

**A REPORT BY
THE 2012-2013 CONTRA COSTA COUNTY GRAND JURY**
725 Court Street
Martinez, California 94553

Report 1306

**COUNTY EMS and FIRE SERVICES:
A STEP IN THE RIGHT DIRECTION**

An Acknowledgment of the Real Problem--The Money and the Model

APPROVED BY THE GRAND JURY:

Date: 5/21/2013



MARC HAMAJI
GRAND JURY FOREPERSON

ACCEPTED FOR FILING:

Date: 5/29/13



JOHN T. LAETTNER
JUDGE OF THE SUPERIOR COURT

Contra Costa County Grand Jury Report 1306

COUNTY EMS and FIRE SERVICES: A STEP IN THE RIGHT DIRECTION

An Acknowledgment of the Real Problem--The Money and the Model

TO: Contra Costa County Fire Protection Districts and Agencies
Contra Costa County Board of Supervisors
Contra Costa County Local Agency Formation Commission (LAFCO)

SUMMARY

Confronted with an unwillingness on the part of citizens to vote for ballot initiatives to increase funding to support current fire protection and emergency response service models, the Board of Supervisors of Contra Costa County has taken an important step in identifying new, alternative delivery models that potentially hold the promise, if implemented, for greatly improved efficiency and better alignment with budgetary constraints.

By hiring an independent consultant, Fitch & Associates, LLC (Fitch), to review current practices, evaluate current needs, and make recommendations on how best to provide a realistic level of service for citizens, the Board acknowledged the need for a better model. The results of the study may have implications for fire districts throughout the County.

It is encouraging that the County has requested, and the consultant has promised, that a “greenfield” or “whiteboard” approach will be taken, one that allows a thorough review of the status quo and consideration of new and innovative ways to provide acceptable service in a cost-effective manner.

Much work will remain to be done after the report has been completed near the end of the year. The timing appears to be excellent for a long-overdue, collaborative effort between fire districts and the Local Agency Formation Commission (LAFCO). Cooperation, commitment, and leadership from fire boards, LAFCO, and the Board of Supervisors will be critical to move the process forward and address the concerns of all interested parties.

METHODOLOGY

1. Review of Grand Jury Report #1202, “Fire Protection – What Can You Afford, *It’s Your Choice*”, and the responses to its findings and recommendations.

http://www.cc-courts.org/_data/n_0038/resources/live/rpt1202r1.pdf

2. Review of Grand Jury Report #1211, “Contra Costa County Fire Protection and Emergency Response Services, *Leveraging Combined Strengths to Address Individual Weaknesses*”, and the responses to its findings and recommendations.

http://www.cc-courts.org/_data/n_0038/resources/live/rpt1211r1.pdf
3. Discussion of the fire and emergency medical services issues and the desired benefits of the commissioned independent consultant reports with Contra Costa County officials.
4. Discussion of the fire and emergency medical services issues and planned LAFCO activities with several LAFCO Commissioners.
5. Review of project proposals from the independent consultant who will conduct the studies.
6. Review of recommendations approved by the Board of Supervisors related to conducting the studies.
7. Review of the Purchase Orders issued to the consultant for the studies.

BACKGROUND

Fire protection and emergency response service providers in Contra Costa County continue to be pressured to align funds available, which have been severely depleted, with the costs required to operate at levels consistent with citizen expectations. Some agencies are now on the verge of insolvency, even as they make equipment and personnel reductions. Others are rapidly depleting their reserves, hoping that an economic recovery and increased real estate values will come soon enough for them to avoid similar situations.

From the beginning of the recession, fire districts tried to adjust operations in traditional ways by reducing staff and the number of active locations. They also called for scheduled pay increases to be postponed or waived and requested relief from employee healthcare and pension contributions. While these cost reductions contributed to narrowing the gap between operating costs and available funding, a major source of potential savings was not pursued-- implementation of new service models. The fire districts in the most distress, instead, chose to ask for more money.

In 2012, voters in two fire protection districts, the East Contra Costa County Fire Protection District and the Contra Costa County Fire Protection District, failed to approve ballot initiatives designed to generate supplementary funding to support the continuation of existing service models. The result of each of those ballot initiatives signified the unwillingness of citizens to provide more money for fire and emergency response services.

The 2011-2012 Contra Costa County Grand Jury wrote two reports during its term of empanelment discussing the challenges facing the East Contra Costa District (Report #1202), in particular, and in general, all fire districts within the County (Report #1211). Both reports highlighted a need for fire agencies to examine alternative structures and operating models that, if implemented, might optimize the use of available funds and better align available resources, personnel and equipment, with the realistic expectations of service levels of citizens. Supporting this position, Report #1211 stated the following as one of its findings:

“Other California fire agencies have successfully implemented innovative cost reduction models and strategies, often by consolidating fire agencies, after engaging external consultants with industry expertise.”

Furthermore, Report #1211 made the following recommendation:

“All fire agencies and the County should conduct, on an individual agency and county-wide basis, evaluations of alternative service models utilizing independent consultants with a history of analyzing fire agency challenges.”

Following the ballot defeat of their funding initiative in the November, 2012 election, the Board of Supervisors of Contra Costa County authorized the engagement of an independent consultant to (a) review and evaluate the current fire and emergency response service practices of the Contra Costa County Fire Protection District and (b) make recommendations regarding service model changes that, if implemented, could provide the foundation for cost-effective, efficient, and safe delivery of those services to citizens for the foreseeable future. The project has been put under the direction of the County Administrator, David Twa, and is expected to result in a report to the Board by the end of 2013.

Fitch was contracted by the Board, at a cost of approximately \$400,000, to “determine the optimal fire and first response coverage that can be provided within the County Fire Protection District’s defined fiscal limitations.” They will do this through two separate studies-- one focusing on fire protection and one on response for medical emergencies.

In a statement in its proposal echoing key points of Report #1211, Fitch states:

“Jurisdictions throughout the country, and especially in California, are facing a new reality in the provision of public services. Fiscal resources are unable to sustain the traditional methods and scope of providing services to the community. Concurrently the taxpayers are unwilling to increase their contributions to fund the status quo, let alone increased service levels.”

“In this environment, it is incumbent on government to explore options for the delivery of essential services.”

Report #1211 challenged fire districts to move “outside the box” in their search for new ways to provide services. One County official recently described the current approach to providing fire and emergency response services as “using a 19th century service model to try and meet 21st century service needs.” In their study proposal for emergency response services, Fitch also will examine whether the status quo provides optimal service and states:

“Fitch & Associates proposes to conduct an evaluation of the Contra Costa County EMS system utilizing a “greenfield or whiteboard” approach. These methodologies begin with no preconceptions that the current system is doing what it should be doing and in the manner that produces the greatest benefit... This structured process allows questioning of the status quo; including services and the manner they are delivered, performance requirements, roles, goals, and visions for the future. All options are available for consideration, and it allows for potential fundamental changes in funding, structure, and activities.”

Report #1211 included the following recommendation:

“Fire agencies, LAFCO, and the County should find ways to cooperate with one another in the evaluation and adoption of alternative service delivery models.”

Fitch, in its proposal, in alignment with the Grand Jury’s position, has stated:

“Developing an implementable model requires a highly collaborative approach that engages system stakeholders.”

Coincidentally, while the study is taking place, the Contra Costa County Local Agency Formation Commission (LAFCO), as part of its ongoing responsibilities, will be scheduling Municipal Service Reviews (MSRs) of all fire and emergency medical service providers in the County. These MSRs are intended to include review, analysis, and evaluation of the governance structures of those providers, the relative efficiency of how they conduct their operations, and the quality of the delivery of those services. One of the objectives of the MSRs is to identify opportunities for greater coordination and cooperation among service providers.

The timing of the Board of Supervisors’ commissioning of independent studies and LAFCO’s MSR activities may create an environment in which a meaningful solution to the ongoing fiscal problems associated with providing fire and emergency response services can be identified, a solution that includes changes to the delivery model. However, this would only be a first step in the process. It will then be up to the fire boards for the districts in the County to take note of three other Grand Jury observations included in Report #1211:

“In the long term, approaching common problems at a County-wide regional level could offer additional solutions.”

“Creating and pursuing a County-wide strategy will require extraordinary leadership and cooperation at both the County and individual district levels.”

“They should leverage their collective strengths to identify and implement the best way to address their collective weaknesses.”

FINDINGS

1. The Board of Supervisors has taken a step in a process to identify and implement a more efficient and cost-effective fire service and emergency medical response model by commissioning studies to review and analyze current fire protection and emergency medical response practices of the County Fire Protection District and to make recommendations of alternative approaches.
2. The timing of the commissioned studies, which coincide with LAFCO’s plan to undertake MSRs of the fire districts in the County, presents an excellent opportunity to develop improved fire protection and emergency medical response operations in the districts and throughout the County.
3. Cooperation between the County and fire district governing bodies is critical to successfully transition to new models of providing fire protection and emergency medical response services.

RECOMMENDATIONS

The Grand Jury recommends that:

1. The Contra Costa County Board of Supervisors consider sharing the written studies prepared by Fitch and Associates with all other fire protection districts in the County and that the County and fire districts consider using those studies as the basis for future discussions exploring opportunities to leverage strengths and optimize the delivery of services throughout the County.
2. The Contra Costa County Board of Supervisors consider sharing studies by Fitch and Associates with LAFCO and LAFCO consider postponing MSRs for fire districts until the studies are available and can be used to provide updated context for LAFCO's reviews and analyses, provided that LAFCO does not delay issuing any such MSR beyond the time that it is required to do so by applicable California statute.
3. No fire districts consider any revenue-generation ballot initiatives until results of the studies have been reviewed and evaluated and plans have been developed by each district to implement any agreed-upon "best practices" that may be included in those studies.
4. LAFCO consider identifying funds to issue an annual, written status report regarding efficiency improvement and model optimization activities within County fire districts.

REQUIRED RESPONSES

	<u>Findings</u>	<u>Recommendations</u>
Contra Costa County Board of Supervisors	1, 2, 3	1, 2, 3
LAFCO	2, 3	2, 4
City Of El Cerrito Fire Department	1, 2, 3	3
City of Pinole Fire Department	1, 2, 3	3
City of Richmond Fire Department	1, 2, 3	3
Contra Costa County Fire Protection District	1, 2, 3	3
Crockett-Carquinez Fire Protection District	1, 2, 3	3
East Contra Costa Fire Protection District	1, 2, 3	3
Kensington Fire Protection District	1, 2, 3	3
Moraga-Orinda Fire District	1, 2, 3	3
Rodeo-Hercules Fire Protection District	1, 2, 3	3
San Ramon Valley Fire Protection District	1, 2, 3	3