

Agenda

City of Visalia Measure N Oversight Committee

Don Sharp – Board of Realtors/Building Industry
Anil Chagan – Downtown Visalians/Property Owners
Vincent Salinas – Hispanic/Visalia Chamber
Rick Feder – Visalia Economic Development Council
Joel Rosales – Citizens Advisory Committee
Lois Sheffield – Citizens Advisory Committee

Janice Avila – Council appointee
Berkley Johnson – Council appointee
Basil Perch – Council appointee
Erica Tootle – Council appointee
Brad Maaske – Council appointee

Wednesday, June 19, 2019

5:30 p.m.

Admin. Board Room

220 N. Santa Fe, Visalia CA

1. Welcome and Public Comment.

This is a time set aside for the Committee to receive public comment on issues which are not already included on the agenda. Public comment regarding items on the agenda may be open to public comment prior to the committee's discussion of the agenda item and before any action is taken on the agenda item. Members ask that comments are kept brief and positive. In fairness to all who wish to speak, each speaker will be allowed three minutes. Please begin your comments by stating your name and the street you live on.

2. Review and consider Council approved amendment to the Measure N Plan to fund fire positions

3. Discuss Fire Department squad concept and provide recommendations to the City Council regarding the proposed plan – including potential enhancement/expansion of the program.

A) Presentation of Fire Squad Conceptual Plan – Visalia Fire Department

B) Review of Council questions/comments/concerns – City Manager

4. Future meetings and items for discussion.

5. Good of the Order.

6. Adjourn.

Next meeting: To be determined.

In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing Impaired – Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.

Any written materials relating to an item on this agenda submitted to the Measure N Oversight Committee after distribution of the agenda are available for public inspection in the Office of the City Clerk, 220 N. Santa Fe Street, Visalia CA 93292, during normal business hours.

City of Visalia
Agenda Item Transmittal

Meeting Date: 6/3/2019

Agenda Item Number (Assigned by City Clerk): 5.

Agenda Item Wording: Annual Recertification of the Measure T Plan, with appropriate modification of plan elements as needed.

Deadline for Action: 6/30/2019

Submitting Department: Finance

Contact Name and Phone Number:

Renee Nagel, 4375

Amee Swearingen, 4170

Department Recommendation: The Measure T plan requires Council to annually recertify the Measure T expenditure plan for the new budget year (FY 2019/20). In addition, staff is recommending that Council continue the current modifications in the Measure T plan elements as in the past and balance the funds by making additional changes as outlined in this report.

Summary: The Measure T plan elements are on track and sales tax revenues are more than the original plan projection. However, the amended plan expenditures continue to be higher than the revenues collected. In FY 2011/12, Council amended the Measure T plan to reduce expenditures and to balance the funds. The amendment included the following:

- Reduced Police Officers allocation by 6 (3 through attrition & 3 transferred to the General Fund). In July 2013, an officer was added back. The current number of officers in the Measure T plan is 23 reduced from 28.
- Reduced hiring 18 firefighters to 15. At the time, only 5 firefighters in total had been hired.

The amended plan balanced the funds until FY 2013/14 due to hiring the remainder of fire staff and constructing facilities. It is important to remember that the original Measure T plan was structurally imbalanced from its inception, including a structural deficit. The deficit was anticipated to be covered with higher sales tax revenues, lower expenditures, and a General Fund subsidy due to higher growth expected in General Fund sales tax revenue. In fact, the opposite happened in every category, causing the deficit to become larger.

During the Mid-Year Budget presentation in March 2019, Council directed staff to return with options on how to balance the Measure T Funds. At the time, the Police Measure T Fund was projected to have a deficit starting in FY 2022/23 and would completely use fund balance and the economic uncertainty funds over an eight year span. The Fire Measure T fund has been

operating in a deficit since FY 2013/14 and is projected to completely use fund balance and the economic uncertainty funds over the next 6 years (FY 2024/25).

Below is a detailed discussion of Measure T revenues and expenditures to date, along with staff recommendations on alternatives that can be considered for implementation.

Background Discussion: In 2004, City of Visalia voters approved a measure to increase sales tax by $\frac{1}{4}$ cent. This is known as Measure T and the sales tax revenues are earmarked for public safety. The sales tax is shared 60% police and 40% fire. Thus, the City maintains two funds: Measure T – Fire and Measure T – Police. The measure uses a detailed, 20 year plan which includes hiring of personnel, construction of capital projects, and equipment purchases. The plan also requires each fund to have an economic uncertainty fund of 25% of sales tax revenues collected. This is to be used if revenues do not cover expenditures. However, the plan elements should be funded before the economic uncertainty fund is fully funded.

Plan elements implemented to date are as follows:

- Built 2 Police substations
- 23 Police Officers hired and vehicles purchased (reduced from 28 due to revenue shortfalls and as directed by the City Council at their June 20, 2011 meeting)
- 13 Firefighters hired
- Added 1 Administrative Captain and 1 Battalion Chief
- Built Fire Station 53, 55, and Training Facility
- Purchased New Fire engine
- Purchased New Fire apparatus
- Built Visalia Emergency Communication Center

Measure T sales tax continues to have growth but at a slower rate than the General Fund sales tax rate. Measure T does not receive any of the general 1% sales tax. It only receives the additional $\frac{1}{4}$ cent tax. This slower growth rate is due to how district sales taxes are applied compared to general sales taxes in two main areas: car sales and business to business sales. District sales tax is applied to the City in which the car is registered, not the City in which it is sold. Therefore, for Visalia to receive the district sales tax for a purchase of a vehicle, that vehicle would have to be registered to an owners address in Visalia. If a resident from Dinuba purchases a vehicle in Visalia, Visalia would receive their local 1% share of the State sales tax but would not receive any of the district taxes (Measure T & N). Likewise, Business to Business sales tax works the same way. One of the areas that Visalia has seen a large sales tax growth is in Business to Business sales. These transactions do not help Measure T to the degree that they help General Sales Tax.

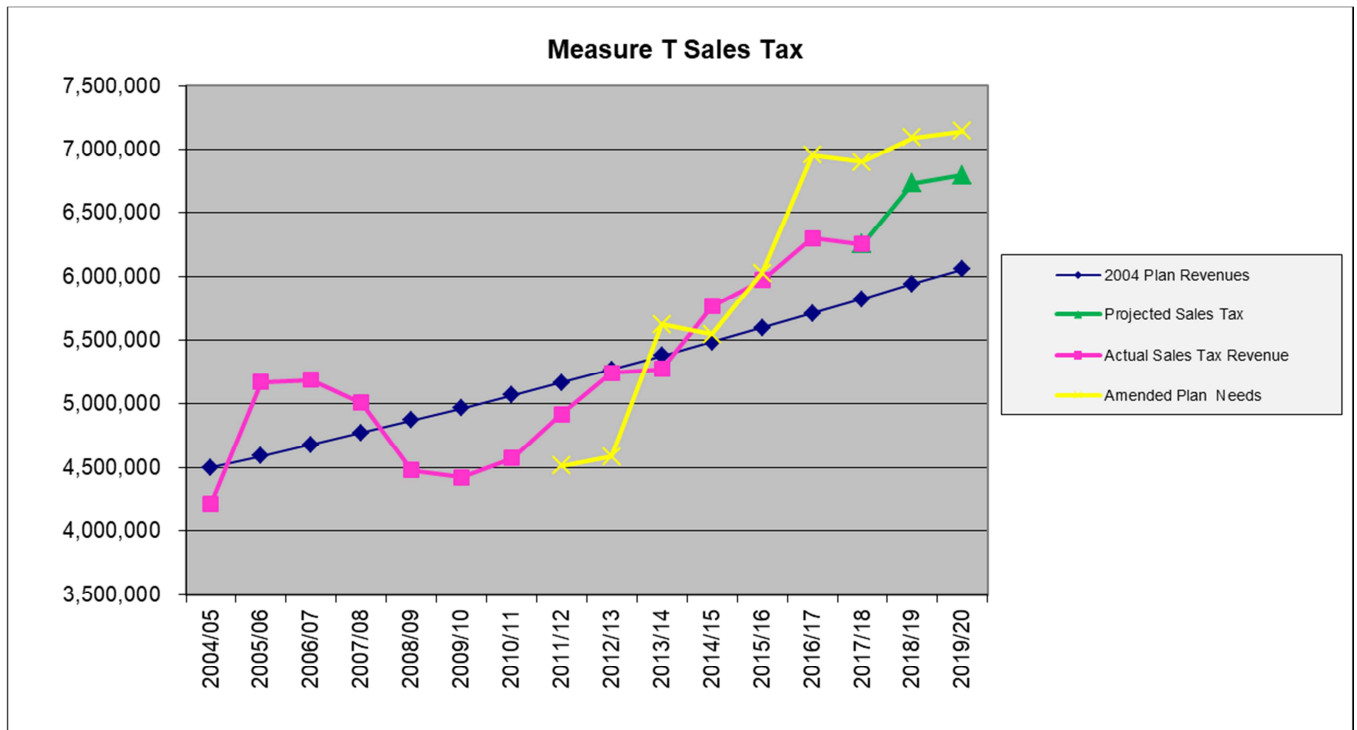
In FY 08/09 the revenues fell below plan estimates. To keep the Measure T funds from going negative, the City has taken several remedial actions over the years, namely:

- Reduced Police Officers allocation by 6 (3 through attrition & 3 transferred to the General Fund). In July 2013, an officer was added back. The current number of officers is 23 reduced from 28.
- Reduced hiring 18 firefighters to 15
- Declared fiscal emergency for fiscal years 09/10, 10/11, 11/12, 12/13
- Reduced funding contribution towards the VECC building. General Fund is covering a portion of Measure T's share.

In addition, the plan requires both funds to contribute towards the future construction of a Public Safety building. Staff will be returning to Council in July 2019 with options to move forward with this building.

As shown in Chart 1, the amended plan needs are still above the projected revenues and above the original 2004 planned revenues

Chart 1 – Measure T Revenues



Fire Measure T

Fire Measure T expenditures have exceeded the revenues since FY 2013/14. The majority of expenditures are for salary and benefits for 15 safety personnel. The projection for the next 5 years shows a growing annual deficit of \$0.5 million to \$0.8 million due to PERS and benefit increases, as shown in Table 1: Fire Measure T Projection. The annual deficit will be covered temporarily by fund balance that is projected to be \$4.2 million at the end of this fiscal year (2018/19). The fund is projected to run out of cash and economic uncertainty funds in FY 2024/25. In addition, this is a best case scenario because the revenues do not assume a recession, which many believe is “overdue”.

Table 1: Fire Measure T Projections:

Plan as Amended (18 to 15)

12/13 - Add 9 new firefighter paramedics, 1 training captain,
and 1 administrative captain - **Total 15 firefighters in plan**

	FY 18/19 Projection	FY 19/20	FY 20/21	FY21/22	FY22/23	FY23/24
Revenues						
Sales Tax Revenues	2,680,000	2,706,800	2,733,900	2,761,200	2,788,800	2,816,700
Interest & Strike Team	208,520	131,700	133,000	134,300	135,600	137,000
Total Revenues	2,888,520	2,838,500	2,866,900	2,895,500	2,924,400	2,953,700
Expenditures						
Salaries and Benefits	2,980,870	2,985,000	3,059,600	3,136,100	3,214,500	3,294,900
Operating Expenditures	414,510	403,310	409,400	415,500	421,700	428,000
Capital	29,180	-	-	-	-	-
Total Expenditures	3,424,560	3,388,310	3,469,000	3,551,600	3,636,200	3,722,900
Surplus/(Shortfall)	(536,040)	(549,810)	(602,100)	(656,100)	(711,800)	(769,200)
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Beginning Fund Balance	4,178,170	3,642,130	3,092,320	2,490,220	1,834,120	1,122,320
Operating Surplus/(Deficit)	(536,040)	(549,810)	(602,100)	(656,100)	(711,800)	(769,200)
Transfer from/(to Economic Uncertainty Fund)						
Ending Fund Balance	3,642,130	3,092,320	2,490,220	1,834,120	1,122,320	353,120
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Economic Uncertainty Fund Balance	654,612	670,978	687,752	704,946	722,570	740,630
<i>Required Economic Uncertainty Fund Balance</i>	722,130	709,625	716,725	723,875	731,100	738,425

Assumptions: Sales Tax - 18/19 and thereafter 1%
Economic Uncertainty Fund Balance grows by interest earnings

As directed by Council, staff has identified several potential solutions to eliminate the deficit or defer it to future years. Options identified to date for Fire are the following:

1. Move a combination of staff and expenditures to the General Fund and Measure N. Staff is recommending this option because it maintains the current Fire staffing levels and splits the cost amongst two separate funds. This option moves two positions to Measure N which total \$378,740, includes a General Fund transfer of \$150,000 to offset overtime that is mainly due to vacancies in the General Fund, and allows one General Fund vacant position to be held in the Measure T Fund. This does not reduce staffing levels. Fire typically has 1-2 vacant fire fighter positions in the General Fund and none in Measure T. Measure T is fully staffed at all times. This option allows a vacant position to be in the Measure T Fund so it receives the salary savings. The transfer plus the loss of vacancy savings will cost the General Fund \$300,000.
2. Move a combination of employees that total approximately \$0.7 million to the General Fund or Measure N. Staff does not recommend this option because the General Fund is showing deficits in the near future and staff will be balancing this fund by reducing operations or capital if this occurs. The Measure N Fund is on year two and has many elements that still need to be implemented that could cost more than anticipated.

- Reduce Fire staffing levels, thru attrition, by \$0.7 million which is approximately 5-6 positions depending on the position level. Staff does not recommend this option because it will affect operating levels and call response times.

Option 1, which is recommend by staff, would create a savings in Fire Measure T of \$678,470. This would help balance the fund with a small operating deficit starting in FY 22/23 as shown in Table 2: Recommended Fire Measure T Plan. This plan would be looked at each year during the annual recertification process to determine if removed elements can be added back or if the plan needs further modifications.

Table 2: Recommended Fire Measure T Plan:

Recommended Plan						
19/20 - 13 firefighters - no admin captain or BC						
	FY 18/19					
	Projection	FY 19/20	FY 20/21	FY21/22	FY22/23	FY23/24
Revenues						
Sales Tax Revenues	2,680,000	2,706,800	2,733,900	2,761,200	2,788,800	2,816,700
Interest & Strike Team	208,520	131,700	133,000	134,300	135,600	137,000
Total Revenues	2,888,520	2,838,500	2,866,900	2,895,500	2,924,400	2,953,700
Expenditures						
Salaries and Benefits	2,980,870	2,306,530	2,364,200	2,423,300	2,483,900	2,546,000
Operating Expenditures	414,510	403,310	409,400	415,500	421,700	428,000
Capital	29,180	-	-	-	-	-
Total Expenditures	3,424,560	2,709,840	2,773,600	2,838,800	2,905,600	2,974,000
Surplus/(Shortfall)	(536,040)	128,660	93,300	56,700	18,800	(20,300)
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Beginning Fund Balance	4,178,170	3,496,770	3,625,430	3,718,730	3,775,430	3,794,230
Operating Surplus/(Deficit)	(681,400)	128,660	93,300	56,700	18,800	(20,300)
Transfer from/(to Economic Uncertainty Fund)						
Ending Fund Balance	3,496,770	3,625,430	3,718,730	3,775,430	3,794,230	3,773,930
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Economic Uncertainty Fund Balance	654,612	670,978	687,752	704,946	722,570	740,630
<i>Required Economic Uncertainty Fund Balance</i>	722,130	709,625	716,725	723,875	731,100	738,425
Assumptions: Sales Tax - 18/19 and thereafter 1%						
Economic Uncertainty Fund Balance grows by interest earnings						

The recommended option for Fire includes transferring positions (approximately \$0.4 million) into the Measure N fund. Measure N has a detailed 10 year plan that can be modified to fund additional items. Any changes to the Measure N plan require a process to be followed which includes Council's approval, Measure N Committee review, and two public hearings. Staff is hesitant to use Measure N to completely balance the Measure T Funds since the plan is only on the second year. Several programs have just begun or still need to be implemented and may require additional funds such as the Fire Squad Program that is on the verge of being implemented.

The Measure N Essential Services Fund is projected to have a fund balance of \$5.3 million at the end of this fiscal year as shown in Table 3: Measure N – Essential Services Fund Projection. The projection includes staff’s recommendation to add Measure T Fire staff to Measure N costing approximately \$0.4 million annually. This projection shows the fund balance increasing over the next 5 years to \$7.4 million. However, this is a best case scenario because the revenues do not assume a recession and additional needs for existing programs may still be identified.

Table 3: Measure N – Essential Services Fund Projection
(in millions)

	18/19	19/20	20/21	21/22	22/23	23/24
<u>Essential Services</u>						
<u>Revenue</u>						
90% of Sales Tax Budget	12.2	12.3	12.3	12.4	12.5	12.6
Interest	0.1	0.1	0.1	0.1	0.1	0.1
Total Revenue	12.3	12.4	12.4	12.5	12.6	12.7
<u>Expenditures</u>						
Police	2.4	3.7	4.0	4.2	4.5	4.8
Fire	4.6	1.1	0.5	4.6	0.1	0.1
Parks and Recreation	0.6	0.5	0.6	0.6	0.6	0.6
Streets Capital	4.4	3.8	3.9	4.1	3.6	4.0
Accounting Fees	0.1	0.2	0.2	0.2	0.2	0.2
<i>Fire Squad Concept (per plan)</i>	-	0.8	0.5	0.5	1.5	1.1
Total Expenditures	12.1	10.1	9.7	14.2	10.5	10.8
Total Surplus/Deficit	0.2	2.3	2.7	(1.7)	2.1	1.9
Possible Measure T Changes	-	0.4	0.4	0.4	0.4	0.4
Total Surplus/Deficit	0.2	1.9	2.3	(2.1)	1.7	1.5
Beginning Cash	7.70	5.30	4.79	6.84	4.43	6.12
Transfer to Uncertainty Fund	0.20	0.01	0.05	0.01	0.01	0.01
Downtown Street Lights	2.30	2.30	-	-	-	-
Ending Cash	5.30	4.79	6.84	4.43	6.12	7.41

Measure T – Police

Police Measure T revenues have exceeded the expenditures since FY 2012/13 due to the reduction in police officers. This reduction, as well as reducing the VECC contribution, has allowed the fund to have a surplus at the end of each year. Like Fire, the majority of the expenditures are for salary and benefits for 23 officers. The projection for the next 5 years shows an annual deficit starting in FY 2021/22 due to PERS and benefit increases, as shown in Table 4: Police Measure T Projection. The annual deficit will be covered by fund balance that is projected to be \$1.5 million at the end of this fiscal year (2018/19). The fund is projected to run out of cash and economic uncertainty funds in FY 2029/30. In addition, this is a best case scenario because the revenues do not assume a recession, as was mentioned earlier.

Table 4: Police Measure T Projections:

Plan as Amended (28 to 23, 3 are in GF)						
Total 23 officers						
	FY18/19 Projection	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Revenues						
Sales Tax Revenues	3,900,900	3,939,900	3,979,300	4,019,100	4,059,300	4,099,900
Interest & Misc Earnings	65,000	65,700	66,400	67,100	67,800	68,500
Total Revenues	3,965,900	4,005,600	4,045,700	4,086,200	4,127,100	4,168,400
Expenditures						
Salaries and Benefits	3,100,000	3,350,000	3,450,500	3,554,000	3,660,600	3,770,400
Operating Expenditures	400,000	406,000	412,100	418,300	424,600	431,000
Debt Payment (VECC)	150,840	150,810	151,080	151,090	150,940	151,010
Capital	-	-	-	-	-	-
Total Expenditures	3,650,840	3,906,810	4,013,680	4,123,390	4,236,140	4,352,410
Surplus/(Shortfall)	315,060	98,790	32,020	(37,190)	(109,040)	(184,010)
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Beginning Fund Balance	1,188,078	1,503,138	1,601,928	1,633,948	1,596,758	1,487,718
Operating Surplus/(Deficit)	315,060	98,790	32,020	(37,190)	(109,040)	(184,010)
<i>Transfer from/(to Economic Uncertainty Fund)</i>						
Ending Fund Balance	1,503,138	1,601,928	1,633,948	1,596,758	1,487,718	1,303,708
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Economic Uncertainty Fund Balance	999,702	1,024,690	1,050,310	1,076,570	1,103,480	1,131,070
<i>Required Economic Uncertainty Fund Balance</i>	991,480	1,001,400	1,011,430	1,021,550	1,031,780	1,042,100

Assumptions: Sales Tax - 18/19 and thereafter 1%
Economic Uncertainty Fund Balance grows by interest earnings

The Police Measure T Fund is in better shape than the Fire Fund due to reducing the contribution towards the VECC payment. Police Measure T is currently contributing \$151,000 (14% of total debt payment) towards the annual VECC debt payment which will end in FY 2029/30. Without General Fund assistance, the Measure T plan would be paying 25% (\$284,500 annually) of the debt payment. Since revenues could not cover the full debt

payment, staff reduced the annual debt payment to \$151,000. In addition, the General Fund is carrying three Measure T officers. Each officer costs approximately \$120,000.

To balance the fund, staff recommends allowing one General Fund vacant officer position to be held in the Measure T Fund. This does not reduce staffing levels. Police typically has several vacant officer positions in the General Fund and none in Measure T. Through conscious efforts, Measure T is fully staffed at all times. This proposed option would allow a vacancy in the Measure T Fund so it benefits from the salary savings. This vacancy transfer will reduce the General Fund surplus by approximately \$120,000 annually as shown in Table 5: Recommended Police Measure T Plan. This amendment will defer the Police Measure T operating deficit from FY 2021/22 to FY 2025/26. This plan would be looked at each year with the recertification to determine if elements can be added back or if it needs further modifications.

Table 5: Recommended Police Measure T Plan:

Plan as Amended (28 to 23, 3 are in GF)						
Total 23 officers						
	FY18/19 Projection	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Revenues						
Sales Tax Revenues	3,900,900	3,939,900	3,979,300	4,019,100	4,059,300	4,099,900
Interest & Misc Earnings	65,000	65,700	66,400	67,100	67,800	68,500
Total Revenues	3,965,900	4,005,600	4,045,700	4,086,200	4,127,100	4,168,400
Expenditures						
Salaries and Benefits	3,100,000	3,200,000	3,280,000	3,362,000	3,446,100	3,532,300
Operating Expenditures	400,000	406,000	412,100	418,300	424,600	431,000
Debt Payment (VECC)	150,840	150,810	151,080	151,090	150,940	151,010
Capital	-	-	-	-	-	-
Total Expenditures	3,650,840	3,756,810	3,843,180	3,931,390	4,021,640	4,114,310
Surplus/(Shortfall)	315,060	248,790	202,520	154,810	105,460	54,090
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Beginning Fund Balance	1,188,078	1,503,138	1,751,928	1,954,448	2,109,258	2,214,718
Operating Surplus/(Deficit)	315,060	248,790	202,520	154,810	105,460	54,090
<i>Transfer from/(to Economic Uncertainty Fund)</i>						
Ending Fund Balance	1,503,138	1,751,928	1,954,448	2,109,258	2,214,718	2,268,808
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Economic Uncertainty Fund Balance	999,702	1,024,690	1,050,310	1,076,570	1,103,480	1,131,070
<i>Required Economic Uncertainty Fund Balance</i>	991,480	1,001,400	1,011,430	1,021,550	1,031,780	1,042,100

Assumptions: Sales Tax - 18/19 and thereafter 1%
Economic Uncertainty Fund Balance grows by interest earnings

Measure T Recertification and Maintenance of Effort Requirement

Measure T is required to complete an annual recertification and maintenance of effort (MOE) calculation. The MOE is to ensure that the General Fund monies budgeted for Police and Fire operations does not fall below the previous years' service level. In the event of an economic emergency, the City Council may only alter this provision by a supermajority (4/5th) vote. The City meets this calculation for FY 2019/20 as shown in Table 6: FY 2019/20 MOE Calculation.

Table 6: FY 2019/20 MOE Calculation

General Fund	18/19 Budget	19/20 Budget	Budget Increase/ (Decrease)
Fire Operating Expenditures	\$ 13,905,100	\$ 14,197,200	\$ 292,100
Police Operating Expenditures	\$ 33,064,800	\$ 33,823,400	\$ 758,600
Total	\$ 46,969,900	\$ 48,020,600	\$ 1,050,700

Conclusion

Measure T has implemented the majority of the components of the expenditure plan. Previously, the City has taken steps to reduce ongoing operational costs. However, the operating expenditures continue to exceed the projected revenues with the current amendments and further reductions are needed. As recommended by Council, this is the recommendation of staff to balance the funds. If Council approves the staff recommendation, the amendment would then need to go to the Citizen Advisory Committee and the Measure N Committee to start the process to amend the Measure N Plan.

Council may direct staff to return with additional options to balance the funds. However, the recertification needs to occur tonight.

Fiscal Impact: N/A

Prior Council Action: N/A

Other: N/A

Committee/Commission Review and Action:

CAC Review

Measure N Committee

Alternatives: None

Attachments: None

Recommended Motion (and Alternative Motions if expected):

I move to:

- Recertify the Measure T expenditure plan for the new budget year, including continuing to modify the Measure T plan elements due to revenues being less than plan for FY 19/20 by:
 1. Maintaining Measure T police officers at 23, 5 less than the Measure T plan.
 2. Maintaining Fire Measure T firefighters at 15, three (3) less than Measure T plan.
- Further amend the Measure T expenditure plan by:
 1. Moving two positions to Measure N which total \$378,740
 2. Transferring \$150,000 from the General Fund to offset overtime
 3. Transferring a General Fund vacant position into the Fire Fund and Police Fund (total two positions).

Copies of this report have been provided to:

Environmental Assessment Status

CEQA Review: Click here to enter text.

**City of Visalia
Agenda Item Transmittal**

Meeting Date: 4/15/2019

Agenda Item Number (Assigned by City Clerk): 2.

Agenda Item Wording: Discussion and potential action regarding the implementation of a phased squad vehicle based emergency medical response program, with Paramedic staffing, within the Visalia Fire Department in compliance with the provisions of voter-approved Measure N. This proposal as presented requires a Plan Amendment to Measure N.

Deadline for Action: 4/12/19

Submitting Department: Fire Department

Contact Name and Phone Number:

Doug McBee @ 713-4220 doug.mcbee@visalia.city; Dustin Hall, 4545; dustin.hall@visalia.city

Department Recommendation: It is recommended the Council discuss and initiate the process of implementing the squad vehicle based emergency medical response program, with associated paramedic staffing, including amending the Fire Department's Measure N plan.

Summary: In November of 2016, the citizens of Visalia voted to improve city services by implementing a half (½) cent sales tax; Measure N. In April of 2017, the City began collecting the new revenue for Police, Fire, Roads, and Park & Recreation. It was also in April of the same year, the first year spending plan was approved by the Measure N Oversight Committee and the City Council. Specific to this staff report, Measure N provides the Fire Department with two (2) response squad vehicles and staffing at a total expense of \$8,632,000 over 10 years. The plan has the first vehicle and staff in FY 18/19 and the second vehicle and staff in FY 22/23. The implementation of the two squad vehicles with staffing will satisfy the basic provisions required by Measure N. The Department's proposal includes additional staffing in the form of a supervisor position, which would require a Measure N Plan Amendment.

Background Discussion:

In May of 2018, a working group was convened to develop a proposed plan for implementing the response squad resources identified in Measure N. Over the course of several months, multiple meetings took place to discuss planning needs and identifying objectives. Staff devoted significant discussion to the following objectives; staffing, resource capabilities, and supervision. A main focus of the new resources is to ensure the public's request for assistance is answered quickly and efficiently. The second identified need was to implement a supervisory component not in the original plan. This plan amendment was determined necessary due to the critical nature of providing proper oversight of

the Department's emergency medical services (EMS) operations. Currently, the department has four battalion chiefs; three are assigned to the Operations Division and one is assigned to the Administration Division in Support Services. The EMS operational responsibilities are currently shared between the Support Services Battalion Chief and three Operations Division captains. This model is inefficient and does not provide the necessary or proper oversight/management related to the risk; 69% of total call volume is EMS related. Coupled with current workload levels and obligations prior to the implementation of the squad resources, there is a need to add a supervisor to ensure proper management of the department's EMS operations; squads will function within the EMS Division. The third item was the type of staffing and configuration as it relates to the discipline and number of hours the staff will work. The final item was resource capabilities and how to meet expected outcomes. Several options were extensively discussed as to each's ability to meet the original intent planned in Measure N and the fiscal impact on the measure.

In 2018, the fire department responded to 15,229 requests for service; of which, 69% or 10,498, were for medical requests. Total requests for service has increased steadily over the last five years by approximately five percent (5%) per year. Medical service requests during the same time period have increased at a rate of six percent (6%) per year. It is important to understand, during the initial stages of developing Measure N, it was from a global perspective. When studying the current situation and landscape the department/city is encountering, it became more evident what was truly needed and how best to plan for full implementation of the original intent of Measure N. With this consideration, staff has developed the following amended implementation of the Measure N resources.

In Measure N, there are two phases regarding when the response squad vehicles are to be placed into service; year 2 (Phase 1) and year 6 (Phase 2). In this amended plan, the timeframes do not change and resources will be placed into service in-line with the phasing of the original plan.

Phase 1

Measure N provides \$480,000 for staffing and \$300,000 for vehicle expenses in Phase 1. To improve resource allocation and service delivery efficiency, employing a staffing model that uses non-suppression paramedics (single-role paramedics as opposed to Firefighter-Paramedics are currently utilized on Engine and Truck staffing) will improve resource allocation at peak times, while ensuring fiduciary responsibility. This staffing model will also aid in provision of sufficient fire suppression resources. By employing single-role paramedics, the department will also have a more readily available workforce to be recruited and trained for use in future firefighter paramedic recruitments.

To ensure proper management of the Department's EMS resources and operations, the need of an additional command staff position was identified by the working group as a critical need. Staff is recommending a battalion chief in Phase 1 to manage the squad resources and the Department's EMS Operations, evaluate the effectiveness of the initial program implementation, and to provide consistent oversight of the Measure N plan for its duration of the first ten years. The new command position, known as the EMS Battalion Chief, would supervisor not only the response squad resources, but will also manage the Department's EMS Operations Division.

Employee A		X	X	X	X		
Employee B		X	X			X	X
Employee C				X	X	X	X
EMS BC		X	X	X	X	X	

The cost breakdown for both personnel and vehicle expenses are illustrated in Table II;

Table II

Fire Response Squad	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Squad Vehicle	\$ 120,000				
Squad Vehicle Equipment (lights, radios, striping, equip)	\$ 50,000				
Supervisor Vehicle	\$ 53,000				
Supervisor Vehicle Equipment (lights, radios, striping, equip)	\$ 29,000				
3 Single Role Paramedics	\$ 241,950	\$ 249,200	\$ 256,700	\$ 264,400	\$ 272,300
Supervisor - Battalion Chief	\$ 200,000	\$ 206,000	\$ 212,200	\$ 218,600	\$ 225,200
Operating Expenses	\$ 60,000	\$ 61,200	\$ 62,400	\$ 63,600	\$ 64,900
Vehicle Replacement	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500
Phase 1 Total	\$ 779,450	\$ 541,900	\$ 556,800	\$ 572,100	\$ 587,900

Staff researched different types and configurations of vehicles currently used in the industry for both squad and supervisor response vehicles. A recommendation for a crew cab (four person cab), heavy duty design is recommended for its longevity and ability to handle the different types of situations that may be encountered. The recommended vehicle will also meet the requirements for any possible changes to response capabilities that may arise in the future. Attachment A provides an example of the recommended response squad vehicle. The supervisor vehicle recommended is based on current models used by the department for command staff use. Staff recommends a full size SUV vehicle that is similar to the current design used by the City; Attachment B. Please refer to Table II for vehicle cost breakdown.

With the implementation of this plan, a response squad will be available to respond to requests for service six days a week (60 hours), staffed with two paramedics, and a battalion chief supervisor for Department EMS Operations, working a 40-hour week. The recommended staffing model, decreases personnel cost from the original plan for each consecutive year, while providing the resource outlined in Measure N and adding supervisor coverage.

Phase 2

When developing a plan to implement new resources, several assumptions have to be made because real data is not available. As such, staff is assuming that Phase 1 will be successful and has decided to build on the foundation realized in Phase 1 for Phase 2. The second squad and staffing is planned to be placed into service in year six of the plan. Based on figures in the plan, \$520,000 is devoted for personnel and \$359,000 for vehicle expenses. Single-role paramedics are recommended in Phase 2, similarly to Phase 1, with a slight variation. In Phase 2, staff recommends staffing the response squad on a 56-hour (24-hours a day) work schedule, rather than a limited 40-hour resource schedule. Staffing the second squad in this manner, will ensure there are two squads during peak times and one additional resource available for the remaining non-peak hours; equivalent of 43% (6,548 responses) of total call volume.

The amended staffing plan for Phase 2 is to hire a total of six single-role paramedics. Daily staffing would be two (2) paramedics on a rotational three-shift platoon configuration already in use by the department; A-shift, B-shift, and C-shift. Similarly to Phase 1, staff recognizes the advantage to hire a relief position, but in an effort to remain financially responsible, staff is moving forward with the recommendation of hiring six single-role paramedics. It is the intent of staff to work to increase staffing to seven, once feasible to do so.

The response squad vehicle recommended in Phase 2 is the same build up used in Phase 1. In Phase 2, there is a total of \$359,000 allotted for vehicle purchase. The plan in Phase 2 was originally recommended by the working group to purchase two squad vehicles, to ensure that there is a reserve vehicle available to be used when either of the front-line vehicles are out-of-service for repair or preventative maintenance. To ensure solvency of the program, staff is recommending to only purchase one squad vehicle initially, however, staff will continue to evaluate the need for a third vehicle and may recommend at a later date to move forward with the purchase of the reserve squad vehicle.

Table III illustrates the personnel and equipment cost for Phase 2;

Table III

Fire Response Squad	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
1 Additional Squad Vehicle				\$ 132,000	
Squad Vehicle Equipment (lights, radios, striping, equip)				\$ 55,000	
6 Addtl Single Role Paramedics				\$ 510,000	\$ 525,300
Operating Expenses				\$ 75,000	\$ 76,500
Vehicle Replacement				\$ 18,700	\$ 18,700
Phase 2 Total				\$ 790,700	\$ 525,300

Evaluation

Staff has identified the need for on-going and regularly scheduled reviews of this plan to ensure its solvency and that it meets the desired outcomes. As such, staff recommends regular evaluations to be completed in Phase 1 and Phase 2. Phase 1 will have the following evaluation intervals; six (6), twelve (12), eighteenth (18), and twenty-four (24) months. Phase 2 will have the following evaluation intervals; six (6), twelve (12), eighteenth (18), and twenty-four (24) months. On-going evaluations will be conducted on an annual basis after the first two years of implementation of each phase.

The evaluations will be instrumental in ensuring Measure N’s efficiency and effectiveness by maintaining its financial stability and ensuring desired outcomes are met. The following objectives will be used to measure the overall success of the plan; cost effectiveness, decrease in response times, squad responses to Main St. and Mooney Blvd corridor, proactive forecasting of possible issues, improvement in recruitment for firefighter paramedic, and improvement in the management of the response squad resources and the department’s EMS Operations.

Ultimately, the evaluation process outlined for Phase 1 will be a determining factor on the final implementation plan of Phase 2. Even though this amended plan uses a resource design not currently in use within the Visalia Fire Department, it is used in the industry. As such, it is important that a plan not only be well developed, but it also needs to include regularly scheduled reviews so that the ability to redesign if needed is part of the very fabric of the plan.

Fiscal Impact:

Measure N has 4 different components that are tracked separately: Essential Services, 2% Youth Programs, 8% Emerging Needs & Building Maintenance, and Economic Uncertainty Fund. Each category is tracked in its own fund so the cash is never comingled. The Essential Services category is 90% of the sales tax collected and funds majority of the plan, including the Response Squad program.

The plan was designed to have the revenues cover expenditures annually, with a couple of years using fund balance from prior years surplus. Those years are for one-time large capital projects and are not

on-going expenses. In addition, the plan was conservative with revenue projections to ensure operations funded by measure N are covered.

The Essential Service Fund has been able to build up cash due to the timing it takes to implement programs and hiring personnel as shown in Table IV, Measure N Essential Services. The original plan programmed \$8.6 million over 9 years for the Response Squad program. The recommended plan includes additional staff which will cost \$9.6 million over 9 years.

Table IV

Measure N - Essential Services											
10 Year Projection based on initial plan (in millions)											
	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	
<u>Essential Services</u>											
<u>Revenue</u>											
90% of Sales Tax Budget	12.2	12.3	12.3	12.4	12.5	12.6	12.7	12.8	13.0	13.1	
Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Total Revenue	12.3	12.4	12.4	12.5	12.6	12.7	12.8	12.9	13.1	13.2	
<u>Expenditures</u>											
Police	2.4	3.7	4.0	4.2	4.5	4.8	5.1	5.5	6.1	6.6	
Fire	4.6	1.1	0.5	4.6	0.1	0.1	0.1	0.1	0.1	0.1	
Parks and Recreation	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	
Streets Capital	4.4	3.8	3.9	4.1	3.6	4.0	3.8	4.0	3.9	3.9	
Accounting Fees	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
<u>Fire Squad Concept</u>											
Salary and Benefits	-	0.5	0.5	0.5	1.0	1.0	1.1	1.1	1.1	1.2	
Operating Expenditures	-	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	
Capital	-	0.3	-	-	0.2	-	-	-	-	-	
Total Expenditures	12.1	10.2	9.8	14.3	10.3	10.9	11.1	11.7	12.2	12.8	
Total Surplus/Deficit	0.2	2.2	2.6	(1.8)	2.3	1.8	1.7	1.2	0.9	0.4	
Possible Measure T Changes	-	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	
Total Surplus/Deficit	0.2	1.8	2.1	(2.3)	1.8	1.3	1.2	0.7	0.3	(0.2)	
<hr/>											
Beginning Cash	7.70	5.30	4.79	6.84	4.43	6.12	7.41	8.60	9.19	9.38	
Transfer to Uncertainty Fund	0.20	0.01	0.05	0.01	0.01	0.01	0.01	0.01	0.01	0.01	
Downtown Street Lights	2.30	2.30	-	-	-	-	-	-	-	-	
Ending Cash	5.30	4.79	6.84	4.43	6.12	7.41	8.60	9.19	9.38	9.07	

The Essential Service Fund has the capacity to support the additional staff recommend in for the program. However, this outlook could change if and when a recession occurs and as the plan progresses. In addition, staff has been directed by Council to return with a plan to balance Measure T. Balancing Measure T could include needing to use some Measure N funds, General Fund, or budget reductions

that could involve staffing. The table shows a scenario that attempts to balance Measure T using both the Measure N and General Fund. This scenario has Measure N starting an annual deficit in FY 27/28. Since numerous factors could change over ten years, staff is recommending to fund the response Squad program phase 1 and will return with phase 2.

Committee/Commission Review and Action:

Measure N Oversight Committee review and approval of original plan. Measure N Oversight Committee will review whatever is approved by Council to ensure plan compliance.

Alternatives: Implement original Measure N plan. Make modifications to the proposal as presented.

Attachments:

- Proposed squad vehicle
- Proposed supervisor vehicle

Recommended Motion (and Alternative Motions if expected):

It is recommended the Council discuss and initiate the process of implementing the squad vehicle based emergency medical response program, with associated paramedic staffing, including amending the Fire Department’s Measure N plan.

Copies of this report have been provided to:

Environmental Assessment Status

CEQA Review: [Click here to enter text.](#)







Fire Department Response Squads

Implementation Plan



Measure N

- ▶ General sales tax – half cent (1 / 2) for Police, Fire, Roads, and Park & Recreation
- ▶ November 2016 – voters pass Measure N
- ▶ April 2017 – City of Visalia instituted the collection of the revenue
- ▶ Fire Department
 - Aerial Ladder Truck
 - Air & Light unit
 - 2 Squad Response Vehicles
 - Station 56
 - Station 51 Remodel



Squad Working Group

- ▶ Working group convened in May of 2018 to develop implementation plan
- ▶ Five members
- ▶ Provide legacy/vision/input
- ▶ Researched options
- ▶ Developed plan



Implementation of Squads

▶ Phase 1 – Year 2

- Paramedic Staffing – 40 hour work schedule
 - Three single-role paramedics
 - Monday through Saturday; 9:00a.m – 7:00p.m
 - Peak call volume time
 - 57% of total responses

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Employee A		X	X	X	X		
Employee B		X	X			X	X
Employee C				X	X	X	X
EMS BC		X	X	X	X	X	

- Supervisor
 - Battalion Chief
 - Management of day-to-day operations for the squads
 - EMS Division



Implementation of Squads

▶ Phase 2 – Year 6

- Paramedic Staffing – 56 hour work schedule
 - Six single–role paramedics
 - 48/96 work schedule
 - Provides additional resource for peak time call volume, as well as an additional resource for the remaining 43% of the overall call volume



Response Vehicle

- ▶ Squad



- ▶ Battalion Chief Supervisor



Expenses

- ▶ Phase 1 – Year 2
 - Expenses

Fire Response Squad	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Squad Vehicle	\$ 120,000				
Squad Vehicle Equipment (lights, radios, striping, equip)	\$ 50,000				
Supervisor Vehicle	\$ 53,000				
Supervisor Vehicle Equipment (lights, radios, striping, equip)	\$ 29,000				
3 Single Role Paramedics	\$ 241,950	\$ 249,200	\$ 256,700	\$ 264,400	\$ 272,300
Supervisor - Battalion Chief	\$ 200,000	\$ 206,000	\$ 212,200	\$ 218,600	\$ 225,200
Operating Expenses	\$ 60,000	\$ 61,200	\$ 62,400	\$ 63,600	\$ 64,900
Vehicle Replacement	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500
Phase 1 Total	\$ 779,450	\$ 541,900	\$ 556,800	\$ 572,100	\$ 587,900



Expenses and Savings

- ▶ Phase 2 – Year 6
 - Expenses

Fire Response Squad	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
1 Additional Squad Vehicle				\$ 132,000	
Squad Vehicle Equipment (lights, radios, striping, equip)				\$ 55,000	
6 Addtl Single Role Paramedics				\$ 510,000	\$ 525,300
Operating Expenses				\$ 75,000	\$ 76,500
Vehicle Replacement				\$ 18,700	\$ 18,700
Phase 2 Total				\$ 790,700	\$ 525,300



Evaluation Plan

- ▶ Time Frame for Evaluations
 - Phase 1 & Phase 2
 - 6, 12, 18, and 24 months
 - On-going annual evaluations
- ▶ Values to be measured
 - Cost effectiveness
 - Response times
 - Response locations
 - Main St & Mooney Blvd corridors
 - Proactive problem solving
 - Recruitment for FF/PM
 - Management of personnel and operations



