



MEMORANDUM

To: W. Bowman Ferguson, Deputy City Manager
Jodi Miller, County General Manager

From: Daniel M. Curia, Fire Chief
Jim Groves, Director, Durham/Durham County Emergency Management

Date: October 5, 2017

Re: Fire Consolidation White Paper

In September 2012, Durham County issued a Request for Proposal (RFP) for a “Fire District Consolidation Feasibility Study (Study).” The purpose of the Study was to determine if there were alternate methods to effectively organize and provide efficient fire protection services countywide. Further, the study examined opportunities for cost efficiencies and economies of scale in providing a consistent level of service throughout the county.

In February 2013, it was announced that Solutions for Local Government, Inc. from Charlotte, NC was selected to complete the project, and in November 2013 the study was completed and presented to Durham County for consideration.

In 2014, members of the Durham Fire Department (DFD) and the Durham County Fire Marshal/Emergency Management Department began informal discussions to envision the future of fire protection in east and south Durham. An examination of existing City of Durham fire station locations, proposed new station locations, and then-current Parkwood and Bethesda stations showed that the need to devise a common plan for fire protection was needed.

Several major changes occurred that brought the discussion to the forefront of City and County fire service leaders. These changes included the October 2015 hiring of Jim Groves as the Emergency Management Director for the County and City of Durham, and the Bethesda and Parkwood Volunteer Fire Departments combining to become Durham County Fire Rescue (DCFR), Durham County’s first government operated fire department (Study: Consolidation Recommendation #1, p. 76).

In late 2015 into 2016, Jim Groves and Dan Curia, Fire Chief for DFD, discussed the issues and opportunities provided to both organizations, should a consolidated fire department come to fruition. The most pressing issue for DCFR included that as business, industry, and residential areas grew in the southern portion of the County, voluntary annexation would take place for City services to be provided in those areas. It could be reasonably anticipated that as the annexations take place, the County’s fire tax revenue would diminish, eventually to the point that it would be

difficult and expensive for the DCFR to provide the level of fire protection services expected by the taxpayer.

Opportunities and benefits for consolidation include the likelihood that the Insurance Services Office (ISO) rating for the County would be decreased (improved) while service levels increased. ISO ratings are on a scale from 1-10, and are used by insurance companies in determining homeowners and businesses insurance rates. The lower the ISO rating, the lower the insurance premium is for homeowners and businesses, to include the many businesses in the Research Triangle Park (RTP). This is especially important to RTP as they make new investments and become a more 24/7 residential and business community. In addition, response times to fire and medical emergencies in the impacted areas would decrease, fire protection in east and south Durham would function under one operational plan, and the City and County governments would avoid costly Capital Improvement Plan (CIP) expenditures for fire stations and apparatus due to a combined planning effort by both organizations.

Another potential benefit from a consolidated approach would be the ability to develop a reuse strategy for the County fire stations that would no longer be needed, either for public safety or for public use. Information about the use of fire stations is shared in the Facilities/Infrastructure section of this White Paper. Finally, Dan Curia and Jim Groves discussed the operational feasibility of the DFD assuming operational control of the Eno Volunteer Fire Department and the New Hope Volunteer Fire Department areas in Durham County. Both agreed that the idea had merit, but that the process should be delayed until after the DFD/DCFR consolidation took place. Dan Curia and Jim Groves briefed Deputy City Manager W. Bowman Ferguson and County General Manager Jodi Miller on their conversations around DFD and DCFR consolidation.

In the spring of 2016 the City and County Managers called a meeting with key staff and charged them with developing a conceptual plan for reviewing and making a recommendation on the DFD/DCFR consolidation concept. As a result of that meeting, several work groups were formed to examine the large issues involved in this endeavor. These work groups include teams to address issues in fire operations, fleet, human resources, finance/budget, facilities/infrastructure, and legal (with an associated intergovernmental agreement).

Based on staff research, discussions, and the recommendations of the Study, this White Paper will identify the opportunities and issues that can enable:

1. The County to offer and in turn negotiate an Interlocal Agreement with the City of Durham/City of Durham Fire Department to assume coverage and operational control of the DCFR (Study: Consolidation Recommendation #4, p. 77). Propose commencement no later than July 1, 2018.
 - a. Once operational control of the DCFR been assumed by the City of Durham, the City and County will develop a plan to transition operational control of the County areas served by the Eno Volunteer Fire and New Hope Fire Departments to the DFD within one (1) year (Study: Consolidation Recommendation # 3, p. 77).

Current Status

The aforementioned work groups were established in November 2016 and were tasked with examining issues pertinent to the topics, suggesting solutions to issues that arise, and mapping deal points to move the consolidation initiative forward. Each team is comprised of at least four personnel – one representative each from DFD, DCFR, a subject matter expert from Durham County, and a subject matter expert from the City of Durham.

To date, these work groups have reached agreement about the following key issues:

- The consolidated department could provide the same or higher level of service as DCFR currently provides in its service district.
- The consolidated department could use funding from the current service tax district.
- All current DCFR sworn staff could maintain their pay in the consolidated department. The expected cost increase in employee base salaries for this transition would be \$170,159.
 - The capacity of the current DCFR service district (at the current rate) to absorb these costs will be investigated.
- Planned DFD Stations 17, 18, and 19 would be well-placed to provide coverage in the DCFR district (Appendix A). Until these stations are built, the consolidated department could temporarily occupy DCFR Stations 81 and 83.
- Nineteen current DCFR apparatus would be suitable for use in a consolidated department. DFD and DCFR have already begun to standardize equipment specifications and purchases across the agencies.

A more detailed overview of the work group discussions is included below.

Operations

The focus of these meetings has centered on the actual fire and medical operations that fire departments engage in daily and how best to combine effort to reduce redundancy and increase efficiency. Issues such as the training of personnel, the staffing of fire units, qualifications of all personnel (but specifically those in supervisory positions) and common approaches to safety and accountability systems have all been discussed.

Several changes have been made to enable DFD and DCFR to operate in a common manner. These conversations and changes are important to each organization due to immediate benefits and gains in efficiency. DCFR personnel now attend monthly Fire and EMS training held by the DFD Training Division and firefighters from both agencies participate in after-action reports that are scheduled after major emergencies. Staffing plans for both departments are routinely shared among agencies with the goal of ensuring properly certified personnel are on duty at all times in necessary positions; this has been particularly challenging for DCFR as it works on its new organizational structure. Personnel from both agencies now discuss equipment purchases, including apparatus purchases, to move toward common equipment for personnel and joint purchases among the departments. Awareness is being raised between both parties concerning the “effective response force” (ERF) philosophy utilized by DFD as a component of their national accreditation, as well as the impact to short and long-term staffing plans as a result of National Fire Protection Association (NFPA) Standard 1710: Standard for the Organization and

Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments.

There have been several conversations concerning response plans in the impacted areas of the City and County and also the need for common operating plans at emergencies. A number of long-standing practices related to response have been altered in an effort to better serve the Durham community. Response plans have been changed so that the closest units to an emergency, regardless of organization, are dispatched. Additionally, ladder company responses have been structured such that the two closest ladder companies to an emergency, regardless of affiliation, are dispatched to structure fires and vehicle extrication calls. The group continues to examine operations with the goal to increase efficiency of both departments.

Fleet

Extensive effort has been invested in reviewing the current inventory of DCFR apparatus to decide on future use in a consolidated fire department. Factors discussed include age of the apparatus, mileage of apparatus, and potential use. The group has come to an initial agreement that 18 County apparatus would be beneficial for a variety of purposes, such as front line apparatus, needed tankers for rural fire operations, reserve apparatus, and training vehicles. Included in this list are DCFR apparatus that are in the process of being ordered; these pieces of equipment have been specified to meet the needs of the fleet master plan associated with the consolidation initiative. Currently, personnel in the City of Durham's Fleet Management Department are evaluating the maintenance records associated with existing DCFR vehicles for potential incorporation into the DFD and also the anticipated workload increase to its personnel. Additionally, the DFD has altered its specifications for pumper apparatus to purchase vehicles that are better suited for rural fire operations. By making this change, the DFD becomes more versatile in the City/County interface.

Discussions concerning future apparatus purchases and the standardization of equipment and equipment placement have occurred, including the need for future water tanker apparatus. The group has coordinated to have different vendors bring equipment for review with a goal of moving toward common equipment purchases. By engaging in this thought process, both departments are a more cohesive team.

Human Resources

Since November 2016, the Human Resources Project Team has been researching the transition process of employees from County Fire to City Fire. From the direction received at the kickoff meeting, the project team understood that it should deliver a summary to inform the City Council and County Commissioners of all identified issues, whether resolved or not, and the implementation steps it recommends. The team further understood that it should identify priority issues to resolve and then circle back to address the remaining ones.

On February 22, 2017, the Team completed a preliminary review of the issues related to bringing 44 filled and 9 vacant County Fire positions onboard as Durham Fire Department (DFD) employees. The team's recommendations focused on the HR functional areas of compensation and classification, benefits, leave, accruals, Human Resources Information Systems (HRIS), talent management and acquisition (TMA) and as the implementation date approaches will include onboarding and professional development. All recommendations were considered to be preliminary as the team will likely receive updated information as preparation continues for the onboarding of these employees in July 2018. Employees' data in areas such as benefits

elections, base salaries and educational/certification qualifications may change prior to implementation, thereby influencing the projected impacts. The estimated cost of implementation beyond that which is currently being paid by the County is \$202,717. This cost includes recommended compensation and benefits adjustments; however, it addresses only sworn firefighter positions, and not additional civilian staff positions which may be required by the new, larger organization. Initial review of service tax revenues indicates that the additional compensation should be able to be covered by the service tax district; however, the County will continue to investigate whether these additional costs can be covered by the current service tax district revenues or if additional revenue is needed from the service tax district. This will be confirmed once all costs are finalized.

What follows are the preliminary implementation cost projections looking strictly at Classification, Compensation and Benefits. This cost projection does not include bonuses for education, EMT-Intermediate or Spanish language, as those had not yet been verified at the time the Human Resources Team report was published.

Classification and Compensation

Preliminary discussions concerning classification and compensation were held between Jim Groves and Dan Curia, with Chief Groves expressing a desire for County personnel to retain pay and comparable benefits upon transfer and Chief Curia expressing the need for DFD to have flexibility in determining the ranks at which County personnel would be transitioned into the DFD. Each Chief empathized with the other's position, which provided a foundation for further, in-depth discussions on how the transfer of personnel might occur.

Within the City of Durham, a new Fire Pay Plan was approved with a January 21, 2017 effective date. A preliminary analysis of each County employee's approximate step within this new plan has been completed. The conversion cost is approximately \$135,167 for the 44 current County employees. The 9 vacant County positions being considered for transfer include 9 Fire Recruits. The difference between the DCFR's Recruit pay and the DFD's Recruit pay is \$1,534. The increased annual cost for these 9 Recruit positions is \$13,806. The total base pay cost of transferring all 44 filled and 9 vacant positions is \$148,973.

Benefits Cost Summary across the Three Major Plans (medical, dental and vision)

The monthly cost of the acquisition, without vacation/sick and other leaves and without actual accounting of real claims to include the three major benefits plans (medical, dental and vision) would be an estimated \$56,476.45. This cost covers the 44 full-time, benefit eligible employees. Assuming that Durham County fills the 9 vacant positions by the time the acquisition occurs, the total estimated cost for 53 full-time employees (employee only plans for medical and dental) would then be \$63,520.63.

Finance

Durham County Fire-Rescue (DCFR) is currently funded through a service tax district. A service tax district is different than a rural fire protection tax district in that the rural fire protection tax district results in restricted funding, which typically requires dollar for dollar accounting of funds that may only be used within the specified rural fire protection tax district. Based on discussions with Kara Millonzi at the UNC School of Government, the existing service tax district can be used to pay for fire service without the dollar for dollar accounting and would allow the service to go

outside the tax district boundaries by entering into a contract that specifies the level of service to be provided. There would not be a need to show that every supply used was only used in that district. Examples of specifics that would be contained in the contract are things such as maintaining the current ISO classification with the goal of attaining a lower level; providing a response to residential structure fires that includes three engines, two ladders, a battalion chief, and a safety officer; completing an annual financial audit listing how funds were spent; etc. The County Finance Office prefers and recommends maintaining the current service tax district. The fixed assets of DCFR were bought with general fund assets; therefore, they can be used anywhere within the County and City. The intention is for the County to transfer assets, except real property and certain apparatus and other equipment, to the City for use in the consolidated department.

The alternative to the service tax district is to charge for service, which would be commingled with other general funds. An additional alternative would be to have the County general fund incur the cost. The consensus of the working group is that these alternatives are not preferable to the maintaining the tax districts. Specific funding discussions, including the capacity of the service tax district to fund the costs of the combined operation, will occur as cost estimates are refined.

Part of DCFR service district includes a small section of Chatham County. The Chatham district had 26 calls in 2016 and Chatham County's FY 17/18 contract with DCFR is estimated at \$350,000. Chatham County has indicated to DCFR that they are interested in contracting with the City of Durham, if the consolidation were to occur.

Legal

As previously stated, the County Finance Office prefers to continue using the current service tax district as the source of revenue for fire protection in the area being discussed, as opposed to paying from the general fund (as the City of Durham operates). Chief Groves has articulated that there are three other county fire tax districts which provide the revenue for fire protection in the northern part of the county. If fire protection in the southern part of the County were paid through the general fund, residents in the northern part of the County would be paying for southern end fire protection, as well as their own separate fire taxes, which proves to be problematic.

Senior Assistant City Attorney McGirt questioned whether or not the City would have governmental immunity if it responds outside the City. Additionally, he questioned whether DFD currently has immunity that is cloaked by the County's immunity, and whether that would still be in place if the City were the sole provider of fire service? City of Durham Risk Manager Glenn LeGrande was consulted concerning these issues and indicated that governmental immunity will remain in place if such a consolidation occurred. Risk management indicated that changes to certain policies would be required after assets are acquired.

Facilities/Infrastructure

As identified as part of its long-range planning process, the DFD is in need of three new fire stations/fire crews in south and east Durham (Identified as Stations 17, 18, 19 in Appendix A). Plans are well underway for the construction of Fire Station 17 at the intersection of Leesville and Doc Nichols Roads. Construction for this facility is slated to begin August 2017, with DFD fire crews and a Durham County EMS crew co-locating the facility in May 2018. While the building is

being built cooperatively with Durham County EMS (approx. 24% of construction costs), 100% of the fire-related building program is being paid for by the City of Durham. In addition to the coverage provided for incorporated areas in the City of Durham, this facility will be able to provide coverage for the DCFR Station 84 area and a portion of the DCFR Station 82 area. The City of Durham has land purchased in the area of Stinhurst and Herndon Roads for DFD Station 18, which will be able to provide fire coverage in the DCFR Station 83 district. After its needs analysis, DFD has determined that Station 19 will need to be in the area east of Davis Drive, south of Interstate-40. DFD Station 19 will be able to provide fire coverage in the DCFR Station 81 district. The City and County will work to determine the best approach for funding Station 18 and 19 acknowledging that both stations are being planned to include co-location with County EMS.

As these long-range plans come to fruition, the consolidated DFD will need to temporarily occupy DCFR Stations 81 and 83, located on Old Page Road and Seaton Road respectively. However, these buildings are older and were not originally built for firefighters to occupy them 24 hours a day. While these facilities will work in the short term, they are not desirable for a lengthy DFD utilization. These stations are also not in optimum locations with respect to effective response force and route efficiency.

In order for DFD to occupy these facilities until more suitable accommodations are built, a joint team of personnel from DFD, DCFR, and Durham County General Services is planning to visit the facilities to complete an assessment of the structures and building systems. This analysis should be complete by early June 2017.

Recommendation and Next Steps

Through the efforts of the various work groups, all indications thus far are that the concept of a consolidated fire department is valid and will benefit the residents of southern Durham. While the work of the groups will continue, there is an immediate step that will need priority action. This is concurrence from the Durham Board of County Commissioners, the Durham City Council, Durham County Manager's Office, and City of Durham Manager's Office that this approach has merit and work should continue towards implementing a consolidated department by July 2018.

The following additional actions will be undertaken:

- A detailed financial analysis to determine the sources of funding for DCFR, the actual cost to consolidate DCFR into the DFD, how funding will pass from the County to the City, and how capital items will be addressed.
- A completion of an intergovernmental agreement (IGA) for this endeavor and submission for approval by the Board of County Commissioners and City Council.

The IGA will cover the following areas:

- Fire and Rescue Services
- Durham County Fire Rescue Personnel
- Training

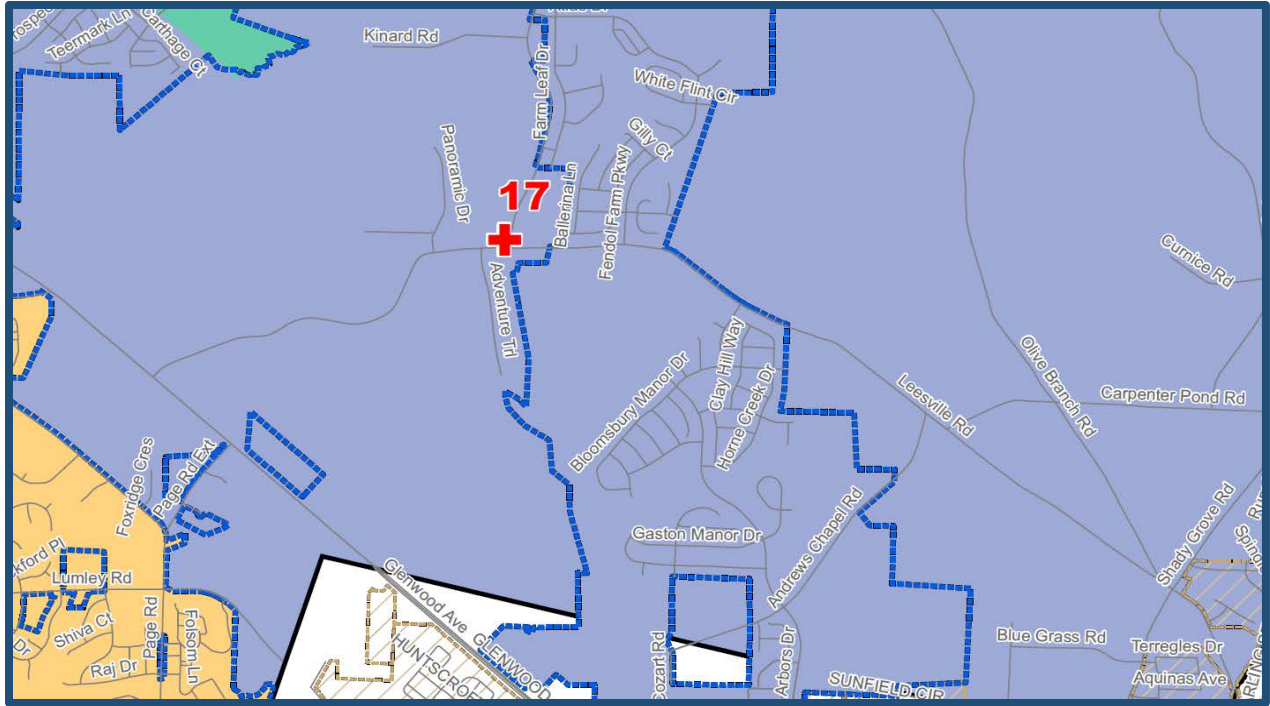
- Rolling Stock: Furniture, Fixtures and Equipment, Apparatus
 - Fire Station Facilities
 - Mutual Aid Agreements
 - Fire Station 18
 - Fire Station 19
 - Payments by Durham County
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- Notification to the Durham County Tax Office to signal needed changes in 2018 and a calculation of those changes (needed before January 2018).
 - A phase-in approach to integrate DCFR into DFD, paying particular attention to the cultures of each organization, training that will be needed prior to July 2018, and tangible changes that will need to occur to make the consolidation as smooth as possible.

The intent of DFD and DCFR leadership is to keep City and County decision makers informed concerning progress in this process. If additional information is needed concerning the endeavor or the current actions undertaken, it will gladly be provided.

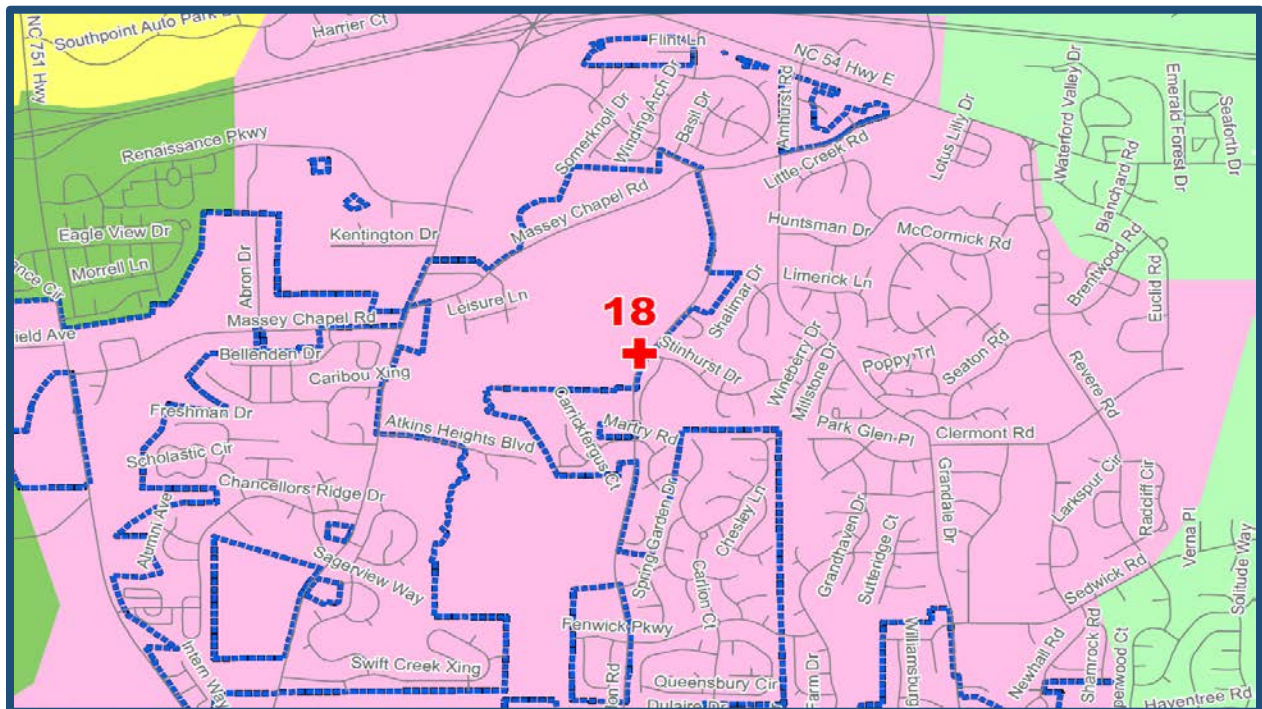
Appendix A – Future Locations for Durham Fire Stations 17, 18, and 19

*Dark blue lines indicate Durham City Limits

STATION 17 (Doc Nichols Rd. near Leesville Rd.)



STATION 18 (Herndon Rd. at Stinhurst Dr.)



STATION 19 (TBD – Guardian Dr. shown. Best location would be Davis Dr. near Hwy 54)

