

Engage Gwinnett Recommendations Status – Fire and Emergency Services

Updated 2010 – 4th Quarter	Updated 2011 - 1st Quarter	Updated 2011 – 2nd Quarter
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Service Area	Status Quo, Declining Tax Digest, or General	Recommendation	Status	Actions Taken	Budget Impact
	Status Quo	The committee is very cautious in recommending changes because they are concerned about unintended consequences. Therefore, they recommend that all proposed changes in the funding and operations of Fire and EMS be subjected to an intense review and analysis process which fully examines all possible consequences and balances the projected benefits with the potential risk associated with the proposed changes.	Complete	We agree with the need to give deliberate and judicious consideration to changes and have attempted to apply this philosophy not only in the Fire and Emergency Services Department, but throughout the organization.	No budget impacts.
	Status Quo	Our priority recommendation is to continue the good work underway by the department and to maintain the current service levels.	Complete	The department continues to reassess its service levels in order to provide the highest degree possible while maintaining its fiscal responsibility.	No budget impacts.
	Status Quo	Maintain the department's current practice of providing emergency medical transport services. As determined by research performed by the County and staff from Georgia Gwinnett College, eliminating ambulance crews from the department's staffing plan would actually increase the overall cost of providing Fire and EMS services. (For more information, refer to the "Fire and Emergency Services Committee Research Report" on the Engage Gwinnett website.)	Complete	With this recommendation in mind, the County has continued providing emergency medical transport services.	No budget impacts.

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	Status Quo	In addition to comparing itself against its own past performance, we recommend that the department identify appropriate communities and fire departments to use for benchmark purposes. Comparisons with these peer communities and organizations should be an ongoing and formalized process. While we acknowledge that such comparisons are difficult and imperfect, we believe that it is important to demonstrate how Gwinnett County Fire and EMS stacks up against other departments across the country.	Complete	The Fire Strategic Planning and Management Section conducts an annual comparison to other Georgia counties and other cities including Jacksonville, Florida; Columbus, Ohio; and Phoenix, Arizona.	No budget impacts.
	Status Quo	Identify and evaluate best practices from other progressive fire departments, including how these departments are addressing cuts in funding.	Complete	The Fire Strategic Planning and Management Section conducts an annual comparison to other Georgia counties and other cities including Jacksonville, Florida, Columbus, Ohio, and Phoenix, Arizona. The department will continue to use information obtained from these jurisdictions and agencies in identifying best practices, but also if and when service or budget reductions are necessary.	No budget impacts.
	Status Quo	Focus immediate attention on preparing for the upcoming ISO rating process, which we understand is imminent. Once ISO has released its updated rating and related evaluation comments, use these as a source of information for identifying areas where efforts should be concentrated in the future.	Complete	With the opening of three stations in November 2010, 98 percent of county residents live within five miles of a station. The department’s growth projection and the updated rating information will continue to be used for staffing and planning. The ISO review began March 28, 2011 with anticipated results expected late 2011.	No budget impacts.

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	Status Quo	Use the research report prepared for this Work Group to explain the potential financial impacts on homeowners and businesses of ISO rating changes, as well as to compare these with budgetary increases required to maintain/improve existing ISO rating. Have this research performed annually, so that up-to-date information is available each year. Publish the annual research results in a manner that makes them easily available to the public.	In Progress	We agree and will use the ISO report as a communication/education device to keep the public informed. Once the ISO report has been completed it will be incorporated into the department's strategic plan.	
	Status Quo	As funding allows, add stations, equipment and staffing to maintain and improve coverage across the county, especially in areas with longer response times or greater service demands.	Complete	Three new stations opened in November 2010: 18, 29, and 30. Current planning calls for future stations and relocations as budget availability allow in order to increase our capability for providing Fire and EMS services.	No budget impacts.
	Status Quo	Focus on efforts to reduce community risk through education and outreach. Expand use of volunteers and coordination with other organizations in order to make the most of available resources and to reach the greatest number of people.	Complete	The Community Risk Reduction Division is dedicated to this initiative. They have partnered with the Chamber of Commerce and Gwinnett Medical Center to offer programs that will help reduce risk. In addition, volunteers provide over 175 hours of service per month in community-related efforts. We will reflect the volunteer initiatives in our Balanced Scorecard.	No budget impacts.
	Status Quo	Address outdoor burning issues through education initially, but consider the possibility of more stringent regulation where warranted based on risk.	Complete	This topic was researched and changes will be incorporated into the Fire Ordinance scheduled to be presented to the Board of Commissioners in 2011.	No budget impacts.
	Status Quo	Proceed in timely fashion with the re-writing of existing code(s) and regulations to clarify and simplify their use by staff, regulated parties, and the citizens.	In Progress	The Fire and Emergency Services Department continues to work toward this recommendation. An updated code draft has been offered that, if accepted in 2011, may potentially bring in an additional \$250,000 in revenue.	Estimate \$250,000 if adopted.
	Status Quo	Identify and access code adjustments likely to have the greatest impact on fire risk and management. The benefits to be derived from strengthening code requirements should be balanced with the cost to property owners and the community.	In Progress	The Fire and Emergency Services Department continues to work toward this recommendation. An updated code draft has been offered that, if accepted in 2011, may potentially bring in an additional \$250,000 in revenue.	Estimate \$250,000 if adopted.

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	Status Quo	Evaluate existing level of cooperation between the Fire Marshal's Office and Planning and Development Department and identify any areas where change may be beneficial to the departments or their customers.	In Progress	The Fire and Emergency Services Department continues to work toward this recommendation. An updated code draft has been offered that, if accepted in 2011, may potentially bring in an additional \$250,000 in revenue.	Estimate \$250,000 if adopted.
	Status Quo	Consider increasing the frequency of fire hydrant inspection and maintenance.	In Progress	The Fire and Emergency Services Department recently renewed a contract for this service, which will be managed by Water Resources. A new memorandum of understanding with Water Resources has been completed; maintaining current hydrants due to budget constraints. Discussions with DWR and Corrections have begun in order to determine if inmate crews can perform maintenance.	
	Status Quo	Search for other opportunities for outsourcing and contracting functions, and evaluate these opportunities to determine viability and benefits.	In Progress	The Fire and Emergency Services Department currently reviews all contracts on an annual basis. One example is the EMS billing contract currently being evaluated for additional opportunities. The department will incorporate this philosophy into our business practices and, where possible and feasible, review our operations for outsourcing and contracting activities.	

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	Declining Tax Digest	<p>To ensure that a range of options was considered, we first looked at what spending cuts would be required to offset the revenue loss if no revenue increases were possible. In our brainstorming about possible spending cuts, we came up with the following list of possibilities:</p> <ul style="list-style-type: none"> Delay opening of new and re-located stations (re-located station #18, new station #29, and new station #30). This would result in a 10 percent budget decrease equivalent to 1.5 to 2.0 stations, depending upon apparatus assigned. Cut existing personnel by eliminating/removing from service some apparatus. Reducing salaries by up to 10 percent on a temporary basis. Close currently operating stations. <p>Taking this approach was very difficult for the group since there are no easy reduction targets and the potential consequences of the necessary reductions are not desirable. Nonetheless, the action alternatives for spending cuts identified by the group are discussed below.</p>		See next row.	

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	Declining Tax Digest	<p><u>Option A:</u> Avoid incurring costs that cannot be sustained</p> <p><u>Option A</u> should be considered if the further loss of tax revenues is identified prior to the opening of the three stations currently completed but not yet occupied: re-located station #18, new station #29 and new station #30. With the idea that postponing the hiring of additional staff is preferable to having to lay off employees, our group suggested that costs that cannot be sustained over the long run should not be incurred. Thus, the opening of some combination of the three stations yet to be occupied should be delayed. One possible combination likely to generate sufficient savings is described below:</p> <ul style="list-style-type: none"> • Open new station #29 • Open relocated station #18 but without the new ladder company. (Est. savings: \$1.5 million) • Delay opening of new station #30, which has both engine and ladder companies. (Est. savings: \$2.8 million) <p>Cuts in operating expenses other than personnel costs. (Est. savings \$0.4 million)</p>	Not Yet Started	Should the Fire and Emergency Services Department be required to reduce our budgetary appropriations or staff, an in-depth impact study would be required to determine which units to eliminate. A static plan developed today may become outdated based on the environment at the time of implementation and changing call patterns/volume.	

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	Declining Tax Digest	<p>Option B – Reduce personnel costs through a combination of temporary pay cuts and elimination of positions.</p> <p><u>Option B</u> would be employed in the event the decline in the tax digest occurs after the three completed but unoccupied stations have already been opened. While we believe that salary reductions and layoffs should be considered only in the direst of circumstances, we understand that it is the only feasible approach if the stations are already opened. With such a large portion of the budget for Fire and EMS, 90 percent or more, dedicated to personnel costs, there is no way to cut the department’s budget by \$4.7 million without reducing personnel costs.</p> <p>Accordingly Option B is based on instituting some combination of salary reduction and cutting existing personnel, including eliminating and/or taking out of service selected fire apparatus. One example would include an across-the-board temporary salary reduction of 2.5 percent coupled with layoffs and other cost savings associated with removing equipment from service. The estimated annual savings amounts that can be realized by removing equipment from service are shown below, along with the number of each type of equipment now in service:</p> <ul style="list-style-type: none"> • Ambulance: \$700,000 (23 units in total) • Engine: \$1.3 million (28 units, one in each station) • Ladder \$1.5 million (8 units in total) <p>We would suggest relying on the fire chief to select the specific equipment to be taken out of service, based on minimizing the unavoidable impact on the ability to deliver service.</p> <p><u>Caution:</u> In order to achieve substantial cost reductions in Fire and EMS, cuts would have to be made to personnel. This would likely have a negative effect on the ISO rating which could potentially cause an increase in the cost of property insurance for homeowners and businesses.</p>	Not Yet Started	<p>Should the Fire and Emergency Services Department be required to reduce our budgetary appropriations or staff, an in-depth impact study would be required to determine which units to eliminate. A static plan developed today may become outdated based on the environment at the time of implementation and changing call patterns/volume.</p> <p>On March 1, 2011, the County eliminated compensation in the form of holiday pay for the following holidays: Independence Day, Labor Day, Day after Thanksgiving, and Day before Christmas. These same dates were established as furlough days for exempt employees (those paid on a salaried basis). Additionally, budget reductions in the salary and benefit accounts in an amount equal to the elimination of the pay associated with the previously mentioned holidays were completed.</p>	

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Revenue Options	Declining Tax Digest	<p><u>Property tax increase:</u> In looking at a solution to the budget shortfall in this exercise, we could not ignore the potential effect of staffing reductions on the ISO rating and the impact that a worse ISO rating has on property insurance premiums. Gwinnett is scheduled this spring for its first ISO rating process in over 20 years, so this is of immediate interest. If the rating worsens by even one level, the impact of the resulting increase in insurance premiums for most homes would likely be larger than the additional taxes (0.20 mill increase) required to maintain sufficient funding for Fire and EMS.</p> <p>Here's how to think about the tradeoff between a millage increase and an increase in homeowner insurance rates:</p> <ul style="list-style-type: none"> • If the county's ISO rating worsens, homeowner insurance premiums for a home valued at \$200,000 would likely rise by more than \$50 a year. Should the millage rate be increased by 0.20 mills (enough to cover a shortfall in Fire and EMS services, if the tax digest declines by 10 percent this year), the increase in property taxes would be \$15 or less. • Thus, \$15 a year increase in property taxes could save the owner of a home valued at \$200,000 \$50 a year in added insurance premiums, resulting in a net savings of about \$35. 	In Progress	The ISO review began March 28, 2011 with anticipated results expected late 2011.	
Revenue Options	Declining Tax Digest	<p><u>Sales tax:</u> While a local-option sales tax for county operating expenses cannot happen soon enough to help with budget shortfalls in the next few years, it bears further exploration as an overall option in the future.</p>	In Progress	Staff is currently reviewing and studying the County's options associated with Local Option Sales Tax and plans to present their findings to the Chairman and Board of Commissioners during fiscal year 2011.	

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Revenue Options	Declining Tax Digest	<p><u>User fees and other fees for services:</u> We encourage Fire and EMS to continue actively searching for user fees that may be appropriately used in conjunction with the services provided by the department. We also recommend that the County adjust its existing fee schedule periodically to reflect market forces and the actual cost of providing services. However, we have not identified any fee increases that appear productive at this time, so we are not recommending an increase in fees for Fire and EMS services now. Here are our reasons:</p> <ul style="list-style-type: none"> • Current fees (mostly related to ambulance transport) presently account for 15 percent of the department’s budget. • There are limits to collecting higher fees for ambulance transport services due to reimbursement maximums imposed by Medicare, Medicaid and insurance companies. • Even doubling these fees would not generate substantial funds since amounts above these limits will often end up uncollected. • Gwinnett is already at the high end of EMS transport rates. • Amounts raised through potential new user fees would be negligible, difficult to administer and would not yield enough additional revenue to make a difference. 	Complete	<p>On February 1, 2011 the BOC approved increasing the EMS transport rate to \$975.00 from \$750.00. This change was based upon the cost to transport a patient and metro area market research. Based upon the payer mix, collection rates, and number of transports this change should result in approximately \$1.5M in added revenue.</p>	\$1.5M