

Memorandum

To: Honorable President Stearn; Village Council

CC:

From: Chris D. Wilson, Village Manager

Date: 3/3/2010

Re: Fire Protection Services

Based upon comments in the press and at recent meetings I thought it appropriate to take some time to present some information to Council on Fire Protection services as it relates to the Village of Beverly Hills. I thank you for the time to present this information and hope you find it useful.

- As Council is aware, currently the Village receives full-time Police and Fire service through our Department of Public Safety. One of the main benefits of a Public Safety Department is that it allows full-time professional fire protection through cross trained (Police and Fire) personnel at a significantly lower cost than stand alone full-time professional fire. The combined costs for the Village of Beverly Hills Public Safety Dept. for FY 2009-2010 are \$4.38 million. For comparison purposes, the cost for full-time professional fire service in surrounding communities is as follows:

1. Birmingham (pop. 19,291) \$4.7 million
2. Royal Oak (pop. 60,062) \$9.2 million
3. Bloomfield Twp (pop. 43,023) \$11.1 million

A comparison of surrounding Public Safety Departments (Police and Fire) is as follows:

1. Berkley (pop.15,531) \$4.5 million
2. Bloomfield Hills (3,940) \$4.0 million
3. Oak Park (32,399) \$9.38 million

If you extrapolate the fire costs alone on a per-capita basis and compare with the costs for Beverly Hills Public Safety, clearly Public Safety is a good value for full-time professional police and fire services. In addition, the cost of \$4.38 million for the Beverly Hills Public Safety is not out of line with other Public Safety Departments in the area.

March 3, 2010

- The question often arises as to why the Village does not employ the use of a volunteer fire department in order to save money. This question is worthy of further investigation. Volunteer fire does mean free fire. Volunteer departments still cost money. The example of the City of Troy volunteer department is often used as an example the Village should imitate. The cost for the Troy volunteer department is over \$4.5 million for FY 2009-2010, greater than the entire Public Safety Department budget for Beverly Hills. Rochester (pop. 10,476) expends \$541,072 for their volunteer Fire Department. The Village of Franklin (2,937) budgeted over \$300,000 for their private volunteer department for FY 2009-2010.
- If the Village were to implement a volunteer Fire Department, the experience of our neighbors shows that the cost for such a service would range from somewhere between \$500,000 to \$600,000. If you simply add these costs above and beyond the cost of the current Public Safety Department (now handling only police functions) the overall costs of Police and Fire is not less but more. In order to achieve cost savings, you would need to lower costs in the remaining Police Department by an amount greater than the cost of the volunteer Fire Department.
- To break even in the move from Public Safety to volunteer fire, you would need to eliminate \$500,000 to \$600,000 from the Police Department budget. This would equate to a cut of roughly five positions in the remaining Police Department to break even (23 to 18). To actually save money, you would need to eliminate more positions. By cutting 8 positions (15 person force), you would save roughly \$850,000 per year. This would achieve cost savings of approximately \$350,000 per year, or roughly 8% of current Public Safety expenditures.
- To achieve an 8% reduction in Public Safety expenditures through the use of volunteer fire, the Village of Beverly Hills would need to transition from the current 23 person full-time professional Public Safety Department to a 15 person Police Department with volunteers. This can be done, however the cost savings achieved are not commensurate with the reduction in services to residents.
- The primary cause of the lack of proportion to cuts in services and cost savings is that the Public Safety model does what it was designed to do, be an efficient method of delivery for full-time professional police and fire protection services. This same analogy holds true whether talking about utilizing an in-house volunteer department or contracting out with another department or agency

I hope this analysis provides Council some insight on the matter of attaining structural cost savings with our current Public Safety Operations. Please feel free to contact me with any further questions or concerns.

Respectfully,

Chris D. Wilson
Village Manager