



# City Fire Department Consolidations/Mergers

[Issue](#) | [Background](#) | [Findings](#) | [Conclusions](#) | [Recommendations](#) | [Responses](#) | [Attachments](#)

## Issue

Have San Mateo County fire department consolidations achieved their goal of reducing costs without sacrificing services and can they be models for other consolidations?

## Background

There are fourteen fire agencies protecting 27 cities, towns, communities and the unincorporated areas of San Mateo County.

**Table 1**

| Fire Department   | Organization Structure  | Population Supported | Sq. Miles Covered |
|---|-------------------------|----------------------|-------------------|
| • Menlo Park Fire Protection District<br>Menlo Park, Atherton, East Palo Alto       | District                | 94,500               | 30.0              |
| • Belmont-San Carlos Fire   | Joint Powers Authority  | 54,500               | 8.3               |
| • North County Fire Authority<br>Brisbane, Daly City, Pacifica                      | Joint Powers Authority  | 155,000              | 60.0              |
| • Central County Fire<br>Burlingame, Hillsborough                                   | Joint Powers Authority  | 39,550               | 12.0              |
| • California Dept. of Forestry & Fire Protection<br>Unincorporated San Mateo County | State Agency (Cal Fire) | 25,000               | 278.0             |
| • Coastside Fire Protection District<br>Half Moon Bay and Nearby Communities        | District                | 40,000               | 46.0              |
| • Woodside Fire Protection District<br>Woodside, Portola Valley                     | District                | 16,000               | 32.0              |
| • Colma Fire Protection District<br>Colma, Broadmoor                                | District                | 5,600                | 2.0               |
| • Foster City   | City Department         | 30,400               | 19.9 <sup>1</sup> |
| • Millbrae  | City Department         | 21,500               | 3.2               |
| • Redwood City  | City Department         | 76,000               | 19.0              |
| • San Bruno   | City Department         | 41,000               | 6.0               |
| • San Mateo   | City Department         | 92,500               | 16.0              |
| • So. San Francisco   | City Department         | 61,700               | 10.0              |

The 2009-2010 San Mateo County Civil Grand Jury (Grand Jury) focused its investigation on these four fire service consolidations in San Mateo County:

- Belmont-San Carlos Fire Department
- North County Fire Authority
- Central County Fire Department
- Coastside Fire Protection District.

<sup>1</sup> Includes 16.2 sq. miles of water

The Belmont-San Carlos Fire Department represents the oldest of the fire consolidations and the Coastside Fire Protection District is the newest. The Belmont and San Carlos Fire Departments merged in 1979 through a Joint Powers Agreement<sup>2</sup> as the South County Fire District. It came close to dissolution in 2004 when each city gave the required 18 month notification. A new Joint Powers Agreement was signed in 2007 and the merged departments became the Belmont-San Carlos Fire Department. Recently, the City of San Carlos requested a proposal from Cal Fire<sup>3</sup> and the City of San Mateo to provide services. The San Carlos City Council voted on April 12, 2010 to send the Belmont Fire District a letter notifying them of their intent to dissolve the existing Joint Powers Agreement.

The North County Fire Authority is a Joint Powers Authority (JPA) established in 2003 serving the communities of Brisbane, Daly City, and Pacifica.

In 2004, the city councils for the City of Burlingame and the Town of Hillsborough approved a JPA merging their respective fire departments creating the Central County Fire Department.

On October 1, 2007, Half Moon Bay Fire Protection District and Point Montara Fire Protection District consolidated to form a new district called Coastside Fire Protection District. On June 2, 2008, Coastside Fire Protection District's Governing Board entered into a cooperative agreement with Cal Fire to supply the management and personnel.

Through a series of mutual and automatic aid agreements each fire department in San Mateo County responds seamlessly to provide citizens with the closest available units. All are dispatched through one central dispatch, the San Mateo County's Public Safety Communications Center<sup>4</sup>. This creates a "boundary drop" that enables all fire agencies in San Mateo County to operate as a single fire department. The closest engine responds regardless of boundary designation. In addition all fire departments in San Mateo County participate in a JPA providing Advanced Life Support (ALS), paramedic and ambulance services.

---

<sup>2</sup> A Joint Powers Authority (JPA) is an entity permitted under the laws of some states, whereby two or more public authorities (e.g. local governments, or utility or transport districts) can operate collectively. By combining their commercial efforts, public authorities can achieve economies of scale. Joint powers authorities are widely used in California under Section 6500 of the State Government Code.

<sup>3</sup> California Department of Forestry and Fire Protection (CAL FIRE)

<sup>4</sup> San Mateo County Office of Public Safety Communications  
400 County Center, Suite PSC100  
Redwood City, CA 94063

Fire departments in San Mateo County and how they are organized are summarized in Table 2 following.

**Table 2**

| <b>Models / Example</b>  | <b>Description</b>   |
|--|--|
| <b>City Department</b><br><i>City of San Mateo Fire Department</i>   | A department within an existing city.<br>Funded from General Fund and/or parcel tax  |
| <b>Federation</b><br><i>North County Fire Authority (Daly City, Brisbane &amp; Pacifica)</i>   | A combination of two or more cities under a single fire management, but cities retain separate identifiable fire fighters and equipment.<br>Each city firefighters are on separate labor contract and pension plans.<br>Cities mutually fund the new organization under an agreed upon model.<br>Typically organized as a JPA. |
| <b>Merged</b><br><i>Central County Fire (Burlingame &amp; Hillsborough)</i>  | A combination of two or more cities under a single fire management and combined firefighters workforce and equipment.<br>Cities mutually fund the new organization under an agreed upon formula.<br>Typically organized as a JPA.  |
| <b>Contracted Service</b><br><i>Coastside Fire Protection District contracts with Cal Fire (Half Moon Bay &amp; Surrounding Communities)</i> | One or more cities or jurisdictions contract with another fire fighting organization to perform all fire services.<br>Firefighters and Fire Management now report to a new organization.   |
| <b>District</b><br><i>Menlo Park Fire Protection District (Menlo Park, Atherton &amp; East Palo Alto)</i>                                    | An independent jurisdiction that can serve one or more cities.<br>Funding is typically provided from property tax and/or parcel tax.<br>The District is governed by an elected board.  |

**Investigation:**

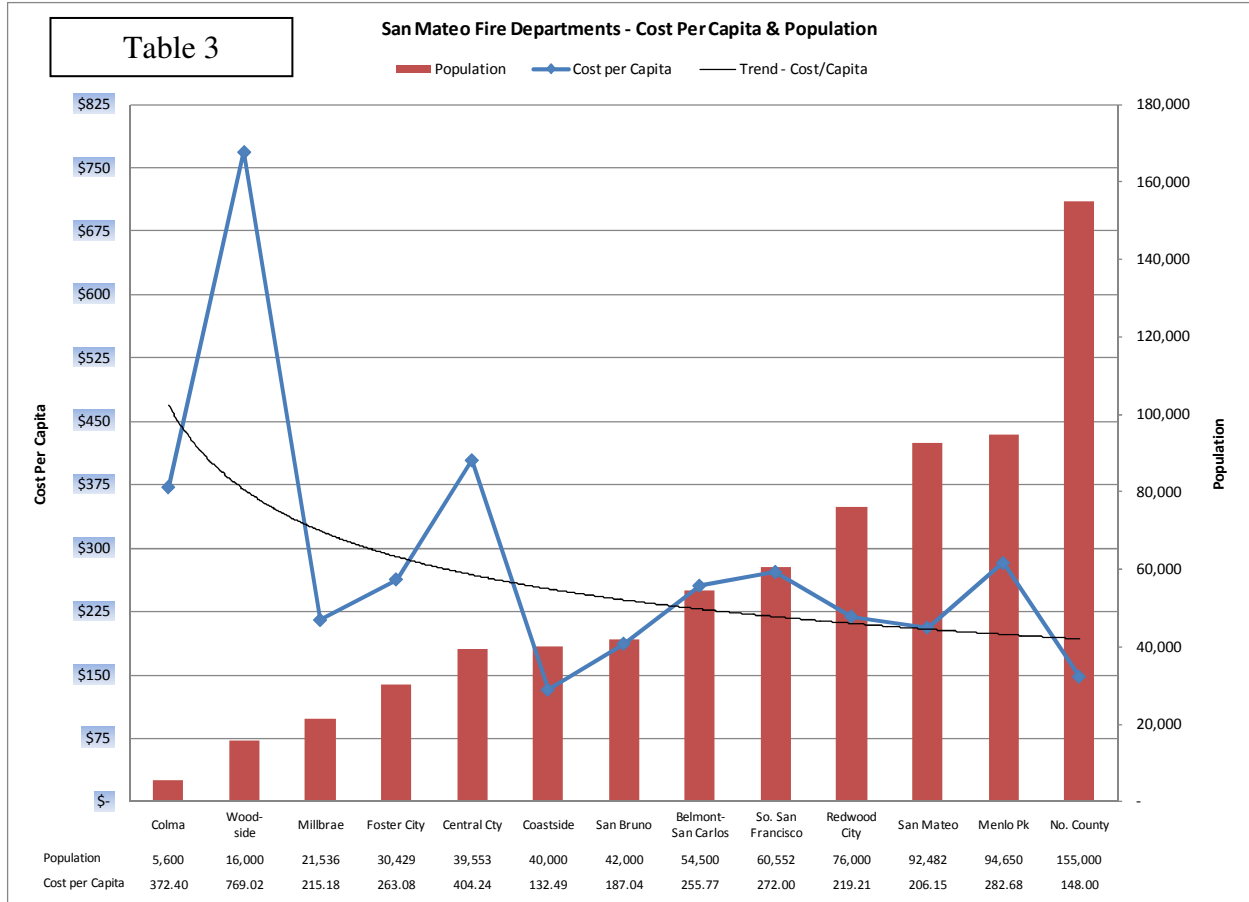
The Grand Jury investigation focused on the Belmont-San Carlos Fire Department, North County Fire Authority, the Central County Fire Department, and the Coastside Fire Protection District consolidations. The Grand Jury interviewed city managers, city finance directors, fire chiefs, city council members, a representative of the International Association of Firefighters Union Local 2400 and representatives from the San Mateo County Public Safety Communications Center. The Grand Jury reviewed financial documentation related to cost and service levels before and after consolidation.

**Findings:**

The Grand Jury found through its investigation that:

1. Consolidations were enabled by the implementation of the paramedic program which required boundary drop (closest fire engine responds regardless of the jurisdiction) and a single communication system for all San Mateo County fire departments.
2. Public safety (police and fire) expenditure is generally over half of the general fund in every community.

- The major cost of a fire department is the cost of personnel (salaries, health benefits and pension obligations). Table 3 below reports cost per capita as compared to the population supported.



- All fire departments have fixed overhead costs for administration and management regardless of the size of the department. Usually fire departments that support large populations are more cost effective because their fixed overhead is spread over a larger base. Table 3<sup>5</sup> above compares the cost per capita to the population supported. In general, the larger the population the lower the cost per capita. In addition to cost per capita, the cost to support a large geographical area should be considered when evaluating the cost efficiency of a department.
- The investigation revealed that labor contract obligations were negotiated when tax revenues were higher and are generally no longer sustainable in today's economic environment.
- Consolidations were driven by the need to significantly reduce cost while maintaining the same level of service.

<sup>5</sup> The Grand Jury requested approved 2009-2010 budget information from all fire departments in the county.

7. North County Fire Authority, Central County Fire Department and the Belmont-San Carlos Fire Department each closed a fire station, reduced fire administration and the number of firefighters, over a period of three years.
8. Central County Fire achieved annual savings of approximately \$3.4 million by consolidation. Over a four year period, 14 full time equivalent positions were eliminated for an annual savings of \$3.3 million. In addition, approximately \$100,000 was saved from equipment and vehicle reductions. (See Appendix A for complete analysis.)
9. There continues to be a redundancy of fire stations with five situations where stations are located within 1-mile of each other. These stations were placed by the local jurisdictions to fight fires within their city boundaries at a time when “boundary drop” did not exist and fire departments only responded to fires and other emergencies within their designated boundaries.

Table 4 below was reproduced from the “San Mateo County Fire Agency Consolidation Threshold Analysis” report of March 2004.

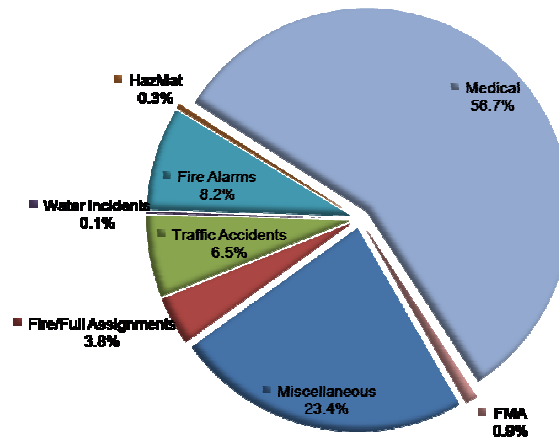
| <b>Station</b>                                 | <b>City</b>                | <b>Service Provider</b>              |
|--|----------------------------|--------------------------------------|
| 1801 DE ANZA BLVD.<br>20 TOWER RD              | SAN MATEO<br>SAN MATEO     | CITY OF SAN MATEO<br>CDF – SAN MATEO |
| 1500 MARINA CT.<br>1040 EAST HILLSDALE BLVD.   | SAN MATEO<br>FOSTER CITY   | CITY OF SAN MATEO<br>FOSTER CITY     |
| 200 EDGEWOOD RD.<br>1280 ALAMEDA DE LAS PULGAS | REDWOOD CITY<br>SAN CARLOS | CDF-SAN MATEO<br>SOUTH COUNTY JPA    |
| 4101 FAIR OAKS AVE<br>1091 SECOND AVE.         | MENLO PARK<br>REDWOOD CITY | MENLO PARK FPD<br>REDWOOD CITY       |
| LAKE MERCED BLVD<br>50 REINER STREET           | DALY CITY<br>COLMA         | DALY CITY<br>COLMA FPD               |

10. The 2004 average operating cost of a fire station in San Mateo County was approximately \$2.0 million per year<sup>6</sup>. Belmont-San Carlos Fire Department reported that their average cost to run a fire station in 2009-2010 was approximately \$3.2 million<sup>7</sup>. This is one indication of operating cost escalation.
11. In spite of the significant savings resulting from consolidations in the Central and Belmont-San Carlos Fire Departments, the present condition of local agency budgets makes it difficult for fire agencies to sustain the current level of service. With the high cost of salaries, benefits and pension obligations, the San Carlos Fire budget has increased 19.5% over the last two fiscal years.
12. Consolidation was made possible in the Belmont-San Carlos Fire Department, North County Fire Authority and the Central County Fire Department by the agreement of the city councils, city management, fire department management and firefighters union.
13. The average workweek of a firefighter in the Coastside Fire Protection District and other Cal Fire managed stations is 72 hours (56 hours at regular pay and 16 hours of mandatory overtime at time and a half). The average work week of a firefighter in all other San Mateo County Fire Departments is 56 hours per week.

<sup>6</sup> Table 8 of the “The San Mateo County Threshold Analysis Report” of 2004, commissioned by the San Mateo County Fire Chief’s Association.

<sup>7</sup> San Carlos Staff Report of March 13, 2010, ” Overview of Initial Cal Fire Letter Proposal to Provide Fire Services in San Carlos”

14. The difference in work hours enables Cal Fire to staff an engine with 7 firefighters per week compared to 9 firefighters per week where fire departments have a 56 hour work week.
15. Cal Fire is a statewide agency with lower rates for salaries, workmen’s compensation insurance, health benefits and pension costs.
16. The cost to run a Cal Fire station in the Coastside Fire Protection District is approximately \$1.9 million annually. City of San Carlos estimates annual savings of between \$1.2 million and \$2.0 million if it contracted with Cal Fire.<sup>8</sup>
17. As a result of consolidation, the Central County Fire Department and the Belmont-San Carlos Fire Department firefighters now each have single collective bargaining agreements. The North County Fire Department firefighters do not have a single collective bargaining agreement but maintain separate agreements with their respective cities.
18. The fire departments of San Mateo County are first responders to all fire and medical emergencies.
19. Approximately 60% of fire agency calls are for medical emergencies and are responded to by the closest available fire engine with three firefighters, one of whom is a paramedic.<sup>9</sup>
20. The Advanced Life Support (ALS) JPA requires a paramedic on the responding fire engine and a paramedic on the responding ambulance.
21. Except for South San Francisco, paramedic ambulance service is provided by AMR which is a private-for-profit ambulance service under contract to San Mateo County and administered through the ALS JPA.
22. Through fees paid by patients and/or their insurers, AMR (ambulance provider), pays \$3.7 million per year to the JPA, to help offset the fire department costs. From that \$3.7 million, the JPA disperses \$2.7 million per year to cities and fire districts who are members of the JPA. The remaining \$1.0 million is retained by the JPA for administration and other costs.



## Conclusions:

The 2009-2010 San Mateo County Civil Grand Jury concludes that:

1. The process of fire department consolidation is greatly simplified because of the San Mateo County “boundary drop” provision in the Advanced Life Support JPA. Fire departments within San Mateo County function operationally as a single county wide fire department.

<sup>8</sup> San Carlos Staff Report of March 13, 2010, ” Overview of Initial Cal Fire Letter Proposal to Provide Fire Services in San Carlos”

<sup>9</sup> Chart provided by San Mateo County Public Safety Communications Center – Annual Statistics 2009

2. Successful consolidations require the support of the key stakeholders: city councils, city managers, fire management, firefighters, fire union and the community.
3. Cities that have consolidated fire departments have realized significant cost savings while maintaining the same level of services. This has been accomplished through personnel attrition, the closing of fire stations, and the reduction of fire management positions.
4. Many cities and fire districts, including those who have consolidated, may find it difficult to sustain the current levels of service due to revenue shortfalls associated with the current economy and the obligations to salary, health benefits and pension costs.
5. Jurisdictions who contract with Cal Fire realize significant savings in salaries, workmen's compensation rate, pension and health benefit contributions.
6. The merged JPA agreement of Belmont-San Carlos Fire has equal representation from each jurisdiction. Because there is no effective dispute resolution process in place, management decision making regarding cost sharing and other matters is slow and at times contentious.
7. The implementation of mergers can be accomplished prior to agreement on each and every administrative detail such as personnel, payroll and workers compensation procedures.
8. The cities of San Bruno, Millbrae, Foster City, San Mateo, Redwood City and the Colma and Woodside Fire Protection District have opportunities to significantly reduce the cost of services to taxpayers by aggressively pursuing consolidations and mergers.

### **Recommendations:**

The 2009 – 2010 San Mateo County Civil Grand Jury recommends to the city councils of San Bruno, Millbrae, Foster City, San Mateo, Redwood City and the fire protection districts of Woodside and Colma:

1. Complete a study of possible consolidation with neighboring fire departments or contracting with Cal Fire to provide the same level of service at reduced cost by July 1, 2011.
2. Include an effective dispute resolution processes in all consolidation agreements.

# APPENDIX A

## CENTRAL COUNTY FIRE SCHEDULE OF SAVINGS (PER YEAR) FROM BURLINGAME/HILLSBOROUGH FIRE MERGER

**SWORN PERSONNEL COSTS:**

|                             | <u>FY 02/03</u>                            |                     |              | <u>FY 09/10</u>                       |                     |              | <u>Positions Eliminated</u> | <u>Savings Valued @ Current Salaries</u> | <u>Savings Breakdown</u> |                     |
|-----------------------------|--|---------------------|--------------|---------------------------------------|---------------------|--------------|-----------------------------|--|--------------------------|---------------------|
|                             | <u>Authorized Positions (Before Merge)</u> |                     |              | <u>Authorized Positions (Current)</u> |                     |              |                             |  | <u>Burlingame</u>        | <u>Hillsborough</u> |
|                             | <u>Burlingame</u>                          | <u>Hillsborough</u> | <u>Total</u> | <u>Burlingame</u>                     | <u>Hillsborough</u> | <u>Total</u> |                             |  |                          |                     |
| Fire Chief                  | 1  | 1                   | 2            | 1                                     |                     | 1            | 1                           | \$ 333,427                               | -                        | 1                   |
| Deputy Chief                |  | 1                   | 1            |                                       | 1                   | 1            | -                           |  | -                        | -                   |
| Assistant Chief (1)         | 4  |                     | 4            |                                       |                     | -            | 4                           |  | 4                        | -                   |
| Division Chief (1)          |  |                     | -            | 1                                     |                     | 1            | (1)                         | 857,412 (5)                              | (1)                      | -                   |
| Fire Marshal (1)            | 1  |                     | 1            | 1                                     |                     | 1            | -                           |  | -                        | -                   |
| Deputy Fire Marshal (3)     | 2  |                     | 2            |                                       |                     | -            | 2                           | 518,546 (6)                              | 2                        | -                   |
| Battalion Chief             |  | 3                   | 3            | 2                                     | 2                   | 4            | (1)                         | (283,600)                                | (2)                      | 1                   |
| Mechanic                    | 1  |                     | 1            | 1                                     |                     | 1            | -                           |  | -                        | -                   |
| Fire Inspectors (2)         |  | 1                   | 1            | 2                                     |                     | 2            | (1)                         | Wash                                     | (2)                      | 1                   |
| Administrative Captain (2)  |  |                     | -            | 1                                     |                     | 1            | (1)                         | Wash                                     | (1)                      | -                   |
| Captain (2)                 | 12   | 9                   | 21           | 10                                    | 9                   | 19           | 2                           | Wash                                     | 2                        | -                   |
| Firefighters/Paramedics (4) | 29   | 21                  | 50           | 24                                    | 17                  | 41           | 9                           | 1,855,188 (7)                            | 5                        | 4                   |
| <b>Total</b>                | <b>50</b>                                  | <b>36</b>           | <b>86</b>    | <b>43</b>                             | <b>29</b>           | <b>72</b>    | <b>14</b>                   | <b>\$ 3,280,973</b>                      | <b>7</b>                 | <b>7</b>            |

- 1) These positions are at the same salary level.
- 2) These positions are at the same salary level.
- 3) Eliminated Deputy Fire Marshal position computed @ 90% of Fire Marshal position
- 4) Currently, each city has one vacant Firefighter position.
- 5) 3 positions @ \$285,804 each
- 6) 2 positions @ \$259,273
- 7) 9 positions @ \$206,132

**ALL OTHERS:**

|  |                  |
|--|------------------|
| 1 Fire Engine @ \$400,000 with 15 years useful life                      | \$ 26,667        |
| Tools associated with 1 fire engine @ \$75,000 over 15 years useful life | 5,000            |
| Maintenance costs associated with 1 fire engine                          | 20,000           |
| Protective equipment with 5 year replacement @ \$2,200 each (11 sets)    | 4,840            |
| Training costs 14 @ \$1,200 each   | 16,800           |
| <b>Total - All Others</b>  | <b>\$ 73,307</b> |

GRAND TOTAL OF SAVINGS PER YEAR

**\$ 3,354,280**

ALLOCATION FACTORS  
SAVINGS ALLOCATION

|  | 60%                 | 40%                 |
|--|---------------------|---------------------|
|  | <b>\$ 2,012,568</b> | <b>\$ 1,341,712</b> |





# CITY OF DALY CITY

333-90TH STREET

DALY CITY, CA 94015-1895

PHONE: (650) 991-8000

September 14, 2010

Hon. Clifford V. Cretan  
Judge of the Superior Court  
Hall of Justice  
400 County Center – 2<sup>nd</sup> Floor  
Redwood City, CA 94063-1655

RE: 2009-2010 Civil Grand Jury Report on City Fire Department Consolidations/Mergers

Dear Judge Cretan:

On behalf of the City Council of Daly City, I have been requested to submit for the City, the following responses to the Civil Grand Jury findings and recommendations pertaining to the above referenced report:

## FINDINGS:

### Finding #1

Consolidations were enabled by the implementation of the paramedic program which required boundary drop (closest fire engine responds regardless of the jurisdiction) and a single communications dispatch system for all San Mateo County Fire Departments.

### Response:

The City **agrees** with this finding.

### Finding #2

Public safety (police and fire) expenditures are generally over half of the general fund in every community.

### Response:

The City **concurs** with this finding. In Daly City, public safety expenditures represent approximately 58% of the 2010-2011 general fund budget.

### Finding #3

The major cost of a fire department is the cost of personnel (salaries, health benefits and pension obligations).

Hon. Clifford V. Cretan

September 14, 2010

Re: 2009-2010 Civil Grand Jury Report on City Fire Dept. Consolidation Mergers

Page 2 of 6

Response:

The City **agrees** with this finding. Personnel costs reflect \$12,977,734 of the total 2009-2010 general fund budget of \$14,562,267 for the Fire Department.

Finding #4

All fire departments have fixed overhead costs for administration and management regardless of the size of the department. Usually fire departments that support large populations are more cost effective because their fixed overhead is spread over a larger base.

Response:

Daly City **concurs** with this finding.

Finding #5

The investigation revealed that labor contract obligations were negotiated when tax revenues were higher and are generally no longer sustainable in today's economic environment.

Response:

Daly City **partially disagrees** with this finding. While it is true that labor contracts negotiated prior to 2007 were based on higher revenue estimates available at the time, with the downturn in the economy labor concessions were negotiated that eliminated the City's obligation for payment of 3.75% cost of living adjustments. Subsequent labor contracts were negotiated that reflect no wage or benefits increases through the 2010-11 fiscal year. It is anticipated that wage and benefit adjustments will remain at the status quo for the foreseeable future.

Finding #6

Consolidations were driven by the need to significantly reduce cost while maintaining the same level of service.

Response:

The City **concurs** with this finding as it relates directly to the North County Fire Authority (NCFA).

Finding #7

NCFA, Central County Fire Department and the Belmont-San Carlos Fire Department each closed a fire station, reduced fire administration and the number of firefighters, over a period of three years.

Response:

Daly City **partially disagrees** with this finding. The NCFA and its member agencies have not closed any fire stations as a result of establishing the Fire Authority JPA.

Finding #8

Central County Fire achieved annual savings of approximately \$3.4 million by consolidation. Over a four-year period, 14 full-time equivalent positions were eliminated for an annual savings

Hon. Clifford V. Cretan

September 14, 2010

Re: 2009-2010 Civil Grand Jury Report on City Fire Dept. Consolidation Mergers

Page 3 of 6

of \$3.3 million. In addition, approximately \$100,000 was saved from equipment and vehicle reductions.

Response:

The City **concurs** with the finding although it does not relate to the operations of the NCFCA.

Finding #9

There continues to be redundancy of fire stations with five situations where stations are located within 1-mile of each other. These stations were placed by the local jurisdictions to fight fires within their city boundaries at a time when "boundary drop" did not exist and fire departments only responded to fires and other emergencies within their designated boundaries.

Response:

Daly City **wholly disagrees** with this finding. Table 4 indicates that FS #1 in Daly City (151 Lake Merced Blvd.) is located within a 1-mile proximity of Colma Fire Station (50 Reiner Street). The distance between these fire stations is in excess of 2-miles. In addition, Colma Fire Protection District is a volunteer fire service provider that would not likely be capable of responding to the service area of Daly City's FS #1 with the same response rate on a routine basis. Thus, to imply there is redundancy in the capabilities offered by each of these fire stations is not accurate.

Finding #10

The 2004 was approximately \$2.0 million per year. Belmont-San Carlos Fire Department reported that their average cost to run a fire station in 2009-2010 was approximately \$3.2 million. This is one indication of operating cost escalation.

Response:

Daly City **concurs** with this finding as it relates directly to the 2004 average operating cost for the NCFCA.

Finding #11

In spite of the significant savings resulting from consolidations in the Central and Belmont-San Carlos Fire Departments, the present condition of local agency budgets makes it difficult for fire agencies to sustain the current level of service.

Response:

The City **neither agrees or disagrees** with this finding as it does not relate to the operations of the NCFCA.

Hon. Clifford Cretan

September 14, 2010

Re: 2009-2010 Civil Grand Jury Report on City Fire Dept. Consolidation Mergers

Page 4 of 6

Finding #12

Consolidation was made possible in the Belmont-San Carlos Fire Department, NCFE, and the Central County Fire Department by the agreement of City Councils, city management, fire department management and the firefighters unions.

Response:

Daly City **concur**s with this finding.

Findings #13, 14, 15 and 16

Response:

The City **neither agrees or disagrees** with these findings as none of the findings relate to the operations of the NCFE.

Finding #17

As a result of consolidation, the Central County Fire Department and the Belmont-San Carlos Fire Department firefighters now each have single collective bargaining agreements. The NCFE firefighters do not have a single collective bargaining agreement, but maintain separate agreements with their respective cities.

Response:

The City **concur**s with this finding.

Finding #18

The fire departments of San Mateo County are first responders to all fire and medical emergencies.

Response:

Daly City **agrees** with this finding.

Finding #19

Approximately 60% of fire agency calls are for medical emergencies and are responded to by the closest available fire engine with three firefighters, one of whom is a paramedic.

Response:

The City **agrees** with this finding.

Finding #20

The Advance Life Support (ALS) JPA requires a paramedic on the responding fire engine and a paramedic on the responding ambulance.

Response:

Daly City **agrees** with this finding.

Finding #21

Except for South San Francisco, paramedic ambulance service is provided by AMR which is a private-for-profit ambulance service under contract to San Mateo County and administered through the ALS-JPA.

Response:

The City **concurs** with this finding.

Finding #22

Through fees paid by patients and/or their insurers, AMR, pays \$3.7 million per year to the JPA, to help offset the fire department costs. From that \$3.7 million, the JPA disperses \$2.7 million per year to cities and fire districts who are members of the JPA. The remaining \$1.0 million is retained by the JPA for administration and other costs.

Response:

Daly City **agrees** with this finding.

RECOMMENDATIONS:

Recommendation #1

Complete a study of possible consolidation with neighboring fire departments or contracting with CalFire to provide the same level of service at reduced cost by July 1, 2011.

Response:

Daly City **neither agrees or disagrees** with this recommendation inasmuch as the City is currently a party to an existing three member joint powers authority that operates as the NCFJA.

Recommendation#2

Include an effective dispute resolution process in all consolidation agreements.

Response:

Daly City **agrees** with recommendation.

In conclusion, the City of Daly City appreciates the opportunity to provide written responses to the San Mateo County Civil Grand Jury Report on City Fire Department Consolidations/mergers. The City Council of Daly City approved the responses contained herein on September 13, 2010.

Hon. Clifford V. Cretan  
September 14, 2010  
Re: 2009-2010 Civil Grand Jury Report on City Fire Dept. Consolidation Mergers  
Page 6 of 6

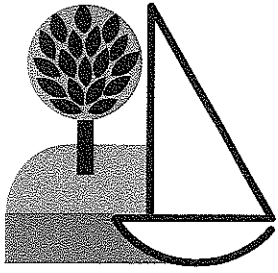
Should you or the Grand Jury require additional information or classification concerning the responses provided, please contact me directly at (650) 991-8127.

Sincerely,

A handwritten signature in cursive script that reads "Patricia E. Martel". The signature is fluid and matches the typed name below it.

Patricia E. Martel  
City Manager





# *City of Foster City*

## **ESTERO MUNICIPAL IMPROVEMENT DISTRICT**

610 FOSTER CITY BOULEVARD  
FOSTER CITY, CA 94404-2222  
(650) 286-3200  
FAX (650) 574-3483

July 20, 2010

Hon. Clifford V. Cretan  
Judge of the Superior Court  
Hall of Justice  
400 County Center; 2<sup>nd</sup> Floor  
Redwood City, CA 94063-1655

Re: City of Foster City's Response to the Grand Jury Report Regarding City Fire Department Consolidations/Mergers

Dear Judge Cretan:

We are in receipt of the Grand Jury Report dated May 26, 2010 regarding City Fire Department Consolidations/Mergers and provide the following response.

### Findings

Assuming that the statistical/financial information gathered and presented is accurate, the City agrees with all of the 22 findings, except #9. The City of Foster City disagrees with this finding as Foster City has historically only had one fire station at its present location (1040 East Hillsdale Blvd.) to serve the entire community of Foster City; hence, it does not feel that it has a redundancy of fire stations. The City of San Mateo built the fire station at 1500 Marina Ct. in 2003, which was **after** the "boundary drop" existed. The fire station was previously located at 1812 South Norfolk Street. In relocating this station, the Advanced Life Support Joint Powers Agreement response criteria protocols regarding fire station distribution were followed. Without a more detailed study, it is not accurate to presume that there is a redundancy in fire stations simply because this San Mateo fire station and the sole fire station in Foster City are within 1.7 miles of each other.

### Conclusions

The City agrees with the following conclusions: #1, #2, #4, #7 and #8.

With respect to #3, if the statistical/financial information gathered and presented is accurate, the City agrees that there has been significant cost savings. There is insufficient information to conclude that the "same level of services" has been maintained through personnel attrition, closing fire stations and reduction of fire management positions. It seems counterintuitive to assume the same level of services could be maintained with these personnel reductions and station closures. It may be more accurate to state that an "acceptable level of services" has continued to be provided.

With respect to #5, there is insufficient information to agree or disagree with this conclusion. It is also important to point out that in providing fire services, cost is an important factor but not the sole or even the determining factor for what is in the best interest of a given community.

With respect to #6, there is insufficient information to agree or disagree with this conclusion as the City does not have knowledge of the inner workings of the Belmont-San Carlos Fire Department. The City does concur that if the Joint Powers Agreement for the Belmont-San Carlos Fire Department, by its terms, lacks an effective governance structure and dispute resolution process, this would be problematic.

### Recommendations

With respect to #1, the City of Foster City and the City of San Mateo have recently entered into an agreement for shared fire chief services effective July 1, 2010. The two cities consider themselves natural partners for shared fire services and are open to consider other shared fire service opportunities as they are identified, but they have made no decisions or predeterminations about the outcome of such an exploration. Decisions will ultimately be made based on what is in the best interest of both cities. This exploration will be ongoing so there is not a fixed deadline (e.g., by July 1, 2011). As stated above, reducing costs will be an important consideration but not the sole determinate in making decisions regarding shared services. The impact on services through cost-saving proposals will need to be carefully evaluated. The level of fire services is established by the elected officials of each city based upon review and evaluation of recommendations made by its professional staff. What is in the best interest of the citizens will always be the most important guiding principle in this decision-making process.

With respect to #2, the City concurs that any shared services agreement must include an effective dispute resolution process. Hopefully, such a dispute resolution process will never be needed because of the cooperation and communication between the partners to the shared services agreement.

The City Council approved this response to the Grand Jury Report at its regular meeting of July 19, 2010.

Sincerely,

  
Rick Wykoff  
Mayor





*City of Millbrae*  
621 Magnolia Avenue, Millbrae, CA 94030

**PAUL SETO**  
Mayor  
**DANIEL F. QUIGG**  
Vice Mayor  
**MARGE COLAPIETRO**  
Councilwoman  
**GINA PAPAN**  
Councilwoman  
**NADIA V. HOLOBER**  
Councilwoman

July 27, 2010

Honorable Clifford V. Cretan  
Judge of the Superior Court  
Hall of Justice, 400 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

Dear Judge Cretan:

I am writing to you on behalf of the Millbrae City Council. This letter will serve as the City of Millbrae's formal response to the May 26, 2010 letter from the Superior Court transmitting the report from the Civil Grand Jury with regard to "City Fire Department Consolidations/Mergers." The Millbrae City Council reviewed and approved this response at its meeting on July 27, 2010.

The City of Millbrae appreciates the opportunity to respond to your report. The report is well organized and highlights the primary issues surrounding consolidation/merger efforts. The Grand Jury investigation focused on the four consolidations that have occurred in the county. Table 2 also defines the different relationships that can occur without necessarily having a full consolidation.

Discussions of mergers in San Mateo County have been occurring on and off for the past 20 years. The economic downturn certainly provides an incentive for municipalities and districts to pursue cost reduction measures, but fire service in this county has certainly pursued shared services opportunities, joint equipment purchases, consolidated dispatch services, and engaged in a public/private relationship with the ambulance provider.

The City of Millbrae has entered into at least four merger discussions with its neighboring agencies in the past. For one reason or another, whether it was the economic conditions, the political climate, or an outstanding issue that could not be resolved, these efforts did not come to fruition. Although the report recommends agencies such as Millbrae consider consolidation efforts, it is not as simple as it sounds. There are numerous issues, such as governance models, payroll, insurance, labor issues, parity, and station closures that create and contribute to the complexity. Each of those issues alone may have solutions, but taken together these issues make the process long and tedious.

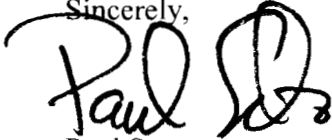
Nevertheless, the City of Millbrae has continued its efforts to achieve shared fire service arrangements and potential consolidations. Currently, the City of Millbrae and the City of San Bruno share Fire Chief and Battalion Chief services for a credible amount of savings to each agency. Millbrae, San Bruno, Central County Fire, and San Mateo share a training staff between the four agencies that eliminates the need for each agency to dedicate a single resource to the training program. Millbrae, San Bruno, and Central County Fire are currently having an implementation analysis done by a consultant to confirm merger opportunities.

|   |                                 |  |                                     |                                     |
|---|---------------------------------|--|-------------------------------------|-------------------------------------|
| City Council/City Manager<br>(650) 259-2334 | City Clerk<br>(650) 259-2334    | Public Works/Engineering<br>(650) 259-2339 | Recreation<br>(650) 259-2360        | Police Department<br>(650) 259-2300 |
| Personnel<br>(650) 259-2334                 | Finance/Water<br>(650) 259-2350 | Community Development<br>(650) 259-2341    | Building Division<br>(650) 259-2330 | Fire Department<br>(650) 259-2400   |

In summary, the Grand Jury recommendations do have validity, but the report needs to recognize that consolidations/mergers are complex and require the alignment of economic, labor, and political factors. Our own experience leads us to believe that the provision of fire services on an independent agency basis over the long term is cost prohibitive. We do agree that a dispute resolution process needs to be in place, but that is no guarantee that there will not be conflict between agencies even in the best of times. The example of the San Carlos – Belmont quandary certainly demonstrates that these relationships are not easy and to unravel them leads to additional complexities.

Again, thank you for the opportunity to respond to your report; I trust you will find our comments helpful.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Seto". The signature is stylized with large, flowing letters and a prominent flourish at the end.

Paul Seto  
Mayor

cc: City Council  
City Manager

Mayor Jeff Ira  
Vice Mayor Alicia C. Aguirre

Council Members  
Ian Bain  
Rosanne S. Foust  
Jeffrey Gee  
Barbara Pierce  
John Seybert



1017 MIDDLEFIELD ROAD  
Redwood City, California 94063  
Telephone (650) 780-7220  
FAX (650) 261-9102  
www.redwoodcity.org

September 27, 2010

Hon. Clifford V. Cretan  
Judge of the Superior Court  
Hall of Justice  
400 County Center, 2nd Floor  
Redwood City, CA 94063

Subject: Response to the Grand Jury Report: "City Fire Department Consolidations/Mergers"

Dear Judge Cretan:

On behalf of the City Council of the City of Redwood City, I would like to thank you for the opportunity to respond to the Grand Jury Report dated May 26, 2010, regarding City Fire Department Consolidations/Mergers. The following response to the Grand Jury's Findings and Conclusions was reviewed and approved by the City Council at its meeting on September 27, 2010.

#### Findings

The City has reviewed the 22 findings presented in the Grand Jury Report and is in agreement with the majority of the findings, provided the data analysis and methodology used was factual and sound. The City disagrees, partially, with Findings 4, and 9.

- Finding 4: *All fire departments have fixed overhead costs for administration and management regardless of the size of the department. Usually fire departments that support large populations are more cost effective because their fixed overhead is spread over a larger base. Table 3 above compares the cost per capita to the population supported. In general, the larger the population the lower the cost per capita. In addition to cost per capita, the cost to support a large geographical area should be considered when evaluating the cost efficiency of a department.*

Respondent disagrees, in part, with this finding. Population served does not necessarily correlate to cost-effectiveness in service delivery. Overhead costs are fixed based on organizational structure and are similar among agencies of all size.

- Finding 9: *There continues to be a redundancy of fire stations with five situations where stations are located within 1-mile of each other. These stations were placed by the local jurisdictions to fight fires within their city boundaries at a time when "boundary drop" did not exist and fire departments only responded to fires and other emergencies within their designated boundaries.*

Respondent agrees, in part, with this finding. However, geographic obstacles exist between the station located at 4101 Fair Oaks Avenue and the station located at 1091 2<sup>nd</sup> Avenue which creates a barrier between the two communities. Although the Caltrain and Southern Pacific tracks do not impede cross traffic as much as they did when the stations were built, they still impact response delivery from one side to the other. This impact has the potential to increase response times to areas under consideration.

#### Conclusions

1. *Complete a study of possible consolidation with neighboring fire departments or contracting with Cal Fire to provide the same level of service at reduced cost by July 1, 2011.*

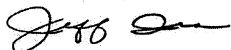
- Staff will respond to the City of San Carlos Request for Proposals for Fire Service when it is distributed
- Current shared services model has been in place for 10 years. Redwood City shares command staff with Woodside Fire Protection District and Belmont-San Carlos Fire Department. Services shared include: Emergency Medical Services Battalion Chief, Training Battalion Chief and Fire Marshal.
- Participated in 2010 Fire Prevention Services Consolidation Study with Menlo Park Fire Protection District, Belmont-San Carlos Fire Department, and San Mateo Fire Department.

2. *Include effective dispute resolution processes in all consolidation agreements.*

- The City concurs that any consolidation entered into must include an effective dispute resolution process in order to maintain a workable and equitable relationship between participating agencies.

Thank you for the opportunity to present our thoughts on the issue of fire department consolidations and mergers in San Mateo County. Should you have any additional questions, please contact me at (650) 780-7220 or Fire Chief James F. Skinner at (650) 780-7400.

Sincerely,



Jeff Ira, Mayor  
City of Redwood City



Jim Ruane

Mayor

July 27, 2010

Honorable Clifford V. Cretan  
Judge of the Superior Court  
Hall of Justice  
400 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063-1655

RE: City Fire Department Consolidations/Mergers

Dear Judge Cretan:

The City of San Bruno wishes to thank you for the opportunity to respond to your May 2010 report regarding City Fire Department Consolidation/Mergers. The report provides a good overview of the county fire services and identifies some of the issues surrounding consolidation/merger efforts. The Grand Jury investigation focused on the four consolidations that have occurred in the county and Table 2 defines the different models that can occur without necessarily implementing a full consolidation.

Discussions of mergers in San Mateo County have been a point of discussion for a number of years. The current economic downturn certainly provides an incentive for municipalities and districts to pursue cost reduction measures, but the fire service in this County has historically been actively engaged in shared services opportunities, joint equipment purchases, consolidated dispatch services, and participation in a public/private relationship with the County's ambulance provider.

The City of San Bruno has entered into at least three merger discussions with neighboring agencies in the past. These discussions were conducted even when the fiscal circumstances were not as dire as they are today. For one reason or another, whether the financial conditions were different, the political interest was lacking, or an outstanding issue couldn't be resolved, these efforts did not come to fruition. Although the report recommends agencies such as San Bruno consider consolidation efforts, it is not as simple as the investigation report may suggest. There are numerous issues, such as governance models, payroll, insurance, labor issues, parity, and station closures that create the complexity. Each of those issues alone may have solutions, but together the process can be long and tedious.

Currently, the City of San Bruno and Millbrae are pioneering an innovative shared Fire Chief and Battalion Chief arrangement that provides operational cost savings and

efficiencies for both agencies. San Bruno, San Mateo, Central County Fire, and Millbrae share a training staff between the four agencies that eliminates the need for each agency to dedicate a single resource to the training program. In addition, San Bruno, Millbrae, and Central County Fire are actively pursuing completion of a comprehensive analysis of alternatives for expanded shared services and potential consolidation/merger. This consultant analysis is anticipated to be completed this year.

The City of San Bruno generally agrees with the finding outlined in the Grand Jury Report. Our additional comments on two of the findings are as follows:

**Finding #6** Consolidations were driven by the need to significantly reduce cost while maintaining the same level of service. While this consideration may be the initial motivation for consolidation in some cases, we believe that there may be opportunities in the long term to improve services with the potential for a larger more efficient delivery system. Similarly, service delivery options short of full consolidation have proved successful for reducing costs and should also be considered.

**Finding #12** Consolidation in the Belmont-San Carlos Fire Department, North County Fire Authority and the Central County Fire Department by the agreement of the City Councils, City Management, Fire Department Management and Firefighters' Union. We note that similar agreements among the parties identified have resulted in successful coordination in shared services delivery between the cities of San Bruno and Millbrae.

In summary, we agree that the Grand Jury findings and recommendations are generally valid. We also suggest that there are complex issues that need to be addressed. We agree that a dispute resolution process should be established, as there is no guarantee that there will not be conflict even during the good times. The example of the Belmont-San Carlos dissolution certainly demonstrated that things can go wrong and to return to an independent agency status can be a very costly proposition. We also suggest that the overall interest in our communities for sustainable, cost effective delivery of fire services requires our careful analysis of all available options. We are proud of the results that we have achieved in coordination with our partners in Millbrae and look forward to continuing and furthering our successful collaboration.

Again, we appreciate the opportunity to respond to your report.

Sincerely,

  
Jim Ruane  
Mayor

This response was approved by the City Council at its regular public City Council Meeting on July 27, 2010.





OFFICE OF THE MAYOR

July 16, 2010

Hon. Clifford V. Cretan  
Judge of the Superior Court  
Hall of Justice  
400 County Center, 2<sup>nd</sup> Floor  
Redwood City, California 94063

330 West 20th Avenue  
San Mateo, California 94403-1388  
Telephone (650) 522-7048  
FAX: (650) 522-7041  
TDD: (650) 522-7047  
[www.cityofsanmateo.org](http://www.cityofsanmateo.org)

To Judge Cretan and the Civil Grand Jury 2009-2010 Foreman:

This response to the Grand Jury was approved by the San Mateo City Council at a public meeting held on July 12, 2010.

Current economic conditions have provided new incentives for local governments to address fiscal concerns by consolidating services, including fire protection and emergency response. The fire service industry has evolved dramatically in the past 40 years to include pre-hospital Advanced Life Support, high angle rescue, building construction design, special operations rescue, advanced wildland fire emergency response, hazardous materials mitigation, S.W.A.T. training, water rescue and others. From a business perspective, providing these services is costly and consolidation makes very good sense.

In general, the San Mateo City Council agrees with the Findings of the Grand Jury that consolidations and mergers are beneficial and reduce overall costs. However, achieving full consolidation can be extraordinarily difficult. The City of San Mateo's governing body has determined that moving to full consolidation is a high priority but is made more practical by taking smaller, more manageable steps. Achieving full consolidation with some departments in one step is simply impractical.

**Response to Grand Jury Findings (GJ Findings in *Italics* and City's response immediately follows)**

1. *Consolidations were enabled by the implementation of the paramedic program which required boundary drop (closest fire engine responds regardless of the jurisdiction) and a single communication system for all San Mateo County fire departments.* Respondent disagrees in part with finding. Some consolidations (not all) were driven by the ALS/JPA (boundary drop).
2. *Public safety (police and fire) expenditure is generally over half of the general fund in every community.* Respondent agrees. In the 2010-11 Budget, police and fire services represent 58% of the San Mateo General Funds. This includes 23% for Fire and 35% for Police.
3. *The major cost of a fire department is the cost of personnel (salaries, health benefits and pension obligations).* Respondent agrees with finding. The major cost of almost all departments in local government is related to personnel costs.
4. *All fire departments have fixed overhead costs for administration and management regardless of the size of the department. Usually fire departments that support large populations are more cost effective because their fixed overhead is spread over a larger base.* Respondent agrees with statement. The City of San Mateo already achieves an economy of scale with distributing costs over six fire stations. Respondent disagrees with per-capita costs listed for San Mateo. When the Fire Prevention Enterprise fund is taken into account, San Mateo's costs per capita fall well below \$200.00. In regards to Table 3, looking at one indicator in isolation distorts conclusions which can be drawn apart from the efficiency of fire service



delivery. Overhead, number of stations, age of city/buildings and square mileage of geographical area should all contribute to the analysis.

5. *The investigation revealed that labor contract obligations were negotiated when tax revenues were higher and are generally no longer sustainable in today's economic environment.* Respondent agrees with statement.
6. *Consolidations were driven by the need to significantly reduce cost while maintaining the same level of service.* Respondent disagrees. Respondent has consolidated functions/services in previous years to reduce costs while maintaining acceptable service standards.
7. *North County Fire Authority, Central County Fire Department and the Belmont-San Carlos Fire Department each closed a fire station, reduced fire administration and the number of firefighters, over a period of three years.* Belmont-San Carlos each closed a fire station in the 1970's and the formation of Central in 2004 closed one fire station. Pacifica closed a fire station before merging administrative functions into North County. All three organizations reduced fire administrative costs through consolidation and some saved more than others.
8. *Central County Fire achieved annual savings of approximately \$3.4 million by consolidation. Over a four year period, 14 full-time equivalent positions were eliminated for an annual savings of \$3.3 million. In addition, approximately \$100,000 was saved from equipment and vehicle reductions.* Respondent does not disagree with the statement but is not aware of the details of cost savings through the merger of Burlingame and Hillsborough Fire Departments.
9. *There continues to be a redundancy of fire stations with five situations where stations are located within 1-mile of each other. These stations were placed by the local jurisdictions to fight fires within their city boundaries at a time when "boundary drop" did not exist and fire departments only responded to fires and other emergencies within their designated boundaries.* Respondent does not disagree with the statement that fire stations were located to protect specific regions before "boundary drop" was established. Respondent disagrees with Table 4 that lists 1500 Marina Court and 1040 East Hillsdale as redundant fire stations. If these two sites were built today and were considered one region, two fire stations would be built in the same general location based on population, response times and call volume. Apparatus in the two stations could be modified. The proximity of fire stations located at 1801 De Anza and 20 Tower Road is close and apparatus deployment could be modified. The 1801 De Anza fire station is in a superior location when compared to 20 Tower Road. The De Anza fire station provides first-in services to a junior college, two shopping centers, a business park, several canyons and thousands of residents and homes in the western region of the City of San Mateo.
10. *The 2004 average operating cost of a fire station in San Mateo County was approximately \$2.0 million per year. Belmont-San Carlos Fire Department reported that their average cost to run a fire station in 2009-2010 was approximately \$3.2 million. This is one indication of operating cost escalation.* Respondent agrees that costs are escalating since 2004 and has taken action to address these costs through various forms of consolidation in training, EMS delivery, etc. Respondent is not in a position to address escalating costs as described at Belmont-San Carlos Fire Department.
11. *In spite of the significant savings resulting from consolidations in the Central and Belmont-San Carlos Fire Departments, the present condition of local agency budgets makes it difficult for fire agencies to sustain the current level of service. With the high cost of salaries, benefits and pension obligations, the San Carlos Fire budget has increased 19.5% over the last two fiscal years.* Respondent agrees that it is difficult to sustain current levels of service based on employee costs. Respondent is not in a position to address the 19.5% increase to San Carlos which is not true for Belmont, its fire service partner.
12. *Consolidation was made possible in the Belmont-San Carlos Fire Department, North County Fire Authority and the Central County Fire Department by the agreement of the city councils, city management, fire department management and firefighters union.* Respondent agrees with statement.
13. *The average workweek of a firefighter in the Coastside Fire Protection District and other Cal Fire managed stations is 72 hours (56 hours of regular pay and 16 hours of mandatory overtime at time and a half). The average work week of a firefighter in all other San Mateo County Fire Departments is 56 hours per week.* Respondent agrees with statement.



14. *The difference in work hours enables Cal Fire to staff an engine with 7 firefighters per week compared to 9 firefighters per week where fire departments have a 56 hour work week. Respondent agrees with statement*
15. *Cal Fire is a statewide agency with lower rates for salaries, workmen's compensation insurance, health benefits and pension costs. Respondent does not disagree with statement but is not in a position to analyze Cal Fire costs.*
16. *The cost to run a Cal Fire station in the Coastside Fire Protection District is approximately \$1.9 million annually. City of San Carlos estimates annual savings of between \$1.2 million and \$2.0 million if it contracted with Cal Fire. Respondent does not disagree with statement but has not examined the Cal Fire document that was provided to San Carlos for services.*
17. *As a result of consolidation, the Central County Fire Department and the Belmont-San Carlos Fire Department firefighters now each have single collective bargaining agreements. The North County Fire Department firefighters do not have a single collective bargaining agreement but maintain separate agreements with their respective cities. Respondent agrees with statement.*
18. *The fire departments of San Mateo County are first responders to all fire and medical emergencies. Respondent agrees with statement.*
19. *Approximately 60% of fire agency calls are for medical emergencies and are responded to by the closest available fire engine with three firefighters, one of whom is a paramedic. Respondent agrees with statement. However, call volume and incident type vary with each fire station in the County. Established response times have been adopted and must be met.*
20. *The Advanced Life Support (ALS) JPA requires a paramedic on the responding fire engine and a paramedic on the responding ambulance. Respondent agrees with statement.*
21. *Except for South San Francisco, paramedic ambulance service is provided by AMR which is a private-for-profit ambulance service under contract to San Mateo County and administered through the ALS JPA. Respondent in general agrees with statement. Some additional fire-based ambulances are available to the "system" in addition to AMR, the private-for-profit ambulance service provider.*
22. *Through fees paid by patients and/or their insurers, AMR (ambulance provider), pays \$3.7 million per year to the JPA, to help offset the fire department costs. From that \$3.7 million, the JPA disperses \$2.7 million per year to cities and fire districts who are members of the JPA. The remaining \$1.0 million is retained by the JPA for administration and other costs. Respondent does not disagree with statement.*

### **Response to Grand Jury Recommendations**

1. *Complete a study of possible consolidation with neighboring fire departments or contracting with Cal Fire to provide the same level of service at reduced cost by July 1, 2011. This recommendation has been already implemented.*
  - At their June 21, 2010 regular Council meetings, the Cities of San Mateo and Foster City approved an agreement to consolidate Fire Chief services. Fire Chief Belville remains an employee with the City of San Mateo but also serves as the Fire Chief of the City of Foster City. Effective July 1, 2010 Fire Chief Belville serves both fire departments and will seek additional savings/efficiencies in administration, emergency preparedness, training, operations and others.
  - In May 2010, the City of San Mateo submitted a preliminary analysis for contract fire services to the City of San Carlos. San Mateo is awaiting a formal RFP process in late 2010 for consolidation of these services.
  - Over the last several years, various proposals for fire service delivery have been submitted to the City of Belmont and the Unincorporated Highlands area. We continue to be interested in examining future opportunities.



- In June 2010, San Mateo Fire reconfigured its pre-existing consolidated training program which includes EMS and Operations oversight from one location. Expansion of this consolidated program now includes the following fire departments:
    - San Mateo Fire Department
    - Central County Fire Department (Burlingame/Hillsborough)
    - Millbrae Fire Department
    - San Bruno Fire Department
  
  - In 2009, San Mateo Fire Department and San Mateo's Information Technology Department developed a comprehensive digital mapping system for first responders that are significantly less expensive than alternative mapping systems. Other local fire agencies that have subscribed to this consolidated mapping system include:
    - Central County Fire Department (Burlingame/Central)
    - Coastside Fire Protection District
    - North County Fire Authority (Daly City, Pacifica, Brisbane)
    - Pending (Foster City, County Fire and Menlo Park)
  
  - In February 2010, San Mateo Fire was one of four fire agencies that participated in a study to determine consolidation of fire prevention services. Analysis is still underway with action expected in late 2010. Other fire service agencies participating in this analysis include:
    - Menlo Park Fire Protection District
    - Redwood City Fire Department
    - Belmont-San Carlos Fire Department
  
  - For several years, San Mateo Fire Department has combined emergency preparation drills, C.E.R.T. expenses and training with Foster City and others in San Mateo County.
  
  - San Mateo Fire previously provided Fire Prevention responsibilities and oversight to the Coastside Fire Protection District.
  
  - During the past two years, San Mateo Fire has offered consolidated Fire Prevention services to several neighboring agencies in 2009 and 2010. Discussions are still underway.
2. *Include an effective dispute resolution process in all consolidation agreements.* This recommendation will be analyzed and considered for any future consolidation agreements.

Thank you for the opportunity to respond to the May 26, 2010 Grand Jury report.

Sincerely,



John Lee

Mayor, City of San Mateo

cc: City Council  
City Manager  
Fire Chief



CITY COUNCIL 2010

MARK N. ADDIEGO, MAYOR  
KEVIN MULLIN, VICE MAYOR  
RICHARD A. GARBARINO, COUNCILMEMBER  
PEDRO GONZALEZ, COUNCILMEMBER  
KARYL MATSUMOTO, COUNCILMEMBER

BARRY M. NAGEL, CITY MANAGER

OFFICE OF THE MAYOR

August 12, 2010

Honorable Clifford V. Cretan  
Judge of the Superior Court  
Hall of Justice  
400 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063-1665

Re: City Fire Department Consolidations/Mergers

Dear Honorable Cretan and Members of the Grand Jury:

The purpose of this letter is to inform you that during our regular City Council meeting held on August 11, 2010 the City Council of South San Francisco agreed with the findings and recommendations of the 2009-2010 San Mateo Civil Grand Jury Report filed on May 26, 2010 regarding City Fire Department Consolidations and Mergers.

Furthermore, while the Grand Jury report did not specifically recommend that the South San Francisco City Council complete a study of possible consolidation with neighboring fire departments or contracting with Cal Fire to provide the same level of service at a reduced cost, it does understand such consolidations, mergers or contracting may be of benefit if certain conditions were met:

1. The Fire Department programs and services currently enjoyed by its citizens and businesses would remain the same or improve.
2. The consolidation, merger or contracting would result in a single organization with one form of governance, one management group, one labor group, one work schedule, etc.
3. The consolidation, merger or contracting would result in the adoption of similar amendments to local municipal codes in the participating jurisdictions to facilitate a unified enforcement doctrine and consistent application of the technical codes.
4. The City of South San Francisco would retain its "201" rights to an exclusive operating area for the provision of advanced and basic life support ambulances within its city limits.
5. That such a consolidation, merger or contracting would not incur any unfunded liability for the City of South San Francisco.



Page Two

6. That such a consolidation, merger or contracting would not interfere with its efforts to recover costs associated with Fire Department programs and services offered within its city limits.
7. There would be an effective dispute resolution process described in any agreements developed.
8. Such consolidation, merger or contracting would have the support of key stakeholders (city councils, city managers, fire management, firefighters, inspectors, unions, support personnel, the community and businesses).

Since December 2005 the South San Francisco Fire Department has been meeting with its neighbors to explore their interest in a consolidation or merger, how this could be accomplished, what difficulties would have to be overcome and how, if any, cost savings could be realized. More specifically, the South San Francisco Fire Department has met on multiple occasions with representatives of the Brisbane, Colma, Daly City, Menlo Park, Millbrae, Pacifica and San Bruno Fire Departments for this purpose.

As described in the Grand Jury's Report, the implementation of consolidations or mergers can be accomplished prior to agreement on each and every detail such as seniority, pay schedules, and work schedules. However, issues such as the conditions (#1-8) listed above, have proven difficult to resolve satisfactorily in these preliminary meetings. Consequently, the City of South San Francisco has not entered into any agreements to consolidate or merge although it remains optimistic that at some point in the future the opportunity will present itself; if it does, it will be pursued actively. The City of South San Francisco also intends to have completed a study for the possible contracting with Cal Fire to provide the same level of service at a reduced cost by July 1, 2011 as well.

If you have any questions regarding the contents of this letter or the South San Francisco Fire Department, please do not hesitate to contact me at (650) 877-8500, Monday through Friday from 8:00 a.m. to 5:00 p.m.

Sincerely,



Mark Addiego, Mayor  
City of South San Francisco

Board of Fire  
Commissioners  
Janet Fiscaro  
Gina Sheridan  
Peter Dabai



# COLMA FIRE DISTRICT

50 REINER STREET  
COLMA, CALIFORNIA 94014

Phone (650) Plaza 5-5666  
Fax (650) 755-5691

Fire Chief's Office



Fire Chief  
Geoffrey C. Balton

**TO:** Honorable Board of Fire Commissioners

**FROM:** Fire Chief Geoffrey Balton

**SUBJECT:** 2009-2010 Grand Jury Response

**DATE:** August 17, 2010

## **RECOMMENDATION:**

Accept this report containing the Fire District's response to the following 2009-2010-Grand Jury Report: City Fire Department Consolidations/Mergers.

## **BACKGROUND:**

This activity contributes to the goal by ensuring that all Grand Jury findings and recommendations are thoroughly reviewed and that, when appropriate, improvements are made to the quality and efficiency of services provided to the public and other agencies.

## **DISCUSSION:**

The Fire District is mandated to respond to the Grand Jury within 90 days from the date that reports are filed with the County Clerk. To that end, attached is the Fire District's response to the Grand Jury Report on City Fire Department Consolidations/ Mergers.



## City Fire Department Consolidations/ Mergers

### **FINDINGS:**

The staff in part agrees with the Grand Jury Findings. However, the Grand Jury did not speak to the Fire Chief or any Board Member in preparing this report. If this contact had been made, we feel the findings would be more representative of the Fire Districts operations and position.

#### Finding #4

The Colma Fire District is a Paid Call agency with very little overhead costs. The District has no full time equivalent positions.

#### Finding #9

Daly City Fire Station 91 and Colma Fire Station 85/86 are actually 2.1 miles apart. The Grand Jury report wrongly places them one mile apart. If the Colma Fire District was contacted during the report preparation this misinformation would not appear in the report. The single Colma Fire Station provides services to the entire Fire District from its central geographic location. FS 91 serves a high density residential area itself. The Colma Fire Station houses three Type 1 1500 gallon per minute triple combination pumpers and one 100 foot aerial ladder truck, and is staffed by 36 paid call firefighters and a dozen per diem Paramedics. Looking at any single set of fire stations is too narrowly focused. Consolidations must be addressed globally to be efficient.

#### Finding #10

The Colma Fire District operates entirely with a budget of \$1.2 million annually.

### **CONCLUSIONS:**

#### Conclusion #8

Given the information in the Gran Jury Report on the costs of operating a fire station in San Mateo County, the Fire District sees no gain to our taxpayers in pursuing a consolidation.

## **RECOMMENDATIONS:**

The Colma Fire District will not implement the recommendations of the Grand Jury. Since 1998, the CFPD has participated and conducted studies and discussions on consolidations with North County Fire (both the Pacifica/Brisbane and the Daly City/Brisbane/Pacifica Authority), South San Francisco Fire and Cal Fire. In each case it was determined and approved by the Board of Directors that no compelling reason existed for consolidation. The Fire District will continue to seek partnering opportunities to share services. We are actively participating with all San Mateo County fire agencies to explore economies of scale and reduce redundancies in order to achieve greater effectiveness and cost savings.

The Fire District appreciates the opportunity to respond to the Gran Jury Report and thanks the Grand Jury for the time and effort put forth to complete the report. There is no doubt that all of government is compelled to look at efficiencies and opportunities.

This response was on the public meeting agenda for the Board Meeting held at 1900 on the 17th of August. Following discussion it was approved by the Board and a copy has been placed in our files with the meeting minutes.

July 20, 2010

The Honorable Clifford V. Cretan  
Judge of the Superior Court  
Hall of Justice and Records  
400 County Center  
Redwood City, CA 94063-1655

Subject: Response to the Grand Jury Report: "City Fire Department Consolidations/Mergers"

Dear Judge Cretan:

Thank you for the opportunity to respond to the 2009-2010 Grand Jury report dated May 26, 2010, "City Fire Department Consolidations/Mergers." The Woodside Fire Protection District Board of Directors provides our thanks to the San Mateo County Grand Jury Members for their sincere efforts and information regarding Fire Consolidations/Mergers report.

The Grand Jury's Consolidation/Merger report was agenzized at our regular Board of Directors meeting of June 21, 2010. The following information was developed through active discussion of this agenda item.

1. Woodside Fire Protection District agrees with the Grand Jury's findings that there may be cost savings gained by sharing managerial positions or functional mergers. However, it disagrees with the findings and the methodology used in determining these findings, which focused on efficiencies based upon the simple metric of population.
2. The unique blend of vegetation, topography, travel distances, and area combined with very high property values of the district would not be equivalently protected after any dilution of existing resources once a full consolidation occurred.
3. The absorption of the Woodside Fire Protection District's representation into a larger regional governance body would eliminate the Board of Directors' ability to define and deliver the level of service and community interaction provided by Woodside Fire Protection District personnel and resources; thereby eliminating the local control we select to maintain. The Woodside Fire Protection District Board of Directors is now able to implement programs important to the community without having to wait for a larger body to provide similar service upgrades.



4. The Woodside Fire Protection District is already a consolidation of multiple entities accomplished through the formation of a special district. We serve the Town of Woodside, the Town of Portola Valley, and unincorporated lands of San Mateo County.

The Fire District serves a smaller population relative to agencies in the study area, but our geographical boundaries are comparable to any large city (32 square miles). The Fire District's Board members are committed to providing our residents the same or greater level of service to that of a high-density populated city/district. The Grand Jury's report included our emergency automatic aid system that removed boundaries and provides for common communication dispatch delivery system. This allows all San Mateo County Fire agencies the ability to respond seamlessly to small and large-scale incidents and maintain backup apparatus for simultaneous or subsequent emergency incidents. The Grand Jury's report did not include that many other San Mateo County fire agencies have been proactive in functional mergers, and have realized cost saving while maintaining local autonomy.

The concept of reducing overhead is not lost on our Board. What we have not seen represented are costs that will need to be added-back to accommodate span of control issues created by the loss of agency specific oversight (e.g. fire chiefs, fire marshals, etc.), governmental interface (i.e. being accessible to individual city councils and fire boards,) and to manage and supervise in a much flatter organization.

With a consolidated fire organization, this district's residents would be significantly underserved by nature of it being a rural district. A case in point is best illustrated by the county ambulance contract, which requires that only 90% of the responses be made with the time parameter of 12:59. With a consolidated system, delays in responding to the residents of the WFPD would fall within the 'acceptable' contractual tolerance and, although the contract would be satisfied, the lives of the residents would be at a greater risk. It is for this reason the district currently operates an ambulance as a subcontractor to the county provider. Would it be cheaper not to provide this service? Absolutely. Would lives be needlessly at risk? Absolutely.

The Woodside Fire Protection District is keenly aware of the concept of sharing services if and where feasible. Some of our proactive mergers include shared services agreements with Belmont-San Carlos FD and Redwood City FD sharing both a training chief and EMS chief for a net savings of \$200,000/yr. The Fire District also participates in a Radio Dispatch JPA, called Fire Net Six, which allows for reduced cost for fire dispatch services, maintenance agreements, and dispatch hardware. This JPA includes Belmont-San Carlos FD, Redwood City FD, Coastside Fire Protection District, Menlo Park Fire Protection District, and San Mateo County Fire (CAL-FIRE). Furthermore, WFPD utilizes the City of Redwood City Corporation yard to repair and maintain our fleet of vehicles and equipment saving the District \$100,000/yr. As noted above, the Fire District also partners with American Medical Response (AMR) to provide ambulance service within the Fire District boundaries. Statistics indicate that 65% of the district's ambulance responses are not local but to the neighboring communities.

Additionally, the Fire District participates in a joint San Mateo County Fire Academy for all our newly hired firefighters. This has reduced our instructor costs and qualified our local junior college to receive ADA (average daily attendance) funding. We participate in vegetation management programs to reduce the fuel loading throughout our communities. This partnership with the Towns of Woodside and Portola Valley reduces our cost by two thirds for a savings of \$32,000/yr.

The Fire District will continue to seek cost saving opportunities in sharing other services and to actively participated with all San Mateo County Fire Districts to obtain both economies of scale and to reduce redundancies, thus achieving further cost savings.

At this point in time, the Fire District does not feel that contracting out emergency services to another organization is in the best interest of our community. We believe this would significantly jeopardize the lives and safety of our residents, visitors to our community, and substantial amounts of property. The locally elected Board of Directors feel they are best positioned to make quick changes and adapt to new technologies than larger organizations. The Fire District has successfully managed the district's finances though the recent economic down turn and has maintained our current level of services through sound financial management principles. The Fire District Board has considered consolidation as the result of our recent LAFCO Municipal Service Review and at this time have no open dialogue with any other fire agencies.

The Woodside Fire Protection District maintains a close relationship with our community and our neighboring fire agencies. We have willingly provided services and resources benefitting other county communities, knowing that this is the best way to sustain a system that, in turn, will be there to support us in time of need. Ultimately, the decision to consolidate our District into a larger organization or to seek contractors to provide fire protection services remains a local decision in the hands of our constituents. The recent Grand Jury report has once again allowed us the opportunity to look critically at how we provide service and we choose to remain in our current configuration.

Again on behalf of the Fire District Board of Directors, thank you for the opportunity to represent our thoughts on the issue of consolidation.

Sincerely,

A handwritten signature in cursive script that reads "Patrick Cain".

Patrick Cain

Board of Director, President