

**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.