



Contra
Costa
County

To: Contra Costa Fire Board of Directors

From:

Date: December 11, 2012

Subject: Service Reduction and Fire Station Closure Plan

RECOMMENDATION(S):

CONSIDER approving and authorizing the Fire Chief to implement the attached Service Reduction and Fire Station Closure Plan.

FISCAL IMPACT:

Closing four fire stations for the second half of the current fiscal year is projected to save approximately \$3 million.

BACKGROUND:

Like many fire districts in the State, the Contra Costa County Fire Protection District is heavily dependent on property tax revenues to fund its operations. With the long and deep economic recession and the associated steep decline in the housing market, the funding the District has traditionally relied on for providing fire services has declined significantly. Additionally, due to retirement system investment losses and a change to the way in which the retirement system allocates costs, the District's annual pension expense has more than doubled. In response to worsening financial conditions, the District enacted a number of measures over the last few years to cut costs and improve efficiencies. To maintain service levels, reserve funds from prior year budget surpluses were used to bridge

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: 12/11/2012 APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYES 5 NOES _____

ABSENT _____ ABSTAIN _____

RECUSE _____

Contact: Chief Daryl Louder,
925-941-3500

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 11, 2012

David J. Twa, County Administrator and Clerk of the Board of Supervisors

June McHuen
By: June McHuen, Deputy Clerk

cc:

BACKGROUND: (CONT'D)

the gap caused by the decline in property tax revenues.

In November 2012 the voters in the District's 300 square mile service area had the opportunity to vote to approve a temporary special tax measure. The measure received 53% of the votes, but under State law it needed a two-thirds supermajority to be successful.

Prior year reserve funds are now nearly exhausted and the District must reduce operating costs significantly to operate within its current revenue stream.

Given the difficulty in obtaining a supermajority vote on any new tax and to avoid potential layoffs should the measure be unsuccessful, the District left certain positions vacant as attrition occurred. As of December 1, 2012, the District has 219 filled firefighter positions. The minimum staffing requirement with 28 stations/crews is 255 firefighters. The vacancies are being staffed by recalling personnel on an overtime basis.

Cuts have already been made in non-operational areas. At this time the District has no option but to reduce direct service delivery levels to the community. Due to the low baseline level of resources, further reductions will have an adverse impact on response times, operational capacity, and the District's ability to protect and serve the community.

The attached plan proposes the closure of four stations in January 2013. The anticipated savings from this service level reduction is estimated at \$3 million for the remainder of fiscal year 2012-13. The District has already realized some personnel cost reductions by allowing positions to remain vacant and staffing them with overtime personnel. (The savings results from the difference between the hourly overtime rate and the fully loaded cost of filling a position on a permanent basis.) Therefore, reducing suppression staffing by four functional units (i.e., stations) will result in a reduction to the District's overtime expense in FY 12-13:

- Fire Captain Weighted Hourly Rate: \$38.59
- Fire Engineer Weighted Hourly Rate: \$34.16
- Firefighter/Firefighter-Paramedic Weighted Hourly Rate: \$29.24
- Weighted Rate - All Positions: \$34.00
- Weighted Overtime Rate: \$51.00

$\$51.00 \times 24 \text{ Hours} \times 3 \text{ Positions} \times 181 \text{ Days} = \$664,632$
 Workers' Compensation @ 8.5% = \$56,494
 Medicare @ 1.45% = \$9,637
 Savings/Station = \$730,763

Estimated Savings for Four (4) Fire Stations in FY 12-13 = \$2,923,052

Note: This item was originally calendared for deliberation on December 4, 2012. The Fire Board of Directors voted to delay providing direction to the Fire Chief on potential station closures for one week -- i.e., until December 11, 2012.

CONSEQUENCE OF NEGATIVE ACTION:

The savings from station closures will not be recognized in the current fiscal year, resulting in more severe service level reductions in the following fiscal year (FY-13/14).

CHILDREN'S IMPACT STATEMENT:

Not applicable.