



EL DORADO COUNTY GRAND JURY 2010-2011

EL DORADO HILLS FIRE DEPARTMENT BUDGET AND OPERATIONAL REVIEW

Case Number GJ010-013

REASON FOR REPORT

A County official advised the Grand Jury that the El Dorado Hills Fire Department (EDHFD) was overspending its budget despite receiving a disproportionate amount of property tax revenue. On September 12, 2010, the Department's Fire Chief publicly disclosed that the Department was "overstaffed" and was suffering from "runaway overtime." A Sacramento Bee editorial published on March 13, 2011 was highly critical of the Sacramento Metropolitan Fire Department's salary and benefit package, which is similar to the EDHFD. To ensure the efficient provision of fire safety services to El Dorado Hills residents, the Grand Jury investigated the current administration, operations, and spending practices of the EDHFD.

BACKGROUND

In 1963, the EDHFD was formed when the El Dorado Hills Joint County Water District was given legal authority to form a fire department. In 1973, El Dorado Hills residents voted to obtain their water and sewer services from the EDC Irrigation District (EID), thus ending the provision of water and sewer services by the El Dorado Hills County Water District. However, the EDHFD continued as a Special District, providing medical and fire services to El Dorado Hills. In its present state, the Fire Department is governed by a five member Board of Directors, who serve four-year terms. In official documents, the EDHFD still refers to itself at times as the El Dorado Hills County Water District.

The El Dorado Hills Joint County Water District's property tax revenue was enhanced by the following key factors:

- EDHFD had a high tax rate and revenues for the three years prior to Proposition 13 taking effect in 1978. The average of the three years as compared to the same average for the other 80 plus El Dorado County (EDC) taxing jurisdictions was the key factor in determining the base revenue for post-Proposition 13 property tax revenue.
- EDHFD high tax rate and revenues prior to Proposition 13, allowed for a significant share of the future Proposition 13 property tax increment to be established. The EDHFD's share of the 1% property tax revenue is 17.5%. The EID collects 5.8% of the 1% to compensate for taking over the El Dorado Hills County Water District's water and sewer services. The EDHFD share of property tax is essentially frozen in place unless changed by annexation or renegotiation through the El Dorado County Board of Supervisors.
- EDHFD was exempted by the State Legislature from Education Revenue Augmentation Funds (ERAF) cycle 1, 2, and 3 property tax shifts for several reasons, including their dual county status (the Water District extends into a small portion of Sacramento County), and that fire services are provided. Other fire districts benefit from an inter-county designation.
- EDH Fire's boundaries encompass a territory where expansive growth of upscale properties has occurred over the last 25 years. Thus, the Assessed Valuation (AV) of the territory increased overall more than the AV of the remainder of the county.

The District receives 73% of its revenue from property taxes, which when combined with developer fees enabled the District to build and staff two new fire stations. The two new stations, along with the two older stations, have been staffed at higher levels than surrounding fire departments. The Department also offers a more expensive salary and benefit package to its employees than comparable agencies.

The Department has accumulated a General Reserve Fund of \$14,273,038, and a Capital Reserve Fund of \$7,288,483. Opinions vary on the sizes of the General and Capital Reserve Funds. By comparison, the Sacramento Metropolitan Fire Department, which is roughly ten times the size of the EDHFD, has a General Reserve Fund of \$9,482,801 and a Capital Reserve Fund of \$1,749,586. Critics state that the General Reserve is too low to cover the future unfunded liability of the EDHFD retirement plans and retiree medical plans. The Capital Reserve Fund balance is generally a product of Fire Impact Fees paid to the EDHFD by developers.

Because of its ample share of the property tax revenues, the questionable spending practices of the Department did not surface until a reduction in property tax revenues began to stress the Department budget.

The EDHFD is a “stand-alone” agency that does not have to compete with other public services for precious budget dollars like municipal and county fire departments. In the past, the Board has made funding decisions with little citizen oversight. Though the Department has an expansive website, few residents attend Fire Board meetings. Board members have to do little political campaigning, and the Firefighters Union contributes funding and time to their limited campaigns.

The Department sustained a \$900,000 budget deficit in Fiscal Year 2009-10, which necessitated the use of reserve funds to balance the annual budget. The Reserve Fund will be accessed again in Fiscal Year 2010-2011 for an estimated \$700,000. The Department is at a financial crossroads. Property tax revenues are dropping and labor contract negotiations for Fiscal Year 2011-2012 started in January 2011.

Overtime spending and Educational Incentive Pay have increased threefold since the 2005-2006 Memorandum of Understanding was signed. Although the local economy was slipping, EDHFD firefighters received annual cost of living allowance raises totaling 13.5% from 2006 to 2008. The firefighters in El Dorado Hills pay nothing towards their “3 at 50” pension plans, which allow firefighters to garner 3% retirement increments for each year worked, and become eligible to retire at age 50. After thirty years, a Firefighter can retire at 90% of their base pay plus other contractual enhancements. During their EDHFD employment, firefighters do not contribute toward their medical, dental, or vision plans.

Calls for service trends from 2006 to 2010 are depicted in Table 1. Total Calls for Service decreased by 7%, Structure Fires increased by 5%, while Brush and Grass Fires decreased by 30%.

From an EDHFD analysis of Calls for Service, the Grand Jury found that for each of the District’s fully staffed and equipped fire stations, total dispatches ranged from .87 to 1.7 responses every 24 hours. According to the EDHFD former chief, only six true structure fires occurred in 2009, and the Annual report estimated property damage from fire was \$1.2 million. Dividing the EDHFD 2009-10 annual total budget of \$18,304,077 by the total of calls for services (which includes false calls, cancelled calls, rattlesnake calls, lock-outs, “service” calls, as well as a very small number of fires), the average call response costs the taxpayer \$8,153. Using the same formula for 2010, with a budget of \$16,108,638, the average cost per call for service is \$7,150.

Table 1: Calls For Service (CFS) Compared to Prior Year										
Call Type	2006 Actual	2007 Actual	2007 % Change Prev. Year	2008 Actual	2008 % Change Prev. Year	2009 Actual	2009 % Change Prev. Year	2010 Actual	2010 % Change Prev. Year	Change 2006-2010
Total CFS	2,427	2,532	4%	2,565	1%	2,245	-13%	2,253	0.40%	-7%
Structure Fires	35	30	-14%	41	27%	30	-27%	37	19%	5%
Grass/Brush Fires	57	74	23%	70	-5%	33	-53%	40	17%	-30%

According to the EDHFD Board of Directors, contract provisions that will be reviewed during contract negotiations include mandatory staffing levels, educational incentive pay, use of “floaters” to reduce overtime, and employee contributions toward their retirement, health, dental, and vision plans. The Grand Jury supports the Board’s “everything is on the table” approach.

The Board appears to be heading in the right direction, by hiring an outside consultant to help develop budget reduction strategies. Additionally, in late April 2011 four firefighters retired, and once each retirees’ sick and vacation leave buy-outs and \$50,000 retirement incentives are paid, the retirements should give the Department some staffing breathing room.

The Grand Jury does not wish to diminish the work of the EDHFD Firefighters, and is mindful the EDHFD labor contract was achieved by the collective bargaining process approved by the Board of Directors. The Grand Jury is concerned with the Department expenditure of tax dollars and whether current spending practices are sustainable and necessary. The key budget decisions will be made by the Board of Directors, but ultimately it is the voters who must decide how much they want to spend for fire services in El Dorado Hills.

METHODOLOGY

The following individuals were interviewed by Grand Jury members during 2010 and 2011:

- Members of the EDHFD Board of Directors
- Chief level members of the EDHFD
- EDH Professional Firefighters Union official
- American River College Career Counselor

- Officials from El Dorado County Sheriff's Office and Cal Fire dispatch centers.

Grand Jury members reviewed the following documents:

- EDHFD Annual Plans 2009 and 2010.
- EDHFD Five Year Plan
- EDHFD Memorandums of Understanding 2006-present
- EDHFD Procedures Manual - 2010.
- EDHFD Budgets 2009 and 2010
- Pertinent sections of California Government Code
- All National Fire Information Reporting System structure fire reports from calendar years 2009 and 2010
- Village Life newspaper articles pertaining to EDHFD budget issues, 2010 to 2011
- September 10, 2010 article from Firehouse Magazine, Firefighter Tactics, Measured Scientifically

The Grand Jury also surveyed seven other fire departments by sending out written and electronic survey forms to the Chiefs of the various departments.

FINDINGS

1. The EDHFD salary and benefit package is significantly higher than other fire departments.

The EDHFD is impacted by three entities: the Board of Directors, Fire Chief, and the EDH Professional Firefighters' Union Local 3604. The Grand Jury learned from their interviews the Board wants to balance costs, but at the same time wants to maintain high wage and benefits to minimize loss of skilled personnel to other fire departments. The Union wants to maximize firefighter and citizen safety, as well as prevent layoffs, regardless of cost. This leaves the Fire Chief in the unenviable position of having to run a department on a collision course with fiscal reality, and who is responsible and accountable, but excluded from labor contract negotiations.

Key budget categories for Fiscal Years 2009-10 and 2010-11 are:

Table 2: Key EDHFD Budget Components		
	2009-10	2010-11
Wages and Benefits	75%	84%
Operations	8%	9%
Contingency Funds	6%	1%
Fixed Assets	6%	6%
Capital Reserve	5%	0%

The EDHFD budget contains many salary and benefit figures that seem out of sync with today's struggling governmental agencies. The Department's budget pressures have their origin in the 2005-06 Memorandum of Understanding (MOU) or labor contract.

Cost of Living Allowances

From July 1, 2006 to July 1, 2008, the following Cost of Living Allowances were awarded to EDHFD uniformed staff:

- Effective July 1, 2006 4%
- Effective July 1, 2007 4.5%
- Effective July 1, 2008 5%

Compounded, these raises total 14.11%. From July 2006 to July 2008, inflation rose 7.5%, so in effect the EDHFD firefighters netted a 6.61% raise over this three year period. However, there has been no Cost of Living adjustment for Firefighters since July 1, 2008.

Salary Adjustments

An additional equity salary adjustment of 1% for Engineers, and 2% for Firefighters was granted on September 26, 2006 by the Board of Directors. Another 0.5% equity salary adjustment was granted to Captains, Engineers, and Firefighters on July 1, 2007. With the equity adjustments added to the cost of living allowance, wages were boosted up to 16% from July 1, 2006 to July 1, 2008.

Paramedic Incentive

Further, even though an EDHFD Firefighter must have a paramedic license to meet minimum qualifications before being hired, a paramedic incentive stipend began being paid effective September 26, 2006, at a rate of 4% for Captains, 5% for Engineers, and 9% for Firefighters.

Overtime

The Firefighter Paramedics have had significant increases in overtime since the 2005-06 contract. Overtime costs have increased from \$12,810 on average per firefighter in Fiscal Year 2005-06 to \$39,501 in Fiscal Year 2009-10. One factor that contributed to the overtime was a 2005-06 MOU section that mandated 24/7 minimum staffing levels at the Department's Fire Stations, and locked the Department into an inflexible staffing model. Another MOU section prohibits the Department from using flexible overtime reducing positions called "floaters," which are commonly used by other fire departments. Volunteers, trained as Emergency Medical Technicians, are rarely used to reduce overtime. Two Captains on paid administrative leave, pending disciplinary disposition for more than a year, also contributed to 2010 overtime increases.

BY contrast the El Dorado County Sheriff's Office has made great strides in reducing overtime. By the end of Fiscal Year 2007-08 overtime costs were \$4,095,143. By the end of the third quarter of Fiscal Year 2009-2010, overtime costs were \$2,015,511. When extrapolated to a full fiscal year, the overtime costs were \$2,687,348 – a reduction of \$1,407,795, or approximately 34%.

Education Incentives

The amount of funds paid towards Educational Incentive Pay (EIP) has increased from \$122,000 in Fiscal Year 2005-06 to \$437,000 in Fiscal Year 2009-10, an increase of 258%. This amounts to an average of over \$7,800 per fire employee per year, by far the highest in the Sacramento area. Board of Directors representatives said the education incentive program was designed for "leadership development." EIP pay is incorporated into overtime pay and the Public Employees Retirement System (PERS) retirement calculations, a process commonly referred to as "PERSable." Surprisingly, two Directors testified that they were not certain if the EIP was PERSable. EIP and the mandatory staffing provisions of the 2005-06 labor contract were termed "hidden escalators" by some at the time of their ratification by the Board of Directors, and this term proved prophetic.

According to members of the Board of Directors, the cost increase in EIP from 2006 to Fiscal Year 2009-10 was due to greater usage by employees when the stipend changed from a set amount to a percentage.

For the 2005-2006 MOU, the following education incentives were offered:

- EMT-1: \$100 per month.
- Associate of Arts or Science Degree: \$200 per month

- Bachelor of Arts in Science Degree: \$300 per month
- State Fire Officer Certification: \$200 per month
- State Chief Officer Certification: \$300 per month

Up to July 1, 2008 the following percentages replaced the above dollar amounts which are stackable (cumulative) to 25% of pay (including the paramedic incentive) for non-management and 19% for management staff:

- EMT-1 1.5% of base pay
- AA/AS 3% of base pay
- BA/BS 5% of base pay
- MA/MS 5% of base pay
- Fire Officer 3% of base pay
- Chief Officer 3.5% of base pay

In addition, a Paramedic in good standing receives the following paramedic incentive pay:

- Firefighter 9% of base pay
- Engineer 5% of base pay
- Captain 4% of base pay

Candidates applying to EDHFD for hire must possess a California Paramedic License before their date of hire. To qualify to be a paramedic in California, an applicant must be 18 years of age, a high school graduate, possess an Emergency Medical Technician Certificate (210 class hours and 96 hours clinical training), and have earned a Paramedic License (320 hours classroom instruction, 96 hours clinical training).

One community college career counselor equated a paramedic license to an associate college degree in terms of time and expense. A Chief Officer told the Grand Jury that obtaining a paramedic license is a “year-long process.” According to a union representative, for the last 15 years, EDHFD firefighter applicants had to possess a California State Paramedic License at the time of their appointment to meet minimum qualifications. However firefighters are paid up to 9% during the course of their career and retirement for having a paramedic license. For example, at \$100,000 salary, the paramedic certificate can earn a firefighter \$450,000 over a 30 year career and 20 year retirement.

By contrast, teachers, who spend a minimum of five years in college for a degree and teaching credential, earn no salary perks for their credentials.

Further, firefighters can study during work hours, and AA, BA, and Masters Degrees do not have to be germane to Fire Science or management.

- Many firefighters earn promotional preparation “Fire Officer” pay when they have completed a State certified curriculum. According to a Chief-level staff member, the program entails attending ten classes at the firefighter’s expense and time. Each class is 40 hours long and costs the firefighter \$390. This earns the firefighter an additional 3%, in pay. Firefighters can also earn Chief Officer pay which includes a salary boost of 3.5%. Those who earn both the Chief Officer and Fire Officer pay increase their salary total 6.5%, which again is PERSable.
- Other fire departments do not reward pay incentives for Fire Officer or Chief Officer, or pay less for the incentives.
- Two captains were paid \$21,003 and \$23,080 in PERSable EIP in Fiscal Year 2009-10. The previous Fire Chief was paid \$13,199 in EIP, while three other Chief Officers each were paid over \$13,000 as well.

The EDHFD provided the Table 3 that illustrates the rate of pay per employee per rank during Fiscal Year 2009-10 (Note: Paramedic pay is included in Base Salary, but EMT pay is included in Educational Incentive pay. Also, benefit compensation such as retirement contributions, medical, dental, and vision are not included in Table 3 figures.)

Other Notable Budget Findings

According to Table 3, a recently retired Fire Chief earned over \$304,000 in pay in 2008 – which includes State Office of Emergency Services overtime - but not including benefits. In 2010 this same Chief was paid a \$75,000 retirement incentive bonus even though he had already reached his 30-year PERS retirement benchmark.

- A Captain supervises only one engineer and one or two firefighters, and acts as an incident commander, but is paid over \$25,000 more than a top step firefighter.
- Three Fire Captains earned over \$180,000 in base salary, holiday pay, educational incentive, and overtime for Fiscal Year (FY) 2009-10.

- Each firefighter receives 100% Department funded PERS retirement, 100% funded medical and dental plans, and an eye care program.

Table 3: EDHFD 2009 Wages

RANK	CURRENT 2009 WAGES							2009		2008		
	BASE	HOLIDAY	EDUCATION	MANAGEMENT INCENTIVE	TOTAL Annual 26	OVERTIME	W-2	W-2	W-2	W-2		
							26 pay periods	27 pay periods	26 pay periods	27 pay periods		
AC & C	113,183.20	-	9,238.84	-	122,422.04	3,299.17	125,721.21	128,021.84				
BC	120,612.18	4,970.16	13,199.94	-	138,782.28	44,212.13	182,994.41	174,278.28				
BC	120,612.18	4,970.16	9,599.98	-	135,182.32	43,829.95	179,012.27	170,520.89				
BC	120,612.18	4,970.16	13,199.94	-	138,782.28	70,637.89	209,420.17	195,952.95				
C	109,357.30	4,506.58	6,808.62	-	120,672.50	37,306.84	157,979.34	149,113.93				
C	109,357.30	4,506.58	12,065.82	-	125,929.70	41,804.51	167,734.21	181,403.03				
C	105,143.48	4,332.90	13,893.10	-	123,369.48	24,362.05	147,731.53	142,671.68				
C	109,357.30	4,506.58	3,904.42	-	117,768.30	46,181.68	163,949.98	159,892.62				
C	105,143.48	4,332.90	5,481.58	-	114,957.96	58,844.15	173,802.11	172,105.17				
C	105,143.48	4,332.90	23,080.20	-	132,556.58	33,633.69	166,190.27	184,502.29			AL 9-09	
C	109,357.30	4,506.58	21,003.06	-	134,866.94	46,853.33	181,720.27	174,221.93			AL 9-09	
C	105,143.48	4,332.90	8,885.76	-	118,362.14	11,157.52	129,519.66	126,735.68				
C	105,143.48	4,332.90	8,635.90	-	118,112.28	37,663.97	155,776.25	164,576.02				
C	104,133.12	4,291.30	6,008.34	-	114,432.76	78,667.46	91,027.60	123,666.28				
C	109,357.30	4,506.58	3,654.30	-	117,518.18	69,587.83	196,185.64	179,628.89				
C	109,357.30	4,506.58	6,308.64	-	120,172.52	40,211.54	150,555.02	152,241.22			Start July 08	
E	96,288.14	3,967.86	2,751.06	-	103,007.06	51,607.78	154,614.84	147,086.45				
E	96,288.14	3,967.86	2,751.06	-	103,007.06	43,803.99	146,811.05	147,493.68				
E	96,288.14	3,967.86	5,502.12	-	105,758.12	33,781.41	139,539.53	137,002.10				
E	96,288.14	3,967.86	2,751.06	-	103,007.06	26,554.34	129,561.40	133,646.96				
E	96,288.14	3,967.86	5,502.12	-	105,758.12	23,476.29	129,234.41	127,885.18				
E	96,288.14	3,967.86	5,502.12	-	105,758.12	25,655.11	131,413.23	134,300.71				
E	96,288.14	3,967.86	10,087.48	-	110,343.48	43,738.67	154,082.15	170,304.06				
E	96,288.14	3,967.86	2,751.06	-	103,007.06	8,049.69	111,056.75	114,529.62				
E	91,704.60	3,779.10	-	-	95,483.70	44,211.70	139,695.40	120,441.23			Start May 08	
E	96,288.14	3,967.86	-	-	100,256.00	22,678.09	122,934.09	118,665.25				
F	87,156.16	3,591.64	4,797.26	-	95,545.06	44,191.72	139,736.78	125,553.62				
F	87,156.16	3,591.64	2,398.76	-	93,146.56	7,566.82	100,713.38	133,041.82			W/C 11-09	
F	87,156.16	3,591.64	2,398.76	-	93,146.56	37,197.64	130,344.20	127,535.56				
F	87,156.16	3,591.64	6,396.52	-	97,144.32	23,984.89	121,129.21	103,428.44				
F	87,156.16	3,591.64	2,398.76	-	93,146.56	9,271.50	102,418.06	153,346.82				
F	79,055.08	3,257.80	-	-	82,312.88	19,078.60	101,391.48	99,459.61				

F	87,156.16	3,591.64	-	8,795.28	90,747.80	29,639.01	120,386.81	92,086.48	
F	87,156.16	3,591.64	8,795.28	99,543.08	39,672.58	139,215.66	128,374.23		
F	87,156.16	3,591.64	6,396.52	97,144.32	32,030.02	129,174.34	128,511.14		
F	87,156.16	3,591.64	-	90,747.80	66,768.82	157,516.62	134,406.04		
F	87,156.16	3,591.64	-	90,747.80	15,837.90	106,585.70	115,728.12		
F	79,055.08	3,257.80	5,803.20	88,116.08	22,517.93	110,634.01	106,145.52		
F	87,156.16	3,591.64	-	90,747.80	42,189.46	132,937.26	146,174.07		
F	79,055.08	3,257.80	3,627.00	85,939.88	10,933.80	96,873.68	90,389.28		
F	83,003.70	3,420.56	8,376.68	94,800.94	25,248.46	120,049.40	122,532.86		
F	87,156.16	3,591.64	-	90,747.80	2,811.18	93,558.98	93,659.25		
F	79,055.08	3,257.80	2,176.20	84,489.08	26,225.35	110,714.43	94,284.00		
F	79,055.08	3,257.80	-	84,489.08	Work Comp	81,049.49	81,883.71		
F	75,301.46	3,103.10	2,072.20	80,476.76	9,509.33	89,986.09	81,101.21		
F	79,055.08	3,257.80	3,627.00	85,939.88	19,097.60	105,037.48	101,392.73		
F	87,156.16	3,591.64	-	90,747.80	10,951.90	101,699.70	93,831.02		
F	87,156.16	3,591.64	2,398.76	93,146.56	Pregnancy Lv.	77,241.62	88,621.47		
F	79,055.08	3,257.80	2,176.20	84,489.08	21,965.34	106,454.42	101,221.35		
F	87,156.16	3,591.64	4,797.26	95,545.06	11,268.96	106,814.02	116,584.62		
F	87,156.16	3,591.64	8,795.28	99,543.08	23,959.94	123,503.02	130,368.34		
F	75,301.46	3,103.10	2,072.20	80,476.76	19,529.53	100,006.29	69,671.36		Start 4/08
F	79,055.08	3,257.80	2,176.20	84,489.08	33,596.72	118,085.80	105,254.05		Start May 08
Div Ch	142,619.88	-	9,600.02	12,000.00	164,219.90	12,503.86	176,723.76	185,350.30	
Chief	186,000.10	-	13,199.98	12,000.00	211,200.08	20,849.89	232,049.97	304,511.60	
RE	91,704.60	3,779.10	5,626.66	101,110.36	74,399.46	175,509.82	131,208.47		
R Div Ch	142,619.88	-	13,199.98	12,000.00	167,819.86	Work Comp	134,854.09	171,766.27	
R DepCh	161,159.96	-	13,199.98	12,000.00	186,359.94	72,426.20	258,786.14	213,222.15	

Note: When a Chief, Deputy Chief, Division Chief or Battalion Chief has Overtime, it is generally caused by working on a strike team and earning the stipend reimbursed by the State.

Note: Workers Comp is not charged to the W-2. The District still pays the wages, however they are non-taxable to the employee

Code
 CHIEF
 DEPUTY CHIEF
 DIVISION CHIEF
 BATT CHIEF
 CAPTAIN
 ENGINEER
 FIREFIGHTER
 ADMIN CAPT
 RETIRED

Chief
 Dep Ch
 Div Ch
 BC
 C
 E
 F
 AC

An "R" in front designates they retired that year and would have additional payouts and incentives. (Dec 09)

- Four Chief Officers earn \$12,000 in PERSable Management Incentive Pay each year in compensation for the inability to earn overtime like their subordinates.
- Retirees receive 100% District paid health care coverage
- Two Fire Captains on administrative leave for fiscal year 2009-2010 were paid \$247,000, not including taxes and benefits. Their absence also required MOU mandated back-staff overtime. One of these Captains has recently retired, but as of April 2011, the other Captain is still on paid administrative leave, pending resolution of the disciplinary action that prompted the administrative leave.

Aside from the monetary benefits described above, the EDHFD Firefighters receive a number of other annual benefits:

- For uniformed shift firefighters, a two-day work schedule that involves two 24-hour consecutive work shifts every six days - commonly known as “Two-On / Four-Off.” The work-week is tracked (per an industry standard formula) as 56 hours per week. Without factoring in vacation and other categories of leave, a firefighter generally works 10 days per month.
- Vacation Leave is based on seniority and varies significantly. Those with five years or less at the Department earn 8 days of vacation when assigned to a shift schedule and 13 days when working a non-shift (administrative) schedule. Those with 20 or more years of EDHFD employment receive 12 days of vacation (shift), and 26 days (non-shift).
- Sick Leave for non-shift personnel is 17 days per year.
- Sick Leave for shift employees is 192 hours or eight (24 hour) days per year.
- Longevity Pay that ranges from \$500 annually at 10 years to \$2,000 annually at 30 years.
- 12 holidays for non-shift firefighters and holiday in-lieu pay for shift firefighters.
- \$500 uniform allowance

2. A Grand Jury survey of comparable fire departments revealed that the EDHFD pays higher salaries and benefits, but has lower service demands.

The Grand Jury surveyed the following seven comparable Fire Departments to gain a reference to the EDHFD budgetary and staffing practices: El Dorado County Fire; El Dorado Hills, Rocklin, Lincoln, South Lake Tahoe, Sacramento Metropolitan, and Sacramento (See Table 4). The survey table reveals in most

comparisons EDHFD pays much more in salaries and benefits, but has less service demand. The most striking comparisons are:

EDHFD has the second highest staffing level, but

- lowest annual alarms
- lowest alarms per day per station
- lowest percentage of calls that are medical in nature
- lowest number of structure fires
- lowest proportionate population

Though the lowest in service demand, EDHFD is among the highest in the following categories:

- Highest Firefighter, Engineer, and Captain pay
- Numbers of staff assigned to an engine and truck
- Total budget amount (proportionate)
- Highest Overtime pay and proportionate budget
- Educational Incentive pay and proportionate budget
- Fire Officer and Chief Officer Pay
- Second highest Chief, Deputy Chief and Battalion Chief pay
- EDHFD is the only Department that offers 100% funded retirement, medical, and dental plans
- EDHFD has a disproportionate number of Captains and Battalion Chiefs

Areas that are similar to the other fire departments include:

- Span of Control between ranks
- EIP is incorporated in overtime calculations

TABLE 4: RESULTS OF GRAND JURY SURVEY OF 8 COMPARABLE FIRE DEPARTMENTS								
	EDC	EDH	Rocklin	Lincoln	SL Tahoe	Sac Metro	Folsom	Sacto
Total staff numbers by rank?	110	56	37	24	39	503	64	653
	1 Chief	1 Chief	1 Chief	1 Chief	1 Chief	\$1	\$1	1 Chief
	2 Asst Ch.	1 DpC / 1DvC	1 Fire Mar	NA	3 Div Ch.	AC / 1 DC / 1 FM	Vacant	2 DpC, 5 AC
	4 Bat Ch.	4 Bat Ch.	4 Bat Ch.	2 Bat Ch.	NA	15	6 (2Vacant)	11 Bat. Ch.
	20 Capt.	14 Capt.	9 Capt.	6 Capt.	3 Capt.	136	15	105
	NA	12 Eng. Pm	9 Eng.	NA	9 Eng.	129	15	97
	44 FF	23 FF Pm	9 FF 4 FF Pm	15 FF	17 FF	204 / 11 Insp.	25 FF, 1 PM	288 FF, 144 FFPm
Population of your jurisdiction?	77,000	40,000	56,019	41,111	25,819	640,000	64,394	525,000
Square miles of your jurisdiction?	281	44	19.87	19.2	13 / 5 UW	417	21.74	148
Number of fire stations? Staffing per station?	15 / 7	4 / 4,4,4, 6	3 / 3,3,3-4	3 Stns, 3,3,0	4 Stn. / 4,4,5,0	41 Stns.	4, 3 to 7	24 Stns.
Total alarms or responses for year?	7,565	1,815	3,309	3,066	2,949	75,525	5,600	70,000
Percentage of medical calls?	75%	55%	67%	67%	68%	68%	77%	64%
Average number of alarms p/station p/ day?	.5 to 7	.8 to 1.7	3	3.7	3.15, 1.94, 2.99	5.04	3.84	8.3
frames?	378	6 to 21	140	28	66	422	71	1,200
Annual property loss due to fires ?	\$2,252,786	\$1,207,000	\$2,746,106	\$35,000	\$282,771	\$24,101,102	\$610,000	\$2,252,786
Number of fire staff assigned to an engine?	2 to 3	4	3	3	2	3	3	4
Number of fire staff assigned to a truck?	NA	5	3 to 4	NA	2	4	4	4
Does your agency use floaters?	Yes	No	Yes	Reserves	Yes	No	No	Yes
Span of control between Captains and engineers/FF?	1 to 4	1 to 2 or 3	1 to 2	1 to 2 or 3	1 to 3	No Answer	1:2-4	3 to 1 or 5 to 1
Base Salary Top Step FF	\$67,063	\$79,996	\$74,316	\$66,426	\$62,400	\$79,044	\$78,297	\$65,072
Base Salary Top Step Engineer	\$69,189	\$91,704	\$82,560	N/A	\$68,652	\$87,492	\$86,127	\$77,322
Base Salary Top Step Captain	\$83,691	\$105,144	\$94,368	\$83,864	\$78,936	\$98,028	\$94,739	\$87,416
Base Salary Top Step Battalion Chief	\$108,264	A \$129,648	\$116,052	\$112,902	N/A	\$119,316	\$133,375	\$123,441
Base Salary Top Step Deputy Chief	AC / FM \$122,720	\$161,148 DpC \$142,620 DvC	NA	N/A	DvC \$118,524	AC \$151,632, FM 116,796, DpC \$166,788,	DvC \$140,044, DpC \$152,110, FM \$152,148	AC \$152,048, FM \$152,048, DpC \$168,943
Base Salary Top Step Chief	\$158,704	\$185,000	\$188,688	\$148,907	\$149,640	\$224,736	\$170,278	\$186,176
Span of control between Battalion Chiefs and Captains?	1 to 5	1 to 4	1 to 3	1 to 2	1 to 3	No Answer	1 to 4	8 to 1
Salary increase percentage from engineer to Captain?	20%	13%	14%	N/A	15%	No Answer	10%	10%
Total agency budget for Fiscal Year 2009-2010?	\$12,004,315	\$16,108,638	\$8,007,992	\$3,980,331	\$6,932,897	\$148,269,642	\$14,404,185	\$101,000,000
Total annual overtime budget for Agency?	\$645,000	\$2,250,000	\$529,892	\$85,927	\$203,000	\$11,406,807	\$507,000	\$4,300,000
Average annual overtime pay per employee?	\$14,336	\$39,501	\$15,585	\$10,383	\$5,996	\$22,036	\$10,040	\$7,000
Educational Incentive Pay percentage of total budget?	1.40%	3%	0.41%	Not Answer	1.12% GF, .87% other funds	No Answer	1.80%	2%
s EIP is incorporated into overtime pay calculations?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Average Educational Incentive pay per employee?	\$0	\$7,800	\$1,714	\$0	10 receive FO, 1 CO, 2%/4%	\$4,918	\$3,950	\$0
Amount of employee contributions to retirement, medical, dental, and vision plans?	10% - 20% Medical	\$0	Retirement 3%, Med. 0, Dental 0, Vision 0	9% PERS, 0 MDV	0 Retirement, med. \$1,187 Annual for Family	9% Ret., \$1,756 Med. Ann, Dental \$127 M, \$18.75 M	0 Retirement, Med \$190 pm, 0 Dental/Visions	Ret. 0, Medical Dental, Vision Flat fee \$800
Number of staff receiving "Fire Officer" salary enhancement, and what is pay rate hike?	None	34 / 3%	11 / \$75 per mth.	17 / 5%	10 / 2%	122 / .5%	18 / 5%	None
Does your Fire Chief participates in contract negotiations?	Yes	No	No	No	Yes - advisory	Yes	Yes	Yes

Note: The EDHFD figures do not reflect April 2011 retirements of 1 Battalion Chief and 3 Captains

3. The EDHFD staffing and deployment strategy does not fit service demands of the community and is not cost effective.

The Department top-heavy business model is inflexible and out of step with the realities of what an EDH fireman does on a daily basis. El Dorado Hills Firefighters are, for the most part, a first responder medical resource and non-emergency community service provider. On balance, the Firefighters perform fire related services about 4.2% of the time, and very little of that time entails actually fighting a fire. Firefighting duties are more frequently needed when firefighting companies perform Strike Team support for outside jurisdictions during the peak fire season. However, the EDHFD is staffed and deployed as a fire fighting force for a community that sustains relatively few fires.

By contrast an EDHFD union leader testified that there was a shortage of ambulances in El Dorado County, even though responding to medical emergencies is the Department's primary service. A chief level officer disagreed with this assessment of ambulance service and described a seemingly well-coordinated and flexible system that is deployed to maximize EDC ambulance coverage.

As of March 2011, the EDHFD was staffed as follows:

Table 5: March 2011 EDHFD Firefighter and Administrative Staffing			
Firefighter Staffing		Administrative Staffing	
1	Acting Chief	1	Chief Financial Officer
1	Deputy Chief	1	Systems Administrator
1	Division Chief (Fire Marshal)	3	Administrative Assistants
1	Battalion Chief (Admin)	1	Operations Specialist
3	Battalion Chief (Shift)	1	Fire Prevention Specialist
13	Captains	7	Total Administrative Staff
11	Engineers		
23	Firefighters		
56	Total Firefighting Staff		

Note: This table does not include the one Battalion Chief and three Captains that retired in April 2011.

An EDHFD staff report prepared which summarized a January 26, 2009 Ad Hoc Committee Meeting shed light on the Department staffing and low service demands in EDH. The report was used by Department administration to oppose adding a fourth firefighter Engine Company position to outlying stations due to

low service demands (NOTE: this was before the 2009 13% downturn in calls for service, 28% reduction in structure fires, and 50% reduction in wild land fires):

“Our safety record is great; other jurisdictions minimum staff at 2 in El Dorado County, 3 in the Sacramento region, 4 on Truck Companies and Sacramento City. We currently are at 4 minimum on the truck, 4 at one outlying station, and 3 at the other two stations. As far as incident statistics go, emergency personnel respond on a half dozen confirmed structure fires per year in district and up to a dozen outside our district (Auto-Mutual Aid.) Our reasons for such low numbers are an affluent community, newer construction, early electronic detection, some residential sprinkler systems, very well planned and commercial development, mostly concrete tilt-up with sprinkler systems and electronic detection, as well as national average for minimum staffing of 2 Engine/Truck Companies and meet NFPA 1710...NFPA is a standard that is very costly to meet and maintain.”

According to a Union official and Chief level officer, the Department’s firefighters have semi-structured hours during their two-day work week. He described a typical day (absent calls for service) as follows:

- 7:00 AM - Wake up and have breakfast
- 8:00 AM - Check Fire Rig, safety equipment, and medications
- Morning - Work out for sixty minutes followed by a 30 minute cool down period (the time of the workout is flexible)
- 10:00- 11:00 AM - Participate in a late morning training or community services
- One hour lunch
- Afternoon - Conduct community services such as: tours, school visits, inspections, prevention training, and station chores
- After 5PM - Dinner and uncommitted time, unless the above chores or exercise periods were not completed during the day
- Sleep and wake up at 7:00

2009 and 2010 Staffing Comparisons

Table 6 was produced by the EDHFD in November 2010 at the request of the Grand Jury with respect to the issue of fire engine and fire truck (with ladder) staffing compared to other fire departments.

Table 6: 2009 and 2010 Engine and Truck Staffing Comparisons				
	2009 Engine	2009 Ladder Truck	2010 Engine	2010 Ladder Truck
Cameron Park/Cal Fire	2 to 3	0	2 to 3	0
Folsom City	3	4	3	4
El Dorado County	2	0	2	0
El Dorado Hills	4	5	4*	5*
Roseville City	3	4	3	4
Sacramento Metro	4	4	3	4
South Placer	2	2 to 4	2	2 to 4

*In speaking to a chief officer, he corrected the graph to state that the Department currently staffs an Engine Company with three (except Station 87) and each Truck Company has a crew of four (it takes two teams of two to man the apparatus).

Span of Control

Span of control refers to the number of employees over which a supervisor has authority. The 54-member department is staffed in a traditional manner, with seven ranks and seven pay scales. Twenty of the uniformed staff supervises the other 34. A Fire Captain supervises one or two Firefighters and one Engineer. Battalion Chiefs also work two 24-hour shifts every six days, and supervise four Captains and four stations.

Floater

A floater is generally the least senior Firefighter on duty who is used as a flexible position to fill in for vacancies throughout the Department as a means to reduce a 24-hour shift of overtime. The Department's Memorandum of Understanding specifically forbids the use of floaters for daily staffing.

Volunteers

The Department budgets \$85,000 annually for its volunteer program. There are currently 35 EDHFD volunteers. Volunteers are paid \$15 per incident to which they respond. A \$100 fee is paid to the Volunteer Firefighter's Association each time a full engine is staffed by volunteers and when certain criteria are met. A volunteer firefighter receives an hourly rate of pay when that firefighter is used to staff an ambulance or to respond on a Strike Team under a Joint Powers Agreement/Mutual Aid/Office of Emergency Service Agreement.

In 2010, volunteers participated in 2,326 alarm responses, and completed 2,668 hours of drill training, an average of 78 hours per volunteer. Their peak engine coverage by far was in July, followed by May.

The EDHFD Firefighter Union resists broader usage of volunteers to reduce overtime. A union official cited the volunteers' relative lack of training when compared to full-time Firefighters. However, volunteers possess Emergency Medical Technician certification, approximately 10 volunteers are paramedics, and volunteers attend annual update training as well. According to testimony, volunteers are currently used to supplant full-time firefighters, after the full-time firefighters have turned down overtime opportunities. Volunteers are also used to cover full-time Firefighters when they attend special events, such as funerals, and can ride along at will to assist full-time personnel.

4. Calls for service at the EDHFD's four fully staffed stations are surprising low compared to the investment in staff, equipment, and facilities.

In 93.7% of the cases, Department responses to calls for service involve medical calls, customer service, and auto accidents. If there is an incident involving a serious injury, the Fire Department responding Company either responds with an ambulance (from station 85) or waits for an El Dorado County Joint Powers Authority (JPA) ambulance to transport the victim. If the Station 85 JPA Ambulance is out of service, the closest alternative JPA ambulance responds.

The Fire Department's 2,245 calls for service in 2009, and 2,253 in 2010, rarely involved fires. According to the EDHFD 2009 Annual Report, only 4.8% (110) of the calls involved fires, and, as noted, according to the former Chief, only six were actual structure fires, and in 2010 only 4.3% (99) of the calls involved fires. According to the Annual Report, these fire losses amounted to only \$1.2 million in 2009 and only \$1.4 million in 2010. In 2009, two of these structure fires involved Cameron Park and Rescue jurisdiction fires that sustained a total of \$700,000 in property damage; but these property losses appear to be incorporated into the El Dorado Hills fire loss calculations.

The issue of defining and quantifying structure fires was perplexing. The former Fire Chief stated there were six structure fires in Fiscal Year 2009-10, yet the Board of Directors Annual Report for the same period listed 21 structure fires. The current Acting Chief told the Grand Jury that he did not know how his predecessor arrived at the figure of six annual structure fires. When the Grand Jury asked for clarification from two Board members they could not answer, nor could a union official. Any inconsistency in the reported data contained in this report concerning structure fires results from the inconsistency in the information given to the Grand Jury.

The Grand Jury requested available documentation for structure fires for 2009-10. The EDHFD administration provided 41 National Fire Incident Reporting System (NFIRS) Dollar Loss Threshold Reports that detailed responses to 40 of the 62 fire related responses between January 1, 2009 and December 31, 2010. An analysis of the two years of reports revealed the following:

- 40 of the 62 incidents occurred in the EDHFD jurisdiction.
- 19 of 40 EDHFD jurisdiction fire incidents did not have NFIRS reports – only log entries on the Dollar Threshold Report.
- Seven of the 40 EDHFD reported fire incidents occurred in other fire jurisdictions, but were entered as EDH fires.
- 22 of the 62 incidents occurred out of EDHFD jurisdiction.
- Of the 22 outside jurisdiction incidents, 12 responses entailed staging only, no fire action taken, or en-route cancelation.
- Overall responses to serious Structural Fire Calls in the El Dorado Hills jurisdiction involved an average response of 20 EDHFD Firefighters.
- Three of the outside jurisdiction structure fire responses involved only one EDHFD firefighter acting in an administrative capacity.
- None of the fires appeared to require a rescue from a structure

The Grand Jury examined the Alarm Statistics page contained in the 2010 Annual Report and found conflicting structure fire numbers, as Table 7 illustrates.

Table 7: 2009 AND 2010 FIRE RELATED ALARMS		
	2009	2010
Structure Fires	21	19
Fire in Building	5	12
Chimney Fires	4	6
Total Structure Fires	30	37
Grass/Brush Fires	33	40
Vehicle Fires	15	7
Misc. Fires	132	15
Total Misc. Fires	80	62

The Call for Service (CFS) numbers and percentage breakdowns from the EDHFD Annual Reports are contained in Table 8, as follows:

2009-2010 Calls for Service			2009-2010 Medical Calls Breakdown		
	2009	2010		2009	2010
Medical	55%	57%	General	51%	50%
Customer Service	17.4%	25%*	Injury from Trauma	15%	18%
False Canceled	13%	5%	Auto Accidents	13.1%	12%
Auto Accidents	8.3%	7%	Cardiac	13.1%	12%
Hazardous Materials	1.3%	2%	Respiratory	7.8%	8%
Misc. Fires	1.4%	2%	Transfers	.5%	0%
Brush Fires	1.5%	1%			
Structure Fires	1.3%	1%			
Vehicle Fires	.67%	0%			

Note: The above calls for service numbers are pulled directly from the Department's Computer Aided Dispatch System, and the categorization is based on what the caller reports, not necessarily what the event turns out to be. By contrast, crime statistics are pulled from crime reports, not the CAD system, and tend to be more outcomes directed.

*Customer Service calculations were changed in 2010 to include false calls (but the policy change was not indicated on the Annual Report).

Calls for Service per station vary between Stations as Table 7 depicts.

Table 9: 2009 Calls for Service Per Station			
	Responses	Percentage	Daily
	2009	2009	2009
Station 84 - Francisco Dr.	551	28.70%	1.5
Station 85 - Wilshire Blvd.	628	28.70%	1.7
Station 86 - Bass Lake Rd.	320	16.70%	0.87
Station 87 - Golden Foothill Pkwy.	416	21.70%	1.1

5. The EDH Firefighters Association is a primary contributor to the electoral campaigns of the EDH Board of Directors.

An EDH Professional Firefighter's Association representative stated the union represents 48 of the Department's 56 uniformed staff, and the union strives to find and back Board of Director candidates who are union friendly. In fact, the union funds the filing fees and campaign expenses for some candidates, and assists with

campaign activities. The Grand Jury contacted the EDC Elections Office to determine if any of the candidates filed itemized campaign statements for the November 2010 election. The Elections Office indicated none of the Fire Board candidates filed forms indicating they had spent over \$1,000 for their campaigns – thus relieving them of the responsibility of itemizing expenses or contributions.

The EDHFD union official informed the Grand Jury that during contract negotiations the Firefighter’s Association is represented by a labor attorney whose office is based in San Jose. He also said the Board of Directors is represented during contract negotiations by two Board members. Board members told the Grand Jury that they have an attorney they can consult, but that the attorney is not specifically a labor contract attorney. The current president of the Board of Directors is listed as a retired EDHFD firefighter in the EDHFD Annual Report.

6. The EDHFD indirect 911 system lengthens response times.

One EDHFD official commented that fire responses are delayed due to delays in call answering and processing times when callers use cell phones. Station 87 was built to reduce response times in its service area. The Grand Jury is concerned that some of the gains achieved by building, and staffing, and strategically locating its four stations could be negated by delays at the front end of the double-layered cell phone process.

When El Dorado Hills residents experience a fire related emergency and call 911 from a cell phone, the call is first routed to the Highway Patrol Communications Center in Rancho Cordova, the Public Safety Answering Point (PSAP). Law enforcement is generally the PSAP over fire agencies. Once the phone is answered, the dispatcher determines the appropriate jurisdiction and type of call; the fire emergency caller is transferred to the EDHFD’s shared Cal Fire Communications Center in Camino. The EDHFD encourages EDH residents to use the ten-digit direct Camino phone number (530-626-4911) to bypass the CHP step.

One official called the CHP’s 911 Center “overwhelmed” due to its service area of four counties. Another authority said the CHP does misroute calls on occasion and lacks the knowledge of local geography that is important to dispatchers. Another official commented that even if the initial CHP step was eliminated, the cell phone 911 calls would still go to the El Dorado County PSAP, the Sheriff’s Office, and not directly to the Cal Fire line. He also said he was unaware of any CHP delays beyond 45 seconds.

The Grand Jury asked if there was data on call answering and processing times at the CHP’s Rancho Cordova communications facility, but found that the information was not tracked by EDC authorities.

7. West Slope Fire District Consolidation Planners should be cognizant of disparate firefighter labor contracts.

Because EDC subsidies to some fire districts are expiring at the end of 2011, the issue of consolidating six fire districts on EDC's Western Slope is now being explored. One proposal calls for the EDHFD to annex other fire districts, all of which will struggle financially once the County subsidies are gone. Annexation would enable other fire districts to piggy-back onto the EDHFD exemption from "Education Revenue Augmentation Funds." The ERAF funding redirects up to 10% of the revenue from most special districts to local schools. Though such annexation could streamline services and increase revenues up to 10% for smaller fire districts, it is unclear how the disproportionate labor contracts for each of the fire departments would be impacted by consolidation and annexation.

8. Comments made by EDHFD union officials to the news media may mislead the public.

One study publicly cited by the EDHFD Firefighters Union, entitled "Firefighting Tactics, Measured Scientifically," to support the need for four firefighters on an "Engine" truck (no ladder), indicates that four firefighters can fight a fire from start to finish 25% more effectively and safely than three. However this study has little relevance to how fires are responded to in El Dorado Hills. When a fire call is dispatched in El Dorado Hills, three engines and a truck (with ladder) are dispatched simultaneously, and an average of twenty firefighters respond to reports of serious fires. The study involves only four firefighters fighting a fire from start to finish.

The other industry standard cited publicly by a Firefighters Association official involves the "Two-in -Two-out" rule where two firefighters must remain outside a potential burning structure while two enter. The Firefighters Association publicly cited this staffing rule to justify four firefighters on an "Engine" (fire truck without a ladder). The implication was that a resident would have to wait for a second engine to arrive before a rescue entry could be attempted.

The purpose for the "Two in-Two out" standard is to ensure an effective rescue of a firefighter can be achieved if one of the firefighters inside encounters difficulties. An EDHFD procedural exception to the "Two in- Two out" rule occurs when a resident rescue must be attempted. In other words, if three firefighters were present at a scene necessitating a rescue, the firefighters present would not wait for a second engine to be on the scene before entering. Again, three other fully staffed fire vehicles would be responding to assist. Further, nearly all surrounding Fire Departments surveyed have three firefighters assigned to an Engine. Significantly, in reviewing all the structural fire calls to which

EDHFD responded in 2009-2010, not a single one appeared to require an actual resident rescue.

RECOMMENDATIONS

- 1. During contract negotiations, the EDHFD Board of Directors must be aware of and take responsible action regarding contract provisions that impact long term retirement costs in order to safeguard and protect taxpayer funds.**

Prior Boards of Directors approved costly contract provisions that resulted in long term consequences that have come to haunt the current board, and will impact future boards unless they are addressed.

When the Grand Jury spoke to Board members they did not know if certain contract perks were PERSable, including Education Incentive Pay. Education incentives are PERSable, and over time cost taxpayers hundreds of thousands of dollars per employee, i.e. *hidden escalators*.

If a newly hired firefighter with a paramedic certificate starts at \$80,000 base salary, works for thirty years and lives in retirement for 20 years, the cost to taxpayers for the paramedic incentive is \$360,000. According to a publication from American River College and website Salary.com, the median annual salary for paramedics not employed by a fire department in the Sacramento region is \$41,229.

Obtaining a Fire Officer Certificate earns a firefighter a 3% pay increase. At \$80,000 annual salary over a 50-year employment and retirement period, this amounts to an additional \$120,000 for obtaining the Fire Officer certificate. If the same firefighter is promoted and is paid \$100,000 per year, and maximizes EIP pay at 25% of base pay, the cost to taxpayers is over one million dollars (\$1,000,000). It is no wonder that costs for the Educational Incentive Program tripled over a five-year period after contract language changed the educational incentive from a fixed amount to a percentage.

A Chief Level firefighter receives \$12,000 in “management pay.” Management pay is offered to compensate chief officers for their inability to earn overtime pay like their subordinates. Management pay is PERSable as well. Over a 20-year retirement period, chief level firefighters receive a \$240,000 bonus for not receiving overtime pay. In contrast, subordinates’ overtime pay is not PERSable.

The long term costs of these contract benefits go unnoticed by the general public who elects the Board of Directors to ensure the expenditure of taxpayer funds is conducted in a reasonable manner.

2. The EDHFD should reconsider the purpose of Educational Incentive Pay.

Members of the EDHFD Board of Directors told the Grand Jury that incentive pay was provided for two reasons: (1) to develop leadership within the Department, and (2) to maintain a benefit plan that would keep firefighters from transferring to a higher paying Fire Department. In the unlikely event a firefighter would leave the EDHFD due to cuts in the EIP program, there would likely be, in today's economy, a cavalcade of applicants to replace the firefighter - including highly qualified firefighters recently laid off from other jurisdictions. In many governmental agencies and private corporations, new hires are given automatic step increases as a reward for additional education. Step increases do not provide "stackable" career and lifetime benefits; they merely move the employee to a top step sooner. In terms of Fire Officer and Fire Chief pay, employees should not be rewarded for studying or preparing for promotion. The pay increase upon promotion is the proper financial reward, as is done in other fire departments.

3. The Proposition 13 property tax revenue allocation to the EDHFD needs to be re-evaluated.

Taxpayer money is taxpayer money regardless of its origin or revenue stream. The EDHFD is over compensated and staffed inefficiently. While teachers annually face layoffs and municipal fire departments struggle, the EDHFD Firefighters average annual overtime pay is \$39,000 and annual EID is nearly \$8,000. This is along with a two day work-week (not including vacation and other leaves) every six days in which eating, exercising, and sleeping is included. The firefighting staff also receives longevity pay, no-cost retirement, medical, and dental care. The Board also maintains comparatively high General and Capital Reserve Funds.

The existing property tax revenue tax redistribution formula should be evaluated by the El Dorado County Board of Supervisors to determine if the EDHFD is funded sufficiently to guarantee a reasonable level of quality public safety, and not to over-compensate their employees.

4. The Board of Directors must be more knowledgeable, professional, and proactive with its labor negotiation efforts.

The Board of Directors should hire professional management assistance when negotiating labor contracts with the Firefighters Union. The Board of Directors

does not hire professional negotiation consultants, and has not conducted a comprehensive compensation salary and work performance study of comparable fire departments since 2006. The Directors need to be forearmed with professional level facts and figures to adequately represent the interest of taxpayers. In the past, they appeared to be unprepared to deal with the EDHFD union, which hires a labor attorney specializing in representing public safety unions for their contract negotiations. The Board of Directors needs to be more proactive and should assess and evaluate the long term costs to taxpayers when negotiating contract terms such as education incentive pay, mandatory staffing, management pay, eliminating floaters, as well as zero cost retirement, medical, and dental plans.

5. The Board of Directors must include their Fire Chief in labor negotiations to incorporate a management perspective.

Currently, the EDHFD Fire Chief is expected to manage a budget in which he has limited input. This was a common complaint of the recently retired Fire Chief. As Table 4 illustrates, the majority of fire departments do include the Chief in their negotiations. The Fire Chief needs the ability to provide management input into compensation and staffing issues before he is expected to implement them.

6. The Board of Directors should conduct a comprehensive study to compare its compensation package with other fire departments before approving a contract for 2011-2012.

The current Board is comprised of a different set of Directors than those who approved the 2005-2006 Memorandum of Understanding. The Board needs to fully comprehend that their Department pays the highest compensation but has the lowest calls for service ratio in the Sacramento region. When the Grand Jury spoke to Directors they were unable to answer basic questions, concerning overtime budgeting, calls for service, and structure fire quantification. The current board should be equipped with up-to-date facts and figures of compensation and service demand data for comparable fire departments. The Board should be up to date on alternative *best practices* staffing plans that have proven successful in other fire departments. The Board should also research ways to make the EDHFD a more cost effective organization, such as the use of floaters and volunteers to reduce overtime.

7. The Board of Directors should determine whether national standards are applicable to the service demands of El Dorado Hills and not take national studies at face value.

With low firefighting service demands, national standards that apply to major cities may not apply to El Dorado Hills. El Dorado Hills has six structure fires per year, but has four fully staffed and funded fire stations that are close in proximity. EDH buildings are relatively new, and well-equipped with sprinklers, alarms, and other fire prevention devices. There are no high rises, tenements, or oil refineries. EDH needs quality firefighting staffing and resources, but not at the same ratio as a major American metropolis with myriad firefighting challenges.

8. The Board of Directors needs to consider more efficient methods to deploy EDH Firefighters.

The Board of Directors needs to consider staffing alternatives to reduce overtime and operating budget expenditures. Budget priorities need to be identified by EDH community service needs. Examples of cost cutting measures the Board should consider are:

- Change the orientation of their 35-member EMT qualified volunteer force to more of a “Reserve” force to use as an overtime reduction and back staffing coverage tool. This will also help to assess potential candidates for Firefighter.
- Temporary closure or a reduction in services in one of the stations with the lowest service demands, and/or re-strategizing response deployments to medical responses.
- Develop a more flexible and efficient service-demand staffing plan. The recently retired Fire Chief called his agency “overstaffed” which is highly unusual in public safety circles. A union official testified to the lack of ambulance services in El Dorado County. The EDHFD administration should evaluate ambulance and fire services to determine if El Dorado Hills residents have too many resources for firefighting services and not enough for ambulance services. It is abundantly clear that medical care is the EDHFD core service. Employing industry “best practices” as a start for a flexible staffing plan that reflects EDH service demands should be developed and implemented.
- Reduce or eliminate the rank of Battalion Chief. The Department should find alternatives to staffing Battalion Chiefs for two-day 24-hour shifts, which appears to be an unnecessary layer of supervision. There are well trained and well compensated Captains on duty to supervise two or three subordinates for one to two calls per day. Having 24/7 Battalion Chiefs is good for supervisory continuity in a larger and busier fire department, but it is a costly strategy for a smaller / less busy department like the EDHFD. In the off-chance a captain could not adequately handle a situation, an on-duty or on-call

Battalion Chief, Deputy Chief or Division Chief could be contacted to answer a question or respond to command a scene.

9. Authorities considering consolidation and annexation of smaller El Dorado County fire departments into the El Dorado Hills Fire Department should closely consider the potential personnel costs before proceeding further.

Authorities contemplating annexation / consolidation of EDC West Slope Fire Departments should fully understand the EDHFD MOU. The smaller, more rural, fire districts surrounding EDHFD cannot afford the salary and benefit package currently in force at EDHFD. If consolidation were adopted, it is probable that in the future disparate firefighters of the merged fire districts would attempt to form one bargaining unit. Obviously, allied firefighters from the smaller agencies would start demanding “We want what EDHFD gets!”

Further, one avenue publicly discussed for consolidation involves the EDHFD annexing smaller EDC agencies. Annexation would possibly enable the smaller agencies to operate under the umbrella of the EDHFD dual county status. This status enables the EDHFD to avoid paying the 10% “Education Revenue Augmentation Funds” shift of property tax revenues that currently go to schools. It is probable that the property tax revenue that currently goes to schools would instead go to increasing the salaries and benefits of merged firefighters while local schools continue to lay off teachers and increase student to teacher ratios.

10. The EDHFD should make broader use of volunteers to reduce overtime.

Other fire departments use volunteers more effectively to reduce overtime costs than the EDHFD. Generally, there are three paramedic-licensed firefighters on an “Engine” in the EDHFD. There are many more paramedic-licensed firefighters at nearby stations to lend paramedic assistance if necessary.

Once a volunteer is EMT certified (12 volunteers have paramedic licenses), he or she should be satisfactory to fill in on the one to two calls per day service demands of the fire stations to save 24 hours of overtime pay.

The Fire Administration explained that a more structured volunteer program is being considered that may result in more of a firefighter “Reserve” Program, where volunteers are paid more substantial stipends. It was explained that some volunteers are persons who have full time jobs and commit their time out of a sense of civic duty, while others are planning careers as firefighters and are trying to gain job experience. The Board of Directors must ensure that the Fire Chief develops a scheduling model that ensures a reduction in future overtime cost to the minimum necessary.

11. The EDHFD should continue to research methods to reduce 911 call answering and processing time.

The front end of the cell phone call reporting process lengthens response times. To what degree the response time is increased is not known, as only anecdotal evidence has been cited or collected.

According to an EDC 911 center administrator, an ongoing state-funded project entitled the “Red Project” will enable El Dorado Hills callers to reach the EDC Sheriff’s Office PSAP directly, avoiding the CHP step. Therefore, the dispatcher answering the call would have an orientation to El Dorado County that a CHP dispatcher may not have. The project is a joint effort between the State, cell phone companies, CHP, and local fire and law enforcement authorities.

Panicked El Dorado Hills victims are not going to remember a ten-digit phone number, unless they have it programmed into their cell phones. Until the Red Project is fully implemented, EDH residents should have a dedicated 916 area code number to call to get routed directly to the Cal Fire dispatch facility on their land-line phones and cell phones.

The Grand Jury recommends that before the project is implemented, current benchmark data concerning call answering and call processing times should be collected and analyzed to determine what those factors are presently and how they have been impacted with the implementation of the Red Project.

12. Representatives of the EDHFD Professional Firefighter Association should ensure that their public statements are factually sound.

The general public supports their firefighters for the work they do and the sacrifices they make. Firefighter spokespersons should not violate that support by embellishing facts and figures to justify contract enhancements.

RESPONSES

Responses to both numbered findings and recommendations in this report are required in accordance with California Penal Code §933 and §933.05. Address responses to: The Honorable Suzanne N. Kingsbury, Presiding Judge of the El Dorado County Superior Court, 1354 Johnson Blvd., South Lake Tahoe, CA 96150.

This Report has been provided to the El Dorado Hills Fire Department Board of Directors for response.

Elected officials under statute are given 60 days to respond, and non-elected officials are provided a 90-day response period from the release date of this report.