CITY OF ALBANY CITY COUNCIL AGENDA STAFF REPORT

Agenda Date: February 2, 2009

Reviewed by: BP

Subject: Billing fire engine response for vehicle accidents and fires; residential and commercial fires; hazardous materials and the like.

Resolution # 09-5: A resolution of the Albany City Council of the City of Albany, California, authorizing the City of Albany Fire Department to contract with Revenue Rescue for collections of fire engine response fees.

Report By: Marc McGinn, Fire Chief

STAFF RECOMMENDATION

Approve resolution #09-5

BACKGROUND/DISCUSSION

Revenue Rescue is a nationwide professional billing company formed in 2002 and was purchased in 2006 by Intermedix. Revenue Rescue currently contracts with over 600 fire departments nationwide facilitating reimbursement to cities for fire responses. Fire response-billing range from hazardous materials responses to vehicle accidents and all types of fires. Revenue Rescue collects at a rate of approximately \$200 per submission. Billing for fire responses has been around for decades and is prevalent in mid-west and eastern fire departments of the United States. Although this concept is relatively new on the west coast, it is a great opportunity for cities to recover costs for fire responses from insurance companies.

Insurance companies recognize fire engine responses charges and reimburse cities as a complement in saving the industry billions annually for fire protection. Billing goes directly to the insurance company and with the exception of hazardous material responses, no monetary payment comes from the resident. The City Attorney has reviewed and approved the agreement from Revenue Rescue.

SUSTAINABILITY IMPACT

Not applicable

FINANCIAL IMPACT

A gross annual collection of \$25,000 to \$35,000 can be expected. The billing provider charges 20% of all monies collected