



Staff Report

Staff Report

REPORT 16-0605

Honorable Mayor and Members of the Hermosa Beach City Council
Session of October 18, 2016

Study

FIRE SERVICES ANALYSIS (Interim Fire Chief Pete Bonano)

RECOMMEND ACTION:

1. Review input from the citizen engagement process
2. Review the in-house options for the delivery of fire services and the Feasibility Study for the “Provisions of Fire Protection, Paramedic and Incidental Services for the City of Hermosa Beach by the Consolidated Fire Protection District of Los Angeles County”
3. Discuss the next steps including whether Council wants to focus on any additional information or analysis that may be needed

BACKGROUND:

The discussion on the delivery of fire services in Hermosa Beach began on January 9th, 2016. As you may recall, at this study session the Council was presented with four options on how best to provide fire services in Hermosa Beach. The four options included the sharing of chief officers with Manhattan Beach; contracting out the Fire Department; rebuild the Fire Department continuing to provide this service in-house with increased staffing; and finally maintaining the status-quo.

At the April 26th City Council meeting, the Council narrowed these four options down to two options which was to either contract out, or rebuild the Fire Department. Additionally, Council directed staff to return with a detailed financial analysis of both scenarios. For your information, I have included an attachment of other single fire station municipal fire departments in the State, comparing these city fire departments to the status-quo and Options 1 & 2. Furthermore, at the April 26th meeting, staff was directed to begin engaging the community in this important decision.

The community engagement process began with the formation of the Citizens Advisory Committee. The selection process for this committee included a member from each of the City’s commissions, resident/business owners and residents who had expressed an interest in participating on the committee. The sole purpose of this committee was to assist with the community engagement process and the messaging of the delivery of fire services in Hermosa. The Committee met four times assisting with the development of the PowerPoint presentation. During these meetings they had

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several recommended changes including the deletion of some information along with the addition of some missing information. After several iterations of the presentation the Committee was unanimous in their approval and felt it was time to begin engaging the community. The Committee was also asked for a volunteer to moderate the two Town Hall meetings which Dency Nelson agreed to. Additionally, this Committee recently met at the fire station to review and provide input and/or feedback on the Los Angeles County Feasibility Study.

The community engagement process consisted of two Town Hall meetings and several smaller more intimate community group presentations. The presentation materials at all of the community meetings were exactly the same as the Town Hall presentations. Below is the timeline of the community meetings:

- August 24 - Town Hall meeting (1)
- August 30th - Rotary Club
- September 8th - Sister City
- September 12th - Hermosa 5-0
- September 19th - 30th Street Neighborhood Block Club
- September 28th - Town Hall meeting (2)
- October 3rd - Leadership Hermosa
- October 5th - Kiwanis
- October 12th - Woman's Club

At the end of each presentation the participants were asked to fill out the Community Feedback Form. A member of the Citizen's Advisory Committee was present at each meeting to collect the feedback forms and provide an analysis of the forms. In addition to these forms, over 11,000 survey cards were mailed to residences within the City.

Community Feedback Analysis:

As an informal way to track the feedback surrounding the decisions for the future of fire services in the City of Hermosa Beach, we have utilized a simple post-event survey that all attendees of the Town Halls and Small Group presentations were asked to complete and leave behind after the meeting.

The feedback from these survey questions is 80% in favor for opting to contract our services with LA County Fire Department. It should be noted that the survey responses received from this group are from members of the community who:

- Invested their time and efforts to attend the Town Halls or Group Meetings
- Have presented questions on the matter

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- Were keen to learning more about both options that were presented for future fire services

In advertising for the City's second Town Hall meeting in September, the City also included a survey postcard within the mailer for recipients to anonymously submit their feedback regarding the decision of future fire services.

This question form was slightly different than the one presented at the Town Hall meetings as we asked a pre-qualifying question to determine where they received their information. The choices were:

- Town Hall
- News Article
- Facebook
- Other
- None Selected

These postcards were more than 50% in favor of rebuilding our fire department. However, only 8% noted that they had received the information from the Town Hall meeting. The rest of the responses relied on third-party sources to determine their decisions for the future of fire services.

Other caveats to consider when reviewing the data from the mailer postcards:

- More than 175 responses that were in favor of rebuilding our fire department were submitted prior to the second Town Hall meeting we had advertised, therefore it is unknown if they actually ended up attending any sort of informational meeting or changed their mind from the initial response
- Twenty-six percent (26%) of the surveys noted they learned of the Fire Services issue through news articles. We have included a media analysis of coverage regarding the Fire Dept., as it is of staff opinion that the issue has been reported more on issues rather than solutions
- While the cards were anonymous, some people took advantage of the honor system for responses and submitted multiple cards containing the same responses

In order to prepare for the upcoming City Council study session, the City's PIO reviewed all of the media coverage surrounding the topic of future fire services within the City. Of the ten articles written by local press regarding the future of fire services over the past six months (April 2016 - September 2016), the following has occurred:

- 50% of the headlines contain potentially negative words (Examples: braces, scrap, debate, strikes, shut down)
- Only one outlet (Easy Reader) covered news of the HB Firefighters Association's decision to support contracting services with LA County

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- The “emotional” aspect of the decision was listed in three articles, which stated:
 - *“The issue has proven to be an emotional one for the city. During an April council meeting, residents shared stories of how local firefighters had saved family members’ lives. And city firefighters told of how ongoing staffing shortages had resulted in grueling work schedules.”* ([Easy Reader <http://www.easyreadernews.com/130252/hermosa-beach-city-council-addresses-fire-department-fees/>](http://www.easyreadernews.com/130252/hermosa-beach-city-council-addresses-fire-department-fees/))
 - *In the meanwhile, Interim Fire Chief Pete Bonano is giving a series of presentations to community groups, large and small, to inform residents about what the different options look like. A forum held last week featured financial figures revealing the county to be a more affordable option, but also skepticism among some residents about the benefits of contracting with the county. While it is far from clear whether those residents represent the views represent the majority of Hermosans, the tense emotions surrounding the issue will complicate the council’s ultimate decision.* ([Easy Reader <mailto:http://www.easyreadernews.com/134624/debate-future-hermosa-beach-fire- >](mailto:http://www.easyreadernews.com/134624/debate-future-hermosa-beach-fire-))
 - *Aaron Marks, president of the association, said the vote among firefighters was unanimous. But Marks said the decision was anything but easy to make, and was rooted in forces that have long been affecting the department and others across the country.*

“Our initial reaction is emotional. Generations of guys helped build this, and there’s a sense of giving up,” Marks said in an interview. “But this didn’t happen yesterday, or even last year. It unfortunately has been this way off and on for many years.” ([Easy Reader <http://www.easyreadernews.com/135409/citing-changing-times-hermosa-beach-firefighters-association-urges-move-county/>](http://www.easyreadernews.com/135409/citing-changing-times-hermosa-beach-firefighters-association-urges-move-county/))

All of the articles are listed below and include links to online coverage regarding the topic of future fire services.

- City Council ponders future of Hermosa Beach Fire Department (Easy Reader, April 28) <http://www.easyreadernews.com/126282/city-council-ponders-future-hermosa-beach-fire->
- Hermosa Beach City Council addresses fire department, fees (Easy Reader, June 18)
- Future fire department in Hermosa Beach has a hefty price tag (The Beach Reporter, July 21) [http://www.easyreadernews.com/130252/hermosa-beach-city-council-addresses-fire-department-fees/>](http://www.easyreadernews.com/130252/hermosa-beach-city-council-addresses-fire-department-fees/)
- Manhattan Beach braces itself for challenges if Hermosa Beach outsources fire services (Daily Breeze, Aug. 3) <http://www.dailybreeze.com/government-and-politics/20160803/manhattan-beach-braces-itself-for->
- Hermosa Beach outsourcing fire services could have domino effect in Manhattan Beach (The Beach Reporter, Aug. 3)

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http://tbrnews.com/news/manhattan_beach/hermosa-beach-outsourcing-fire-services-could-have-domino-

- Hear why Hermosa Beach could scrap its fire department (Daily Breeze, Aug. 10)

<http://www.dailybreeze.com/government-and-politics/20160810/hear-why-hermosa-beach-could-scrap-its-fire->

- Debate over future of Hermosa Beach fire department strikes a chord for residents (Easy Reader, Sept. 2)
<http://www.easyreadernews.com/134624/debate-future-hermosa-beach-fire-department-strikes-chord->

- Response time a hot topic in Hermosa Beach fire debate (Easy Reader, Sept. 9)

<http://www.easyreadernews.com/135177/response-time-hot-topic-hermosa-beach-fire-debate/>

- County Sups Approve Feasibility Study for Providing Fire Protection in Hermosa Beach: The city is looking to contract out its fire protection services and shut down its fire department (Patch.com, Sept. 18)

<http://patch.com/california/hermosabeach/county-supes-approve-feasibility-study-providing-fire-protection-hermosa->

- Citing changing times, Hermosa Beach Firefighters Association urges move to county (Easy Reader, Sept. 19)
<http://www.easyreadernews.com/135409/citing-changing-times-hermosa-beach-firefighters-association->

The issue of Fire Services within the City is an emotional topic. From the community advisory committee members to a number of participants who attended Town Halls, overwhelmingly their first initial reaction was to keep an independent Fire Department in Hermosa Beach no matter what the cost.

However, as the answers from the Town Hall survey indicates, community members who invested time and effort to learn about the options for future fire services are largely in favor of opting with LA County Fire Services. It has become quite evident that when people review the facts behind each of the two proposed options, opting with County is the option that addresses staffing, safety for both our firefighters and community, as well as continued training for fire services in today's world.

The anonymous mail-in postcard results represent a challenge for inclusion in our recommendations due to the following:

- These answers lack the controlled element of the ones that we received from the Town Hall meetings due to the fact that we do not know exactly what information they are basing their opinion on.
- While we were hoping for additional insights with the pre-qualifying question asking where respondents learned about options for fire services, only 54 noted they received the info from a Town Hall or group meeting.
- Over 100+ of the mail in responses noted they received info from the local papers, which, as our media analysis supports, spoke negatively about the present state of our Fire Department versus detailing the two options and their strengths and/or weaknesses for decision-making regarding the department's future.

While we respect everyone's opinion and sharing their thoughts for the future of fire services, the mail-in responses simply lack insight into how much the respondents actually know about the two options. At this point we cannot determine if they are simply responding from an emotional standpoint or a fact-based one.

As previously stated, discussions' regarding future fire services is a very emotional topic, and is one that has impacted other Southern California cities in recent years. In general, news articles covering fire department consolidations tend to focus on the emotional aspect of the community connection to firefighters. This makes the decision-making process a difficult one that is placed upon leaders, because while they are committed to the future of our firefighters, they also have to consider the safety of their constituents and our firefighters as part of the decision-making process.

We believe that by reviewing the challenges facing other fire departments and how they determined their decisions allows us to learn "best practices" for our decision on the future of fire services. A brief situational overview and news articles detailing cities that have contracted with OCFA and LA County Fire are included below.

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Santa Ana In 2012, the City of Santa Ana faced a similar issue that Hermosa is currently addressing as Santa Ana's City Council publically discussed contracting services with the Orange County Fire Authority.

The same issues we face today were presented to Santa Ana: it was an emotional topic that the City had to face and there was much pride within the community surrounding their fire department. However, with the support of the local union, Council opted to join the county. Coverage of the agreement is covered in the articles listed below.

- It was an "emotional" decision for the City

Santa Ana, county sign contract for fire service

"In a move that officials called courageous, bittersweet and historic, representatives from the city of Santa Ana and the Orange County Fire Authority on Monday night signed a contract that will merge the Santa Ana Fire Department and the OCFA." ([OC Register <http://www.ocregister.com/articles/city-343148-santa-fire.html>](http://www.ocregister.com/articles/city-343148-santa-fire.html), Aug. 21, 2013)

- The option to contract services was supported by the Santa Ana Firemen's Association

OCFA can hire Santa Ana firefighters, save city millions

([OC Register <http://www.ocregister.com/articles/santa-329710-fire-city.html>](http://www.ocregister.com/articles/santa-329710-fire-city.html), Dec. 2, 2011)

La Habra

In 2005, the City of La Habra began discussions with LA County to potentially contract out the city's fire services. The community at large was very much in favor of the contract with the County, as noted in the *Los Angeles Times* article. The relationship for the City has remained in good standing, as the City continues to contract services to LA County Fire Department.

- **L.A. County to Absorb La Habra's Fire Unit**

"People in our community don't care what name is on the Fire Department trucks," La Habra City Councilman James Gomez said. "They want the service that's going to take care of them in case of emergency." ([LAT <http://articles.latimes.com/2005/feb/09/local/me-lahabra9>](http://articles.latimes.com/2005/feb/09/local/me-lahabra9), Feb. 9, 2005)

- **La Habra extends contract with L.A. County Fire**

The City Council voted Monday to extend the city's contract with the agency 10 more years. The contract will lock the city in for five years, and becomes year-to-year for the second half of the contract, like most of the cities the department provides fire services for. ([OC Register <http://www.ocregister.com/articles/fire-639509-contract-years.html>](http://www.ocregister.com/articles/fire-639509-contract-years.html), Oct. 23, 2014)

In summary, when City's face a decision regarding the future of their fire services, the community at large becomes very engaged about the topic and offering their opinions.

As noted with Santa Ana, the community was worried about the welfare of their firefighters, and the support of the union to contract services with OCFA allowed the City Council to remain confident in their choice to contract out their fire services. For La Habra, the community gathered petitions for support of LA County Fire Services, which allowed Council to focus on the opportunity to negotiate contracts with the County.

It is of staff's opinion that we have provided multiple opportunities for City Council and our community members to learn the facts about the two options we have for the future fire services. We understand the topic will remain an emotional one, but we believe that we have provided all the budgets, frequently asked questions and answers, the County's Feasibility study and all other background materials on the topic that will allow our Council to make an educated and informed decision regarding the future of our fire department.

Staff is providing the Council with a couple of options to consider if the desire is to continue to provide in-house fire services. Option 1 corrects the management shortages, while Option 2 corrects not only the management shortages but provides relief for the staffing crisis. The Fire District's analysis is from the September 7th Feasibility Study that was provided to the City.

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Staffing and Service Level Analysis

In-House Fire Services, Option 1

Rebuilding the Hermosa Beach Fire Department under Option 1 includes the addition of one Chief Officer per shift. The addition of the Chief Officers solves the management deficits that have plagued the Department for many years. Option 1 adds one post position per shift (each post position represents 3 employees). Option 1 increases the total Fire Department allocation from the current 19, to 22 fulltime equivalents (FTE). The 22 FTE's include 6 shift personnel plus the Fire Chief, Fire Marshal/Inspector, Administrative Assistant and the Emergency Manager.

Service levels marginally improve under Option 1. The increase in Chief Officers along with the reclassification of the Inspector to a Fire Marshal/Inspector provides for a more robust management along with a more aggressive community risk reduction programs.

In-House Fire Services, Option 2

Option 2, includes the addition of one Chief Officer per shift plus one additional Firefighter per shift, for two new post positions on each shift (each post position represents 3 individuals, for an additional 6 new employees). The Option 2 staffing model provides solutions for the Fire Department's staffing crisis and management deficits. Option 2 increases the total Fire Department staffing from the current 19, to 25 FTE's. The 25 FTE's include 7 shift personnel plus the Fire Chief, Fire Marshal/Inspector, Administrative Assistant and Emergency Manager.

Under Option 2 service levels will improve similar to Option 1. The increase in Chief Officers along with the reclassification of the Inspector to a Fire Marshal/Inspector provides for a more robust management along with a more aggressive community risk reduction programs.

Los Angeles County Fire District

The Fire District's proposal includes 5 Firefighter post positions per shift. This includes a Paramedic Assessment engine staffed with a Captain, Engineer and a Firefighter/Paramedic. In addition to the Paramedic Assessment engine the proposal included a Paramedic Rescue squad staffed with two Firefighter/Paramedics. Their proposal also includes Prevention staffing of 50% of a Plan Reviewer, 10% for a Prevention Captain and 50% of an Inspector.

Service levels will increase dramatically due to the availability of Fire District resources. As the Feasibility Study indicates, *"There are certain benefits to being part of a larger organization that strives to be an attentive and responsive "hometown fire department" to each of the cities and communities it serves. The City would benefit from the 7 Fire District emergency response units located within approximately five miles of the City which would be available to provide enhanced responses to large incidents and/or simultaneous incidents when the City's engine is assigned to another incident."*

If the Council decided to pursue the Fire Districts proposal, we will need to decide on the ambulance transport services in Hermosa Beach. As you may be aware, the California Health & Safety Code § 1797.224 (aka 224 rights) provides cities with the authority to control ambulance transport services by establishing an Exclusive Operating Area (EOA) within the city limits. This only applies to cities that were in the ambulance transportation business prior to June 1, 1980 which includes Hermosa Beach. Below I have outlined five possible options that would be possible if the City were to contract out the Fire Department.

Ambulance Option 1; the City continues to operate a City administered ambulance program utilizing City civilian employees and City provided ambulance, equipment and supplies. Under this scenario the assumption would be that

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current revenues remain constant at approximately \$500,000 (FY-16/17 Budget) minus the estimated annual cost of the City ambulance program of \$402,074. This is a similar model that the cities of Westminster and San Clemente currently utilize. Both of these cities had city fire departments that transported patients and now contract out the fire department to the OCFA. Additionally, the new neighborhood fire station will need to have accommodations for the ambulance crew increasing the cost of the fire station.

Ambulance Option 2; is the same as Option 1, but the City contracts out the staffing to a private contractor eliminating the need to hire additional City personnel. Under this scenario the City retains ownership of the ambulances and equipment but staffing is provided by a private ambulance operator. All other revenue and cost would remain the same as identified in Option 1. Option 2 eliminates the exposure of additional employees and all other associated costs e.g. recruitment, insurance, retirement, worker comp injuries, etc. This Option is currently utilized by the City of La Habra. La Habra's fire department included patient transport services prior to contracting out the fire department to Los Angeles County. This option also requires the new neighborhood fire station to have accommodations for the ambulance crew increasing the cost of the fire station.

Ambulance Option 3; the City continues to work with Manhattan Beach on developing an Ambulance Operator (AO) program sharing the cost and revenues with Manhattan Beach. As a shared resource it would only be available to the City when the unit is not busy transporting patients out of Manhattan. This option will require an agreement with a private ambulance provider to provide backup for the City provided services during the times that the Hermosa/Manhattan ambulance was not available. There also may be some logistical issues of two ambulance providers in the City. Under this scenario revenues would be based on availability of the ambulance minus the shared costs of the program. The cost of this shared resource is estimated at \$201,037, or half of the Option 1 costs. Under this Option, the ambulance would be located in Manhattan Beach, so the new fire station will not need space for the accommodations of the ambulance crew.

Ambulance Option 4; the City conducts an RFP for ambulance services in Hermosa Beach and monitors performance of the private ambulance provider through performance measurements established in the contract. The revenue and/or cost of the program would be based on the outcome of the RFP. In this scenario the City would continue to collect revenues from ambulance transports, but would pay a monthly fee to the company that was successful through the RFP. Credit could be issued to the City for ambulance transports that originate outside of Hermosa, e.g. Manhattan or Redondo. Additional credit could be issued to the City by moving the ambulance billing program from Wittman Enterprises to the successful bidder. Currently, the City pays Wittman a 6.5% fee on all revenues collected averaging around \$32,000/year. Accommodations for the ambulance crew in the new fire station are not necessary in this Option.

Ambulance Option 5; The City allows the Fire District to utilize the contracts they have in place with private ambulance providers. This would be a similar system that is used in the other 58 cities and unincorporated areas of the County that the Fire District provides fire services for. In Option 5 there are no revenues or costs to the City. Accommodations for the ambulance crew in the new fire station are not necessary in this Option.

Fiscal Implications:

In-House Provided Fire Services

The Option 1 proposal provides the necessary resources to plug the holes in the management of the Fire Department, but does not address the Firefighter staffing shortages. Option 1 adds 3 Chief Officers (one per shift) providing 24/7/365 management coverage for the Department. The cost of Option 1 is estimated to be \$6,319,025 annually. In addition, if the City decides to continue to provide in-house fire services the fire station will need to be constructed as a headquarters fire station which is estimated to cost \$15M. The annual debt servicing for the \$15M is estimated \$1.1M per year and should be included as part of the total annual costs of Option 1, or \$7,419,025.

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The Option 2 proposal provides for the necessary resources to plug the holes in the management of the Fire Department and the Firefighter staffing shortages. Option 2 adds 3 Chief Officers (one per shift) plus 3 additional Firefighters (one per shift) for a total of 7 post positions (six Firefighters plus one Chief Officer) per shift. The total cost of Option 2 is estimated at \$6,713,121 plus the debt servicing of a headquarters fire station \$1.1M for a total annual cost of \$7,813,121.

Fire District Provided Fire Services

The proposal by the Fire District includes 5 Firefighter post positions per shift and Fire Prevention services for \$3,661,325, plus 34.2213% in overhead for \$1,252,953. The total of annual proposed contract is \$4,914,278. As mentioned earlier, if the City were to contract out the Fire Department to the Fire District the fire station would be rebuilt as a neighborhood fire station estimated at \$10M. The debt servicing of 800K for the neighborhood fire station would need to be added to the annual costs of the Fire Districts proposal. Total annual cost for the Fire District is estimated at \$5,714,278. It should be noted that the Fire District's purposed contract cost is subject to negotiations with the City. There's a very good possibility that this annual price can be reduced during the negotiations with the County.

In addition to the annual Fire Department contract, there are ongoing costs totaling approximately \$1.3M annually that the City will still need to budget for, which brings the total cost of the Fire District's proposal to approximately \$7,024,278 (\$5,714,278 + \$1.3M). These included \$700K for Retirement, \$110K Other Post-Employment Benefits (OPEB) for the unfunded liabilities (prior service), and internal service fund charges of \$30K Communications Equipment Charges, \$40K Equipment Replacement Charges and \$435K Insurance User Charges. The internal service fund charges represent overhead costs for HR/Risk Management and Maintenance personnel costs, IT and claims administrations contracts, and ongoing liability and worker's compensation claims payable currently allocated to the Fire Department that will need to be paid should the City contract for fire services.

There also will be one-time payments consisting accrued leave bank payoffs \$538,787. In addition to the accrued leave bank payoff, the City will be responsible for the conversion costs of transitioning the Fire Department over to the Fire District and the cost of transferring of 10 shifts of vacation and 6 shifts of sick leave per firefighter. These costs are payable over a 3-5 year period.

Additional considerations with contracting out to the Fire District would be the loss of ambulance transport revenues. Worst case scenario would be a loss of approximately \$500,000 per year depending on the ambulance transport option that the Council decided to choose.

Summary of Annual Expenses

Hermosa Beach provided services

Option 1 = \$6,319,025 + headquarters fire station debt servicing of \$1.1M for a total annual expenditure of \$7,419,025.

Option 2 = \$6,713,121 + headquarters fire station debt servicing of \$1.1M for a total annual expenditure of \$7,813,121.

Los Angeles County Fire District provided services

\$4,914,278 + neighborhood fire station debt servicing of \$800K and on-going City obligations \$1.3M for a total of \$7,024,278. Additionally, there will be a loss in ambulance revenue depending on which ambulance option the City decided to pursue.

Next Steps:

1. If the City Council determines that an independent contractor is necessary, validate the provided information/proposals between the October 18 Study Session and the December 13th Council meeting. It should

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be noted that LAFCO also requires a validation of the Fire District's proposal.

2. December 13 Council meeting Fire Services/Staffing Discussion and Decision. If the decision at that time is to pursue contracting out the Fire Department, then Council should direct staff to enter into negotiations with the Fire District.
3. If negotiations are successful the City would need to make an application to LAFCO to annex the City Fire Department to the Fire District (Appendix D of the Feasibility Study).

Also, as a PERS Annuitant my time with the City will run out sometime in January creating a need for expediency of this process.

Attachments:

1. January 9th Issue Paper
2. April 26th Staff Report
3. Community Feedback Analysis
4. Los Angeles County Feasibility Study
5. October 18th Study Session PowerPoint Presentation

Respectfully Submitted by: Pete Bonano, Interim Fire Chief

Approved: Viki Copeland, Finance Director

**Honorable Mayor and Members of the Hermosa Beach City Council
Special Meeting of January 9, 2016**

ISSUE PAPER – FIRE SERVICES DELIVERY

Pete Bonano, Interim Fire Chief

Background:

Fires are on the decline nationwide, but that doesn't make the job of a Hermosa Beach Firefighter any easier. In fact, it may be harder now. Not only are fires more complicated these days, but the scope of a firefighter's job has increased drastically and now includes fire prevention, public education, safety inspections (new construction and existing businesses), prehospital care and disaster preparation and recovery. Ultimately, today's firefighter is an individual who is trained and equipped to respond to fires, medical aids, traffic accidents, hazardous material spills, terrorist attack just to name a few.

While over the past 10 years the number of incidents has doubled, the Fire Department's staffing has been reduced from twenty (Fire Chief, Assistant Chief and 18 Firefighters) to sixteen (Fire Chief and 15 Firefighters), causing Hermosa Beach to rely more on our neighboring Fire Departments for assistance and the loss of administrative functions here in Hermosa. This reduction in staffing has contributed to the following issues:

Assistant Chief

- Loss of 40 hour Administrative Chief and all of the tasks and responsibilities assigned to Assistant Chief
- Loss of an established chain of command in the absence of the Fire Chief
- Lack of representation at Area G and Countywide meetings where decisions are made that affect Hermosa Beach
- Fire Marshal responsibilities assigned to a shift Captain impacting contractors
- Pause in policy development

Sixth Firefighter

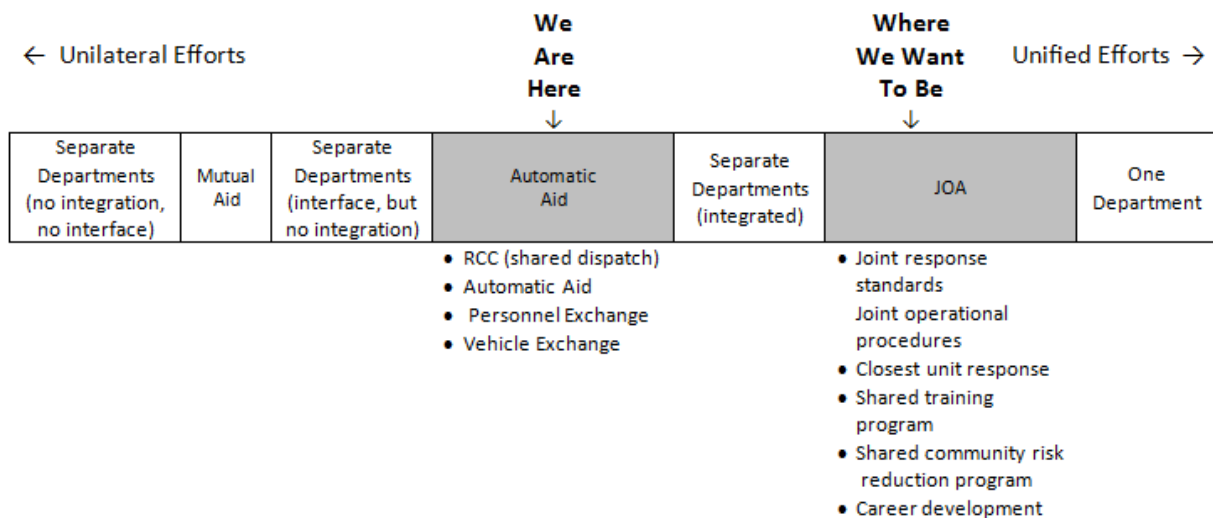
- Ability to restock narcotics without taking Rescue 11 out of service
- Ability to staff a second rescue or engine when either one is out of the City
- Ability to make an aggressive fire attack without waiting for neighboring fire agencies
- Ability to respond to non-emergent customer service issues without taking a responding unit out of service

Over the years the City has contracted with several different consulting firms to study the delivery of fire services in Hermosa Beach. The findings of these various consultants were consistent in recommending that the City should concentrate on sharing resources to reduce redundancies as opportunities become available. In 1995 Ralph Anderson & Associates recommended to consolidate communications; develop automatic aid agreements with boundary drops; joint training, public education and fire prevention programs; apparatus maintenance. The Matrix Study in 2007 states “There is a substantial need to enhance the management/supervisory ability of the department to meet basic operational and customer service needs.” The 2013 ICMA and the 2015 Citygate study both recommend the City consider opportunities to consolidate services to enhance the organizational management of the Hermosa Beach Fire Department.

Currently, Hermosa Beach and Manhattan Beach Fire Chiefs are developing a Joint Operational Area (JOA) Agreement which is based on the Citygate recommendations. It is the intent of the JOA to seek out and employ cooperative methods, practices, policies and procedures that may serve to sustainably maintain or improve public safety services to the citizens and visitors of the Cities. The establishment of a Manhattan Beach-Hermosa Beach JOA may improve the existing practices of both Fire Departments assuring the highest levels of firefighter safety, consistent emergency operations, EMS, and other emergency services and create an enhanced partnership between the Cities.

The graphic below represent where the two departments are today and the possibilities for the near future.

Continuum of Regional Fire Protection & Medical Services



Policy Considerations:

Policy considerations should be evaluated using quality of service, value, financial performance and the risk/safety element of our citizens and firefighters. Other considerations include meeting the goals of the current Strategic Plan for both the Fire Department and the City.

Option 1: (current direction)

Continue to develop and implement the JOA with Manhattan Beach. Option 1 fulfills the majority of the recommendations of the various consultants listed above. In addition to the Citygate recommendations, Option 1 provides for the opportunity to share Chief Officers between the two fire departments. At the direction of the City Managers, both Fire Chiefs have had preliminary discussions on the pros and cons of sharing Chief Officers.

Option 2:

Contract the Fire Department out to a neighboring agency eliminating the Hermosa Beach Fire Department. Under this Option the City would simply write a check each month for the delivery of fire services. Option 2 may result in a cost savings at the Fire Chief's position.

Option 3:

Reinstate Chief Officer(s) below the rank of Fire Chief and the sixth Firefighter on each shift and rebuild the Hermosa Beach Fire Department into a first class Fire Department providing the full range of services. Option 3 results in a budget increase of approximately \$350K to \$500K annually depending on the staffing model. In addition, Option 3 would continue to pursue efficiencies and opportunities with consolidating services with Manhattan Beach such as the Ambulance Operator and Emergency Management Programs.

Option 4:

Maintain the status quo and make no changes. The fragility of Option 4 and the reliance of neighboring fire agencies with reduced staffing is unsustainable and in many areas falls short of meeting acceptable standards for an urban fire department.

Next Steps:

If not redirected by City Council, continue to work towards Option 1 implementing the Citygate recommendations through the JOA and continue discussion on sharing of Chief Officers with the Manhattan Beach Fire Department.

Attachments:

None

Respectfully Submitted by: Pete Bonano, Interim Fire Chief

Concur: Tom Bakaly, City Manager

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: Tom Bakaly, City Manager

**Honorable Mayor and Members of the Hermosa Beach City Council
City Council Meeting of April 26, 2016.**

FIRE DEPARTMENT FUNDING ANALYSIS

Pete Bonano, Interim Fire Chief

Background:

As my January 9th Issue Paper indicated, due to budget cuts in 2007 the City froze the Assistant Chief and the three Firefighter/Paramedics (one per shift). The loss of these four positions and the impacts to service levels and morale is not always obvious, but over the years has taken its toll on the Fire Department. The Department has lost its representation at countywide meetings, has fallen behind in training, has a shift Captain performing the Fire Marshal duties, has a confusing chain of command (essential in the fire service) and has difficulty meeting State and Federal mandated requirements. The loss of the sixth Firefighter has also resulted in the fragmentation of the on-duty workforce often resulting in a delay in assembling crews for emergency response.

Additionally as I have previously reported, due to a shortage of Firefighters the Fire Department recently was unable to staff three shifts resulting in a temporary reorganization consolidating personnel down to two shifts. The cause and effect of this action has a negative impact on the overtime budget, our firefighter's families and employee morale. This scenario has recently been rectified with the return of two Firefighters from injury and the utilization of Manhattan Beach Firefighter/Paramedics.

Analysis:

The January 9th Issue Paper provided the Council four options to consider in the delivery of fire services to the residents, businesses and visitors of Hermosa Beach. Below are the four options as I presented them on January 9th.

Option 1: (current direction)

Continue to develop and implement the JOA with Manhattan Beach. Option 1 fulfills the majority of the recommendations of the various consultants listed above. In addition to the Citygate recommendations, Option 1 provides for the opportunity to share Chief Officers between the two fire departments. At the direction of the City Managers, both Fire Chiefs have had preliminary discussions on the pros and cons of sharing Chief Officers.

Option 2:

Contract the Fire Department out to a neighboring agency eliminating the Hermosa Beach Fire Department. Under this Option the City would simply write a check each month for the delivery of fire services. Option 2 may result in a cost savings at the Fire Chief's position.

Option 3:

Reinstate Chief Officer(s) below the rank of Fire Chief and the sixth Firefighter on each shift and rebuild the Hermosa Beach Fire Department into a first class Fire Department providing the full range of services. Option 3 results in a budget increase of approximately \$350K to \$500K annually depending on the staffing model. In addition, Option 3 would continue to pursue efficiencies and opportunities with consolidating services with Manhattan Beach such as the Ambulance Operator and Emergency Management Programs.

Option 4:

Maintain the status quo and make no changes. The fragility of Option 4 and the reliance of neighboring fire agencies with reduced staffing is unsustainable and in many areas falls short of meeting acceptable standards for an urban fire department.

Fiscal Impact:

The table below is intended to represent staff's best estimates on the potential costs or savings with the four options. The dollar amounts are not refined to the point of budgeting purposes, but should be considered realistic guidelines for policy decisions to be based on.

Option 2 in the table below represents contracting out the Fire Department. The use of LA County is intended as an example only. If the Council decided that Option 2 is the best choice moving forward, you may want to consider including the surrounding cities in the RFP process as well as LA County Fire Department.

Staffing				
	Option 1¹	Option 2²	Option 3	Option 4
Chief Officers	FC, DC, 3BC	0	FC, 3BC	FC
Firefighters	15	15	15	15
Admin Asst	1	0	1	1
Inspector	1	0	1	1
Emergency Manager	1	0 ³	1	1
Based on FY 15/16 of \$5.76M	\$235K Assumes Hermosa's shared cost is 1/3 of the total cost of the 5 Chief Officers	<\$1.1M> Based on the RPV contract with LACoFD currently @ \$4.6M	\$375K Hiring 3 additional FF/PM's + promoting 3 Captains to BC	\$0.00
Fire Station				
Type	Neighborhood	Neighborhood	HQ/Neighborhood ⁴	HQ/Neighborhood
Construction Cost	\$11M	\$11M ⁵	HQ \$15M Neighborhood \$11M	HQ \$15M Neighborhood \$11M

Attachments:

Delivery of Fire Services Issue Paper dated 1/9/2016

Respectfully Submitted by: Pete Bonano, Interim Fire Chief
Noted for Fiscal Impact: Viki Copeland, Finance Director
Approved: Tom Bakaly, City Manager

¹ Option 1 does not include fire prevention services and administrative support. The City would need to maintain an Admin Assistant to handle the Department's business related issues and would need to hire a fulltime civilian Fire Marshal/Fire Inspector. All Firefighters in Option 1 remain employees of Hermosa Beach; Chief Officers would be employees of Manhattan Beach. The \$235K is an estimate based on a conversation with the Manhattan Beach Fire Chief. The City of Manhattan Beach has not provided actual costs for this report. Currently there's uncertainty in the interest level in Manhattan Beach to consider this as a potential Option.

² Depending on the contracting agency, the Fire Department might not continue to transport patients resulting in a loss in revenue of approximately \$470K/year.

³ Emergency Manager would be moved to the Police Department or the City Manager's Office.

⁴ In Options 3 & 4 the headquarters fire station provides office space for Fire Department administrative staff. The neighborhood fire station assumes that the Fire Department administrative staff has been relocated.

⁵ Depending on the contracting agency the space requirements for reserve fire apparatus and ambulances may not be necessary resulting in a cost savings.