

**MEMORANDUM**

January 31, 2012

TO: Public Safety Committee

FROM: Essie McGuire, Senior Legislative Analyst 

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). Fire Chief Richard Bowers is expected to attend and update the Committee.

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 Committee received its first quarterly update on October 6, 2012. **The purpose of this worksession is to receive the second quarterly process report of FY12.**

**BACKGROUND**

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).

A summary of the first quarterly report is attached on circles 4-5 as a reference point for today's discussion.

#### **UPDATE INFORMATION**

MCFRS has provided progress update information in each of the transition areas on circles 6-8.

- The update shows that MCFRS continues to focus on the inventory processes for each of the areas, and refining the ordering and communication processes.
- MCFRS has worked with the LFRDs to resolve outstanding contract issues and has begun to put in place County contracts for some functions including oxygen and facilities.
- MCFRS has worked with the LFRDs on policy and implementation issues related to Personal Protective Equipment (PPE), and can report the status of this effort. Two issues in this area related to the need for: 1) an assessment not only of the available inventory but its age and condition, and 2) a plan to continue the practice of volunteers labeling their PPE with the relevant LFRD identifying information and still maintain the efficiency of centralized bulk ordering.
- MCFRS is also beginning to plan for transitioning the remaining areas in FY13. It will be helpful to understand what preliminary steps can be taken now to prepare for that transition, and how this effort can improve the transition process in the upcoming fiscal year.

- 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
<b>Arts and Humanities Council Activities</b>	
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
<b>Total Arts and Humanities Council Activities</b>	<b>\$3,286,697</b>



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

<b>Council Approved</b>	
<b>Station Operating Support</b>	
<b>LFRD Administer in FY12</b>	
	<b>FY12 Rec Total</b>
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
<b>Total</b>	<b>412,439</b>

Reprinted from October 6 packet



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.

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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 Funds Custodial and Office Supplies

- **Updates**
  - Trained the Station Commanders on the supply ordering and reconciliation processes
  - Continued visits to worksites to evaluate PAR inventories
  - Provided all worksites with Ice Melt for the winter with one delivery and savings due to the bulk order
- **Results/Outcomes**
  - After the first 180 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, we continue to find efficiencies.
- **Next steps**
  - Continue to refine, expand, and improve the on-line catalog to provide hyperlinks to each product
  - Printers, copiers, and fax streamlining process is under review

## PSC Tax Funds EMS Supplies

### **Updates:**

- Station PAR inventories have been re-evaluated & amended
- Two Oxygen contracts in place for all County stations standardizing bottle types, numbers, and delivery schedules
- Rockville stations that use AirGas for their O2 needs have had standardized bottle types, numbers and delivery schedules
- BioMedical Waste pickup schedule defined and standardized.

### **Results/Outcomes**

- Savings recognized from the one time redistribution of overage stock inventory
- Ability to calculate total expenditures for EMS Supplies

### **Next steps:**

- Evaluate station usage, take steps to implement additional efficiencies

## PSC Tax Funds Facilities

- Updates
  - Continue to work with Station Commanders and LFRDs to address issues.
  - Working to implement new facility reporting system in the next 60 days. Training will be provided.
  - Utilizing current county contracts and starting to establish countywide contracts to address needs.
- Results/Outcomes
  - Electronic reporting of issues at the station has gone smoothly.
  - Efforts to bundle work so vendor can address multiple issues on a single trip.
- Next steps
  - Organizationally we need to move from reactive to proactive in facilities maintenance.
  - Develop additional county contracts to address maintenance and repair issues.
  - Develop a comprehensive use life manual for all appliances and major systems components. Provides the opportunity to plan replacement rather than react to broken items.

## PSC Tax Funds Utilities

- Updates
  - Utility payments working well. DGS pays all bills electronically
  - Moving to move all utility accounts to Montgomery County name to ease workload on DGS bill paying
  - Improved administrative efficiencies
- Results/Outcomes
  - Coordination with DGS has been seamless.
- Next steps
  - Continue to work with both the LFRDs and DGS to search for additional enhancements and improvements to the process.

## MCFRS Fleet Section Tools, Equipment, Hose, and Appliances

- Implementation (continuation)
  - Knowledgeable staff and many acquisition processes in place due to mass fleet replacement project
  - After adapting the Fleet Management Reporting System to allow needs to be entered on-line at the station level, several ideas have been presented to further streamline the use of this system
  - Staff continues to meet bi-weekly, at a minimum, to communicate progress and issues and find efficiencies
- Results
  - 643 requirements were reported between July 1, 2011 and December 31, 2011. Most requirements were resolved within 1-3 business days. Requirements requiring a longer resolution period, were generally due to acquisition issues or the need for 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
  - Implement improvements to the Fleet Management Reporting System

## FY 13 Next Steps

- Refuse Contracts
- Service Contracts – review for LFRD copiers, printers, and faxes
- Communication devices
- Policy for LFRD uniforms and PPE