

FITCH Study:  
Report to the Board of Directors

# Contra Costa Fire Protection District




Jim Broman  
Guillermo Fuentes



# Project Charge

*“Determine optimal **EMS** First Response and **Fire** Response coverage within fiscal limitations.”*

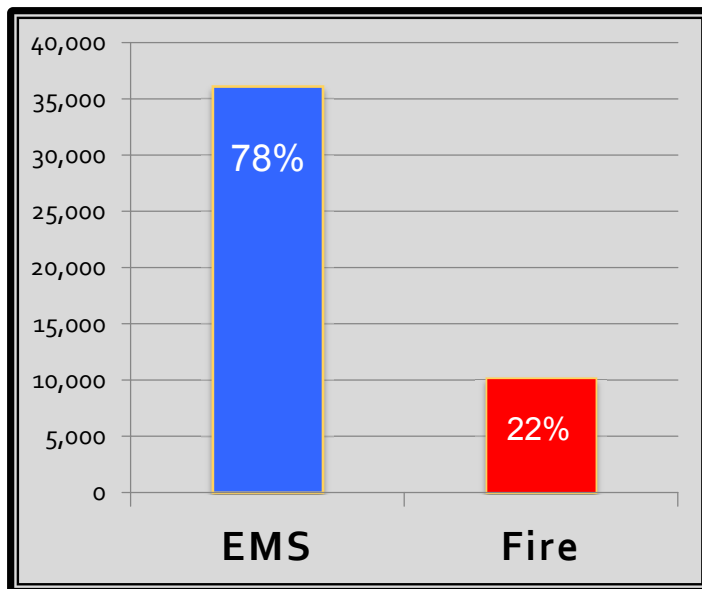
# Project Challenges

- Expenses > Revenue
  - Dependent upon reserve funds
  - Fiscally unsustainable
-  Capital \$\$
  - Facilities & apparatus
- Station closures; public criticism
- Administration / Support short-staffed

# ConFire Overview

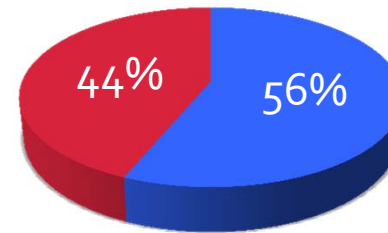


Incident Volume



Time on Task

**2012**

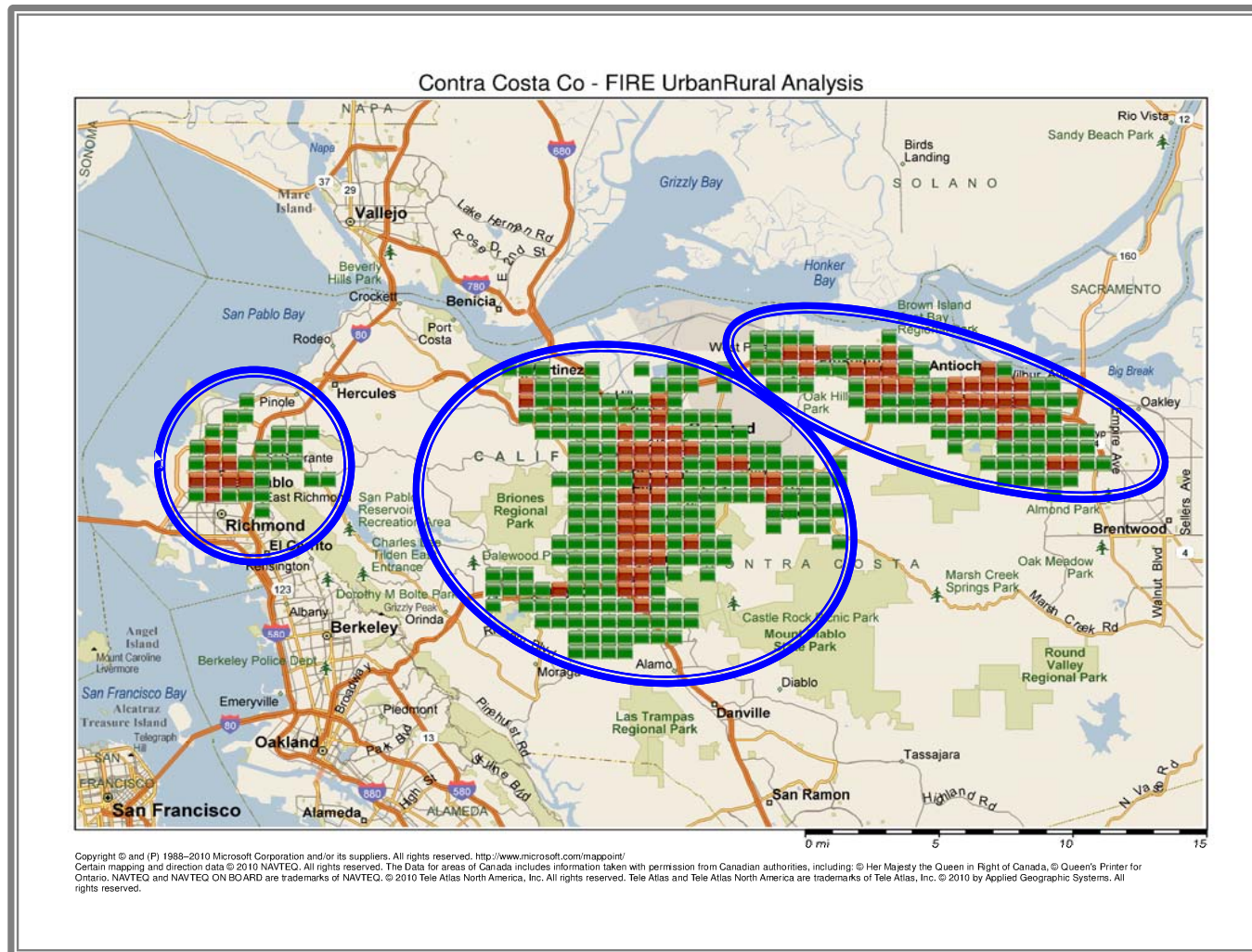


■ EMS ■ FIRE

## AVERAGE TIME TO CLEARANCE

EMS	18 minutes
FIRE	30 minutes – 18 hours

# District Demographics



February 2014

# Observations: Organization

- Current, generally well organized and fairly efficient
- Under resourced (*NFPA Staffing Profile 2012*)
- Contemporary, efficient prevention system
- Marginal staffing for support services
- New leadership (*2013*)
- Grand Jury Report (*2012*)
- LAFCO MSR (*2009*)




# Observations: Response

- Response time performance (2013 data; 90<sup>th</sup> percentile)
  - NFPA® 1710 6:45 | ConFire 10:42 (Total time; includes dispatch)
  - EMS 8:59 | ConFire 10:23 (Total time; includes dispatch)
- External aid = 18% of ConFire response time
  - Net provider
- Major incidents ≠ service degradation
- Station closure impacts
  - Fire response times + 18 seconds
  - EMS response times + 6 seconds



# Observations: Fiscal

- Measure Q (2012) rejected
- Citizen Input
  - Improved service model and efficiencies
- Increased property value assessments (*October 2013*)
  - 5% annual versus previous 2%
- Need for another tax initiative (*2 – 3 years*)
-  Capital
  - Estimated \$4 million annual shortfall (*near term*)





# Capital Concerns

- Facilities | 30 Stations
  - 17 (57%): 1950's and 1960's
  - 2 stations: 1970's
  - 6 stations: 1990's; 2 stations in 2000 (*newest*)
  - 3 stations 1930's & 1940's
  - 5 stations listed in the MSR for "replacement"
- Apparatus
  - 66 response apparatus
    - Most circa 2003 manufacture
    - \$28 million (*replacement value*)
  - 77 light fleet vehicles



# Fiscal Overview

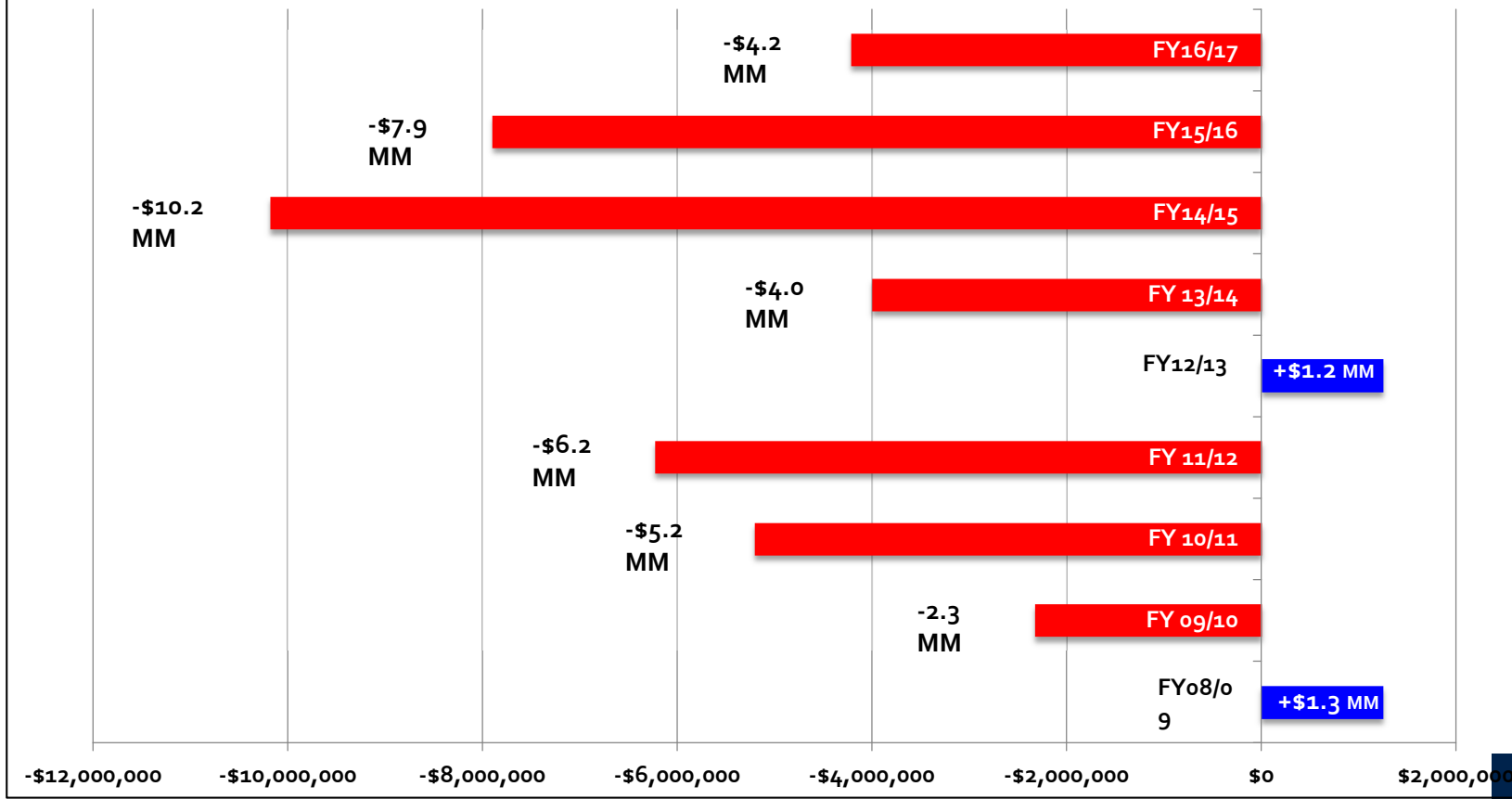
*Let's talk money!*



# Fiscal Overview



## ConFire Structural Deficit: Annual Revenues Less Annual Expenses



February 2014

# Projections (*Status Quo*)

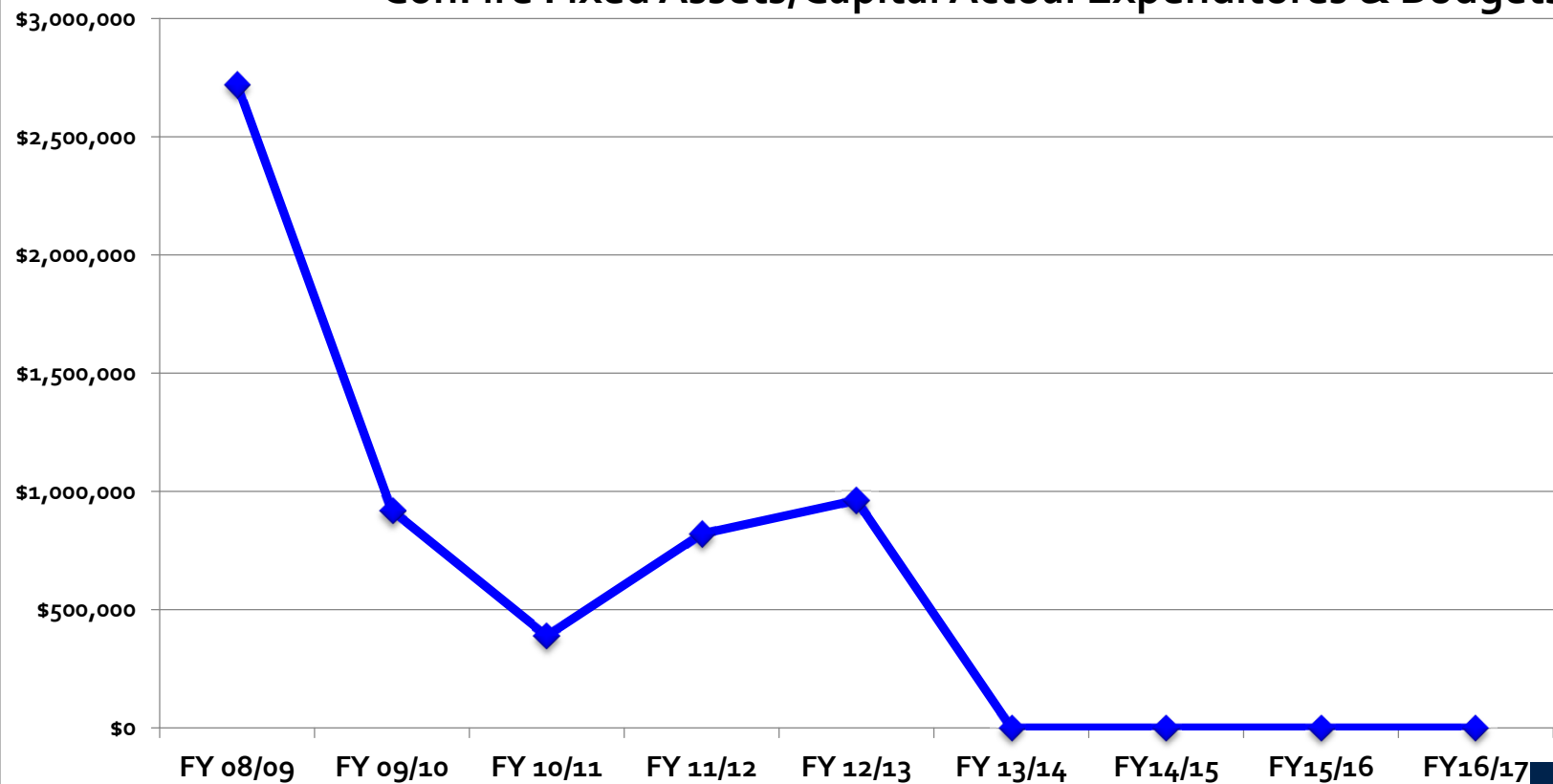


23 Companies	13/14	14/15	15/16	16/17	17/18
Revenue	\$91.3	\$95.7	\$100.2	\$105.0	\$110.2
<i>Property Tax + Other</i>	+ 5%	+ 5%	+ 5%	+ 5%	+ 5%
Expense	\$95.3	\$105.8	\$108.1	\$109.2	\$110.3
<i>Expense Increase</i>		+ 11 %	+ 2 %	+ 1 %	+ 1 %
Deficit	(\$4.0)	(\$10.2)	(\$7.9)	(\$4.2)	(\$0.1)
Beginning Reserves	\$20.7	\$19.3	\$11.7	\$6.4	\$4.8
<i>Stabilization Reserves</i>	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6
Current Year Reserves	\$23.3	\$21.9	\$14.3	\$9.0	\$7.4
<p><i>Assumptions include 5% revenue increase and ≤ 1% expense increases. No long term capital funding.</i></p>					

# Fiscal Overview



ConFire Fixed Assets/Capital Actual Expenditures & Budgets



February 2014

# Moving Forward...

*What are our options!*



# Moving Forward...

- In context of significantly improved revenue forecast, how can ConFire:
  - *Manage through to financial equilibrium*
  - *Adjust service delivery for efficiency*
  - *Address station closings (current & potential)*
  - *Avoid further loss of personnel resources*
  - *Respond to citizen interests and issues*

# Options



- Option 1 – Status Quo
  - Maintain current deployment; minimal change
  - Anticipate favorable tax measure
- Option 2 – Three / Two Response Staffing
  - Convert select 3-person companies to 2-person companies
  - Quick Response Vehicles (*QRVs = capital expense*)
  - Reopen some closed stations / companies
- Option 3 – “Single Patch” EMS Personnel
  - Lower personnel expense
  - Reduces fire response capacity



# Report Review & Comment

- Public Managers' Briefing
  - Thursday, January 9<sup>th</sup>
- Public Release of Draft Report
  - Monday, January 13<sup>th</sup>
    - *Three-week comment period*
- Public Town Hall Meeting
  - Wednesday, January 22<sup>nd</sup>
- Public Comment Period Closed
  - Friday, January 31<sup>st</sup>
- Final Report Presentation
  - Tuesday, February 25<sup>th</sup>

# Public Comment: CHANGES

- Response Summary Tables; *(Attachment H, end of report)*
- Material Report Changes
  - Items added in; noted in table of Q & A
    - 3-person vs. 4-person staffing history
    - Auto / Mutual Aid
    - Reserve / Volunteer Resources
- Comment Themes
  - Report focus (*narrow*)
  - Report window; i.e., 3-year
  - ⊗ wages, benefits & revenue sources
  - Responder workload

# Public Comment: THEMES

- Narrow report focus
  - **FITCH** Scope:
    - How to maintain service (*response times*); 2 – 3-year window
- 3-year strategy versus long-term solution
  - Convergence of financial circumstances
  - Multiple scenarios; need to narrow the field

# Public Comment: THEMES

- Wages, benefits & revenue sources
  - Outside **FITCH** purview
  - Matter of collective bargaining
  - Pension costs; one-year anomaly
  - Revenue: other options ⊖ substantial or reliable
- FF Workload
  - Disparate perceptions
  - **FITCH**: Within acceptable boundaries

# Questions / Discussion

[jbroman@fitchassoc.com](mailto:jbroman@fitchassoc.com)

[gfuentes@fitchassoc.com](mailto:gfuentes@fitchassoc.com)