



CALIFORNIA
emeryville

REVIEW OF THE ALAMEDA COUNTY FIRE EMERGENCY SERVICES
PROVIDED TO THE CITY OF EMERYVILLE DEPARTMENT

AND

INITIAL COST ESTIMATES FOR THE CITY OF EMERYVILLE TO DEVELOP AN
IN-HOUSE FIRE DEPARTMENT

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PROJECT OVERVIEW

The City of Emeryville (City) engaged Strategic Advisory Services (SAS) to conduct a detailed review of the current Alameda County Fire Department (ACFD) services provided to the City through the existing contract. SAS reviewed the existing agreement, staffing and services configurations as well as complementary services provided by the ACFD. We conducted extensive meetings with ACFD staff and reviewed the details of their financial practices, basis for cost allocation, actuarial studies and fire staffing practices. We provided City staff with our findings and were requested to complete a high-level analysis of the costs, opportunities and constraints the City would encounter if it re-established its own in-house fire department.

Based on the materials outlined below, we have concluded that if the City were to re-establish its own in-house fire department the costs would exceed those of the ACFD contracted services and that the in-house services would not fully replicate the services provided through the ACFD contract without significant additional costs to the City.

PHASE ONE: Summary Findings of the Initial Detailed Review of the Existing Costs and Services Provided Through the Current Contract with ACFD

The City of Emeryville's relatively compact size (1.2 square miles) and its limited permanent population of approximately 13,000 residents historically had been served by two fire engine companies in two stations. The City's rapid growth in both employment (daily population), building complexity—significant high-rise commercial development, multi-story residential units and extensive retail services have effectively created a fully urbanized community. These improvements and changes to the built environment within the City have increased the need for the sophisticated fire and rescue services which are currently being provided by ACFD. Our review of the ACFD services, the agency's financial practices, current staffing configurations and services led us to develop the following perspectives:

- The ACFD is well-managed in both its operations and finances and the methods of distributing costs to contracting cities. Financial allocations are soundly based and appropriately applied. We did not find any costs applied to participating agencies that were not justified.
- The City's participation in the ACFD provides additional benefits derived from the agency's size, reciprocal service agreements with other agencies and cost sharing for expensive staffing and critical emergency services. An example of the cost-effective services is the agreement with the City of Oakland for a 100' ladder truck staffed by four firefighters provided to Emeryville for all structure fires and other significant high risk emergencies. The \$220,000 per year fee is approximately 5% of the costs of owning and

staffing a ladder truck company. Full staffing for a four person truck company requires 14 FTE's, at an average total compensation of \$250,000 per year would be approximately \$4.0 million. An aerial ladder truck fully equipped is \$2.0 million and requires substantial maintenance. In addition to the Truck company, Oakland also provides a Battalion Chief and a staffed Fire Engine in the event of a significant event in the City of Emeryville.

- The ACFD cost allocation and distribution practices spread the costs of leadership across the participating agencies reducing the costs for all the participants. In addition, the ACFD receives additional revenue from several sources other than that of the participating cities. Examples include the East Alameda County capital funding allocation and excess revenues from the Alameda County Dispatch operations cost for services charged to outside agencies. These funds are significant and primarily used for capital improvements costs for training facilities and other capital expenditures. These improvements reduce the costs to participating agencies.
- Operationally City executive staff have regular meetings with the ACFD Fire Chief and the Division Chief who is assigned to Emeryville, to discuss any issues or concerns regarding the services being delivered to the City.

PHASE TWO: A High Level Analysis of the Estimated Costs, Opportunities and Constraints the City Would Encounter if it Established its Own In-house Fire Department.

City staff requested SAS to evaluate the costs, advantages and disadvantages of establishing its own in-house fire department including:

- Creation of a brief description of the fire department related services, including, fire suppression, EMS, rescue and special operations, fire prevention, plan check, fire investigation, fire public education and other related activities required to establish and maintain an independent stand-alone Fire department.
- Development of a sample organization chart for the independent fire department;
- Development of cost projections for the independent fire department including the impact on the City's current administrative staff and additional support services including: legal, human resources, workers compensation, employee assistance, career development, payroll, labor relations, and finance.
- Development of the full costs of establishing and operating a fully staffed aerial ladder truck company.
- Identification of outside agency services agreements required to assist an independent department including, command and control at emergencies, ladder truck (if not in-house), technical, heavy and water rescue, hazardous materials and life science industry related emergencies, and other specialized emergency operations related services.

Brief Description of Fire Related Services and Service Options

The development of a plan to reconstruct the stand-alone Emeryville Fire department will necessarily include establishing new agreements with willing neighboring fire departments to share/provide complex and specialized fire related emergency services. It will require a

significant period of time to create the new department (recruitment and training) and the necessary local agreements to ensure that the Emeryville Fire Department is capable of providing the same level of service that the citizens, businesses and broader community currently receive through the contract with Alameda County Fire.

SAS explored two potential approaches to re-establishing an independent City of Emeryville Fire Department. The first, configuring the department at the same level the City had in 2012 when it joined ACFD. The second is designed to replicate many of the services and levels of service needed to staff a fully functional independent department.

SAS created two organization charts for the two approaches to providing independent City of Emeryville fire services. Appendix A illustrates a department that replicates the staffing levels the City had in 2012 when it joined ACFD. Appendix B illustrates the configuration for a full service department recommended by SAS.

Replication of 2012 City of Emeryville Fire Service Staffing prior to joining ACFD

- 1 Chief
- 6 Captains
- 8 Engineers
- 10 Firefighters
- 1 Fire Inspector
- 1 Civilian Support Staff

- 26 Sworn
- 1 Civilian

Regarding this option:

- Returning to the 2012 staffing configuration will provide baseline level services including fire, emergency medical services (EMS), rescue, fire prevention, fire investigation, public fire safety education and community emergency preparedness services.
- The department will require a fully capable support system including legal services, human resources, information technology, financial management and accounting services, EMS technical and medical support, career development and employee health and wellness programs.
- The department will not have battalion chief services, aerial ladder truck company services, reciprocal non-member agency services or joint training services
- The department will need to establish shared services agreements for aerial ladder truck services, battalion chief and reciprocal staffing for major events, heavy rescue, training facilities and training services and dropped boundary services with adjacent fire services agencies.

SAS recommended independent fire department configuration:

- 1 Chief
- 1 Fire Prevention Officer/Fire Marshal (captain + 10%)
- 2 Fire Inspectors
- 3 Battalion Chiefs/56 hours per week
- 6 Line Captains /56 hours per week
- 1 Training Captain/40 hour per week position
- 6 Engineers/56/hrs
- 12 Firefighters/Medics/56hrs
- 1 Civilian Support
- Include overtime equivalent of 3.5 FF (8,550 hours) to cover vacancies for 56 hour per week personnel

- 35.5 Sworn (includes 3.5 O.T.)
- 1 Civilian Support

Regarding this option:

- The organizational structure of a stand-alone Emeryville Fire department is designed to provide the current level of fire, EMS, rescue, fire prevention, fire investigation, public fire safety education and community emergency preparedness services being provided through the current contract for services agreement with Alameda County Fire Department.
- The department will require a fully capable support system including legal services, human resources, information technology, financial management, accounting services, EMS technical and medical support, career development programs and employee health and wellness programs.
- If the new department is configured to fully replicate the current level of service provided by the agreement with ACFD the costs of service will necessarily increase as a result of the loss of shared services costs. These shared service cost savings include: chief level leadership, battalion chief services, aerial truck company services, reciprocal non-member agency services, joint training services, legal, human resources, recruitment, labor negotiations, IT, budget, financial management and accounting and extra-agency revenues.
- If the new department were to include a fully staffed truck company the vehicle would cost approximately \$2.0m and require an additional 14 sworn staff, adding approximately \$4.0m in annual operating costs.
- The reduction of the number of fire stations from 2 to 1 may provide the desired cost reduction, but it will certainly include a reduced level of emergency and related services. Standard Fire department related Emergency services include a minimum of 6 firefighter/EMT's/Paramedics are on the scene of any incident in Emeryville in six minutes or less from the time of dispatch.

The development of a plan to reconstruct the stand-alone Emeryville Fire department will necessarily include a number of new joint service agreements with willing neighboring fire departments to share a variety of Fire department emergency services. This will require a significant period of time to construct the new department. As will securing the joint service agreements to ensure that the Emeryville Fire Department is capable of providing the same level of service that the citizens, businesses and broader community currently receive through the contract with ACFD.

Estimated Costs for an Independent Emeryville Fire Department 2012 & SAS Recommended Configurations

Amounts in Thousands

	Current ACFD	Emeryville 2012	SAS Recommended
Salaries and Benefits	\$7,955	\$7,807	\$10,596
Services and Supplies	414	500	500
Capital Outlay	205	160	160
Annual Equip. Replacement		160	169
Dispatch	124	124	124
HR/IT/FIN/LEGAL - OH	307	937	1,272
Ladder Truck Company	<u>220</u>	<u>-</u>	<u>-</u>
Total Annual Costs	9,225	9,688	12,821
1x Capital Costs	<u>956</u>	<u>1,000</u>	<u>1,000</u>
Total Costs	<u>\$10,181</u>	<u>\$10,688</u>	<u>\$13,821</u>

1. Capital Outlay includes \$80k x 2 stations for Alert System
2. Annual Equipment Replacement is based on 15 year life for Engines and 7 year life for radios
3. Admin Overhead is 12% of salaries and benefits based on rate charged by CalFire
4. 1x Capital Costs includes \$1.0 million for engine replacement.

SAS has prepared high level cost estimates for each of the two potential independent department configurations. Returning to the 2012 configuration represents a cost reduction when compared to the SAS recommended configuration but is slightly higher than the current costs for participation in the Alameda County Fire Department.

Overview Data for Comparably Configured Fire Department

SAS prepared the following comparative data for similarly configured two station fire departments. Each department is uniquely configured to serve their community as well as relying on revenues from a variety of sources. Each department also has reciprocal services agreements with other agencies and several are consolidated with another fire service district. These variances are annotated in the service comparison table below.

Comparative Fire Service Data for 2 Station Services Configurations

Category	City of Pinole	City of El Cerrito	City of Mill Valley	Rodeo Hercules Fire District	City of Benicia	Emeryville Fire ACFD	Emeryville Fire 2012	Emeryville Fire SAS
Population	18,821	25,845	14,105	35,744	26,819	12,870	12,870	12,870
Land Sq Mi	5.1	3.7	4.8	10.2	12.8	1.2	1.2	1.2
Fire Runs	1,624	3,010	1,888	2,888	2,761	2,336	2,336	2,336
Stations	2	2	2	2	2	2	2	2
F.F./1,000	.8	1.39	1.84	.5	1.12	18/1.4	26/2.02	32.5/2.5
Pop Sq Mi	3,690	7,042	2,951	3,515	2,094	10,725	10,725	10,725
G.F. Budget \$m	\$28.1	\$44.5	\$36.5	N/A	\$51.5	\$45.4	\$45.4	\$45.4
Fire* Budget \$m	\$7.67	\$14.56	\$7.26	\$8.63	\$11.86	\$9.22	\$10.68	\$13.82
Cost Per Call	\$4,745	\$4,102	\$3,849	\$2,988	\$4,296	\$3,949	\$5,472	\$5,916

*Budget figures for listed agencies are 2022/23 numbers BUT 2023/2024 for El Cerrito to provide a current minimum expenditure for the most comparable agency

Annotations:

- City of Pinole has consolidated with Contra Costa Fire District and receives a \$2.0m subsidy from a county-wide public safety tax
- Rodeo Hercules Fire District shares staffing with Contra Costa Fire District and the City of Pinole as well as participating in a multi-agency Battalion 7 service sharing agreement, it is supported by a local \$2.0m annual tax applied across the service area.
- Emeryville Fire configurations: current ACFD sworn 18, 2012 configuration 26 sworn, SAS recommended configuration 35.5

SAS Conclusion and Recommendation

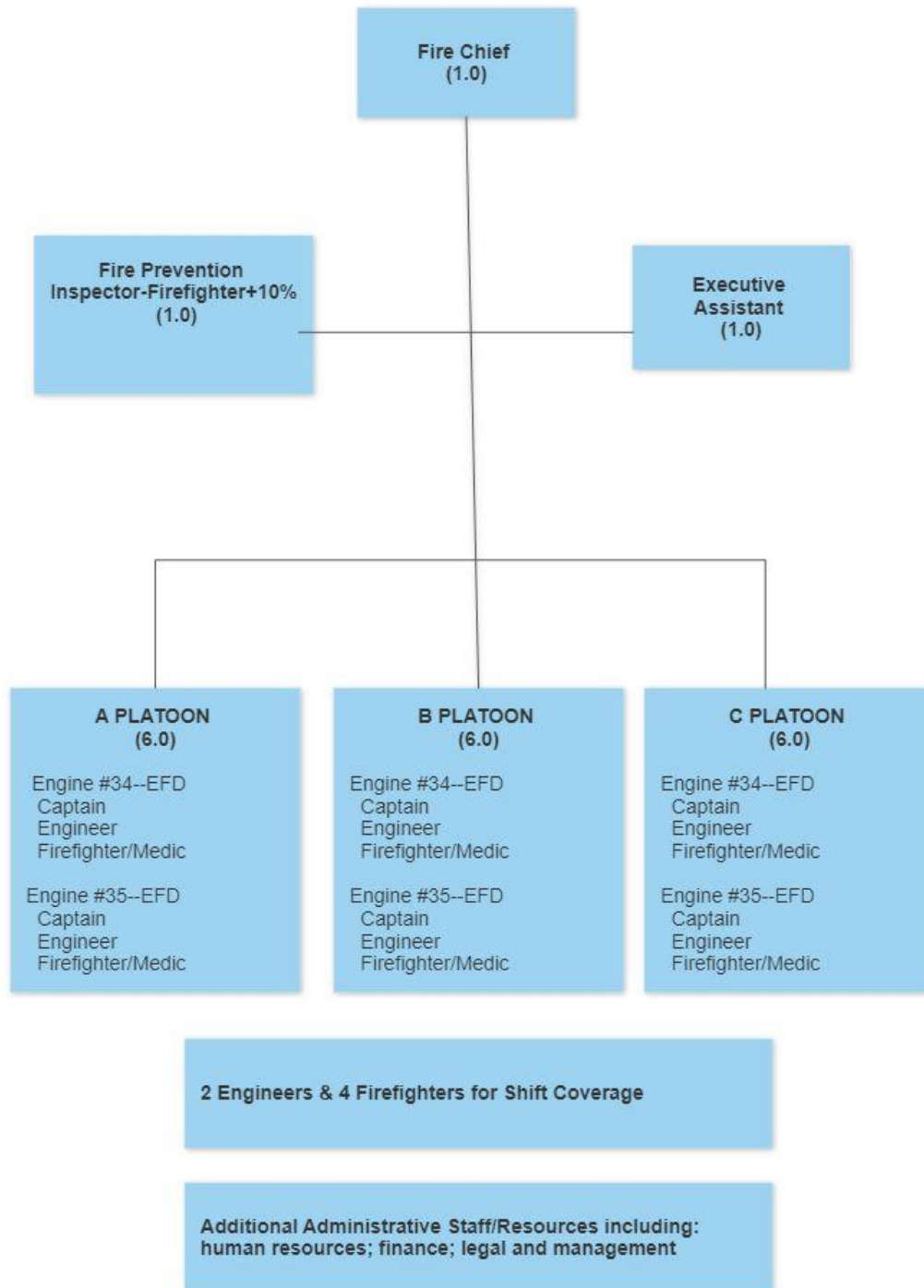
Based on the information provided above SAS recommends the City of Emeryville continue with its contracted Fire Services Agreement with Alameda County Fire Department. The recommendation is based on the following factors:

- The City of Emeryville may be small in size but it is a relatively dense urban area with a number of intensive service demand activities. It has the largest retail square footage per capita in the United States and a significant daytime population working in multi-story buildings and technical laboratories as well as a number of multi-story multi-family buildings.
- The City of Emeryville has several additional factors which also drive emergency service demands including:
 - Its proximity to a major highway interchange with approximately 280,000 vehicle trips per day,

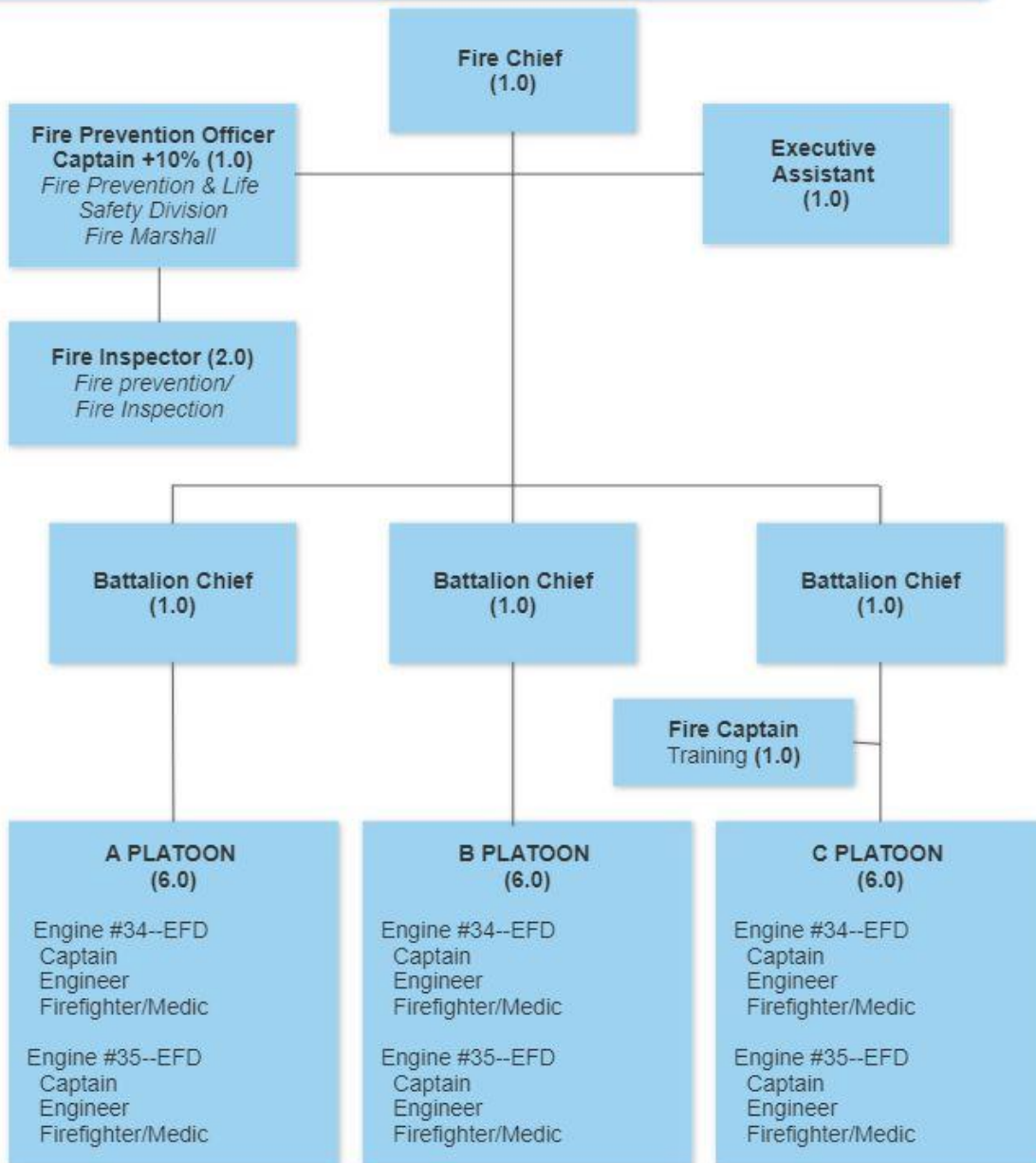
- A frontage on the San Francisco Bay and a large and fully leased marina which potentially generate water rescue and fire services demand,
- It contains a number of medical and research laboratories that use hazardous materials in their processing and research.

If the City were to withdraw from the Alameda County Fire Department and implement a department based on its prior—2012 configuration the City would need to contract for a significant number of specialized services from other fire agencies. The costs of this approach will exceed the current ACFD contract cost. If the City were to implement the SAS recommendations—which replicates the City of El Cerrito Fire model the costs would be significantly higher than the 2012 model and the current ACFD contract.

**INDEPENDENT EMERYVILLE FIRE DEPARTMENT
2012 Configuration**



INDEPENDENT EMERYVILLE FIRE DEPARTMENT SAS Recommended Configuration



Additional Fire Staff= 3.51 Firefighter/Medics or an equivalent cost of 8,550 Overtime hours to fully staff 3 Platoons

Additional Administrative Staff/Resources including: human resources; finance; legal and management

Mike Oliver – Strategic Advisory Services

Mike Oliver has thirty years of public agency management and private sector experience. He has served as the City Manager of the Cities of Oakley, Citrus Heights, and San Leandro, with over 20 years of public management experience. He was the first City Manager of Citrus Heights and Oakley and established their first Law Enforcement Services Departments through contracts with Sacramento and Contra Costa Counties. He also has extensive fire service experience including establishing the ALCO Fire agency when City Manager in San Leandro. He and Brian Kelly have also completed a Municipal Service Review for Fire service for the Contra Costa LAFCO and extensive analysis and recommendations for the Joint Powers Authority for Fire Services in the City of Tracy.

Brian Kelly –Strategic Advisory Services

Brian Kelly has over 45 years of experience in the Fire Service, serving in all ranks including 37 years as Fire Chief, emergency manager and consultant in Fire service and EMS management. He has experience in Fire service leadership coaching, counseling and negotiations of labor agreements, contracts for services between Cities and Fire agencies and the formation of Joint Powers Agreements (JPAs). In the course of his career he has participated in the development of Hazardous Materials inspection programs in Sonoma County. He lead a team that established a County-wide Fire communication and dispatch system in San Mateo County and the first public/private Emergency Medical Services delivery system in the nation in 1998 which won national recognition. He recently served as the program manager of a project which resulted in the formation of the San Mateo Consolidated Fire Department, a JPA between the City of San Mateo, the Belmont Fire Protection District and the City of Foster City. He has also worked for the County of San Mateo in the Department of Emergency Management assisting in the development of wildfire fuel reduction projects and emergency evacuation planning.

Patty Kong—Strategic Advisory Services

Patty Kong has over thirty years of public and private sector experience as a Finance Director, Assistant Finance Director: managing budget, accounting, purchasing, payroll treasury operations and as an independent auditor. Patty has extensive experience with fire department budgeting and City financial practices including analysis of providing fire services to another governmental agency and proposed consolidation of three agency’s fire services. Patty most recently served as the Finance and Administrative Services Director for the City of Mountain View for 10 years.