INTERGOVERNMENTAL AGREEMENT WITH LHROP-MANTECA FIRE DISTRICT FOR THE PURPOSES OF PROVIDING FIRE AND EMERGENCY MEDICAL DISPATCH SERVICES WITH PHASED-IN FULL COST RECOVERY TO THE CITY OF STOCKTON

RECOMMENDATION

It is recommended that the City Council approve and adopt a resolution authorizing the City Manager to enter into an Intergovernmental Agreement between the City of Stockton and the Lathrop-Manteca Fire District (LMFD) for the provision of Fire and Emergency Medical Dispatch services through the City of Stockton (COS) Fire Department Emergency Communication Division (ECD).

Summary

The recommended resolution authorizes the City of Stockton to provide emergency dispatch services to Lathrop-Manteca Fire District. LMFD will compensate the City of Stockton for dispatch services at a rate calculated annually for a phased-in, full-cost recovery beginning July 1, 2015. The estimated FY2014-15 revenue from the emergency dispatch services agreement is approximately $41,000 for a partial year. With full cost recovery rates beginning July 1, 2015, the estimated annual revenue is $85,000 based on the estimated number of incidents that will be dispatched and the FY2013-14 annual full-cost recovery rate of $45.74 per incident. Beginning July 1, 2016, the rates per call will be based on the Stockton Fire Department’s Emergency Communications Division current fiscal year budget divided by the total number of dispatch calls in the prior calendar year.

The City’s Information Technology Division will prepare and set-up the current ECD dispatch system to provide such services. LMFD will reimburse the City for the associated set-up costs. There are no other additional costs to City of Stockton for providing fire and emergency medical dispatch services to Lathrop-Manteca Fire District.

DISCUSSION

Background

The Lathrop-Manteca Fire District (LMFD) contacted the Fire Chief in late December 2013 to request formal contract discussions for the provision of dispatch services from the City of Stockton (COS). There have been preliminary discussions between LMFD’s Fire Chief, Gene Neely, and the Stockton Fire Chief on the provision of emergency dispatch services since the beginning of 2013 when the Council authorized Management Partners to perform an Efficiency Study for the Stockton Fire Department Dispatch Services. Council received the Management Partners Efficiency Study and directed Staff to continue with the review options and recommendations, and provide Council with updates to the process.
As a part of the Management Partners Study the consultants interviewed fire agencies in San Joaquin County to understand their current services and seek insights for a regional partnership in dispatch services, including LMFD.

Option One of the Management Partners Report (page 21) “Existing Stockton ECD Semi-Regional Dispatch with Full Cost Recovery from Contract Agencies” expands the current Dispatch Contract Services to other fire agencies in the County. Option Two “New Semi-Regional Fire Dispatch JPA Under Contract with Stockton ECD for Fire Dispatch Service” (page 25) envisions the creation of a separate fire dispatch entity with existing contracts plus two other cities fire departments. Option Two, relating to forming a JPA Fire Dispatch Center is in its infancy of discussions.

The Stockton Fire Dispatch Center has existing workload and technical capacity for additional service contracts. Fire Staff believes that the while discussions are being held to review and plan for the JPA, additional dispatch service agreements provide a functional transition towards the semi-regional dispatch options, while phasing the costing structure to meet Study Recommendation 5 “Meet with current Stockton ECD contract agencies to develop a plan for increasing call rates to ensure full cost recovery for the services provided” (page 40).

The Dispatch Contract Services to LMFD by COS conforms to Option One of the Study, while creating the synergy to further develop the semi-regional services. The COS currently provides emergency dispatch services to the City of Manteca Fire Department on a per-call basis that is less than full-cost recovery. The LMFD and the City of Manteca are adjacent jurisdictions south of Stockton. Both LMFD and Manteca Fire desire to respond under a “Boundary-Drop” process that sends the closest fire unit to an emergency regardless of jurisdiction. Today, LMFD is dispatched by JRUG/Valley Regional Communications Center (previously LifeComm), which does not allow for the desired boundary-drop response model with the City of Manteca.

The COS Fire Department Emergency Communications Division currently staffs one Dispatcher Console specifically for the City of Manteca. Manteca FD responds to approximately 5,730 calls for services. The plan is to dispatch LMFD from the Manteca Dispatch Console utilizing the same frequencies as Manteca, facilitating the two agency boundary drop model.

Present Situation

Given the recent submittal of the Management Partners Report (Attachment A) and the top recommendations for developing operational and financial efficiencies through partnerships and regionalization efforts, this request from LMFD is timely and viable in meeting the efficiency recommendations through a phased costing approach that will accomplish the full-cost recovery recommendations by July 2016.

The additional 1,960 (approximately) calls for services from LMFD on the Manteca Dispatch Console will not require any further COS staffing, equipment, training or essential services.

It is important to note that both the City of Manteca Fire Department and the Lathrop-Manteca Fire District will pay the estimated rates proposed in the FY2014-15 COS Fee Schedule for dispatch services which are: $11.31 for medical; and $22.60 for other calls. Each agency tentatively agrees to the increasing cost recovery rates beginning in January 2015 to $35.74 which is approximately 78% of the current full cost recovery rate of $45.74 for all calls, and then increasing the rate to 100% of the
cost recovery rate beginning July 1, 2015. COS will begin charging the City of Manteca and LMFD the actual ECD full cost recovery rates in the FY2016-17 budget cycle.

All four labor groups (SCEA, B & C, Fire and Fire Management Units Local 456) have been fully briefed on this proposal.

Agreement Summary

- The Lathrop-Manteca Fire District seeks the emergency dispatch services from the City of Stockton.
- The Management Partners Efficiency Study for Dispatch Services recommends the development of partnerships and regionalizing dispatch services to create operational and financial efficiencies.
- The City of Stockton will receive a phased-in, full cost recovery for the emergency dispatch services provided to the Lathrop/Manteca Fire District by July 1, 2015.
- The City of Stockton will not incur an increase in cost of services or personnel to provide dispatch services to the Lathrop-Manteca Fire District.
- The City of Stockton is fully capable of providing such services without impact to City services.

FINANCIAL SUMMARY

These tentative agreements will generate some revenue in FY 2014-15 and beyond. Expenditures are expected to remain relatively flat from these activities as the increased workload is within current staffing capabilities. The budgets will not be revised at this time, but instead be monitored after the contracts are executed and dispatch services are provided and modified if necessary.

The financial drivers of the proposed Agreement between LMFD and COS are as follows:

| FY2012-13 COS Fire Department Calls for Services | 49,591 |
| FY2013-14 COS Cost for Dispatch Services | $2,268,496 |
| COS Cost per Call Full Cost Recovery | $45.74/call |
| FY2012-13 LMFD Calls for Services | 1,957 |

Estimated revenues and expenses associated with the LMFD Emergency Dispatch Services Agreement:

| FY2014-15 Estimated Net Revenue from LMFD | $41,000 |
| (Based on FY2014-15 proposed rate in City Fee Schedule and 78% cost recovery rate beginning January 1, 2015) |
| FY2015-16 Estimated Net Revenue from LMFD | $84,000 |
| (100% cost recovery based on current ECD budget and number of dispatch call in FY2012-13) |

| Estimated Cost to Provide Services - IT Set-Up Cost | $15,000 |
| (To be reimbursed by LMFD) |

There are no other additional costs to City of Stockton to provide emergency dispatch services to Lathrop-Manteca Fire District. Most of the costs of the Emergency Communications Division are
generally fixed costs, regardless of how many incidents are dispatched, or the number of agencies for whom the Fire Department dispatches. The Emergency Dispatch Agreement with LMFD as detailed above will provide a source of revenue to partially offset these fixed costs.

Attachment A - Management Partners Dispatch Efficiency Study December 2013