

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Eric Johansen, City Treasurer Jonas Biery, Debt Manager		2. Telephone No. 503.823.6851 503.823.4222	3. Bureau/Office/Dept. Financial Services/Public Finance and Treasury
4a. To be filed (date) March 24, 2011	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	5. Date Submitted to FPD Budget Analyst: March 16, 2011	

1) Legislation Title:

* Authorize general obligation bonds for fire vehicles and emergency response infrastructure (Ordinance)

2) Purpose of the Proposed Legislation:

Ballot Measure 26-117, approved by voters in November 2010, granted the City authority to issue \$72.4 million of general obligation bonds for fire vehicles, emergency radio system and fire and emergency response facilities. The Ordinance authorizes the City to issue the first phase of general obligation bonds in an amount not to exceed \$40,000,000. The bonds are expected to be amortized over a period of 15 years and will be repaid from a separate tax levied upon all taxable property in the City.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

Any revenue generated as a result of the additional tax levy will be used solely to service the debt.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense?

There will be additional debt service in FY 2011-12 paid from the Bonded Debt Interest and Sinking Fund fully supported by the taxes levied to repay the debt.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?

No positions will be eliminated or created as a result of this Ordinance.

6) Will positions be created or eliminated in *future years* as a result of this legislation?

No.

Complete the following section only if an amendment to the budget is proposed.

7) Change in Appropriations

There are no changes in appropriations. The necessary changes will be handled via the 2011-12 budget process.

Eric H. Johansen, City Treasurer	
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APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

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DATE: March 16, 2011

TO: Mayor Sam Adams

FROM: Eric Johansen, City Treasurer *EJT*
Jonas Biery, Debt Manager *JB*

RE: * Authorize general obligation bonds for fire vehicles and emergency response infrastructure (Ordinance)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

1. **INTENDED THURSDAY FILING DATE:** March 24, 2011
 2. **REQUESTED COUNCIL AGENDA DATE:** March 30, 2011
 3. **CONTACT NAME & NUMBER:** Jonas Biery, Debt Manager, x3-4222
 4. **PLACE ON:** CONSENT X REGULAR
 5. **BUDGET IMPACT STATEMENT ATTACHED:** X Y N N/A
 6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** Yes No ✓ N/A

7. BACKGROUND/ANALYSIS

Introduction and History – Attached is an emergency Ordinance for Council consideration on March 30, 2011. The Ordinance authorizes the City to issue general obligation bonds in an amount not to exceed \$40,000,000 to provide financing for public safety improvements. The bonds are expected to be amortized over a period of 15 years and will be repaid from a separate tax levied upon all taxable property in the City.

Ballot Measure 26-117, approved by voters in November 2010, granted the City authority to issue \$72.4 million of general obligation bonds for fire vehicles, emergency radio system and fire and emergency response facilities. This ordinance authorizes the city to issue the first phase of bonds that will cover projected expenditures through June 2013. The subsequent phase of projects will be paid for with proceeds from another bond issue that will be requested separately after the Chief Administrative Officer submits a report to Council on bond expenditures and cost savings. The second bond issue is currently anticipated to occur in June 2013.

The following table reflects the estimated uses of proceeds from this first bond sale.

Apparatus (including 4 rapid response vehicles)	\$7,121,000
Station 21	2,968,000
Radio Equipment	24,463,751
ECC	4,000,000
Capitalizable Mgmt/Admin Costs	476,052
Bond Issuance Costs	301,197
Total Bond Issue Size	\$39,330,000

The Ordinance delegates to the Debt Manager certain tasks including issuing one or more series of bonds; establishing the final principal amounts, maturity schedules, interest rates, and other terms related to the sale of the bonds; purchasing municipal bond insurance or other forms of credit enhancement; and executing documents.

If the Council approves the Ordinance, the City plans to sell the bonds through a competitive bidding process in early May.

Legal Issues – None

Link to Current City Policies – The proposed financing is being done in conformance with the City's debt policy.

Controversial Issues – None

Citizen Participation – Not Applicable

Other Government Participation – Not Applicable

8. FINANCIAL IMPACT

It is anticipated that in FY 2011-12, after this first phase of general obligation bonds are issued, a property with an assessed value of \$150,000 will experience an initial property tax increase of about \$12.16 and a property with an assessed value of \$200,000 will experience an initial increase of about \$16.21. Future year impacts will depend on assessed value growth and timing of the subsequent bond issue.

9. RECOMMENDATION/ACTION REQUESTED

It is recommended that the City Council approve the Ordinance so that the public safety improvements approved by the voters can be implemented.

QUICK RESPONSE UNIT PROGRAM

Differences between TVF&R and PF&R relating to Rescue Staffing, both two-person medic (Rescues) and one-person aid vehicles (Quick Response Units)

Side-by-Side Comparison

PF&R	TVF&R
<u>Rescues</u> 2-person staffing on 1 Rescue Unit 24/7, requiring 6.5 FTE 144 hrs/week coverage	<u>Rescues</u> 2-person staffing on 3 Medic Units (Rescue equivalent) 4 days/10 hrs, requiring 6.0 FTE 120 hrs/week coverage
<u>Quick Response Units</u> Currently no Quick Response Units. Large fire apparatus respond to all EMS calls, except in the Station 11 Fire Management Area, where Rescue 11 responds to calls as outlined in the attached document (Attachment A).	<u>Quick Response Units</u> 4 Quick Response Units, 1 person staffed, 4 days/10 hrs requiring 4 FTE. These units respond to the following low acuity types of EMS calls: <ul style="list-style-type: none"> ▫ Abdominal Pain ▫ Diabetic (minor) ▫ Headache ▫ Sick person/Unknown problem ▫ Trauma (minor)
Total FTEs: 6.5	Total FTEs: 10

PF&R Quick Response Unit Program Proposal

- Staff one 2-person Rescue providing 24/7 coverage.
- Staff 5 Quick Response Units responding to calls for service 10 hours a day, 4 days per week. PF&R response data will be analyzed to determine which four days per week are most appropriate.
- Staff 2 personnel to work with BOEC staff, community and Multnomah County to increase efficiencies within the Emergency Medical Service System; these efforts will improve the appropriate use of the 9-1-1 system to ensure response readiness system-wide for actual emergencies.
- Total staffing required for this program would be 13.5 FTEs.

Basis for PF&R's Proposal

Maintaining the current 2-person Rescue is a critical part of PF&R's ability to provide emergency medical services response similar to TVF&R. TVF&R medics units are equivalent to our Rescues. TVF&R has advised that the 1-person Quick Response

Units and 2-person medic units were implemented to supplement the network of emergency response apparatus (fire engines and ladder trucks) and were not intended to replace them.

PF&R emergency response call volume is double that of TVF&R. PF&R responds to approximately 67,000 incidents per year from our network of 30 fire stations while TVF&R responds to 32,000 incidents from their network of 20 fire stations. By adding five Quick Response Units to our fleet of emergency response apparatus, PF&R's overall emergency medical response staffing would be similar to TVF&R in terms of response capability.

The need for the two positions to work with BOEC staff, community and Multnomah County to increase efficiencies within the EMS system was identified as a strategic issue in our Strategic Plan. This strategic issue outlines that the demand for emergency medical services continues to increase within the City of Portland and Multnomah County. This increase is in part due to a number of public 9-1-1 calls that are not true emergencies. These calls put a strain on BOEC and PF&R resources and PF&R's ability to respond in a timely fashion to other emergencies. As a major emergency medical service responder, PF&R must work with its emergency medical services partners to provide effective, coordinated medical response to meet the increasing demand for emergency medical services. This must be done while simultaneously addressing the public's inappropriate use of the 9-1-1 system in order to ensure response readiness for other emergencies.

This proposal would be further enhanced by adding back Rescue 19. The addition of this Rescue will substantially increase EMS response reliability and further reduce the wear and tear on our larger fire apparatus.

Challenges

1. Obtaining approval from our Physician Supervisor to implement the one-person Quick Response Units (TVF&R's Physician Supervisor was involved in the planning at an early stage).
2. Security concerns. Sending one person on a call creates security issues. TVF&R employees are advised to back out and call for assistance any time they feel uncomfortable; TVF&R worked with Washington County Sheriff's Office to look at security issues and training.
3. Labor acceptance of this new approach. TVF&R has advised that implementation of this program took considerable negotiations with the IAFF local.
4. Securing controlled substances. Using the one-person Quick Response Units would either require new security measures or these units could not carry controlled substances. TVF&R vehicles carry controlled substances, but will likely be taking them off since the calls are low acuity while calls that need controlled substances are high acuity and will have either a 2-person medic or 4-person engine or truck responding.

5. Changing the current EMS response system. PF&R will need to work cooperatively with Multnomah County EMS and their contracted transport provider, AMR, to develop a response system that meets the needs of all county residents.
6. Potential increased liability to the City associated with single person contact with the public.

Proposed Implementation Timeline

The timeline for implementation of this proposal is between 12 to 18 months. This timeline is based on the following:

- The need for data collection and analysis. Discussion and agreement with our Physician Supervisor and Multnomah County EMS.
- Coordinating operational changes and training with BOEC.
- Negotiation with IAFF Local 43.
- Purchase and outfitting of Quick Response Units (including radios, defibrillators, SCBAs, MDCs, etc).

Total Resources Needed to Implement Proposal

Resources	FTEs	Cost
Two-person rescue* (3.5FF; 3FF Medics)	6.5	567,370
Quick Response Units (FF Medics)	5.0	528,536
BOEC Liaisons (Staff Lieutenants)	2.0	248,978
One Quick Response Vehicle	0	60,000
TOTAL	13.5	1,404,884

*This 2-person rescue is included in 2011-12 Requested Budget

EMS Response Profile

PF&R configures its ALS rescues based on citywide statistics for EMS incidents. Using this basis (and assuming an ALS rescue is assigned to a station) the 9-1-1 CAD is programmed to assign approximately 65 percent of EMS calls to the rescue and 35 percent to other apparatus (see attachment 1). ALS and BLS calls are assigned to both the rescue and fire apparatus to provide some balance of workload and to assure each crew maintains basic EMS skills and a minimum number of patient contacts.

Station 11 has the only active ALS rescue and is the only fire management area (FMA) that can provide actual response statistics for this type of unit. In calendar year 2010, Rescue 11 responded to approximately 55 percent of the EMS calls in Station 11 and neighboring FMA's, and Engine 11 responded to approximately 45 percent (see attachment 2). These percentages differ from the citywide average due to demographics and the limitations of the current CAD. Under the current CAD, response configurations are established for citywide averages and not specific areas or FMAs. This requires the CAD to make response recommendations that fit the entire City's needs. Additionally, different areas of the City can experience differing types of calls based on demographics, density, etc. For instance, stations in downtown are likely to see more assaults, overdoses and heat/cold emergencies due to the homeless population. Station 11 on the other hand may see more traffic accidents (being located near I-205) and general medical calls due to its predominately residential area. The new CAD system will provide more options to configure responses based on specific areas of the City.

The "9" calls for calendar 2010 are listed in attachment 3. These are pre-defined incidents that require a code 1 response. The total for these incident types in 2010 was 2150 and amounted to approximately 4 percent of PF&R's total calls.

**PF&R Deployment for Multnomah County EMS Type Codes
(January 1, 2010 through January 1, 2011)**

<u>Apparatus (engine, truck, etc)</u>		<u>ALS Rescue (2-person)</u>	
ASSAULT (1)	1,554	ALERGIC	414
DROWNING	9	ANIMAL BITE	44
STROKE	1364	BREATHING	6,984
TRAUMA	7,453	CHEST PAIN	5,884
TAZER	13	DIABETIC	1,512
UNCONSCIOUS (1)	1,707	ELECTROCUTION	8
ABDOMINAL (fire only)	12	HEAT/COLD	82
ALERGIC (fire only)	1	OB	397
BEHAVIORAL	163	OVERDOSE	2,163
BACK	388	SEIZURE	2,669
BACK (fire only)	1	UNCONSCIOUS (3)	3,033
BLEEDING	491	ABDOMINAL	2,518
BREATHING (fire only)	17	ANIMAL BITE (fire only)	18
BURN (fire only)	4	ASSAULT (3)	268
DIABETIC (fire only)	55	ASSAULT (fire only)	461
DROWNING (fire only)	0	BEHAVIORAL (fire only)	14
ELECTROCUTION (fire only)	0	BLEEDING (fire only)	36
EYE (fire only)	42	BURN	55
HEAT/COLD (fire only)	1	CHEST PAIN (fire only)	9
HEADACHE	280	EYE	47
HEADACHE (fire only)	2	SICK	4,717
OB (fire only)	4	SICK (fire only)	169
OVERDOSE (fire only)	70	STROKE (fire only)	1
TRAFFIC ACCIDENT	2,372	SEIZURE (fire only)	9
TRAFFIC/PEDESTRIAN	888	UNKNOWN	1,053
TRAFFIC/ROLL OVER	217	UNKNOWN (fire only)	595
TRAFFIC/PIN IN	52	UNCONSCIOUS (fire only)	11
TRAUMA (fire only)	473		
TRAFFIC ACC (fire only)	393		
TAZER (fire only)	145		
	<hr/>		<hr/>
	18,171		33,171
	(35%)		(65%)

Station 11 EMS Statistics
(January 1, 2010 through January 1, 2011)

Rescue 11

BREATHING	377
CHEST PAIN	300
SICK	255
UNCONSCIOUS	140
ABDOMINAL	132
SEIZURE	128
OVERDOSE	114
ASSAULT	107
DIABETIC	86
TRAUMA	72
PREGNANCY	24
TRAFFIC ACCIDENT	20
UNKNOWN	15
ALLERGIC	14
STROKE	12
ASSAULT	10
UNKNOWN (fire only)	9
TRAFFIC/PEDESTRIAN	8
TRAUMA (fire only)	6
BLEEDING	5
ANIMAL BITES	4
EYE	3
HEADACHE	3
TRAFFIC ACC/ROLL OVER	3
BURNS	3
TRAF ACC (FIRE ONLY)	3
HEAT-COLD	2
TRAFFIC ACC/PIN IN	2
CHEST PAIN (FIRE ONLY)	2
BACK PAIN	2
BEHAVIORAL	1
WATER RESCUE	1
DIABETIC (FIRE ONLY)	1
EYE (FIRE ONLY)	1
SICK (FIRE ONLY)	1
TAZER	1
TAZER (FIRE ONLY)	1
OVERDOSE (FIRE ONLY)	1
BREATHING (FIRE ONLY)	1

1,870
(55%)

Engine 11

TRAUMA	378
TRAFFIC ACCIDENT	163
UNCONSCIOUS	153
BREATHING	110
CHEST PAIN	83
STROKE	74
OVERDOSE	54
UNKNOWN	54
ASSAULT	48
TRAFFIC/PEDESTRIAN	45
TRAFFIC ACC (FIRE ONLY)	34
SICK	33
BLEEDING	33
SEIZURE	30
ASSAULT (FIRE ONLY)	29
UNKNOWN (FIRE ONLY)	25
BACK PAIN	24
TRAUMA (FIRE ONLY)	19
BEHAVIORAL	15
DIABETIC	15
TRAFFIC ACC/ROLL OVER	14
ABDOMINAL	13
TAZER (FIRE ONLY)	11
HEADACHE	9
SICK (FIRE ONLY)	7
ALLERGIES	7
TRAFFIC ACC/PIN IN	5
OVERDOSE (FIRE ONLY)	3
ABDOMINAL (FIRE ONLY)	2
EYE (FIRE ONLY)	2
DIABETIC (FIRE ONLY)	2
PREGNANCY	1
HEAT-COLD	1
ANIMAL BITES	1
ANIMAL BITES (FIRE ONLY)	1
WATER RESCUE	1
TAZER	1
BLEEDING (FIRE ONLY)	1
BURNS	1
DROWNING	1

1,503
(45%)

Multnomah County Type Codes (fire only response)
(January 1, 2010 through January 1, 2011)

AB9	12
AL9	1
AN9	18
AS9	461
BE9	14
BK9	1
BL9	36
BR9	17
BU9	4
CH9	9
DI9	55
DR9	0
EL9	0
EY9	42
HC9	1
HE9	2
OB9	4
OD9	70
SK9	169
ST9	1
SZ9	9
TR9	473
TZ9	145
UK9	595
UN9	11
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	2,150
	(4%)