



## CITY OF SAN CARLOS

AGENDA CATEGORY: \_\_\_\_\_

BUSINESS SESSION: \_\_\_\_\_

CONSENT CALENDAR: \_\_\_\_\_

PUBLIC HEARING: \_\_\_\_\_

STUDY SESSION: \_\_\_\_\_

\_\_\_\_\_ : \_\_\_\_\_

**COUNCIL/RDA MEETING DATE:** March 13, 2010

**ITEM TITLE:** Overview of Initial Cal Fire Letter Proposal to Provide Fire Services in San Carlos

### ***Background***

At the December 14, 2009 City Council meeting, the Council discussed and authorized Staff to contact neighboring fire departments to obtain proposals to provide contract Fire Services for San Carlos. This agenda item also authorized the City's two Fire Commissioners (Vice Mayor Ahmad and Council Member Klein) to pursue new Fire Service Options at the BSCFD Fire Board which would include regional consolidation possibilities with the BSCFD.

### ***Current Fire Service Arrangement & Costs***

Since 1979 the City of San Carlos has received Fire Services through a JPA with Belmont. Originally the costs of this service were shared with the Belmont Fire Protection District on a 50%/50% basis. Starting in 2007-08, the San Carlos share increased each year due to a new approach to fire costs which included non-fire service factors such as Assessed Valuation and Population which disproportionately impact San Carlos costs. The result has been an increase in Fire service costs from \$5,267,467 in 2006-07 to \$6,292,394 this budget year – a 19.5% increase over that time period.

### ***Initial Proposal from Cal Fire for Fire Services in San Carlos***

As noted earlier, the City has now received an initial proposal for Fire Services from Cal Fire. Key features of the proposal are:

- It provides two, 3-person, Advanced Life Support (ALS or paramedic) engine companies rather than the current Fire JPA mix of one Engine Company and one Truck Company in San Carlos
- It uses the Cal Fire approach to staffing and scheduling rather than the Fire JPA approach
- The proposal offers both a Cal Fire Staffed cost and a "Red Circle" Staffed cost where Fire JPA employee salaries are frozen until they "catch up" with the salary levels paid by Cal Fire
- The proposal also assumes that all current Fire JPA and Cal Fire employees are at the highest salary step. To the extent that is not the case, actual costs to the City will be lower and potential savings will increase
- Annual cost for Cal Fire Staffed services: \$3,495,262
- Annual cost for Cal Fire/Red Circle (frozen salary) Staffed services: \$4,257,525

Staff notes that the Cal Fire proposal is an initial proposal for these services. If the Council has interest in exploring this proposal, Staff would need to spend additional time with Cal Fire to further develop the proposal and tweak some of the areas of the proposal such as operational and other costs which could increase the cost of the proposal and proposed services which could either increase or decrease the cost of the proposal.

Staff believes that accounting for operational and other costs could result in a savings to \$1.2 Million to \$2 Million per year to the City of San Carlos. These numbers should be used for budget planning purposes until better numbers can be developed.

- **Staff projection of annual savings to San Carlos: \$1.2 Million to \$2 Million**

### ***Benchmarking Cal Fire Costs – Current Agreements in This Area***

Another area of interest Staff explored was to compare the cost of Fire Services in San Carlos today with the cost to other agencies with Cal Fire agreements. While the services in each differ, the comparison is interesting:

<u><i>Agency/Service Level</i></u>	<u><i># of Companies</i></u>	<u><i>Length</i></u>	<u><i>Annual Cost</i></u>	<u><i>Cost/Company</i></u>
San Mateo County				
4 ALS Engine Cos.	4	40 years	\$5,725,566	\$ 1,431,392
Pajaro Valley				
1 Basic Engine Co.	1	13 years	\$1,594,568	\$1,594,568
Coastside Fire				
3 ALS Engine Cos.	3	2 years	\$5,727,289	\$1,909,906
<b>BSCFD Fire JPA</b>				
<b>1 Truck, 1 Engine Co.</b>	<b>2</b>	<b>31 years</b>	<b>\$6,292,394</b>	<b>\$3,191,192</b>

### ***Overlapping Stations & Sharing Services***

In the December Council Staff Report, Staff highlighted the fact that two of the four BSCFD stations are overlapping with stations operated by Cal Fire (San Carlos) and Cal Fire and San Mateo (Belmont). The proposal from Cal Fire to San Carlos does not include the potential cost savings from a sharing of fire resources between San Carlos and San Mateo County/Cal Fire to address the existence of the overlapping stations on Alameda (BSCFD) and Cordilleras (Cal Fire). If this were done, additional savings are available. Staff believes the same may also be true with the City of Redwood City since they may also be able to share the cost of fire services in the service area now covered by the Alameda station.

Similarly, we have not explored additional opportunities for sharing services with Cal Fire's operations for San Mateo County and the Coastside Fire Department. This is another area of potential savings.

### ***Next Steps***

Since this is an initial proposal, it will require further refinement. Staff also will need to follow-up with the three fire departments that have not submitted a proposal to determine their interest in providing these services in San Carlos.

Turning to the current Fire JPA, as noted earlier the City Fire Commissioners have asked to discuss the current Fire JPA cost formula and regional cost reduction opportunities at the March meeting of the Fire JPA Board. Once that meeting has occurred, we should have a better sense of the opportunities to see reduced Fire Service costs at the Fire JPA level and compare these to the City's other Fire Service opportunities.

Respectfully submitted,

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Brian Moura, Assistant City Manager

Approved for submission by:

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Mark Weiss, City Manager

***Attachments***

- Cal Fire Local Government Fire Protection Agreement Report (March 2010)
- Cal Fire Response to Request for Information Regarding Cooperative Fire Services for the City of San Carlos (March 5, 2010)