

A0 99-157

2 AMENDED 1-11-00;
3 FAILED 2-15-00;
4 NOTICE OF RECONSIDERATION
5 WAS SPREAD ON THE MINUTES 2-22-00
6 Reconsidered 3-7-00
7 AMENDED & APPROVED 3-7-00

Submitted by: Chairman of the Assembly
at the Request of the
Mayor

Prepared by: Department of Law
For reading: December 7, 1999

ANCHORAGE, ALASKA
AO NO. 99-157

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10 AN ORDINANCE AMENDING THE ANCHORAGE MUNICIPAL CODE TO AMEND SECTION
11 8.40.040 AND ENACT A NEW CHAPTER 10.75, INSPECTION FEES, TO COVER COSTS OF
12 SERVICES PROVIDED BY THE ANCHORAGE POLICE DEPARTMENT AND ANCHORAGE
13 FIRE DEPARTMENT INCLUDING INSPECTIONS BY THE ANCHORAGE FIRE DEPARTMENT
14 AND RESPONSES TO FALSE ALARMS BY THE ANCHORAGE POLICE DEPARTMENT.
15

16
17 THE ANCHORAGE ASSEMBLY ORDAINS.

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19 Section 1. That section 8.40.040 of the Anchorage Municipal Code is hereby amended to
20 read as follows:
21

22 8.40.040 False alarm charges.
23

24 A Except as otherwise provided in this chapter, the owner of an alarm shall pay a
25 charge in accordance with this section for each and every false alarm to which the
26 police are dispatched [RESPOND]:
27

28 1 First two false alarms at each identifiable separate location during a period
29 of six months: No charge.

30
31 2 Each false alarm in excess of two in any six-month period: ~~\$100.00~~ ^{\$ 35.00}
32 [\$35.00].
33

34 B (No change.)
35

36 C (No change.
37

38 D (No change.)
39
40

41 Section 2. That the Anchorage Municipal Code is hereby amended by adding a chapter, to be
42 numbered 10.75, which chapter reads as follows:
43

44 Chapter 10.75

45 INSPECTION FEES

46
47
48 10.75.010 Fees for inspections by Anchorage Fire Department required for licensing.
49

The Anchorage Fire Department shall charge the following fees for each inspection or re-inspection as required for licensing, permitting, or life safety by the municipality, state government, or federal government when such inspection or re-inspection occurs:

During normal business hours as set and announced by the fire chief or his or her designee: \$50.00 per hour with a one-hour minimum charge.

2. Outside normal business hours (except Sundays and municipal holidays) as set and announced by the fire chief or his or her designee, if so requested by the licensee or prospective licensee: \$86.00 per hour with a two-hour minimum charge.

3. On Sundays and municipal holidays, if so requested by the licensee or prospective licensee: \$129.00 per hour with a two-hour minimum charge.

The fees described in this section are in addition to those charged upon an application to the municipal clerk under section 10.10.015. The fees described in this section do not apply to inspections conducted under the authority of section 10.10.050.

April

Section 3. That this ordinance shall become effective ~~January~~ , 2000

PASSED AND APPROVED by the Anchorage Assembly this 7th day of March, ~~1999~~ 2000


Chair of the Assembly

ATTEST:


Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM NO. 1178-99

Meeting Date: December 7, 1999

From: Mayor

Subject: AO Concerning Fees for Anchorage Fire Department and Anchorage Police Department

INTRODUCTION

This ordinance would institute a new fee and raise an existing fee for services provided by the Anchorage Fire Department and Anchorage Police Department. The proposed fees more accurately reflect the cost of providing services. These changes in fees are intended as "user fees" that will avoid the need to either increase taxes or reduce services.

SECTIONAL ANALYSIS

Section 1 This section would raise the charge for the *third or subsequent* false burglary alarm in a six-month period from \$35 to \$100. On such a third or subsequent false alarm, the change in language in this section also allows APD to apply this charge to situations in which the police response is cancelled between the time the officer is dispatched and the time the officer arrives.

Section 2 This section would put in the Code the fees to be charged by the Fire Department for inspections required for licensing, permitting, or life safety. The fee would be \$50 per hour for inspections during normal business hours. Prospective licensees frequently request that AFD conduct inspections outside normal business hours. If inspections are conducted pursuant to such requests, the fees would be \$86 per hour for inspections outside business hours and \$129 per hour for inspections on Sundays or municipal holidays. The Fire Department now charges these fees only in limited circumstances.

JUSTIFICATION

Anchorage Police Department

False alarms are caused by installation of inappropriate systems, improper installation of otherwise appropriate systems, poor system maintenance, and careless operation of alarm systems. The reasons a city charges a fee for false alarms are to discourage preventable false alarms (and the resulting unnecessary police responses), and to recoup the costs associated with those responses.

The false alarm fee in Anchorage has remained unchanged since 1980. The labor costs associated with handling each call have gone up. The number of false alarm calls has increased at a rate greater than increases in population and number of officers. False alarms have doubled since 1990. Thus it is clear that the current fee no longer deters false alarms and no longer covers costs.

In 1996 the International Association of Chiefs of Police (IACP), under contract by the Municipal Assembly to study the APD, recommended that the alarm fees be raised. According to the IACP, there are cities that charge considerably more than the \$100 proposed here for a false alarm. Some cities have stopped responding to alarm calls altogether. The industry will support this rate increase. The higher rate may scare off a small amount of business, but fewer false alarm calls saves the alarm companies money on the other end. To the alarm companies, this ordinance revision appears to be a wash.

Anchorage Fire Department

Budget cuts necessitated by the reduction in State revenue-sharing forced the Fire Department to review all programs. Current services could not be provided given the reduction in revenues from the State. Options considered were:

Cutting services;

2. Increasing taxes to the level needed to maintain services; and
3. Generating offsetting revenues to compensate for the loss of State revenue-sharing funds.

The generation of revenue was determined to be the most viable option for the following reasons:

- Maintaining services would avoid a lowered rating from the Insurance Service Office (a non-profit organization that rates fire services provided by municipalities). Cutting services, on the other hand, would cause fire insurance costs to go up in Anchorage.
- The people who use the service would pay the "user fee."
- It makes sense for the user to pay the incremental cost of service
- Inspection fees are reasonable and customary in most jurisdictions.

FINANCIAL IMPACTS

The following is the estimated annual impact of the recommended new and increased fees. The 2000 General Government Operating Budget is based on these new/increased fees being in effect by January 1, 2000. The new/increased revenues in the 2000 budget are the amounts reflected below.

Police Department False Alarm Charges:

\$ 100	Proposed Fee
(35)	Current Fee
\$ 65	Fee Increase
x 900	Number of Dispatches
<u>\$ 58,500</u>	ANNUAL INCREASE

Fire Department Fees for Inspection:

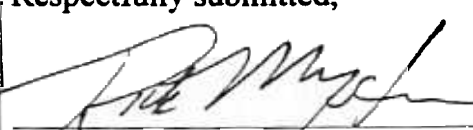
Type	#per Year	Rate*	Total
Residential	3043	\$50	\$152,150
Institutional	30	\$50	1,500
Hazardous	240	\$50	12,000
Educational	60	\$50	3,000
Business	2567	\$50	128,350
Day Care	120	\$50	6,000
Adult Care	12	\$50	600
Liquor License	435	\$50	<u>21,750</u>
ANNUAL REVENUES			<u>\$325,350</u>

*Based on rate for normal business hours @ hour per inspection/assumes revenues above this will offset collections costs.

Concurrence:


George Vakalis
Municipal Manager

Respectfully submitted,


Rick Mystrom
Mayor

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MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 99- 157 Title: New/Increased Police and Fire Departments Fees
Sponsor: Chairman of the Assembly at the Request of the Mayor
Preparing Agency: Department of Law
Others Impacted: Police Department and Fire Department

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY00	FY01	FY02	FY03	FY04
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay					

TOTAL DIRECT COSTS:

Add: 6000 Charges from Others

Less: 7000 Charges to Others

FUNCTION COST:

REVENUES:	384	384	384	384	384
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CAPITAL:



POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Revenues of the Police and Fire Departments will increase by the above amount thereby reducing property taxes. Calculations of the new/increased revenues are contained in the Assembly Memorandum accompanying the Ordinance.

The 2000 General Government Operating Budget is based on the new/increased revenues in the Ordinance being in effect by January 1, 2000.

The private sector will pay the new/increase revenues contained in the ordinance.

Prepared by: E. A. DUSEK, OMB Director Telephone: 343-4490
Validated by OMB:  Date: 12-2-99
Approved by:  Date: 12-2-99
(Director, Preparing Agency)
Concurred by: _____ Date: _____
(Director, Impacted Agency)
Approved by: _____
(Executive Manager)