



# COUNTY OF SANTA CRUZ

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## FIRE DEPARTMENT ADVISORY COMMISSION

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**ALEXANDER LEMAN, CHAIRMAN**

Dear County Board of Supervisors,

As you may know, Santa Cruz County Fire has faced serious long term funding challenges over the last several years resulting in the need for major cuts in order to remain within available funding. In view of County Fire's current total reserve fund, you will see that an average balance of approximately \$1.8 million over the past 6 years has been maintained through a combination of reduced staffing, budget cuts, grant funding, and careful fiscal management. To a casual observer it may appear that all is well. Sadly, this is not the case and the purpose of this letter is to tell you "the rest of the story..." in the hope that you will collectively understand why it is necessary to take action now to implement a long term funding plan for Santa Cruz County Fire Department (County Fire).

First a quick look at the major changes and cuts implemented to remain within our budget:

- Increased the number of paid fire stations to 5 with no increased funding.
- Reduced paid staffing at the 5 paid stations from 3 person to 2 person staffing.
- Contingency fund reduction from \$300,000 to \$200,000.
- Deferred approximately \$2.8 million in purchases of fire engines and rescue vehicles through suspension of the Mobile Equipment Replacement Program (MERP).

The combined effect of these cuts was to trade long term operational viability for short term financial survival. This cannot continue indefinitely. The immediate crisis we are facing is the failure of our fire engines; most of which (8 out of 12) now exceed the 20 year lifetime expectancy. Some of the consequences encountered over the last two years from suspending the mobile equipment replacement program are:

1. Engine 2921, built in 1990, spent 14 of the last 18 months out of service in the shop undergoing major repairs. Recently this engine suffered a catastrophic transmission failure and it was deemed uneconomical to repair it.
2. Reserve Engine 3912, built in 1989 and logging more than 120,000 miles, failed while being driven to the CAL FIRE Felton Automotive Shop for service. The right brake caliper seized and caught on fire in December of 2012. Fortunately, this was quickly controlled and did not cause a secondary incident on a public roadway. Due to the age of the vehicle, replacement parts are on backorder until the late spring of 2013.

3. Reserve Engine 3911, second of County Fire's only two reserve engines built in 1989 and logging over 90,000 miles, had an electrical problem which caused the headlights to turn on and off at random. This has been repaired and the engine has been loaned to Morgan Hill under a mutual aid agreement.
4. Engine 3221, built in 1988, and which was scheduled to be retired, has been re-commissioned for Company 29 out of necessity until a more suitable engine can be obtained. This engine lacks a foam system and has less compartment space than any of the previously noted engines.
5. Engine 4111, built in 2007, has engine problems and is currently at the dealer for warranty repair.
6. Water Tender 3651 leaks approximately 250 gallons of water per day.
7. Engine 3622, built in 1998 and logging 56,000+ miles, has been out of service a total of 10 months in the last 36 months.

To complete the picture, the remaining fleet consists of 4 additional engines which are over 20 years in age, 2 engines over 15 years in age, 1 new two year old engine, 2 water tenders over 19 years old, and 1 new water tender purchased last year in order to meet Insurance Services Office (ISO) criteria. The average age of County Fire's engines is 18 years, resulting in increased maintenance costs, reduced availability for emergency response, and continued decline of our overall fleet reliability.

So far, it is fortunate that none of the mechanical failures listed above occurred at incidents where life and property were immediately at risk. At present, given the trend above, it is evident that we are pushing both our luck and the limits of our aging apparatus.

Now that the impact of the budget cuts has been clarified, consider that if even a minimal mobile equipment replacement program were to be re-implemented, County Fire's fiscal reserves would vanish in single fiscal year. Assuming no increase for inflation and a flat budget for all other expenses, purchasing 4 new engines to replace the 20+ year old equipment noted above, at an approximate cost of \$400,000 each, would effectively eliminate County Fire's reserve. Nonetheless, if County Fire purchased at least 2 new engines and possibly one more water tender now, at an approximate cost of \$1.1 million, roughly \$700,000 would remain in reserves for budgeting purposes. This would allow some "breathing room" for at least part of the 2 years needed to implement a long term funding mechanism and vehicle replacement plan as outlined in the Master Plan.

There is yet another issue which needs to be addressed, although its effects are largely invisible, except to those at the scene of an incident; in reducing Amador staffing from three to two firefighters, there is no third person to maintain scene safety. Typically, at least two firefighters are required to care for a single patient at even the simplest traffic collision. This leaves no one available to perform incident command, traffic control, and maintain scene safety. If the incident is a fire, the risk is even greater to the personnel at scene. Returning to 3 person minimum Amador staffing is the other key element in

restoring our operational capability, especially as our area becomes more populous and hosts an increasing number of recreational visitors.

Three budget proposals, Plans A, B, and C (Attachment #1) for a CSA 48 fee increase, are shown on the attached spreadsheet based on an average 3% inflation rate over 10 years. In addition a bond proposal for equipment only has been provided as a fourth option. The bond proposal is completely independent of the CSA 48 fee increase proposals. If a voter poll reveals that none of the CSA 48 fee increase proposals is likely to pass in the near future, then it may still be possible to get voter approval for a low cost bond to address the pressing need to update County Fire's aging vehicle fleet. These funds would be solely designated for emergency response vehicles.

Briefly summarized below are the three proposed plans for a CSA 48 fee increase per Fire Flow Unit (FFU) and a short description of the bond proposal. To clarify, Fire Flow is a methodology developed by ISO to determine the amount of water necessary to provide adequate fire protection based on the type, occupancy, area, and exposures of a structure; for example, a single family residence is calculated at two FFUs.

### **PLANS**

1. Plan A: Current level of service - no MERP \$ 41/FFU
2. Plan B: Pre-2007 level of service w/MERP \$ 99/FFU
3. Plan C: Improved level of service w/MERP \$140/FFU
4. Bond Proposal: A partial solution is to address the aging vehicle fleet now and postpone staffing increases and other improvements. This was, in fact, the way in which the current fleet was originally financed. The bond proposal is simple: CSA 48 voters would be asked to pass a \$4 million bond over a 20 year period at 3% annual interest. This works out to \$19 per fire flow unit.

*\*\*Please note that Plans B and C above include vehicle replacement money (MERP). Since proposal #1 does not include any money for vehicle replacement, it is conceivable that the bond measure could be sought in combination with Plan A.*

Taking a sobering look at our funding options for Plans A, B, or C in the above proposals, the Fire Department Advisory Commission (FDAC) respectfully submits the following suggestions to fund one of the three plans shown on the attached spreadsheet.

### **OPTIONS:**

1. Ballot measure to raise the annual CSA 48 fee.
2. General tax measure to implement a tax equivalent to the fee increase.
3. Reallocate county general fund monies to provide the funding.
4. Re-allocate Prop 172 funds to provide the funding.

Again, the Bond Proposal as previously described is an independent partial funding option that could provide enough money to cover vehicle replacement only.

We believe that you, the Board of Supervisors, do understand and fully appreciate the criticality of this issue. Knowing that our charter as the Fire Department Advisory Commission is to provide advice and recommendations to the Board, we are recommending that you evaluate, adopt, and implement at least one of the above options and/or the Bond Proposal as soon as possible in order to mitigate the increasingly negative impacts resulting from the deferral of our Mobile Equipment Replacement Program. We also recommend that you consider releasing up to \$1.1 million of the available reserve funds as soon as possible to purchase at least two engines and possibly an additional water tender as discussed above.

Please further note that if any of these options and/or the bond measure were to be approved today, it would still be at least a year before the funds became available, then another year to acquire new engines given the need to create a specification, put it out for bid, and have the engines built. The one possible exception to this would be option #3, the reallocation of county general funds. Thus, at a minimum, County Fire faces a two year delay in replacing its aging engines even if we begin now; hence the need for urgency.

We believe that the voters in CSA 48, realizing the critical nature of the ongoing problems with our aging apparatus, would support a CSA fee/tax increase and/or at least a low-cost bond measure, provided that it is made absolutely clear that the money from the bond measure would be allocated solely to the Mobile Equipment Replacement Program. Therefore, we recommend that you, the Santa Cruz County Board of Supervisors seriously consider one or more of the above plans and/or bond measure, and vote to move forward as soon as possible.

Thank you for your continued support,

Santa Cruz County Fire Department Advisory Commission

First District Representative/FDAC Chair Alex Leman \_\_\_\_\_

Second District Representative John Willett \_\_\_\_\_

Third District Representative Tom Scully \_\_\_\_\_

Fourth District Representative Bob Stokes \_\_\_\_\_

Fifth District Representative Arnie Wernick \_\_\_\_\_

Office of Emergency Services Manager Paul Horvat \_\_\_\_\_

Volunteer Firefighters' Representative Doug Aumack \_\_\_\_\_

Attachment : Plan Proposal