



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



EXHIBIT F-4
2 Pages

FIRE DEPARTMENT LONG-TERM MODELING

DATE: July 30, 2024

TO: District Board Members

FROM: Brad Chisholm, Fire Chief

SUBJECT: Fire Department Long-Term Analysis

BACKGROUND: Staff have been analyzing the Fire Department financials to identify viable revenue streams and minimize expenses, aiming to fund current and future demands and opportunities. Key focus areas within the fiscal analysis include appropriate staffing for the Fire Department (including recruitment and retention and the recent addition of a shared or dedicated Fire Prevention Officer) and ensuring we can sustain our fuels management program. Staff are considering a range of funding sources to achieve these objectives, including but not limited to traditional fundraising, cost recovery, cost sharing, in-kind donations, fee for service, expanding services, tax assessment, and consolidation/annexation. This comprehensive approach ensures a thorough exploration of various funding possibilities, and we remain open to considering other innovative solutions that may arise during our analysis.

DISCUSSION: Fee for Service

Staff has been considering a fee-for-service model for non-residents of the OVFD response area. Since November 2023, all incidents involving non-residents have been tracked by the Fire Department. This model is estimated to generate an annual average revenue of approximately \$39,000 based on a financial analysis assuming a \$300 fee per incident, 330 calls, a 45% fee recovery rate, and a \$6,000 third-party administration fee.

While this revenue is significant, and the fee-for-service model is becoming more common in the fire service, it is not without some challenges, primarily concerning legitimacy and community impact.

One significant concern revolves around the legitimacy of applying fees, particularly in cases involving injured resort skiers. Typically, these individuals receive initial treatment from ski patrol. If deemed necessary, ski patrol requests

a 911 response, leading to the arrival of OVFD Engine and a North Tahoe Fire ambulance. In many of these scenarios, OVFD members assist without assuming primary patient care responsibility. The transfer of patient care occurs from ski patrol to the ambulance team. Given the involvement of OVFD resources primarily in a support capacity, there is concern about justifying billing the patient for services rendered.

Another critical consideration is the potential impact on our community, especially local residents outside the OVFD response area, who would be subject to this fee in addition to ambulance transport charges. Most incidents involving local non-residents occur at Palisades Tahoe. Additionally, approximately one-third of all OVFD incidents occur at Palisades. While excluding resort skier incidents would minimize community blowback, this would significantly diminish the financial viability of the fee model, potentially rendering it unsustainable.

Annexation

Progress continues on annexation considerations with a current emphasis on the 2024-2025 Placer County LAFCO Municipal Service Review (MSR). Building upon the June 18th eastern Placer County Fire District stakeholders meeting, Placer County LAFCO Executive Officer, Michelle McIntyre, has provided a draft Request for Proposal (RFP) to solicit comments on the scope of the eastern Placer County MSR. Local agencies will provide input by the first week in August, aiming to finalize the RFP for consideration at the LAFCO board meeting in August.

ALTERNATIVES: Since May, the fee-for-service model has been included in this report to keep the Board apprised of staff efforts to generate revenue. While staff is not requesting official Board action to consider the model, staff is requesting direction on whether to further pursue this funding model.

The annexation portion of this report is for information only; no action is requested from the Board.

FISCAL/RESOURCE IMPACTS: The fee-for-service model is estimated to generate an average of \$39,000/year. The per-incident fee would be revised annually to keep up with expenses. While there will be a fiscal impact associated with annexation, it cannot be easily quantified at this time.

RECOMMENDATION: Staff recommends the Board choose not to pursue the Fee for Service model.

ATTACHMENTS: None

DATE PREPARED: July 17, 2024