



Date: December 9, 2015

To: Patrick H. West, City Manager *T.M.W.*

From: John Gross, Director of Financial Management
Michael A. DuRee, Fire Chief *MD*

For: Mayor and Members of the City Council

Subject: Staffing an Additional Rescue Ambulance during FY 16

At the October 6, 2015 City Council meeting, staff was requested to report on the options and feasibility to place an additional rescue into service within the course of the current fiscal year. This memo describes the current FY 16 financial context of the Fire Department, as well as potential options for an additional rescue.

In early October, the Fire Department reverted to its pre-Rapid Medic Deployment (RMD) staffing levels. That change is expected to result in an unbudgeted staffing cost of \$1.4 million. The following funding options are recommended for FY 16:

- First, during FY 16, Fire will make adjustments to minimize the FY 16 budget impact without reducing services to the public;
- Second, net First Responder Fee revenue, to the extent available, will be used to cover these operational losses;
- Third, \$1.4 million will be reserved, to the extent available, from any additional FY 15 General Fund and/or Uplands surplus that may occur, in case First Responder Fee and other reductions are not sufficient.

At this time, the FY 15 General Fund and Uplands surplus have not been finalized and, while the FY 16 net First Responder Fee revenue has been implemented, the revenue cannot be projected until the program has been in operation for a longer period of time.

The monthly cost of staffing an additional rescue ambulance is approximately \$88,000 or \$1.1 million annualized. Below are the possible funding options for an additional rescue that were considered, but cannot be recommended because of funding limitations or operational ramifications:

- Use of one-time funds, which is not a sustainable funding solution and does not comply with the City Council's Financial Policy of using one-time funds only for one-time purposes;

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- Reducing programs/services in other departments. This would disrupt the services that are currently being provided pursuant to the Adopted FY 16 Budget;
- Reducing programs/services in the Fire Department. This would impact the Fire Department's other high priority services. The Fire Chief's first priority for restored services would be a Fire Engine instead of a Fire Rescue.
- Increasing the collection of revenue from the First Responder Fee. As of December 1, 2015, \$4,000 of the \$1.8 million preliminary revenue estimate has been received from First Responder Fee. Staff will continue to closely monitor revenue from the First Responder Fee this year, but due to timing of collections, we will not be able to establish a different revenue estimate (i.e., more or less than \$1.8 million) before the development of the FY 17 budget.

At this time, no recommended, permanent funding options have been identified to increase Fire Department staffing levels for an additional rescue ambulance. If, in the future, either new ongoing funding is identified, or if the City Council provides specific policy direction, the Administration can explore the incorporation of an additional rescue ambulance into the development of the FY 17 budget.

If you have any questions, please contact Lea Eriksen, Assistant Finance Director, at extension 8-6533.

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