



## Memorandum

To: Town Council

From: Mark Novak, Fire Chief

Date: April 19, 2016

Subject: Out of District Fire Protection Agreements

### I. Background

The Town of Vail (Town) currently provides fire protection to a number of properties which are outside the corporate limits of the Town. These properties are not within the boundaries of a fire protection district and the closest fire resources are those provided by the Town. In response to this situation, the practice of billing for fire protection services and offering fire protection agreements was established by Ordinance No. 19, Series of 1985. This ordinance was passed following the failed annexation of the areas outside the corporate limits of the Town. The fire protection methodology established was based upon an hourly rate for response. Alternatively, a property owner could enter into a fire protection agreement with the Town based upon a fee per square foot. Properties that had a fire protection agreement would not be charged for requests for service from the fire department. Resolution No. 14, series of 2009, changed the methodology for calculating the fee associated with fire protection agreements from a square foot basis to the current mill levy equivalent of 5.0625 mils. This resolution also amended the hourly rate for response.

### II. Current Situation

Periodically letters have been sent to property owners in unincorporated areas of Vail, advising them that they were in a fee for service area and that they had the option of entering into a fire protection agreement. The last time this letter was sent out was during February of 2014. There are approximately 190 properties that are outside the Town corporate limits. Of these properties, a number are townhomes or other types of multi-family units with multiple ownerships. Currently there are 28 properties with fire protection contracts. Most notable of these is the Marriot Streamside, which has maintained a fire protection contract for a number of years.

In 2014, Vail Fire and Emergency Services responded to 37 incidents to properties outside the corporate limits of the Town (this does not include Vail Pass, mutual aid, etc.). Of these responses, 18 were to the Marriot Streamside. There were 19 responses to other unincorporated properties, and 3 were to properties that had a fire protection agreement. Of the 16 responses to properties without fire protection agreements, the call breakdown was: cancelled prior to arrival -3, gas leak -1, fire alarm - 5, EMS - 2, and service call 5. Based upon the records available, none of the properties without fire protection agreement were billed for service in 2014. The 16 incidents on properties without a fire protection contract represent 0.85% (16/1880) of the call volume for 2014. The time commitment for each incident type can

vary substantially. A medical aid or fire alarm activation is often resolved within 15 minutes or less, while a structure fire or gas leak could require a commitment of several hours and may require more than one fire engine.

Billing for incidents occurring at properties without a fire protection agreement is based upon the following hourly rates:

Fire engine: \$560.00/hr.  
Ladder truck: \$839.00/hr.  
Wildland fire engine: \$152.00/hr.  
Personnel: \$72.00/hr. per responder

These rates were established by Resolution No. 14, series of 2009. The methodology by which these rates were established is not entirely clear. These hourly rates are not consistent with the rates that we have filed in our Colorado Resource Rate Form (CRRF), which is used for responses to wildland fires and other large emergencies. The rates listed on the CRRF reflect actual hourly costs for employees and CRRF pre-established rates for vehicles.

Resolution No. 2014, series of 2009 stipulated that billing for non-participants will be by the hour with a one-hour minimum. . Based upon current staffing levels, a call that lasts one hour or less would have a minimum bill of \$776.00. For incidents such as medical aid calls, the calling party could potentially also receive a bill from Eagle County Paramedic service. The base rate for an ambulance transport is \$1100, plus \$24/mile. There are a number of scenarios in which the per hour methodology becomes complicated. These scenarios include situations in which the request for service originates from a neighbor (e.g. chimney smoke mistaken for a fire), an incident in which the requesting party is a renter, not the property owner, and an incident in a multi-family dwelling which involves multiple units.

One alternate approach, would be a scenario in which Eagle River Fire Protection District (ERFPD) would conduct an inclusion election to include these properties in the boundaries of the ERFPD. ERFPD would collect property tax (9.3920 mil) on these parcels and then transfer the revenue to the Town of Vail for providing service to this area. Based upon the current ERFPD mil levy this would generate revenue of approximately \$135,000 per year.

Another approach to fire protection agreements would be to implement an annual flat fee based upon property type. This potentially would increase participation and resolve some of the difficulties currently encountered in multi-family units. An example of this approach would be a scenario in which single family dwellings and duplexes would pay \$500 each and each multifamily unit would pay \$225. This scenario would yield annual revenue of approximately \$84,000, if 50% of all units eligible properties participated. Current annual revenue from Fire Protection Agreements is approximately \$50,000, with \$35,000 of this representing the Marriot Streamside. This approach would significantly reduce the workload for the finance department in tracking assessed valuation and establishing the annual fee. This approach may also be easier to market to property owners as it would simplify the explanation of the fee structure.

Another consideration in out of district billing is related to wildland fire cost recovery. Wildland fire incidents create a unique situation; by statute the County Sheriff has fire suppression and financial responsibilities for wildland fires occurring in unincorporated areas that are not within the boundaries of a municipality or a fire protection district. In reality, VFES would be involved in this type of incident due to our proximity and the fact that any fire in this area would be considered to be a threat to the Town. If the fire subsequently entered into the Town, there

would be a cost share agreement between the Town, the Sheriff, and possibly the Forest Service. There are many possible scenarios associated with this event; however, our ability to bill unincorporated properties would potentially be impacted by the terms of the cost share agreement.

### **III. ACTION REQUESTED OF COUNCIL**

Staff is requesting direction from the Town Council regarding the following questions:

1. Provide direction to staff regarding providing service to unincorporated areas of Vail under an agreement with ERFPD subsequent to an inclusion vote?
2. Provide direction to staff regarding current fire protection agreement rate structure.
3. Provide direction to staff regarding properties that do not enter into fire protection agreements.
  - a. Should current rate structure be amended?
  - b. Should every response result in billing the property owner?
  - c. What actions should be taken if a property owner did not pay their bill?