



BOARD AGENDA ITEM

BOARD DATE: April 9, 2024
TO: Board of Supervisors
FROM: Mike van Loben Sels, Fire Chief
SUBJECT: Fire Protection Services in Merced County

RECOMMENDED ACTION(S):

- 1) Approve the consolidation of Stations 92 in Ballico and 64 in Cressey into a single unified station in Ballico and repurpose Station 64 in Cressey as a volunteer only station effective June 30, 2024, redirecting existing staff to alternate locations.
- 2) Approve the consolidation of Stations 76 in Dos Palos with 75 in Dos Palos Wye into a single unified station in Dos Palos Wye effective June 30, 2024, and redirect staff to alternate locations.
- 3) Approve the removal of Cal Fire staffing at Station 96 in the City of Livingston effective June 30, 2024, and redirect staff to alternate locations. Stations 64 in Cressey, 91 in Delhi and 95 in Hilmar will cover the service areas.
- 4) Approve the closure of Station 85 (McKee) in Merced effective October 1, 2024, and redirect staff to alternate locations. Stations 81 in Merced and 86 in Planada will cover the service areas.
- 5) Direct staff to facilitate changes to Cal Fire agreement effective July 1, 2024, based upon Board actions taken on items 1-4 above and program corresponding Net County Cost requirements.

EXECUTIVE SUMMARY:

The County of Merced was established in 1855 and has been responsible for the provision of fire protection services to the residents in the unincorporated areas. On July 1, 1988, the Merced County Board of Supervisors authorized a contract for fire protection and emergency medical services with the California Department of Forestry and Fire Protection (CAL FIRE). A Cooperative Fire Protection Agreement has been maintained with CAL FIRE since 1988 to provide Merced County with the protection of life and property from fires and other emergencies.

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STAFFING IMPACT: Personnel will undergo reassignment across the entire County based on the actions approved by the Board as part of this item. Staffing increases for various scenarios range from 3 new positions up to 27 new positions, depending on station selections.

FISCAL IMPACT: Action taken by the Board of Supervisors to meet the State's staffing requirements and the corresponding station consolidation/elimination implemented to provide cost efficiencies will have varying impacts. Annual amounts range from an increased need in Net County Cost by a minimum of \$760,000 and up to \$6,900,000.

ATTACHMENTS: None.

REQUIRED REVIEWERS: Auditor Admin Services Risk Counsel CEO

DEPARTMENT CONTACT: Mark Pimentel, Assistant Fire Chief, (209) 385-7344, Ext. 4860

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EXECUTIVE SUMMARY (continued from page 1):

Fire protection services provided by CAL FIRE include: emergency fire protection; medical and rescue response; basic life support services; dispatch services; fire code inspection, prevention and enforcement services; disaster planning services; administration of the division's operations, including the Office of Emergency Services (OES) and the Hazard Abatement Program, Operational Permit Inspection Program and the annual Safe & Sane Fireworks Program. CAL FIRE also manages the Department's employee training program for the purposes of testing and certifying employees for competence. The CAL FIRE agreement provides for the staffing of 19 fire stations, of which 3 stations provide services to incorporated cities (Livingston, Gustine and Dos Palos) within Merced County.

On February 16, 2023, Merced County was notified by the California Department of Forestry and Fire Protection of the requirement to comply with a standard of 2-0 minimum staffing based on a 3.0 staffing factor for each station by November 1, 2024. Of all the jurisdictions utilizing CAL FIRE for fire protection services, Merced County is the last to operate with 1-0 staffing, which is the case at 3 of the 19 fire stations. The requirement to include 2-0 minimum staffing means there are two fire personnel on duty twenty-four hours a day in a station to staff a firefighting apparatus. While compliance with the 2-0 staffing levels will provide an enhanced level of service for the community and safety for the fire personnel, it also comes with a substantial increase in the cost of the CAL FIRE contract. It is estimated that complete compliance with the State's increased staffing requirement would require additional funding at approximately \$9,000,000 per year. Funding for fire services in Merced County have traditionally been covered by an established allocation of property tax revenues; however, increases to staffing levels would require additional contributions from other sources, namely the County's discretionary funding.

In response to the State's increased staffing requirement, various options have been considered and analyzed to ensure an adequate level of service while utilizing taxpayer funds in the most prudent manner. There are also several Fire stations within close proximity to each other which can be consolidated providing efficiencies and reducing costs. Additionally, the County cannot absorb the financial impact of compliance for all 19 fire stations. On June 27, 2023, the Board of Supervisors approved an annual contract renewal with CAL FIRE which included a 20.5% increase in costs for the provision of services. The total increase amounted to \$4,285,395 when compared to the prior year's annual cost. The increased cost is comprised of annual adjustments associated with personnel and collective bargaining agreements with CAL FIRE employees and an addition of 12 Fire Apparatus Engineers (FAE). The action taken by the Board in June 2023 provided for 2-0 staffing levels in the 16 stations that serve the unincorporated areas of Merced County in an effort to strategically implement the staffing requirement. Research and analysis have been conducted to provide a recommendation for consolidation of certain fire stations as a cost saving strategy without significantly compromising response times. Additionally, it is important for each incorporated city (Livingston, Gustine, Dos Palos) to cost-share for services provided in their respective jurisdiction. County staff have engaged in negotiations but ultimately the process resulted in a lack of commitment at this time due to fiscal limitations by all three jurisdictions. If additional funds are not secured from the cities or other sources, County services will need to be consolidated in those areas, which will supplement operations currently provided by each City-operated station into other areas.

Merced County Fire/CAL FIRE's Current Staffing Situation

As part of the Board's action in June 2023, which added 12 FAEs and required a Net County Cost contribution of \$2,900,000, it was made known that certain items would still require additional Board action to ensure compliance with the State's mandated staffing levels by November 1, 2024. To finalize 2-0 staffing levels in all CAL FIRE-operated stations, the locations serving the incorporated cities of Livingston, Gustine and Dos Palos require additional FAEs. Additionally, compliance for a 3.0 staffing factor requires access to 6 personnel for each station on any given shift rotation, which would also necessitate an increase in staffing for all 19 stations. It is estimated that addressing these items without considering cost-saving alternatives would require an additional \$6,900,000 in Net County Cost and would add 27 new FAEs.

If the Board were to consider certain alternatives as outlined below, the fiscal impact could be reduced in varying amounts.

Alternative A: Consolidate Stations 92 (Ballico) and 64 (Cressey) and Eliminate Station 85 (McKee)

This alternative suggests optimizing operational efficiency and reducing the need for additional Net County Cost by consolidating Station 92 in Ballico and Station 64 in Cressey into a single unified operation at Station 92. By redirecting staff and resources, this consolidation aims to maintain essential firefighting and emergency response services while reducing the need for additional personnel. The recommendation is to merge these two stations, which are in close proximity, to enhance efficiency and cost-effectiveness. Additionally, it is proposed to redirect staffing at Station 85 in McKee at the end of the current contract with UC Merced effective October 1, 2024, allowing Stations 81 in Merced and 86 in Planada to cover the service. As UC Merced transitions fire services, Station 85 would ultimately be relieved from County service. Implementation of this alternative would reduce the requirement of \$6,900,000 in Net County Cost by \$3,100,000 and only require \$3,800,000 for the additional 15 new FAEs.

Alternative B: Consolidate Stations 92 & 64, Eliminate Station 85, Consolidate Stations 76 (Dos Palos) and 75 (Dos Palos Wye) and Eliminate Station 96 (Livingston)

This alternative includes recommendations in Alternative A and adds the redirection of staff at Station 96 in the City of Livingston and Station 76 in the City of Dos Palos. The aim is to optimize resource allocation and ensure efficient coverage while addressing budget constraints. The recommendation involves merging Station 76 in Dos Palos City and Station 75 in Dos Palos Wye into a single unified operation at Station 75. Station 96 in Livingston City is proposed to be relieved from County service and financial obligation. Implementation of this alternative would reduce the requirement of \$6,900,000 in Net County Cost by \$6,140,000 for a total of \$760,000 to add 3 new FAEs. An option is available for each of the incorporated cities impacted by this action to provide financial support to cover the cost of service. The location of the proposed closures bolster services within city limits, which are the obligation of the respective jurisdiction. Merced County will be available to support mutual aid requests and calls for service from the redirected locations.

Considerations for County Compliance

Research of historical staffing options was reviewed to better understand creative alternatives for addressing staffing requirements. Paid-Call Firefighters (PCF) were heavily relied on in the past, but due to State training requirements, conflicts with their other employers, and time commitments, it has become harder to retain PCFs. Due to current PCF staffing levels, it is essential to assess the longer-term implications and wider consequences of the services provided, as well as the safety of fire staff, in order to deliver the higher quality of service required.

In an effort to identify funding sources for contract costs, County staff have had extensive conversations with city staff in Livingston, Gustine and Dos Palos with the intention of negotiating a solution to continue to provide the current level of fire service for these incorporated cities and redistribute costs to the appropriate end user. Unfortunately, the outcome of those conversations did not result in any financial commitments, as of this time, from the 3 incorporated cities to cover their share of service costs. To safeguard the County's limited financial resources, the considerations above provide solutions to ensure the public's safety within areas of responsibility.

Certain intangible benefits are included in the CAL FIRE Cooperative Fire Agreement, which provides tremendous value for Merced County. As a recipient of CAL FIRE's services, Merced County has access to the following resources at no additional cost to the annual contract: fire dispatch; local emergency activation/infrastructure; equipment; staff training/academy; Human Resources, Legal Counsel and Fiscal support by the State; access to additional staffing resources in other counties (e.g. staff coverage for sick, vacation, leave of absence, etc); Workers Compensation claims and coverage; and the administration of the Public Safety Retirement costs for fire fighters. All of these benefits are utilized regularly; however, it is important to note the impact of the local emergency activation and infrastructure which provided critical

support during the 2023 Flood Events. As a beneficiary of the State's network of resources, immediate enhancement to staffing and other critical tools during emergencies is invaluable when response efforts matter most. Alternatively, a standalone local organization may have to rely on other indirect processes to access assistance.

For the purposes of comparison, staff prepared a summary of anticipated costs if the Board had a desire to implement fire services as a county department instead of contracting fire protection services to CAL FIRE. It was determined that the estimated annual cost would exceed the most recent annual CAL FIRE contract by more than \$3,500,000. Additionally, it was estimated that more than \$13,000,000 in one-time costs would be required to establish Merced County as a standalone fire agency. There are other costs that could not be calculated such as the impacts for an enhanced utilization of public safety retirement and the associated pension liability, potential litigation, availability of fire staff to employ and retain, as well as other critical industry needs and infrastructure. In order for these costs to be completely analyzed, an independent operational study for a stand-alone county department would need to be commissioned with an outside firm.

Insufficient staffing created by the 1-0 staffing model poses challenges for effective fire department operations in Merced County. The urgency to address staffing issues in Merced County is necessitated by the State's regulatory change, requiring a minimum staffing level of 2-0 and a 3.0 factor for all facilities within a CAL FIRE agreement, effective November 1, 2024. Each option provided for consideration presents a strategic approach to address the staffing shortage, considering community safety, operational efficiency and cost-effectiveness. The decision-making process should weigh the benefits and drawbacks of each option in the context of Merced County's unique firefighting needs and current model.

In response to the evolving demands and critical responsibilities associated with fire protection services within Merced County, the Merced County Fire Department is presenting this proposal for Board consideration and action, which outlines essential requirements for additional funding and staffing levels. Full implementation of Alternative B outlined above provides the most effective use of taxpayer funds and ensures and preserves the community's safety. As Merced County continues to grow, the fire department is ready to adapt and to provide public safety, employee safety, emergency response, and fire prevention.