

EAST CONTRA COSTA FIRE PROTECTION DISTRICT

Hugh Henderson
Fire Chief



SERVING THE COMMUNITIES OF:
Bethel Island Discovery Bay
Brentwood Knightsen
Byron Morgan Territory
Oakley

February 12, 2012

Lloyd Bell, Foreperson
Contra Costa County Civil Grand Jury
725 Court Street/Po Box 911
Martinez, Ca. 94553-0091

Dear Mr. Bell

The Board of Directors of the East Contra Costa Fire Protection District had reviewed the Grand Jury Report No. #1202, "Fire Protection-What Can You Afford" by the 2011-2012 Contra Costa County Civil Grand Jury.

The District's required response to the report is attached to this letter.

If there are any questions regarding the response, please feel free to contact me.

Sincerely,

Hugh Henderson
Fire Chief

**EAST CONTRA COSTS FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS RESPONSE TO
CONTRA COSTA COUNTY GRAND JURY REPORT NO. #1202
“Fire Protection-What Can You Afford?”**

FINDINGS

1. Without new sources of revenue, the District’s current operating structure cannot be sustained.

Response: **Agree:** *The current level of service would need to be cut in half, or possibly more than half.*

2. From a quality of service point of view, the current operating structure is adequate.

Response: **Emphatically Disagree:** *Several independent analysts over the past several years have questioned the adequacy of the service levels in the District, including the City Gate Report in 2006, the Grand Jury Report in 2008, and the County MSR review by LAFCO at the time the district was reorganized in 2010. As a result, even before the 2010 station closures and cuts, service levels were inadequate in many respects. Due to geography, some parts of the District have particularly inadequate service that increases the risks to life and property due to the following: long response times, lack of paramedics on units, and worn or outdated equipment/facilities. The outstanding work of our firefighters has been compensating for the lack of resources to some degree; but as time progresses, situations where the quality of personnel cannot make up for lack of proper equipment or low staffing levels will occur.*

3. The Board of Directors has not publicly explained a parcel tax option at a level necessary to sustain the current operating structure.

Response: **Emphatically Disagree:** *The Board has been discussing the full range of options over the past two years, including significant consideration of a benefit assessment in the Spring of 2011 that was focused at maintaining current levels of service. During consideration of the assessment, the public overwhelmingly said that the goal should be to improve services and not just maintain the current inadequate levels of services. Moreover, previously when the County Board was serving as the District’s governing body, there were also discussions about the lack of financial resources. In 2007, the County Board approved preliminary work on a parcel tax.*

Nonetheless, the Board will continue to review its options as it moves through the statutory process of considering whether to place a tax measure on the ballot.

4. The Board has not considered contracting for all fire suppression services from CAL FIRE, a capable, recognized provider of those services.

*Response: **Disagree:** The County Board received a quote from CAL FIRE in 2006 but decided not to contract with CAL FIRE at that time. In 2011, the current Board did seek and receive a quote from Contra Costa County Fire Protection District, but it was significantly higher than the cost of continuing to provide the services directly. As a result, the Board discussed contracting out services at the September 12, 2011 meeting, but it decided not to proceed with that approach.*

5. The \$197 parcel tax exceeds the amount required to support the Board's proposed expanded operating structure, resulting in substantial reserves and costs to the taxpayers.

*Response **Disagree:** The \$197 parcel includes funding both the Capital Improvement and Equipment Replacement funds, which are critical parts of any well run fire service to replace aging and unsafe equipment and facilities. The funds were established in the spring of 2010; however, we have only been able to fund them at 10% of the appropriate levels due to the need to devote funds to the Operating Budget. Both the Capital Improvement and Equipment Replacement funds should be funded at 1 million dollars a year in order to ensure the long term sustainability of the District's service levels.*

6. The Grand Jury estimates the proposed \$197 parcel tax will generate about 50% more revenue over a four year period that is needed to sustain the current operating structure.

*Response: **Disagree:** As noted above, the Grand Jury estimate fails to recognize the Board's Reserve Policy for Capital Improvements and Equipment Replacement. The Reserve Policy is not just an academic exercise: many of the District's facilities are in need of upgrading or replacing. The Bethel Island Fire Station was condemned by the County several years ago and only parts of it may be used for vehicle storage, while firefighters occupy a now several-years-old prefabricated temporary facility. District equipment is also dated and needs to replace three type 1 structure engines and 3 type wild land engine.*

7. Only one approach to solving the problem is being presented in the public information sessions. As a result, the residents have not been presented with other options.

Response: **Disagree:** *As noted above, the Board has had numerous public meetings to discuss the financial options available to it over the past two years. The current outreach and town hall meetings are designed to provide public education and obtain comment and input on the approach the Board selected for consideration on the basis of the prior meetings. Until the Board completes the statutory public hearing required to place a tax measure on the ballot, the approach to solving the problem remains subject to change. The Public Hearing must be held before March 9, 2012 to meet the deadline for the June 5, 2012 election; we are currently contemplating a February hearing date.*

8. The Board is not offering a viable service option in the event a \$197 parcel tax initiative for an expanded operating structure is not passed by voters in June 2012.

Response: **Disagree:** *The Board held a public hearing devoted to examining service models based on both current and projected revenue models in August 2011. The Board, with staff assistance from the City of Brentwood finance staff and Executive Committee reviewed the following options: Balanced Budget or Baseline Service Models and Zone Concept;*

The Balanced Budget or Baseline Service Model would contain either 3 or 4 stations within Brentwood, Discovery Bay, and Oakley with staffing level of either 2 or 3 personnel per station.

Zone Concept would set a base level service level across the District on existing District revenues. The District could be divided into service areas within the District and each service area could be set the desired level of enhanced service with its zone.

The Board has directed staff to prepare a proposed timeline to make necessary cuts and an operational plan for the fiscal year beginning July 1 should the tax not be adopted, which the Board will be considering this spring. The District Board strongly believes that without further revenue, the only financially "viable" service option will be grossly inadequate to protect the District.

9. It is not clear that the Board is actively pursuing negotiations with collective bargaining units to reduce costs.

Response: **Disagree:** *The District has been in continuous negotiations with our labor groups over the last several months, but the contents of the discussions are confidential. See Agendas reflecting closed sessions of the District Board to provide direction to labor negotiators dated January 9, 2012, December 5, 2011...*

RECOMMENDATION

1. The Board should consider other available operating structure alternatives before deciding on a ballot measure.

The recommendation has been and continues to be implemented. *The District has been working on this since June 2010 by considering options such as further cuts, new or increased fees, a benefit assessment and a parcel tax.*

2. The board should consider whether the current operating structure provides adequate service levels and should be included as an alternative.

The recommendation has been and continues to be implemented. *The Board and its Ad-Hoc Committee on financing have looked at several staffing models. As noted above, public comments during a Board meeting devoted to service models unanimously demanded that the District needs to improve service, not just maintain the status quo. Nonetheless, the staff continues to work on options for service models in the event the Board decides not to pursue a parcel tax or if it does and the tax does not obtain voter approval. We do note, however, that due to the requirements of state law on considering revenue questions; the District must make a selection and propose it approval or rejection by the voters – the Board cannot submit a menu of options to the voters.*

3. The Board should consider outsourcing all fire suppression services to Cal-Fire for the current operating structure as a potential costs saving measure.

This recommendation has been carefully considered but rejected. *As noted above, this suggestion is not new and the District has received quotes from both CAL FIRE and CON FIRE. The Board decided, most recently in September 2011, that it did not want to contract out services at this time. The reasons include that the contracting option appeared to be more expensive than our current service model and would deny the local control that the County Board and LAFCO intended to promote when the current Board was created in 2009 to replace governance of the District by the County Board.*

4. All possible cost containment opportunities; including resolution of union agreement, should be considered in Board's evaluation of alternatives for providing services.

The recommendation has been and continues to be implemented. *As noted above, the Board has been working on cost containment continuously since the governance change in February 2010, which included the closing of two fire stations, not filling open positions, not providing firefighter or staff cost of living increases, and deferring the replacement of equipment/station repairs in fiscal year*

2010-2011. As noted above, the staff continues to work on options for future service models based on the available revenue.

5. For all operating structures considered, the Board should conduct the analyses required to whether the additional revenue being requested from the taxpayers is the minimum reasonably required to fund and sustain each alternative.

This recommendation has been and continues to be implemented: *The Board previously looked at several staffing models and services levels and received extensive public comment on the need to provide for a sustainable District that protects and serves the long term needs of its residents. The Board will continue to consider service model options through and during the public hearing prior to considering placing the parcel tax on the ballot. The options include a parcel tax at a different level as well as the alternate methods for providing services with no additional revenue discussed above in our response to Finding No. 8.*

6. The Board should inform and educate the residents of the District regarding alternative operating structures and associated costs, and solicit their input.

The recommendation has been and continues to be implemented: *The District hired an outreach/education Consultant in September 2011 and started the education process with an aggressive schedule of Town Hall Meetings as well as an informational mailer to the public. Public input is being received at each of these meetings, which will continue through the public hearing next month. At the January Board meeting, the Board reviewed a detailed report from its Consultant on the issues raised by the public, and the Board considered that in directing the staff as it works on preparations for the tax. Similarly, the Board will continue to review the public input and consider revisions to its plans at its board meetings until the public hearing.*

7. After receiving public input, the Board should decide on the most appropriate operating structure and propose an appropriate parcel tax initiative.

The recommendation has been and continues to be implemented *and will culminate in the Public Hearing for the proposed Parcel Tax.*

8. The Board should consider developing a viable service alternative to be implemented in the event of the parcel tax initiative failing.

The recommendation is being implemented: *As noted above in our responses to Findings 7, 8 and 9, the staff has been working on District options, including a "balanced budget" staffing model in the event the parcel tax is not approved by the Board or the voters, which will be presented to the Board for its consideration in the coming months.*