

Response to Questions on the FY 2009 Advertised Budget Plan

Request By: Supervisors Bulova and Foust

Question: Identify impacts of increasing recovery rate for Fire Marshal fees from 80 percent to 90 percent of costs. How much additional revenue if the County increased Fire Marshal fees?

Response: A review of the recovery rate for Fire Marshal fees indicates that the rate of \$120 per hour originally recommended represents a cost recovery rate of 86.7 percent. A recommended fee of \$128 would result in an estimated cost recovery rate of 92.4 percent. Cost recovery rates are based on revenue projections and an estimate of total expenditures associated with Fire Marshal plan review and inspections including personnel services, operating expenses and fringe benefits. Revenue of \$512,027 from an increase to \$120 per hour was included in the FY 2009 Advertised Budget Plan. An increase to \$128 would generate an additional \$170,676.

The following chart indicates the impact on cost recovery and the increase that would be borne by developers and contractors at rates of \$120 and \$128 per hour. Fire Marshal fees were last adjusted in FY 2004 when fees were raised 26.3 percent to \$96 per hour. Previous fee adjustments between 1988 and 2004 ranged from 15 percent to 27 percent.

Rate	Additional Revenue over Current \$96 Rate	Cost Recovery Rate	Percent Increase over Current \$96 Rate
\$120 per hour ¹	\$512,027	86.7%	25.0%
\$128 per hour	\$682,703	92.4%	33.3%

¹ The additional revenue generated from an increase to \$120 per hour was included in the FY 2009 Advertised Budget Plan. A rate of \$128 would generate additional revenue of \$170,676.