

Work Session Minutes  
July 16, 2015

1. Mayor Mueller called the joint work session with the Fry Fire District to order at 3:00 p.m. in the Council Chambers, 1011 N. Coronado Drive, Sierra Vista, Arizona.

Present:

Mayor Rick Mueller – present  
Mayor Pro Tem Bob Blanchard – present  
Council Member Alesia Ash – present  
Council Member Gwen Calhoun – absent  
Council Member Rachel Gray – present  
Council Member Hank Huisking – present (arrived late)  
Council Member Craig Mount – present

Others present:

Chuck Potucek, City Manager  
Mary Jacobs, Assistant City Manager  
Tom Alinen, Police Chief  
Ron York, Fire Chief  
William Fry, Fry Fire Chief  
Mr. Arthur Nash, Fry Fire Chairman  
Ms. Bess Banister, Fry Fire Member  
Mr. Robert McMurtrie, Fry Fire Member  
Lane Wintermute, Emergency Services Consulting International (ESCI)  
Don Bivins, Emergency Services Consulting International (ESCI)

1. Presentation by Emergency Services Consulting International regarding the Consolidation study with the Fry Fire District

Mr. Potucek stated that the purpose of the meeting is to go over the findings of the consultant, Emergency Services Consulting International (ESCI) with regards to future opportunities for cooperatively working together between the Fry Fire District and the City. As everyone is aware, there is a wonderful working relationship with the Fry Fire District thanks to the efforts of the Council, the Board and the two fire chiefs. The two organizations have successfully implemented an auto aid agreement as well as integration of various facilities, personnel and equipment at the various stations. This is a very unique situation in terms of being in a rural area and a very effective one as well. The next question is where this can be improved to provide better service to the community and that is why both the City and the Board co-sponsored the study in order to explore those opportunities.

Mr. Potucek introduced Lane Wintermute and Don Bivins with Emergency Services Consulting International (ESCI) to present their findings.

Mr. Wintermute stated that it is a very unique situation at the City as ESCI does this kind of work all over the country; but when ESCI came to Sierra Vista to start the project, they found that many of the things that ESCI typically identifies as being opportunities for organizations to work together more effectively were already being done.

The question that ESCI came in to answer was to look at what has already been done and validate whether that makes sense and if it is working, which was done through analysis in

listed in the report. ESCI also looked at what can be done to take the next step or finish the process and make it into a better situation. Everybody is on the same page in Sierra Vista.

- The process

Mr. Wintermute stated that the process that was undertaken involved a baseline evaluation of where the organizations are currently at so that ESCI can understand the fire departments and what is currently being done and identify all of the opportunities to work more closely together and then ESCI puts together an assessment of what makes sense and what will work best in the community.

- Study Purpose

The purpose of the study was to assess the organizations by looking at all of the elements of the organization, i.e., financial service delivery, assets and identify what the options are to collaborate and then figure out which ones are more feasible and which ones have more opportunities to move forward successfully. There is no one-size fits all when talking about cooperative efforts. Fire departments have joined forces all over the country over the years in many different forms through mergers, consolidations, annexations, formations of new fire districts, regional fire authorities and a whole lot of models that are out there. Every state differs on what is allowed by law.

- Report Sections

The report is broken down into sections. Mr. Wintermute summarized that the organizations were looked at how they were configured along with their resources, how they are staffed and how they are providing service delivery.

- Section 1: Evaluation of current conditions in each agency including financial analyses;
  - o Organization Overview;

This part of the report is where ESCI gains an understanding of how the organizations are configured. This was a unique situation because there is a city government, city fire department that is a subdivision of a municipality and a fire district, an entirely different type of governance and stand alone organization.

Mr. Wintermute presented a table of the service area and infrastructure and stated that these were compare and ESCI looked at policy documents, i.e., personnel, operating guidelines and foundational policies to see if they defer substantially. Normally, ESCI looks at two organizational charts; but in this case, there was an organizational chart that had been combined.

- o Management components;
- o Capital Assets and Capital Improvement Programs;

ESCI also looked at capital assets, i.e., fire stations and fire apparatus and improvement programs, i.e., fire equipment and looked at the organizations. This is to see what each organization will bring to the table, especially if it is something that is going to be a future expense.

- o Staffing and Personnel Management;

There is also information in the report on staffing and personnel. ESCI looks at both administrative staff and operational staff. Also look at where staffing roles may be duplicated or an opportunity to reduce staffing to reduce costs.

In the case of the City and Fry Fire there are minor duplications administratively that have been addressed in the report. In terms of operations staffing, ESCI did not find an excess of operational staffing or any opportunity to reduce line personnel staffing. There were not opportunities to combine and result in a cost savings.

- Service Delivery and Performance;

Mr. Wintermute stated that a large piece of the foundation for this project is ESCI's analysis of current service delivery and response performance in order to provide good quality decisions on deployment of people, fire stations, placement of apparatus, and etc. All this needs to be based on something scientific; therefore, ESCI looks at current coverage, gaps and opportunities to make changes based of the following elements:

- Service demand;

Data was provided from the fire chiefs to ESCI with incident information that was tallied out, plotted out on maps to figure out where it is concentrated. The agencies combined responded to 8,400 calls during the reporting period, 6,000 were in the City and 1,800 in the fire district with a number of them outside of the district.

- Resource Distribution;

ESCI also looks at resource distribution to make sure that the facilities are placed properly to be able to provide coverage. Travel times are looked at along with insurance office criteria. This is also mapped out and for the most part, the City and Fry Fire line up well.

- Resource Concentration; and

This is to find if staff is adequate and how that is effective a response force, the ability to get an adequate number of people on to an emergency scene in an appropriate level of time. This is also mapped out.

Mr. Wintermute provided a table of concurrent incidents that is one of the measures used to look at how fire departments are staffed. This chart tells us that 41% of the time there is one incident going on at a time, 34% of the time there are two consecutively and 17% of the time there are three. ESCI found that these percentages are a little on the high side which puts additional demand.

- Response Performance.

This is to find out how quickly resources are on the scene. Both organizations combined have an average response time of seven minutes and 47 seconds. That is an average; but averages can be skewed by glitches and data. ESCI prefers to look at percentiles and in this case a 90% data is 14 minutes. That means that 90% of the calls which does not mean that 90% of the calls are getting responded to in 14 minutes. It means that 90% of them have a response in 14 minutes or less. There is a clear distinction there that needs to be made.

Whether that is an acceptable time is the decision of the community and fire chiefs, Council and Board. A chart was provided with response performance, which showed that Fry Fire's

response time is slightly better than within the City. This suggests that the City fire fighters are very busy and probably affecting response times.

Fire Chief Miller asked for everyone to keep in mind that a lot of the responses are Code 1 responses. A lot of times they run without lights and sirens to a non emergent call because they don't want to put at risk the citizens or the firefighters to obey all traffic laws.

- Support Programs;

Mr. Wintermute stated that ESCI looks at support programs and when looking at training the two jurisdictions are already working together and the needs are similar between the two. ESCI did find opportunities administratively where they can be combined even further and made into a single training program. Both have fire prevention functions; but they are different. It is changing because a city has a city building department and rules for new construction and permitting process that are different than what is going to happen in the County. Largely the needs are similar and ESCI recommends that as the City and the District move forward and continue to enhance the level of cooperation that is being done, the fire prevention program be combined even further to gain more efficiency.

- EMS Support and System Oversight;
- Technical Rescue Services;
- Hazardous Materials Services; and Financial Analysis;

ESCI looked at general information regarding the emergency service program as they were primarily looking at oversight and management of the program. There are opportunities for streamlining and elimination of duplicated effort.

The Technical Rescue and HAZMAT are already working concurrently by both organizations and ESCI did not see any opportunity to do anything more there.

- Section 11: Future opportunities for cooperative efforts;

Mr. Bivins provided an overview of collaborative opportunities and stated that the second half of the report is broken down by looking at the general opportunities from a legal standpoint and what is feasible and going to be problematic.

The four primary areas that ESCI focused on with regard to partnering strategies:

- Status quo;

Mr. Bivins stated that the organizations should autonomously continue to work the way that they are working together; but not moving forward any further into terms of formalizing the relationship.

- Intergovernmental agreement;

A contract for services that can be components or the whole level of service.

- Joint powers authority; and

This is a new statutory opportunity that the State of Arizona has that has been in place for two years. There have none formed in Arizona.

- Consolidation via annexation.

Mr. Bivins summarized the Analysis of Shared Services Options:

- Strategy A: Autonomy – Status Quo

The organizations are currently doing it and it is very doable; but some small things can be done to enhance it. The step for an automatic aid agreement has already been taken and that is already moving forward and taking advantage of the resources from both organizations. By following the path, the organizations are not taking advantage of greater levels of efficiency.

- Strategy B: Intergovernmental Agreement (contract for service)

Enables agencies to remain autonomous and may be applied to any functional area, i.e., administration, fire prevention, training, maintenance and others. This may also be applied to operational elements, i.e., emergency response, incident command, dropped boundary response, etc.

The strategy is feasible going forward; but there are issues associated with it, i.e., role changes and perspective that may come and what was a solid partnership may take a step back on the Council or Board.

- Strategy C: Joint Powers Authority (JPA)

This is an additional layer of government; but the reality is that it is a step beyond the contracted services approach. It is a separate legal entity and does not have its own taxing authority.

Since there are two different funding streams, elected officials make the decision on how much goes in and it is not permanent; but it is more permanent than a contract. The reason is to have an established legal entity using resources from both organizations. It is difficult to unwind and JPAs tend to have an infrastructure to dismantle. ESCI recommends viewing it as planning that is a viable option.

- Strategy D: Annexation

The tax rate would go up and it is not viable. If Fry Fire annexed into the City then the City has the burden to provide city services which substantially increases and it is not viable.

Other things that were considered are future deployment of Station 361 and 362. Station 362 is due for replacement. One station has an engine and the other has the medics; but consolidating crews and apparatus at Station 361 offers opportunities for increased efficiency and operational effectiveness.

- o Findings;

ESCI found that the organizations are interdependent; but work closely together, which has not been seen in other areas. There are cultural and infrastructure needs that both have and they can be tackled more effectively together than separately.

Mr. Bivins provided a summary of the findings for each strategy.

- Strategy A: Status Quo, does not take advantage of multiple cooperative efforts and this strategy is not recommended;
  - Strategy B: Intergovernmental Agreement (contract for services), is feasible and enhances existing cooperative efforts; however, the lack of permanence potentially impedes long-term success;
  - Strategy C: Joint Powers Authority (JPA), is feasible and takes a substantial step toward full integration and is recommended by ESCI; and
  - Strategy D: Annexation is not feasible at this time; but should not be discounted as a potential long range initiative.
- o Recommendations; and

Mr. Bivins recommended a Joint Powers Authority (JPA), an option only recently made available through state legislation; but which has not been enacted by any fire services in the state.

A JPA creates a separate legal entity and that separate legal entity is made up of the policymakers of both organizations. The City and Fry Fire District would establish representations either through elected officials or their designees to this separate legal entity. That separate legal entity would then be responsible for administering the organization moving forward. However, due to this being a new statute, ESCI suggests that they work with the author of the statute for guidance.

- o Implementation

Mr. Bivins stated that he assumes that both organizations have had discussions to find out where the gaps are. The organizations will need to work through those gaps and come to the conclusion to combine into a JPA with assistance from Mr. John Flynn in order to nail down the nuances.

Council Member Mount asked about Mr. Flynn's employment. Mr. Bivins stated that he is the Fire District Directors Executive Director in the State of Arizona and who actually authored the statute that formed the Joint Powers Authority. He is also an associate for the ESCI firm.

Mr. Bivins added that the report outlines a process, identifies subgroups and issues that should be included in the formation of the JPA. It is simply in the purview of the elected officials.

Fry Fire Chair Nash stated that recommendations are taken in stride.

Fry Fire Board Member McMurtrie stated that as identified in the study, there are areas of improvements that don't involve going into any next step in this merger and so he believes that Fry Fire can look at that low-hanging fruit.

Fry Fire Board Member Banister stated that the Board really needs to review all of this and discuss it more, with regard to the strategies available.

Council Member Ash asked about other communities that have a JPA. Mr. Bivins stated that there are none in Arizona; but there are some in California and ESCI can get samples of the communities of the approximate size of Sierra Vista. However, he cautioned Council that they may not be comparable. The JPA language was modeled heavily in the California system.

Mr. Wintermute added that Washington State also has them and that JPAs are not unheard-of.

Council Member Mount stated that in reviewing the study, he looked into other communities that have considered a Joint Powers Authority system, and found that he shared some of their concerns. One of the things that came up within the weaknesses of it was the cost to standardize and set up the JPA and the need to hire consultants to draw up the JPA. He also noted that it is kind of funny, and almost ironic, that the same person who helped pass the legislation, is now that person lobbying to push a JPA on the City, when really nobody else has done it.

Mayor Mueller stated that the areas noted in the study that could be improved upon could be made more efficient through smaller actions and agreements between the City and the Fry Fire District. He also added that he has strong misgivings with being the guinea pig for the State of Arizona.

Fry Fire Board Chairman Nash stated that one of the things that he is definitely against is entering into bigger government as these things grow like vermin to some degree.

In response to Council Member Ash, Mr. Bivins explained that the JPA provides long term stability; a big leap and the organizations will need to get there incrementally. The start is an intergovernmental agreement, the backbone of a JPA.

Mr. Bivins stated that an intergovernmental agreement can be established first in order to have time to experience that and debug the system with lessons learned then the organization can consider the JPA.

Mr. McMurtie stated that the organizations have a good relationship and there is always risks taken when applying major changes.

Fire Chiefs York and Miller agreed that there was room for improvement in their agencies' current integration and asked that the Council and the Board preserve the ongoing automatic aid agreement between the two agencies.

Fire Chief York stated that he would hope that a decision isn't made that will take a step back, because automatic aid really works.

Fire Chief Miller added that together, they are better at serving the communities and together they have saved lives in the communities, just with the automatic aid agreement. He also stated that he thinks that they can also improve upon it by doing smaller steps.

Mr. Potucek talked about the history, the effort it took to get the two fire agencies working as closely as they do currently. Through that, they have taken very measured, very considerate steps, in kind of a slow fashion; but moving forward throughout that time, because the City and the District wanted to get this right.

The current automatic aid agreement is scheduled for renewal soon and those discussions present a chance to address some of the ways to make the partnership between the City and Fry Fire District more efficient without entering into the unknown territory of a JPA.

Mr. Potucek also stated that he thinks that they should continue this road that they are on because there are plenty of opportunities to move forward without taking that giant step and potentially ending up in a situation that is detrimental to the good that is going on right now.

Mayor Mueller thanked the Fry Fire Board, ESCI and noted that there is a lot of detail in the report to ponder.

2. Adjourn

Mayor Mueller adjourned the work session at 3:57 p.m.

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Mayor Frederick W. Mueller

Minutes prepared by:

Attest:

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Maria G. Marsh, Deputy City Clerk

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Jill Adams, City Clerk