

Fire Services Committee Final Report

This Committee filed its initial report concerning fire and emergency services in the City of Litchfield Park with the City Council on October 6, 2004. This is a follow-up to that initial report and should be considered only in the context of the situation and information provided in that earlier report.

Since October the Committee has met and obtained information in two areas:

- Potential methods to formalize and regulate the relationship between Rural/Metro and the citizens of Litchfield Park; and
- The possibility of the City of Litchfield Park to contract with the City of Phoenix to obtain fire and emergency services through the regional Automatic Aid System.

This report summarizes what we learned.

Rural/Metro – Southwest Ambulance

Although the Committee discovered that Rural/Metro was providing excellent fire and emergency services to the community, and had done so for many, many years, our initial report identified the following potential concerns:

- Rural/Metro serves a large county area outside of the Litchfield Park city limits and its County responsibilities are growing.
- Rural/Metro has 2 fire engine companies assigned to its Litchfield Park fire station
- If both fire engines are on calls for service of any nature, Rural/Metro may not respond quickly due to the fact that there are no other Rural/Metro fire stations in the West Valley
- If Rural/Metro calls local municipal fire departments such as Goodyear or Avondale to respond, it faces significant financial charges from these local cities.
- There may be no contractual or other enforceable duty on Rural/Metro to call another local fire department for assistance.
- The decision to call for assistance must be made in each occasion by Rural/Metro
- Dispatch or responding Rural/Metro Commanding Fire Officer – this decision is not automatic. A request for assistance is made by calling Phoenix Dispatch, which then calls on the closest available station within the Automatic Aid System. The municipal chief called for assistance must then decide whether to respond, as there is no contractual relationship that requires mutual aid.
- Rural/Metro, as a private company, can make the decision not to continue service to Litchfield Park city residents without any notice or discussion with the City. Its only responsibility is contractual with each individual customer.
- The Committee was informed by several Fire Chiefs from the Automatic Aid System that they did not believe that Rural/Metro would be admitted to the Automatic Aid System because of concerns by the Fire Chiefs over Rural/Metro's staffing levels (3 versus 4 firemen per truck), its standard of training, and because it is a private company while other members are municipalities.
- Since the time of our initial report local authorities have told us that Mutual Aid is available to Rural/Metro from surrounding communities for fire and emergency services in Litchfield Park. This was recently demonstrated by Mutual Aid responses by local communities to a request by Rural/Metro for assistance.

Licensing Rural/Metro

There are 2 basic frameworks for regulating the service provided by Rural/Metro:

- Paradise Valley model -- In this model the City would adopt a licensing ordinance similar to the ordinance covering cable service. This ordinance would provide regulation for the areas identified as concerns with this service. Rural/Metro service would continue to be based on a subscription model and would not require funding by the City.
- Agreement between the City and Rural/Metro -- This would be a direct agreement between the City and Rural/Metro and it would also cover the areas of concern and provide for regulation of this service. This framework could also retain the subscription model and not

require funding by the City.

Rural/Metro has repeatedly offered to enter into negotiations for either of these approaches, including provision of performance guarantees.

Glendale

The Glendale Fire Department was invited to present information to the Committee on its possible interest in providing fire and emergency services to the City. Assistant Chief Shannon attended the February 28, 2005 meeting and, to the surprise of many, he advised the Committee that he had nothing to present and was attending only to support the presentation of the Phoenix Fire Department Assistant Fire Chief Steve Kreis and the Automatic Aid System proposal.

Glendale is a member of the Automatic Aid System and is working in concert with Phoenix to resolve these types of service issues. Assistant Chief Shannon stated that as far as he knew, there were no immediate plans to build a fire station to the north of the City of Litchfield Park.

Phoenix and the Automatic Aid System

HR2056 contained some legislative flaws concerning its application and this topic is once again back in front of the Legislature. The Fire Chiefs within the Automatic Aid System continued to review the potential for the City of Litchfield Park to contract with the system through the City of Phoenix for fire and emergency services. The various Chiefs eventually determined a proposed cost for this service and obtained the initial approval of their various political bodies to continue discussions with Litchfield Park

Under the Phoenix proposal, a copy of which is attached to this report:

- the City of Litchfield Park would contract with the City of Phoenix for fire and emergency services
- 911 calls would be routed to the Phoenix dispatch function, which is the dispatch function for all cities in the Automatic Aid System
- Phoenix Dispatch would respond with the closest available unit from the Automatic Aid System
- Phoenix would charge an annual fee for all services and would retain a percentage of this fee for its dispatch and administrative costs and the remaining fee would be paid to those municipalities which actually responded to calls within the City of Litchfield Park
- The annual fee proposed by Phoenix is the median tax rate of fire districts in Maricopa County applied to the assessed valuation of the City.
- Phoenix reports that the median rate is \$2.31 and it would then generate an annual fee of \$1,175,000 when applied to the City's assessed valuation.

Attached to this report is a copy of property tax rates imposed by many of our sister cities. A comparison of these rates puts the proposed charge of \$2.31/\$100 in to perspective. It is almost 5 times the primary property tax rate in Avondale and Scottsdale and almost 3 times that in Phoenix. This level of property tax would give Litchfield Park the highest primary property tax of any city in the valley. The Committee questions what such a high primary property tax rate would do to the Wigwam's ability to compete with resorts in Scottsdale or to the property values of homes in Litchfield Park.

Issues

Various issues were brought up with the Phoenix Assistant Fire Chief who presented the proposal:

- Since the City averages approximately 300 emergency calls per year, the average cost for an emergency call would be approximately \$4,000 per call
- The Committee's research into the cost of emergency services indicates that the fully loaded cost per call in a municipal fire station which is reasonably utilized is no more than \$1,000 per call. Glendale's Assistant Fire Chief Shannon confirmed this cost and stated that the average cost in Glendale was \$800 per call.
- When these discussions began, one of the underlying principles was revenue neutrality in

which no taxpayer in a municipality was supporting the services of another municipality. This would not be true when the Litchfield Park taxpayer is paying 4 times the actual cost for emergency services.

- The result of this pricing mechanism is that the cost of fire and emergency services would increase between 2 and 3 times for Litchfield Park homeowners and businesses.
- When the Committee began its work, one of the underlying goals was to find the best fire and emergency services at a reasonable cost to our citizens.
- Approximately 85% of the calls in Litchfield Park are medical emergencies that would still be serviced by Southwest Ambulance, a sister company to Rural/Metro Fire.
- In the current subscription payment model, residents pay Rural/Metro directly for fire and emergency services. A licensing model would not change this payment method. A direct agreement between the City and Phoenix, another municipality or Rural/Metro, in which the City assumes the responsibility for providing fire and emergency services, would change this payment method to the City paying for these services. This change would necessitate a direct City funding mechanism that could include changing the current budget priorities and/or the necessity of a significant City primary property tax.

Conclusions and Recommendations

The Committee unanimously adopted the following recommendations.

- Authorize the City Manager to conduct negotiations with Rural/Metro towards a subscription model regulatory scheme that would address the performance concerns present with Rural/Metro service.
- Authorize the City Manager to continue discussions with the City of Phoenix to determine whether coverage through the Automatic Aid System is possible within a general framework of reasonable revenue neutrality.