



**Hallandale Beach**  
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## City of Hallandale Beach City Commission Agenda Cover Memo

<b>Meeting Date:</b>	October 21, 2019		<b>Item Type:</b> (Enter X in box)	<b>Resolution</b>  X	<b>Ordinance</b>	<b>Other</b>
<b>Fiscal Impact:</b> (Enter X in box)	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> (Enter X in box)	<b>1<sup>st</sup> Reading</b>		<b>2<sup>nd</sup> Reading</b>
	X		<b>Public Hearing:</b> (Enter X in box)	<b>Yes</b> X	<b>No</b>	<b>Yes</b>  <b>No</b>
<b>Funding Source:</b>	N/A		<b>Advertising Requirement:</b> (Enter X in box)	<b>Yes</b>		<b>No</b>
						X
<b>Account Balance:</b>	N/A		<b>Quasi-Judicial:</b> (Enter X in box)	<b>Yes</b>		<b>No</b>
						X
<b>Project Number:</b>	N/A		<b>RFP/RFQ/Bid Number:</b>	N/A		
<b>Contract/P.O. Required:</b> (Enter X in box)	<b>Yes</b>	<b>No</b>	<b>Strategic Plan Priority Area:</b> (Enter X in box)			
	X		<b>Safety</b> <input type="checkbox"/>			
			<b>Quality</b> <input checked="" type="checkbox"/>			
			<b>Vibrant Appeal</b> <input type="checkbox"/>			
<b>Sponsor Name:</b>	City Commission		<b>Department:</b>	City Commission		

<b>Short Title:</b>
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A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE BROWARD SHERIFF'S OFFICE TO PROVIDE FIRE AND EMERGENCY MEDICAL SERVICES ON BEHALF OF THE CITY OF HALLANDALE BEACH; AND PROVIDING FOR AN EFFECTIVE DATE.

## **Staff Summary**

### **Background**

Pursuant to the August 2017 request of the Fire Union, staff has been in discussions with Broward Sherriff's Office to explore the possibility of contracting fire rescue services for a consolidated service provision. Negotiations continued after staff received directive from the February 2019 City Commission meeting. A merger transition will require an exit agreement with the existing Fire Rescue Union.

### **Current Situation**

The merger of the City of Hallandale Beach Fire Rescue services with Broward Sherriff's Office (BSO) provides opportunities to increase the level of services, enhance career opportunities, and fuse administrative functions and current challenges.

There are multiple factors, both positive and negative, to consider when deciding on contracting fire rescue services to an outside agency. The impact on the community may be evaluated by changes to core emergency services, critical fire rescue capabilities during a time of an emergency, and financial costs. Each of these may be perceived differently by various stakeholders of Hallandale Beach.

Staff has attempted to evaluate the advantages and disadvantages of each factor and outlined impact to levels of service, impact to the City, and intangibles. There is a challenge in trying to assign a cost to levels of service and staff capabilities. In many circumstances, the impacts are unknown because BSO has not provisioned the service. Speculation has been made due to references from other BSO-served cities such as Dania Beach and Lauderdale Lakes. The following is a discussion of factors that have been identified throughout the negotiation process.

## **FACTORS TO CONSIDER**

### **Variable Costs and Less Control of Costs if Merged to BSO**

Merging presents variable long-term costs to the City as costs for service will be determined by BSO. The greatest example of this lack of immediate control is the difference between BSO's proposed cost and the City's budgeted costs for the Fire Department as exhibited in Worksheet A, attached below. The city has budgeted \$786,870 less to the Fire Department (excluding additional labor costs as referenced below) than BSO would charge its first year. (see chart below for full cost comparison). Going to BSO also provides less control over the growth of labor costs.

### **Improved Levels of Service and Capabilities**

While both departments provide excellent service to the constituents, combining the resources would only enhance the service offered. A merged department holds abilities to achieve more significant economies of scale in training, backup resources, expertise, and fire rescue capabilities. Unlike the City, BSO is an accredited Fire organization. The City has attempted to

obtain accreditation in the past, but the process is extensive and requires support staff not funded in recent City budgets.

BSO resources include accessibility training, equipment, expertise, labor availability, special technical teams. BSO's Fire Rescue Regional Logistics Unit sources and supplies fire suppression, fire prevention, and other fire-related equipment, including Emergency Medical Equipment and Supplies for the agency's Fire Rescue personnel and most fire-rescue departments in Broward County from a 25,000 square foot storage and fulfillment facility in Ft. Lauderdale.

BSO Fire Rescue's Advanced Medical Bicycle Unit provides added value for City-sponsored festivals, parades, and other events, where crowds make accessibility by medically trained rescue personnel difficult. With the use of bicycles, firefighters/paramedics can reach victims more quickly, saving precious minutes.

### **ISO Rating Benefits**

A company called the ISO (Insurance Services Office) creates ratings for fire departments and their surrounding communities. The ratings calculate how well-equipped fire departments are to respond to fires for that community. The ISO provides this score to homeowners' insurance companies.

Insurance companies use the score to help set home insurance rates. However, the impact of a community's ISO score on homeowners' insurance policy varies by insurer. According to the ISO's Fire Suppression Rating Schedule (FSRS), 50% of the score comes from the quality of the fire department's staffing levels, training and location of the fire station, 10% comes from the quality of the area's emergency communications systems (911), and 5.5% comes from community outreach, including fire prevention and safety courses.

The merge provides an opportunity to have the ISO rating for the City be reviewed and possibly lowered from an ISO rating 2 to an ISO rating of 1. An ISO rating of 1 has required response time benchmarks and training requirements. Communities that improve ISO ratings have more exceptional capabilities of improving response times and better abilities to respond to emergencies.

### **Optional Improved Training Program if City Services Kept In-house**

The last time the City attempted to earn the ISO rating of 1, it failed due to a deficiency of training records. At the time, the City had a Division Chief of Training, a position which was subsequently eliminated. To build a training program comparable to BSO, the City of Hallandale Beach would require reinstituting a Division Chief of Training (not budgeted in current budget) and a Training Administrator to develop a curriculum that would help increase emergency services capabilities.

Further, setting aside time for training is currently difficult because the City only staffs enough employees to cover the necessary response positions. Employees are trained while they are on call and may be called away from training to respond to a call. Additional overtime would need to be set aside for personnel to train and still provide support for daily operations.

Fire Department has provided an estimated cost of \$531,146 to provide comparable training services to those available from BSO. This would cover the cost of taking units out of service while training and reinstating the Division Chief for training.

### **Employee Benefits/ Labor Costs**

Improved staffing capabilities amongst all stations may mitigate firefighter fatigue on the job and provides more significant opportunities for promotion and training. The Fire Rescue Union has expressed that the Fire Rescue Service personnel are looking for opportunities to increase training, expertise, and career growth in the emergency profession. A merger would create more leadership development opportunities for those desiring to advance their fire rescue service professions.

Further, the City has not yet negotiated a collective bargaining agreement (CBA) with the Fire union to replace the expired. The City has budgeted a set-aside amount for all union negotiations not assigned to a specific department. City administration conservatively estimates that there will be increased costs of approximately \$300,000 for fire labor costs over and above those currently budgeted by the department.

### **Long Term Financial Stability**

Currently, there is a need to hire 21 new firefighters due the City's award of the SAFER grant. The merge presents an opportunity to recruit the new firefighters under the Florida Retirement System (FRS) pension program. The FRS program (.26 cents per salary earning) has greater City cost contribution effectiveness than existing Police and Fire Pension System (.85 cents per dollar). Hiring the new firefighters under BSO would present a significant savings of over the next ten years. The exact amount of savings cannot be calculated due to fluctuating pension assumptions.

The City can move to FRS without a merger to BSO. However, FRS requires agreement of the union and the union has expressed concerns about the City going to FRS without providing other benefits comparable to those offered by BSO.

### **Other Considerations**

Merge presents an opportunity to resolve the existing dispute between the City and the Police and Fire Pension Board. Since 2017, the P&F Pension board has made changes that have increased the overall annual City Contributions. The changes have increased the City's unfunded liability. The Fire Union has proposed potential solutions to resolve existing issues and add higher levels of security to prevent unauthorized changes in the future. Not addressing the current Pension Board issue increases liability for the City, until litigation is finalized. Resolving disputes today also mitigates the need for litigation expenditures.

BSO agreed to take the liability for hours of vacation time and all sick time of Fire Rescue staff. These accruals represent an estimated value of \$1.1 million. Further, the Fire union has waived the sick time buyout for 2019, an additional savings conditional upon a merger with BSO.

Further, the City has negotiated a tentative exit agreement with the Fire Union that would also present potential savings. The proposed exit agreement includes an ability for 29 union members that are not vested in the Police and Fire Pension system to transition to FRS. This would reduce the City's financial liability and result in long term financial savings. The proposed

exit agreement also increases the Fire Union member participants' contribution from 9.5% to 10.75% immediately of salary. The agreement provisions a gradual increase in member contribution and ultimately sets it to 11.25% of salary after two years, an approximate savings to the City of up to \$100,000 for fire annually and up to \$250,000 per year if also negotiated with the Police Union.

### **General City Operational Benefits**

Transitioning Fire Rescue Services to BSO would reduce the need for administrative services support for the second-largest department in the organization. Below is a listing of responsibilities that would not be needed to be fulfilled by supporting departments:

- Human Resources: Hiring and recruitment; career development; civil service testing; employee evaluations; promotional process; employee benefits administration, to name a few. Relief of current responsibilities will allow staff to increase City-wide employee engagement and performance improvement initiatives.
- Risk Management: Liability for property damage and personal injury would shift to BSO, except for real property. Future liability for workman's comp will also be transferred.
- Procurement: Purchasing power for supplies, gear, uniforms, fire rescue equipment under a larger agency may provide a greater cost per unit efficiencies than a smaller agency. The City would no longer have to host RFP or procurement bidding processes for high-cost items for Fire Rescue, as BSO would provide these to the City at a determined value. Relief of responsibilities will allow staff to assist with continuous improvement capabilities.
- Legal Services: City attorney review of documents, research, labor attorney fees would not be required.
- IT and communications: Radios; connectivity; software and hardware installation and station alert and notification are just a few of the technical responsibilities that would not be required. Costs associated with these will be reduced from the IT budget.
- Parks and Recreation: the potential of improved event public safety coverage due to specialized Advanced Medical Bicycle Unit.
- Planning & Development: improved plans review and fire inspections resource pool. Enhanced capabilities for support of damage assessment during post-storm events.

### **Why Action is Necessary**

City Commission approval is required for agreements over \$50,000.

### **Fiscal Impact / Cost Summary**

<b>Difference For FY 2020 Budget</b>  This is the difference between BSO's cost proposal and the funds budgeted for the Fire Department for Fiscal Year 2020. See Worksheet A for detailed breakdown.	<b>\$ 786,870</b>
<b>Property Damage Costs Avoided</b>  Estimate of Costs resulting from vehicle or other property damage based on historical averages. Property Damage has ranged from \$1,286 to \$167,803 in past 5 years.	-\$ 40,000
<b>Additional Potential Labor Costs:</b>  The Department Budget for FY2020 does not include amounts set aside for potential bargaining costs, other than a 2% COLA. This amount is an estimate of potential costs resulting from Collective Bargaining <u>unrelated to Pension</u> and has been budgeted for FY 2020, although not budgeted by department.	-\$ 300,000
<b>Optional Training Program:</b>  The Commission has an option of improving funding for training programs to provide comparable training to that offered by BSO. This would reinstate the Division Training Chief eliminated in past budgets and allocate time for units to be taken out-of-service for training. Would also help pursue accreditation and improve ISO rating. Accreditation would require additional funding.	-\$ 531,146
<b>Optional Safety Program Investments:</b>	TBD
<b>Total Potential Direct Cost Savings</b>	<b>\$84,276</b>

Additional Indirect Cost Savings relating to pension reform and resolution also possible.

Also a one-time savings of \$1.1 million in vacation, sick and comp time has been offered by BSO.

### **Proposed Action**

Consideration of an agreement for the provision of Fire Rescue Services with BSO. Authorize the City Manager to further negotiate and execute an agreement with BSO, contingent on

separate Commission approval of an Exit Agreement with the Fire Union and settlement of the existing pension litigation with the Police and Fire Pension Board.

<b>Attachment(s):</b>
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Exhibit 1 - Resolution

Exhibit 2 - Draft BSO Agreement General Conditions

Exhibit 3 - Presentation

Exhibit 4 - BSO Cost Breakdown

Exhibit 5 - Worksheet A - Comparison of BSO proposed costs to adopted FY 19-20 fire department budget