

## 1 Executive Summary

### 1.1 Background

In accordance with Government Code Section 56425, Local Agency Formation Commissions (LAFCO) must conduct periodic reviews of services prior to or in conjunction with the mandated 5-year schedule for updating spheres of influence for agencies under its jurisdiction. The service review must include an analysis of the service issues and written determinations in each of the following categories:

- Growth and population projections for the affected area;
- Present and planned capacity of infrastructure and adequacy of public services;
- Financial ability of the agency to provide services;
- Status of and opportunities for shared facilities;
- Accountability for community services, including governmental structure and operational efficiencies; and
- Any other matter affecting or related to efficient service delivery, as required by Commission policy.

In addition to required determinations, LAFCO identified the following areas for focused review:

- Funding and providing fire and rescue services to the underserved areas of the County;
- Issues regarding one fire district contracting with another fire district for service;
- The potential for regional service delivery models for the South County region;
- Best practices for the definition of roles, status, and oversight for volunteer fire protection companies in the County;
- An assessment of the opportunities to derive efficiencies from changes in governmental structure and other operational improvements for each service provider.

The 2010 service review was conducted during a time of unprecedented financial challenge for local governments in California. This dynamic created strong

interest among cities and special districts to find ways to maintain services at reduced costs.

Management Partners reviewed pertinent information regarding each fire and emergency service provider in the County and conducted interviews with a broad cross-section of stakeholders. This information was analyzed and used as the basis for making the required determinations and to report on the focus review areas.

Gathering and verifying department information was complicated by different information gathering and reporting practices, different terminologies used to describe similar apparatus and a decision to update financial information after initial data collection. LAFCO and Management Partners acknowledge and appreciate the cooperation and patience received from all participating agencies to gather and validate the information contained in this municipal service review.

## **1.2 Overview**

The delivery of fire and emergency services in Santa Clara County is complex. Of the approximately 1,857,600 residents in the County, about 1,763,700 reside in one of the 15 incorporated cities and 93,900 reside in unincorporated areas. The County is 1,315 square miles in size. Between cities and districts, there are 14 jurisdictions that have assumed responsibility for providing fire and emergency services. A large geographic area with a small population in the unincorporated area is not served by a public fire district beyond the CAL FIRE State Responsibility Area (SRA) lands during fire season. Some cities provide their own fire and emergency medical services, some cities are included in fire districts, and some contract for services with other providers. As a result of this complex service delivery system, the cities and the unincorporated areas in the County are served by nine provider agencies:

- Gilroy Fire Department
- Milpitas Fire Department
- Mountain View Fire Department
- Palo Alto Fire Department
- San José Fire Department
- Santa Clara Fire Department
- Sunnyvale Public Safety Department
- Santa Clara County Central Fire Protection District - CCFD (serving the cities of Cupertino, Los Gatos, Monte Sereno, Campbell, Morgan Hill, Los Altos, part of Saratoga, the Saratoga Fire Protection District, the Los Altos Hills County Fire District and unincorporated areas)

- South Santa Clara County Fire Protection District (SCFD), through a contract with the California Department of Forestry and Fire Protection (CAL FIRE), serving unincorporated lands in the south part of the county.

Five volunteer fire companies (VFC) provide limited service to some unincorporated communities and CAL FIRE provides service to unincorporated areas under state responsibility. A contractor to the federal government provides fire and emergency services at Moffett Field.

The predominant activity of fire agencies is providing first responder emergency medical service as part of the County's emergency medical system (EMS). Under state law the County is responsible for the EMS system. The one exception in Santa Clara County is the City of Palo Alto, which provided EMS service prior to the law granting authority to the County. The County has an exclusive contract with American Medical Response (AMR), a private company, to provide ALS service. AMR has contracted with all fire departments with the exception of Sunnyvale to provide the initial ALS response to medical emergencies. AMR provides additional ALS response and ambulance transport to trauma centers and hospitals with their staff. In Sunnyvale, the Department of Public Safety provides BLS emergency medical response; ALS is provided by AMR.

Fire suppression remains a critical function of the fire departments as they respond to structure, brush, automobile and other fires to protect life and property. Fire prevention, public education, hazardous materials response (Hazmat), fire fighter training and emergency preparedness are other core responsibilities.

Radio communication is an essential part of fire and emergency services delivery. Communication responsibilities are highly decentralized in Santa Clara County, with 14 agencies having various responsibilities and with fire and EMS communications taking place on four different radio bands/frequencies.

### **1.3 Countywide Service Review Determinations**

Criteria were established to assess each agency in the determination categories required by state law. In order to provide a broad overview of the current status of fire and emergency medical response service in Santa Clara County, the following is a countywide summary of the information used in making the determinations for each agency.

#### **Growth and Population Projections for the Affected Area**

- Countywide population growth of 33% is projected for the period from 2010 to 2035. This is an annualized growth rate of 1.32%.

- The central and southern parts of the County are projected to experience the greatest population growth (40% and 34%, respectively over a 25 year period).
- Population growth of 23% over 25 years is projected for the northern part of the County and virtually no growth is projected for the west valley.
- The 25-year projections are beyond the planning horizon of most cities' General Plans.
- County land use policies support limited development and encourage development within city boundaries.

#### *Conclusion*

Given the moderate annualized growth rate and existing municipal and county land use policies, projected population growth should be absorbed with prudent land use and transportation planning.

#### **Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies**

- There are 90 stations ranging from poor to excellent condition. Most are in good, serviceable condition.
- Plans for new stations in Gilroy and San José are dependent upon population growth and service demand as well as annexation.
- There are 86 pumper engines, 23 aerials/trucks and 8 rescue units, and 10 fire department medic units/ambulances and 7 pieces of specialized apparatus staffed on a daily basis.
- Most agencies have apparatus on a 20-year replacement schedule, serving 15 years on the line and five years in reserve. All apparatus are within the stated replacement schedule for the agencies.
- Agencies maintain different response standards for non-medical emergency calls. Generally these are met.
- All agencies consistently exceed the County EMS agency's established standard of responding to medical emergency calls within the time set, given the nature of the call, 90% of the time. Performance in 2009 ranged from 94.98% to 98.98%.
- A Countywide mutual aid agreement is in place and adjoining agencies have automatic aid agreements.
- County EMS is in the process of awarding a new ten-year contract that will essentially keep the current EMS response standards.
- With the new EMS contract, public fire agencies will be direct contractors with the County for ALS service, rather than subcontractors to the private transport provider.

- Mutual/automatic aid is significant in the south County region; the three agencies serving that area are dependent on each other to maintain adequate response times.
- The fragmented communications system in the County is a significant barrier to improving service delivery and achieving potential cost savings. The interoperability task force is attempting to improve the system as much as possible, short of consolidation.

### *Conclusion*

If current infrastructure is properly maintained and planned, new infrastructure is constructed to serve new development, and if departments continue current apparatus replacement funding, infrastructure and response capacity appears sufficient to accommodate projected population growth and sustain existing response standards.

### **Financial Ability of Agency to Provide Services**

- The financial condition of fire and EMS provider agencies has eroded in recent years due to decreases in revenue brought on by the Great Recession and employee compensation and pension costs that have increased at a greater rate than revenue and inflation.
- Fire districts have had greater financial stability than cities due to a revenue base largely comprised of property tax.
- The general consensus among economists and government agencies is that recovery from the recession will be slow. Cities and fire districts should not expect to return to pre-recession funding capacity for several years.
- In response to fewer financial resources, some fire and EMS departments have reduced staffing and budgets. In most cases, these reductions have been accommodated without closing stations or permanently taking apparatus out of service; there are exceptions in some communities. Generally, response standards have been maintained. Training budgets and programs have been reduced in most departments.
- Most municipal departments anticipate further budget reductions.
- Most cities have replacement funds to ensure apparatus replacement in accordance with an established schedule.
- None of the agencies in the County have developed plans for ballot measures to increase revenue for fire and EMS services.
- Fire and EMS providers have different cost structures resulting largely from staffing patterns and compensation policies.

### ***Conclusion***

Cities and fire districts will continue to operate in a financially constrained environment for the next several years. To maintain adequate fire and EMS services, agencies will need to make better use of existing resources, individually and collectively, and seek additional non-tax revenue. Some jurisdictions may be able to provide service at a lower cost by changing providers; others may be able to lower cost by changing their cost structure. Some jurisdictions may need to pursue voter approval for new revenue.

### **Status of and Opportunities for Shared Facilities**

- Communications/dispatch is fragmented throughout the County. A single countywide communications system or fewer sub-county systems would improve overall efficiency and emergency response. To achieve savings through consolidation, police dispatch will need to be included and an up-front investment in communications technology is also required.
- Duplication of effort and staff exists in agencies in the areas of training, apparatus maintenance, prevention activities and communications.
- Redundancies may exist in stations and apparatus both within and between communities.

### ***Conclusion***

There are significant opportunities for Santa Clara County's fire and EMS agencies to share facilities and services. Implementing these opportunities will allow fire and emergency medical services to be delivered in a more effective and economical manner while helping to avoid the need for overall service reductions.

### **Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies**

- Fourteen agencies in Santa Clara County are responsible for providing fire and EMS services: ten cities, three dependent fire districts and one independent fire district.
- Nine agencies directly provide fire and EMS; seven are municipal departments, one is a dependent fire district and one is CAL FIRE. Three cities and three districts contract for service.
- The southern portion of the County is served by three providers: Gilroy, CCFD and CAL FIRE. These providers are dependent on mutual and automatic aid to meet established response standards. The cities of Morgan Hill, Gilroy and Santa Clara County (as the governing entity for

CCFD and SCFD) have established a working group to advance regionalization of fire and EMS services. The goals of the working group are to maintain service levels and reduce and contain service costs.

- Information regarding governance, meetings, finances and department information is readily available from municipal departments. Information from fire districts is more difficult to access.

### *Conclusion*

The fragmentation of service between multiple providers and contractors can create confusion for the public regarding which government entity is responsible for fire and EMS. This fragmentation makes it more difficult for agencies to take advantage of opportunities to share facilities and services. The number of providers, each requiring a management and support structure, results in duplication and redundancies that cost more than a consolidated or shared structure. Public access to fire district governance and financial information would be improved by changes to fire district websites.

## **1.4 Focus Issues, Efficiencies and Economies**

### **1.4.1 Underserved Areas and Volunteer Companies**

Of the 1,315 square miles in Santa Clara County, 627 are unincorporated and not protected by a legal fire protection district. The area has a population of less than 7,000 individuals. Fire and EMS are currently provided to these areas by one of the five volunteer fire companies and by adjacent fire departments. AMR provides ambulance transport.

Given the distance of travel from adjacent public fire departments, response time is generally very long. The response to calls by public fire departments to these areas has two negative impacts on the departments: apparatus included in local deployment plans are out of service and the agencies incur expenses that are not reimbursed. Budgets are extremely limited for the five volunteer organizations.

The most cost-effective approach to dealing with this issue is to increase the capabilities of the volunteer companies, thus reducing their dependency on adjacent fire departments. Formation of a county service area (CSA) incorporating all areas not currently served by a public fire/EMS provider would provide the legal structure to raise revenue to improve the capacity of volunteer companies and provide some reimbursement to responding agencies.

### **1.4.2 Service Delivery Options for the South County Region**

The cities of Morgan Hill and Gilroy and adjacent unincorporated areas constitute the “south County” region. Three fire and emergency services departments currently serve different parts of this area:

1. CCFD serves the City of Morgan Hill by contract.
2. The Gilroy Fire Department serves the City of Gilroy.
3. SCFD serves unincorporated areas in the region through a contract with CAL FIRE.

The three agencies are dependent on mutual and automatic aid to provide appropriate response to the combined service area. A working group of city management, county management and management from the three fire departments has been created, with the goal of moving to a regional approach to fire and EMS. The working group has initiated a shared battalion chief pilot program and is evaluating options for a fully-integrated regional approach.

### **1.4.3 Fire Districts Contracting for Service with another Fire District**

The Saratoga and Los Altos Hills fire districts both contract with the CCFD for service. Annexation of the Saratoga and Los Altos Hills fire districts to the CCFD would result in reduced administrative costs and would make accountability for service more transparent. By continuing their status as separate districts, residents have greater certainty about the ability to provide supplementary services and maintain choice for contracting with alternative service providers. Representatives of both districts expressed their interest in remaining independent.

Meeting notification practices of the districts meet the minimum requirements of state law. The lack of important financial and governance information on their websites makes it difficult for district residents to become informed about the finances and activities of the districts.

### **1.4.4 Communications**

Fourteen public safety answering points (PSAPs) are involved in dispatching fire apparatus. The 14 agencies operate on four radio bands and frequencies. This fragmentation is a significant barrier for achieving efficiencies and improving the overall effectiveness of the fire/EMS system. Consolidation of fire communications would most likely increase costs for those agencies that maintain communications units responsible for police dispatch. Consolidating all public safety dispatch could yield significant savings. Recognizing the shortcomings of the current system and the difficulty of consolidation, the Silicon Valley Regional Interoperability Authority (SVRIA), a joint powers authority



(JPA) consisting of all public safety agencies in the County, is working to “virtually” consolidate communication systems.

#### **1.4.5 Competitive Service Contracting**

Certain jurisdictions that are responsible for fire and EMS fulfill this responsibility by contracting with another agency for service delivery. The cities of Los Altos, Campbell and Morgan Hill and the Saratoga and Los Altos Hills Districts contract for service with the CCFD. The SCFD contracts with CAL FIRE. Municipalities providing services directly have the ability to contract with another agency. As service providers have different cost structures, contracting could result in lower costs for some agencies.

#### **1.4.6 Strategic Paramedic Placement**

With the exceptions of Sunnyvale and Santa Clara, the practice of all agencies is to have at least one firefighter/paramedic on each engine. As response times are consistently above the 90% County EMS standard (95% to 98% for all agencies) it may be possible to meet the County EMS first-responder standard at lower cost with fewer paramedics strategically placed throughout the County. A countywide study of paramedic placement necessary to meet the EMS response standards would identify whether this approach could reduce service costs.

#### **1.4.7 Training**

Each agency provides training for its personnel. The amount of resources devoted to training and the adequacy of training facilities varies among agencies. Some agencies have had to reduce training programs and budgets because of financial conditions, which has resulted in some agencies providing only mandated training. Multi-agency training facilities and shared training staff could allow dollars to go further and improve personnel capacity on a countywide basis. Joint training would improve overall response effectiveness.

#### **1.4.8 Prevention**

All fire departments provide fire prevention services including new construction plan check and inspection, mandated building inspections and arson investigation. CCFD provides new construction services in all unincorporated areas of the County. Maintaining several fire prevention bureaus results in duplication of management and support costs. Savings could be achieved by integrating prevention activities into fewer administrative units.

#### **1.4.9 Apparatus Maintenance**

All nine providers have apparatus maintained by an in-house unit. Maintenance of fire apparatus is specialized, requiring certified fire mechanics. Developing

shared apparatus maintenance facilities could produce some economies of scale and savings for participating departments.

#### **1.4.10 Apparatus Purchasing**

Each department generally develops specifications for their apparatus and each unit is custom-manufactured. With engines costing from \$500,000 to \$750,000 each, the opportunity for multiple agencies to develop a common apparatus specification and competitively bid uniform vehicles offers the potential for significant savings. Development of a common apparatus fleet over time would help facilitate a shared maintenance function, generate savings through the standardization of parts, and facilitate improved coordination of multiple departments at large-scale incidents.

#### **1.4.11 Consolidation of Stations and Apparatus**

In some cases, stations and engine companies are located in close enough proximity that they could be combined and, with fewer apparatus, be capable of meeting response standards to all areas. This would result in savings to the affected agencies. A broad overview of stations and apparatus has identified station pairings where consolidation may be feasible.

#### **1.4.12 Other Service Delivery Changes**

Public agencies are increasingly implementing alternatives to the traditional models of service delivery out of financial necessity. The most significant opportunity for financial savings and improved service is the consolidation of all public safety communications. In addition to those summarized above, other opportunities include: combining multiple departments into a single department; sharing battalion chiefs or command staffs; boundary drops; and alternative shift schedules and apparatus deployment plans.