



## **Staff Report**

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### MONTHLY UPDATE REGARDING THE FUTURE OF FIRE SERVICES

Honorable President and Board Members:

#### **Summary**

This is the monthly update related to fire services so that staff and the Fire Services Subcommittee can keep the entire Board informed on issues. This report is for information only and no action is required, but the Board can provide direction should it so desire.

#### **Background**

Last fall, the Belmont Fire Protection District provided direction to retain a financial consultant to prepare an assessment for spring 2005. On December 14, 2004, the Fire Protection District voted to send a letter of termination for the South County Fire Authority and to explore alternative service delivery methods. The following week, San Carlos took a similar action.

On January 11, the Belmont Fire Protection District directed staff to begin monthly updates to the District on fire services issues and also appointed Mayor Warden and Council Member Feierbach to serve on as a subcommittee on fire services. On January 12, Chief Lowden presented a report to the South County commissioners regarding options for South County and was directed to work on behalf of both member agencies to develop contracts for fire services. He has also been giving verbal updates to the Commissioners at their regular meetings and also updates to the San Carlos City Council. Written updates such as this have been provided to the Belmont Fire Protection District in February and April.

Joint meetings of Belmont and San Carlos have been held with the key staff of the City of San Mateo, City of Redwood City, the Menlo Park Fire Protection District and the County of San Mateo/CA Department of Forestry. These meetings focused on very high-level issues of whether the participants were interested in partnering and a broad discussion of priorities for the agencies. Each agency expressed interest in potentially partnering with one or both members of South County and were asked to put together outlines of what a partnership might look like and cost.

#### **Discussion**

In the next year, there will clearly be a significant focus on fire services. As noted in February, the city manager will take the lead role in discussions with other organizations regarding

partnering, consolidating, contracting, etc. for fire services. The Fire Chief and Finance Director will be integral to the discussions and the Human Resources Director and our consulting labor relations firm will also be involved as appropriate as personnel matters will be an important part of the discussions. It would be staff's desire to work collaboratively with the labor groups to the extent possible. Staff will also work with the Council subcommittee to get input for fire negotiations and will update the full District Board monthly. Some elements of the negotiations will obviously be confidential and cannot be revealed in open session. It is important, therefore, that the city manager have the authority of the Board to negotiate fully. This is similar to what is commonly done for labor negotiations. Final and formal actions would still be the responsibility of the full Fire Protection District Board.

#### Recent Activity

The Menlo Park Fire Protection District has prepared a proposal and presented it to staff last month. They indicated an interest in serving both communities, but not just one. The California Department of Forestry (CDF), which provides fire service to the County, also has submitted an initial proposal. They would serve one or both cities. It would be possible to contract directly with the State, or through the County for CDF services. Initial feedback has been received from Redwood City. It was very general and we expect a more detailed proposal soon. They did indicate, however, that Redwood City is only interested in a partnership with both cities, or just San Carlos, but not one with just Belmont due to logistical reasons. Staff is still waiting for a proposal from San Mateo, which is expected soon.

Our special counsel, Mr. Colantuono, and the outside counsel for San Carlos have discussed dissolution steps and agreed that a costly appraisal of the fire stations will not be necessary. Representatives of Belmont and San Carlos met on May 17 with the outside counsels and fire chief to review the list of agreed to steps and assign responsibilities to the various tasks.

Staff met with the Fire Subcommittee in early May to provide an update on issues and discuss a strategy for moving forward.

#### Next Steps

After receiving all of the proposals from potential partners, staff will call a Subcommittee meeting to review them. In the future, staff expects discussions to be "bilateral" – between the potential partners individually (not Belmont and San Carlos negotiating/discussing together).

A conference call with the special counsels to update everyone on the JPA dissolution process has been set for mid June.

Last month, staff advised that a decision on moving forward with a fire assessment was needed in May. Since that time the Subcommittee met and discussed the issue and the timing. The Subcommittee recommends deferring the assessment formation actions until the fire contract for service options are more fully developed and analyzed.

While the deferral means the assessment, assuming it is pursued and successful, will not go on the property tax rolls for FY 2005-06, the first year of the assessment could be hand billed, if necessary. The deferral further benefits the District by allowing additional time to disseminate information to the voters about the financial and operational issues that affect the District.

During this period, MuniFinancial's work on preparing a draft of the assessment methodology and assessment rate alternatives will continue as this information is vital to decision making.

It is still Chief Lowden's goal to have new fire service arrangements in place by January 2006.

Finally, staff will continue to update the subcommittee and the Board on a regular basis.

**Fiscal Impact**

There is no direct fiscal impact to this report. Funds necessary for legal counsel and other expenses related to terminating the JPA have been accounted for in the Mid Year Budget Review.

**Public Contact**

A copy of this report was sent to the Fire Chief and the item was posted on the agenda as required by law.

**Recommendation**

Staff recommends the Fire Protection District accept this report and provide any direction it feels appropriate to staff.

**Alternatives**

1. Take no action at this time.

Respectfully submitted,

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Daniel Rich  
Interim District Manager