



CITY OF SALINAS FINANCE COMMITTEE

DATE: APRIL 5, 2021

DEPARTMENT: FIRE DEPARTMENT

FROM: MICHELE VAUGHN, FIRE CHIEF

TITLE: SALINAS PLAN IMPLEMENTATION UPDATE –RECOVER FULL COST OF SERVICE FROM MONTEREY COUNTY REGIONAL FIRE DISTRICT (SS01)

RECOMMENDED MOTION:

No motion is required for this item. Comments and feedback from the Finance Committee on the implementation of this Salinas Plan initiative is requested.

DISCUSSION:

Each month, staff brings at least one item from the Salinas Plan as an update on implementation of the Salinas Plan.

The Salinas Plan has 32 recommendations, two of which are categorized as “Shared Services”. The Shared Services category identifies shared services with other jurisdictions as a way for the City to improve overall service while at the same time mitigating budgetary pressure. The “SS01 – Recover Full Cost of Service From Monterey County Regional Fire District” recommendation recommends that the City determine if they are collecting enough from Monterey County Regional Fire District for the service they provide responding to calls to areas in the fire district outside the City. The consultant who prepared the Salinas Plan determined the City may not be charging enough for full cost recovery including inflation. The Plan estimates the City could charge additional amounts as follows:

Financial Impact

FY19	FY20	FY21	FY22	FY23
0	\$119,665	\$133,419	\$147,325	\$161,567

FY24	FY25	FY26	FY27	FY28
\$174,575	\$186,007	\$197,982	\$210,741	\$223,661

The City currently provides fire protection to the Monterey County Regional Fire District, which covers approximately 361 square miles of Monterey County serving 31,000 people. The District has its own seven fire stations, equipment, and staffing and receives revenues of approximately

\$377 per resident. The Monterey Fire District currently provides fire protection, technical rescue, BLS (EMT), ALS (paramedic), and ambulance services.

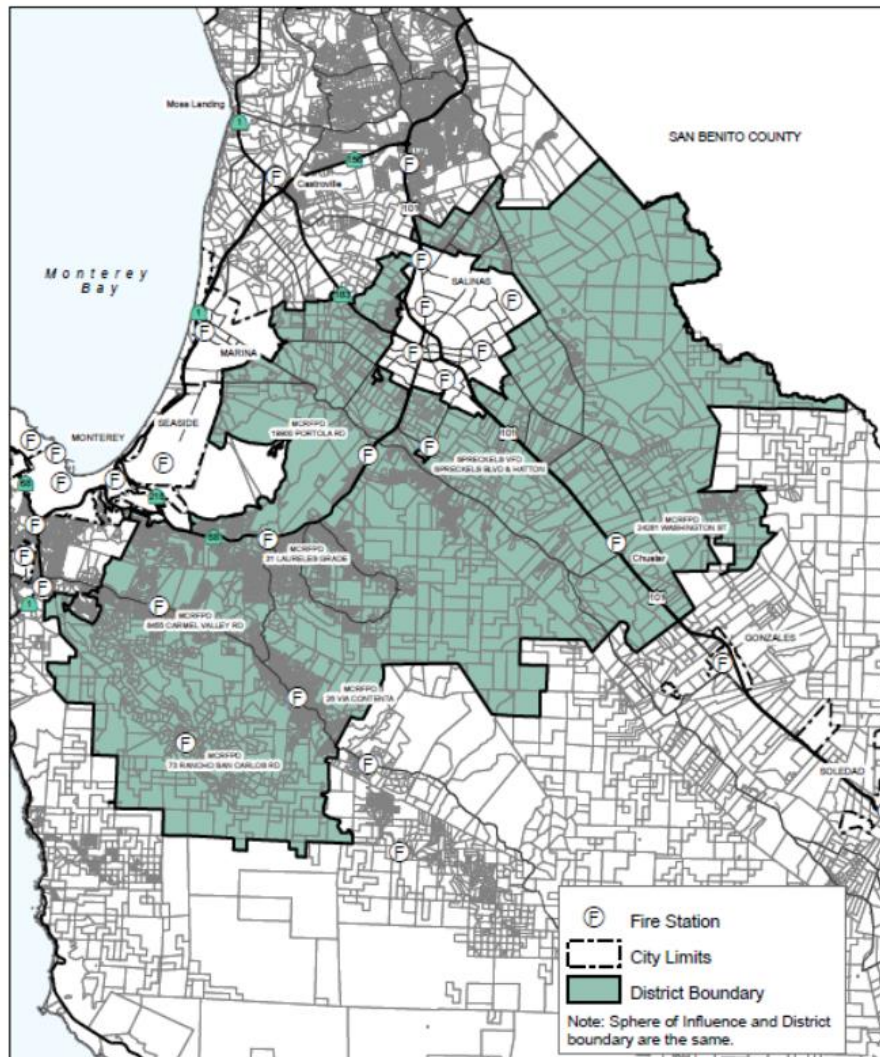
Since the seven fire stations of the Monterey County Regional Fire District (MCRFD) are spread across the entire 361 square-mile area and Salinas's six fire stations are concentrated in the City, the Regional Fire District contracts with the City to provide fire protection and emergency medical services to approximately 35 square miles of the northern corner of the District. A contract currently provides \$196,000 to the City to offset the costs of the service, and the annual contract cost has remained the same since at least FY17. Though the contract expired in FY 2019, services to this area are continuing, and the Regional Fire District is still compensating the City \$196,000 a year for the services.

As the previous contract has expired, the City needs to enter into a new one with the Regional Fire District to continue performing services. In order to implement the Salinas Plan recommendation, the City reviewed its cost recovery and determined that it was not meeting full cost recovery. Upon agreement with MCRFD, the City will enter into a five-year contract utilizing the following cost recovery schedule:

FY22	FY23	FY24	FY25	FY26
\$300,000	\$350,000	\$400,000	\$450,000	\$500,000

The City will receive \$2,000,000 for this five-year agreement period, which is \$1,020,000 more compared to the prior contract. Compared to the original Salinas Plan table, The City will receive \$152,554 more during the five-years. The objectives of the Salinas Plan recommendations have been more than achieved.

Monterey County Regional Fire District and Salinas Fire Stations



FISCAL AND SUSTAINABILITY IMPACT:

The Fire Department has would be able to recover \$152,544 more than the plan details for the five-year period.

ATTACHMENTS:

1. Agreement for Emergency Fire Services with Monterey County Regional Fire Protection District
2. Map of Area serviced by the City