CITY OF PALO ALTO

Finance Committee Staff Report

From: City Manager
Report Type: ACTION ITEMS
Lead Department: Fire

Meeting Date: November 19, 2024
Report #:2406-3310

TITLE
Evaluation of Fire and Ambulance Service Expansion Options

RECOMMENDATION
Staff recommends the Finance Committee review the evaluation of Fire Department fire and ambulance service expansion options and provide feedback for further consideration.

EXECUTIVE SUMMARY
During the Fiscal Year 2025 Budget Hearings, the City Council instructed the Palo Alto Fire Department (PAFD) to return with options to increase fire and emergency medical service (EMS) resources. This report includes information on current service demands and system performance, and options to increase resources by adding a fire engine at Station 4 and a peak call time 12-Hour ambulance (peak ambulance) to the current Palo Alto Fire Department deployment model.

The three options for staffing the proposed new fire engine and peak call time ambulance are:

A. Contract with a private ambulance company
B. Current model staffing with additional firefighters, or
C. Creation of a new classification of single-role civilian EMS staff and establishing a single-role division.

Feedback from the Finance Committee and potential recommended direction to the City Council will guide budget development and labor negotiations or changes in administrative processes.

BACKGROUND
Emergency Response service demands continue to grow, with calls increasing for the last three years. The draw on the current fire and EMS resources have impacted response times and overall system performance.

Table 1. Calls for Service				
Fiscal Year	EMS	Fires	All Others (Service Calls, False Alarms, Good Intent)	Total
FY2019	5,490	133	3,220	8,843
FY2020	5,029	126	2,956	8,111 (-8%)
FY2021	4,940	144	2,125	7,209 (-11%)
FY2022	5,260	117	2,957	8,334 (+16%)
FY2023	5,670	138	3,411	9,212 (+11%)
FY2024	5,884	136	3,396	9,416 (+2%)

Most emergent calls for service are medical in nature (63% of calls). The Palo Alto Fire Department's current deployment has prioritized ambulance services. PAFD has three (3) full-time (24/7) ambulances that respond to medical emergencies for patient treatment and transport. Two of the three ambulances share a fire station with a fire engine (Stations 1 and 2), and Fire Station 4 has a single ambulance assigned to the station.

County Ambulance Mutual Aid

There are times that all three ambulances are unavailable due to simultaneous calls; PAFD requests mutual aid from the Santa Clara County ambulance provider. In FY 2024, there were a total of 4,286 calls requiring an ambulance. The county covered 327 (7.6%) of those calls for PAFD.

Table 2. County Ambulance Requests	
Fiscal Year	**County Requests**
FY2019	114
FY2020	117 (3%)
FY2021	96 (-18%)
FY2022	214 (+123%)
FY2023	272 (+27%)
FY2024	327 (+20%)

County ambulances take significantly more time to arrive on scene than PAFD ambulances. The 90th percentile response time for county ambulance in FY2024 was 29:53 minutes while PAFD ambulance was 12:02 minutes. The County established standard for an ambulance response time is 12 minutes 90% of the time in an urban environment. Patients that experience an emergency when all PAFD units are unavailable face a response time that is significantly longer than the standard.

Shorter times to get patients with emergent medical needs from the field to a hospital is correlated with improved patient outcomes, especially with strokes, heart attacks and other severe trauma.

Santa Clara County contracts with a for-profit ambulance provider to respond to all transport needs in the cities within the County, other than Palo Alto. The county provides back up coverage for Palo Alto, however, the County provider is challenged with meeting standards in their primary jurisdiction and is less reliable for back up coverage.

The county ambulance service provider is not currently meeting the contractual performance goals as outlined in their contract with Santa Clara County. With no plans to change providers at

the county level, other city fire departments throughout the county have begun to staff full-time ambulances with firefighters to meet a minimum level of service for their communities. As of this year, the following cities, that have not historically provided ambulance services, are in the process of staffing up ambulances: Mountain View Fire with one ambulance; Santa Clara Fire with two ambulances; San Jose Fire with eight ambulances; and Milpitas with two ambulances.

Local Area Formation Commission of Santa Clara County (LAFCO) Countywide Fire Service Review Report Findings and Response Times

PAFD has reduced resources over the last decade in response to the renegotiation of the Stanford fire services contract and revenue reductions from the COVID-19 pandemic budget. Fire Station 2 staffing, reduced because of the pandemic was restored from Brown Out with grant funding from the Staffing for Adequate Fire and Emergency Response (SAFER) program and upon sunset of the grant, continued funding of these services/positions through the General Fund. The cross-staffing model deployed after the renegotiation of the Stanford fire services contract was stopped and EMS resources were prioritized in an updated deployment post-COVID.

Prior to the approval of the new Stanford Fire Services contract in August 2018, daily personnel were authorized at 29 personnel per 24-hour period. Daily personnel hit a low of 23 personnel per 24 hour period during the pandemic which included the Brown Out of an Engine at Fire Station 2. Today daily staffing is at 25 personnel per 24-hour period, this is below the pre-pandemic staffing levels in FY 2019 of 26 daily personnel per 24-hour period.

In the recent LAFCO Fire Service Review, PAFD was found to be the busiest in the county, with 90th percentile response times at 9:41 minutes. This is 21% above the goal of 8 minutes; PAFD's present resources are insufficient to meet the service level goals. The report showed our most similar comparison departments (Mountain View and Santa Clara City) have fewer incidents per 1,000 residents, more resources, and faster response times. Below is a table outlining comparative data included in the LAFCO report:

Table 3. LAFCO Report Comparison Data

Metric	Palo Alto	Mountain View	Santa Clara
Population	84,772**	84,038	127,151
Square Miles	31.53	12	20
Calls for Service*	8,149	4,695	9,259
Incidents per 1,000 residents	107	64	69
Firefighters	87	68	132
Fire Response Units	7	8	13
Ambulances	3	0	0
90th Percentile Response Time*	9:41	8:15	8:03

**Data is averaged from 2018-2022*
***Includes Stanford population*

The LAFCO report combines multi-year data and presents response times for all urgent calls into one response time metric. This is different than what is shown in the City's annual budget document[1]. The City budget presents response time percentiles isolating for EMS and Fire calls and for that specific fiscal year with approximately 75% of fire emergencies responded to within 8 minutes and 99% of medical emergencies calls within 12 minutes.

Two primary measures are used in fire and emergency response for performance:

Response Time: Response time is the time from receipt of a 9-1-1 call to the time the first unit arrives on scene. The standard in the field is to measure the 90th percentile response time, i.e. 90% of the responses are at or below the set time standard. The adopted standard for PAFD is a 90th percentile response time of 8:00 minutes or less for the first unit to respond to EMS and fire emergency calls and 12:00 minutes or less for an ambulance to arrive on scene.

Unit Hour Utilization (UHU): Unit Hour Utilization measures workload for each response unit. This is the percentage of time during the day the unit is actively responding to a call. This measure shows how busy the system is and if units have enough availability to respond to the service demand of an area. UHU measurements also capture if there is enough time in the day for the firefighters on the unit to complete necessary daily tasks, such as report writing, training, and required breaks, etc. The maximum UHU recommended is 10% which allows a system to be primarily self-sufficient and may reduce the likelihood of staff injury.

Once UHU reaches 10% for a primary responding unit, a fire department will see increased challenges to meet the standard 90th percentile response time due to the unavailability of resources for immediate response. An agency would need to add resources or experience reduced call volume to meet response time standards.

Highlights from the 2023 LAFCO report findings for PAFD include the following:

- Palo Alto's adopted standard response time is 8:00 minutes or less 90% of the time. The study period between 2018 to 2022 shows Palo Alto's 90th percentile response time is 9:41 minutes. (In FY 2024 the 90th Percentile Response time was 9:12 minutes)
- Palo Alto has a high percentage of on-duty units that exceed a 10% UHU and significantly exceeds the average incidents per 1,000 people in Santa Clara County. The study notes that PAFD is "excessively busy" and recommends that PAFD should add additional resources to manage the call volume and improve response time performance effectively.
- PAFD has one engine at 10.7% UHU and three ambulances with UHUs between 18.5-

[1] FY 2025 Adopted Operating Budget, https://www.cityofpaloalto.org/files/assets/public/v/1/administrative-services/city-budgets/fy-2025-city-budget/adopted/palo-alto-adopted-operating-budget-book_final2.pdf

22.3%. The four remaining engine companies are over or close to 9% UHU. The report specifically notes a concern for Fire Station 4, "Two of the medic units are stationed with another response unit. However, Medic 64 operates with a 19.1% UHU and is the only resource assigned to Station 4."

- Given the growth projected for the City and the existing unit utilization level, there are challenges for PAFD to meet the current and projected demand for service for ambulances and four of the five fire engine companies. An additional engine company assigned to Fire Station 4 is necessary to improve performance, and an additional ambulance would improve the sustainability and performance of the EMS transport response system citywide.

PAFD presented the full LAFCO Countywide Fire Service Review report and summary on March 11, 2024 to City Council. Staff report #2401-2493[2].

Assessing Service Levels

PAFD utilizes a predictive analytics software that allows for deployment comparisons and effectiveness. This program pulls historical incident data and processes simulations of different staffing models to predict outcomes for response times, UHU, and reliance on mutual aid resources, e.g. county ambulance.

The modeling showed the most effective increase to City emergency response resources is adding a fire engine at Fire Station 4, and a 12-Hour peak ambulance. This will make a significant impact in reducing overall response times, UHU, and reliance on county ambulance services. Reduced response times will provide greater fire and life safety coverage throughout the City. Reducing UHU will also assist PAFD with training completion rates, while reducing burnout and injury rates.

Revenue Streams

The Finance Committee also instructed PAFD to research potential revenue sources to assist in offsetting existing department operations and the costs of service level expansions discussed in this report. PAFD has made progress and is confident that some additional revenue can be generated. These include increases to the base Ambulance Transport fee as a result of the citywide municipal fee study that is planned for completion in early 2025; increases in Ambulance Transport revenue from the growing call volume; and the renewed consideration of a First Responder Fee. These revenue increases will be brought forward for City Council consideration through the annual budget processes over the next two fiscal years. These new revenues are not contingent upon implementing any of the options included within this report.

[2] https://cityofpaloalto.primegov.com/portal/viewer?id=3801&type=0

ANALYSIS

Based on the assessment of service needs and the predictive analytics, staff focused on researching alternate staffing models for a full-time Fire Engine at Station 4, and a peak ambulance. All models reflect these resource additions, the difference is the source for the additional staff resources, whether contracting out, increasing internal staffing under the current model, or creating a new internal position limited to the EMS role.

A. Contract with a private ambulance company,
B. Staffing with additional firefighters under the current staffing model (International Association of Fire Fighters Union, Local 1319 (IAFF) staff), or
C. Creation of a new Single Role Civilian EMS Division within the Department.

A two-year implementation timeline is assumed for all three options. The first year would implement the peak ambulance in order to immediately impact response times and EMS coverage. The second year Engine 64 would be upstaffed to coincide with the completed remodel of Fire Station 4. Costs for each option are shown as the annual operating costs for the plan for direct comparison of the overall financial impact.

The table on the next page outlines the key information points of each option, and below each option is discussed in more detail.

Table 4. Staffing Options Summary*			
Cost Components & Timeframe	A. Contract Ambulance	B. Current Model Firefighters (IAFF)	C. Single Role Civilian
Ongoing Costs (Annual Operating Costs)			
Fire Costs	$2.6M	$2.6M	($0.7M)
EMS Costs	$0.8-1M	$0.7M (Overtime)	$3.8-4.0M
Ongoing Cost Total	**$3.4-3.6M**	**$3.3M**	**$3.1-3.3M**
One-Time Costs (May be spread over multiple fiscal years)			
Hiring & Training Costs (one-time)	$2.1M	$2.1M	$0.6M
Fleet	Fire Engine 64 $1.2-1.9M	Fire Engine 64 $1.2-1.9M Reserve Ambulance $0.5M for replacement	Fire Engine 64 $1.2-1.9M Reserve Ambulance $0.5M for replacement
One Time Total	**$3.3-4.0M**	**$3.8-4.5M**	**$2.3-3M**
Timeframe and Other Components			
Increased Headcount	10 FTE	10 FTE	22 FTE (net)
Labor	Negotiations required	N/A	Negotiations required
Peak Ambulance Timeframe	18+ Months	3 Months	12-18 Months
Implementation Elements	RFP Process	IAFF Staff Assignment Bidding Process	Establish new division and classifications
Other Considerations	• Bundled Rate • Quality Control • Staff Supervision	• Easy to Implement • Higher Long-Term Pension and Benefit Liability Costs	• Long Term Savings • Easy Upstaff for Higher Demand • Hiring Pipeline • Training Coverage

*All options presented include Engine 64 and a peak ambulance

Option A: Contract Ambulance

Costs and Implementation Time:

The Fire Department contacted local private ambulance service providers and ascertained a range from $0.9 to $1.0 million in annual costs for a peak ambulance. In this scenario 10 FTE would be added to upstaff Fire Engine 64, with a total annual operating cost of $2.6M.

If selected, the ambulance service contract would be for work that is currently done by IAFF employees, and therefore, would require a meet and confer process before the City could contract with a private provider. The timeframe to secure a contract and having ambulance services in place is estimated to take over 18 months. Time will be impacted both by the length of the meet and confer process, potentially leading to impasse procedures as well as a request for proposal (RFP) to secure official bids from potential contractors.

To staff Engine 64, one-time hiring costs for the 10 FTE Firefighters that would be added are estimated at $2.1 million which includes testing, uniforms and Personal Protective Equipment (PPE). Additional staff costs for the 20-week Fire Academy and associated staffing backfill costs while firefighters are in the Fire Academy will also be incurred typically materializing in increased overtime costs.

The City has a reserve Fire Engine from 2009 that could be used temporarily to upstaff Engine 64 if required, however, a new engine will need to be purchased. The current price for a diesel fire engine is approximately $1.2 million, and $1.9 million for an Electric Fire Engine.

Other Considerations

The contract cost includes a fully bundled rate, covering staff, fleet, supplies, hiring and oversight. Contract staff would not be under the direct supervision of the City, they would report to the hierarchy within the private company. The City would enforce quality control and quality assurance requirements via performance metrics negotiated as part of the contract and contractor management provisions, however, would not have the same degree of individual staff oversight as with a city-run ambulance.

Option B: Additional Firefighter Staffing (Current Model)

Costs and Implementation Time

This option considers adding Engine 64 and the peak ambulance with PAFD's current firefighter staffing model. In this scenario 10 FTE would be added to upstaff Fire Engine 64, with an annual operating cost of $2.6 million; and the peak ambulance would be staffed with overtime with an annual operating cost of $0.7 million. The total annual operating cost is estimated at $3.3 million.

PAFD has staffed a peak ambulance on overtime in the past, and implementation logistics are estimated to take up to three months to put the ambulance in service if staffed with overtime.

As noted above, to staff Engine 64, one-time hiring costs for the 10 FTE Firefighters that would be added are estimated at $2.1 million and additional staff costs for the 20-week Fire Academy and associated staffing backfill costs will be incurred.

As noted above, the City has a reserve fire engine for temporary use, however, a new engine will need to be purchased. The City has a reserve ambulance that could be placed into full-time service; replacement would follow current replacement schedules. For reference, the cost of an ambulance is approximately $0.5 million.

Other Considerations

This is the administratively most standard option and therefore greatest ease of implementation. This option, follows typical logistics of hiring existing classifications and placing an additional unit in service. This retains consistent quality control and assurance processes with direct PAFD supervision and training of City staff.

Option C: Single-Role Civilian Division

Costs and Implementation Time

This option takes learnings from models implemented by other city fire departments in California, and utilizes single-role civilian EMT staff for ambulance service delivery.

This proposal adds a peak ambulance and convert two of PAFD's three full-time ambulances to single-role civilian staffing. Current firefighter staff will be shifted to upstaff Engine 64.

If selected, a new EMS Division will be created within PAFD with a separate hiring, training and management team as there are different requirements for single-role civilian EMTs and paramedics. A total of 25 new FTE will be added to the Fire Department with an annual cost of $3.8-$4 million. This plan also includes a reduction of 3.0 FTE firefighter positions recently added in FY 2025 Adopted Budget which will create $0.7 million in annual savings. This brings the estimated ongoing net cost to $3.1-3.3 million annually.

Impacts to centralized benefit costs, such as worker's compensation insurance, retiree health and long term pension liability, are not included in the estimated cost as this will require the assistance of actuaries.

The table provides the proposed positions for the single-role civilian EMS Division.

Table 5. Single Role Civilian EMS Division Staff Summary		
2 x 24 Hour, and One Peak Ambulance (3 Total)		
FTE	Job Title	Description/Role
1.00	EMS Manager	Hiring, training, program management
1.00	Administrative Associate III	Administrative process, purchasing, and HR support
10.00	Paramedic	Single Role Civilian Paramedics assigned to the Peak or 24-Hour Ambulance Schedules.
10.00	EMTs	Single Role Civilian EMTs assigned to the Peak or 24-Hour Ambulance Schedules.
3.00	Hourly Medics	Hourly Single Role Civilian Paramedics to fill in shift gaps, and coverage for vacation, sick, etc.

The single-role civilian positions would be new classifications and will require a meet and confer process with labor organization as well as consultation with CalPERS on retirement benefit structures. There is not uniformity on benefit packages in this landscape. The City of Berkeley provides a sworn benefit package for their single-role civilian staff, and the City of Chula Vista provides a non-sworn benefit package. Human Resources staff is in communication with CalPERS to obtain further guidance.

All position costs in this report are based on a non-sworn benefits package. The cost with a non-safety benefit package is estimated at $3.8 million, and with a safety pension is estimated at $4 million in annual operating costs.

The expected timeframe for having the peak ambulance in place using single-role civilian EMT staffing is 12-18 months. This presumes a successful meet and confer process and the hiring and training of new employees. In year two, PAFD will convert Medic 62 and Medic 64 to single-role civilian staff to use existing sworn positions to upstaff Engine 64, aligning timing of this swap to be once the renovations of Station 4 are complete.

There are one-time hiring costs for the 23 single-role EMS staff estimated at $0.6M which includes testing, uniforms and PPE, as well as staff costs for a 3-week training series.

This also creates ongoing savings for hiring and training new employees, as the cost for hiring and training single-role civilian staff is 12% of what it costs to hire and train firefighters. In FY 2025 figures, each firefighter hired costs approximately $200,000 to train and outfit, while the equivalent for single-role civilian staff would cost $25,000.

As noted above, the City has a reserve fire engine for temporary use, however, a new engine will need to be purchased. The City has a reserve ambulance that could be placed into full-time service; replacement would follow current replacement schedules. For reference, the cost of an ambulance is approximately $0.5 million.

Other Considerations

This option creates a more flexible staffing structure that will allow for faster and more cost-efficient expansion of EMS services in the future. This staff model increases the resources provided to the community with a lower financial impact in both the short and long term.

A single-role civilian EMT annual salary is $138,012 as compared to the Firefighter EMT annual salary of $206,144. This is one-third (33%) less in salary costs to the City for each position. Presuming the City could provide a non-sworn benefits package, this would create savings in centralized benefit costs and long-term liabilities.

Hiring timelines will be shortened, as the selection and training process for single-role civilian staff is significantly shorter than for firefighters. For example, a civilian staff will complete a three-week training course as compared to the 20-week academy for firefighters. One unique

benefit of this plan is providing coverage for firefighters to complete mandatory training which is currently complete while on-duty and can often be interrupted due to calls for service.

This may also create a hiring pipeline and assist with recruitment and the City and PAFD values for diversity in hiring firefighters. PAFD can tap into the more diverse candidate pool of civilian EMTs and paramedics and seek to develop these into to joining PAFD in the pursuit of a career in fire service.

This model however, does rely on success in implementing a more cost efficient non-sworn staffing model, which as noted before is not a decision the City has complete control over. As such the collaboration and coordination can take time.

FISCAL/RESOURCE IMPACT

This report does not request resources to be allocated at this time; rather it presents information for consideration and feedback to staff and potentially recommended direction to Council.

While additional revenue will offset some costs, the majority of these expenditures would be weighed against other city budget priorities as part of the annual operating budget process.

All proposals would make material changes in personnel and equipment impacting the Stanford Fire Services Contract cost model and will require discussion and amendment to this contract that currently runs through June 30, 2028.

Some proposals will have an impact on labor negotiations and will require a meet and confer with the possibility of impasse procedure if agreement cannot be reached.

STAKEHOLDER ENGAGEMENT

PAFD is in the process of updating the department's strategic plan, community engagement will include a listening session with the community, firefighters, and command staff. The Finance Committee discussion will be shared and discussed as part of the engagement of the Strategic Planning effort.

ENVIRONMENTAL REVIEW

Finance Committee's review of potential staffing models to expand fire and ambulance services is not a project under CEQA, as organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment (14 CCR 15378(b)(5).

ATTACHMENTS

None

APPROVED BY:

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