

2001

Fire Services Merger Proposal

City of Gainesville Fire Rescue as
Single Provider of Fire Rescue
Services.



Introduction

The following document is the next phase in the exploration of whether fire services in Alachua County should be merged. This phase in the process consists of the presentation of several models of how such a merger could be accomplished and an evaluation of whether any of the models can achieve desirable goals at a reasonable cost. The model presented here, known as the "Tallahassee model", envisions an urban service to be provided by the existing municipal service provider (City of Gainesville) for the area of Alachua County that is either currently urbanized or expected to be urbanized soon.

The contract between Leon County and the City of Tallahassee provides the guiding framework for this model, although there is one significant difference. In Leon County the City of Tallahassee is the only incorporated municipality. The twenty-year agreement by which Tallahassee provides all fire services in Leon County started at a time when there was only one municipal fire department and 5 rural volunteer fire departments. Adopting the Tallahassee model requires a return to the situation that existed in Alachua County in 1989. At the time there were nine municipalities in Alachua County providing fire services both inside and out of their respective municipal boundaries. In that year the Alachua County Commission decided to create their own fire rescue department to serve the unincorporated area outside the City of Gainesville. In the intervening 11 years Alachua County has built and staffed five fire stations of its own with a total of 70 employees. Alachua County also provides staffing for two of the rural municipality fire departments (Alachua and Hawthorne). Another significant change in the 11 years is that Alachua County has merged the EMS transport agency (formerly known as Alachua Ambulance Service) with the fire rescue department under a single administration that has added several additional responsibilities (E-911, Emergency Management). The blending of these multiple responsibilities under a single administration creates difficulty in parsing the appropriate costs to the different parts of the organization.

The model system presented in this document presents two ways of accomplishing the proposed merger. One of these has the City of Gainesville resuming responsibility for fire rescue services in the designated urban area that it served until 1990, when Alachua County built and staffed its first fire rescue station. The other presents a similar scheme, but one that retains the EMS transport function as a countywide service. Either of these models envisions Alachua County contractually funding fire rescue services in the unincorporated areas until they are annexed by the respective municipalities.

In any discussion of service provision over several political jurisdictions, the significant issues are, and remain, governance and financing:

Governance includes choices about how the service provider will be accountable to the citizens. Governance also determines the source of support services to the new entity (legal services, purchasing, human resources, pension administration, financial administration, fleet management, facilities management, telecommunications, etc.).

Financing is concerned with both revenue sources and equity. Traditionally sources of revenue for fire rescue services come from General Fund or Municipal Services Taxing Units. Both of these receive a variety of funds including ad valorem taxes, utility taxes, franchise fees, and any other sources of revenue that local governments receive. A relatively new source of revenue in Florida has been the fire assessment fee that has been created in several jurisdictions, including Tallahassee (inside city limits). Assessments must be based upon a benefit to the property and must have a relationship to the level of benefit received. This is usually established by setting a level of service to be provided and measuring the demand for service created by the property. The concept of equity in payment for fire rescue services is fairly easy when all the revenues in a specific area being served come only from that area. Complexity arises when services are shared across jurisdictional boundaries, as evidenced by the protracted and continuous negotiations between Alachua County and municipalities for provision of services in the unincorporated area.

Neither of these issues (finance and governance) is resolved by the presentation of models. It is only with the selection of a model that the true work of unbundling the existing services and dividing responsibilities and costs can be accomplished. The constraints imposed at the beginning of this process prevent any significant savings at the outset. The monumental effort required to produce a merged service could only be justified in two ways. One is an increased efficiency of service delivery through streamlined governance. The other is the adoption of sustainable service level boundaries and reduction in the horizontal expansion of urban services. Although the latter can be controlled through comprehensive planning, this mechanism has been more reactive than proactive as growth continues at the fringe of urban areas. A minor, but perhaps more effective growth control tool, could be reallocation of costs to the areas in which the growth is raising service demand, instead of spreading them over the entire county. In simpler terms, allocating the costs of new services to the area being served tends to reduce the pace of that growth and the burden on other areas that have already matured. Addition of capital impact fees would add to that effect, although the major costs of fire rescue services are clearly salaries and operating costs.

With all the aforementioned considerations in mind, Gainesville Fire Rescue Department presents this model for merged fire rescue services in Alachua County:

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Assumptions

Assumptions for proposal using the City of Gainesville as Single Provider of Fire Services.

It is important to be explicit about the conditions that are assumed in making this proposal. This model is dependent on the decision makers recognizing and understanding the parameters under which the plan is based.

- 1) General Assumptions: Introduces the broader and longer-range issues.
- 2) Service Provision: Identifies the type and area of services to be measured.
- 3) Personnel: Assures protection of current employees
- 4) Contract: Defines term, assets and management.
- 5) Financing: Outlines funding commitments, amounts and sources.

1) General Assumptions:

Community Planning

- Fire Services and their delivery are a vital part of a community's infrastructure and should have at its foundation sound master planning that allows efficient expansion of service and enhancement of service levels.
- Fire-Rescue Services should be an element in comprehensive planning as well. Fire Protection in particular can be a component of effective growth planning and a tool for encouraging sustainable densities within the planned urban areas. Conversely it has been noted that in conjunction with utility and transportation enhancements Fire Services provision can encourage pockets of developments outside the planned areas. To provide these areas with a similar level of service as is being provided in the urban areas generally has a higher unit cost.

For the Fire Merger to be ultimately successful it must be subjected to rigorous tests for conformance to the long-range master plans of the local governments involved, specifically the City of Gainesville and Alachua County. **Plans follow visions—not vice-versa.**

2) Fire Service Delivery Assumptions

Level of Service

- There are two distinct levels of service; Urban and Rural
- The Urban level of service is defined as the same services and response currently being provided within the entire corporate limits of Gainesville and the Urban Reserve area (HUD). This area will be known as the Urban Fire Services Area and is contiguous to the Urban Development Boundary.
- The Rural level of service is defined as those areas outside the defined boundary for Urban service.

Areas to receive Services

- The entire corporate limits of the City of Gainesville and Gainesville's Urban Reserve area receiving the Urban level of service.
- Unincorporated Areas contiguous to the urban reserve area and extending out will have a defined boundary between the Urban and the Rural level of service.
- Remainder of unincorporated area to be served by other municipalities or volunteer organization under contract with Alachua County. Gainesville Fire-Rescue would be available to administer these contracts and to provide technical support to these departments.
- Any expansion of unincorporated area to receive Urban service levels would require analysis to determine additional costs to be included in the agreement.

Service Components

EMS Transport

- Emergency Medical Transport Services in the proposal is distinguished as a modular component that can be integrated into the single provider model or left to operate as third service by a separate entity. The EMS transport service is viewed as county-wide in scope.

Fire Safety

- The fire prevention, arson investigation, inspection, plans review, permitting and public education services, under a Fire Safety Management Division is considered an Urban service and would be provided in the Urban Fire Area only.

Hazardous Material

- The emergency response to hazardous chemical emergencies would continue to be provided both in the Urban Fire Area and the Rural Fire Area. This response will also continue to be provided throughout the current eleven (11) county Local Emergency Planning Committee's response area.

3) Personnel Assumptions

- The proposal includes all current employees for both agencies.
- No current employee will be terminated.
- Any reductions in the number of staff will be made through normal attrition.
- No current employee to receive any reduction in salary or benefits.
- No mandatory change in employee retirement system choice.

4) Financing Assumptions

- A formula, accounting model or combination thereof, which fairly apportions the cost of service, will be maintained.
- Liability for accumulated sick leave, vacation, and any other compensated absences incurred prior to the signing of the Interlocal agreement will be the responsibility of the former employer.
- Fire Rescue Services assets of the contracting party will be made available to the service provider.
- A payment schedule will be implemented to reduce the level of advance funding by the service provider.
- All records pertaining to the financing and operation of the proposed merged Fire Rescue Service will be available for inspection and audit by authorized representatives of the City and County.

FY 2001-COMBINED EMERGENCY SERVICES BUDGET-EXPENSE

EXPENDITURES	(1)	CITY OF GAINESVILLE	ALACHUA COUNTY	COMBINED
<u>Administration</u>				
Personal Services		\$330,389	\$354,790	\$685,179
Operating Expenditures		94,255	70,120	\$164,375
Capital Outlay		0	26,718	\$26,718
Grants & Aids		0	10,200	\$10,200
Subtotal		424,644	461,828	886,472
<u>Emergency Operations</u>				
Personal Services		7,481,252	4,562,585	\$12,043,837
Operating Expenditures	(2)	1,133,810	2,428,284	\$3,562,094
Capital Outlay		0	10,776	\$10,776
Subtotal		8,615,062	7,001,645	15,616,707
<u>Fire Safety Management</u>				
Personal Services		373,738	0	\$373,738
Operating Expenditures		64,780	0	\$64,780
Capital Outlay		0	0	\$0
Subtotal		438,518	0	438,518
<u>Training / EMS Bureau</u>				
Personal Services		241,031	4,153,218	\$4,394,249
Operating Expenditures		64,580	1,940,693	\$2,005,273
Capital Outlay		0	36,664	\$36,664
Subtotal		305,611	6,130,575	6,436,186
GRAND TOTAL		\$9,783,835	\$13,594,048	\$23,377,883

NOTES:

- (1) The expenditure budgets are net of indirect cost.
- (2) The City figure includes \$550,000 for fire hydrant rental but the County figure is net of fire hydrant cost.
The County operating expense includes over \$1,400,000 in contractual services.
- (3) The City total is net of approved fire apparatus purchase budget of \$972,000.
- (4) Combined Communications Center related expenditures are not included in this schedule.
- (5) The final approved FY 2001 County Fire Rescue Services budget includes 176.00 FTEs.

FY 2001-COMBINED EMERGENCY SERVICES BUDGET –FUNDING

FUNDING SOURCES	CITY OF GAINESVILLE	ALACHUA COUNTY	COMBINED
<u>General Fund</u>			
Airport Contract	\$337,579	\$0	\$337,579
Hazmat Gross Receipts Tax	128,778	0	\$128,778
Designated Assistance Revenues	375,000	0	\$375,000
Subtotal-Fire/Rescue Sources	841,357	0	841,357
Various County Sources (1)	0	13,594,048	\$13,594,048
Other General Fund Sources	8,942,478	0	\$8,942,478
GRAND TOTAL (2)	9,783,835	13,594,048	23,377,883

NOTES:

- (1) Details of the sources associated with the merger proposal were not readily identifiable.
- (2) Neither of these sources include funding for the cost of communications or indirect costs. The County source is also net of funding for fire hydrant rental.

STATEMENT OF SOURCES AND USES

#140101H

	FY 1999 ACTUAL	FY 2000 ACTUAL	FY 2001 BUDGET
SOURCES:			
Intergovernmental:			
Federal Disaster Relief	\$53,835	\$14,573	\$0
State Disaster Relief	3,069	1,057	0
Firefighter Supp. Compensation	2,820	3,840	3,600
EMS Trust Grants	75,319	128,228	139,214
Charges for Services:			
Ambulance Fees-Regular	5,521,447	5,898,968	5,748,500
Medicare/Medicaid Write-off	(684,647)	(710,236)	(727,000)
Bad Debt	(1,495,174)	(1,581,403)	(1,503,000)
Subtotal-Regular Ambulance Fees	<u>3,341,626</u>	<u>3,607,329</u>	<u>3,518,500</u>
Ambulance Fees-Special Events	94,063	96,331	100,000
Non-Emergency Transport Fees	0	101,666	110,000
Membership Fees	16,809	0	0
Training Fees	468	791	1,000
Miscellaneous:			
Proceeds from Surplus Sales	3,308	2,277	0
Settlements	1,040	533	0
Ambulance Fees-Previously W/O	6,743	2,255	0
Other	109	240	1,200
Other Sources:			
Transfer from General Fund	2,040,905	2,350,425	2,408,091
Proceeds from Capital Lease	0	140,686	0
Revenue Deflator (5.0%)	0	0	(186,615)
Total Sources	<u>\$5,640,114</u>	<u>\$6,450,231</u>	<u>\$6,094,990</u>
USES:			
Personal Services	3,496,286	4,069,532	4,153,218
Operating Expenses	1,425,623	1,671,367	1,907,213
Capital Outlay	11,158	169,323	36,664
Debt Service-SCBA	0	0	33,480
Transfer Out	1,136,961	1,150,000	526,630
Total Uses	<u>6,070,028</u>	<u>7,060,222</u>	<u>6,657,205</u>
EXCESS (DEFICIT) OF SOURCES OVER USES			
	<u><u>(429,914)</u></u>	<u><u>(609,991)</u></u>	<u><u>(562,215)</u></u>

NOTES:

- (1) The amounts in this statement are based on balances from GM259L,GM267C,GM601U, and GM601L Reports provided by County staff and County's Comprehensive Annual Financial Reports. #140101H
- (2) This revenue is generated via a contract with community transportation coordinator. Revenues and expenses related to this agreement is accounted for in an enterprise fund (#411).
- (3) These transfers out are not identified as EMS related in the budget schedule but are combined with other transfers out for the Fire Rescue Services Department.

Operation Plan

Organization

The combined department when including the EMS Transport component would consist of 318 total personnel. If the Transport Component were left as third-service the merged Department would reduce to 221 total personnel.

Administration

Office of the Fire Chief

The Department executive manager would be responsible for the general management of all fire-rescue services. This position will have as direct reports, managers over each division of service. The primary duties would include: emergency management, labor relations, strategic business planning, fiscal oversight, hazardous material and emergency medical services management and planning, hazardous material regional response planning, standards and policy, information management, employee recognition, community relations, public information, and internal investigations within the Fire Service Area. The Fire Chief would command all personnel within the merged department.

Operations

The Operations Division is directed by the Deputy Fire Chief and includes all fire rescue companies and commanders responsible for emergency management in the community. Core Emergency resources would include approximately Fifteen (15) fire companies (staffed units) from multiple stations, and providing primary response to an approximate 200 square mile area. Fire Rescue companies would respond to a wide variety of emergency services within the response area. These include: fire suppression, vehicle extrication, victim rescue operations, emergency medical services, hazardous material incidents, aircraft crash incidents, and natural disaster situations. The Operations Division is responsible for a wide variety of non-emergency services to include: pre-emergency planning, personnel safety and physical fitness, recruitment and hiring, physical resource management, communications management, and regional hazardous materials emergency response.

Fire and EMS Transports Option

The Operations Division would operate all fire companies and EMS transport units currently providing services within the City and Alachua County. These units would provide both Fire protection and First Response EMS services. The Transport units would be operated as an integrated Fire and EMS response component. In addition to providing EMS transport services the personnel would continue to be cross-trained and would augment all fire-rescue operations.

No EMS Transports Option

In this scenario, the Operations Division would operate all fire companies currently providing Fire protection and First Response to EMS calls services within the City and Alachua County and would provide a. The EMS transport would be operated separately and not as an integral component to the Fire-Rescue operations division.

Fire Safety

The Fire Safety Management Division is directed by the Assistant Fire Chef and consists of programs designed to reduce the hazards of fire and other risks within the Urban Fire Service Area. The Division will coordinate the fire prevention and risk reduction for the entire Department. Core programs for the Urban Fire Services Area will include providing fire inspection services, fire and arson investigative services, community fire and life safety education and disaster preparedness planning.

Training

The Training Division is tasked with providing the extensive and ongoing training requirements of the Department. Each Firefighter receives hundreds of hours of instruction in a given year. This includes course delivery in Fire, EMS, Hazardous Materials, Physical Fitness, Fire Inspection, and Emergency Vehicle Operation, Live Burn Drills and Promotion Courses for Driver-Operator and Company Officer development. The Division also represents the Department in conducting recruitment and hiring processes.

Administrative Services

The Administrative Services Division will include all budget, payroll and EMS billing functions. This Division will also be responsible for the Departments information technology, communications as well as operation of a central supply and equipment duties.

Conclusions

The most fundamental question surrounding the issue of fire merger is its purpose. What would be different about the future of Gainesville and Alachua County that would be better than today?

- **Administration:** There would be a single administration of service in the urban area. This would be an improvement from a policy and coordination perspective, although it would have only marginal cost savings.
- **Service Level:** The services as they exist now would be right-sized – at least in the cities – and Alachua County could control the cost of growth and its “fair share” of costs. It can do this by controlling the location of population growth, having new growth pay for itself (primarily capital), and by contracting for an affordable/sustainable service level.
- **Defined Municipal Service:** The proposed model maintains an urban focus, meaning municipalities retain the responsibility of providing urban services. This can help to manage growth by establishing service concurrency requirements for urbanization, especially where it leads to annexation.
- **Long-term Equity:** Great care will have to be exerted in the construction of service agreements (such as those proposed in the model contract) to prevent cross-subsidies. This is similar to the intent of the current Designated Assistance Agreement, but requires more depth to account for indirect, capital and other costs not recognized in that agreement.
- **Phased Implementation:** The proposed model does not require an “all at once” implementation. The transfer of Alachua County Fire Rescue stations, equipment, and personnel could occur in phases to allow a less complex transition than a sudden merger would create. (Obviously annexation creates the same opportunity.)
- **Annexation:** Under the Alachua County Boundary Adjustment Special Act, the proposed model would integrate well with the established urban annexation territories already in existence. The stations in the unincorporated urban area would already be part of the system they would ultimately serve through phased annexations.

- **Planning:** It would enable cities to be the planners for their own ultimate service build-out, or at least to have more influence on them. One of the single most difficult tasks over the long term is the re-location of facilities that are placed incorrectly for serving the entire network. Fire rescue stations are expensive nodes on a wide area service network. Once located, they are viewed as permanent community fixtures. Placement of facilities that do not complement the existing service network and match planned urbanization patterns is an expensive and politically difficult error to correct.
- **Growth Control:** Using the Tallahassee model, Alachua County would no longer be a direct provider of fire services. In the long-term, the City of Gainesville and other municipalities will gradually annex the unincorporated urban areas of Alachua County. As this occurs, the cities become responsible for providing and financing the majority of fire protection costs. Alachua County can continue to provide services to the rural areas through service contracts that provide a minimum level of service and a minimal cost. Alachua County's 5-year capital plan shows the construction of several new fire stations, either at the border of the urban area or in rural areas. While some of these are EMS stations, they are being built with the capability to provide fire services, thus expanding into developing rural areas at urban service levels. These plans would have to be reconsidered in light of the urban-rural boundary proposed.

There are many communities, especially in South Florida, that provide indicators of what can occur when a model is chosen with no experience of the unintended consequences. To pick one example, Palm Beach County was approximately the same size as Alachua County in 1981 when 11 fire departments were merged (no layoffs, all pay and benefits kept intact). Today, the unincorporated population and protected municipalities total 600,000 population and there are 31 fire stations. Recently the Palm Beach County Commission waived their voluntary 3-mil cap on fire rescue MSTU millage to pay for pay increases plus 4 additional stations and staffing. The fire rescue department will account for 4 mils of the MSTU (\$4 per thousand) by 2004. The City of Lantana, served by PBCFR, has seen a 44% increase in cost over the last 4 years. Insurance Services Office ratings in Palm Beach County range from 4 to 9. (Gainesville is rated at 3, the urban area at 4-6, and most rural areas are at 9.) The Palm Beach County cost escalation was not fueled just by the merger, but by the scattered urban growth pattern.

The theme articulated in this presentation, of protecting the urban-rural boundary, both in population growth and in service level, is clearly the best way to control the costs of fire rescue services. Fire services master planning, based upon the adopted comprehensive land use and zoning plans, would provide a clearer picture of these costs. Some costs could be avoided by adding modern protection technologies to the built environment as it grows. Even without more built-in protection, a master plan would show the various "what-if" scenarios and their associated costs.

** **Note:** If Alachua County continues to operate EMS transport then planning, financing, administering, and all the other support functions must be maintained. The City of Gainesville could operate the system as proposed in the merger. The governance and finance issues would be similar to the "Tallahassee model", but are somewhat more complex for providing this service countywide.

Appendix

Maps

- Fire Services Area and Fire Station location representation
- EMS Transport service area and Unit location representation
- Fire Services Areas for entire County

Organization Charts

- Merged Department with EMS Transport
- Merged Department with FIRE only.
- GFR current organization
- ACFR current organization

Employee/Position Lists

- GFR current employees and positions
- ACFR current employees and positions

Contracts

- Current Interlocal Agreement (June 5, 2000)
- Draft of a new Interlocal agreement
- Combined Communications Agreement; Section 4, Personnel
- Designated Assistance Agreement between City of Gainesville and Alachua County
- Alachua County “fair share” agreements with rural municipalities
- Broward County Strategic Service Delivery Plan (June 2000)
- Orlando/Orange County Joint Planning Agreement; Sect. 12, Fire / Rescue Service
- City of Gainesville Annexation Policies (02/26/01)