



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730

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AGENDA FIRE COMMITTEE MEETING

1655 Front Street
6:30 P.M.

August 26, 2008

Oceano
Tuesday

COMMITTEE MEMBERS

Vacant

Barbara Mann, Director

STAFF

Patrick J. O'Reilly, General Manager
Fire Chief, Mike Hubert

1. Roll Call
2. Public Comment
3. Approval of Minutes
 - a. August 12, 2008
4. Report of the Fire Operations
 - a. Operations/Review *
5. New Business
 - a. Weed Abatement Protest
Consider request for adjustment from Rebecca Galing.
 - b. Fire Department Consolidation
Consider staff report from Fire Oversight Committee and other alternatives for Fire Department Consolidation.
6. Old Business
 - a. Alley Signs *
Discuss status of project to install "No Parking" signs in alleys.
 - b. Sale of Excess Equipment *
Discuss status of projects to sell excess equipment.
 - c. Fire Truck Purchase
Consider staff report from Fire Oversight Committee.
7. General Manager Items/Discussion*
 - a. Other
8. Written Communications

Adjournment

* Oral Presentation/Discussion

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**OCEANO COMMUNITY SERVICES DISTRICT
FIRE COMMITTEE MEETING MINUTES**

TUESDAY

AUGUST 12, 2008

OCEANO

The meeting was called to order by President Hill at 6:30 P.M.

1. Roll Call:

Present: President Hill, Director Mann
Absent: None
Staff Present: Patrick O'Reilly, General Manger
Craig Angello, Fire Captain

2. Public Comment:

Anthony Deandra, Oceano, advised the committee that he is in the process of working with County staff to have speed humps installed on Belridge Street.

3. Approval of Minutes:

a. The minutes from July 22, 2008 were approved unanimously.

4. Report of Fire Operations:

a. Operations Review

Fire Captain Angello made a brief presentation of operations during the month of August.

5. New Business:

a. Weed Abatement

The committee recommended that the weed abatement charges for APN 062 041 032, owned by Skip Zemer, be dropped since all the notices were mailed to the wrong address.

b. Pay Periods for Reserve Fire Fighters

The Fire Committee agreed with the GM recommendation to change pay periods for Reserve Fire Fighters to the same bi-weekly pay schedule as full-time firefighters away from the current practice of paying monthly.

6. Old Business:

a. Public Facility Fees

There was general consensus that these fees should be used for both the purchase of a new fire truck and building a dormitory facility for our fire fighters.

b. Alley Signs

Fire Captain Angello reported that the signs are available for pick-up in Nipomo.

c. Sale of Excess Equipment

Fire Captain Angello confirmed that he has permission to spend \$325 for an ad in the Fire Trader for the utility vehicle.

d. Strike Team Assignment

No discussion was necessary on this item.

7. **General Manager Items/Discussion**

None

8. **Written Communications:**

None

Meeting Adjourned at 7:18 PM
Patrick O'Reilly, for the Fire Committee



Oceano Fire Department



REPORT for July 2008

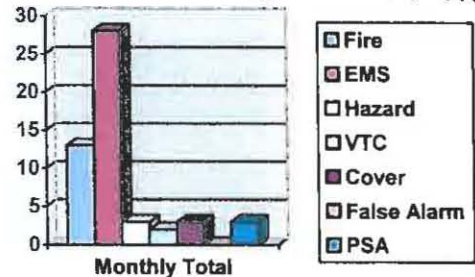
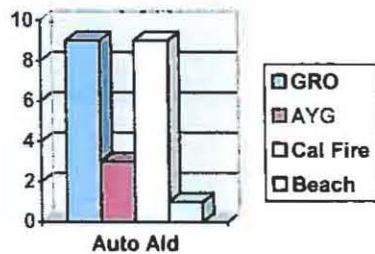
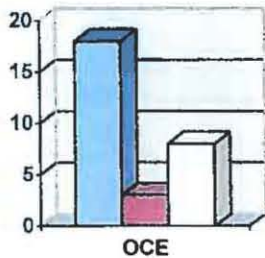
During the month of July, the department responded to a total of 52 calls. 29 were in Oceano, 9 were in Grover Beach, 3 were in Arroyo Grande, 9 were with Cal Fire and 1 on the beach. Of the 29 calls in Oceano, 18 were EMS related, 3 fire and 8 miscellaneous calls. This put the total as of this report to 433. At this time last year we were at 497.

E61's crew assisted Cal Fire with a vegetation fire west of the Oceano Campground on Pier Ave. It appeared to be started from a transient's warming fire. This happened in the height of Northern California fire storms. Just a few year to date totals for No Ca. over 3000 fires that have burned over 760,000 acres.

We have put the two new Zoll defibrillators in service; this allows three fire apparatus to have the capabilities for early defibrillation in the event of a person having a cardiac emergency.

The three departments training extensively on flag lot structure hose evolutions.

ALSO A TWO VEHICLE T/C IN FRONT OF MELODRAMA THAT REQUIRED THE USE OF OUR HYDRAULIC RESCUE TOOLS FOR EXTRICATION



AGENDA 08 26 2008 ITEM 4.a.

OVERSIGHT COMMITTEE REPORT

TO: OVERSIGHT COMMITTEE
FROM: MICHAEL HUBERT, FIRE CHIEF *MEH*
SUBJECT: FIRE TRUCK REPLACEMENT

BACKGROUND

The City of Arroyo Grande currently owns and operates a 1984 Van Pelt, seventy-five foot (75') aerial apparatus. This vehicle is equipped with a pump and water tank enabling it to provide fire suppression capabilities. Standards for replacement of aerial apparatus vary based on years of service, mileage, engine hours, quality of preventative maintenance program, etc. Typically, an aerial apparatus service life is fifteen to twenty years. This piece of apparatus was purchased at a cost of \$282,000. It has been housed and maintained by the City of Arroyo Grande since its purchase.

Arroyo Grande's aerial apparatus has been the South County's only piece of equipment to provide elevated stream capabilities. Aerial apparatus are necessary to reach the windows of multi-story structures for conducting rescues and to reach roofs for ventilation purposes. Many taller buildings in the Five Cities area require aerial ladder capability for reach due to greater setbacks from the street. This type of equipment provides several other vital fire ground functions, such as salvage, overhaul, securing utilities and ventilation.

One of the outcomes of the Fire Consolidation Committee meetings that took place following the Citygate Fire Consolidation Study were discussions on jointly funding the replacement of this equipment. At the June 20, 2008, Arroyo Grande / Grover Beach / Oceano Fire Oversight Committee meeting, a discussion was held regarding the possibility of applying for grant funding to replace the Arroyo Grande aerial apparatus. Staff was directed to place this item on the next Fire Oversight Committee agenda for further discussion.

DISCUSSION

Staff members from all three agencies have formed a committee to identify the community needs by examining the occupancy height inventories of each jurisdiction, research different aerial apparatus types available by manufacture, and investigate the associated costs with a purchase. This committee was not tasked to perform an in depth analysis, but rather a cursory assessment to determine an approximate cost estimate for an aerial apparatus. The following is the staff committee's conclusions:

Estimated Costs:

The City of Atascadero recently purchased a one hundred foot (100') aerial platform from Pierce Manufacturing. Their aerial apparatus specification, are an appropriate example of the type of equipment that would meet our emergency service delivery needs. This was a new addition to their fleet which required the purchase of new equipment in order to place the truck into service. They received a \$30,000.00 discount from the manufacturer by paying the entire amount of the purchase within 60 days of the contract. With some additional change orders to their specifications, the approximate purchase cost of the apparatus was \$870,000.00. The Pierce apparatus is similar to the type of vehicle that would be required to serve our needs.

Staff has determined that due to the proposed new piece of apparatus being a replacement of an existing piece of equipment, the additional expense of purchasing equipment in order to place the apparatus into service will not be incurred. The estimated cost for purchasing a similar type of apparatus would be \$800,000.00 to \$850,000.00. When contacted, a representative from the Pierce Manufacturing Company stated that in order to adjust cost for inflation, an additional 2.9% per year should be added to the cost estimate.

Timeline:

The replacement of the apparatus should be completed as soon as financially feasible. Staff is of the opinion that the shared purchase of the apparatus would be a competitive candidate for grant funding. Thus, the timeline for a replacement aerial apparatus will be tied to the completion of the next grant cycle. The next application period for the Assistance to Firefighters Grant program is April of 2009. The successful recipients of the grants will be notified approximately nine (9) months after the technical review. The recipients of grants will have one year to spend the funds with the potential of up to a 180 day extension for expenditure.

Written specifications for the apparatus could be completed within this timeframe. An aerial apparatus takes approximately nine to eleven months to manufacture from receipt of a purchase order and contract. Additional time may be needed in order to place the apparatus into a schedule, if the apparatus goes out to bid rather than "piggybacking" an existing bid.

Grant Opportunities:

The only grant identified to date that is applicable for apparatus acquisition is the Assistance to Firefighters Grant (AFG). In the past, the application period has been one month beginning in March and closing in April. With the identified community population of 20,000–50,000, a 10% match of the grant amount up to one million dollars will be required. An identified community population of less than 20,000 would require a matching amount of 5% of the total grant amount.

Other grant opportunities are being investigated which include, the US Department of Agriculture and private sector opportunities.

Cost Allocation and Funding Alternatives:

If the agencies are successful in obtaining the grant funding, the obligation of the total costs to the agencies would be a minimum of 10% of the total apparatus purchase. However, in order to be more competitive in the evaluation process, staff is recommending an alternative of a 50% local match.

A recommended cost allocation has been prepared, which is based upon a combination of population, historical utilization of the existing ladder truck, and number of structures in each jurisdiction that would potentially require use of the ladder truck during response to a fire incident. Based on this criteria, the proposed formula has been calculated as follows:

Population:		
Arroyo Grande:	17,036	44.33%
Grover Beach:	13,213	34.38%
OCS D:	8,178	21.28%

Fire Alarm Incidents Requiring Ladder Truck Response 7/29/06 – 7/29/08:

Arroyo Grande:	251	65.03%
Grover Beach:	85	22.02%
OCSD:	50	12.95%

Total Existing Structures Requiring Ladder Truck Operation: — COMMERCIAL ONLY

Arroyo Grande:	155	55.96%
Grover Beach:	93	33.57%
OCSD:	29	10.47%

Combined Formula:

Arroyo Grande:	55%
Grover Beach:	30%
OCSD:	15%

Based on this formula, assuming a total cost of \$850,000 and no grant received, the total cost to each jurisdiction would be as follows:

Arroyo Grande:	\$467,500
Grover Beach:	\$255,000
OCSD:	\$127,500

If grant funding could be obtained for 50% of the costs, the total cost to each jurisdiction would be as follows:

Arroyo Grande:	\$233,750
Grover Beach:	\$127,500
OCSD:	\$63,750

If the maximum grant funding available was obtained, the total cost to each jurisdiction would be as follows:

Arroyo Grande:	\$46,750
Grover Beach:	\$25,500
OCSD:	\$12,750

The time frames involved in this process may allow all of the agencies to budget the necessary funding through their budgetary cycle process. If no or only partial grant funding is received and the allocation is greater than the agencies can fund, a lease purchase option could be utilized to reduce the initial cost.

Based on staff's estimate, a 10-year lease purchase to fund the entire cost of the apparatus would result in the following approximate annual cost to each jurisdiction:

Arroyo Grande:	\$59,080
Grover Beach:	\$32,230
OCSD:	\$16,110

A 5-year lease purchase to fund 50% of the cost would result in the following approximate annual cost for each jurisdiction:

Arroyo Grande:	\$53,020
Grover Beach:	\$28,920
OCSD:	\$14,460

RECOMMENDATION

It is recommended the Oversight Committee initiate the process and recommend approval of the allocation formula for the purchase of the apparatus to the respective Councils and Board and that staff be directed to initiate a grant application for the next AFG funding cycle.



Oceano Community Services District

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August 27, 2008

TO: OCSD Fire Committee
FROM: Patrick J. O'Reilly, General Manager
SUBJECT: FIRE OPERATIONS CONSOLIDATION

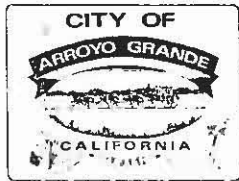
On August 15, 2008 the Fire Consolidation Committee reviewed the attached staff report entitled "Consolidation Structure and Funding Options". The committee referred the report to each of the three involved agencies for comments.

Staff believes the District needs to clearly identify the resources available to the Fire Department and priorities for Fire Department operations. A "starter" list is attached.

THE RECOMMENDED ACTION BEFORE YOUR COMMITTEE is to: by Committee discussion and public comment, review the attached staff report and begin considering alternatives for providing fire and emergency medical services to the Oceano community.

Agenda Item 8 27 2008 5.b

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MEMORANDUM

TO: FIRE OVERSIGHT COMMITTEE

**FROM: STEVEN ADAMS, CITY MANAGER
BOB PERRAULT, CITY MANAGER
PATRICK O'REILLY, GENERAL MANAGER
MICHAEL HUBERT, FIRE CHIEF**

SUBJECT: CONSOLIDATION STRUCTURE AND FUNDING OPTIONS

DATE: AUGUST 15, 2008

BACKGROUND

In November 2005, under contract with the City of Pismo Beach, Citygate Associates prepared a Fire Department Consolidation Feasibility Analysis for Arroyo Grande, Grover Beach, Oceano and Pismo Beach. The study concluded that stand alone fire departments are "not cost effective, nor will stand alone services have the technical depth needed in a world that grows more technical, complex and regulated every year. While all the partners in this study are providing some level of fire services today, if the communities were to pool their efforts, they could cost effectively operate a full service agency, meeting everyone's needs more effectively."

However, while the analysis provided valuable information, the specific staffing and organizational recommendations were cost prohibitive. Since that time, the City of Pismo Beach has achieved efficiencies through a contract with Cal Fire. The Cities of Arroyo Grande, Grover Beach and Oceano Community Services District have entered into agreements to share fire administration, equipment, reserve firefighters and training.

The existing fire service organizational structure for Arroyo Grande, Grover Beach and Oceano has been extremely effective in advancing steps to better coordinate services in the Five Cities area. It has allowed individual organizations to maintain control and identity, while achieving the efficiencies of coordinated services, improved response times, sharing of equipment, sharing of staff, and standardizing training and procedures.

However, other inefficiencies and issues continue to exist due to separate employee contracts, informal governance and supervisory structures, and lack of parity in salary,

staffing and benefits. As a result, while successful, the existing organizational model was intended as a transition toward increased coordination and structural changes that can best sustain joint service delivery on a long-term basis.

At the June 20, 2008 meeting, Committee Member Lieberman requested discussion of consolidation structure and funding options be placed on the next Fire Oversight Committee agenda. To assist in facilitating this discussion, staff has met and developed basic information regarding available alternatives and costs involved.

CONSOLIDATION STRUCTURE ALTERNATIVES

Three primary alternative structures for future potential consolidation have been identified:

Contract for Services

The first option involves an arrangement where the City of Grover Beach and OCSD could contract with the City of Arroyo Grande for fire services. This is essentially the method utilized for the current arrangement for fire administration and training. However, some variation in the process has been established to increase the involvement of the contracting agencies in oversight, planning and supervision.

Under the contracting option, all staff would become employees of the City of Arroyo Grande. If desired, coordination could continue to be directed by a joint oversight committee.

The advantage of contracting is that it can minimize disputes and confusion because service and cost expectations are set forth in the provisions of the contract. It simplifies the supervisory and oversight structure. Lastly, a customer service relationship is established with the contracting agencies, which provides incentives to the service provider to ensure the contract arrangement remains successful.

The disadvantage is that it can reduce control and identity for the contracting agencies. Loss of control over future cost increases is normally of particular concern. While the issue of identity can be addressed through the terms of the contract, concerns during the transition often provide community and political challenges.

Joint Powers Authority

California law allows for a variety of shared services between governmental agencies. A Joint Powers Authority (JPA) creates a legally separate entity, which would be overseen by a board of directors established by the member agencies. It can be structured to include broad to limited powers.

Under a JPA, all staff would become employees of the JPA. The JPA would likely in turn contract for one or more of the member agencies to provide overhead services, such as finance, payroll, IT, etc. The Fire Chief could report directly to one of the city managers on behalf of the JPA or directly to the JPA board of directors.

The advantage of the JPA is that each agency is an equal partner and has equal authority in voting to direct the operations. The disadvantage is that this can create

problems if there is not general agreement on, and or the ability to jointly support, the future direction of the agency. Additionally, the JPA is not empowered in of itself to initiate or conduct assessment or elections to secure additional revenue sources.

Fire District

Establishing a fire district would require LAFCO approval and a 2/3 vote of local voters for a new tax rate. It would be an entirely independent agency, separately financed by property tax revenue and run by its own board of directors.

The advantage of a fire district is that it could provide a new revenue source to fund the expenditures required to meet the needs identified by conducting an assessment or referendum process. It would also provide a structure to respond to future needs without the necessity to balance priorities with other municipal services.

Disadvantages include that it would be difficult to establish, would have little accountability to the cities and district, and may create new inefficiencies by establishing its own independent overhead costs and staffing.

COST ANALYSIS

Consolidation would involve the integration of all staffing into one agency, under the same salaries and benefits, and under one labor agreement. The costs would then be allocated to each agency based upon an agreed upon formula.

For the purposes of initial analysis and discussion, staff has prepared a preliminary cost summary based solely on current full-time uniformed staffing positions and costs. Accurate cost projections will require a more detailed analysis on all operational and staffing costs, as well as future needs. However, the initial cost summary is intended to provide a general idea of cost ranges involved in order to assess the feasibility and facilitate discussion of potential concepts.

Allocation Formula

For the purposes of this analysis, it was assumed that costs would be allocated based upon a combination of population and service calls. Utilizing these assumptions, the following cost formula was calculated:

Arroyo Grande	44%
Grover Beach	35%
OCSD	21%

If the formula were to be limited to Arroyo Grande and Grover Beach, the breakdown would be as follows:

Arroyo Grande	55.5%
Grover Beach	45.5%

Cost Allocation

For the purposes of this analysis, salaries of the existing full-time fire chief, battalion chief, fire captain and fire engineer positions were utilized to determine the change in cost if positions were transferred to uniform salary and benefit amounts. To make comparisons consistent, overtime and education pay amounts are not included. In addition, administrative staffing and other operational costs are not included. As a result, actual uniform staffing cost impacts may be higher when these factors are included, but staff believes there also may be potential savings from consolidation to operational and administrative staffing costs.

Two potential scenarios for consolidation were utilized in calculating the costs. A table of the calculations is attached.

Current base salary and benefit costs for full-time uniform staffing are as follows:

Arroyo Grande	\$957,465
Grover Beach	\$702,920
OCSD	<u>\$301,346</u>
Total	\$1,961,731

The first scenario involves consolidation of all three agencies. Current staffing levels would remain, but services to OCSD would be expanded to the full scope provided to each of the two cities. If salary and benefit amounts for each of the positions were equal, the total cost would increase to \$2,266,837. If distributed according to the formula identified above, the costs would be allocated as follows:

Arroyo Grande	\$997,408
Grover Beach	\$793,393
OCSD	<u>\$476,036</u>
Total	\$2,266,837

This would result in the following cost impacts to each of the agencies:

Arroyo Grande	\$39,943
Grover Beach	\$90,473
OCSD	<u>\$174,690</u>
Total	\$305,106

A second scenario is presented in case it is determined that the first scenario is cost prohibitive for OCSD to participate at this time. Under this scenario, a goal would be established to first consolidate fire services for the cities of Arroyo Grande and Grover Beach. OCSD would initially continue to contract for fire administration and training services under the terms of the existing agreement. In this case, total costs to the two cities would be as follows:

Arroyo Grande	\$1,013,623
Grover Beach	<u>\$796,418</u>
Total	\$1,810,041

As a result, the cost impact to each agency would be as follows:

Arroyo Grande	\$56,157
Grover Beach	<u>\$93,498</u>
Total	\$149,655

NEXT STEPS

Funding options have not yet been identified. The information provided has been developed for the purpose of soliciting input and feedback from the Committee on desired next steps. It is recommended the Committee provide direction to staff whether there is interest in pursuing one of the alternatives identified or whether other scenarios should be developed and evaluated. Based on the direction provided, staff can provide a more detailed and accurate cost analysis, along with potential funding and implementation proposals.

Attachments:

1. Formula and Cost Calculations

FIRE CONSOLIDATION COST ALLOCATION FORMULAS

Calculation of Formula:

Population:

	Population	Percentage
Arroyo Grande	17,036	44%
Grover Beach	13,213	34%
OCSD	8,178	21%
Total	38,427	100%

2007 Service Calls

	Calls	Percentage
Arroyo Grande	1,779	44%
Grover Beach	1,447	36%
OCSD	812	20%
Total	4,038	100%

Combination:

	Percentage
Arroyo Grande	44%
Grover Beach	35%
OCSD	21%
Total	100%

Population:

	Population	Percentage
Arroyo Grande	17,036	56%
Grover Beach	13,213	44%
Total	30,249	100%

2007 Service Calls

	Calls	Percentage
Arroyo Grande	1,779	55%
Grover Beach	1,447	45%
Total	3,226	100%

Combination:

	Percentage
Arroyo Grande	56%
Grover Beach	44%
Total	100%

Existing Costs:

	Number	Salary & Benefits	Total Cost
<i>Arroyo Grande</i>			
Captains	3	\$134,181	\$402,543
Engineers	3	\$116,253	\$348,759
Chief	0.57	\$202,542	\$115,449
BC	0.57	\$159,148	\$90,714
Total			\$957,465

<i>Grover Beach</i>			
Captains	3	\$108,804	\$326,412
Engineers	3	\$91,745	\$275,235
Chief	0.28	\$202,542	\$56,712
BC	0.28	\$159,148	\$44,561
Total			\$702,920

<i>OCSD</i>			
Captains	3	\$82,364	\$247,092
Chief	0.15	\$202,542	\$30,381
BC	0.15	\$159,148	\$23,872
Total			\$301,346

Equal Salaries and Benefits - AG, GB & OCSD:

	Number	Salary & Benefits	Total Cost
Captains	9	\$134,181	\$1,207,629
Engineers	6	\$116,253	\$697,518
Chief	1	\$202,542	\$202,542
BC	1	\$159,148	\$159,148
Total			\$2,266,837

	Percentage	Total Cost	Individual Cost	Current Cost	Difference
Arroyo Grande	0.44	\$2,266,837	\$997,408	\$957,465	\$39,943
Grover Beach	0.35	\$2,266,837	\$793,393	\$702,920	\$90,473
OCSD	0.21	\$2,266,837	\$476,036	\$301,346	\$174,690
Total			\$2,266,837	\$1,961,731	\$305,106

Equal Salaries and Benefits - AG & GB:

	Number	Salary & Benefits	Total Cost
Captains	6	\$134,181	\$805,086
Engineers	6	\$116,253	\$697,518
Chief	1	\$172,161	\$172,161
BC	1	\$135,276	\$135,276
Total			\$1,810,041

	Percentage	Total Cost	Individual Cost	Current Cost	Difference
Arroyo Grande	0.56	\$1,810,041	\$1,013,623	\$957,465	\$56,157
Grover Beach	0.44	\$1,810,041	\$796,418	\$702,920	\$93,498
Total			\$1,810,041	\$1,660,386	\$149,655

OCEANO COMMUNITY SERVICES DISTRICT FIRE AND EMERGENCY MEDICAL SERVICES

RESOURCES

Property Tax Revenue (about \$750,000 per year)
Public Facility Fees
3 Story Assessment
Grants
Rent of Old Fire Station (currently \$10,200 per year)
San Luis Ambulance Subsidy
Weed Abatement Charges
Fireworks Fees
Mutual Aid Reimbursements
Interest on Use of Funds
Special Assessment on Property

MISSION STATEMENT

GOALS/PRIORITIES

Contain costs to remain within fixed revenue
 Minimize overhead costs
 Maintain cash reserves sufficient to replace equipment as required
Provide ISO Rating at 4.0 or better
Provide primary and backup fire engines
Provide fire response with three firefighters on the engine
Provide 24/7 Fire Protection
Provide 24/7 Emergency Medical Services
Provide some form of full-time firefighter response
Provide beach response within constraints of County agreement
Provide permanent living quarters for firefighters