



STAFF REPORT

ALTERNATIVE PROPOSALS FOR FUTURE FIRE SERVICES IN THE CITY OF BELMONT (October 2005)

Belmont Fire Protection District Board
Honorable President and Board Members:

Summary

Currently, Fire and Emergency Medical Services are provided to the Belmont Fire Protection District by the South County Fire Protection Authority, a joint powers authority (JPA) with the City of San Carlos. The City Councils of the two underlying jurisdictions have voted to terminate the JPA effective June 30, 2006. Both Belmont and San Carlos are now in the process of soliciting proposals from Fire services providers to replace the South County Fire Protection Authority by July 2006. This is the first of a series of at least four public meetings planned in Belmont regarding alternative proposals for providing Fire Service to the City of Belmont. Staff and consultants will present information on the alternative proposals and the Council may take public testimony, if any.

Belmont has received five proposals regarding future fire service in our City. All are well done and thought provoking. Four of the five proposals merit further consideration in staff's opinion. The decision regarding the future fire service in Belmont is an extremely important decision for the City. Accordingly, the Belmont Fire Subcommittee recommends a slow, inclusive and deliberative public process in which we actively solicit ideas and feedback from all stakeholders regarding these proposals before making any final decisions. To that end, we have tentatively scheduled public meetings on the following dates:

- ❑ October 11, 2005
- ❑ October 25, 2005
- ❑ January 24, 2006
- ❑ February 14, 2006

Additional public meetings could be arranged in November if desired. No decision is being requested at this meeting. The first policy decision by the Belmont Fire Protection District Board (BFPD) will be requested at the October 25, 2005 Board meeting.

Background

In December 2004, the Belmont Fire Protection District Board provided direction to staff to send a letter of termination to the South County Fire Protection Authority Board. Staff was also directed to explore alternative service delivery methods. The following week, the other JPA partner, the City of 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 service issues and also appointed Board Members Warden and 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 as well as to the Belmont Board and San Carlos City Council. Written updates such as this have been provided to the Belmont Fire Protection District in February, April, May and July.

The South County Fire Chief Chuc Lowden solicited general proposals from four entities; the Cities of San Mateo and Redwood City, San Mateo County/California Department of Forestry and Menlo Park Fire Protection District. Meetings were held with each of the four invitees before proposals were submitted to both the Belmont Fire Protection District and the City of San Carlos.

Belmont staff retained the firm of Maze & Associates (Mr. Cory Biggs) to review each of the four proposals and provide the Belmont Fire Protection District Board with a written report analyzing and comparing these proposals with one another and the benchmark, i.e. the existing service level provided by South County. A copy of the Maze report is attached hereto as Attachment 1.

After analyzing the proposals, Belmont staff then held meetings with the key staff of the City of San Mateo, the City of Redwood City, and the California Department of Forestry. These meetings focused on a review of the written proposals received from each proposing agency. Staff, in conjunction with the City's consultant, provided written questions to the proposers. With the exception of Menlo Park Fire Protection District, answers to these questions were received by the District

Staff met with the President and three Board members from Firefighters Local 2400 on August 16, 2005 to discuss the dissolution of the South County Fire District as well as the proposal review process.

Staff has a meeting scheduled with Menlo Park Fire Protection District October 12. We were unable to arrange a meeting with Menlo Park prior to writing this report.

Staff will continue to meet with the Fire Subcommittee as well as Firefighters Local 2400, South County Battalion Chiefs and other interested parties.

Lastly, 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.

Dissolution of South County

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

Special technical studies are being commissioned regarding unfunded liabilities, such as Worker's Compensation, PERS Retirement and other post employment obligations.

The Authority Board has adopted the final close out South County 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 conducted conference calls June 16th and September 20th with outside legal counsels and the Fire Chief to review the list of agreed to steps and assign responsibilities to the various tasks.

Chief Lowden has been forced to "brownout" stations in both San Carlos and Belmont for portions or all of a shift due to staffing shortages during holiday periods. The Chief anticipates several firefighter retirements in the coming days and months. Chief Lowden is having a serious challenge maintaining adequate staffing levels given the fact that he is authorized 39 staff; currently has 35 and requires 36 for normal staffing. The Chief is putting in place contingency plans for a "per diem paramedic program" as well as contracts with other providers for basic fire service. Hopefully these plans will reduce the impact on staffing overtime requirements to current employees.

Staff met with the Fire Subcommittee on June 14th, July 12th and October 3rd to provide an update on issues, review the Fire Board agenda and discuss strategies for moving forward.

Maze & Associates Analysis

The original responses from the four proposers were not consistent in structure or in scope of services. The four proposals/expressions of interest have been received and analyzed by Maze & Associates, which is attached to this report.

The Maze report attempts to provide comparability of the four proposals from the standpoint of:

- Scope of Service
- Policy and Transition Issues
- Service Flexibility
- Cost

For comparison purposes, each proposal's cost was adjusted to create a standard of one and one half (1½) engine companies and one half (1/2) of a truck company. The rationale for this standard of comparison was:

- South County currently has a three engine and one truck company configuration. Dividing that configuration by two derives the standard for one City. This standard approximates the equivalent of the service level currently being provided to each partner in South County.
- South County's fiscal year 2005-2006 budget was used as a benchmark.

Alternative Proposals for Providing Fire Service in the City of Belmont

The four proposers are all of a size sufficient to handle a contract with the City of Belmont. In all of the proposals, the Belmont Fire Protection District would own the apparatus equipment and would be separately responsible for capital improvements to the facilities. All proposers would staff the Belmont stations with both advanced life support and basic life support qualified personnel. The proposers assume South County would retain responsibility for pre-existing litigation liabilities as well as unfunded liabilities such as worker's compensation and PERS retirement for past service costs. They all eliminate the Fire Chief position. Highlights of the Maze report follow.

a) The Menlo Park Fire Protection District:

This proposal indicated an interest in serving both communities, but not just one. This proposal would require additional financial resources, but would minimize workforce issues. Highlights include:

- Broad range of services
- Included assumption of HazMat unit
- Utilizes its own dispatch
- 6 ½ year contract with automatic renewal options
- One year notice of termination
- Requires both San Carlos and Belmont
- Requires cooperation and use of Redwood City's Battalion Chiefs
- Requires approval by IAFF Firefighters Local 2400.
- 56 hour standard work week for IAFF employees.
- Suppression staffing assumes 3 person engine companies and 4 person truck
- Maze "standard" cost \$ 5.24 Mil, a slight cost increase over the current South County Fire cost.

b) The California Department of Forestry (CDF):

This proposal indicated it would serve one or both cities. It would be possible to contract directly with the State, or through the County for CDF services. This proposal was the most comprehensive and complete received. This proposal provides significant cost saving. Workforce issues are significant with this proposal. Highlights include:

- Broad range of services

- CDF currently has over 130 cooperative agreements in 35 counties. Cities include Oroville, Hamilton City, Madera, Pebble Beach, Truckee, Auburn, Rocklin, Murietta, Chino, Yucaipa, Pismo Beach, Weed, Red Bluff and Marysville. CDF also serves as the County Fire department in 19 counties.
- Statewide, CDF has 63 advanced life support units, 38 truck companies and 12 Hazmat units
- Contracting agency, in this case Belmont, would determine the level of service. Modifications can occur annually
- Included assumption of HazMat unit
- Participation in the San Mateo County ALS JPA, Belmont/San Carlos Hazmat JPA, and the Fire Net6 JPA would be uninterrupted.
- Safety employees would be members of CDF Local 2881. They would not be members of IAFF Local 2400.
- 72 hour standard work week for Local 2881 employees
- Suppression staffing assumes two 3-person engine companies and the potential for a truck company. This would be a higher level of service than the current South County Fire model.
- CDF Chief prefers a “Quint” (ladder truck with water) rather than the current tiller truck (driver in rear).
- CDF provided two compensation models. One model converts South County employees to the CDF compensation system. The other model “Red-Circles” existing employees freezing their salary at current levels until the CDF salaries catch up to the red-circled south county salary levels. New employees would be hired under the normal CDF compensation systems.
- Provides 3.7 persons per engine company, potentially a higher level of service
- Utilizes Fire Net6 dispatch
- Willing to provide service to Belmont only
- Proposal offers the option to simply make Belmont a subcontract of the existing San Mateo County cooperative agreement with CDF.
- Maze “standard” cost \$ 3.99 Mil, a 23% savings compared to the current South County cost

c) **The City of Redwood City:**

This response indicated a preference to serve both cities or just San Carlos, but not Belmont alone due to logistical reasons (although this was later softened in meetings and may be negotiable). This response provides minimal cost saving, but also minimizes workforce issues. Highlights include:

- Redwood City offered six cost model alternatives based on six different service configurations.
- Redwood City describes their proposal as a “preliminary response.”
- Redwood City is prepared to refine their cost assumptions and deployment model once Belmont refines its exact desired level of protection and deployment requirements.
- Out year adjustments would be “pass-through” of the Redwood City cost structure.
- Proposal excludes additional unknown “markup” that will be required for approval
- Emphasized savings to Belmont cannot be at the expense of regional participants in automatic aid and regional pre-hospital care agreements
- Utilizes Fire Net6 dispatch
- Suppression staffing assumes 3 person engine companies and prorated portion of a 4 person Redwood City truck company
- Proposal does not address the HazMat unit currently operated by South County, however they anticipate having the opportunity to keep it operational as it currently exists
- Replaces the Fire Marshal with a Deputy Fire Marshal
- Emphasized the importance of transition planning and identifying workforce issues. Assumes re-employment of South County employees after discussions with the employee labor organizations and participating agencies.
- 56 hour standard work week for IAFF employees
- Excludes potential savings internal to Belmont due to elimination of need to perform administrative support functions to South County Fire
- Proposal costs are “Go-Forward” costs. No transition costs are included
- Looking for a five (5) to ten (10) year contract, prefer ten. Two Council Members from Redwood City would be involved in negotiations
- Agreement would be cost plus some additional fee that was not given.
- Suggests a Belmont to San Mateo and San Carlos to Redwood City scenario may be the best way to balance workload between the two existing agencies
- Truck service in Belmont may come from San Mateo under a separate agreement between Redwood City and San Mateo
- Maze “standard” cost \$ 4.92 Mil, a 5% savings compared to the current South County cost. However, the Redwood City representatives indicated an unknown “markup” would be added to this figure, thus possibly minimizing or eliminating the savings

d) The City of San Mateo:

This proposal indicated a preference to serve both cities, but would be willing to serve either. This proposal provides attractive cost savings potential. Highlights include:

- Indicated the proposal could be modified during contract negotiations
- Emphasized San Mateo's long history of interagency and regional cooperation agreements as well as stable leadership.
- Emphasized a regional approach to maximize efficiency and effectiveness by eliminating duplication
- Assumes retention of some, if not all, of the existing South County employees
- Suppression staffing assumes 3 person engine companies and prorata portion of a 4 person San Mateo Truck Company
- Out year adjustments is negotiable
- Utilizes its own dispatch
- Willing to provide service to Belmont only
- 56 hour standard work week for IAFF employees
- Maze "standard" cost \$ 4.72 Mil, a 9% savings compared to the current South County Fire cost

e) Firefighters Local:

This proposal was received on October 4th. The District Board is requested to provide policy direction on how to proceed with this report. Staff would suggest you refer it to our consultant for analysis and comparison to the benchmark South County costs.

f) City of Belmont Standalone Fire Department:

Staff will attempt to estimate the cost of a standalone City of Belmont Fire Department in a later staff report.

Suggested Next Steps

Proposals have now been received from two cities, a Fire District, State CDF and from the firefighters of the South County District. With the exception of the firefighters, the proposals that have been received 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) Consult with Chief Lowden
- b) Review the proposals with the City Council Subcommittee
- c) Subcommittee to develop "standard of service" to be negotiated with final proposers. This standard would be considered by the full Belmont Fire Protection District Board.
- d) Board Subcommittee to formulate a recommendation of finalists for consideration by the full BFPD Board
- e) Consult with Recognized Bargaining Unit

- f) Meet with Battalion Chiefs/Fire Marshal
- g) Full BFPD Board conducts Public Hearing #2 October 25, 2005 (action taken to narrow finalists).
- h) Staff will then enter into separate negotiations with each of the final proposers negotiating/discussing possible contract terms and conditions.
- i) Belmont staff will then make a recommendation to the full BFPD Board based on negotiations with the finalists and comparison to the estimated cost of having our own District Fire Dept.
- j) Full BFPD Board conducts public hearing #3 January 24, 2006 (no action taken)
- k) Full BFPD Board conducts public hearing #4 February 14, 2006 (Action taken to select finalist and award contract).
- l) Implementation of new Fire Service Contract March-June 2006.

Fiscal Impact

There is no direct fiscal impact to this report. Funds necessary for legal counsel and other expenses related to terminating the South County JPA have been accounted for in the Mid Year Budget Review. The annual cost of the alternative proposals contained in this report can be found in the Maze & Associates report attached.

Public Contact

A copy of this report was sent to the four proposers, the South County Fire Chief, the Battalion Chiefs, the Fire Marshal, Firefighters Local 2400, local print media, City Manager of Redwood City, City Manager of San Mateo, Menlo Park Fire Chief, the City of San Carlos, and Maze and Associates. The item was posted on the agenda as required by law. Copies of the four proposals to serve Belmont were made public at a South County Fire Commission. Copies of all proposals received to date are on file in the City Clerk's office for review by the public. Articles appeared in local newspapers following the South County meeting.

Policy Questions for the Belmont Fire Protection District Board to Consider:

This will become important when we begin negotiations with each of the finalist.

1. What service configuration would Belmont want to contract for? A suggestion in this regard might be:
 - Two ALS/BLS engine companies and a pro rata portion of a truck company, say 25%.
 - Termination of the Countywide HazMat unit
 - Fire Marshal, Inspection and Plan Check prevention services

The Board might want to discuss this question with Chief Lowden

2. How should staff proceed with the Firefighters Local 2400 proposal?

Conclusions and Recommendations

- 1) Menlo Park Fire Protection District's proposal should be eliminated from consideration at the October 25 meeting when the Board takes action on these recommendations. Staff makes this recommendation to eliminate Menlo Park from consideration because:
 - It is the high cost provider; and
 - The Maze overall composite score (17) for this proposal was the lowest of the four
 - The proposal seems to favor retaining the South County entity or a new the City of Belmont Fire Protection District
 - The proposal requires both Belmont and San Carlos enter into Contracts with Menlo
 - The proposal requires Redwood City Battalion Chiefs
 - The proposal requires approval by Firefighters Local 2400
 - The Fire Chief who submitted the proposal, Chief Wilson, no longer is employed by the district.
- 2) Proposals received from CDF, Redwood City and San Mateo should receive further consideration
- 3) The proposal received from Firefighters Local 2400 should be referred to Maze & Associates for analysis and referral to the Belmont Fire Protection District Subcommittee.
- 4) Accept this report and provide any direction it feels appropriate.
- 5) Refer report to the Belmont Fire Subcommittee for further review.
- 6) Hold public hearing #2 on the future of fire service in Belmont, scheduled for Tuesday October 25th.

Alternatives

1. Take no action at this time.
2. Direct staff to narrow the list of potential candidates.
3. Give staff further direction on process and/or schedule.

Attachment:

1. Maze & Associates Report dated September 30, 2005

Respectfully submitted,

Jack R. Crist
Interim District Manager