



Oceano Community Services District

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

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AGENDA FIRE COMMITTEE MEETING

1655 Front Street
6:30 P.M.

October 7, 2008

Oceano
Tuesday

COMMITTEE MEMBERS

Vice President Bookout
Pamela Dean, Director

STAFF

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

1. Roll Call
2. Public Comment
3. Approval of Minutes
September 23, 2008
4. Report of the Fire Operations
 - a. Operations/Review *
5. New Business
None
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 project to sell excess equipment.
 - c. Fire Department Consolidation
Review staff report being presented to the Board of Directors on 10/8/08.
7. General Manager Items/Discussion*
 - a. Other
8. Written Communications
9. Executive Session
 - a. CONFERENCE WITH DISTRICT'S DESIGNATED REPRESENTATIVE REGARDING COMPENSATION PAID TO ITS REPRESENTED EMPLOYEES. CLOSED SESSION – A closed session pursuant to Government Code Section 54957.6 to meet with agency's designated representative regarding compensation paid to its represented employees. The District's designated representative for negotiations with the represented employees in Patrick O'Reilly.

Adjournment

* Oral Presentation/Discussion

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October 8, 2008

TO: Board of Directors, OCSD

FROM: Patrick J. O'Reilly, General Manager

SUBJECT: CONSIDERATION OF FIRE CONSOLIDATION CONCEPTS AND ALTERNATIVES

1. Consolidation of fire and emergency services in the Five Cities Area has been under consideration for a long period of time. The intent of consolidation is to maximize the use of fire services' personnel and resources and to increase the delivery of services to our respective communities in a cost effective manner. The cities of Arroyo Grande and Grover Beach have had a Joint Fire Services Agreement since 2004. The District entered into a Joint Fire Services Agreement with those two cities in July 2008.
2. As discussed by City Manager Bob Perrault in his staff report to the Grover Beach City Council:
"Currently, the member agencies receive unified management and training services from a single source. Equipment sharing has become a reality between the agencies resulting in the reduction of a major piece of apparatus from a shared fleet. Last year a boundary drop between the Cities of Grover Beach and Arroyo Grande was implemented permitting engine companies to respond to an incident based on proximity rather than jurisdictional boundaries, thus reducing response times to border areas. More recently participating members developed a shared pool of paid for call firefighters. This shared pool has increased the ability to adequately staff all three of the departments."
3. At the August meeting of the Fire Oversight Committee, the Committee received a report on alternatives available to the Cities and the District for full consolidation. A copy of that report is provided as Attachment 1. The three options included in that report are: (1) contracting with a single agency; (2) the formation of a Joint Powers Authority, and (3) the formation of an independent fire district. After consideration the Committee directed that the alternatives be presented to each City Council and the District Board for review and input.
4. The alternatives contained in Attachment 1 only consider the cost of salaries and benefits for full time fire personnel. Consolidation under the criteria discussed in Attachment 1 would cost the District an additional \$174,690 per year. If this is the final cost impact to the District, it may be difficult for the District to fund this type of consolidation. However, simply analyzing the impact of costs associated with full time fire fighters does not allow consideration of other cost saving opportunities available to the District which may allow it to move forward with

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consolidation efforts. In order to effectively evaluate the District's ability to continue in the consolidation effort, the impact of all costs of fire operations must be evaluated. This must include capital (equipment) replacement costs and operational costs such as dispatch costs and administrative support costs where opportunities may exist to save expenditures through consolidation. It should also include a discussion of potential phased implementation of "pay comparability" for District fire fighters.

5. Another aspect of the recommendation is that cost sharing is based on population and service calls. While at first glance, this may seem to be an equitable distribution of costs, it is not the only equitable distribution. Attachment 2 was distributed at the Arroyo Grande City Council meeting of September 23, 2008 by Rick Grinsic, a fire captain with the City of San Luis Obispo. The center section of Attachment 2 shows that Oceano residents currently pay more "per person" than either Arroyo Grande or Grover Beach and the bottom section shows that Oceano residents will pay substantially more per person under the current consolidation analysis.

6. The Joint Fire Services Agreement states: "Each of the Parties agrees to work towards the identification and development of a common organizational structure capable of providing services to each of the member jurisdictions covered by this Agreement and that such organization will be **equitably funded** and administered."

Equitable funding should consider the cost burden to individual members of each community. Municipal services are typically funded through direct charges (i.e., water, sewer and garbage) or from taxes – primarily property taxes. The majority of fire services are funded through property taxes. In fact, if the third operating alternative of forming a separate fire district is pursued, it is likely that funding would be through property taxes. Under that scenario, constituents would pay based on the assessed value of their property. As an alternative method of funding fire consolidation, cost sharing based on property assessed value should be considered.

THE RECOMMENDED ACTION BEFORE YOUR BOARD is to: by Board discussion, public comment, motion, second, and roll call vote, affirm that the District desires to continue to participate in efforts by the Fire Oversight Committee to develop alternatives for full fire consolidation and direct staff to present alternatives to the Fire Oversight Committee that look at the full spectrum of costs associated with fire operations as well as other alternatives for equitably funding consolidated fire operations.