

# Budget Support Through Fire Prevention

<b>Introduction</b>	<b>3</b>
<b>Primary Issues</b>	<b>3</b>
<b>Past Actions</b>	<b>4</b>
<b>FEMA Sample Billing Rates</b>	<b>5</b>
<b>Fire Recovery USA Solutions</b>	<b>6</b>
<b>Benefits</b>	<b>8</b>
<b>Case Studies</b>	<b>9</b>

### **Introduction**

Today's Fire Departments are struggling to keep up with demand. Governmental budgets are decreasing and costs are on the rise. Fire prevention has become an increasingly important element of a fire department's need to reduce incidents. Combined with cost recovery it can also provide budget support.

### **Primary Issues**

Funding for public services has been flat or decreasing over the past several years and there is no apparent relief in sight. There simply is not enough revenue to support the commitments for public services. Fire departments need to continue to provide a high level of service, even with increasing costs and a lower level of support.

### **Past Actions**

Historically many fire departments have only inspected high risk or high impact facilities and most departments have provided these services at minimal charge even though their cost is significant.

### **FIREHOUSE Software/Fire Recovery USA Solutions**

Combining technology with automation for full inspections as well as a self-inspection program, fire departments can complete annual inspections for ALL businesses, which will provide a higher level of review and safety compliance thus reducing fire suppression response.

### **Benefits**

We'll explore how a simplified inspection program can benefit a fire department both with efficiency and revenue.

### **Case Studies**

A demonstration of how FH Inspector for iPad combined with Fire Recovery USA's solutions assisted actual fire departments.

# Budget Support Through Fire Prevention

## Introduction

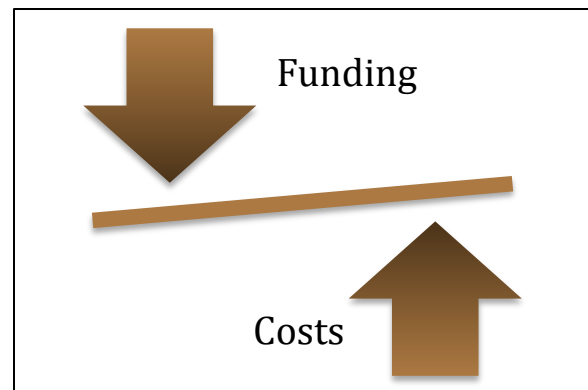
In this paper we will demonstrate the ability for a fire department to obtain a substantial increase in public safety. We will show how it is possible to maintain safety oversight over all business within a community even with a manpower shortage. We will also demonstrate how your inspection and safety programs, though cost recovery, can create budget support both short and long term.

## Primary Issues

Fire Departments are being asked to provide more services with either static or reduced budgets. Fire Department responsibilities now extend to all facets of every day life including fire response, paramedic response, haz-mat inventory and oversight, accident response, and business safety. All of this oversight comes with a cost and manpower requirement. Most of the time this exceeds a departments physical and financial capabilities.

A simplified example of this business oversight, Fire Departments have a responsibility to assure public safety in businesses. This typically involves a safety review of the space. Many fire departments do not fulfill this obligation or partially fulfill this obligation by only inspecting high risk businesses.

This causes a potential for fire and safety exposure to the public as well as potential fire suppression response cost to the fire department.



## Past Actions

One solution to complete the required inspections was to create a team of dedicated fire inspectors in order to assist the company fire inspections. While this did increase the number of inspections completed annually, the expense rose commensurate with the personnel and therefore, was not feasible as there was no budget support for the program.

Another approach was to lower the number of annual inspections required to be performed, which, while helping to meet a fire department's goals, was not a satisfactory solution from a safety perspective. By simply not assigning an inspection the public safety is potentially compromised and the fire departments responsibilities are not met.

Fire Departments have utilized a system of Self-Inspections to fulfill their inspection and oversight requirements in the past. While not impacting manpower, these programs were implemented by sending an inspection form to a business then reviewing the results of this paper form when it was returned. The forms were then held in inventory as confirmation of an inspection completion.

This method of accountability, although better than nothing was very difficult to administer and had very little assurance of accuracy. There was typically no long term method of checks and balances as the fire departments still lacked adequate manpower to fully audit and inspect all business on a regular basis. It was a program which was better than doing nothing but still had large lapses and dependency on unaudited statements and yielded low collection rates.

In some areas fire departments began charging for inspections as a method to provide funding for their fire prevention programs. The billing volume and amount typically varied by department, with most billing only permit and high risk inspections.

This provided some relief for departments but was typically not adequate to fully fund the fire prevention program so in most cases there was still a significant gap between the fire prevention funding and their obligations.

## FEMA Recommends Cost Recovery for Fire Prevention

**For many years FEMA has been recommending charging fees for inspections. In their 2012 paper Funding Alternatives for Emergency Medical and Fire Services, they say:**

*“Inspection fees have long been used by fire departments to provide funding for fire prevention. Fee schedules vary among jurisdictions. Inspection fees may be based upon the type of inspection conducted (initial or reinspection), the occupancy (educational, industrial, residential, etc.), and the size of the building. Many departments charge a flat fee for initial inspections with additional fees for each subsequent reinspection. Additional fees may be charged when special hazards are present, such as hazardous materials storage areas.*

*Business self-inspection programs have become an accepted way to address low-hazard occupancies, while making certain the fire department has the necessary information on businesses operating within the jurisdiction and the types of hazards present. Self-inspection programs involve sending a checklist to the registered business operator. The owner completes and returns the checklist to the fire department along with a nominal fee in exchange for a Certificate of Inspection. Some fire departments conduct random audit inspections to ensure proper compliance. Self-inspection programs only work for low-hazard occupancies. The advantage is that self-inspections collect information the firefighters need, while also providing a revenue stream for fire prevention services at little cost to the department.”*

[www.usfa.dhs.gov/downloads/pdf/publications/fa-141.pdf](http://www.usfa.dhs.gov/downloads/pdf/publications/fa-141.pdf)

# FEMA Sample Inspection Billing Rates

<b>ANNUAL FIRE INSPECTION FEE SCHEDULE</b>		
<b>Assembly Occupancies (Based on Occupant load)</b>		
A-3	Class A (greater than 999)	\$162.98
A-2	Class B (between 300 and 999)	\$114.09
A-1	Class C (between 50 and 299)	\$70.63
<b>Educational</b>		
E-1	Under 5,000 sq. ft.	\$54.34
E-2	5,001 to 10,000 sq. ft.	\$108.66
E-3	All others	\$54.85
	Daycare centers	\$54.85
<b>Health Care/Institutional</b>		
	Ambulatory health-care centers	\$54.85
	Limited-care facilities	\$54.85
C-1	Nursing homes	\$162.98
	Hospitals	\$271.64
<b>Detention and Correction Occupancies</b>		
	All types	\$271.64
<b>Residential Occupancies (per unit charge)</b>		
M-F	Multifamily 1-2 stories	\$5.44
M-F	Multifamily 3-4 stories	\$5.44
M-F	Multifamily 5 stories and over	\$5.44
A L	Assisted living (per bed)	\$5.44
D-1	Hotel or motel facility (per bed)	\$5.44
<b>Mercantile, Business and Storage</b>		
B-1	3,000 sq. ft. and under	\$54.85
B-2	3,001 to 6,000 sq. ft.	\$70.63
B-3	6,001 to 10,000 sq. ft.	\$114.09
B-4	10,001 sq. ft. and over	\$162.98
<b>Industrial/Manufacturing</b>		
F-1	Under 12,000 sq. ft.	\$81.48
F-2	12,000 and over	\$162.98
<b>Other structures and required permits by National Fire Protection Association (NFPA)</b>		\$54.85
<b>Review of fire and/or disaster operational plans</b>		\$54.85
<b>Locked or blocked exit door will be immediate fine of</b>		\$81.59 each



These solutions, however, may not go far enough in today's economic environment to fully offset the costs of the inspection programs and the problem of full compliance still exists. New solutions can be explored.

## FIREHOUSE Software / Fire Recovery USA Solutions

Combining technology with automation for full inspections as well as a self-inspection program for low-risk, low-occupancy businesses, fire departments can complete annual base level inspections for ALL businesses. By incorporating billing for inspections, this program can fully fund itself, the program, and the technology required to make it successful.

This program provides both the ability to inspect all businesses in a jurisdiction but also provides an electronic database that can be queried for specific information. The cross platform communications allows effortless auditing of Self-Inspect accounts while automated billing and collection provides the ability for a fire department to only administer and perform inspections. All other tasks are outsourced and automated to Fire Recovery USA who bills, collects, and accounts for all activity, thus freeing fire department resources to focus on performing inspections. And with FHInspector for iPad your inspections are completed in a fraction of the time of prior systems allowing for higher production from fire department staff.

### FHInspector for iPad Inspections

Fire Recovery USA has worked with FIREHOUSE Software to develop a program to provide a complete inspection program including generating the necessary revenue to operate your fire prevention program.

Using FHInspector for iPad, a fire department can complete a full inspection in about one-third the time of traditional paper-based inspections. The device can bring up a street map of the coverage area and place flags on the map on addresses that are in need of inspections. The inspection form on the screen allows easy "touch-pad" selections and includes the applicable fire codes for all the inspection items.

Once the inspection is complete, Fire Recovery USA receives the appropriate information for billing automatically. Our exclusive arrangement with FIREHOUSE Software allows us to receive the data, invoice the business, process payments and issue a fire permit after payment is received. We can even update FIREHOUSE Software once payment status changes. All accounting and data operations are handled by Fire Recovery USA without need for further action from the fire department.

### Self-Inspection Supplement for Full Inspections

To supplement the FHInspector program, Fire Recovery USA has created a fully integrated Self-Inspections program which assures all businesses are inspected annually. This full program also allows the cost of your inspection and fire prevention program to be allocated across every business in the community allowing for a

higher revenue-producing program to the fire department while being more affordable for business.

## Self-Inspection

## How It Works

Fire Recovery USA will mail an information package to each business, containing a letter from the Fire Department explaining the program as well as instructions how to login in to our website and perform a self-inspection.

The responsible party completes the Inspection Form online. Our system allows the participant to pass or opt-out to receive a full inspection. A “no pass” requires the business to make corrections prior to completing. If they fail to complete the corrections in a timely manner, a full inspection will be scheduled. If a business does not meet the criteria of the fire department they will automatically be send to the fire department to schedule a full inspection. If the business passes, the payment for their Fire Permit can be made immediately online or mailed by check.

Fire Recovery USA processes the payments, as well as provides online access to the fire department and city for each inspection. This information is available 24/7 via the Internet and is password protected for security.

## Benefits

- **Combining these programs can lower inspections times and the administrative burden by up to 80%.**
- **Full inspection times can be lowered by up to 65%. Administrative labor costs for inspections programs can be lowered by up to 90%.**
- **The Fire Inspection Program will support your department by providing revenue for the services and support your fire department provides.**
- **Maintain a high level of safety oversight over all business within a community, even with a manpower shortage.**

# Case Studies

## Case Study 1

### Lyndon, KY - Lyndon Fire Protection District

The Lyndon Fire Protection District is a department serving Jefferson County, KY. They serve over 50,000 residents in 14 square miles. The population almost doubles during the day as workers enter the district.

Major John Stich was exploring ways to institute a fire inspection program that would not only provide full compliance to all businesses, but would also add no new costs to the department's very tight budget. The economy has impacted their budget to the point of having to occasionally brown-out fire stations and they could not accept any program that increased costs further.

Fire Recovery USA offered a two-part solution where both full inspections using FHinspector on iPad devices and a self-inspection program were implemented.

They are now able to complete all 1,300 occupancies and with the high collection rate, the revenue from the inspection program offset the costs of the new technology required for the program as well as provided additional support for labor and technology.

**The program is successful; businesses are being inspected, the program costs are lower than the original manual inspection program, and all businesses will now be compliant.**

## Case Study 2

### Sacramento, CA – Sacramento Metropolitan Fire Protection District

The Sacramento Metropolitan Fire Protection District serves a population of over 640,000 in a 417 square mile service area. Sacramento Metro Fire is the 7th largest fire agency in the State of California.

When Fire Marshal Ray Iverson approached Fire Recovery USA, their current inspection program was completing approximately 4,000 of their total scheduled 15,000 business inspections.

Their needs were two-fold; provide a way to inspect all businesses in the district within two years and do so without increasing costs to the district.

**By combining both full inspections using FHinspector with iPads as well as a self-inspection program, Fire Recovery USA is helping them reach their full compliance goals.**

**Secondary benefits include an current database of businesses in the district and new revenue to fully support the prevention program.**



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