

Worksession

MEMORANDUM

May 8, 2009

TO: County Council

FROM: Minna K. Davidson, Legislative Analyst *MKD*

SUBJECT: **Worksession: FY10 Operating Budget**
Montgomery County Fire and Rescue Service (MCFRS)
(continued)

The Council began its review of the FY10 MCFRS operating budget on May 7. One outstanding issue was deferred for further consideration.

The Executive had recommended an increase of about \$1.8 million to purchase and equip 30 ambulances. He also recommended an increase of \$332,000 for an item called "Apparatus Based on Schedule" to purchase several fire/rescue vehicles through a master lease.

The Public Safety Committee had recommended reductions as shown in the table below.

Comparison of CE and PS Committee Apparatus Recommendations				
CE Recommendation	CE Rec. \$	PS Recommendation	PS Rec. \$ Chg.	Amt. Remaining
30 ambulances	1,810,150	delete 20 ambulances	-1,210,150	600,000
Apparatus based on Schedule (master lease payments)				
2 engine body pump modules	71,712	no change		71,712
4 all wheel drive pumpers	170,980	delete 2 AWD pumpers	-85,490	85,490
2 light duty brush trucks	28,552	delete 2 brush trucks	-28,552	0
1 tanker	60,756	delete 1 tanker	-60,756	0
Total	2,142,150		-1,384,948	757,202

Relevant pages from the Council's May 7 packet which summarize the Executive's recommendations and the Committee's proposed reductions are attached on © 1-5.

After the Committee made its recommendations, MCFRS staff requested an opportunity to reconsider the vehicles to be purchased within the remaining \$757,202. At the Council's May 7 worksession, the Council President indicated that MCFRS was working on an alternative proposal, and that the Council would return to this issue at its May 11 worksession.

MCFRS had not transmitted its proposal to the Council when this packet went to print. Council staff will distribute the proposal as an addendum to this packet as soon as it is available.

PS COMMITTEE RECOMMENDATION: Place on the Reconciliation List \$300,000 in three increments of \$100,000 each to partially restore funding for daywork overtime. (3-0) The Executive had assumed that with an increased number of volunteers in the County and the implementation of volunteer standby policies, volunteers would be able to accommodate this reduction. However, the Committee heard from the MCVFRA (© 91-93 and © 106), the Kensington Volunteer Fire Department (© 72-77), and the Wheaton Rescue Squad that this reduction would be untenable for volunteers (© 94-98). The Committee felt that volunteers should only be asked to absorb about one-quarter of the Executive's reduction, and recommended restoring the funds for the other three-quarters.

Issue #9: Reduce overtime for one EMS Duty Officer slot, -\$630,000

This reduction is an annualization of the FY09 Savings Plan reduction of overtime for one EMS Duty Officer slot. MCFRS and the MCVFRA comments from the FY09 Savings Plan review of the EMS Duty Officers are attached on © 27-29.

Council staff comments to the Committee – possible area for reduction: FY09 began with three 24/7 EMS duty officer slots. One was filled with positions in the approved personnel complement. The other two were filled by detailing personnel to them. The detailed positions were backfilled on overtime. The Council initially recommended eliminating the two slots that were filled with detailed positions, thus reducing overtime costs. However, Chief Bowers was concerned that reducing by two might have negative impacts on ALS responses and on quality assurance for the County's EMS services. The Council ultimately approved a reduction of one EMS Duty Officer slot and alternative reductions suggested by Chief Bowers instead of the second EMS Duty Officer slot.

Although Chief Bowers and the Council were reluctant to reduce the second detailed EMS Duty Officer slot in FY09, the reduction might be preferable to other service reductions if additional cuts are necessary for FY10.

PS COMMITTEE RECOMMENDATION: Approve as recommended by the Executive. (3-0)

ISSUES - APPARATUS

→ **Issue #10: Add master lease payment for supplies and equipment to replace 30 ambulances, \$1.8 million.**

There are a total of 57 EMS units in the MCFRS fleet (excluding LFRD units owned by the Wheaton and Bethesda-Chevy Chase Rescue Squads). Of these, 41 are front-line and 16 are reserve units. The current average mileage and age for front-line units is 81,000 miles and 4.75 years. For reserve units it is 151,500 miles and 10 years. Although 15

EMS units were purchased through the FY07 apparatus replacement CIP project, many more must still be replaced.

In FY08, MCFRS developed a rotational replacement plan which resulted in an average replacement of 10 EMS units per year. MCFRS staff has discussed this plan in the Public Safety Committee's Apparatus Management updates. A summary of the plan from the October 2008 update is attached on © 30. The plan and the need for the replacement units are also discussed in more detail in the response to Question 4 on © 13-15.

The recommended replacement of 30 EMS units would "catch up" the plan by including the 10 units each that should have been replaced in FY08 and FY09 and the 10 units due for replacement in FY10. A list of units to be replaced is on © 31.

The Executive's FY10 recommendation of \$1.8 million includes the following elements:

Item	\$
Master lease payment	\$744,150
Supplies	\$367,000
Equipment	\$699,000
Total	\$1,810,150

The payment schedule for the master lease would include 10 payments of \$744,150, with one payment in FY10, two payments each in FY11, 12, 13, and 14, and one payment in FY15. The total cost for the master lease would be \$7.4 million.

Council staff comments to the Committee – possible area for reduction:

While Council staff does not dispute the need to replace EMS units, committing to a major expenditure at a time of great fiscal constraint for the County may not be possible. Presumably, the Executive was relying on revenues from the EMST fee to help support this purchase. If the fee is not implemented, finding the resources to support this initiative would be difficult at best.

The Committee could consider funding a portion of this request, or none of it. For reference, costs for individual units are shown in the table below.

Vehicle	\$
EMS unit, unequipped	\$225,000
BLS unit, equipped	\$244,400
ALS unit, equipped	\$292,800

PS COMMITTEE RECOMMENDATION: Purchase 10 EMS units at a cost of \$600,000 for a reduction of about -\$1.2 million from the Executive's recommendation. (2-1, Councilmember Elrich opposed). Chief Bowers made the point that replacement of all 30 units is critical to ensure that MCFRS can continue to deliver EMS service. Although several EMS units are near the end of their life cycles, the Operations Division Chief said that, after various changes in

services over the past few years (the addition of EMS flex units, and new stations), the exact number of EMS units to be replaced over time requires more analysis.

Councilmembers Andrews and Berliner recommended funding the scheduled EMS unit purchase for FY10, but did not support “catch-up” funding at this time. Councilmember Elrich was concerned about the service implications of not funding the full purchase, and opposed the Committee majority’s recommendation.

The Committee agreed to revisit the status of the EMS fleet in September to determine whether additional units should be funded through a supplemental appropriation. (If additional units are needed, they could still be ordered before prices increase in January 2010.)

→ **Issue #11: Apparatus Based on Schedule, \$332,000**

During the last Apparatus Management update in October, MCFRS staff explained that because of the cancellation of the original contract for the pump and hose body modules for the engines that were ordered under the Apparatus CIP Replacement project, the per unit cost for the engines had increased. In addition, there had been changes in the per unit costs of other vehicles which resulted in a net cost increase of \$2.31 million for the project. (See © 32-33 for cost change information from the update.) At the time, the Executive was identifying a funding strategy to complete the project, and was considering a using a master lease to purchase some of the remaining apparatus.

The Executive’s proposal would use a master lease to fund¹:

Vehicle	# Units	Cost per Unit	Total
Engine body/pump modules	2	\$315,000	\$630,000
All wheel drive brush trucks	7	\$250,000	\$1,750,000
Tanker	1	\$533,000	\$533,000
Total	10		\$2,913,000

The \$332,000 recommended by the Executive covers the first of ten master lease payments. A schedule with the actual payment due dates is not yet available, but payments will be due every six months.

The engine body/pump modules and the all wheel drive brush trucks were included in the Apparatus Replacement CIP project and are recommended for master lease funding to address the cost increase for the project. The engine body/pump modules have been ordered.

¹ A breakout showing more detailed information about the \$1,750,000 all wheel drive pumper/brush truck item, and showing the proportional cost of the master lease payment for each item is on © 80.

The water tanker is requested for the new Kingsview Station 22. Although the 2000 Water Supply Study did refer to placing a water vehicle at Station 22, one version suggested that if a new reserve tanker is purchased, it could be housed at Upper Montgomery Station 14, or at the new Kingsview Station when it opens. A later version recommended replacing existing front line engines with combination engine-tankers, and purchasing an engine-tanker for the Kingsview Station when built. The 2005 Master Plan recommendation for the West Germantown station (© 34) refers only to an ambulance and one or two EMS units for the station. During the course of the project, approved PDFs for the West Germantown project have only stated that an engine and one or two EMS units would be purchased. The approved FY09-14 PDF, which refers to one engine and two EMS units, is attached on © 36.

Council staff comments to the Committee— possible area for reduction: The Committee may want to discuss with MCFRS staff whether it would be possible to defer some of the all wheel drive brush trucks to save on the overall cost of the master lease.

Regarding the tanker, Council staff is concerned that an expensive piece of apparatus is being requested on the basis of a recommendation from a 9-year old report which did not provide clear direction about the item to be purchased, and which may be outdated at this point. Council staff is also concerned that during all of the years that the Council reviewed the West Germantown CIP project it was not made clear that a tanker would be needed for the station. The Committee may want to consider deferring the tanker in FY10 and reconsidering it at another time after MCFRS has an opportunity to update its water supply recommendations.

PS COMMITTEE RECOMMENDATION: Approve a master lease payment for two engine body/pump modules and two all wheel drive pumpers. For fiscal reasons, do not fund two additional all wheel drive pumpers, one tanker, and two light duty brush trucks at this time, for a savings of -\$174,800 on the master lease payment. (3-0) Tanker service at the Kingsview station would continue to be provided by the reserve tanker that is currently stationed there.

Issue #12: Transfer apparatus personnel from LFRDs to the Apparatus Section

As envisioned in the Apparatus Management Plan, this recommendation would transfer 11 apparatus positions from LFRDs to the MCFRS Apparatus Section. One Apparatus and Equipment Technician and one Mechanic Technician II each would be transferred from the Bethesda, Kensington, Silver Spring and Rockville LFRDs. One Apparatus and Equipment Technician and two Mechanic Technician IIs would be transferred from Gaithersburg-Washington Grove. The Executive intends for this transfer to be cost neutral.

Council staff comments to the Committee: As of the October Apparatus Management update, it was anticipated that Building B of the central maintenance

Background: This item would fund the first master lease payment to purchase two engine body/pump modules, four all wheel drive pumpers, and two light duty brush trucks which were scheduled to be purchased under the Apparatus Replacement CIP project, but had to be funded through other means because of cost increases in the CIP project. In addition, a new tanker for Kingsview Station 22 would be purchased through the same master lease.

Because this item is a master lease payment, any reduction in the number of vehicles would reduce the \$332,000 budget item by the proportion of the payment attributable to the vehicles reduced. The table below shows the vehicles to be purchased, their costs, and their proportion of the master lease payment.

Units to be Purchased through "Apparatus Based on Schedule"					
Unit	# of Units	Unit Cost	Total Cost	%Total Cost	Proportion of \$332K M.L. payment
Engine body pump modules	2	315,000	630,000	21.6%	71,712
All wheel drive pumpers	4	375,000	1,500,000	51.5%	170,980
Light duty brush trucks	2	125,000	250,000	8.6%	28,552
Tanker	1	533,000	533,000	18.3%	60,756
Total	9		2,913,000	100.0%	332,000

As with the 30 ambulances, the FY10 master lease payment would be the first of 10 payments over a period of five to six years. If fewer vehicles are purchased through this master lease, future payments would be lower as well.

Comments from Other Organizations

At the April 24 worksession, the Committee received comments from the Wheaton Volunteer Rescue Squad on the impact of the Executive’s recommended daywork overtime reduction, and the Montgomery County Volunteer Fire and Rescue Association (MCFVRA) on several budget issues. In addition, after the worksession, the Council received comments from the Montgomery County Career Fire Fighters Association requesting that the Committee recommend adding \$120,000 for four additional Class B Driver Courses at the Public Safety Training Academy. The comments from these organizations are attached as indicated in the table of contents.

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MCFRS Proposal for FY10 Apparatus Funding

The Public Safety Committee recommended a reduction in FY10 apparatus funding that would allow for the master lease of two all-wheel drive pumpers rather than the four that were in the executive's recommended budget. The committee also recommended eliminating funding for a tanker. While the two pumpers are needed to replace 18-year-old pumpers, MCFRS's priority must be to ensure the availability of water to the developed areas of the county that do not have a municipal water supply. To reflect this priority and remain within the apparatus funding recommended by the committee, MCFRS asks that the funding for the tanker remain in the FY10 budget and that the funding for the pumpers be removed.

Additionally, as was made clear during the recent budget meetings, MCFRS is in dire need of EMS units to replace units that should not continue to be relied upon given their age, condition, and mileage. The committee recommended a cut of \$1.2 million to the \$1.8 million that was in the executive's budget to purchase ten ALS equipped and twenty BLS equipped units. To remain within this recommended funding level and maximize the number of new units, MCFRS proposes to purchase only BLS equipped units. Because there is less equipment on BLS units, MCFRS expects to be able to purchase fourteen units rather than ten.

County Executive's Recommended	
CE rec EMS Units	1,810,150
CE rec Apparatus Schedule	332,000
Total	2,142,150
PS Committee Changes	
PS EMS Units	-1,210,150
PS rec Apparatus Schedule	-174,800
Total PS Reductions	-1,384,950
Net CE rec - PS reductions	757,200
MCFRS Proposal	
Pump modules	71,710
Tanker	60,760
14 fully-equipped BLS units	624,730
Total	757,200