



## Pinellas County Should Track Fire and EMS Costs to Set Benchmarks, Control Costs, and Evaluate Alternative Service Delivery Models

### *at a glance*

Pinellas County residents receive fire protection and emergency medical services through a complex system requiring coordination among 18 local governments. While this system provides a uniform emergency response system, it lacks effective mechanisms to plan service levels and track system-wide costs, which makes it difficult to identify more cost-effective service delivery models.

The county would benefit from establishing a broad-based planning entity to oversee a more coordinated approach to planning for fire protection and emergency medical services. Such an entity could track costs and help plan for more efficient and cost-effective services by taking into account what resources exist beyond a single municipality's border and by adopting a countywide view of service delivery. To achieve these goals, we recommend that the Legislature modify Chs. 73-600 and 80-585, *Laws of Florida*, to establish a comprehensive countywide planning system for fire and emergency medical services and a mechanism for reporting and tracking related financial information.

### Scope

As directed by the Legislature, OPPAGA examined fire protection and emergency medical services (EMS) in Pinellas County. This report

- describes the current service delivery systems and funding mechanisms for fire and EMS systems;
- discusses current issues affecting these services; and
- presents recommendations for legislative consideration.

### Background

Eighteen municipal and special district fire departments provide fire protection and emergency medical services to Pinellas County residents, and medical transport services are provided through a county contract with a private vendor. This system has evolved over time with the county's development into a highly urbanized and densely developed area. In recent years, there have been several proposals to consolidate fire departments within the county and/or change the way these services are delivered and financed in order to increase efficiency, eliminate duplication, and lower costs. To date, these proposals have not

been adopted due in part to the lack of credible cost data and the absence of a countywide forum for stakeholders to discuss system changes.

Local governments in Florida and other states have considered similar proposals to consolidate fire and emergency medical operations. For example, the cities of Casselberry and New Port Richey are considering closing their fire departments and contracting with their counties or other cities for fire protection services. Local governments in Indiana, Montana, Nevada, and Oregon have recently consolidated fire department services.<sup>1</sup>

Moreover, many local governments have established automatic aid agreements to improve service delivery and achieve cost efficiencies. For example, Seminole County has established an automatic aid agreement with the five cities in the county with fire departments under which the closest fire rescue unit goes to the fire or accident regardless of the jurisdiction; the cities of Eustis and Mount Dora have established a similar agreement. Local governments have also explored different methods of financing fire and emergency medical services. For example, Leon County contracts with the City of Tallahassee for fire service and recently agreed to participate in the city’s fire assessment fee in lieu of levying ad valorem taxes to pay for these services.

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<sup>1</sup> For example, the town of West Yellowstone has consolidated its fire department with the Hebgen Basin Fire District, and the Washington, Warren, and Perry Townships have merged their fire departments into the city of Indianapolis’ department. Washington State has passed a law authorizing the creation of regional fire authorities, which are created by a vote of the citizens within the proposed region and they have taxing authority. Fire departments within the authority’s boundary are transferred to the authority, including personnel, vehicles, equipment, and facilities. Some local governments in Mississippi and North Carolina use cooperative agreements to provide fire and emergency medical services, with one local government paying another for these services.

## Findings

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Pinellas County residents receive fire protection and emergency medical services through a complex system coordinated among 18 local governments. Due to countywide automatic aid agreements, this system provides uniform emergency responses. However, it lacks a countywide body to plan services, track costs, and identify cost efficiencies. In addition, stakeholders have raised numerous concerns about the county’s cost sharing and fund allocation methods.

The county would benefit from establishing a broad-based planning entity to oversee a more coordinated approach to planning and financing fire protection and emergency medical services, tracking related costs, and identifying efficiencies. To achieve these goals, we recommend that the Legislature modify Chs. 73-600 and 80-585, *Laws of Florida*, to establish a comprehensive countywide system for planning fire protection and emergency medical services and create a mechanism for reporting and tracking related financial information.

***Pinellas County residents receive fire protection and emergency medical services through a complex system requiring coordination among multiple local governments***

Eighteen municipal and special district fire departments provide fire protection and emergency medical services to Pinellas County residents, and the county contracts with a private vendor for countywide medical transport services. The county also operates a 911-dispatch system, which provides coordinated, countywide emergency communications. Ad valorem taxes are a primary funding source for these services, which had an estimated countywide cost of \$210.9 million in Fiscal Year 2008-09.

Fire protection and emergency medical service delivery is decentralized. Pinellas County uses a decentralized approach to provide fire protection and emergency medical services, with 18 fire departments and an ambulance transport company providing services (see Appendix A for a map showing the fire service providers). While the county is not a direct provider, it contracts with local governments for some services and maintains a coordinated, countywide 911-dispatch system.

Fourteen cities in Pinellas County operate fire departments, as do four independent special fire districts; these departments comprise 62 fire stations, 1,325 personnel, and 112 pieces of equipment. The departments serve residents in their areas as well as those living in six municipalities that contract for these services rather than operating their own fire departments. The county also contracts with nine of the municipal fire departments to provide fire protection services to unincorporated areas as prescribed in Ch. 73-600, *Laws of Florida*, which requires these municipalities to provide fire protection to unincorporated areas that are not part of an independent special fire district.<sup>2</sup> The act also established a countywide fire protection authority (composed of the Board of County Commissioners) that is empowered to establish and implement a permanent plan of fire protection for the county and its municipalities.

Pinellas County also has a countywide emergency medical services authority that is responsible for funding and providing emergency medical services to all municipalities and unincorporated areas in the county. The authority was created by Ch. 80-585, *Laws of Florida*, which established a special taxing district and required that municipalities and special districts providing emergency medical services at the time the act was passed be fully reimbursed for these costs. The act specifies that these services be funded

through ad valorem taxes. The Board of County Commissioners comprises the authority and contracts with the 18 fire departments for first responder services and a single ambulance contractor for transport services.<sup>3</sup>

The National Emergency Number Association rated Pinellas County's coordinated 911-dispatch system as one of the best in the nation, with help dispatched within 23 seconds of answering a call. County staff and fire chiefs report that this results in average response times of 4.5 minutes for first responders to arrive. The rapid response times are due to a countywide automatic aid agreement that allows the dispatch system to send first responders from the fire unit closest to the emergency location, regardless of municipal boundaries.

Ad valorem taxes are a primary source of fire protection and EMS funding. County fire protection and emergency medical services are funded primarily with ad valorem taxes. Each of the 14 municipalities with fire departments fund these operations through ad valorem taxes levied on property within their boundaries, as do three of the independent special fire districts; the remaining special fire district raises funds through a fire services assessment.<sup>4</sup>

The unincorporated areas of the county that receive fire services through county contracts also pay for services via an ad valorem tax. Pursuant to Ch. 73-600, *Laws of Florida*, unincorporated property owners pay a pro rata share of the fire department budget based on a comparison of unincorporated property value to municipal property value in the fire department's contract area. Due to this formula, residents in these unincorporated areas pay different ad valorem tax rates. The

<sup>2</sup> The law calls for the creation of fire control areas, which contain the municipality providing the fire protection and the unincorporated area to be served by municipality's fire department. A majority of the electors within the district must approve the district before it can become operable.

<sup>3</sup> Contracting with fire departments for first responder services maximizes the use of the existing fire protection infrastructure and the countywide distribution of stations. Contracting for ambulance transport services enables the fire units to focus on their first responder duties.

<sup>4</sup> Chapter 2000-436, *Laws of Florida*, creating the independent special fire district, Pinellas Suncoast Fire and Rescue District, specifies its funding source as a non-ad valorem assessment.

county funds EMS through a countywide special taxing district that levies an ad valorem tax; all county residents are taxed at .5832 mills for these services.<sup>5</sup>

Pinellas County staff estimated that the fire and emergency medical system had a total cost of \$210.9 million for county Fiscal Year 2008-09.<sup>6</sup> As no entity has responsibility or authority to collect countywide cost data, this estimate is not based on audited expenditures and may not include all costs of providing fire and emergency medical services.<sup>7</sup> According to county staff, available data does not provide an accurate breakdown of costs for fire protection and first responder emergency medical services.

***The county lacks a mechanism to coordinate system resources, and citizens pay varying amounts for fire protection and emergency medical services***

Pinellas County does not perform countywide planning for fire and emergency medical services and lacks reliable cost data for these services, which makes it difficult to develop cost-effective strategies and best practices. In addition, citizens have asserted that the current funding mechanism for these services is not equitable and that persons living in some parts of the county pay disproportionately higher taxes for fire and emergency medical services than do others.

There is no countywide planning for fire and emergency medical services. Although Ch. 73-600, *Laws of Florida*, empowers the Pinellas County Commission, acting as the fire protection authority, to engage in countywide planning for fire protection services, the commission has not facilitated planning for critical aspects such as the equipment, personnel, and infrastructure required to implement a coordinated system. The county also lacks a formal process for assessing how

many fire stations are needed or where future stations should be located. County staff reported that they have not engaged in such planning because the act provides no authority to require the cities and independent special fire districts, independent units of local government, to implement recommendations that could produce cost savings or service improvements.

In the absence of formal planning, the county fire chiefs association meets regularly to discuss various issues, such as standardizing procedures and training across departments. However, this group does not address issues related to comprehensive countywide service delivery and funding, which are important to providing uniform countywide services and maximizing the cost-effective use of resources.

The county lacks data needed to identify cost-effective approaches to service delivery. The county, acting as the authority, has not directed municipalities and special districts to report consistent data on their fire department operations and expenditures. County staff reported that they have not done so because the act provides no authority to require the cities and fire districts to provide such information. As a result, there is little summary data available to assess the cost-effectiveness of the 18 fire departments. In addition, while the automatic aid agreement requires fire departments to respond to calls throughout the county, there is no documentation of the costs that the departments incur in providing services to other jurisdictions.

In the absence of a mechanism to track costs, the county cannot readily compare the costs and benefits of alternative service delivery models (e.g., consolidation). Creating a cost accounting system would enable the county and fire departments to establish benchmarks and compare performance to identify potential cost-efficiencies and best practices.<sup>8</sup>

<sup>5</sup> State law caps the EMS tax rate at 1.5 mills.

<sup>6</sup> The county fiscal year is October 1 through September 30.

<sup>7</sup> The county is implementing an audit requirement related to the use of county funds, but not of the entire operating budgets of providers.

<sup>8</sup> While some studies of Pinellas County fire protection and emergency medical services have compared the county's systems with other jurisdictions, the lack of reliable cost data and differences in service delivery models compromise the credibility and usefulness of the comparisons.

County taxpayers have raised concerns about cost sharing. Although Pinellas County residents receive a uniform level of fire and emergency medical services because of the countywide automatic aid agreement, they pay differing amounts for these services. The individual cities that provide fire protection services determine what level of investment they wish to make in equipment and what salary and benefit levels to pay their fire department staff; they then include this as part of the city budget. Because the county contracts with the municipal fire departments to provide fire protection to unincorporated areas, these cost variations also result in different tax rates and amounts being paid by the residents of these areas.<sup>9</sup> The 2009 tax rates for these unincorporated areas ranged from 1.3 to 2.7 mills. Some stakeholders assert that these differing property tax levels are inequitable and the county should implement a more uniform fee structure to pay for fire protection in these unincorporated areas.

County residents have raised similar concerns regarding the emergency medical services funding allocation mechanism provided in Ch. 80-585, *Laws of Florida*. Specifically, stakeholders reported concern that areas that generate more EMS calls receive a larger benefit because all county residents pay the same ad valorem tax rate for such services. In addition, EMS calls represent approximately 80% of all service calls fire departments handle, but EMS funds account for only 25% of departments' estimated funding; as a result, fire protection funds may supplement EMS costs. Further, stakeholders asserted that municipalities that provided EMS prior to passage of the law have more costs reimbursed by the county.<sup>10</sup>

<sup>9</sup> As provided by Ch. 73-600, *Laws of Florida*, and county ordinance, the county pays the municipal fire departments an amount based on their submitted budgets.

<sup>10</sup> A 1989 City of St. Petersburg lawsuit, which upheld the county's responsibility to fully reimburse the city for the reasonable and customary costs for providing first responder emergency medical services, reinforced this perception. Reasonable and customary costs refer to the type of EMS response municipalities provided prior to the passage of the law, e.g., the type of vehicle and number of personnel that responded to an emergency call.

The county is attempting to address some of these concerns by refining its EMS cost reimbursement criteria. For example, Pinellas County Board of County Commissioners Resolution 09-38 defines what EMS costs are reimbursable, and Resolution 09-37 sets the level of service for response times and advanced life support staffing based on the volume of responses per response zone.

## Conclusions and Recommendations

Pinellas County residents receive fire protection and emergency medical services through a complex system coordinated among 18 units of local government. This system provides uniform emergency response but lacks a countywide body to plan services, track costs, and identify cost efficiencies. In addition, stakeholders have raised numerous concerns about the county's cost sharing and fund allocation methods.

To improve the planning, accountability, and cost effectiveness of fire and emergency medical services in Pinellas County, we recommend that the Legislature modify Chs. 73-600 and 80-585, *Laws of Florida*, to establish a comprehensive countywide system for planning such services and create a system for reporting and tracking related financial information.

Implement a countywide planning system for fire protection and emergency medical services. We recommend that the Legislature amend Chs. 73-600 and 80-585, *Laws of Florida*, to direct Pinellas County to establish a single, countywide fire and emergency medical services advisory council to oversee planning for such services. The council would be specifically charged with

- identifying countywide resources and needs;
- ensuring coordinated broad-based participation by those affected by decisions; and

- providing a centralized and more transparent forum for planning fire and emergency medical services.

The Board of County Commissioners would be designated as the governing body responsible for coordinating the council’s activities. The council would include representatives of the local governments (i.e., municipalities and independent special fire districts) affected by planning decisions as well as county representatives responsible for providing services to unincorporated areas.

Implement a system for collecting and tracking fire and emergency medical services financial information. We recommend that the Legislature amend Chs. 73-600 and 80-585, *Laws of Florida*, to enhance financial accountability by requiring fire and emergency medical services providers to submit comprehensive fiscal and operational data to the county advisory council. This requirement would create a mechanism to

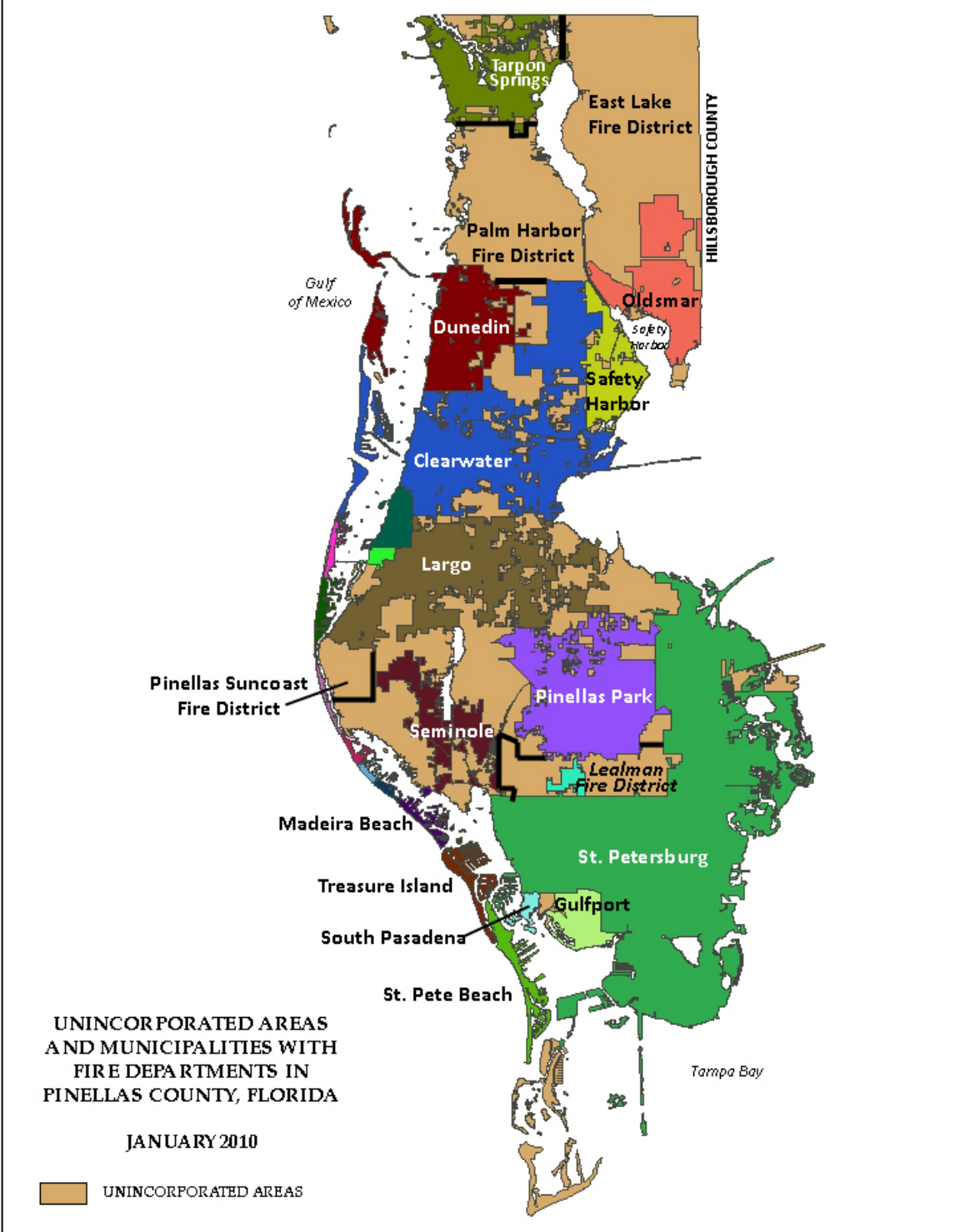
- track and better control costs by identifying primary beneficiaries of automatic aid agreements;
- enable the county to determine if the entities it contracts with to provide fire services in unincorporated areas have the capacity to carry out contractual obligations;

- facilitate assessments of appropriate resource levels (e.g., staffing, equipment);
- provide baseline unit cost information needed to benchmark performance and identify cost efficiencies;
- segregate fire and EMS costs, which would enable an exploration of alternative service delivery approaches; and
- provide a forum for coordinated decision making about cost-effective alternatives such as regional consolidation and most effective fire station location.

In addition, to facilitate decision making regarding cost-effective service delivery, we recommend the Legislature modify these laws to eliminate requirements specifying which entity should serve unincorporated areas and provisions regarding how services are financed. These changes would allow the county to align funding with the current service delivery practices under the automatic aid system and could result in cost savings for residents of unincorporated areas or help the county equalize tax levels. Moreover, eliminating these provisions would give the county flexibility to determine the most appropriate funding mechanisms for fire and emergency medical services (i.e., a mechanism based on something other than property value).

# Appendix A

## Pinellas County Residents Receive Fire Protection Services from 18 Entities



Source: Pinellas County.

# *The Florida Legislature*

## *Office of Program Policy Analysis and Government Accountability*



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Project supervised by Kara Collins-Gomez (850/487-4257)

Project conducted by William G. Howard II (850/487-3777) and Susan Munley (850/487-9221)

Gary R. VanLandingham, Ph. D., OPPAGA Director