



Evaluation of Financial Management Task Force Menu of Options Fire Suppression Cost Recovery

Report to Budget and Fiscal Affairs
Committee

March 5, 2013



Agenda

- Background
- Evaluation
- Evaluation Results
- Recommendations & Next Steps



Background

- The Financial Management Task Force, formed by a budget amendment in 2011, issued its Menu of Options for addressing the City's long-range fiscal issues.
- In June of 2012, the administration responded to a request from Budget and Fiscal Affairs Committee to evaluate the feasibility of a number of items on the Financial Management Task Force's Menu of Options.
 - A number of these items were underway, already done on a regular basis, or had been completed.
 - Other items, including fire suppression cost recovery, needed further, in-depth analysis.
- In September 2012, the administration was asked to evaluate a subset of the June 2012 request. We have been working on a number of these items and are presenting evaluations of one task force option today.
 - "Utilize a firm such as Fire Recovery USA to collect payments from insurance companies when HFD puts out fires, conducts inspections, and provides EMS."



Evaluation

- Fire Recovery USA offers the following cost recovery services:
 - Motor Vehicle Accidents
 - EMS Billing
 - Vehicle Fires
 - Structure Fires
 - Water Incidents
 - Hazardous Material Responses
 - Fire False Alarms
 - Gas Pipeline Incidents
 - Special Rescue
 - Mutual Aid
 - Fire Inspections and Fire Permit Inspections



Evaluation Results

- The City of Houston has partial or full cost recovery for:
 - EMS Transports – partial cost recovery
 - Fire Inspections and Fire Permit Inspections – full cost recovery
 - Fire False Alarms – full cost recovery
- The City of Houston does not have cost recovery for :
 - Motor Vehicle Accidents
 - EMS Responses That Do Not Result in a Transport
 - Vehicle Fires
 - Structure Fires
 - Water Incidents
 - Hazardous Material Responses
 - Pipeline Incidents
 - Special Rescue
 - Mutual Aid



Recommendations & Next Steps

- Investigate a cost recovery fee only for:
 - Hazardous Material Responses
 - Pipeline Incidents
- Bring full evaluation on cost recovery for these services to Budget and Fiscal Affairs Committee before the end of the fiscal year.
- Do not pursue cost recovery for Houston Fire Department fire suppression costs.