



Lou Ann Texeira  
Executive Officer

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*Special District Member*

July 10, 2013

July 10, 2013  
Agenda Item 10

Contra Costa Local Agency Formation Commission  
651 Pine Street, Sixth Floor  
Martinez, CA 94553

**Contra Costa County 2012-13 Grand Jury Report No. 1306  
“County EMS and Fire Services: A Step in the Right Direction”**

Dear Members of the Commission:

On June 3, 2013, Contra Costa LAFCO received Contra Costa County Grand Jury Report No. 1306, “County EMS and Fire Services: A Step in the Right Direction – An Acknowledgement of Real Problem – The Money and the Model” (Attachment 1). The report looks at Contra Costa County’s efforts to study alternative EMS and fire service delivery models, and the potential for LAFCO to conduct a second round Municipal Service Review covering these services.

Contra Costa LAFCO is required to respond to Report No. 1306 by August 29, 2013. The Government Code requires that the responding entity reply to each finding and recommendation. LAFCO staff has drafted a response (Attachment 2) for the Commission’s consideration.

RECOMMENDATION

It is recommended that the Commission approve the attached response to Grand Jury Report No. 1306, with any changes as desired; and direct LAFCO staff to forward the response prior to August 29, 2013.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

c: Distribution

Attachments:

- 1. Grand Jury Report No. 1306 “County EMS and Fire Services: A Step in the Right Direction?”
- 2. Draft Response to Grand Jury Report No. 1306



May 29, 2013

Federal Glover, Chairman  
Contra Costa County Local Agency Formation Commission  
651 Pine Street  
Martinez, CA 94553

Dear Chairman Glover:

Attached is a copy of **Grand Jury Report No. 1306, "County EMS and Fire Services: A Step In The Right Direction"** by the 2012-2013 Contra Costa Grand Jury.

In accordance with California Penal Code Section 933.05, this report is being provided to you at least two working days before it is released publicly.

Section 933.5(a) of the California Government Code requires that (the responding person or entity shall report one of the following actions) in respect to each finding:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees with the finding.
- (3) The respondent partially disagrees with the finding.

In the cases of both (2) and (3) above, the respondent shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons therefore.

In addition, Section 933.05(b) requires that the respondent reply to each recommendation by stating one of the following actions:

1. The recommendation has been implemented, with a summary describing the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report.

4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.

Please be reminded that Section 933.05 specifies that no officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to its public release. Please insure that your response to the above noted Grand Jury report includes the mandated items. We will expect your response, using the form described by the quoted Government Code, no later than **AUGUST 29, 2013.**

It would be greatly appreciated if you could send this response in hard copy to the Grand Jury as well as by e-mail to [clope2@contracosta.courts.ca.gov](mailto:clope2@contracosta.courts.ca.gov) (Word document).

Sincerely,



Marc Hamaji, Foreperson  
2012-2013 Contra Costa County Civil Grand Jury

**A REPORT BY  
THE 2012-2013 CONTRA COSTA COUNTY GRAND JURY**

725 Court Street  
Martinez, California 94553



**Report 1306**

# **COUNTY EMS and FIRE SERVICES: A STEP IN THE RIGHT DIRECTION**

**An Acknowledgment of the Real Problem--The Money and the Model**

APPROVED BY THE GRAND JURY:

Date: 5/21/2013

  
\_\_\_\_\_  
MARC HAMAJI  
GRAND JURY FOREPERSON

ACCEPTED FOR FILING:

Date: 5/29/13

  
\_\_\_\_\_  
JOHN T. LAETTNER  
JUDGE OF THE SUPERIOR COURT

Contra Costa County Grand Jury Report 1306

## COUNTY EMS and FIRE SERVICES: A STEP IN THE RIGHT DIRECTION

### An Acknowledgment of the Real Problem--The Money and the Model

**TO:** Contra Costa County Fire Protection Districts and Agencies  
Contra Costa County Board of Supervisors  
Contra Costa County Local Agency Formation Commission (LAFCO)

### SUMMARY

Confronted with an unwillingness on the part of citizens to vote for ballot initiatives to increase funding to support current fire protection and emergency response service models, the Board of Supervisors of Contra Costa County has taken an important step in identifying new, alternative delivery models that potentially hold the promise, if implemented, for greatly improved efficiency and better alignment with budgetary constraints.

By hiring an independent consultant, Fitch & Associates, LLC (Fitch), to review current practices, evaluate current needs, and make recommendations on how best to provide a realistic level of service for citizens, the Board acknowledged the need for a better model. The results of the study may have implications for fire districts throughout the County.

It is encouraging that the County has requested, and the consultant has promised, that a “greenfield” or “whiteboard” approach will be taken, one that allows a thorough review of the status quo and consideration of new and innovative ways to provide acceptable service in a cost-effective manner.

Much work will remain to be done after the report has been completed near the end of the year. The timing appears to be excellent for a long-overdue, collaborative effort between fire districts and the Local Agency Formation Commission (LAFCO). Cooperation, commitment, and leadership from fire boards, LAFCO, and the Board of Supervisors will be critical to move the process forward and address the concerns of all interested parties.

### METHODOLOGY

1. Review of Grand Jury Report #1202, “Fire Protection – What Can You Afford, *It’s Your Choice*”, and the responses to its findings and recommendations.

*[http://www.cc-courts.org/\\_data/n\\_0038/resources/live/rpt1202r1.pdf](http://www.cc-courts.org/_data/n_0038/resources/live/rpt1202r1.pdf)*

2. Review of Grand Jury Report #1211, "Contra Costa County Fire Protection and Emergency Response Services, *Leveraging Combined Strengths to Address Individual Weaknesses*", and the responses to its findings and recommendations.

[http://www.cc-courts.org/\\_data/n\\_0038/resources/live/rpt1211r1.pdf](http://www.cc-courts.org/_data/n_0038/resources/live/rpt1211r1.pdf)

3. Discussion of the fire and emergency medical services issues and the desired benefits of the commissioned independent consultant reports with Contra Costa County officials.
4. Discussion of the fire and emergency medical services issues and planned LAFCO activities with several LAFCO Commissioners.
5. Review of project proposals from the independent consultant who will conduct the studies.
6. Review of recommendations approved by the Board of Supervisors related to conducting the studies.
7. Review of the Purchase Orders issued to the consultant for the studies.

## **BACKGROUND**

Fire protection and emergency response service providers in Contra Costa County continue to be pressured to align funds available, which have been severely depleted, with the costs required to operate at levels consistent with citizen expectations. Some agencies are now on the verge of insolvency, even as they make equipment and personnel reductions. Others are rapidly depleting their reserves, hoping that an economic recovery and increased real estate values will come soon enough for them to avoid similar situations.

From the beginning of the recession, fire districts tried to adjust operations in traditional ways by reducing staff and the number of active locations. They also called for scheduled pay increases to be postponed or waived and requested relief from employee healthcare and pension contributions. While these cost reductions contributed to narrowing the gap between operating costs and available funding, a major source of potential savings was not pursued-- implementation of new service models. The fire districts in the most distress, instead, chose to ask for more money.

In 2012, voters in two fire protection districts, the East Contra Costa County Fire Protection District and the Contra Costa County Fire Protection District, failed to approve ballot initiatives designed to generate supplementary funding to support the continuation of existing service models. The result of each of those ballot initiatives signified the unwillingness of citizens to provide more money for fire and emergency response services.

The 2011-2012 Contra Costa County Grand Jury wrote two reports during its term of empanelment discussing the challenges facing the East Contra Costa District (Report #1202), in particular, and in general, all fire districts within the County (Report #1211). Both reports highlighted a need for fire agencies to examine alternative structures and operating models that, if implemented, might optimize the use of available funds and better align available resources, personnel and equipment, with the realistic expectations of service levels of citizens. Supporting this position, Report #1211 stated the following as one of its findings:

“Other California fire agencies have successfully implemented innovative cost reduction models and strategies, often by consolidating fire agencies, after engaging external consultants with industry expertise.”

Furthermore, Report #1211 made the following recommendation:

“All fire agencies and the County should conduct, on an individual agency and county-wide basis, evaluations of alternative service models utilizing independent consultants with a history of analyzing fire agency challenges.”

Following the ballot defeat of their funding initiative in the November, 2012 election, the Board of Supervisors of Contra Costa County authorized the engagement of an independent consultant to (a) review and evaluate the current fire and emergency response service practices of the Contra Costa County Fire Protection District and (b) make recommendations regarding service model changes that, if implemented, could provide the foundation for cost-effective, efficient, and safe delivery of those services to citizens for the foreseeable future. The project has been put under the direction of the County Administrator, David Twa, and is expected to result in a report to the Board by the end of 2013.

Fitch was contracted by the Board, at a cost of approximately \$400,000, to “determine the optimal fire and first response coverage that can be provided within the County Fire Protection District’s defined fiscal limitations.” They will do this through two separate studies-- one focusing on fire protection and one on response for medical emergencies.

In a statement in its proposal echoing key points of Report #1211, Fitch states:

“Jurisdictions throughout the country, and especially in California, are facing a new reality in the provision of public services. Fiscal resources are unable to sustain the traditional methods and scope of providing services to the community. Concurrently the taxpayers are unwilling to increase their contributions to fund the status quo, let alone increased service levels.”

“In this environment, it is incumbent on government to explore options for the delivery of essential services.”

Report #1211 challenged fire districts to move “outside the box” in their search for new ways to provide services. One County official recently described the current approach to providing fire and emergency response services as “using a 19<sup>th</sup> century service model to try and meet 21<sup>st</sup> century service needs.” In their study proposal for emergency response services, Fitch also will examine whether the status quo provides optimal service and states:

“Fitch & Associates proposes to conduct an evaluation of the Contra Costa County EMS system utilizing a “greenfield or whiteboard” approach. These methodologies begin with no preconceptions that the current system is doing what it should be doing and in the manner that produces the greatest benefit... This structured process allows questioning of the status quo; including services and the manner they are delivered, performance requirements, roles, goals, and visions for the future. All options are available for consideration, and it allows for potential fundamental changes in funding, structure, and activities.”

Report #1211 included the following recommendation:

“Fire agencies, LAFCO, and the County should find ways to cooperate with one another in the evaluation and adoption of alternative service delivery models.”

Fitch, in its proposal, in alignment with the Grand Jury’s position, has stated:

“Developing an implementable model requires a highly collaborative approach that engages system stakeholders.”

Coincidentally, while the study is taking place, the Contra Costa County Local Agency Formation Commission (LAFCO), as part of its ongoing responsibilities, will be scheduling Municipal Service Reviews (MSRs) of all fire and emergency medical service providers in the County. These MSRs are intended to include review, analysis, and evaluation of the governance structures of those providers, the relative efficiency of how they conduct their operations, and the quality of the delivery of those services. One of the objectives of the MSRs is to identify opportunities for greater coordination and cooperation among service providers.

The timing of the Board of Supervisors’ commissioning of independent studies and LAFCO’s MSR activities may create an environment in which a meaningful solution to the ongoing fiscal problems associated with providing fire and emergency response services can be identified, a solution that includes changes to the delivery model. However, this would only be a first step in the process. It will then be up to the fire boards for the districts in the County to take note of three other Grand Jury observations included in Report #1211:

“In the long term, approaching common problems at a County-wide regional level could offer additional solutions.”

“Creating and pursuing a County-wide strategy will require extraordinary leadership and cooperation at both the County and individual district levels.”

“They should leverage their collective strengths to identify and implement the best way to address their collective weaknesses.”

## **FINDINGS**

1. The Board of Supervisors has taken a step in a process to identify and implement a more efficient and cost-effective fire service and emergency medical response model by commissioning studies to review and analyze current fire protection and emergency medical response practices of the County Fire Protection District and to make recommendations of alternative approaches.
2. The timing of the commissioned studies, which coincide with LAFCO’s plan to undertake MSRs of the fire districts in the County, presents an excellent opportunity to develop improved fire protection and emergency medical response operations in the districts and throughout the County.
3. Cooperation between the County and fire district governing bodies is critical to successfully transition to new models of providing fire protection and emergency medical response services.



## RECOMMENDATIONS

The Grand Jury recommends that:

1. The Contra Costa County Board of Supervisors consider sharing the written studies prepared by Fitch and Associates with all other fire protection districts in the County and that the County and fire districts consider using those studies as the basis for future discussions exploring opportunities to leverage strengths and optimize the delivery of services throughout the County.
2. The Contra Costa County Board of Supervisors consider sharing studies by Fitch and Associates with LAFCO and LAFCO consider postponing MSR's for fire districts until the studies are available and can be used to provide updated context for LAFCO's reviews and analyses, provided that LAFCO does not delay issuing any such MSR beyond the time that it is required to do so by applicable California statute.
3. No fire districts consider any revenue-generation ballot initiatives until results of the studies have been reviewed and evaluated and plans have been developed by each district to implement any agreed-upon "best practices" that may be included in those studies.
4. LAFCO consider identifying funds to issue an annual, written status report regarding efficiency improvement and model optimization activities within County fire districts.

## REQUIRED RESPONSES

	<u>Findings</u>	<u>Recommendations</u>
Contra Costa County Board of Supervisors	1, 2, 3	1, 2, 3
LAFCO	2, 3	2, 4
City Of El Cerrito Fire Department	1, 2, 3	3
City of Pinole Fire Department	1, 2, 3	3
City of Richmond Fire Department	1, 2, 3	3
Contra Costa County Fire Protection District	1, 2, 3	3
Crockett-Carquinez Fire Protection District	1, 2, 3	3
East Contra Costa Fire Protection District	1, 2, 3	3
Kensington Fire Protection District	1, 2, 3	3
Moraga-Orinda Fire District	1, 2, 3	3
Rodeo-Hercules Fire Protection District	1, 2, 3	3
San Ramon Valley Fire Protection District	1, 2, 3	3

## CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

651 Pine Street, Sixth Floor • Martinez, CA 94553-1229

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Lou Ann Teixeira  
Executive Officer

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July 10, 2013

Marc Hamaji, Foreperson  
2012-13 Contra Costa County Civil Grand Jury  
725 Court Street  
P.O. Box 431  
Martinez, CA 94553-0091

Dear Mr. Hamaji:

On June 3, 2013, the Contra Costa Local Agency Formation Commission (LAFCO) received Grand Jury Report No. 1306, entitled "*County EMS and Fire Services: A Step in the Right Direction.*"

On July 10, the Commission reviewed the draft response to the Grand Jury, provided input and directed LAFCO staff to submit a response by the August 29<sup>th</sup> deadline.

We hereby submit the response below which addresses the findings and recommendations contained in Grand Jury Report No. 1306.

## FINDINGS

2. The timing of the commissioned studies, which coincide with LAFCO's plan to undertake MSRs of fire districts in the County, presents an excellent opportunity to develop improved fire protection and emergency medical response operations in the districts and throughout the County.

**Response:** *The respondent agrees with the finding. At its Strategic Planning Session on April 15, 2013, the Commission discussed the potential for preparing a Municipal Service Review (MSR) of EMS and fire services following the County studies. A LAFCO MSR will cover services provided by the County, districts, cities and other agencies as determined by LAFCO.*

3. Cooperation between the County and fire district governing bodies is critical to successfully transition to new models of providing fire protection and emergency medical services.

**Response:** *The respondent agrees with the finding. Special districts are part of a larger system of EMS and fire service automatic and mutual aid providers in Contra Costa County, which also*

*includes regional, State and private service providers. Cooperation among other agencies may also be needed to support a change or transition in services.*

*The County studies may identify alternative service models that do not require LAFCO involvement (e.g., functional consolidation, MOUs, JPAs, etc.). As well, the County studies may identify service options that will require LAFCO involvement (e.g., annexation, consolidation, dissolution, etc.).*

*Contra Costa LAFCO stands ready to assist and cooperate.*

## **RECOMMENDATIONS**

2. The Contra Costa County Board of Supervisors consider sharing studies by Fitch and Associates with LAFCO, and LAFCO consider postponing MSR for fire districts until the studies are available and can be used to provide updated context for LAFCO's reviews and analysis, provided that LAFCO does not delay issuing any such MSR beyond the time that it is required to do so by applicable California statute.

**Response:** *The recommendation requires further analysis. At its Strategic Planning Session in April 2013, the Commission discussed the potential for preparing an MSR covering EMS and fire services. The Commission also discussed the possible timing of such review following completion of the County's EMS and fire studies.*

*Pursuant to Government Code section 56425, "on or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence (SOI)." Government Code section 56430 provides that "in order to prepare and to update SOIs in accordance with Section 56425, the commission shall conduct a service review of the municipal services..."*

*Contra Costa LAFCO completed a comprehensive MSR covering EMS and fire service in October 2009. In conjunction with this MSR, LAFCO updated the SOIs for a number of the EMS and fire service providers.*

*The purpose of the MSRs and SOI updates is to inform the Commission in anticipation of future boundary changes.*

*Should the Commission determine it is necessary to update SOIs for fire and EMS agencies, then an MSR will be prepared. The Commission's decision will depend on a number of factors, including, but not limited to, outcomes of the County's EMS and fire studies, and availability of LAFCO resources.*

1. LAFCO consider identifying funds to issue an annual, written status report regarding efficiency improvements and model optimization activities within County fire districts.

**Response:** *The recommendation will not be implemented because it is not warranted and is not reasonable. Such annual status reports are not within the scope of LAFCO's authority.*

*Among the most fundamental purposes of LAFCO are to discourage urban sprawl, preserve open-space and prime agricultural lands, foster the efficient provision of municipal services, and encourage the orderly formation and development of local agencies based upon local conditions and circumstances (Gov. Code §§56001, 56300, and 56301).*

*In support of these purposes, LAFCO may prepare studies and obtain and furnish information which may contribute to the logical and reasonable development of local agencies and help shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities. Such studies are generally broad in scope (i.e., countywide or sub-regional) and are intended to inform the Commission, local agencies and the public in anticipation of future boundary changes.*

*As noted above, LAFCOs may prepare MSR in conjunction with SOIs updates, as necessary. In accordance with an MSR, LAFCO shall prepare written determinations with respect to each of the following:*

- 1) Growth and population projections for the affected area.*
- 2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*
- 3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.*
- 4) Financial ability of agencies to provide services.*
- 5) Status of, and opportunities for, shared facilities.*
- 6) Accountability for community service needs, including governmental structure and operational efficiencies.*
- 7) Any other matter related to effective or efficient service delivery, as required by commission policy.*

*Contra Costa LAFCO MSR typically include a review of efficiencies and service models within the scope of LAFCO.*

We appreciate the opportunity to submit these comments, and hope they provide a better understanding of the role of LAFCO.

Sincerely,

Federal Glover  
Chair, Contra Costa LAFCO