

Fire Response Billing

Frequently Asked Questions (FAQ)

Effective 9-1-12

What services will the Fire Department bill for?

The Fire Department will bill to recover response costs to false alarms, motor vehicle accidents, vehicle fires, hazardous materials releases, stand-by for bomb threats, pipeline ruptures (i.e., gas, sewer, septic, water), arson investigations and structure fires, etc.

Are you billing for medical emergencies?

No. Many of the Snowflake Fire Department's calls are responding to emergency medical calls to provide First Responder support or to assist the ambulance. As we have a mutual aid agreement with the ambulance service we will not bill for this service.

Who is doing the billing?

The Town of Snowflake has entered into a service agreement with a private billing service called Fire Recovery, USA who specializes in fire department fee recovery throughout the country. This was done because Fire Recovery USA has an established relationship with the insurance industry, an acceptable rate of return for recovering costs, and charges a reasonable rate for this service. We determined that there was no way that our existing administrative staff could have taken on this additional work and been as successful in fee recovery as an established company already doing it.

Who will be billed?

Fire Recovery USA will bill the person and/or the insurance company of the person, or party, responsible for the emergency and/or the Fire Department's response.

How does the billing occur?

The Fire Department will respond to the emergency call and take the appropriate actions to protect life or property. Fire personnel will then collect the identification and insurance information of the person or parties, involved. When the firefighters return to the station this information, along with the details of the call and fire department actions are entered onto an online form. The Officer on each shift will review the information and if he/she finds it correct and accurate, will submit this information to Fire Recovery USA, a third-party billing company. Fire Recovery USA will submit the bill to the insurance companies or individuals responsible for the emergency and pursue payment from those parties. (i.e., at-fault driver of a traffic accident, intentional or unintentional burning, burning without permit, false reporting, etc.)

Why is the Snowflake Fire Department doing this?

The Snowflake Fire Department is working hard to maintain its current level of service including equipment and staffing. The Fire Department was established in 1948 as a municipal fire department. While the department remains concerned for all persons in need, the primary responsibility of the department is to the residents of the Town of Snowflake. As the department

was established by, and is legally bound to protect the residents of Snowflake, its first priority remains with the residents of Snowflake.

I already pay property taxes and fire district taxes?

A municipal department such as the Snowflake Fire Department receives no funding from property taxes, or fire district taxes. The department depends solely on General Revenue funds provided by the Town of Snowflake. For many years, the Snowflake Fire Department has responded to the emergency needs of persons residing both inside and outside the incorporated town limits. This response was done as a “courtesy” for persons residing outside of the Town of Snowflake, unfortunately we can no longer afford to do this. No Navajo County taxes go into the Snowflake Fire Departments budget. Although the Fire Department remains committed to providing the best service possible, current economic conditions require the department to begin charging for services rendered.

How did this process get approved or adopted?

This concept was first introduced to the Snowflake Town Council back in 2005 as one method of supplemental funding that the Fire Department was considering. The issue has continued to be raised as the economic and financial situations have changed. Since that time the Fire Department has held multiple meetings discussing the department’s budget and attempting to find methods of funding the department. While many options have been investigated, no other viable options have been presented. On June 26, 2012 the Snowflake Town Council approved a formal action allowing the Fire Department to enter into a contract with Fire Recovery USA, a third-party billing service.

What authority does the Town of Snowflake or the Fire Department have to bill for these services?

There are several Town Codes that regulate how the Fire Department operates. Examples of these are shown below:

4-1-2: ORGANIZATION AND ADMINISTRATION:

B. Departmental Rules And Regulations: The fire department shall be operated and managed by the fire chief in accordance with such departmental rules and regulations as may from time to time be adopted by the town council. (1986 Code § 4-2-2)

4-1-8: PROTECTION OUTSIDE TOWN:

The town council may enter into agreements or contracts to furnish fire protection outside the town or enter into mutual aid agreements, and the fire department is authorized to render firefighting service pursuant to the terms of such agreements or contracts. (1986 Code § 4-2-8)

I pay sales taxes in the Town of Snowflake, which taxes go toward providing essential services and public safety. Shouldn’t fire protection already be funded by those taxes?

It is true that public safety is a primary function of government as is providing water, sewer, sewage treatment, and many other critical functions throughout the Town. Sales tax revenues are the primary funding source to the Towns General Fund which is also the primary funding source for the Fire and Police Departments. In addition to these public safety functions, many members of the community have also voiced their support for the library, the swimming pool, Senior Center, Pioneer Days celebrations, the Parks and Recreation programs etc. There are many

important services that the Town provides, but the revenues are no longer capable of supporting all the services the community desires.

Isn't this considered double-dipping or a double-tax?

Those that shop in Snowflake pay taxes and those taxes help to fund the Fire Department's operation, but it is not enough. By billing person responsible for the emergency for the use of our services, this becomes a fee for service. These fees are similar to those paid to participate in other community events. Without the ability to collect fees for some services, many community services would be reduced or eliminated. Fire safety services would need to be reduced to levels that would be unsafe for the community, including residents, property owners, business owners, and firefighters.

As revenues decrease, or fail to keep up with operating costs, what are the options the Town has to maintain the Fire Department's funding?

1. Reduce the services provided
2. Create a tax to cover the actual costs of operation
3. Create a fire district, which would then receive funding from property and FDAT taxes
4. Bill those individuals that use our services for their portion of the service
5. Bill the insurance companies of those using our services for portion of the service

None of these options is a simple or popular solution.

Reducing services and staffing inhibits the Fire Department's ability to save life and property, which is our primary mission. This could mean removing fire engines from service due to disrepair or mechanical failure, and/or failing to properly train and recruit staff. Removing a fire engine from service or having limited staff available would reduce our ability to effectively respond to any emergency. On a fire call for example, having one less fire engine available means less firefighters will respond to a residential structure fire where the rapid deployment of firefighters enables us to enter the burning structure quickly, locate and remove trapped occupants, and extinguish the fire. Trying to accomplish all of the tasks associated with fighting a structure fire (legally mandated and otherwise), with limited equipment or fewer firefighters, puts our firefighters at increased risk as well. If they get injured on the scene, it makes it even harder for us to be successful in fighting that fire and saving lives and property.

Reducing staffing and available fire engines also negatively impacts the insurance rating of the community as set by the Insurance Services Office (ISO). Your fire insurance premium is based on the ISO rating of the community in which you live. If our staffing decreases and our ability to provide an effective structure fire response is reduced, our ISO rating will go up (lower is better). This could cause your insurance premium to go up, or possibly lose your insurance completely.

Increasing taxes is a very unpopular option because this negatively impacts everyone who lives in Snowflake, and most people will never use the Fire Department or our services in their lifetime. This also means that the emergency services provided to those that don't live in Snowflake (i.e., Navajo County) will continue to be disproportionately funded by those who do.

Billing allows us to target the responsible or negligent party creating the emergency situation or response. Knowing that you may be responsible for the cost of an emergency response may incentivize persons to use extreme caution when handling fire, properly caring for and maintaining their property, purchasing adequate insurance, and being less likely to make false reports of fires. Billing for reimbursement will allow us to recover some of our response costs so that we remain staffed and equipped to respond to those who need our help. This benefits everyone in our response area.

Won't my insurance premiums go up if my insurance receives a bill?

There are so many different insurance providers with so many various factors that influence insurance policies, that we simply can't answer this question. We strongly encourage you to contact your insurance carrier and discuss the specifics of your policy prior to an emergency response event.

Won't people just stop calling the Fire Department to avoid these costs?

There are many possible outcomes from this policy. We do hope that many will carefully consider their particular situation. Some people may refuse to call us while others may call but then "take it out on the firefighters" that are there to help them. Some may offer to pay the Fire Department direct rather than see a bill submitted to their insurance company. Some may actually see some satisfaction knowing they are covered and putting their coverage to use, and many will probably never give it a second thought. Unfortunately, we have no control over which action will be taken. We do of course hope that people will call us for help because the alternative could result in the further aggravation of an injury from a traffic accident, further damage to property, greater impact to life from a hazardous materials spill, or further property damage occurring from not calling us for a fire in a structure. In each of these cases, the result of not calling us for an emergency could result in greater personal injury or property damage well above the cost of the Fire Department's response fee.

Our contact with other fire departments doing response billing has given us no indication they are seeing any drop in their call volume for service after implementing this type of program.

What Public Notifications Were Given on This Process?

Over the last 7 years, the Town has expended time and effort discussing various methods of funding for emergency responses. Consideration of these fees actually began with a Council workshop in 2005. The implementation of billing for emergency response fees were discussed specifically by the Fire Chief and approved by the Snowflake Town Council June 26, 2012.

Beginning September 1, 2012 persons or entities residing outside of the incorporated town limits will be billed for responses by the Snowflake Fire Department. Billing for services does not include those entities or organizations with which we have current aid agreements.

Persons requesting the Fire Department to respond by calling 911 or the Snowflake Police Department, will be asked to provide information that may be used to collect fees for services rendered. In addition, other information may be used to determine the responsible party for billing purposes.

Information obtained will be provided to an independent billing company who will then be responsible for the collection of cost for the service. The billing company will then forward monies collected back to the fire department.

We encourage all area residents create a “defensible space” around their properties and to take every necessary precautions to make their properties as safe and “Fire-wise” as possible in order to reduce the risk of a fire. We also ask that you make every effort to determine if an actual emergency exists prior to requesting the fire department to respond. Every response to an emergency places both firefighters and residents at risk. Please be responsible when reporting actual or perceived emergency situations, as you may be billed for the response.

For more information about becoming “Fire-wise” visit: www.firewise.org and/or search “firewise communities” on www.youtube.com