Feasibility Study: Administrative Staffing and Governance Structure

Update on Progress and Timelines
Presentation of Findings Related to Current Conditions
February 2024

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Purpose of Study

The Cities of Eugene and Springfield retained AP Triton to conduct a Feasibility Study to evaluate the following options:

- Continuing to operate as ESF as it is currently organized.
- Establishing an intergovernmental agreement (IGA) to allow one city to provide service to the other.
- Establishing an intergovernmental agreement (IGA) to form an intergovernmental governmental entity (IGE).
- Forming an independent fire district.
- Dissolving the existing agreement and returning it to individual city fire agencies.

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Timelines

- **August 9**: Kick off project with ESF Staff
- **August 29**: Met with Governance Review Panel
- **October 9**: ESF completes the data upload
- **Week of October 30**: AP Triton on site for Stakeholder meetings
- **December 7**: First draft of introduction and findings related to current conditions delivered to ESF for technical review
- **December 27**: Draft of introduction and findings related to current conditions delivered to the Cities of Eugene and Springfield for technical review
- **February 9**: City Staff completes much of the technical review of draft

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Next Steps

- **February/March:** AP Triton will provide updates to elected officials
  - Governance Review Panel on February 22
  - Eugene City Council on February 26
  - Springfield City Council on March 4
- **Late March/Early April:** First draft of full report should be available for technical review by ESF and the City Managers
- **Late April/Early May:** Final draft of the report should be available for presentation to the Governance Review Panel and both City Councils

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Background

2007: 3rd Battalion system

2010: Functional Consolidation

- Fire Departments branded as Eugene-Springfield Fire (ESF)
  - All apparatus, stations, uniforms, and branding reflecting the new name and logo
- Eugene and Springfield remain independent entities and operate with separate Fire and EMS budgets
- Duplicated Administration and Support positions were eliminated
- Employees working within ESF are designated as either Eugene or Springfield employees, not ESF employees
- Operations employees are assigned to stations regardless of their employer

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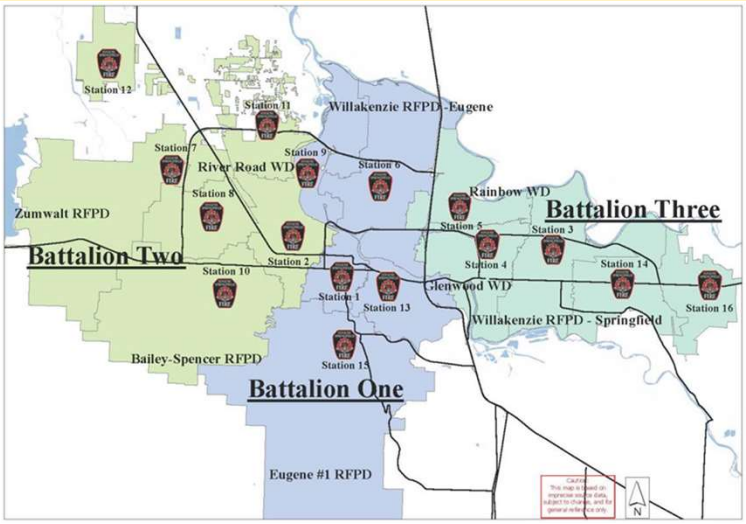
ESF Service Area



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ESF Population Served

City/District	Population	% Total
City of Eugene	176,654	68.4%
Bailey-Spencer RFPD	503	0.2%
Eugene Rural #1	952	0.4%
River Road Water District	7,647	3.0%
Willakenzie RFPD	1,003	0.4%
Zumwalt RFPD	1,217	0.5%
Subtotal for Eugene with Districts	**187,976**	**72.8%**
City of Springfield	61,851	23.9%
Glenwood Water District	1,330	0.5%
Rainbow Water District	5,156	2.0%
Willakenzie RFPD	1,967	0.8%
Subtotal for Springfield with Districts	**70,304**	**27.2%**
Total for Eugene-Springfield Fire	**258,280**	**100%**

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Service Delivery

ESF provides fire suppression, emergency medical services, rescue, public education, fire inspection, and code enforcement from 16 fire stations.

- **Springfield operational staffing from five stations each day**
  - One Battalion Chief
  - Four engine companies (3 person)
  - One truck company (3 person)
  - Three ALS ambulances (2 person), One 12-hour/peak demand BLS Ambulance (2 person)
- **Eugene operational staffing from 11 stations each day**
  - Two Battalion Chiefs
  - Eight engine companies (3 person)
  - Two engine/ladder companies (3 person)
  - Two truck companies (3 person)
  - One ARFF company (2 person)
  - Four ALS ambulances (2 person), Two BLS ambulance (2 person)

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ESF Financial Summary

REVENUES

- Revenues increased from $23.6 million in FY 2019 to $29.1 million in FY 2023, (23%).
- Eugene generated 69% of total FY 2023 revenue, while Springfield generated 31%.
- Significant revenue sources in 2023 include:
  - EMS fees: $14,338,869 (67% Eugene and 33% Springfield)
  - GEMT Revenues: $5,735,415 (69% Eugene and 31% Springfield)
  - Reimbursement for fire services: $4,562,751 (59% Eugene and 41% Springfield)
  - Grant revenues: $731,559 (70% Eugene and 30% Springfield)

EXPENDITURES

- Total expenditures increased from $70 million in FY 2019 to $84.4 million in FY 2023 (21%).
- Eugene incurred 72% of all expenditures in FY 2023, with Springfield incurring 28%.
- Major areas of expenditures in 2023 are:
  - Personnel: $60,493,232 (74% Eugene and 26% Springfield)
  - Materials, Supplies, and Contractual costs: $7,822,173 (55% Eugene and 45% Springfield)
  - Interdepartmental Fleet costs: $3,582,965 (79% Eugene and 21% Springfield)
  - Vehicles and Equipment: $1,191,544 (40% Eugene and 60% Springfield)

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Eugene Fire Financial Summary

REVENUES

- Over the past five fiscal years (from FY 19 through FY 23), Eugene Fire and EMS revenues have increased from $15.7 million to $20 million.
- Significant increases in GEMT revenues have contributed to this overall increase. Additionally, revenue from EMS fees has increased from $9.1 million to $9.6 million.

EXPENDITURES

- During this same period, expenditures have increased by 23%, from $49.3 million to $60.6 million.
- Significant areas of increase include personnel costs (74% of Eugene's overall Fire and EMS expenditures) and Materials, Supplies, and Contractual costs.

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Springfield Fire Financial Summary

REVENUE

- Since 2019, Springfield Fire and EMS revenues have increased by 16%, from $7.9 million to $9.2 million.
- GEMT revenue increases account for much of this difference.

EXPENDITURES

- During the same period, expenditures increased by 15%.
- Materials, Supplies, and Contractual costs increased by $1.7 million, or 95%.
- FY 2023 expenditures were $23.8 million, compared with $20.7 million in FY 2019. Personnel costs accounted for approximately 66% of total FY 23 expenses.

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Admin and Support (2010–2023)

In 2010, the total number of Admin and Support employees in both cities was 59.25. Today, that number has reduced to 53.

EUGENE

- In 2010, Eugene employed 41.25 Admin and Support Positions.
  - 68.01% of the combined departments' cost of Admin and Support positions.
- Today, Eugene employs 39 Admin and Support Positions.
  - 74.23% of ESF Admin and Support position costs.

SPRINGFIELD

- In 2010, Springfield employed 18 Admin and Support Positions.
  - 31.99% of the combined departments' cost of Admin and Support positions.
- Today, Springfield employs 14 Admin and Support Positions.
  - 25.77% of ESF Admin and Support position costs.

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City of Eugene

There are 5.25 positions funded in 2010 that are not funded today and three (3) new positions that were not funded in 2010 for a net reduction of 2.25 positions.

Positions not funded today compared to 2010:

- Deputy Chief
- Finance Manager (Filled by Eugene, funded by Springfield)
- Battalion Chief Training (Filled by Eugene, funded by Springfield)
- Battalion Chief Fire Marshal
- 0.75 Deputy Fire Marshal/Fire Inspector
- 0.5 Program Support positions (net change)

Three positions funded today that were not funded in 2010:

- EMS CQI, EMS/Fire Instructor, Applications Systems Analyst

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City of Springfield

There are 6 positions funded in 2010 that are not funded today and two new positions that were not funded in 2010 for a net reduction of 4 positions.

Positions not funded today compared to 2010

- Fire Chief
- Deputy Chief
- Two (2) Deputy Fire Marshal/Fire Inspectors
- Executive Assistant
- Program Support position

Two positions funded today that were not funded in 2010

- Fire Maintenance Worker, Application Support Technician

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Reduced Costs from Merger

11.25 Admin and Support positions have been eliminated in the combined ESF organization since 2010.

- Reduced cost of $2,532,946 at 2023 wages and benefits each year.

EUGENE

- Eugene eliminated 5.25 positions in Administration and Support.
- Reduced cost of $1,198,170 at 2023 wages and benefits each year.

SPRINGFIELD

- Springfield eliminated 6 positions in Administration and Support.
- Reduced cost of $1,334,776 at 2023 wages and benefits each year.

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Net Reduction of Cost

11.25 Admin and Support positions have been eliminated and five new positions have been created for ESF since 2010 for a net reduction of 6.25 positions.

- Reduced cost of $1,657,084 at 2023 wages and benefits each year.

EUGENE

- 5.25 positions eliminated, three new positions for a net reduction of 2.25 positions.
- Reduced cost of $527,297 at 2023 wages and benefits each year.

SPRINGFIELD

- 6 positions eliminated, two new positions for a net reduction of 4 positions.
- Reduced cost of $1,129,787 at 2023 wages and benefits each year.

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Balance of Cost Reduction

The 2017 IGA does not identify a defined balance of funding from each city

- Target is maintaining each city's service level while benefiting from shared administrative positions.

Percentage of the cost of employees from each department in 2010 compared to the total workforce for Admin and Support

- 2010: Eugene was 68.01% compared to Springfields 31.99%.
- 2023: Eugene is 74.23% compared to Springfields 25.77%.

Applying 2010 percentage to 2023 Admin and Support Position Costs

- Eugene's personnel expenditures would be $599,719 less each year.
- Springfield's personnel expenditures would be $599,719 more each year.

NOTE: AP Triton will be providing recommendations for sharing in this cost in the Strategic Analysis of Options section of the report that may be more directly related to the demand for administration and support services as opposed to an arbitrary point in time to identify a percentage for shared costs.

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Admin and Support Functions

ESF Leadership

- Fire Chief is a Department Head in both Eugene and Springfield.
- ESF Leadership and administrative team are tasked with typical city-level department administrative functions.
- The team works with two different cities' support services and administrations.

City Support

- Each city provides typical support services independently, such as Finance, HR, IT, Fleet Maintenance, and Facility Maintenance.
- Working with ESF is unique for most city support services.

Efforts to improve workflow

- Both cities have endeavored to improve the workflow for administrative functions.
- Complications in all support areas persist due to the distinct governance and administrative structures at the city level.
- There are considerable process differences unique to each city, depending on the employee, apparatus, facility, or specific issue requiring city support function involvement.

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Advantages Today

- Effective and efficient operational deployment as a single agency.
- Emergency response and surge capacity has been greater since the functional merger.
- Broader scope and resource availability provides greater service then could be accomplished by either city on their own.
- Reduced duplication of administration positions provides significant economies of scale and savings in administration and support staffing each year.
  - Reduced cost of $2,532,946 at 2023 wages and benefits each year.

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Key Challenges

Governance and Administration

- Managing accountability to two different City Managers and City Councils and participating in leadership teams across both cities requires delicate balance and coordination to meet expectations of city leadership and support services.

Feeling Fire Department is Outsourced

- Some Springfield officials feel they have "outsourced" their fire department to Eugene.

Budget Process

- ESF must develop two separate budgets within different processes and under two city governments.

Human Relations

- Working through different HR policies and practices between two cities as ESF manages an evolving environment and workforce is difficult.

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Key Challenges

Health Benefits

- The two cities offer different health plans. Eugene provides a low deductible plan, while Springfield offers a high deductible plan with access to a free city clinic for employees. Though somewhat equivalent, these plans are not equal.

Payroll Tax

- Eugene and Springfield firefighters assigned to Eugene Fire Stations are subject to the city's payroll tax whereas personnel assigned to Springfield stations are not.

Network Configuration

- The different network configurations across Eugene and Springfield create challenges for ESF employees accessing resources of the city they are not employed by.

Resource Inequities

- There are disparities in resources available to employees in each city.

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Strategic Analysis of Options

IN PROGRESS

This section considers the information received through stakeholder interviews and analyzes the existing conditions in the organization to consider the following options:

- Continue serving the community as currently organized
- Establishing an IGA that allows one city to provide service to the other
- Establishing an IGA to create an Intergovernmental Entity (IGE)
- Establishing a Fire District
- Dissolving the current agreement and returning to individual departments

The AP Triton team is finding good sustainable options in this analysis that will alleviate many of the challenges with the current model. More information will be available as the analysis is finalized and the report is completed.

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Recommendations

IN PROGRESS

Triton will provide recommendations for sustainable Fire and EMS service delivery in the cities of Eugene and Springfield, along with the financial impact and implementation considerations.

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Closing

- Eugene, Springfield, and ESF staff have been fully engaged as we conduct the analysis.
- The level and depth of service provided to both Cities by ESF is exceptional.
- There has been significant work to address challenges, however, there are persistent issues for ESF and both Cities.
- As we are progressing in the analysis, we are finding good options that could mitigate most of these challenges.

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QUESTIONS?
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