



STAFF REPORT

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 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, April and May.

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.

Dissolution of the South County Fire Authority:

The steps necessary to dissolve the district are proceeding on schedule.

Special technical studies are being commissioned regarding future Worker's Compensation liabilities as well as PERS Retirement obligations.

The Authority Board at their last meeting has adopted the final close out South County Fire Authority annual budget and fee schedule.

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 and June 16 with the outside counsels and the Fire Chief to review the list of agreed to steps and assign responsibilities to the various tasks. A conference call with the special counsels to update everyone on the JPA dissolution process has taken place in both May and June.

Chief Lowden is in the process of transitioning the responsibility for negotiating new Fire Service contracts to the respective cities of Belmont and San Carlos. With the July 1, 2005 effective date for 3% @ age 50 retirement now past, several firefighter retirements are anticipated in the coming days and months. Chief Lowden will have a serious challenge maintaining adequate staffing levels given the fact that he is authorized 39 staff; he currently has 35 and requires 36 for normal staffing. The Chief is putting in place contingency plans for a "per diem paramedic program" that will reduce the impact on manpower overtime requirements to current employees.

Staff met with the BFPD Fire Subcommittee on June 14 to provide an update on issues, review the Fire Board agenda materials and discuss strategy for moving forward. Another meeting is scheduled for July 12.

Developing a New Arrangement for Providing Fire Service in Belmont:

Recent Activity

Four proposals have been received as follows:

- a. **The Menlo Park Fire Protection District:**
This proposal indicated an interest in serving both communities, but not just one.
- b. **The California Department of Forestry (CDF):**
This proposal would serve one or both cities. It would be possible to contract directly with the State, or through the County for CDF services.
- c. **The City of Redwood City:**
This proposal expresses a preference to serve both cities or just San Carlos, but not one with just Belmont due to logistical reasons.
- d. **The City of San Mateo:**
This proposal expresses a preference to serve both cities, but would be willing to serve either.

Next Steps (Suggested)

Proposals have now been received from two Cities, a Fire District and the State CDF. These proposals have been made public. Following are suggested next steps, with a tentative timeline, in the review process for the Belmont Fire Protection District Board:

- a) Retain an analyst with expertise to compare, contrast and advise on the advantages and disadvantages of each proposal (in process)
- b) Meet with each proposer to clarify the proposals
- c) Consult with Chief Lowden
- d) Belmont City staff to develop a financial pro-forma of what the existing district is costing the City of Belmont Fire Protection District for Fire Service as well as an estimate of what it would cost to have our own City Fire Department
- e) Review the proposals with the City Council Subcommittee
- f) Council Subcommittee to formulate a recommendation of two finalists for consideration by the full Council (BFPD Board)
- g) Consult with Recognized Bargaining Unit
- h) Full City Council conducts public hearing #1 (no action taken)
- i) Full City Council conducts public hearing #2 (action taken to narrow to two finalists)
- j) Staff will then enter into “bilateral” negotiations with the final two proposers negotiating/discussing possible contract terms and conditions).
- k) Belmont City staff will then make a recommendation to the full City Council (BFPD) based on negotiations with the two finalists and comparison to the estimated cost of

having our own City Fire Dept.

- l) Full City Council conducts public hearing #3 (no action taken)
- m) Full City Council conducts public hearing #4 (to award contract) (action taken)
- n) Implementation of new Fire Service Contract

Fire Assessment

In April, 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, Muni-Financial's work on preparing a draft of the assessment methodology and assessment rate alternatives will continue as this information is vital to decision making.

Fire Chief Contract Extension

In consultation with the City Managers from San Carlos and Belmont, Fire Chief Lowden has agreed to extend his personal services contract beyond October 2005. It is still Chief Lowden's goal to have new fire service arrangements in place by January 2006.

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. Copies of the four proposals to serve Belmont were made public at the last South County Fire Authority Board meeting. Articles appeared in local newspapers following the South County meeting.

Recommendation

Staff recommends the Fire Protection District accept this report and provide any direction it feels appropriate to staff. Staff will continue to update the subcommittee and the Board on a regular basis.

Alternatives

1. Take no action at this time.

Respectfully submitted,

Jack R. Crist
Interim District Manager