

# *City of Brisbane Agenda Report*

To: Mayor & City Council  
To: Ron Myers, Fire Chief  
Subject: Response to 2011-2012 San Mateo County Grand Jury Report  
"The County, San Carlos and Cal Fire, A Missed Opportunity"

## **RECOMMENDATION**

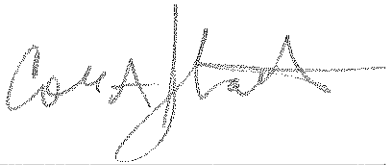
Authorize the City Manager to send a letter of response to the 2011-2012 San Mateo Grand Jury Report

## **BACKGROUND**

The 2011-2012 San Mateo County Grand Jury reviewed the issue regarding the efforts to replace the dissolved Belmont-San Carlos Fire Department. (See attached report.)

## **DISCUSSION**

There are two recommendations contained within the report filed by the 2011-2012 San Mateo County Grand Jury which have been addressed in the letter of response. Further with regard to the findings contained with the Grand Jury Report, the City of Brisbane was not part of the study, process or the discussions regarding the dissolution of the Belmont-San Carlos Fire Department and therefore does not have the knowledge necessary to agree or disagree with the findings.



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Ron Myers, Fire Chief



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Clay Holstine, City Manager

May 8, 2012

Honorable Gerald J. Bucwald  
Superior Court Judge, County of San Mateo  
Hall of Justice and Records  
400 County Center, 8<sup>th</sup> Floor  
Redwood City, CA 94063-1665

RE: Grand Jury Report "The County, San Carlos, and Cal-Fire, A Missed Opportunity"

Dear Honorable Judge Buchwald:

Please accept this letter in response to the 2011-2012 San Mateo County Grand Jury Report filed February 15, 2012 "The County, San Carlos, and Cal-Fire, A Missed Opportunity". This response was presented and approved by the Brisbane City Council at its regular meeting of May 7, 2012.

With regard to the finding contained within the Grand Jury Report, the City of Brisbane was not a part of the study, process or the discussions regarding the dissolution of the Belmont-San Carlos Fire Department and therefore does not have the knowledge necessary to agree or disagree with the findings.

The following are the responses to the recommendations contained with the report.

**Recommendation 1. – When assessing alternative approaches to local fire protection, CAL-FIRE should be considered as one alternative.** The City of Brisbane, along with the City of Daly City and the City of Pacifica has been a member of the North County Fire Authority since 2003. This JPA has proven to be a very beneficial and cost effective approach to providing for and delivering fire protection and emergency medical services. The recommendation has not been implemented, but would be considered should the City of Brisbane determine the need.

**Recommendation 2. – Include local fire union representatives in community discussions concerning department consolidation, regionalization or replacement; make financial considerations and differing expense models known to all concerned parties and citizens.** As with the development and implementation of the North County Fire Authority, an interest based approach was utilized involving all stake holders and certainly would be considered for any future enhancements or need to make any decisions regarding fire services.

Should you need any additional information or have any questions please contact me.

Sincerely,

Clay Holstine  
Brisbane City Manager



# The County, San Carlos and Cal Fire, A Missed Opportunity?

Due  
May 15th

Issue | Background | Findings | Conclusions | Recommendations | Responses | Attachments

## Issue

Were the taxpayers of San Mateo County well served when the potential extension of CAL FIRE services to San Carlos was blocked by the Committee on Finance and Operations of the Board of Supervisors?

## Summary

After San Carlos decided to dissolve the joint Belmont-San Carlos Fire Department in April 2010, it initiated a search for a new provider of fire- protection services. In October, 2010, San Carlos issued an RFP (Request for Proposals) for fire services targeting local fire-service departments, including The California Department of Forestry and Fire Protection (CAL FIRE).

CAL FIRE currently provides fire services to the Coastside Fire Protection District which includes Half Moon Bay and other cities and, since 1962, to most of unincorporated San Mateo County. Its cost structure is the lowest of the non-volunteer fire departments serving the cities of San Mateo County due to the structure of its work schedule and lower employee salaries and benefits. CAL FIRE has an excellent reputation.

CAL FIRE appeared ready to release a proposal in response to the San Carlos RFP. However, instead of receiving the expected proposal from CAL FIRE, San Carlos received a fax from CAL FIRE stating that due, in part, to political and union pressures and fearful of having to defend against legal challenges, it would not be submitting the expected proposal. San Carlos then requested that the County allow San Carlos to subcontract for fire services with CAL FIRE through the County's CAL FIRE contract.

The San Carlos request was addressed by the Finance and Operations (F&O) Committee of the County's Board of Supervisors at two meetings, in January and February of 2011. Had San Carlos been added to the County's CAL FIRE contract, both the County and San Carlos could have fiscally benefited from the arrangement. However the F&O Committee declined to forward the potential agreement to the full Board of Supervisors for consideration.

During the course of its public deliberations, the F&O Committee did not address the fiscal benefits presented in the staff reports prepared for the two meetings. The contract between the County and Cal Fire is due to expire June 30, 2012.

The 2011-2012 San Mateo County Civil Grand Jury recommends to the County Board of Supervisors that it should (1) Renew its contract with CAL FIRE by June 30, 2012, unless there is a new, compelling, fiscal reason not to do so; (2) include a provision in any future contract negotiations that allows fiscally qualified cities to subcontract for CAL FIRE services through the County such that the County as well as the cities can benefit; (3) until the subcontract

provision is approved, allow fiscally qualified cities and fire districts in the County to subcontract services with CAL FIRE under the County's contract. The Grand Jury also recommends to San Mateo Cities and Fire Districts that CAL FIRE be considered as an alternative when assessing changes to local-agency fire protection and that local fire union representatives be included in community discussions concerning department consolidation, regionalization or replacement.

## **Background**

### **San Carlos Dissolves the Belmont-San Carlos Fire Department**

On April 12, 2010, San Carlos notified Belmont that it would be dissolving the Belmont-San Carlos Fire Department as of October 2011. The Fire Department had been jointly operated since 1979 (although it had been on the brink of a break up, previously, in 2004). San Carlos made the dissolution decision for three primary reasons. First, between 2005 and 2010, the cost for fire services to San Carlos had increased by about 30%. Second, the City of San Carlos was fiscally stressed (causing it to restructure its government and reduce staff numbers from 127 to 88). Third, under a complex cost-sharing formula, the San Carlos share for the fire services had gone from 47% to 53%, and efforts to renegotiate that formula with Belmont had failed. At the same time, San Carlos announced that it would freeze its current payments to the fire department at the 2009-2010 level of \$6.3 million and not pay its full 2011 share of \$7.1 million. Similarly, Belmont was to pay in at the 2009-10 level. The unpaid portion for both cities was to come from the Belmont-San Carlos Fire Department's cash reserves. The reserves would run out in October 2011, the dissolution date.

### **San Carlos Seeks a New Fire Service Provider**

With the help of a consulting firm, San Carlos determined that to optimize service and minimize costs it should partner with, or outsource services to, an existing fire-service provider. In October 2010 San Carlos issued a formal Request for Proposals, specifically soliciting responses from the Menlo Park Fire District, North County Fire District, City of San Mateo, Redwood City and The California Department of Forestry and Fire Protection (CAL FIRE).

CAL FIRE is the State agency responsible for fire protection services in designated State Responsibility Areas that are generally rural. CAL FIRE also provides fire protection services under contracts to a number of cities, fire districts and counties in the State. These include San Mateo County for most of its unincorporated area and the Coastside Fire Protection District in San Mateo County (comprised of the City and unincorporated areas of Half Moon Bay, and the unincorporated communities of Miramar, El Granada, Princeton-by-the-Sea, Moss Beach and Montara). These contracts are revenue neutral to the State.

### **CAL FIRE Offers a Lower-Cost Fire-Fighting Model**

Cal FIRE's cost structure is the lowest of the non-volunteer fire departments operating in San Mateo County. This results from the structure of its work schedule and its comparatively low employee salaries and benefits.

When hiring employees from existing fire-fighting units, the lower costs are not all immediately achieved. That is because CAL FIRE and the local jurisdiction generally agree to "red circle"

those employees, meaning their current annual salary levels are maintained until the salaries of other CAL FIRE employees catch up. However, some immediate savings are achieved due to scheduling differences. Unlike other fire departments in the County, CAL FIRE works on a 72-hour duty week, requiring a minimum of 7 persons to staff each engine with 3 people per day. All other fire departments operating in the County use a 56-hour model requiring at least 9 persons per engine for the same level of service. Although the 72-hour duty week model results in greater overtime pay, the overall cost is lower. (*See*, Table in Appendix 3, p.2)

The International Association of Fire Fighters (IAFF), Local 2400, which represents most of the fire fighters in San Mateo County, has opposed local government entities entering into contracts with CAL FIRE because it reduces the number of firefighters needed and the salary and benefits they receive.<sup>1</sup> (CAL FIRE firefighters are represented by IAFF, Local 2881.)

There are typically hundreds of qualified applicants for every fire-fighter job opening, regardless of which entity has the opening. Separately, a high regard for the performance of all fire-fighting units in the County, including those run by CAL FIRE, was expressed by those interviewed for this Report.

#### **CAL FIRE Does Not Submit the Expected Proposal to San Carlos**

When San Carlos issued its Request for Proposals, CAL FIRE was among the most active responders. From preliminary discussions, San Carlos city staff estimated that, by contracting with CAL FIRE, San Carlos would save between \$1.2 and \$2 million per year. However, in a facsimile dated November 18, 2010, four days before the proposal was due, the Acting Director of CAL FIRE informed San Carlos that it would not be submitting a proposal. The facsimile cited four reasons for its decision. The fourth reason stated, in part:

I have significant concerns regarding the socio-political aspects of CAL FIRE providing fire protection services to the City of San Carlos at this time. CAL FIRE has entered into many local government partnerships over the years. To be successful, it is imperative that there is support for these agreements amongst all the stakeholders, including public officials, local citizens and labor organizations. In the case of the City of San Carlos, there is concern from regional Legislative members and significant opposition from local labor organizations. Lacking support from these stakeholders, a proposed partnership could face legal challenges and be cast in a negative light by the media and the community. The potential for increased costs and staff time to address these issues would be borne by CAL FIRE. (*See*, Appendix A for full text of this facsimile.)

Subsequent Grand Jury interviews confirmed that the above-cited fourth reason was indeed the deciding factor for CAL FIRE. As a result of this facsimile from the Acting Director, direct negotiations between San Carlos and CAL FIRE were ended.

San Carlos next considered sub-contracting for fire services under the existing CAL FIRE contract with San Mateo County. From interviews, the Grand Jury learned that the Acting

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<sup>1</sup> Source: an interview conducted by the Grand Jury with an official from Local 2400.

Director of CAL FIRE suggested this approach. It is on the interaction of San Carlos, CAL FIRE and the County that the Grand Jury has focused its report.

### **San Carlos Seeks a Proposal from CAL FIRE through the County**

On January 15, 2011, the Finance and Operations Committee (the F&O Committee), a two member committee of the San Mateo Board of Supervisors composed of Carole Groom and Adrienne Tissier, met to consider the San Carlos request to contract fire protection services from CAL FIRE through the County. The Staff Report (Appendix B) for that meeting contained the following information:

- In fiscal 2010-2011, proceeds from the County Fire Fund were inadequate to cover operating costs for fire services in its unincorporated area. The County's General fund provided a subsidy of \$1.05 million to the Fire Fund budget.
- The County could save \$650,000 annually by extending its current contract with CAL FIRE to include San Carlos.
- Depending on which option San Carlos selected, the City could save between \$600,000 and \$2.5 million a year.<sup>2</sup>
- If the County were to allow CAL FIRE to sub-contract services to San Carlos through the County, the approval of the full Board of Supervisors would be required. The F&O Committee could forward the issue to the full Board at its upcoming January meeting.

According to the audio transcript of the January 15, 2011 F&O Committee meeting, two questions were raised and discussed:

1. What would the impact on CAL FIRE be given the state's budget problems and the Governor's remark, as cited by Supervisor Tissier, that CAL FIRE should get out of the urban fire-fighting business?  
To this question, the CAL FIRE Unit Chief explained in the meeting that the Governor's remarks had no bearing on the cooperative agreements that CAL FIRE had with either San Mateo County or the Coastside Fire District.<sup>3</sup>
2. What regional efforts to consolidate fire-fighting services are underway in the County?

A discussion ensued in which members of the F&O Committee expressed support for regionalization. The "shared" Fire Chief for the San Mateo and Foster City Fire Departments, who was present at the meeting, volunteered that he would return in a month with a regionalization plan for five of the cities in the county: Foster City, San Mateo, Belmont, Redwood City and San Carlos. The Committee also requested its Staff to provide comparative

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<sup>2</sup> Although San Carlos was paying about \$6.3 million from its general fund, the actual cost for fire services was \$7.1 million, which is \$800,000 more than cited in the Staff Report. It would, therefore, be more correct to say that the savings to San Carlos was between \$1.4 million and \$3.3 million annually. (The \$800,000 was coming from the Belmont-San Carlos fire department reserves, which were deliberately being drained.)

<sup>3</sup> In his 2011-2012 Budget Summary, dated January 10, 2011, Governor Brown recommended the realignment of CAL FIRE services in State Responsibility Areas. The recommendation would not affect contracts such as the ones CAL FIRE has with Coastside, San Mateo County and other local entities in which the contract covers the cost. <http://2011-12.archives.ebudget.ca.gov/pdf/BudgetSummary/FullBudgetSummary.pdf> (Page 21)

cost data for a five-city approach.<sup>4</sup> (As a result, Staff subsequently requested CAL FIRE to submit a proposal for coverage of the five cities.)

A follow-on F&O Committee meeting was scheduled for February 15, 2011 to allow time for the development of these proposals.

The F&O Committee reconvened on February 15, 2011. The Staff Report prepared for that meeting (*See*, Appendix C) indicated that if CAL FIRE were to provide the above mentioned five cities with fire services, the combined annual savings to those cities would be an estimated \$16.8 million. That includes salary reductions of existing fire personnel to the top-step level of the CAL FIRE salary scale, a 72-hour work week (versus the 56 hour work week that most city fire fighters are on), and closing one redundant station. The estimated annual savings would be \$6.9 million if “red circling” of current employees was utilized.

The Fire Chief for the San Mateo and Foster City Fire Departments did not present a five-city estimate as he had volunteered to do, nor did he appear at the meeting.

From the audio transcript of this meeting we learned that the supervisors:

1. Wanted to promote regionalization as a primary means to reduce the cost of fire protection services for the cities in the County.
2. Stated that the County should not be in the fire-service business and that, since the January 18, 2011 meeting, other cities have asked the County for permission to subcontract for CAL FIRE services through the County’s CAL FIRE contract.
3. Stated that CAL FIRE itself needs to get out of urban services, as they interpreted the Governor to have “said.”
4. Stated that the Belmont-San Carlos Fire Department should be extended for at least three more years to allow regionalization to proceed, although, as Supervisor Groom stated, that might take “15 to 20” years.
5. Stated that through mediation there was still an opportunity for the cities to reach an agreement on extending the joint fire department.

The two Supervisors extended an offer to pay for mediation services between Belmont and San Carlos and to otherwise let the issue drop by not forwarding the matter to the full Board. The Supervisors did not address the potential savings to the County, to the cities, or to San Carlos presented in the staff reports prepared for either the January 18 or February 15, 2011 meetings.

As anticipated by most of those interviewed, mediation failed. San Carlos Fire went on to contract with the Redwood City Fire Department for shared use of its command staff. While significant savings were achieved by San Carlos, the savings would have been greater if the City had been allowed to sub-contact with CAL FIRE under the County’s contract.

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<sup>4</sup> Audio Transcripts of Committee Meetings may be obtained from the Clerk of the Board of Supervisors.

## Investigation

The San Mateo County Civil Grand Jury:

1. Read staff reports from the City of San Carlos and the County,
2. Watched a recording of the November 22, 2010 City of San Carlos Council meeting,
3. Listened to audio tapes of the County Finance and Operations Committee Meetings,
4. Read the Governors 2011-12 Budget Summary, press conference comments, and the Legislative Analyst's Office interpretation of CAL FIRE realignment.
5. Interviewed  
San Carlos City Council and staff members,  
County supervisors serving on the Finance and Operations Committee of the San Mateo County Board of Supervisors,  
Representatives of the San Mateo County staff,  
CAL FIRE staff,  
A fire department chief in the County,  
A city manager from the County City Managers Association,  
A LAFCO (Local Agency Formation Commission) representative. and  
A Member of the IAFF (International Association of Fire Firefighters) Local 2400.

## Findings

The Grand Jury finds as follows:

1. CAL FIRE is a full-service rural, suburban and urban fire protection agency.
2. CAL FIRE is a fully integrated part of the County's fire protection system with 72 fire fighters working effectively with municipal fire departments and fire districts and utilizing the County's central dispatch system. The CAL FIRE coverage area includes most unincorporated portions of the County and the Coastside Fire District.
3. From interviews, the Grand Jury learned that there is broad agreement among officials and staff from the County and cities that CAL FIRE has provided effective fire protection services in the areas of San Mateo County it serves.
4. Differences between work shifts of CAL FIRE and municipal fire departments, and differences in the wage rates and benefits, allow CAL FIRE to offer comparatively less expensive fire services in the Bay Area.
5. CAL FIRE prices its services by applying a standard 11% overhead cost on top of direct costs.
6. San Mateo County has contracted with CAL FIRE for services to its unincorporated areas since 1962. The current contract expires on June 30, 2012.
7. As of October, 2011 the San Mateo County budget deficit stood at \$50 million.<sup>5</sup>
8. San Carlos requested that the County Board of Supervisors allow San Carlos to obtain fire protection services from CAL FIRE through the County's contract with CAL FIRE.

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<sup>5</sup> [http://www.co.sanmateo.ca.us/Attachments/cmo/pdfs/Budget%20&%20Performance/SeptemberRevisions\\_2011.pdf](http://www.co.sanmateo.ca.us/Attachments/cmo/pdfs/Budget%20&%20Performance/SeptemberRevisions_2011.pdf)



- The issue came before the two-member Finance and Operations Committee (the F&O Committee) on January 18, and February 15, 2011.
9. From the County staff report of January 18, 2011, adjusted for a budgetary mistake, CAL FIRE could have saved San Carlos between approximately \$600,000 and \$2.5 million per year.<sup>6</sup>
  10. From the County staff report of January 18, 2011, in addition to substantial savings for San Carlos, bringing San Carlos under the County contract with CAL FIRE could have saved the County an additional \$650,000 per year. Neither the savings to San Carlos or the County were discussed by the F&O Committee on January 18.
  11. From the County staff report of February 15, 2011, "County Fire has a budget reduction target of \$218,877 for FY 2011/12 with the goal of eventually eliminating all \$1 million in general fund contributions." (See, Appendix C)
  12. In response to a request from the F&O Committee, CAL FIRE prepared a cost estimate for delivery of fire protection to five County cities (Redwood City, San Carlos, Belmont, Foster City and San Mateo). According to the County staff report of February 15, 2011, the estimated aggregate cost savings to those five cities could be between \$1.7 million and \$16.8 million per year.
  13. The CAL FIRE service cost estimates and potential savings for the County and the five County cities were not discussed by the Committee members at the February 15, 2011, F&O Committee meeting.
  14. From the audio transcripts of both the January 18 and February 15, 2011 F&O Committee meetings, Supervisor Adrienne Tissier said that the Governor had called for CAL FIRE getting out of the urban fire-fighting business.
  15. The Governor's January 10, 2011 recommendations on CAL FIRE realignment only applied to State Responsibility Areas and did not apply to contracts with local jurisdictions, such as its contracts with San Mateo County or the Coastside Fire District. There was no suggestion from the Governor that CAL FIRE should curtail delivery of urban fire protection services funded by counties or cities.
  16. Also during the February 15, 2011 F&O Committee meeting, the Supervisors said that the County does not want to be in the fire-fighting business. The Supervisors further said they strongly supported regional fire-protection solutions in the County as a means to reduce redundant administrative and infrastructure costs to the cities.
  17. The Supervisors recommended that Belmont and San Carlos enter into mediation to continue their joint fire department while regionalization alternatives could be explored. From interviews and meeting transcripts, most San Carlos and Belmont officials stated there was little chance for mediation to be successful.

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<sup>6</sup> The Staff Report states that San Carlos was paying about \$6.3 million from its general fund. This is true, but the actual cost for fire services was \$7.1 million, which is \$800,000 more than cited in the Staff Report. It would, therefore, be more correct to say that the savings to San Carlos was between \$1.4 million and \$3.3 million.

18. From the letter of the CAL FIRE Acting Director, quoted above, and from interviews with officials from various cities and fire-protection agencies, there is reluctance to consider expanding CAL FIRE's role in San Mateo County because of opposition by the International Association of Firefighters, Local 2400.

## **Conclusions**

The Grand Jury concludes as follows:

1. The County has been well served by CAL FIRE since 1962 and is well served today.
2. It is likely that any alternative to CAL FIRE's coverage of unincorporated areas would increase County costs and not provide materially better service.
3. CAL FIRE should be viewed as a viable alternative for fire protection services by the County and the cities when considering regionalization or outsourcing alternatives.
4. Given the large structural deficit facing the County, the Board of Supervisors needs to take all reasonable steps to reduce the cost of County services.
5. The F&O Committee missed an opportunity for the County to save as much as \$650,000 per year and San Carlos to save upwards of \$1.4 million per year by not forwarding the San Carlos CAL FIRE issue onto the full Board of Supervisors for its consideration.
6. The F&O Committee misinterpreted the Governor's statements regarding the appropriate role of CAL FIRE in municipal fire protection and should have sought clarification before concluding that CAL FIRE was not a viable alternative for cities in the County.
7. There is significant pressure from the local union to not consider CAL FIRE as an outsource alternative for municipal fire protection.
8. Given the potential savings and the need for fiscal relief, the County should be motivated to extend fire protection services through its contract with CAL FIRE to other cities in the County as part of a move toward regionalization.

## **Recommendations**

The Grand Jury recommends to the County Board of Supervisors that it should:

1. Renew its contract with CAL FIRE by June 30, 2012, unless there is a new compelling fiscal reason to change.
2. During contract negotiations with CAL Fire, include a provision within the contract that would allow fiscally qualified cities to sub-contract for CAL FIRE services through the County such that the County as well as the cities can benefit.
3. Until the provision in Recommendation 2 is approved, allow fiscally qualified cities and fire districts in the County to sub-contract services with CAL FIRE under the County's contract.
4. View CAL FIRE as a potential component of the regionalization effort.

The Grand Jury further recommends to cities and special fire districts in San Mateo County:

1. When assessing alternative approaches to local fire protection, CAL FIRE should be considered as one alternative.
2. Include local fire union representatives in community discussions concerning department consolidation, regionalization or replacement; make financial considerations and differing expense models known to all concerned parties and citizens.

## References

2011-2012 California Budget  
<http://www.ebudget.ca.gov/>

San Carlos City Council Meeting and Staff Report, Nov. 22, 2010  
<http://www.epackets.net/mtgviewer.aspx?meetid=1073&doctype=AGENDA>, item 7A  
Quarterly Fire Department Report. - 20101117135849546.pdf

City Fire Department Consolidations/Mergers  
Grand Jury 2009 Report  
[http://www.sanmateocourt.org/documents/grand\\_jury/2009/fire\\_dept.pdf](http://www.sanmateocourt.org/documents/grand_jury/2009/fire_dept.pdf)

San Mateo County Fire Department Consolidation Project 108  
Stanford Management Science And Engineering  
January-March 2011  
by Alex Carney, Peter Geoghegan, Garrett Gunther, Vy Nguyen

# Appendix A: Fax from CAL FIRE to San Carlos, November 18, 2010

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CAL FIRE ENG CTR

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STATE OF CALIFORNIA - NATURAL RESOURCES AGENCY

ARRULO SCHWABENEGGER, Governor



DEPARTMENT OF FORESTRY AND FIRE PROTECTION

P.O. Box 944248  
SACRAMENTO, CA 95834-2488  
(916) 933-7722  
Website: www.calfire.gov



November 18, 2010

Mr. Brian Mouta  
Assistant City Manager  
City of San Carlos  
600 Elm Street  
San Carlos, California 94070

Dear Mr. Mouta,

I have received your letter dated October 25, 2010, requesting the Department of Forestry and Fire Protection (CAL FIRE) to provide a response to the City of San Carlos' Request for Proposals for the Delivery of Fire, Emergency Medical First Response and Related Emergency Services. As you know, CAL FIRE is involved in providing a-hazard emergency services throughout California, both as a state agency and in partnership with local governments. Within San Mateo County, those partnerships exist at both the county and fire protection district levels. CAL FIRE values our local government partnerships, as they result in the ability to provide a higher level of service to both the state and the local government jurisdiction.

As you may be aware, especially in these difficult budgetary times, CAL FIRE is judicious in its evaluation of potential agreements with local governments for fire protection services. As a state department, it is critical that any new contract be mutually beneficial to both parties. To evaluate this criterion, CAL FIRE prepares a Partnership Agreement Rating Form which evaluates fourteen separate objective points. By Public Resources Code requirement, this objective evaluation is considered with further, more subjective considerations before a decision to enter into a new agreement is made.

Based on both the objective and subjective evaluations, I am unable to submit a proposal at this time for the following reasons:

- The Joint Exercise of Powers Agreement between the City of San Carlos and the Belmont Fire Protection District is set to expire "on or before October 12, 2011." Therefore, it would be critical that any respondent to the Request for Proposal have the ability to engage in services to the City by that date. Due to the compressed timeframe, CAL FIRE would be unable to have a contract in place or the finalization of the transition of any Belmont-San Carlos Fire Department personnel completed by that date. Past experience indicates that this process could take up to eighteen months to complete, as CAL FIRE would need to coordinate with the City and obtain approvals from various state control agencies.
- Public Resources Code (PRC), Section 4142, requires that any proposed agreement aligns with the department's core mission, as described in (PRC) Sections 713 and 714, or specifically, supports the Department's protection of the State Responsibility Areas. In order to

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November 18, 2010  
Mr. Brian Motra  
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evaluate the appropriateness of an agreement, CAL FIRE utilizes the Partnership Agreement Rating Form, which provides an objective criteria evaluation of the area and its overall fire protection needs and evaluates the benefits of a local government partnership agreement with CAL FIRE. The evaluation of the proposed partnership with the City of San Carlos identified a marginally appropriate rating based on this objective criteria. The evaluation identified a minimal increased benefit to State Responsibility Area protection within the San Mateo-Santa Cruz Unit and an insufficient level of administrative, fire prevention and training support.

- City finances have been tenuous for an extended period of time. According to the City General Manager news release of the 2009 Year in Review, the City has faced budgetary reductions for eleven consecutive years. Although the City believes that sufficient cost reductions will occur from the outsourcing of its police and fire services, all indications point to a continued decline in housing prices, resulting in lower property tax revenues, and additional reductions in state funding due to decreasing state revenues. Additionally, since the City would be responsible for "red circle" costs and ongoing payments for previous workers' compensation claims, it is not clear to CAL FIRE that the savings anticipated from outsourcing these services would actually be realized.
- I have significant concerns regarding the socio-political aspects of CAL FIRE providing fire protection services to the City of San Carlos at this time. CAL FIRE has entered into many local government partnerships over the years. To be successful, it is imperative that there is support for these agreements amongst all the stakeholders, including public officials, local citizens and labor organizations. In the case of the City of San Carlos, there is concern from regional Legislative members and significant opposition from local labor organizations. Lacking support from these stakeholders, a proposed partnership could face legal challenges and be cast in a negative light by the media and the community. The potential for increased costs and staff time to address these issues would be borne by CAL FIRE. The potential cost and impacts to CAL FIRE outweigh the marginal benefit to the protection of State Responsibility Areas within the Unit.

Although I will not be submitting a response to your Request for Proposal, I do concur with the findings from the Tri-Data report as it relates to the benefits of a regional fire protection system. CAL FIRE is committed to being a partner in the development of a strategic, long term solution towards a regional fire protection system in San Mateo County. Regardless, CAL FIRE will continue to assist the City of San Carlos through participation in county-wide fire service organizations, regional training efforts and mutual aid support.

I value the level of support the City of San Carlos has provided to the Department. I am pleased with the cooperative relationship Chief John Ferreira has developed with City staff. I look forward to continuing these relationships into the future. Please do not hesitate to contact me or Chief John Ferreira with any questions.

Sincerely,



KEN PIMLOTT  
Acting Director  
California Department of Forestry and Fire Protection

November 18 2010  
- Mr. Brian Moura  
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Cc: Ken McLean, Region Chief  
Casar Partida, Assistant Region Chief  
John Ferreira, Unit Chief  
Andy McMurry, Assistant Deputy Director  
Loren Small, Assistant Deputy Director

# Appendix B: Staff Report for Finance and Operations Committee Meeting, January 18, 2011

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|  | <b>San Mateo County<br/>Board of Supervisors<br/>Finance and Operations Committee</b> | <b>Carole Groom, Chair<br/>Adrienne Tissler, Vice-Chair</b>  |
|   |   | <b>Reyna Farrales, Deputy County Manager<br/>John Belser, Chief Deputy County Counsel<br/>400 County Center, Redwood City<br/>650-363-4121</b> |

TO: Finance and Operations Committee

FROM: Reyna Farrales, Deputy County Manager

SUBJECT: Finance and Operations Committee Special Meeting

TODAY'S DATE: January 12, 2011

## **NOTICE OF SPECIAL MEETING (GOVERNMENT CODE § 54956)**

### **FINANCE AND OPERATIONS COMMITTEE**

Please take notice that the Chair of the Finance and Operations Standing Committee, acting pursuant to the authority of Government Code §54956, hereby calls a special meeting of the Finance and Operations Committee, to take place on **January 18, 2011 at 2:00 p.m. in the Board of Supervisors Conference Room located in the Hall of Justice, 400 County Center, First Floor, Redwood City, California.**

The special meeting is for the purpose of discussing and transacting the following business:

1. *Call to order*
2. *Oral Communications and Public Comment*
3. *Fire Services – City of San Carlos - Attachment*
4. *January 25 Budget Workshop - Attachment*
5. *Approval of the Finance and Operations Meeting Schedule for 2011 - Attachment*
6. *Adjournment*

Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Committee concerning the above mentioned business.

Dated: January 12, 2011

CAROLE GROOM  
Chair, Finance and Operations Committee

Please note: Public meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodations, including auxiliary aids or services to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact the Assistant Clerk of the Board of Supervisors at (650) 363-4634. Notification in advance of the meeting will enable the public agency to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.





**San Mateo County**  
**Board of Supervisors**  
**Finance and Operations Committee**

**Carole Groom, Chair**  
**Adrienne Tissier, Vice-Chair**

**Rayna Farnes, Deputy County Manager**  
**John Belore, Chief Deputy County Counsel**  
400 County Center, Redwood City  
650.363-4122

**TO:** Finance and Operations Committee  
**FROM:** David S. Boesch County Manager  
Peggy Jensen, Deputy County Manager  
**SUBJECT:** Fire Services Proposal – City of San Carlos  
**Meeting Date:** Tuesday, January 18, 2011

The City of San Carlos has issued a request for proposals for emergency response and fire protection. The County could submit a proposal to include San Carlos in our current contract with CalFire. CalFire has indicated that such a proposal could include the following opportunities for the County and the City of San Carlos:

- County General Fund savings of up to \$300,000 from sharing command, fire marshal, training, Advanced Life Support (ALS) and administrative staff. Over the past five fiscal years, the General Fund has provided over \$3 million to the County Fire Fund. An additional \$1.05 million subsidy is needed this fiscal year to balance the Fire Fund budget. The subsidy does not include funds for vehicle or facility replacement, only operating costs.
- The County could save an additional \$350,000 by sharing and transferring two of the three CalFire staff from Station 18 (Cordilleras) to Station 16 in San Carlos. The two staff would operate a “quick attack” vehicle, which provides better service than a three-person engine in the San Carlos and unincorporated area hills.
- Any savings above the operations costs for the County CalFire contract could be put into a vehicle and facility reserve. Over \$1 million a year is needed to meet future fire vehicle and facility needs.
- This year, the City of San Carlos is paying \$6.3 million for fire service, including funds for 20 staff. CalFire uses a 72-hour a week shift schedule, which means they would only need 17 staff to provide the same level of service as San Carlos provides now with 20 staff. Also CalFire has a different pay scale. Preliminary numbers from CalFire indicate that they could offer San Carlos the following contract options:
  - \$3.8 million - 17 staff paid at the top step of the CalFire pay scale
  - \$4.3 million – 20 staff paid at the top step of the CalFire pay scale
  - \$5.03 million - 17 staff with total compensation frozen at the San Carlos pay scale
  - \$5.7 million - 20 staff with total compensation frozen at the San Carlos pay scale
  - Hazardous materials pay (HazMat) would be an additional \$19,800 a year for 11 staff at the CalFire pay scale or \$71,000 for 11 San Carlos staff with frozen compensation.

San Carlos has extended their proposal due date to February 7, 2011. The full Board could consider requesting a proposal from CalFire that adds San Carlos to the County CalFire contract at the January 25, 2011 Board meeting. CalFire has confirmed that if asked, they will provide a complete proposal by the due date.

# Appendix C: Staff Report for Finance and Operations Committee Meeting, February 15, 2011

|   |  |  |
|---|--|--|
|  | <b>San Mateo County</b><br><b>Board of Supervisors</b><br><b><i>Finance and Operations Committee</i></b> | <b>Carole Groom, Chair</b><br><b>Adrienne Tissier, Vice-Chair</b>  |
|   |  | <b>Reyna Farrales, Deputy County Manager</b><br><b>John Belers, Chief Deputy County Counsel</b><br><b>400 County Center, Redwood City</b><br><b>650-363-4133</b> |

TO: Finance and Operations Committee

FROM: Reyna Farrales, Deputy County Manager

SUBJECT: Finance and Operations Committee Special Meeting

TODAY'S DATE: February 10, 2011

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## **NOTICE OF SPECIAL MEETING (GOVERNMENT CODE § 54956)**

### **FINANCE AND OPERATIONS COMMITTEE**

Please take notice that the Chair of the Finance and Operations Standing Committee, acting pursuant to the authority of Government Code §54956, hereby calls a special meeting of the Finance and Operations Committee, to take place on Tuesday, February 15, 2011 at 2:00 p.m. in the Board of Supervisors Chambers located in the Hall of Justice, 400 County Center, First Floor, Redwood City, California.

The special meeting is for the purpose of discussing and transacting the following business:

1. *Call to order*
2. *Oral Communications and Public Comment*
3. *Fire Services – City of San Carlos - Attachment*
4. *Adjournment*

Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Committee concerning the above mentioned business.

Dated: February 10, 2011

CAROLE GROOM  
Chair, Finance and Operations Committee

**Please note:** Public meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodations, including auxiliary aids or services to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact the Assistant Clerk of the Board of Supervisors at (650) 363-4634. Notification in advance of the meeting will enable the public agency to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.



**San Mateo County  
Board of Supervisors  
Finance and Operations Committee**

**Carole Groom, Chair  
Adrienne Tissier, Vice-Chair**

Regina Farabee, Deputy County Manager  
Julie Bowers, Chief Deputy County Counsel  
400 County Center, Redwood City  
650-963-4123

Date: February 8, 2011  
Meeting Date: February 15, 2011

**TO:** Supervisor Carole Groom  
Supervisor Adrienne Tissier

**FROM:** Peggy Jensen, Deputy County Manager

**SUBJECT:** Report Back on Regional Fire Service: CalFire Option

**RECOMMENDATION:**

Accept this report and provide direction to staff.

**BACKGROUND:**

On January 18, 2011, the Finance and Operations Committee considered extending the County Fire contract with CalFire to include the City of San Carlos. At that meeting, Chief Belville from the City of San Mateo said that the City of San Mateo, Redwood City and Foster City were exploring a regional fire service system that could also include Belmont and San Carlos. The Committee expressed interest in regionalization of fire services and indicated that the County operated stations adjacent to the region cities could be included in the concept. The Committee also requested comparative cost data for different regional approaches.

**DISCUSSION:**

Regional delivery of fire service is relatively common throughout California. San Mateo County, through our County Fire program, has had a regional service arrangement with CalFire for over 45 years. This arrangement has provided competent and cost-effective fire protection service to the unincorporated area through a model that maintains local control. The Coastside Fire Protection District and CalFire are another example of a local regional model as is the effort currently underway to consolidate the Foster City and City of San Mateo fire departments. The Menlo Park Fire Protection District is also a regional model.

In response to requests from the Committee, County Fire developed cost estimates for extending the County contract with CalFire to include all the cities identified by Chief Belville and the unincorporated area identified by the Committee. The cost estimates are based on the following facts:

- There are 18 fire stations in the five cities and the county unincorporated area east of Interstate 280 between San Mateo and Redwood City. The 18 stations house a total of 18 engines and 4 ladder trucks. County Fire staffs three of the engines through our contract with CalFire. The other 15 engines are staffed by the city fire departments as are the 4 ladder trucks. Currently, five different agencies provide management, supervision and administrative support for these stations. Depending on what happens in San Carlos, the total number of agencies may increase.

- In San Mateo County, a three-person crew supports each fire engine and a four-person crew supports a ladder truck. The city fire crews work a 56-hour week. CalFire uses a 72-hour workweek. The table below compares the staffing requirements for each staffing model by fire vehicle.

| Apparatus             | 24/7 City Staff Per Vehicle | 24/7 CalFire Staff Per Vehicle |
|-----------------------|-----------------------------|--------------------------------|
| 3 Person Engine       | 9                           | 7                              |
| 4 Person Ladder Truck | 12                          | 9.5                            |

As the table shows, the CalFire model requires fewer personnel to fully staff each piece of equipment than the city model. If the CalFire staffing model is applied to the 15 city engines and 4 trucks in the region, 40 fewer staff would be needed for 24/7 coverage.

- A regional approach would create opportunities to review administrative and management needs and station and apparatus distribution. It is anticipated that there would be opportunities to reduce costs in all of these areas, but the extent of the savings would depend on the level of services selected. However, those savings would be seen over time, as the impacts on service levels are evaluated.

Based on the information above and data available from the cities in the region, County Fire calculated the following costs for different regional service options that CalFire could offer the region. Note that the changes below are cumulative, so the lowest cost option includes all the changes noted above.

|                |   |
|----------------|---|
| \$42.2 million | Total current cost of 18 stations   |
| \$40.5 million | Move all stations to a 72-hour work week  |
| \$37.3 million | Plus reduce total staff to number required for 72-hour work week  |
| \$27.4 million | Plus, reduce city salaries to top step of CalFire salary scale  |
| \$25.4 million | Plus, close one redundant station in region and convert one engine to a 2 person "quick attack" vehicle |

The numbers presented above are best estimates of the potential total costs. If there is serious interest in pursuing a regional approach to fire services, staff would need to work closely with all interested partners to assess all options and carefully review all cost data. Also, we would need to bring the residents of CSA 1 into these discussions, as the engine company they fund should be incorporated into any regional plan.

Given the complexity of a truly regional approach, we estimate that it could take a year or possibly longer to work out the details. We should also note that Belmont officials recently voted to create their own city fire department and indicated they are not interested in a regional approach.

**FISCAL IMPACT:**

County Fire has a budget reduction target of \$218,877 for FY 2011/12 with the goal of eventually eliminating all \$1 million in general fund contributions. Although we assume there will be savings to the County from a regional approach to fire service, at this time we can neither calculate the amount or the timing of those savings. This is because we don't know how any savings would be allocated among the partner cities. Furthermore, the County is currently benefiting from the 72-hour workweek and the CalFire salary scale, so the savings to the county would not be as great as for the cities if CalFire was the service provider.

The only fiscal impact data that we can definitively provide is the projected savings from expanding the county service area to include San Carlos. The savings data was presented to your Committee at the January 18, 2011 meeting. The projected savings for FY 2011/12 includes \$300,000 from shared administrative costs and potentially another \$350,000 if the Cordilleras engine is moved to the San Carlos station on Alameda and staffed as a "quick attack" vehicle.

# CITY OF SAN CARLOS

## CITY COUNCIL

ANDY KLEIN, MAYOR  
MATT GROCOTT, VICE MAYOR  
RON COLLINS  
BOB GRASSILLI  
MATT GROCOTT



## CITY COUNCIL

600 FILM STREET  
SAN CARLOS, CALIFORNIA 94070-3018  
TELEPHONE: (650) 802-4219  
FAX: (650) 595-6719  
WEB: <http://www.cityofsan-carlos.org/>

March 13, 2012

Honorable Gerald J. Buchwald  
Judge of the Superior Court  
Hall of Justice  
400 County Center, 8th floor  
Redwood City, CA 94063-1655

Re: Civil Grand Jury Report – The County, San Carlos & Cal Fire: A Missed Opportunity?

Dear Judge Buchwald,

I am writing to you on behalf of the San Carlos City Council. This will serve as the City of San Carlos' formal response to the letter from the Superior Court communicating comments made by the Civil Grand Jury about Shared Fire Services entitled "The County, San Carlos & Cal Fire: A Missed Opportunity?" The City Council has reviewed this letter at a public meeting of the Council and has authorized that it be sent.

In the report from the Civil Grand Jury, a number of Findings, Conclusions and Recommendations are made. In addition, the City is offering more information on one of the Background discussions included in the report. Here is the City of San Carlos response to the Civil Grand Jury report on this matter:

### **Background**

1. In the "Background" section of the report on page 2, the Grand Jury notes that San Carlos issued a formal Request for Proposal (RFP) for Fire & Emergency Services and specifically solicited responses from the Menlo Park Fire District, North County Fire District, City of San Mateo, City of Redwood City and Cal Fire.

Response: This is correct in part. It should be noted that the City of San Carlos also invited 4 entities to respond to the RFP for Fire & Emergency Services that are not mentioned in the report. The 4 additional entities that were invited to respond to the RFP are:

- City of Belmont
- American Emergency Services Corporation
- International Association of Firefighters (IAFF), Local 2400
- Rural/Metro Corporation

## Findings

1. CAL FIRE is a full-service rural, suburban and urban fire protection agency.  
**Response: We agree with the finding.**
2. CAL FIRE is a fully integrated part of the County's fire protection system with 72 fire fighters working effectively with municipal fire departments and fire districts and utilizing the County's central dispatch system. The CAL FIRE coverage area includes most unincorporated portions of the County and the Coastside Fire District.  
**Response: We agree with the finding.**
3. From interviews, the Grand Jury learned that there is broad agreement among officials and staff from the County and cities that CAL FIRE has provided effective fire protection services in the areas of San Mateo County it serves.  
**Response: We agree with the finding.**

**The City notes that Paramedics and Firefighters at Cal Fire's Engine Company on Edmonds Road near Crestview Avenue (Fire Station # 18) have been the first responders for some San Carlos homes for over 10 years.**

4. Differences between work shifts of CAL FIRE and municipal fire departments, and differences in the wage rates and benefits, allow CAL FIRE to offer comparatively less expensive fire services in the Bay Area.  
**Response: We agree with the finding.**
5. CAL FIRE prices its services by applying a standard 11% overhead cost on top of direct costs.  
**Response: We agree with the finding.**
6. San Mateo County has contracted with CAL FIRE for services to its unincorporated areas since 1962. The current contract expires on June 30, 2012.  
**Response: We agree with the finding.**
7. As of October, 2011 the San Mateo County budget deficit stood at \$50 million.  
**Response: We agree with the finding.**
8. San Carlos requested that the County Board of Supervisors allow San Carlos to obtain fire protection services from CAL FIRE through the County's contract with CAL FIRE. The issue came before the two-member Finance and Operations Committee (the F&O Committee) on January 18, and February 15, 2011.  
**Response: We agree with the finding.**
9. From the County staff report of January 18, 2011, adjusted for a budgetary mistake, CAL FIRE could have saved San Carlos between approximately \$600,000 and \$2.5 million per year.  
**Response: We partially disagree with the finding.**

**While San Carlos received an "informal proposal" for Fire & Emergency Services from Cal Fire in early 2010, the City did not receive a copy of Cal Fire's response to the City's RFP.**

Cal Fire hired a former Cal Fire Section Fire Chief (Dan Turner) to prepare a San Carlos RFP response and that response was part of a blue 3 ring binder (often called the "blue binder") that some Cal Fire officials have reviewed. (Mr. Turner was also the consultant used by Cal Fire to prepare their proposal for Fire Services that was ultimately adopted by the Coastside Fire Protection District).

The City of San Carlos has never received or viewed the Cal Fire RFP response to San Carlos in the blue binder. The City did receive some of the material developed by former Chief Turner for San Carlos and used this salary, benefit and cost data for Cal Fire in subsequent reports to the San Carlos City Council.

It is hard to analyze or speculate on what is and is not in the full Cal Fire proposal for San Carlos. Based on earlier proposals to the City (in 2005-07 and 2010), the data supplied by Chief Turner and the current San Mateo County Fire Department Budget (\$1.6 Million per Fire Station), a savings to San Carlos of \$1.2 Million per station or \$2.4 Million for both fire stations seems achievable.

Whether the slightly higher number of \$2.5 Million per year that is used in the Grand Jury report would be reachable in San Carlos if a Cal Fire proposal had been received – directly or through the County – would require further analysis and more detailed information from Cal Fire.

10. From the County staff report of January 18, 2011, in addition to substantial savings for San Carlos, bringing San Carlos under the County contract with CAL FIRE could have saved the County an additional \$650,000 per year. Neither the savings to San Carlos or the County were discussed by the F&O Committee on January 18.

**Response: We agree with the finding.**

The Deputy County Manager and Cal Fire shared the \$650,000 per year savings estimate for San Mateo County on numerous occasions with the City and County Officials and it appears in the County Staff Report mentioned in the Grand Jury report.

We agree that neither the savings to San Carlos nor the County was discussed by the F&O Committee meeting on January 18, 2011 even though it was the subject on that meeting agenda.

11. From the County staff report of February 15, 2011, "County Fire has a budget reduction target of \$218,877 for FY 2011/12 with the goal of eventually eliminating all \$1 million in general fund contributions." (See, Appendix C)

**Response: We agree with the finding.**

12. In response to a request from the F&O Committee, CAL FIRE prepared a cost estimate for delivery of fire protection to five County cities (Redwood City, San Carlos, Belmont, Foster City and San Mateo). According to the County staff report of February 15, 2011, the estimated aggregate cost savings to those five cities could be between \$1.7 million and \$16.8 million per year.

**Response: We agree with the finding.**



13. The CAL FIRE service cost estimates and potential savings for the County and the five County cities were not discussed by the Committee members at the February 15, 2011, F&O Committee meeting.

**Response:** We agree with the finding.

14. From the audio transcripts of both the January 18 and February 15, 2011 F&O Committee meetings, Supervisor Adrienne Tissier said that the Governor had called for CAL FIRE getting out of the urban fire-fighting business.

**Response:** We agree with the finding.

15. The Governor's January 10, 2011 recommendations on CAL FIRE realignment only applied to State Responsibility Areas and did not apply to contracts with local jurisdictions, such as its contracts with San Mateo County or the Coastside Fire District. There was no suggestion from the Governor that CAL FIRE should curtail delivery of urban fire protection services funded by counties or cities.

**Response:** We agree with the finding.

The City Staff researched this matter and determined that the assertion that the Governor had called for Cal Fire to “get out of the urban fire-fighting business” was incorrect.

16. Also during the February 15, 2011 F&O Committee meeting, the Supervisors said that the County does not want to be in the fire-fighting business. The Supervisors further said they strongly supported regional fire-protection solutions in the County as a means to reduce redundant administrative and infrastructure costs to the cities.

**Response:** We agree with the finding.

17. The Supervisors recommended that Belmont and San Carlos enter into mediation to continue their joint fire department while regionalization alternatives could be explored. From interviews and meeting transcripts, most San Carlos and Belmont officials stated there was little chance for mediation to be successful.

**Response:** We partially disagree with the finding.

During the February 15, 2011 F&O Committee meeting, Council Members present from San Carlos (Mayor Omar Ahmad, Vice Mayor Andy Klein and Council Member Randy Royce) and Belmont (Council Member Warren Lieberman) all voiced their support for using the offer of County funded mediation to explore Shared Fire Services options between San Carlos and Belmont. Later the same afternoon, Mayor Ahmad and Vice Mayor Klein called Supervisor Tissier to accept the County's offer of mediation on behalf of San Carlos. That offer was then placed on the next San Carlos City Council agenda and the County mediation offer was accepted by the San Carlos Council on a unanimous 5-0 vote. The San Carlos Council also provided Mayor Ahmad with direction on areas to explore during the upcoming mediation with Belmont.

The following month, the Belmont City Council agreed to the mediation on a split vote. During the Belmont City Council discussion in March and a subsequent news article in the San Mateo Daily Journal, there was doubt about the potential success of mediation expressed by Belmont Mayor Feierbach. So there was some doubt expressed publically by at least one member of the Belmont City Council – but it occurred after the F&O Committee meeting cited in the Grand Jury report.

In terms of what was said during the interviews that the Grand Jury held with “San Carlos and Belmont officials”, the City has no way of knowing what was said during those interviews as they are held in confidence. The City understands that what was said to the Grand Jury during these confidential interviews may be different than what was said at public meetings – such as the F&O Committee Meetings and the San Carlos and Belmont City Council Meetings noted above.

18. From the letter of the CAL FIRE Acting Director, quoted above, and from interviews with officials from various cities and fire-protection agencies, there is reluctance to consider expanding CAL FIRE's role in San Mateo County because of opposition by the International Association of Firefighters, Local 2400.

**Response:** We agree with the finding.

Mayor Ahmad and Vice Mayor Klein held meetings with the leadership of IAFF Local 2400 during this process. Both the Mayor and Vice Mayor noted that the union was very clear that a contract for Fire & Emergency Services for San Carlos (or any other City or Fire District in the County) with Cal Fire was “something we will not accept.”

#### Conclusions

1. The County has been well served by CAL FIRE since 1962 and is well served today.

**Response:** We agree with the finding.

2. It is likely that any alternative to CAL FIRE's coverage of unincorporated areas would increase County costs and not provide materially better service.

**Response:** We agree with the finding.

The City notes that the County is currently spending approximately \$1.6 Million per station for Fire & Emergency Services and San Carlos is spending approximately \$2.8 Million per station for comparable services in the current budget year.

3. CAL FIRE should be viewed as a viable alternative for fire protection services by the County and the cities when considering regionalization or outsourcing alternatives.

**Response:** We disagree with the finding.

This Grand Jury finding was specifically discussed and debated during the San Carlos City Council Meeting held on March 12, 2012. A majority of the City Council Members indicated by a straw poll vote of 3-2 that they do not believe that Cal Fire is a viable alternative for fire protection services by the County and the cities when considering regionalization or outsourcing alternatives.

4. Given the large structural deficit facing the County, the Board of Supervisors needs to take all reasonable steps to reduce the cost of County services.

**Response:** We agree with the finding.

5. The F&O Committee missed an opportunity for the County to save as much as \$650,000 per year and San Carlos to save upwards of \$1.4 million per year by not forwarding the San Carlos CAL FIRE issue onto the full Board of Supervisors for its consideration.

**Response:** We agree with the finding.

6. The F&O Committee misinterpreted the Governor's statements regarding the appropriate role of CAL FIRE in municipal fire protection and should have sought clarification before concluding that CAL FIRE was not a viable alternative for cities in the County.

**Response:** We agree with the finding.

7. There is significant pressure from the local union to not consider CAL FIRE as an outsource alternative for municipal fire protection.

**Response:** We agree with the finding.

8. Given the potential savings and the need for fiscal relief, the County should be motivated to extend fire protection services through its contract with CAL FIRE to other cities in the County as part of a move toward regionalization.

**Response:** We agree with the finding.

#### **Recommendations**

1. The County Board of Supervisors should renew its contract with CAL FIRE by June 30, 2012, unless there is a new compelling fiscal reason to change.

**Response:** We agree with the finding.

2. During contract negotiations with CAL Fire, the County Board of Supervisors should include a provision within the contract that would allow fiscally qualified cities to sub-contract for CAL FIRE services through the County such that the County as well as the cities can benefit.

**Response:** We partially disagree with the finding.

We agree that the County should allow interested cities, such as those mentioned in the Grand Jury Report, the opportunity to consider a sub-contract for Fire & Emergency Services with Cal Fire via a County Amendment as one option to consider.

However, we question the language about limiting this option to "fiscally qualified cities". During the San Carlos RFP process, Cal Fire inquired about the budget deficit in San Carlos and suggested that this might disqualify San Carlos from receiving a direct proposal from Cal Fire for Fire & Emergency Services. It was only after the City Staff was able to show Cal Fire that the San Carlos budget shortfall had been partially offset, that the Cal Fire Acting Director sent the letter in the Grand Jury report noting that an offer would not be made to San Carlos due to union and state legislator pressure.

A better approach would be for the County to offer a contract amendment to all interested cities and fire districts. Commitments regarding the method of payment can be made during the contract negotiation phase – rather than an initial refusal to work together as is suggested here.

3. Until the provision in Recommendation 2 is approved, the County Board of Supervisors should allow fiscally qualified cities and fire districts in the County to sub-contract services with CAL FIRE under the County's contract.

**Response:** We partially disagree with the finding.

The City would offer the same comments as our response to Recommendation # 2.

4. The County Board of Supervisors should view CAL FIRE as a potential component of the regionalization effort.

**Response:** We agree with the finding.

5. When assessing alternative approaches to local fire protection, CAL FIRE should be considered as one alternative by cities and special fire districts in San Mateo County.

**Response:** We agree with the finding.

6. Include local fire union representatives in community discussions concerning department consolidation, regionalization or replacement. Make financial considerations and differing expense models known to all concerned parties and citizens.

**Response:** We agree with the finding.

As noted earlier, the City discussed the Fire & Emergency Services study, RFP and process with employees of the Belmont-San Carlos Fire Department and representatives of their Union (IAFF Local 2400). This included interviews with employees and union officials by the City's Fire & Emergency Services consultants (TriData) and meetings with the City Council and Senior City Management.

In terms of making financial information and differing expense models available to all parties, all of this information was made available to the public in several forms including the City Web Site's [www.epackets.net](http://www.epackets.net) portal for all City Council and Commission Meetings. The information includes meeting videos, agendas, minutes, staff reports and spreadsheets.

Sincerely Yours,



Andy Klein  
Mayor

cc: City Council  
City Manager  
Assistant City Manager  
City Attorney