



APPROVED
BY THE CITY COUNCIL

MAY 6 1997

OFFICE OF THE
CITY CLERK

A3C

DEPARTMENT OF
FIRE

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*Staff recommendation
adopted to proceed
forward with Attachment A*

May 6, 1997

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: FIRE SERVICE RESTRUCTURING

LOCATION AND COUNCIL DISTRICT: Citywide - All Districts

RECOMMENDATION:

It is requested that the City Council give direction to their Reorganization Task Force members as to the type of governmental structure to pursue for the reorganization of the three major fire agencies in the County.

CONTACT PERSONS:

Rick Martinez, American River Fire Chief

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Gary Costamagna, Sacramento City Fire Chief

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Jim Emerson, Sacramento County Fire Chief

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FOR COUNCIL MEETING OF: May 6, 1997

SUMMARY:

This report provides an update on the Reorganization Task Force's last two meetings. During the last two meetings the Task Force reviewed a number of possible ways a reorganization of the three agencies could take place. Along with the possible ways of reorganizing staff also described the project scope, listed the methodologies to be employed, developed a set of guiding principles and projected a time line for the overall process.

At the March 25, 1997 meeting the Fire Reorganization Task Force staff was directed to provide additional information on the following points:

- * Review of Task Force discussions on the options of reorganizing the three agencies into one organization, with an explanation of the options for each possible alternative.

- * Direct financial staffs to review their individual cost and project an approximate cost.
- * Provide each of the individual governing bodies any additional information to assist in their deliberations.

Each of the Task Force members was requested to obtain positions from their respective agencies on future directions of the Task Force.

Additionally, the representatives from the City of Sacramento posed no objections to American River and Sacramento County Fire Protection Districts discussing a merger outside of this process.

BACKGROUND:

Local governments throughout California are faced with the challenge of how to provide reliable, cost effective service in a period of diminishing revenues. In the Sacramento area, these challenges are particularly difficult due to the growth that has stretched the capacity of basic services beyond normal expectations.

The local fire services have responded to this situation by working together on issues of common concern. The development of a regional communication center, a multi-agency Urban Search & Rescue (USAR) Team, a regional approach to hazardous material response and combined training efforts have increased the efficiency of limited resources. Most recently, a complete boundary drop for emergency fire, rescue and medical services has resulted in the provision of a seamless service across the multi-agency area.

Having maximized this informal cooperative approach, it appears that the natural progression of combining the management and support functions into one regional service provider is the next logical step. This report attempts to address the various methods and a logical path for all parties to reach such a reorganization.

As originally identified by staff, there appears to be several options to reorganize the three agencies into one organization. As part of the direction, the following is a brief review of those options and some of the salient points of each.

Government Code

- * ANNEXATION (G.C. 56017)
"Annexation" means the annexation, inclusion, attachment, or addition of territory to a City or District.

* **CONSOLIDATION (G.C. 56030)**

"Consolidation" means the uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district. In the case of consolidation of special districts, all of those districts shall have been formed pursuant to the same principal act.

* **JOINT POWERS AGREEMENTS (G.C. 6502)**

If authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties, even though one or more of the contracting agencies may be located outside this state. It shall not be necessary that any power common to the contracting parties be exercisable by each such contracting party with respect to the geographical area which such power is to be jointly exercised.

* **MERGER (G.C. 56056)**

"Merger" means the extinguishment, termination and cessation of the existence of a district of limited powers by the merger of that district with a city as a result of proceedings taken pursuant to this division.

* **REORGANIZATION (G.C. 56073)**

"Reorganization" means two or more changes of organization initiated in a single proposal.

Public Contract Code

* **PUBLIC CONSTRUCTION ACT (P.C.C. 20811)**

When a district board determines that it is in the public interest, a district may contract with any other public agency for fire protection services, rescue services, emergency medical services, hazardous material emergency response services, ambulance services, and any other emergency services for the protection of lives and property.

Other

* **STATE LEGISLATION**

The California Legislature has the ability through legislation to create new local governmental entities. It is possible that the three agencies could go to the California Legislature and request legislation authorizing creation of a regional fire agency.

Examples of local agencies specifically created by the Legislature are the Sacramento Regional Transit District, Sacramento Metropolitan Air Quality District and the new Sacramento Sports Authority.

Health and Safety Code

* **FIRE PROTECTION DISTRICT LAW OF 1987 (H.S.C. 13800 et seq.)**

Both American River and Sacramento County Fire Protection Districts are organized under this act. Both are formed as independent special districts and have an elected board of directors.

Fire District Law provides for a board of directors that number three to eleven members. In a dependent district configuration, the County Board of Supervisors may appoint or sit as the governing body. Revenue for special districts is derived as a portion of the property tax.

After reviewing the different governmental structures for combining the agencies, those options that appear available for reorganization are:

1. **Contract for Service:** Currently, the City of Sacramento has a contract for service to provide fire protection and related services with three fire districts within the unincorporated area of Sacramento County. This relationship also exists between American River and Florin Fire Districts.

Governing Body:

Typically, the governing bodies of each of the contracting agencies continue to exist.

Revenue Source:

The contract is designed similar to a fee for service.

It would be possible to join the Districts and the City through a contract for service. The governing body for the recipient agency would control the facilities, equipment and employ the personnel.

2. **Annexation:** The City or District could, through an annexation, attach or add a new area within its geographical boundaries.

Governing Body:

Under this process, the new area being annexed would cease to exist and the governing body would dissolve

Revenue Source:

The revenue source would be dependent on the successor agency's authority.

In this case, the City could annex its fire department function into a successor fire district. A portion of the property tax could be established as the district's and the governing board would be elected from the entire area of the district's new boundaries (including the City).

3. **Joint Powers Authority (JPA)**: This would allow for the ability to place all three agencies under one agreement. The JPA agreement can be written to meet all the needs of the agencies. The JPA would have its own governing board consisting of members from the individual agency's existing Boards and City Council.

Governing Body:

All of the governing bodies would continue to exist.

Revenue Source:

Revenue could be apportioned on a fee for service basis or established by a formula.

4. **A Combination Joint Powers Authority (JPA) and consolidation**: This could be established as two concurrent processes, one to consolidate the American River and Sacramento County Fire Protection Districts into one Fire Protection District. At the same time, merging the Sacramento City Fire Department with a Joint Powers Agreement between the reorganized Fire District and the Sacramento City Fire Department.

The finished product would be the new Fire District and the Sacramento City Fire Department operating as one agency under a Joint Powers Agreement.

Governing Body:

The JPA would have a governing body made up of Board members from the new Fire District and the City Council.

Revenue Source:

The Fire District would bring its property tax base and the City would have to apportion funding based on the level of service desired.

5. **The three agencies be joined together by special legislation at the state level**. Under this option, special legislation would be required to provide for a new local agency. This new agency could be established to operate as an independent entity with an elected governing body.

Governing Body:

Elected.

Revenue Source:

The revenue source would be identified as part of the legislation.

A major drawback to this option is the length of time that it would take to enact such legislation.

Additional consideration for each of the listed potential options would need to be identified and evaluated should the task force wish to further focus on one of the listed options.

Project Scope

The primary purpose of this study is to conduct an examination of the current fire protection and emergency service delivery systems in the Sacramento metropolitan area and evaluate a feasible alternative for the reorganization of these services to reduce operational cost and at the same time maintain an acceptable level of fire and emergency service throughout the area. In conducting this examination and arriving at conclusions and recommendations, the following goals will guide our approach:

- * Create an agency that maintains a high level of service to the community.
- * Take advantage of the economies of scale that can be obtained through a more efficient use of equipment, personnel and facilities.
- * Eliminate redundant positions and duplicated services.
- * Create a more systematic approach to service delivery by limiting fragmentation.

Methodologies

The methodologies to be employed are:

- * Determine and detail the problem and issues associated with the current configuration of fire and emergency service delivery.
- * Detail the respective pros / cons of the alternatives.
- * Recommend a solution to the identified problems.

Statement of Principles

Principles that guide the Task Force are as follows:

- * The reorganization will only occur if it improves service levels, reduces the cost of the current provision of service or both.
- * The City's Fire Service will only be reorganized through a Joint Powers Authority (JPA).
- * The establishment of a governmental body that will represent the community and provide the appropriate oversight.

* The intent of the reorganization is to maintain, at a minimum, the current levels of service to all of the communities within the service area.

Time Line

The following time line is suggested with the understanding that there may be unanticipated challenges that will cause additional staff work to adhere to this time line. Recognizing that this is a very aggressive schedule, it is the consensus of staff that this study in itself will cause some uncertainty within each of the participating agencies; therefore, it is incumbent on a speedy resolution to the overall question of reorganization.

Focus / Function / Action	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Principles & GovStructure	■	■								
Budget & Org Structure		■	■	■						
ARFPD / Florin Merger					■					
Fire District /City Council Authorization					■					
Reorg of ARF & SCF						■	■	■	■	■
Adopt District /City JPA										■

FINANCIAL CONSIDERATIONS:

As part of the direction from the last Task Force meeting, the staff has reviewed the cost of this project. It is the consensus of the group that there will be the need for legal review of each of the documents as they progress through the process; however, at this time it is difficult to measure the financial impact of that function. In addition to considerable staff time, there may also be the need for a consultant to assist with the questions surrounding the selection of a governmental structure. It is anticipated that a maximum of \$60,000 would be needed on this project. It is the recommendation that any expenditures be approved by the working group and the cost be borne equally by the Districts and the City.

ENVIRONMENTAL CONSIDERATIONS:

This report does not involve an activity which may cause a direct or indirect change on the environment.

POLICY CONSIDERATIONS:

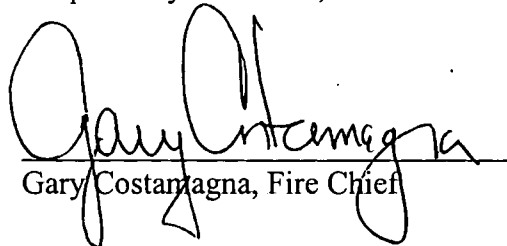
- Determine which method should be used to restructure the agencies.
- Develop a funding mechanism that is acceptable to the agencies.
- Determine how a Governing Board would be selected for the restructured agency.

In an effort to summarize the discussion points, staff has attempted to capture the essence of the last two meetings as set forth in attachment A.


MBE/WBE EFFORTS:

There is no requirement for procurement of goods or services associated with this report.

Respectfully submitted,


Gary Costantagna, Fire Chief

APPROVED:


William H. Edgar
City Manager



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ATTACHMENT A

ORGANIZATIONAL STRUCTURE

Initial

The formation of a regional fire service will progress in a phased manner. The first action will be the reorganization of the American River and Sacramento County Fire Districts (District). This process can take place simultaneously or in advance of the total reorganization. The City of Sacramento (City) will be joined with the District through a Joint Powers Authority (JPA). The governing board of the JPA will consist of the Board of Directors of the District and members from the City Council. The ratio of seat will be five (5) District, four (4) City. This board will constitute the governing body of the regional fire service organization serving the metropolitan area (Metro Fire). It should also be noted that the name of the District will be determined prior to the completion of this project.

Reconsideration

In the year 2002, the Joint Powers Authority will be at a decision point with the following options:

- * Transition into a single form of government in which the governing board will be an independent board. It is anticipated that this agency will be organized under the Special District Law 1987, which dictates the election process and the funding mechanism. As part of this action an annexation of the fire function from the City would be required and the City and District would have to determine the portion of revenue that would transfer into the special district.
- * Extend the District/City JPA for an additional period of time.
- * Re-establish the City's stand-alone fire department rather than complete an annexation to the District. A return of all of its assets and employees shall occur as part of a pre-established plan. This plan will be developed as part of the JPA document.