

October 18, 2011, 4:30 p.m.

Council Chambers, 333 Civic Center Plaza

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1. Call to Order – Chairperson Ives called the meeting to order at 4:30 p.m.
2. Roll Call – Roll call found Directors Abercrombie and Thoming, and Chairperson Ives present. Director Reece absent.
3. Items from the Audience – None
4. Approval of Minutes – It was moved by Director Abercrombie and seconded by Director Thoming to adopt regular meeting minutes of July 19, 2011. Voice vote found Directors Abercrombie, Thoming and Chairperson Ives in Favor. Director Reece absent. Motion carried: 3:0:1.
5. APPROVAL OF A RESOLUTION ADOPTING THE FISCAL YEAR 2011-2012 BUDGET FOR THE SOUTH COUNTY FIRE AUTHORITY – Fire Chief Al Nero, presented the report. The City of Tracy and the Tracy Rural Fire Protection District (District) have formed the South County Fire Authority (Authority) to provide fire services to the south San Joaquin County area. The City and the District each obtain services from the Authority. The Authority contracts with the City for personnel to deliver the services. For Fiscal Year 2011-2012, the Authority will provide services to the City for three stations, plus supplemental services (a separate agreement) for an additional three person crew at Station 91. The Authority will provide the District with a three person crew at one of its stations and a two person crew at two of its stations. In addition, the District has requested the City to provide a three person crew to staff a station for the Mountain House Community Services District (MHCS D) which has a fire service agreement with Tracy Rural.

The City adopted a budget for Fire Operations in the Fiscal Year 2011-2012 budget. Typically, the Authority adopts a budget identical to the City's, but at the time of preparation of the City's budget, neither the cost of labor nor actual expenses for fire operations for Fiscal Year 2010-2011 were known.

Actual expenses for Fiscal Year 2010-2011: The Fire Department expenditures for Fiscal Year 2010-2011 were \$14,409,537. This includes \$965,894 in costs for the City's supplemental services agreement and \$112,220 for City equipment. These City expenses were deducted from the total before imposing the cost sharing formula to each agency. Current agreements specify the cost of MHCS D services to be determined (according to the specified formula) and then the net after MHCS D to be split 64% City and 36% Rural.

By way of background, 57 minimum staffing units (19 daily minimum staffing x 3 shifts) are used. The City has 27 of these, Tracy Rural has 21, and MHCS D has nine. This results in a total of 48 units between the City and the District. The City therefore has

approximately 57% of the total and the District has 43% of the total. Most fire expenses are fixed due to staffing regardless of the number of calls responded to by a station; however, a small amount of variable expense (fuel, etc.) is associated with call volume. As such, 7% has been added to the City's 57% thereby resulting in the 64% the City pays with the remaining 36% to be paid by the District (net of MHCS D expenses). This is the basis for the 64% / 36% split specified in the contract agreements.

Because it was unlikely that if overtime was needed, the District could afford to fully staff Station 93 with a three person crew during Fiscal Year 2010-2011, the City reduced overtime directly associated with the service reduction to Station 93 and reduced actual expenses by \$229,351. These savings were passed on to the District. After this credit, the District's share of the Fire Department's expenses for Fiscal Year 2010-2011 was \$3,933,623 (including \$100,000 for the District's smoothing agreement for its 1999 leave balances). MHCS D's actual expenses totaled \$2,163,117

In Fiscal Year 2010-2011, the District had total revenues of \$4,539,378. After paying District administration, debt and other District priorities (e.g. \$100,000 toward future station replacement and \$75,000 toward future engine replacement), the District had funds in the amount of \$3,950,613 to procure fire services (including the \$100,000 payment toward leave balances). Actual expenses to the District were \$3,933,623. This allowed the District to pay for Fiscal Year 2010-2011 fire services with \$17,000 remaining. The District's ability to come in under budget was due to their reduction in service levels thus avoiding overtime usage and thereby resulting in saving the District \$229,351.

Fiscal Year 2011-2012 Budget for District - The total District revenues for Fiscal Year 2011-2012 are \$4,450,821 as compared to \$4,539,378 the previous year (a drop of approximately \$88,000 in revenue). This drop in revenue was due to the District's property values falling approximately 1.5% in Fiscal Year 2011-2012.

Earlier in 2011, the District addressed a letter to the City Manager indicating that it expected to have continued fiscal challenges in Fiscal Year 2011-2012, expressing a desire that expenses not exceed revenues, and that the Fiscal Year 2011-2012 Fire Department budget not increase beyond the Fiscal Year 2010-2011 actual cost of fire services for the District. Due to the District's reduction in revenue in Fiscal Year 2011-2012, the budget was reduced slightly to accommodate this loss in revenue. Additionally, to stay within the revenue expected for Fiscal Year 2011-2012, the District would continue to staff two of its three stations with a two person crew, to avoid overtime expenses as it did in Fiscal Year 2010-2011.

Other alternatives to reduce costs are limited and a strong focus on a positive outcome during labor negotiations is expected particularly because 90% of the Fire Department budget is for personnel expenses. Because the District has no reserves, its only alternative in the past was to accumulate debt to the City. However, the pre-paid services agreement adopted this past year between the City and the District contains language explicitly stating that accumulation of debt to the City is neither allowable nor desired by either party.

The City employs Fire Department personnel to provide services under contract to the Authority. The cost distribution is set according to a long standing formula in the various agreements and represents a fair distribution of costs to each agency. That formula is

64% City and 36% District, net of MHCS D expenses. Absent Council finding a valid municipal purpose, the City cannot gift public funds by supplying services to another public agency in an amount greater than its legal obligations to do so. The City is receiving Measure E revenue to support General Fund expenses including the City's share of Fire Department expenses. The Measure E Oversight Committee reviews such expenditures and at its October 10, 2011 meeting, voted to oppose the City using Measure E funds to subsidize or pay for fire services greater than it does under the current costs distribution formula.

Cost of Labor - The largest cost increase in Fiscal Year 2011-2012 is to the California Public Employee's Retirement System (CalPERS) employer rate, which rose from 24% to 27.2% on July 1, 2011. Also, in Fiscal Year 2010-2011, the Fire Union had approved a 3% unpaid furlough which expired on June 30, 2011, and is not included in Fiscal Years 2011-2012. Labor negotiations continue and the City will make every effort to discuss concessions with the Fire Union to mitigate these increases in costs.

Fiscal Year 2011-2012 Authority Budget - The Authority's budget was developed with the above issues in mind and is maintained at the actual Fire Department operating expenditures from Fiscal Year 2010-2011, which totaled \$14,409,537. This budget amount does have the flexibility to be increased for any mutual aid responses and for the City's equipment budget, which would come from the City's equipment replacement account. Adoption of the Fiscal Year 2011-2012 Authority budget makes it possible for the District to procure desired services within their expected revenues.

Given the expressed interest of the District Board to avoid any future debt and not spend more than the District's revenues allow, staff recommended that the Board of Directors of the Authority adopt a resolution providing for a Fiscal Year 2011-2012 Fire Authority budget not to exceed actual operating costs for Fiscal Year 2010-2011.

Director Thoming stated he appreciated the reference to the District's budget concerns. Director Thoming added the District appreciated the efforts of the City to reduce the costs of fire protection services, but the District still intends to operate within their budget. The District does not intend to incur any more debt throughout the process.

Director Thoming asked if the Measure E Oversight Committee had received a request to use additional Measure E funds and if so, on whose behalf that request was made. Leon Churchill, Jr., City Manager, responded that the reference to Measure E was a cautionary note that it is for all City functions, and staff does not have the ability to earmark those funds.

Robert Tanner, 1371 Rusher Street, asked if the resolution would maintain the 64% City and 36% District formula. Fire Chief Nero responded the percentages will remain the same.

Director Abercrombie stated he has a problem with the merger of the entities. Director Abercrombie added that unlike the City and Rural, MHCS D, who is paying, does not have a seat at the Authority meeting. Fire Chief Nero responded that staff intended to move forward with solidifying the governance and consolidation process. Fire Chief Nero stated that the initial step at consolidation accomplished a functional consolidation on how services are delivered in Tracy and the surrounding area. There are other

steps that need to be taken to smooth the governance and the oversight to capture those issues. Staff will actively move forward to address those steps.

It was moved by Director Abercrombie and seconded by Director Thoming to adopt SCFA Resolution 2011-003 approving the Fiscal Year 2011-2012 budget for the South County Fire Authority. Voice vote found Directors Abercrombie and Thoming, and Chairperson Ives in favor. Director Reece absent. Motion carried: 3:0:1.

6. ACCEPT A REPORT ON THE SOUTH COUNTY FIRE AUTHORITY EMERGENCY RESPONSE PERFORMANCE FOR FIRST QUARTER OF FISCAL YEAR 2011-2012 – Dave Bramell, Fire Division Chief presented the report. The South County Fire Authority (Authority) Emergency Response Report is an analysis of the Fire Department's ability to respond to emergencies within established performance objectives. Measuring performance provides the department with statistical data to determine response effectiveness and efficiency in delivering emergency service. The Fire Department strives to meet its "first-due" response time performance objectives and its goal to assemble an effective response force at working structure fires.

There were 1,420 total incidents over the entire jurisdictional area of the South County Fire Authority (Authority) during the first quarter of Fiscal Year 2011-2012. When compared to the same quarter of the previous fiscal year, the total call volume is down 6%. There were 41 fewer vegetation fires and 31 fewer freeway responses during the quarter. The distribution of incidents among the jurisdictions of the Authority remains consistent where the majority of incidents occurred in the City (67%), followed by Tracy Rural Fire Protection District (16%), Mountain House Community Services District (6%), Freeways (6%), and other areas outside of the Authority (5%).

The most frequent incident response type across the jurisdiction remains emergency medical service calls. Medical-aid responses comprised 70% of the total call volume for the first quarter. The second most frequent incident type was alarms (10%) followed by fires at 7.4% respectively. The Fire Department had 2,454 incident "responses" during the first quarter. Incident "responses" incorporate multiple units that have responded to a single incident. For example, a structure fire initial response is four fire engines, one ladder truck and a Chief Officer. That scenario indicates a single incident but totals six "responses". The department's ladder truck, Truck 91, experienced an 56 % increase in total responses when compared to the same quarter in the previous year. The increase can be attributed to operational changes within the department that now include sending Truck 91 to all vehicle accidents and commercial fire alarms.

During the evaluation period, the department responded to a total of 29 structure fires, 12 of which resulted in actual working fires on arrival. In the City, significant dollar loss from structure fires was approximately \$213,771. In the Tracy Rural Fire Protection District (District) the significant dollar loss from structure fires was \$325,000. The larger amount of dollar loss in the District is largely attributed to a single incident at the Safeway Distribution Warehouse involving large electrical transformers.

At the July 19, 2011 meeting of the Authority, staff presented a new methodology of analyzing and representing response data. The report includes this methodology and illustrates the type of analysis recommended by the Commission on Fire Accreditation International (CFAI) utilizing the concept of benchmarks and baselines. Benchmarks are the desired level of service (performance objectives of the Authority) and baselines are

the lower end of the acceptable best practices range (established by the CFAI). The 90th percentile time means that for a set of values at least 90% of them are less than or equal to the time displayed.

During the evaluation period, the department responded to 51% of all emergency incidents within the total reflex performance objective of 6.5 minutes in the City. This is the same figure for the City as Fiscal Year 2010-2011. The 90th percentile for all incidents was 8 minutes and 32 seconds (8:32) meaning 90% of all incidents were responded to within 8:32 or less in the City. The call processing component of 13% at one minute is affecting the total reflex time response performance.

The District response performance for this same period decreased from 70% to 60% of all emergency incidents within the total reflex performance objective of ten minutes. The 90th percentile for all incidents was 13 minutes and 58 seconds meaning 90% of all incidents were responded to within 13:58 or less. The decrease in performance in the District is related to a 2% decrease in travel time efficiency and a 3% decrease in turn-out time efficiency.

Fiscal Year 2010-2011 response performance in the Mountain House Community Services District (MHCSD) was down 4% compared to last fiscal year. We arrived at calls within 5 minutes 44% of the time. A drop in response performance has been anticipated in the MHCSD area as development occurs to the north. The MHCSD has plans for an eventual second fire station north of Byron Road. The date at which a second station would be constructed is based upon development and available funding.

Staff recommended the Board of Directors accept the South County Fire Authority Quarterly Response Performance Report for the first quarter of Fiscal Year 2011-2012.

Director Abercrombie asked if one minute turnout time for rural was an unreasonable expectation. Director Abercrombie asked how the one minute turnout time was established. Division Chief Bramell responded that the CFAI continues to look at best practices and their recommendation is one minute 30 seconds. The type of incident may determine the turnout time. A structure fire where boots may have to be removed and bunker gear donned, will require more time than EMS, who can respond as they are. Realistically there should be shorter turnout time for EMS incidents and longer for structure fires. Division Chief Bramell added that there may be ways to look at data regarding individual components of response to obtain different goals for structure fires and EMS. Typically the Fire Department does not look at data regarding the individual components of response, and uses one minute at all goal types. The department realizes that sometimes they will fall below or exceed that goal.

Robert Tanner, 1371 Rusher Street, stated that since the City has exceeded the 75% goal of confining moderate risk structure fires to room of origin or less for the past three years, he felt the percentage goal should be increased. Mr. Tanner indicated the County and Mountain House moderate risk objectives to confine structure fires to the room of origin or less is 25%. Rural has exceeded that 25% and in one case in 2010 it was by 100%. Based on the graph in the report, Mountain House, with the exception of two years, has been at 100%. Mr. Tanner felt that particular goal should be raised otherwise it is a low goal that will always be exceeded. Mr. Tanner added he felt having the goals that low is a disservice.

Director Abercrombie asked what the information was used for. Division Chief Bramell responded that so much is measured on response time. How quickly the Fire Department can arrive at the incident is used to determine station locations among other things. The structure fires confined to room of origin measurement is to determine how effective the department is once they arrive at the incident. Division Chief Bramell added that Fire Departments across the nation will use the response time component, which is a legitimate measurement, but has no bearing on their effectiveness upon arrival at the incident. Confining the fire to the room of origin once the units arrive, shows whether the fire is being prevented from spreading beyond the room where the fire originated. Division Chief Bramell stated reasons for not being able to confine the fire to the room of origin could include the time of day, more burn time before it was detected and reported, arson, and other types of elements. Staff could get a better indication of how effective the department has been if the data was reviewed annually.

Director Abercrombie asked if structure fires are not being confined to the room of origin, did that indicate that additional training was needed. Fire Chief Al Nero responded that Mr. Tanner's question resulted from the information indicating that the standards are being easily met and exceeded every time. Fire Chief Al Nero stated he appreciated Mr. Tanner's remarks. Staff will review that part of the statistical analysis to see if the goals need to be increased to challenge staff and raise the level of service.

It was moved by Director Abercrombie and seconded by Director Thoming to accept the South County Fire Authority Quarterly Response Performance Report for the first quarter of Fiscal Year 2011-2012. Voice vote found Directors Abercrombie and Thoming, and Chairperson Ives in favor. Director Reece absent. Motion carried: 3:0:1.

7. Items from the Audience - None
8. Adjournment – It was moved by Director Abercrombie and seconded by Director Thoming to adjourn. Voice vote found Directors Abercrombie, Thoming and Chairperson Ives in favor. Director Reece absent. Motion carried: 3:0:1. Time: 5:05 p.m.

The above are summary minutes. The above agenda was posted at Tracy City Hall on October 13, 2011.

Chairperson

Attest:

Secretary