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FIRST RESPONDER FEE ANALYSIS

EL DORADO COUNTY FIRE PROTECTION
DISTRICT

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EL DORADO COUNTY FIRE PROTECTION DISTRICT FIRST RESPONDER FEE ANALYSIS



Prepared for:

El Dorado County Fire Protection District

Attention: Tim Cordero, Chief

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
I EXECUTIVE SUMMARY.....	1
II STATE LAW.....	2
III ANALYSIS.....	3
A Cost Data.....	3
B True Hourly Rate Calculation.....	6
C Call Data.....	7
IV CALCULATION OF THE FEE.....	8
V COMPARATIVE ANALYSIS.....	9
VI IMPLEMENTATION.....	10

I EXECUTIVE SUMMARY

The El Dorado County Fire Protection District (the "District") is an independent special district that provides fire prevention and suppression, medical response and transport, rescue services, and hazardous materials response to an area that is approximately 281 square miles. The District serves approximately 74,000 residents who reside in the City of Placerville and in the unincorporated communities of Apple Hill, Camino, Coloma, Cool, Gold Hill, Kyburz, Lotus, Oak Hill, Pacific House, Pilot Hill, Placerville, Pleasant Valley, Pollock Pines, Salmon Falls, Shingle Springs, Sierra Springs, Silver Fork, Strawberry, Texas Hill, and Twin Bridges.

The District is interested in determining the cost of providing first responder services to introduce a new First Responder Fee (the "Fee") to recover these costs. A First Responder Fee is typically charged for the response of an engine or ambulance to an emergency medical call to provide Basic Life Support or Advanced Life Support care in cases where there is no transport to a hospital for further services and, consequently, there may be no mechanism by which to recover these costs through billing insurance or otherwise.

To assist with developing this new First Responder Fee, the District engaged DTA to develop a cost of services (or user fee) analysis (the "Analysis"). DTA has prepared this Analysis using the District's operating budget, four (4) years of call data, and operational information provided by staff to determine the fee level that best suits the District's needs in recovering their expenditures related to providing these services.

Figure 1: Station 25, 3034 Sacramento St., Placerville



II STATE LAW

Proposition 26 (the "Proposition") was approved by California voters in November of 2010 and introduced, for the first time, a definition of what constitutes a local tax, as follows:

"As used in this article, 'tax' means any levy, charge or exaction of any kind imposed by a local government..."

By this definition, any local government revenues would be categorized as a local tax and consequently require a majority approval of the voters if the revenues are to be used for general governmental purposes, or a two-thirds (2/3) voter approval if the revenues are to be used for a particular purpose.

This all-encompassing definition is mitigated by seven (7) exemptions in the Proposition. The exemption that is applicable for this Analysis is Section 1. (e).(2) of Article XIII C, which states that a fee imposed for a specific government service or product delivered directly to the payor which does not exceed the reasonable costs to the local government providing the service or product is not a tax. This exemption covers the types of user fees that fire agencies typically charge, such as building plan reviews, sprinkler system inspections, and defensible space consultations. Similarly, in the case of responding to a medical call, the services provided are specific to the individual patient, not to the public in general. Therefore, this type of user fee may also be implemented and/or raised by a Board of Director's action up to the limit of actual cost, as stated in Government Code Section 66014(a).

III ANALYSIS

A Cost Data

DTA received and analyzed costs related to providing first responder services to calculate the true cost of providing these services. The costs provided to DTA included:

A.1 Direct Cost of Medical First Responder Personnel

Each medical call involves three staff members: a Fire Fighter Emergency Medical Technician (“EMT”) or Paramedic, an Engineer EMT or Paramedic, and a Fire Captain Paramedic. The first step in determining the true cost of providing medical services is to determine the maximum base hourly rate of the sixty-eight (68) staff, currently employed by the District, who are directly responsible for providing medical services.

To calculate the base hourly rate, the total annual salary and benefits of these staff members is divided by annual hours of 1,667. This is a customary industry standard average number of working hours that takes into consideration the annual number of holidays, vacation and sick time, and other possible time off, as shown below in Table 1.

Table 1: Direct Cost of Medical First Responder Personnel

Direct Cost	Total Max Annual Salary and Benefits of Each Position ¹	Base Hourly Rate (Salary and Benefits/1,667 Annual Hours) ¹
Fire Fighter – EMT or Paramedic (36 FTEs)	\$147,126.00	\$88.26
Engineer – EMT or Paramedic (15 FTEs)	\$155,411.00	\$93.23
Fire Captain – Paramedic (17 FTEs)	\$180,808.00	\$108.46

Note:

1. Based on the highest salary currently paid for each position as outlined in current the El Dorado County Fire Protection District Top-Step Costs per Rank table. Benefit costs include annual vacation costs, annual sick leave costs, annual PERPA/Pension cost, and annual healthcare costs.

A.2 Allocation of Overhead Costs

In addition to the direct cost of the personnel who provide first responder services, other costs – the overhead costs - incurred by the District are related indirectly to providing first responder medical services. The percent of overhead costs attributed to medical services was based on the percentage of total District calls over the past four (4) years that were medical-related calls, which was 72.72%, as shown in Table 2 below.

Table 2: Medical Calls as Percent of All Calls

Year	Medical Calls	Total Calls	Medical Calls as a Percent of Total Calls
2018	5,417	7,189	75.35%
2019	5,311	7,350	72.26%
2020	5,127	7,140	71.81%
2021	5,149	7,206	71.45%
Total	21,004	28,885	72.72%

Overhead costs applicable to the District’s ability to provide medical services were identified in the District’s current fiscal year budget. These costs were proportionately allocated to medical services based on the percentage of total calls associated with medical emergencies, outlined in Table 2 above (72.72%). A detailed list of all overhead costs included is shown in Table 3 on the following page.

Table 3: Overhead Costs

Overhead Budget Item	Total Cost
Overhead Costs - Personnel:	
Fire Chief	\$217,067.00
Division Chief	\$883,768.00
Administrative Assistants	\$177,382.40
Board of Directors' Pay (3001)	\$15,000.00
AMA Contract/Engineer Promotion (3000)	\$519,000.00
Overtime - Sick Leave Coverage (3002)	\$300,309.00
Overtime - Vacation Leave Coverage (3002)	\$624,036.00
Overtime - New Hire Onboarding (3002)	\$25,000.00
Additional Compensation (FLSA, Uniform, Holiday, 457) (3004)	\$330,608.00
Total Overhead Personnel Costs	\$3,092,170.40
Overhead Costs - Non-Personnel:	
Building Supplies (4197)	\$15,000.00
Communications (4040)	\$149,400.00
Equipment and Equipment Parts Maintenance (4140, 4145)	\$26,250.00
Fuel (4606)	\$103,000.00
Insurance (4100)	\$76,500.00
Legal Services (4313)	\$50,000.00
Long-Term Disability (3042)	\$20,765.00
Meal Purchases (4060)	\$5,200.00
Medical Aid Work Related Injury (4324)	\$20,000.00
Medicare (3022)	\$78,044.00
Membership Professional Organizations (4220)	\$10,000.00
MOU Training Reimbursement (4540)	\$57,600.00
Office Equipment Leases (4420)	\$18,300.00
Office Expense (4260)	\$10,000.00
Postage (4261)	\$3,000.00
Professional Services (4300)	\$277,600.00
Publications and Legal Notices (4400)	\$500.00
Radio Maintenance (4142)	\$8,000.00
Refuse Disposal (4085)	\$19,000.00
Social Security (3021)	\$6,279.00
Software Licenses (4529)	\$30,625.00
Station Extermination (4087)	\$1,000.00
Station Improvements (4180)	\$10,000.00
Subscriptions (4263)	\$200.00
Unemployment Insurance (3041)	\$2,986.00
Uniforms/Job Shirts and Jackets (4022)	\$5,000.00
Utilities (4620)	\$97,000.00
Vehicle Maintenance Service (4160)	\$59,000.00
Vehicle Maintenance Supplies (4162)	\$70,000.00
Vehicle Maintenance Tires (4164)	\$25,000.00
Workers Compensation - FASIS (3060)	\$495,408.00
Total Non-Personnel Overhead Costs	\$1,803,657.00
Total Personnel and Non-Personnel Overhead Costs (a)	\$4,895,827.40
Medical Calls as Percent of All Calls (b)	72.72%
Overhead Costs Attributed to Medical Calls (a x b)	\$3,560,133.09

Source: District FY 2021-22 Budget

Based on the allocation of overhead costs outlined in Table 3, overhead costs applicable to medical services were then converted to an hourly rate by dividing the total cost of \$3,560,133.09 by the total number of annual hours of those personnel who directly provide medical services (68 FTEs), as outlined in Table 4 below.

Table 4: Conversion of Costs to Hourly Rate

Conversion of Overhead Costs to Hourly Rate	
Overhead Costs Allocated to Medical Services (a)	\$3,560,133.09
Total Number of FTEs Providing Medical Services	68
Number of Annual Hours Each Year per FTE	<u>1,667</u>
Total Number of Medical Personnel Annual Hours (b)	113,356
Total Hourly Cost Allocation (a ÷ b)	\$31.41

B True Hourly Rate Calculation

The purpose of categorizing and analyzing both the direct and overhead cost data is to translate these costs into a comprehensive true hourly cost of providing medical services. Specifically, the calculation of the true hourly cost, shown in Table 5 below, includes the direct cost of the personnel who deliver medical services, as well as an hourly rate allocation of related overhead costs (as outlined above in Table 4).

Table 5: True Hourly Cost of Providing Medical Services

Position	Base Hourly Rate (Salary and Benefits/1,667 Annual Hours) ¹	Allocation of Other Costs ²	True Hourly Cost, Including Direct and Indirect Overhead Costs
Fire Fighter – Paramedic or EMT	\$88.26	\$31.41	\$119.66
Engineer – Paramedic or EMT	\$93.23	\$31.41	\$124.63
Fire Captain - Paramedic	\$108.46	\$31.41	\$139.87
			\$384.17

Notes:

1. As shown in Table 1
2. As shown in Table 4
3. Numbers may not sum due to rounding.

C Call Data

The final step in the Analysis was an in-depth review of the District’s call data. DTA received and analyzed call data for Engines 17, 19, 25, 28, and 72, for the years 2018 through 2021. By analyzing these four (4) years of data, DTA calculated the estimated arrival time and on-scene time to determine the average amount of time required per medical call of the three (3) staff directly involved in each medical call – i.e., a Fire Fighter Paramedic or EMT, an Engineer Paramedic or EMT, and a Fire Captain/Paramedic - as shown below in Table 6.

Table 6: Medical Call Data Analysis – Average Time to Respond (2018 through 2021)

Average Time to Respond (in Hours)	Average Time on Scene per Call (in Hours)	Total Estimated Time per Medical Call (in Hours)
0.22	0.55	0.77

IV CALCULATION OF THE FEE

The calculation of the Fee is based on applying the true hourly cost of providing services, as shown above in Table 5, multiplied by the total estimated time per medical call, as shown above in Table 6. This final calculation of the Fee is shown below in Table 7.

Table 7: Calculation of First Responder Fee

Position	True Hourly Cost ¹	Total Estimated Time per Call ²	Total Actual Cost of Providing Medical Services
Fire Fighter Paramedic or EMT	\$119.66	0.77	\$91.60
Engineer Paramedic or EMT	\$124.63	0.77	\$96.41
Fire Captain Paramedic	\$139.17	0.77	\$107.07
Total			\$294.09

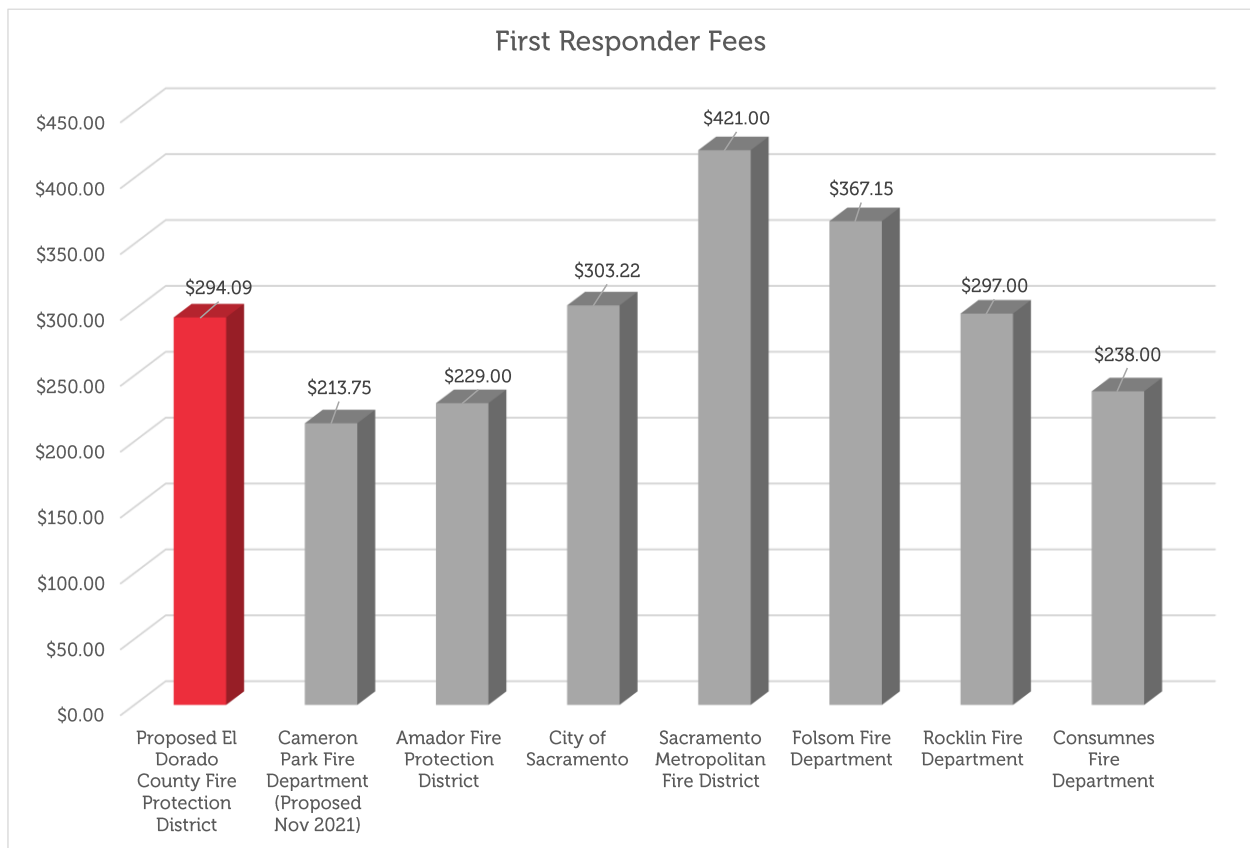
Notes:

1. True Hourly Cost, as calculated in Table 5.
2. Total Estimated Time (in Hours) per Call, as shown in Table 6.
3. Numbers may not sum due to rounding.

V COMPARATIVE ANALYSIS

First Responder Fees, sometimes called "Treat/No Transport Fees" by other fire agencies, have become more common in California in recent years as a way to recover the true costs of providing medical services. A summary of several First Responder Fees identified in nearby communities is shown below in Figure 2.

Figure 2: First Responder Fees



VI IMPLEMENTATION

As outlined in Section II, rendered medical services are specific to an individual patient, not the public, so a First Responder Fee may be approved and routinely updated by a Board of Director's action up to the limit of actual cost, as stated in Government Code Section 66014(a).

It is generally recommended that fees be increased annually by CPI or other appropriate indicator and that a new analysis or fee study be completed every five (5) years to ensure that the annual escalation of fees keeps pace with actual increases in the District's costs. Notably, some fire agencies that have implemented First Responder Fees also simultaneously introduce a fee relief structure for patients who may not have the ability to pay the fees.



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