

PS COMMITTEE #1
October 6, 2011
Update

MEMORANDUM

October 4, 2011

TO: Public Safety Committee

FROM: Essie McGuire, Senior Legislative Analyst *EMcGuire*

SUBJECT: **Update – Transition of LFRD Station Operating Funds**

Today the Public Safety Committee will receive an update on the FY12 transition of County tax-funded station operations from the Local Fire and Rescue Departments (LFRDs) to the Montgomery County Fire and Rescue Service (MCFRS). The following individuals are expected to update the Committee:

- Fire Chief Richard Bowers
- Division Chief Alan Hinde, Volunteer Services, MCFRS
- Division Chief Steve Lohr, Operations, MCFRS
- Division Chief Randy Wheeler, Administrative Services, MCFRS
- Assistant Chief Scott Graham, MCFRS
- Assistant Chief Richard Holzman, MCFRS
- Assistant Chief Diane Zuspan, MCFRS
- Dominic Del Pozzo, Budget Manager, MCFRS

Marcine Goodloe, President, Montgomery County Volunteer Fire and Rescue Association (MCVFRA), and Eric Bernard, Executive Director, MCVFRA, are also expected to attend the worksession.

BACKGROUND

Beginning in the FY12 operating budget, the Council endorsed a two-year transition plan for MCFRS to retain County funds that had previously been transferred to LFRDs to administer certain station operations and to consolidate these administrative and operating functions in MCFRS. The Council's FY12 operating budget appropriation resolution contains provisions outlining the required transition process (attached on circles 1-2). The resolution also calls for the Fire Chief to work with the MCVFRA and Council staff on the transition process, and to provide quarterly process update reports to the Public Safety Committee. **The purpose of this worksession is to receive the first quarterly process report of FY12.**

The FY12 transition covered station operations in four key areas: office supplies and equipment; public safety equipment; uniforms and gear, including Personal Protective Equipment (PPE); and facility maintenance. The total FY12 budget retained in MCFRS for these areas was \$1.056 million. In addition, MCFRS is completing the transition of two other key areas which began to be centralized prior to FY12: EMS supplies and equipment; and utilities.

The FY12 recommendation left a total of \$412,440 in County tax funds to be transferred to the LFRDs for the following purposes: dues and memberships; education and training; printing and mail; refuse collection and accounting services; furniture; copier leases; communications services; and miscellaneous operating expenses. These areas are slated to be transitioned to MCFRS in FY13, pending evaluation of the functions and the FY12 process. (A chart showing budget detail for the FY12 and FY13 transition areas is attached on circle 3).

In Council staff's view, the focused effort that MCFRS has put into this transition has resulted in significant progress in a very short time in implementing central processes for these key functional areas. The Council's recommendation to undertake this transition over two fiscal years was intended to allow time to work out logistical details as new processes are implemented. It is still early in the fiscal year, and MCFRS has set the major foundational pieces in place to accomplish the remaining steps in this phase of the transition. **It is critically important that all parties continue to work together to complete the process.**

UPDATE INFORMATION

The attached report from MCFRS highlights for each functional area the actions taken to date, current status and results, and next steps (beginning on circle 4). Council staff highlights the following:

- MCFRS has established a reporting and ordering system and process for each of the functional areas currently in transition, with the exception of uniforms and PPE.
- The transition process for station and office supplies is nearly complete. MCFRS put into place a contract with the Montgomery County Public Schools (MCPS) in a remarkably short timeframe for MCPS to deliver supplies from its warehouse to the fire stations and work sites.
- MCFRS and the LFRDs are finalizing inventory information for portable public safety equipment and PPE.
- A work group has been convened to address issues around PPE. This is a very important operational area, and will require an assessment not only of the available inventory but its age and condition. The assessment process will indicate how much of the equipment needs to be cleaned and repaired.

- The Fire Chief has committed to continue the practice of volunteers labeling their PPE with the relevant LFRD identifying information. Council staff understands that the work group is working on how to accomplish this and still maintain the efficiency of centralized bulk ordering.

Compiling the inventories is critical to the next steps of determining systemwide priorities and setting budgets and allocations for these functional areas going forward. There are some key areas, most notably facilities and PPE, for which the funding need will clearly outstrip available resources in this year and likely for the next fiscal year. One goal of consolidating these functions was to establish a baseline inventory and identify, prioritize, and address remaining gaps in station operating support. Council staff suggests that the experience with this effort so far points to the possibility of gaining efficiencies but will also help determine how limited resources should be directed to address operational priorities more evenly across the fire and rescue service.

Administrative Positions: As part of the FY11 savings plan, County funds were eliminated for the individual administrative positions employed by each LFRD. The plan included funding for five new County positions to fulfill the administrative and coordinating functions centrally within MCFRS.

MCFRS is in the process of hiring the five positions at this time. The positions will be assigned to support each of five key functional areas. Three of the positions are primarily administrative support for the areas of EMS supplies, station supplies, and logistics. Two of the positions are program specialists who can add relevant expertise and support in the areas of fleet and facilities management.

The three administrative positions are currently being advertised. The two program specialist positions will be advertised shortly; these positions will require some knowledge and background in the relevant fields.

Service Working Group in efforts to share information, provide assistance, and cooperate on efficiencies and planning.

33. The Interagency Technology Fund (ITF) FY 2012 balance may be increased as past ITF loans are repaid. When fiscal conditions allow, the Council intends to make contributions to the ITF to support additional investments in technology as described in Council Resolution No. 16-475.
34. For FY 2012, the FiberNet chargeback requirement of the County Government is estimated to be \$2,747,670.
35. For FY 2012, this resolution appropriates \$46,953,280 to the Department of Liquor Control. During FY 2012, the Director of Finance must transfer to the General Fund all Liquor Control Fund "Income before Capital Contributions and Transfers" as defined in the FY 2010 Comprehensive Annual Financial Report. The County Council has estimated that this transfer will amount to at least \$25,066,800.
36. For FY 2012 this resolution includes an appropriation for each element of the fire and rescue system, consisting of the Montgomery County Fire and Rescue Service (excluding the local fire and rescue departments), the local fire and rescue departments, and the Fire and Emergency Services Commission. This designation reflects the intent of Charter Section 306. Notwithstanding the separate appropriation items, the Council intends that funds be transferable, within the limits set in Charter Section 309, between the Montgomery County Fire and Rescue Service and the local fire and rescue departments.
37. County tax funds appropriated for use by local fire and rescue departments must not be spent or encumbered, directly or indirectly, for legal fees or expenses related to pursuing any claim against County Government or any County agency, except as expressly agreed to by the Executive with prior advice and review by the Council as part of a settlement of a civil action to which the County is a party. The Fire Chief must adopt a policy to implement this paragraph and assure compliance by local fire and rescue departments through the annual financial audit process.
38. Of the funds appropriated in this resolution to the Montgomery County Fire and Rescue Service (MCFRS) for Local Fire and Rescue Department (LFRD) and station operations, a total of \$412,440 is appropriated to the LFRDs to administer the following LFRD and station functions related to providing fire and rescue services in the County, including: dues and memberships; education, tuition, and training; printing, postage, and mail; refuse collection and accounting services; furniture; copier leases; communications services; and miscellaneous operating expenses. Each LFRD must report quarterly to MCFRS on the expenditure of these funds. MCFRS must develop, in consultation with the LFRDs, a reporting process to ensure compliance with this paragraph.
39. This resolution also appropriates \$1,055,670 to MCFRS to support LFRD and station operations in the functions of facility maintenance, office supplies and equipment, public safety equipment, uniforms, and other supplies and materials. MCFRS must administer

these functions, and must initially spend these funds according to historic distribution patterns for these functional areas until the following process is completed and reviewed by the Council's Public Safety Committee:

MCFRS must perform an inventory of the current supplies and practices for each LFRD in each functional area listed in this paragraph. Each LFRD must assist MCFRS in performing this inventory. After the initial inventory is completed, the Fire Chief must review and evaluate the need for any adjustments to the station allocations. The Fire Chief must consult with the MCVFRA and Council staff regarding the results of the inventory, the rationale for the new allocations, and any implementation process that will be needed to complete transition of these administrative functions to MCFRS.

For FY 2012 the Fire Chief must report in writing each quarter to the Public Safety Committee on the progress made in this process, and must submit a final written report to the Public Safety Committee when this process is completed.

40. During FY 2012, the Council estimates that the Director of Finance will transfer the following amounts from the General Fund to these Non-Tax Supported Funds:

Amount	Fund
\$2,081,490	Solid Waste Disposal Fund
9,573,290	Montgomery Housing Initiative
1,153,770	Permitting Services Fund: Public Agency Permits and Green Tape Position
1,425,000	MCPS Instructional Television Fund
1,230,000	Montgomery College: Cable TV Fund
154,370	Community Use of Public Facilities Elections and Free Use

41. For FY 2012 this resolution appropriates \$3,716,887 to the County Arts and Humanities Council Non-Departmental Account, which must be allocated as follows:

Purpose	Amount
Arts and Humanities Council Activities	
Operating Support Grants	\$2,360,223
Small/Mid-Size Organizations, Creative Projects, Arts Education, and Individual Artist/Scholar Grants	340,144
Advancement Grants	240,000
Public Arts Trust Maintenance	9,000
Administration	337,330
Total Arts and Humanities Council Activities	\$3,286,697

Council Approved	
Station Operating Support	
MCFRS Administer in FY12	
	FY12 Rec Total
Services and Contracts	434,028
Office Supplies & Equip	62,870
Public Safety Equip	196,500
Uniforms	214,769
Other Supplies & Materials	147,504
Total	1,055,671

Council Approved	
Station Operating Support	
LFRD Administer in FY12	
	FY12 Rec Total
Dues and Memberships	14,700
Education, Tuition, Training	30,400
Printing, postage, mail	18,000
Services and Contracts	102,880
Furniture	13,000
Rental/Leases	44,490
Misc operating expenses	100
Communications Services	188,869
Total	412,439



MONTGOMERY COUNTY FIRE AND RESCUE SERVICE

Quarterly Update – FRS Tax Funds Transition

Richard R. Bowers
Fire Chief

Isiah Leggett
County Executive

In the FY12 Budget process the MCFRS assumed the responsibility of FRS tax funds associated with station operations related to facility maintenance, office and station supplies, public safety equipment, uniforms and other supplies and materials. The FRS tax fund transition has been implemented and administrative process efficiencies along with the reduction in the duplication of budget reconciliation processes have been achieved.

This process has been a priority of the Fire Chief and MCFRS staff since implementation. The MCFRS has made a tremendous effort in initiating the programs associated with the transition and are to be commended for their work. The Fire Chief and staff have focused on the following infrastructure priority items:

1. Personal Protective Equipment
2. Facility maintenance and repairs
3. Portable fire, rescue and EMS equipment
4. Station, office supplies, fax, printer devices and cartridges
5. Uniforms

The Fire Chief transmitted a system memorandum that laid out a transitional plan in early June 2011 for the following:

1. Identification of an LFRD Point of Contact (POC) at the station level for the priority items.
2. Development and evaluation of the transition plan
3. Acquisition of needed items.
4. Inventory process and lists.
5. Establishment of electronic ordering processes and defect reporting mechanisms for facility maintenance and Fleet equipment items.

The interim transitional plan involved completing initial inventories for each of the priority items, establishment of inventories for each priority item, completing a system wide station/facility assessment and a process for supply delivery and invoice reconciliation were developed. The majority of the inventory items are complete with base (or PAR) inventories in place, electronic ordering and reconciliation is in place, an electronic MCFRS Fleet portable equipment process in place, and a Montgomery County Government contract with MCPS is in place for equipment, supplies and goods.

Office of the Fire Chief

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MCFRS has achieved administrative efficiencies, economies of scale with central bulk purchasing, a single point of contact for ordering and invoice reconciliation, and potential cost savings associated with the implementation of the transition plan. The transitional plan is being evaluated and adjusted as needed to improve our efficiencies and economies of scale where applicable. There is still work to be completed in the areas of PPE and uniforms. An MCFRS work group has been established and is working on the process of ordering, distribution and accountability of PPE and uniform items. This continues to be an evolving process during the FY12 budget year.

PSC Tax Fund Update

PPE and Uniforms

Background on Section implementation

- Personal Protective Equipment & Uniforms for Volunteers

Initial actions - updates

- Working with Task Group MCFRS/MCVFRA to work through development of initial interim policy on these items
- Training Academy issuing PPE for combat classes
- MCFRS Applied for an FEMA AFG to assist in accelerating PPE replacement capabilities
- Inventory of LFRD PPE Supplies

Results/Outcomes

- 2 meetings conducted with good discussion and draft work being done with the target of a draft interim policy by close of October
- No student denied taking classes for lack of PPE
- Allows Volunteers to take classes and ride on apparatus during the duration of class
- Completed PPE inventory from LFRDs

Next steps

- Continue Task Group meetings and implement interim policy ASAP, target November 2011.
- Determine the risk factor of PPE over 10 years of age to determine the Risk Management for future budget initiatives as well as the risk to personnel utilizing the gear.

PSC Tax Fund Update

Facility Maintenance

Background on Section Implementation

- Established an implementation plan
- Facility Maintenance- Providing direct support to all facility issues in FRS.

Initial actions

- Worked with LFRDs to obtain copies of all agreements and contracts they had in place.
- Established an email reporting mechanism for facility issues
- Established the Station Commander as the point of contact for facility issues and to be the individual to coordinate with the LFRD POC.

Results/Outcomes

- Items are being repaired and still utilizing local small businesses as much as possible

Next steps

- Need to obtain additional contracts to ensure coverage and uniformed pricing
- Will move facility defect reporting to new DGS system in coordination with DGS
- Continued evaluation of budget expenditures in order to determine what is necessary to maintain all facilities.

PSC Tax Fund Update

Utilities

Background on Section Implementation

- Utilities – All utility bills were paid by the individual LFRD

Initial actions

- Moved all County owned stations to Montgomery County Accounts
- Requested that LFRD change billing address to Montgomery County
- Coordinated with DGS to pay fire station utility bills
- Requested LFRD change accounts to Montgomery County for ease of payment

Results/Outcomes

- Coordination with DGS has been seamless.
- To date, 4 LFRDs have changed the name on the account to Montgomery County
- Electronic billing is faster and more efficient

Next steps

- Transition the remaining LFRDs to move accounts to the County to increase speed of payment and less paperwork.
- Continue to evaluate cost saving measures through better weatherization of facilities.



PSC Tax Fund Update

Tools, Equipment, Hose, and Appliances

Implementation and Initial Actions

- Knowledgeable staff and many acquisition processes in place due to mass fleet replacement project
- Adapted the Fleet Management Reporting System to allow needs to be entered on-line at the station level
- Staff meets at a minimum bi-weekly to communicate progress and issues

Initial Results

- For the month of July, 80 needs were reported with a 74% correction rate. The outstanding needs were due to acquisition issues or required additional information from the station

Next steps

- Continue the processes in place
- Integrate the inventory of these items held at the station level
- Plan for future purchases of expendables and high cost items

PSC Tax Fund Update

EMS Supplies

Background on Section implementation

- Previously each LFRD individually determined their EMS supply needs
- Purchased EMS supplies including oxygen.
- No standard inventory or uniformity across the system

Initial actions – updates

- Established unit & station base or PAR inventories
- MCFRS/EMS coordinates purchase & maintenance of all EMS supplies including oxygen
- Standardization of inventories, ordering, purchasing, maintenance and invoice reconciliation

PSC Tax Fund Update

EMS Supplies

Initial actions – Updates continued

- Coordinated ordering process with LFRD/POCs and Station commanders
- All supplies are ordered through an electronic online site
- EMS supply inventory list was pared down to standardize the EMS equipment for all stations
- EMS supplies are dropped shipped to each station after ordering
- Orders are reviewed and approved by EMS section staff member
- Each station has a PAR inventory to prevent storing excess supplies on the station shelves
- Packing slips w/ proof of delivery are forwarded to HQ to be paired with invoices and payment is processed
- Oxygen ordering and payment coordinated through EMS section

PSC Tax Fund Update

EMS Supplies

Results and Outcomes

- Recognition of excess supplies at the fire stations- these supplies were gathered and are presently being used to supplant new orders- resulting in economies of scale
- Reduced excess supply accumulation at the stations which had caused waste due to supplies expiring before use
- Standardization of oxygen bottle inventories across stations resulting in potential cost savings on bottle rental fees
- Standardization across stations for oxygen bottle rental and filling fees

PSC Tax Fund Update

EMS Supplies

Next Steps

- Continue to evaluate the EMS supply needs for FRS to determine accurate funding levels
- Track and analyze the spending patterns of each station to determine where additional efficiencies may be implemented
- Determine best methods to coordinate with the emergency rooms to improve the restocking of EMS supplies

PSC Tax Fund Update

Station and Office Supplies

Background on Section implementation

- Began on July 1. Used existing County contracts for station and office supplies
- Developed a County contract with MCPS in 45 days
- Developed an on-line catalog for the Station Commanders
- Established budget parameters for each category and station capacity

Initial actions – updates

- Trained the Station Commanders on the ordering and reconciliation processes
- Visited worksites and began to establish base or PAR inventories

Results/Outcomes

- After the first 30 – 45 days, the process seems to be efficient with little to no issues. Issues that arise, such as product specifics, we evaluate and if needed add to the contract.
- With feedback from the Station Commanders & LFRD POCs, we are and continue to find efficiencies

Next steps

- Refine, expand, and improve the on-line catalog to provide hyperlinks to each product

June 10, 2011

TO: All MCFRS Personnel

FROM: Richard R. Bowers, Fire Chief

SUBJECT: MCFRS Tax Funds – Station/Office Supplies,
Portable Fire-Rescue Equipment, Facility Maintenance Program

Effective July 1, 2011, all portable fire-rescue equipment and station/office supplies, facility maintenance, purchased with County tax funds for the local fire and rescue departments (LFRD) and County-owned stations will be processed by MCFRS. The process of inventory, ordering, securing, reconciling and payment processing of these items will be similar to the EMS supply process that is already in place.

The County Council approved the following language in the FY12 Budget Resolution regarding the appropriation of tax funds for MCFRS:

Of the funds appropriated in this Resolution to the Montgomery County Fire and Rescue Service (MCFRS) for Local Fire and Rescue Department (LFRD) and station operations, a total of \$412,440 is appropriated to the LFRDs to administer the following LFRD and station functions related to providing fire and rescue services in the County, including: dues and memberships; education, tuition, and training; printing, postage, and mail; refuse collection and accounting services; furniture; copier leases; communications services; and miscellaneous operating expenses. Each LFRD must report quarterly to MCFRS Budget Office on the expenditure of these funds. MCFRS must develop, in consultation with the LFRDs, a reporting process to ensure compliance with this paragraph.

The Council has appropriated \$412,000.00 dollars in the FY12 Resolution for tax funds that will be disbursed to the LFRDs as outlined above to provide: copier leases, travel, refuse collection and others station functions. These tax funded items must continue to be made available to all personnel to maintain our continuity of administrative and operational services.

This Resolution also appropriates \$1,055,670 to MCFRS to support LFRD and station operations in the functions of facility maintenance, office supplies and equipment, public safety equipment, uniforms, and other supplies and materials. MCFRS must administer these functions, and must initially spend these funds according to historic distribution patterns until the process is completed and reviewed by the Council's Public Safety Committee:

The career Station Commanders must perform an inventory of the current supplies for each LFRD in each functional area listed in this paragraph. The LFRD representative must assist MCFRS in performing this inventory. After the initial inventory is completed, the Fire Chief must review and evaluate the need for any adjustments to the station allocations. The Fire Chief must consult with the MCVFRA and Council staff regarding the results of the inventory, the rationale for the new allocations, and any implementation process that will be needed to complete transition of these administrative functions to MCFRS.

The career MCFRS Station Commander and or Section Chief at each station or work unit (PSTA, FEI, ECC, Safety, etc) will be responsible for inventory control, ordering, and receiving, security of supplies and reconciliation of orders. MCFRS will process payment of the invoices. The Station Commanders will receive input for ordering supplies from the designated representative at each LFRD station. The LFRD must appoint a single point of contact (LFRD representative) for the inventory assessment and the supply ordering process.

PAR Inventory Control – A PAR inventory is a fixed quantity of an item that must be kept on hand to support daily operations. An initial base-line station inventory of the current office and station supplies will be completed by the career Station Commander and the LFRD representative. The career Station Commander and LFRD representative will handle the initial base-line station inventory at County and LFRD stations. A PAR inventory and office supply inventory will be established for MCFRS.

PAR inventories for PPE, uniforms and portable fire-rescue equipment will be an evolving process and will be implemented at a later date. The current LFRD identification will continue to be placed on the LFRD issued PPE. MCFRS will issue LFRD uniforms without identifying LFRD/MCFRS markings. The LFRDs will be permitted to affix their LFRD patches to the uniform shirt and a distribution process for these items will be forthcoming.

The LFRD must complete an initial baseline portable fire-rescue equipment inventory by **July 15, 2011**. This portable equipment inventory will be forwarded to the Division of Volunteer Services Chief and the MCFRS Fleet Assistant Fire Chief.

Ordering Supplies – The MCFRS Station Commanders and Section Chief will order all station and office supplies for each of the stations or work unit. Ordering will be done electronically via MCFRS Quicklinks. Orders must be processed by the Station Commander with input from the LFRD representative. Orders are to be completed and sent electronically by no later than the 5th day of each month. The career MCFRS Station Commander and Section Chief will process the electronic order and the supplies will be delivered to each station or work unit. This process will be implemented on July 1, 2011.

Commencing on August 1, 2011, portable fire-rescue equipment will be ordered by the MCFRS Station Commander or Section Chief. An item required to be repaired and or replaced must be accompanied by an explanation of the damage or why the equipment is inoperable. Lost or stolen equipment must be documented with a lost or damaged report,

insurance claim, and/or police report. The career Station Commander will work together with the LFRD representative to document any lost, damaged, inoperable or stolen portable fire-rescue equipment. MCFRS Section Chiefs must complete an insurance claim, and/or police report for any lost, stolen or damaged equipment for their section's work unit.

Receipt of Supplies – Upon receipt of the supplies the order/packing slip must be reconciled against the items received with the order. An electronic MCFRS Station supply order reconciliation must be completed on a form that will be available on MCFRS Quicklinks. The original order packing slip must be signed by the career Station Commander or designee and sent to MCFRS Budget Section at MCFRS Headquarters to be reconciled for payment. A copy of the packing slip must be maintained by the career Station Commander or Section Chief at each worksite. Any items that are absent or backordered need to be identified on the reconciliation form. The Station Commander or Section Chief will follow-up with the MCFRS Budget Office on backordered or missing items.

Security of Supplies – All supplies must be secured by the Station Commander in concert with the LFRD representative and access made available to the LFRD representative on an as needed basis.

Facility Maintenance - All facility maintenance repairs and requests that will be funded with County tax funds are to be coordinated by the career Station Commander. The career Station Commander and the LFRD representative will work together to complete an initial facility assessment of needed repairs and maintenance. This information will be forwarded to the MCFRS Administrative Services Division Chief and Facilities Program Manager for review. A detailed plan to address these items will be forthcoming.

- As of July 1, 2011, any immediate repairs, replacement and or maintenance items regarding the use of County tax funds are to be forwarded via the chain of command by the Station Commander. The Station Commander will work with the LFRD representative to receive input on these items.

Further information related to personal protective equipment, uniforms and facility maintenance assessment program will be forthcoming.

The process outlined above for station/office supplies, and portable fire-rescue equipment continues to evolve and will require all of us to work together to ensure there is a continuity of operations at the station level.