

Legislation Text

File #: Ordinance 14-2017, **Version:** 3

Agenda Date: 06/27/2017

Subject:

An ordinance of the City of Littleton, approving an intergovernmental agreement to contract emergency dispatch services with Metcom through South Metro Fire Rescue

Presented By: Chris Armstrong, Fire Chief; Tiffany Hooten, Finance Director

POLICY QUESTION:

Does city council support contracting emergency dispatch services with South Metro Fire Rescue

BACKGROUND:

Three study sessions have been provided to discuss the option of contracting emergency dispatch services with South Metro. The last study session, May 16, 2017, council requested staff to bring the IGA as an ordinance to first reading for consideration.

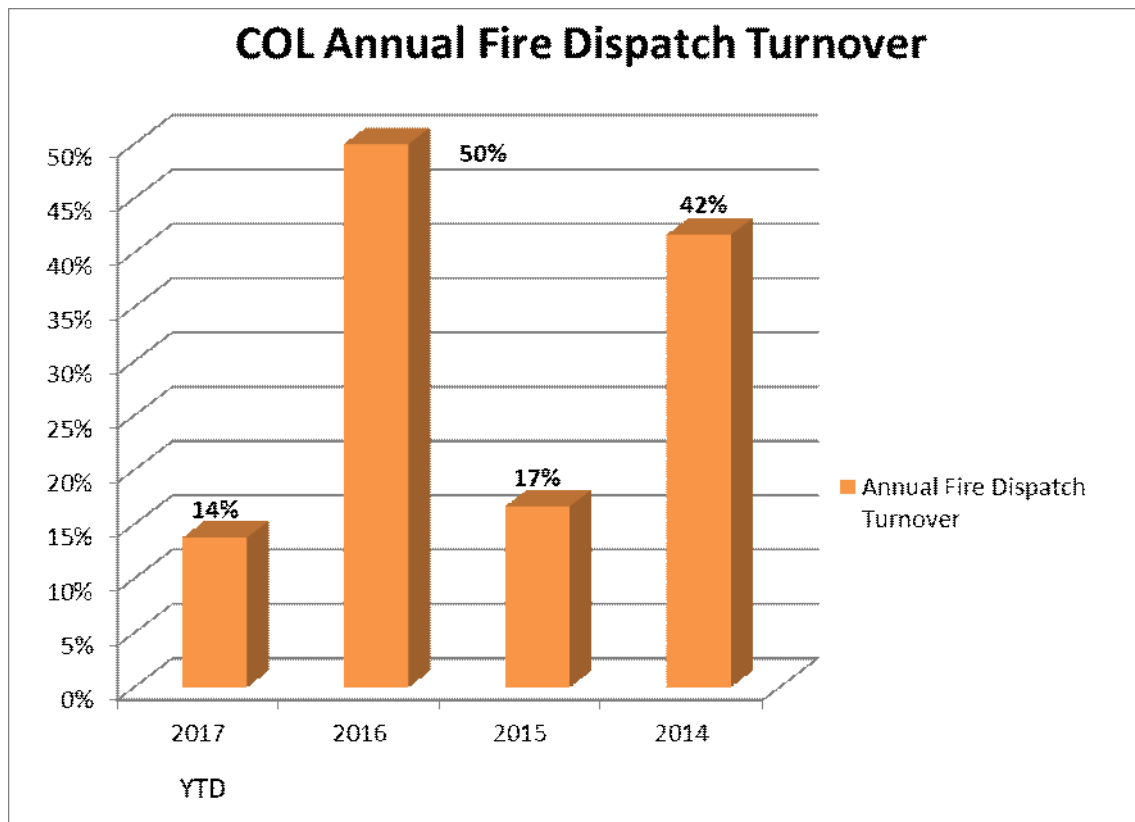
Questions/Comments from first reading June 6, 2017...

Council requested public comment on this topic: Staff worked with the Communications Department and developed an informational release to various social media sites including www.openLittleton.gov for public comment.

Council inquired about what other cities (ie: Lonetree, Greenwood Villiage etc.) pay for dispatch services: These municipalities are all part of the South Metro Fire District therefore their 9.25 mils paid for service is all inclusive. It is unknown what portion of this mil assessment is spent specifically on dispatch services.

Review of Contracts for Deer Trail Rural Fire and the Byers Fire Protection District for dispatch services through South metro Fire (MetCom) did reveal the same pricing methodology as LFRs IGA. These contracts are both three year terms compared to the 4.5 year term for COL.

The Littleton Fire Rescue (LFR) has experienced high turnover of emergency dispatchers since a spike in 2014. In addition, there are challenges recruiting and retaining qualified dispatchers due to the strong Colorado economy, low unemployment rate, workload and overtime for individual dispatchers, pay/benefit discrepancies compared to neighboring South Metro Fire Rescue (SMFR), and the high-stress environment, among others. The emergency communications center has had staffing issues for at least the past three years, as shown below, and has recently reached a critical stage.



The center is budgeted for 13.5 FTEs, but currently only employs nine FTEs as of the date of this communication. Two of these nine FTEs are administrative positions and are not expected to dispatch regularly, leaving the remaining seven FTEs as certified emergency dispatchers. This leaves the dispatch center 33% understaffed.

In order to account for both the vacant positions and any time-off taken by other dispatchers, dispatch staff members worked nearly 2,500 hours of overtime in 2016. In addition to the financial costs incurred by the city and its fire partners associated with this situation, there are also concerns for the health and wellness of staff, and the effectiveness of the dispatch center in general. This extra workload and stress on the dispatchers may contribute to high turnover and vacancy levels.

Emergency response starts with dispatchers. This requires LFR to be proactive, not reactive, in recognizing these issues early and making adjustments to prevent further deterioration in services before they affect the ability to respond to emergencies in a timely manner.

This consideration to contract dispatch services is in response to three primary issues;

- 1) Staffing,
- 2) Service, and
- 3) Financial Sustainability.

OPTIONS/ALTERNATIVES:

Keep Dispatch In-House:

If LFR dispatch is kept in-house, some of the challenges faced with recruiting and retaining qualified dispatchers may persist. If these issues continue and the dispatch center remains understaffed, it may lead to increased costs for the city and its fire partners, and a decrease in the level of service provided.

If the decision is made to keep the LFR dispatch center, there are some options available that may address some of the current challenges and ease the strain on dispatchers and the dispatch center in general, but will result in increased costs. Below are two such options:

- **Pipeline:**

Based on the LFR dispatch center's turnover, which over the past four years has fluctuated from as low as two to as high as six employees, a recommended pipeline for the purposes of finding and developing talent in anticipation of vacancies would reasonably target two FTE's in the pipeline at any point.

Unlike the Littleton Police Officer pipeline that does not add additional costs to the city's budget due to the department's vacancy levels, adding a pipeline to the dispatch center would add cost to the city's overall budget. This is because the dispatch center must meet minimum staffing levels, and unlike the police department, must backfill any vacancy that occurs. When a dispatch vacancy is backfilled, the unknown cost is overtime. This is because it is unknown as to whether an employee from the substitute pool will be available, and therefore paid regular wages, or whether a full-time employee will be called in and therefore paid overtime. The difference in wages is the half-time or 50% of a dispatcher's rate of pay. The potential cost of the pipeline can be offset by reducing those instances where overtime is paid to backfill a vacancy.

Adding two pipeline dispatchers would result in an increased cost that would vary depending on:

- If the dispatchers were hired at bottom or top of the hiring range (\$40,400-\$50,500).
- Portions of the year when the pipeline dispatchers were surplus staffing versus time when they filled a vacancy.
- Cost of the pipeline dispatchers would be offset by filling in areas where overtime would otherwise be used to reach minimum staffing.

Potential Cost:

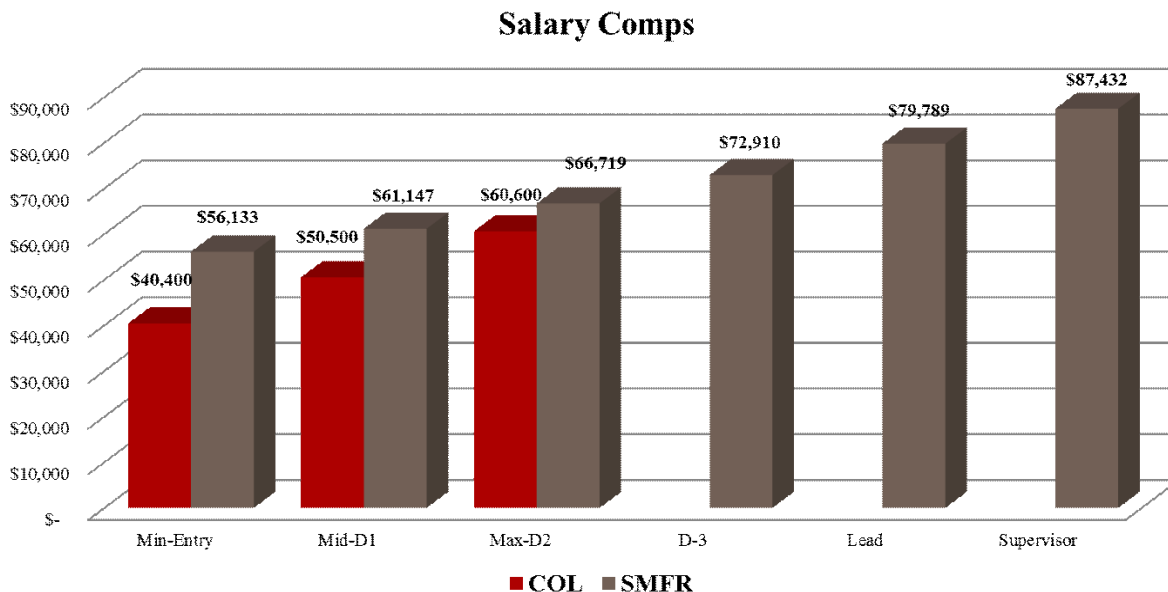
Low Potential Annual Cost	High Potential Annual Cost
\$124,948 cost of two dispatchers	\$148,614 cost of two dispatchers
-\$52,062 avg. time filling vacancy	-\$61,923 avg. time filling vacancy
-\$18,522 avg. time covering potential overtime	-\$18,522 avg. time covering potential overtime
Potential Cost: \$55,364	Potential Cost: \$68,169

- **Provide Pay Increases to Match SMFR Base Pay:**

In this scenario, all LFR dispatchers base pay is estimated through 12/31/2017 because the city provides annual reviews and therefore an employee's pay increases during the year based on the employee's anniversary date. SMFR on the other hand, provides market adjustments to their dispatchers at the beginning of the year in 2017. For an apple to apple base pay comparison, this scenario assumes both SMFR and LFR employees have received their 2017 pay increases.

SMFR targets base pay for its dispatchers at the 85th percentile. Additionally, SMFR dispatchers are on a step system based on achieving certain certifications, and adjusted annually on January 1 of each year. The city's compensation plan is based on merit, using the Denver-Boulder market for comparison.

Based on the targeted base pay rates set by SMFR, the average increase to bring current LFR dispatchers to the 85th percentile is approximately \$2,908 each.



Adjusting the LFR’s dispatchers’ base pay to the 85th percentile would represent a nominal cost of approximately \$20,050. Currently, LPD and LFR dispatchers share the same space and use the same job description although they dispatch for different purposes. Raising the base pay of LFR dispatchers would likely create a pay-equity issue as the city does not use the 85th percentile model. Changing the compensation philosophy for LFR dispatchers and not for other employees would likely create dissatisfaction for many Littleton employees. At minimum the city would have to apply the same compensation practice to its LPD dispatchers. The approximate cost to bring LPD dispatchers’ base pay to the 85th percentile (while not negatively impacting those who would be paid less) would cost \$54,202. If the city were to increase the base pay for both LPD and LFR dispatchers and factor for ancillary taxes/benefits, the total cost would come to approximately \$86,800 annually.

For council’s background on dispatching, fire dispatch is a secondary Public Safety Answering Point (PSAP), meaning that all calls are first routed through police dispatch and are then rerouted to LFR dispatch or other appropriate entity.

Additionally, external factors may change and mitigate some of the current challenges. For example, if there is a turn in the economy, that may lead to an increased number of applicants from which to select qualified dispatchers. Further, a change in the economy may also increase the retention within the dispatch center. However, it is difficult to accurately predict if and when these external factors may change, and even if they do change+ it may only help mitigate some of the immediate challenges being faced, such as the current staffing levels within the dispatch center. The city still faces the limitations of the space available within the Littleton Center and the dispatch center. In the future, if there is a desire to hire more dispatchers or if there is a change in dispatcher schedules that requires auxiliary space, there may be costs associated with finding or creating more space to accommodate these changes.

Contract with an outside agency:
South Metro Fire Rescue (MetCom):

The city has a proposal from SMFR to provide dispatch services. If the current situation with the LFR dispatch center remains the same, there may be some benefit to the city and its fire partners in pursuing this contract service. Based on the cost methodology proposed by SMFR and analysis by LFR staff, there appears to be immediate cost savings for the city and the fire partners. Additionally, because the cost methodology is included in the proposal, the cost for the city and its partners would be somewhat predictable moving forward.

Based on an estimated 7.03% call volume increase per year (as stated in the Master Plan), and a 2.4% cost increase for inflation (CPI), it is projected that it will be 2024 before SMFR costs equal LFR's fully staffed budget costs for 2017. Meaning should the city and partners move to SMFR for dispatching, they will realize a savings in dispatch costs until 2024 from what they are currently paying.

If the city contracts with SMFR for these services, current full time dispatch center employees would be offered jobs with SMFR. The LFR and MetCom systems and protocol are very similar which would decrease the learning curve that might be expected for both dispatchers and fire/EMS responders. Also, the city and its fire partners would maintain control over the emergency response dispatching criteria that the MetCom dispatchers refer to when receiving call from the city's and its partner's service areas. MetCom has additional services such as Incident Dispatch Teams and expanded GIS that would also be available.

This option presents some of its own challenges to the city and its fire partners. For example, if dispatch services are contracted with SMFR, but at some point in the future there is a desire to bring dispatching back to the city, there would be costs associated with moving the services, equipment, and personnel back. If this happened, Arapahoe County E-911/Area Operating Funds would be available to offset some of the equipment costs.

Also, while the cost for the contracted services would be somewhat predictable given the methodology written into the agreement, the city would have less control over the costs of these services than currently exists.

If Cunningham Fire Protection District contracts for dispatch services with another agency at any time in the future, the city and its partners will share in the loss of the revenues from Cunningham Fire Protection District. Currently, this amount is \$334,913 (less an admin fee) per year. This would be split between the partners based on call volume.

West Metro Fire Rescue (JeffCom):

The city does not have a proposal from JeffCom, in part because this dispatch center is not yet fully operational. An agreement with this agency is not viable at this time.

STAFF ANALYSIS:

Based on comments/suggestions from council on May 16, 2017, regarding the draft IGA the following items have been revised and clarified.

- **Define a "call"** - For purposes of calculating the dispatch services fee, a "call" is defined as an "emergent or non-emergent incident assigned a run number in the Computer Aided Dispatch (CAD) System.
- **True Up costs for 2018** - The rate for 2018 prior to adjustments in call volume is \$58.46. Beginning in 2019, the City will be billed annually for a "true-up" payment that represents the adjustment in the

Consumer Price Index for All Urban Consumers for the Denver-Boulder-Greeley metropolitan area ("CPI").

- **Employee Benefits** - Sick, Vacation, benefits more clearly defined
- **Equipment** - Serial numbers and a more defined list of equipment added to IGA

LFR's fire partners fully support this contract for service and have provided letters indicating their intent to pay their share of emergency dispatch costs based on the methodology outlined in the IGA.

This contract for service is also supported by Cunningham Fire Protection District. We have also been given verbal notification to expect a letter from the CFPD Board before July 1st indicating their intent to cancel their contract with LFR for dispatch Services effective January 1, 2018.

FISCAL IMPACTS:

A conservative cost savings of approximately \$217,107 (*assumes an effective date of July 1, 2017*) is expected in 2017 should the city contract dispatch services in 2017. Based on the call volume and CPI assumptions noted above and a 4.5% annual increase to the 2017 budget, by contracting with SMFR a savings will be realized through 2030.

STAFF RECOMMENDATION:

Staff recommends council approve the first reading of this IGA to contract emergency dispatch services with SMFR, and schedule a second reading to finalize the agreement.

PROPOSED MOTION:

I move to approve on second reading Ordinance 14, Series 2017, approving an intergovernmental agreement to contract emergency dispatch services with Metcom through South Metro Fire Rescue.