



March 9, 2011 (Agenda)

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Agenda Item 8

Contra Costa Local Agency Formation Commission (LAFCO)
651 Pine Street, Sixth Floor
Martinez, CA 94553

Fire Service Report

Dear Commissioners:

BACKGROUND

In 2009, LAFCO completed a countywide Municipal Services Review (MSR) covering fire and emergency medical services provided by three cities and eight special districts. The MSR report provided a comprehensive overview of fire/emergency medical services; identified resource sharing and showcased best practices relating to services; identified service, infrastructure, fiscal and other challenges; provided a basis for sphere of influence (SOI) updates and future boundary changes; and served as a catalyst for ongoing dialogue.

In conjunction with the MSR, LAFCO formed an ad hoc fire committee. The committee held five meetings to facilitate discussion and receive additional public input regarding the governance and SOI options identified in the MSR report. LAFCO also hosted two fire workshops, the outcomes of which resulted in a list of pressing issues and potential opportunities.

Local agencies, labor and the general public have provided LAFCO with valuable input regarding fire service issues. For the past few months, discussions have focused on funding and fiscal sustainability. The decline in revenue, namely properties taxes, has forced fire service providers to take severe measures, including closing/ browning out fire stations, eliminating positions, modifying service delivery, reallocating staff, deferring expenses (e.g., capital outlay), increasing fees and depleting reserves.

These issues are not unique to Contra Costa County. Fire service challenges and discussion of alternative service models and other cooperative solutions are being discussed throughout the State and have been at the forefront of CALAFCO's educational program for the past 18 months.

DISCUSSION

In November 2010, the Commission discussed their thoughts and ideas about short, mid- and long-term goals and next steps with regard to fire service issues. In addition, the Commission directed staff to contact Stewart Gary of Citygate Associates regarding future assistance with assessment of fire service issues in Contra Costa County.

On January 12, the Commission received updates from the fire and emergency medical service providers in Contra Costa County. Many of the service providers continue to struggle, and are considering alternatives and options to sustain services.

Following the service provider updates, Mr. Gary presented some options and ideas relating to a process to redesign fire service for regional stability. The Commission suggested that Mr. Gary and LAFCO staff meet with representatives of fire and emergency service providers to develop a scope of work to continue to explore ways to sustain services.

On January 31, representatives of Citygate Associates, agency representatives and LAFCO staff met to discuss these ideas. The consultant team presented fire study scope points dealing primarily with service and revenues (i.e., current and desired levels, realignment of services and revenues) and sustainability. There was potential interest in developing a framework focusing on West County. The Citygate representatives revised the draft study scope (attached). The group agreed that representatives of the West County fire agencies and LAFCO staff would meet to review and provide input on the revised scope, cost sharing and timeline, and report back to the Commission in March.

On February 23, fire chiefs from the cities of El Cerrito, Pinole, and Richmond, Contra Costa County Fire Protection District (CCCFPD), Crockett Carquinez Fire Protection District (CCFPD), Kensington Fire Protection District (KFPD), along with the Assistant EMS Director, Contra Costa Emergency Medical Services and LAFCO staff met to discuss the proposed study scope.

Highlights from the discussion include the following:

- Fire service in Contra Costa County has evolved over the years in terms of *service provision* (i.e., reliance on volunteer and on-call staff to paid career staff); *range of services* (i.e., addition of emergency medical services); and the *number of service providers* (i.e., from 25 fire service providers in the early 1960s to 10 service providers today).
- Over the years, there have been numerous fire service studies in Contra Costa County which have produced similar service options and models.
- West County is unique in that it receives service from seven of the 10 fire service providers in Contra Costa County. However, West County experiences similar fiscal and service challenges as in other areas of the County.
- West County fire service providers have a history of mutual and automatic aid and collaboration, and have enhanced these efforts as a result of the LAFCO MSR and recent economic downturn.
- The LAFCO MSR provides important data and analysis and has served as a catalyst for the ongoing dialogue among stakeholders. In addition, the LAFCO MSR has contributed to improved collaboration and working relationships among fire and medical service providers and labor groups in Contra Costa County.
- Fire service providers in Contra Costa County are working to address their service and fiscal challenges. All agencies are looking for ways to reduce costs and increase revenues. The City of Pinole, CCCFPD, East Contra Costa Fire Protection District and Rodeo-Hercules Fire Protection District are expecting to go to their respective voters in the next year with funding measures. The City of Pinole recently completed a study with Citygate Associates and is in the process of implementing changes within its fire services, including sharing the Fire Chief position. Many of the service providers continue to look for new opportunities for resource sharing and collaboration in order to sustain services during these challenging fiscal times. At some point, it may be beneficial to look at standards of coverage.

- Fire service providers anticipate additional impacts to service with the upcoming State budget (i.e., proposed budget cuts, potential changes to redevelopment funding, potential shifts in local, state and federal fire service response, etc.).
- It will take political will and cooperation by local agencies, labor and the communities they serve to effect major change in the provision of fire service.

In sum, the general consensus is that the economic climate will continue to present challenges for local agencies. Those local agencies facing significant service and fiscal challenges are working to address these issues. There is continued uncertainty regarding the fiscal climate and funding of services based on future funding measure and the impacts of the State and federal budgets.

At this time, there is little interest in pursuing a study. Agencies continue to be financially constrained and would rather devote funding to critical services. There are efforts currently underway in East and West County to enhance funding and modify services that need additional time to undertake. Further, it is uncertain whether any new service or fiscal options or models will materialize as a result of such a study. Finally, there are a number of significant unknown funding issues, including potential tax measures and the State budget which may further impact services.

RECOMMENDATION

1. Receive report and provide comment and/or direction as desired.
2. Request that fire service agencies provide LAFCO with an update in March 2012.

Please contact the LAFCO office if you have any questions.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment

CONTRA COSTA LAFCO FIRE STUDY SCOPE POINTS

PHASE #1- FIRE SERVICES PLAN AND EXISTING REVENUES AND SUSTAINABILITY ANALYSIS

Operational Analysis

1. Determine the current sub-regional level of fire, 1st responder EMS, specialty operations and headquarters services, as measured by appropriate national guidelines;
2. Identify the specialty operations and headquarters services that can be shared to improve services and/or reduce costs;
3. Conduct a regional deployment review to identify;
 - Gaps in current service compared to national guidelines
 - Identify any overlap in services between agencies/geographic areas;
 - Identify alternative service configurations that will retain the current level of service at less cost
 - Identify alternatives for reducing the level of service with the least impact on service levels.

Fiscal Analysis

1. Identify the current cost, by agency, of providing the current level of services;
2. Identify the current amount and types of revenues going into existing levels of fire service;
3. Review agency reserves and ability to sustain operations;
4. Identify failed and or promising sources of revenue;
5. Identify the macro level cost/savings of
 - Closing gaps in service and/or eliminating overlaps
 - Implementing alternative service configurations that retain the present level of service.
 - Implementing reductions in services
 - Sharing specialty operations and headquarters services

Deliverable – Stakeholder workshop (Executive Summary report & Power Point) to obtain fact checking, identify areas for additional research and begin the discussion about alternative levels of desired fire services

PHASE #2 - DESIRED LEVEL OF FIRE SERVICES

Refine the analysis in areas identified by the stakeholders at the conclusion of Phase I.

Conduct workshops to assess consensus around alternatives levels of service

Deliverable – Stakeholder workshop (Executive Summary report & Power Point) to determine if there are one or more alternative service levels to take forward to develop regional cooperation and revenue plans, if needed.

PHASE #3 - REVENUE ALTERNATIVES AND APPROACHES TO REGIONAL COOPERATION

Identify illustrative alternative revenue approaches to solve any financial shortfalls associated with one or more consensus service alternatives and issues of fiscal equity created by the various approaches.

Identify governance alternatives that appear to be best fits for the revenue and operational alternative(s).

Deliverable – Stakeholder workshop (Executive Summary report & Power Point) to obtain fact checking and consensus about regional cooperation approaches, governance and possible revenue solutions.

TASK #4 - PREPARE DRAFT REPORT AND RE-ALIGNMENT PLAN

Integrate findings of facts with recommended, best fit, solutions;

Prepare comprehensive draft report;

Deliverable – Stakeholder workshop to present full draft report to obtain fact checking and consensus draft report.

TASK #5 - FINAL REPORT

Prepare and deliver final report to stakeholders;

Minimum meetings to be LAFCO, Board of Supervisors and one to four sub regional workshops for Fire Districts and cities.

TASK #6 - GOVERNANCE DESIGN AND IMPLEMENTATION WORKSHOPS

Carry policy direction from the elected officials into detailed implementation work and implementable draft agreements.

What Citygate Needs Assistance With

Agency staff to provide source documents on operations and fiscal issues;

Agency staff to gather and initially process local data, such as assessor records on types of parcels, revenue by TRA, agency detailed salaries and benefits by job classification and individual, any detailed information at the parcel level for current assessment districts or parcel taxes, expenditure and revenue history by line item for the past three years and the current year budget, station operating costs, fire apparatus inventory (including condition, age, status, and any outstanding financing), agency debt, unfunded retirement and retiree medical liabilities, outstanding workers compensation liabilities, restricted and unrestricted fund balances, and annual agency audit reports