



San Clemente



LONG TERM FINANCIAL PLAN

Fiscal Year 2019-20



FIRE SERVICES DIVISION

TOTAL FY 2018-19 ADOPTED BUDGET = **\$9,961,470**

Fire

The Orange County Fire Authority (OCFA) was formed in 1995 to provide regional fire protection and related services to the County of Orange and 23 member cities, including the City of San Clemente. The City of San Clemente currently has a 20 year membership contract with the OCFA to provide fire and emergency related services, which commenced on July 1, 2010 and will end on June 30, 2030. The 20 year membership contract shall renew automatically at July 1, 2030, under the same terms and conditions, unless the City notifies the OCFA “*prior to July 1 of the second to last year of every ten year interval*”, or July 1, 2028 in this instance.

The contract with the OCFA includes a Base Service Charge as well as annual contribution payments for fire station maintenance and fleet replacement reserves. The OCFA contract budget for FY 2018-19 is as follows:

FY 2018-19 Base Service Charge	\$8,570,835
Facilities Maintenance Charges	8,807
Vehicle Replacement Charges	<u>128,308</u>
Total OCFA FY 2019-20 Contract	\$8,707,950

The Base Service Charge is increased annually, but the implemented increase is capped at 4.5% per year, per the contract. If the actual computed increase is more than the 4.5% cap, the excess amounts owed to the OCFA will be banked and charged to the City in a subsequent year(s), until the shortage is paid in its entirety. Contributions for station maintenance and fleet replacement charges are billed based on actual and projected costs.

The addition of a fourth firefighter on full rotation for the City of San Clemente (requiring the addition of three additional firefighter positions due to 24 hour staffing) was implemented by OCFA at the beginning of FY 2017-18, with an eight-year, shared cost, phase-in plan. The addition is being filled through overtime initially, with the first two years of costs fully paid by OCFA. The City begins to pick up a share of these costs in the third year, FY 2019-20, with full cost pick-up by the City by the eighth year.

The chart below (provided by OCFA in May 2017), shows projected costs for the eight year period, based on an assumption of 2% increases after August 2020:

Year	Fiscal Year	OCFA Cost Share		San Clemente Cost Share	
1+	March 2017-June 2018	Three OT Positions	\$610,385	None	
2	2018/19	Three OT Positions	\$477,209	None	
3	2019/20	Two OT Positions	\$323,123	One OT Position	\$161,562
4	2020/21	One OT Position	\$164,593	Two OT Positions	\$329,186
5	2021/22	None		Three OT Positions	\$503,655
6	2022/23	None		Two OT, one regular position	\$592,394
7	2023/24	None		One OT, two regular positions	\$683,567
8	2024/25	None		Three regular positions	\$778,980

**Costs are based on current salary/benefits per MOU terms that run through August 2020; costs beyond 2020 are estimated using a 2% salary/benefit inflator.*

The City has 3 fire stations at the following locations:

Fire Station 50: 670 Camino De Los Mares, just past the hospital

Fire Station 59: 59 Avenida La Pata in Talega

Fire Station 60: 121 Ave Victoria

Ambulance (Ground Emergency Medical Transport)

In January 2017 City Council directed staff to pursue an RFP for ambulance services. Subsequently the RFP process, the City entered into a five year contract with Care Ambulance Services, through FY 2021-22, for the services of two full-time ambulances. The City’s five-year contract with Care Ambulance Services provides for a fixed annual cost for ambulance transport services through June 30, 2022 for the two full-time ambulances.

Annual costs for the five years of the contract are as follows:

<u>Contract Year</u>	<u>Fiscal Year</u>	<u>Amount</u>
Year 1	FY 2017-18	\$1,138,548
Year 2	FY 2018-19	\$1,210,124
Year 3	FY 2019-20	\$1,281,379
Year 4	FY 2020-21	\$1,317,006
Year 5	FY 2021-22	\$1,352,633

There is also a revenue component to the City’s Ambulance Services program. In FY 2018-19, the adopted budget projected total net income of \$1,250,000 from ambulance fees as well as \$25,000 income from the City’s ambulance subscription program.

The City also participates in the Ground Emergency Medical Transport (GEMT) grant reimbursement program, administered by the California Department of Health Care Services, which provides eligible providers with supplemental reimbursements for certain Medi-Cal emergency transports. The timing and receipt of these reimbursements is uncertain. The City received a total of \$36,867 in FY 2017-18 and it is estimated that receipts for FY 2018-19 will be approximately \$10,000.

Other than the OCFA contract and the CARE ambulance contract, additional Fire related costs budgeted in the Fire Services Division include miscellaneous supplies and City Overhead.

Public Safety Overview

The City's total General Fund Operating Budget (representing ongoing costs and excluding one-time items) totaled \$63,700,000 for FY 2018-19. The ongoing Fire Services efforts noted above represent 15.6% of that total for FY 2018-19.

For more information about Fire Services please visit the City's website at <http://www.san-clemente.org/departments-services/safety-services/fire-services> .