessment. Accordingly, if any such fee(s) is charged, the fee may be recouped as an add-on to the total assessable costs for the year.

The line item "Collection Costs @ 2% (tax collector)" under "Additional Costs" reflects reimbursement for the collection costs associated with the non-ad valorem assessment incurred by the Tax Collector. Pursuant to section 197.3632, Florida Statutes, a municipal or county government shall only compensate the tax collector for the actual costs of collecting the non-ad valorem assessment. Accordingly, the Tax Collector's collection costs are estimated to be 2% of the total assessable costs. The applied collection charge is estimated to be adequate to cover the Tax Collector's actual collection costs.

The line item "BCPA Costs (@ \$0.50 per parcel)" reflects the costs agreed upon by the Property Appraiser's office for the collection of the Fire Inspection Assessment. These costs are calculated at \$0.50 per assessed parcel to cover the cost of collection.

- The line item "Statutory Discount @ 5%" under "Additional Costs" reflects a 95% collection of the Fire Inspection Assessment to cover the 4% statutory discount allowed by the Uniform Method and 1% reserve for under collection. Accordingly, the statutory discount is budgeted at 5% of the total assessable costs.
- The line item "Study Reimbursement" under "Additional Costs" is the reimbursement to the City for the costs of conducting the study. These costs are reimbursable through the fire inspection fee program.

Table 4 provides a calculation of the total recoverable fire inspection costs for the Fiscal Year 2025 based on an application of the above factors to the projected two-year average budget as provided by the City. The calculation yields a total recoverable cost of \$2,853,688 for Fiscal Year 2025.

Table 4

Fire Prevention Division Total Recoverable Cost Calculations (Fiscal Year 2025)

Expenditures	
Recoverable Personnel and Operating Expenses	\$2,623,649
Subtotal	\$2,623,649
Additional Costs	
Collection Costs @ 2% (tax collector)	\$57,027
Statutory Discount @ 5% (4% early payment / 1% non-collection)	\$142,566
Study Reimbursement/Annual Maintenance	\$15,000
Broward County PA Costs	\$13,084
Total Additional Costs	\$227,677
Total Recoverable Costs	\$2,851,326

The fire rescue assessable cost calculations for Fiscal Year 2026 are based on the following assumptions for the purpose of this Fire Rescue Assessment Report.

- A three percent annual increase was applied across all personnel and operating expense, unless otherwise directed by the City.
- No annual increase was applied to “Revenues”.

Table 5 shows the calculation of the full cost of the Fire Inspection Program for Fiscal Year 2026 as well as the two-year average budget for Fiscal Years 2025 and Fiscal Year 2026.

Table 5
Fire Prevention Division Cost Allocation (Fiscal Year 2026 and Two-Year Average)

Position	FY 2026 Personnel and Operating Expenses	Two-Year Average Assessable Personnel and Operating Expenses
Administrative Specialist I - 1054	\$66,223	\$65,258
Fire Prevention Officer III - 3005	\$100,573	\$99,108
Fire Prevention Officer I - 3000	\$195,308	\$192,464
Fire Prevention Officer I - 3000	\$195,308	\$192,464
Fire Prevention Officer I - 3000	\$157,303	\$155,012
Fire Marshal/Division Chief - 3009	\$109,800	\$108,201
Fire Prevention Officer I - 3000	\$169,495	\$167,026
Fire Prevention Officer I - 3000	\$157,631	\$155,335
Administrative Specialist II - 1058	\$115,879	\$114,191
Fire Prevention Officer III - 3005	\$91,258	\$89,929
Fire Prevention Officer I - 3000	\$160,560	\$158,222
Deputy Fire Marshal/Battalion Chief - 2065	\$210,116	\$207,056
Fire Prevention Officer I - 3000	\$156,391	\$154,113
Fire Prevention Officer I - 3000	\$157,631	\$155,335
Fire Prevention Officer III - 3005	\$121,575	\$119,805
Fire Prevention Officer III - 3005	\$127,078	\$125,228
Fire Prevention Officer III - 3005	\$92,727	\$91,377
Fire Prevention Officer I - 3000	\$157,303	\$155,012
Fire Prevention Officer I - 3000	\$160,200	\$157,867
	\$2,702,359	\$2,663,004
Total Additional Costs	\$217,472	\$222,574
Total Recoverable Costs	\$2,919,831	\$2,885,578

Computation of Fire Inspection Fees

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 fee. This time is estimated at approximately ten minutes; therefore, the base charge is \$18. This is based on the total recoverable costs from Table 4, divided by the total annual staff hours worked, as shown in Table 6 below.

Table 6
Fire Prevention Base Rate Calculations

Total Recoverable Costs	\$2,885,578
Total Hours	27,456
Hourly Rate	\$105
Base Rate (10 Minutes)	\$18

The base charge is applied to every multi-family dwelling unit to be inspected. The total multi-family residential units and their associated estimated fire inspection fees are shown in Table 7.

Table 7
Residential Dwelling Units and Estimated Total Fees

Number of Residential Units	37,436
Base Rate	\$18
Total Residential Fees	\$673,848

The remainder of the time and associated costs are related to non-residential inspections that are based on the size of the building or occupancy to be inspected. 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 non-residential building counts and the associated assigned square footage area are shown in table 8.

Table 8
Non-Residential Units and Assigned Area

Square Foot Tier	Assigned Area	Building Count	Total Assigned Area
≤ 2,499	1,250	1,277	1,596,250
2,500 - 4,999	2,500	846	2,115,000
5,000 - 7,499	5,000	400	2,000,000
7,500 - 9,999	7,500	180	1,350,000
10,000 - 19,999	10,000	272	2,720,000
20,000 - 29,999	20,000	81	1,620,000
30,000 - 39,999	30,000	46	1,380,000
40,000 - 49,999	40,000	30	1,200,000
50,000 - 59,999	50,000	29	1,450,000
60,000 - 69,999	60,000	19	1,140,000
70,000 - 79,999	70,000	23	1,610,000
80,000 - 89,999	80,000	12	960,000
90,000 - 99,999	90,000	13	1,170,000
100,000 - 124,999	100,000	21	2,100,000
125,000 - 149,999	125,000	13	1,625,000
≥ 150,000	150,000	31	4,650,000
Total		3,293	28,686,250

The non-residential variable costs were calculated as shown in Table 9 by subtracting the total residential fees from Table 7 and the total non-residential base fees (3,293 buildings x \$18) from the total recoverable costs shown in Table 5. The variable costs were then divided by the total assigned non-residential square footage from Table 8 to get the variable rate per square foot.

Table 9
Non-Residential Variable Cost Calculations

Total Assessable Costs	\$2,885,578
Total Residential Fees	\$673,848
Total Non-Residential Fees	\$2,211,730
Non-Residential Base Cost	\$59,274
Non-Residential Variable Cost	\$2,152,456
Non-Residential Variable Rate	\$0.08

The base rate was added to the non-residential variable rate per square foot for each tier to get the total fire inspection fee for each tier as shown in Table 10.

Table 10
Non-Residential Fees

Square Foot Tier	Total Non-Residential Rates
≤ 2,499	\$112
2,500 - 4,999	\$206
5,000 - 7,499	\$394
7,500 - 9,999	\$582
10,000 - 19,999	\$769
20,000 - 29,999	\$1,520
30,000 - 39,999	\$2,271
40,000 - 49,999	\$3,022
50,000 - 59,999	\$3,773
60,000 - 69,999	\$4,524
70,000 - 79,999	\$5,275
80,000 - 89,999	\$6,026
90,000 - 99,999	\$6,777
100,000 - 124,999	\$7,528
125,000 - 149,999	\$9,406
≥ 150,000	\$11,283

Table 11 summarizes the estimated Fiscal Year 2025 revenues accounting for the impact of exempting tax-exempt and governmental property.

Table 11
Estimated Revenue and Exemptions (Fiscal Year 2025)

Financial Classification	Fiscal Year 2025
Estimated Recoverable Costs	\$2,885,578
Estimated Buy-down for Governmental Tax-Exempt	\$340,508
Estimated Buy-down for Disabled Veterans and First Responders	\$4,464
Estimated Revenue Generated	\$2,540,606

Appendix A

ALTERNATIVE RATE SCENARIOS 97.5%, 95%, 92.5%, 90%

Fire Inspection Fees (Two-Year Average 97.5% Funding)**Residential Fees**

Rate Per Dwelling Unit	\$17.00
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Non-Residential Fees

Square Foot Tier	Total Non-Residential Rates
≤ 2,499	\$110
2,500 - 4,999	\$202
5,000 - 7,499	\$387
7,500 - 9,999	\$572
10,000 - 19,999	\$757
20,000 - 29,999	\$1,497
30,000 - 39,999	\$2,237
40,000 - 49,999	\$2,977
50,000 - 59,999	\$3,717
60,000 - 69,999	\$4,457
70,000 - 79,999	\$5,197
80,000 - 89,999	\$5,937
90,000 - 99,999	\$6,677
100,000 - 124,999	\$7,417
125,000 - 149,999	\$9,267
≥ 150,000	\$11,117

Fire Inspection Fees (Two-Year Average 95% Funding)**Residential Fees**

Rate Per Dwelling Unit	\$17.00
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Non-Residential Fees

Square Foot Tier	Total Non-Residential Rates
≤ 2,499	\$107
2,500 - 4,999	\$196
5,000 - 7,499	\$375
7,500 - 9,999	\$554
10,000 - 19,999	\$732
20,000 - 29,999	\$1,447
30,000 - 39,999	\$2,162
40,000 - 49,999	\$2,877
50,000 - 59,999	\$3,592
60,000 - 69,999	\$4,307
70,000 - 79,999	\$5,022
80,000 - 89,999	\$5,737
90,000 - 99,999	\$6,452
100,000 - 124,999	\$7,167
125,000 - 149,999	\$8,955
≥ 150,000	\$10,742

Fire Inspection Fees (Two-Year Average 92.5% Funding)**Residential Fees**

Rate Per Dwelling Unit	\$16.00
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Non-Residential Fees

Square Foot Tier	Total Non-Residential Rates
≤ 2,499	\$104
2,500 - 4,999	\$192
5,000 - 7,499	\$368
7,500 - 9,999	\$544
10,000 - 19,999	\$720
20,000 - 29,999	\$1,424
30,000 - 39,999	\$2,128
40,000 - 49,999	\$2,832
50,000 - 59,999	\$3,536
60,000 - 69,999	\$4,240
70,000 - 79,999	\$4,944
80,000 - 89,999	\$5,648
90,000 - 99,999	\$6,352
100,000 - 124,999	\$7,056
125,000 - 149,999	\$8,816
≥ 150,000	\$10,576

Fire Inspection Fees (Two-Year Average 90% Funding)**Residential Fees**

Rate Per Dwelling Unit	\$16.00
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Non-Residential Fees

Square Foot Tier	Total Non-Residential Rates
≤ 2,499	\$101
2,500 - 4,999	\$186
5,000 - 7,499	\$356
7,500 - 9,999	\$526
10,000 - 19,999	\$695
20,000 - 29,999	\$1,374
30,000 - 39,999	\$2,053
40,000 - 49,999	\$2,732
50,000 - 59,999	\$3,411
60,000 - 69,999	\$4,090
70,000 - 79,999	\$4,769
80,000 - 89,999	\$5,448
90,000 - 99,999	\$6,127
100,000 - 124,999	\$6,806
125,000 - 149,999	\$8,504
≥ 150,000	\$10,201