



MEMORANDUM

TO: Mayor and City Councilmembers
FROM: Sharon Hanson, City Administrator
DATE: September 6, 2019
SUBJECT: Ordinance

In light of the September 10, 2019 agenda item: an ordinance establishing fees for emergency protection fire services, I wanted to make you aware of action on a 2019 fire call fee invoice.

In November 2018 SW Tour and Travel bus garage was a near complete loss. The Marshall Fire Department and surrounding fire departments provided service that equaled approximately \$29,000 in costs billable to SW Tour and Travel. This invoice was sent to SW Tour and Travel's insurance provider. The insurance coverage provided funds in the covered amount of \$5,000 which was then submitted to the City of Marshall as payment for this event.

Although the fire service rate established by the fee schedule is \$750.00 per fire within the city limits; because the fire response lasted longer than 5 hours, actual time and materials were assessed in accordance with the Southwest/West-Central Fire Department mutual aid agreement. So instead of \$750.00 charge, the invoice was actual costs of approximately \$29,000.

After discussion with Director of Public Safety and Fire Chief, the following was considered:

- If the fire was less than 5 hours, the fee would have been \$750.00
- There is currently no mechanism in place to collect fire service call payments
- The proposed ordinance on place unpaid fire service calls as an assessment is recommended for adoption 1/1/2020, was considered after the November 2018 SW Tour and Travel fire and was based on the fee schedule of \$750.00 per fire call
- The Fire Chief has discretion on what fire calls will be billed and which fire calls will not be billed when under 5 hours
- The fire was catastrophic and nearly a complete loss
- The Fire Department's mission is to serve the community, consideration of accepting insurance payment as payment in full furthers the mission and the service to community

Therefore, as a result of the above considerations, I directed Finance staff to accept insurance payment of \$5,000 as payment in full for the November 2018 SW Tour and Travel fire.

Please let me know if you have questions or would like to formalize any action taken on this matter. The threshold of approval was derived from the current purchasing policy.