

## **Change False Alarm By-law to allow Fire Services to Charge for Attendance at all Nuisance and Malicious False Alarms**

<b>Date:</b>	February 11, 2010
<b>To:</b>	Budget Committee
<b>From:</b>	William A. Stewart, Fire Chief and General Manager, Fire Services
<b>Wards:</b>	All
<b>Reference Number:</b>	p:\2010\ClusterB\FIR\bc1004.doc

### **SUMMARY**

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The recommendation in this report is to charge for Fire's attendance at all false alarms categorized as nuisance or malicious beginning in 2010. Fire Services currently charges for attendance for the second and subsequent nuisance false alarms in a two-month period and for the second and subsequent malicious false alarms in an annual period.

To deal with the issue requires updating Appendix B - Schedule 1, Fire Services of Chapter 441, Fees, of the City of Toronto Municipal Code identifying fees to be charged for nuisance and malicious alarms. An administration fee of \$350.00 per hour for each vehicle dispatched will be charged (based on the Ministry of Transportation schedule for emergency vehicle dispatched) when the following criteria are met:

1. the first and subsequent malicious false alarms, for same address, per year, per fire vehicle dispatched, and
2. the first and subsequent nuisance false alarms, for same address, per year, per fire vehicle dispatched.

## RECOMMENDATIONS

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### The Fire Chief and General Manager of Fire Services recommends that:

- 1 Appendix B - Schedule 1, Fire Services of Chapter 441, Fees, of the Municipal Code be amended to require Owners to pay a fee of \$350.00 per hour for each fire vehicle dispatched in response to the first and subsequent malicious false alarms, in respect of the same address, per year, and to require Owners to pay a fee of \$350.00 per hour for each fire vehicle dispatched in response to the first and subsequent nuisance false alarms, in respect of the same address, per year;
- 2 authorization be given to add two positions; one Financial Analyst (TF0351) position at \$93,610.00 (Salary & Benefits), one Accounting Assistant 2 (TF0113) position at \$79,663.00 (Salary & Benefits) to the establishment, plus associated equipment and supplies of \$6,000.00 for the two positions and additional mailing costs for the additional invoices of approximately \$9,600.00 on an annual basis, for a total annual cost of approximately \$188,873.00; and
- 3 the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

### Financial Impact

The recommended action will increase Fire Services' False Alarm Revenue in 2010. In 2008, Fire's year-end revenue in this category was \$4,955,600.00. Fire's 2009 false alarm revenue estimate was \$5,269,400.00, with posted year-end revenue of \$4,471,120.00, representing a shortfall of \$798,280.00. The recommended change will more accurately align revenues with expenditures.

The analysis of call data indicates that there are potentially over 10,212 incidents that would become chargeable as a result of the by-law change. However, based on a previous change to the by-law in 2006, when the exemption was dropped from two to one incident before incurring a fee, slightly more than half of the projected revenue was realized, mainly based on building owners taking corrective action.

<b>2010 Budget Projection</b>	<b>New Charges for 1st Calls Currently Free</b>
<b>Total Projected False Alarms</b>	10,212
False Alarm Charge	\$1,050.00
Current & Potential Revenue	\$10,722,600.00
Historical Correction for Previous 2006 By-law Change, approximately 61%	60.81%
<b>Total Potential Revenue</b>	<b>\$6,520,500.00</b>

**Less Costs:**

Two positions (1 Financial Analyst, 1 Accounting Clerk 2)	\$173,273.00
Other (office equipment, supplies)	\$6,000.00
Postage (3 mailings)	\$9,600.00
<b>Total Staffing/Non-staffing costs</b>	<b>\$188,873.00</b>

<b>Net Fire Services Revenue Increase</b>	<b>\$6,331,627.00</b>
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<b>Estimated 2010 Fire Services Revenue (9 months)</b>	<b>\$4,890,375.00</b>
<b>Estimated Fire Services Expenditure (9 months)</b>	<b>\$145,600.00</b>
<b>Net Revenue for 2010</b>	<b>\$4,744,775.00</b>

The current annual workload of 3,277 invoices, the associated research and customer service volume is managed by 5 staff. The associated workload on staff as a result of the additional invoicing of up to 10,212 charges, incident identification and address verification, managing additional complainant responses, and processing re-imbursements, will require adding two positions to the establishment; one Financial Analyst (TF0351) position at \$93,610.00 (Salary & Benefits), one Accounting Assistant 2 (TF0113) position at \$79,663.00 (Salary & Benefits) to the establishment, plus associated equipment and supplies of \$6,000.00 for the two positions and additional mailing costs for the additional invoices of approximately \$9,600.00 on an annual basis for a total annualized cost of approximately \$188,873.00.

In 2010, Fire Services is budgeting that implementation will occur by the end of the first quarter resulting in nine months of additional revenue of approximately \$4,890,375.00 and staff costs for the two new positions of approximately \$145,600.00.

There are no exemptions to the false alarm charges and records show that Toronto Community Housing Corporation (TCHC) accounted for approximately 2,100 or 14% of the total 14,932 in nuisance and malicious calls reported in 2008; TCHC has been billed for 1,265 of these calls that were the second and subsequent incidents under the current by-law provisions, meaning that the agency could incur a further \$876,750.00 in additional charges if it experiences the same call volume in 2010. TCHC will be required to develop strategies to mitigate the occurrence of false alarms.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

Section 441-1 of the Municipal Code which identifies fees to be charged for nuisance and malicious alarms was last updated by Council in March 2006, at the time of the approval

of the 2006 Operating budget. At that time, the exemption before charging for malicious and nuisance false alarms at any address was reduced from two to one incident.

## **COMMENTS**

In 2008, there were a total of 33,029 false alarms of which 14,932 were categorized as malicious or nuisance incidents. These incidents create risk to tenants and first responders alike. Tenants become complacent if repeated alarms occur; it places stress on first responders who are expected to be at the height of readiness to handle an actual incident. Moreover, dispatching fire apparatus for false alarms results in additional wear and tear on vehicles and unneeded fuel usage.

The False Alarm By-law was carefully designed strictly to reduce false alarms. The current By-law allows for one free nuisance false alarm call every two-month period or one malicious call in a year. With this proposal to charge for all false alarms it is critical that building owners take responsibility to ensure their fire alarm systems are operating properly to avoid false alarms.

In an effort to deal with false alarms, in 2000 Council supported the Toronto Fire Services – Rewards By-law for False Alarm Information to provide for a \$1,000.00 reward to any person who supplies information leading to the conviction of a person who willfully caused a false fire alarm. The purpose of the By-law is to act as a general deterrent to causing a false fire alarm.

Malicious and nuisance false alarms create great risk to tenants of the buildings and to emergency response Fire Fighters. Tenants begin to get complacent to the continuous false alarms being sounded and therefore may not respond appropriately to protect themselves.

Upon investigation of alarm calls it was determined that thousands of calls are caused by the poor maintenance of the alarm system. Maliciously activated fire alarms are also a serious concern. Because of the high number of these incidents the possibility is always present that responding to these nuisance alarms may delay our response to a real emergency. Properly installed and maintained fire alarm and security systems are important factors in minimizing nuisance alarms.

The billing process calls for 3 letters over a 90-day period requesting payment and notifying the owner that the amount owing will be transferred to their tax roll. Any complaint or questions in writing will receive a written response.

The proposed fee of \$350.00 per vehicle dispatched, per hour of time for which the vehicle is dispatched to the location is based on an equivalent fee contained in Ministry of Transportation schedules detailing the expenses for emergency vehicle dispatched to incidents on provincial highways.

The By-law also has a remediation clause which allows owners to apply for a reimbursement of the funds paid out in fines, up to a maximum of 90% based on the invoiced fee by Toronto Fire Services within the previous 12-month period. The funds being spent for reimbursement must be directed at reducing false alarms and approved by the Toronto Fire Services. When application for reimbursement and an invoice for devices installed are received, they will be validated and a member of the inspection staff will verify the installation before reimbursement is made.

## **CONTACT**

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