

Calgary Fire Department Zero-Based Review: Executive Summary

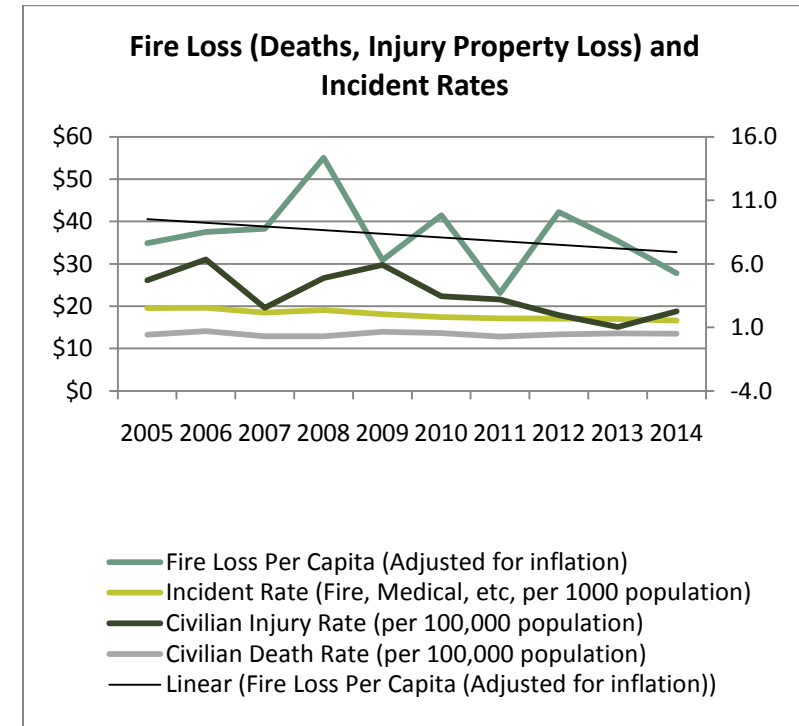
Overview: The purpose of the Calgary Fire Department Zero-Based Review (ZBR) was to systematically examine all aspects of the service and identify ways to increase service effectiveness (results achieved) and improve service efficiency. As with all ZBRs, the review comprehensively examined all aspects of the service using an inclusive and evidence-based approach.

External subject matter experts were asked to provide research, analysis and professional knowledge, understanding that in the final analysis it is the responsibility of the City of Calgary administration to provide its own best advice to Council. In the case of a safety-sensitive service such as Fire, it is particularly important that final recommendations balance the need to protect public and staff safety with the need to be financially sustainable.

The Administration's recommended actions do exactly this. Building on the analysis and advice provided by external subject matter experts as well as Administration's own understanding of Council's priorities and expectations, the Administration's recommendations in Attachment 2 propose moving forward on a number of changes to the Calgary Fire Department that, when fully implemented, will continue to protect public safety and preserve front-line response capability while achieving significant cost savings.

Fire Service Outcomes: Performance data over the past ten years demonstrate that the Calgary Fire service has been increasingly effective in providing public safety. As shown in the chart to the right, fire losses in Calgary, as measured through injuries, deaths and property loss, have all declined. While the Calgary Fire Department is not solely responsible for these community outcomes, it is a critically important partner contributing to them.

In addition, the overall incidence of fires has decreased, reflecting in part the Calgary Fire department's focus on prevention as well as response.

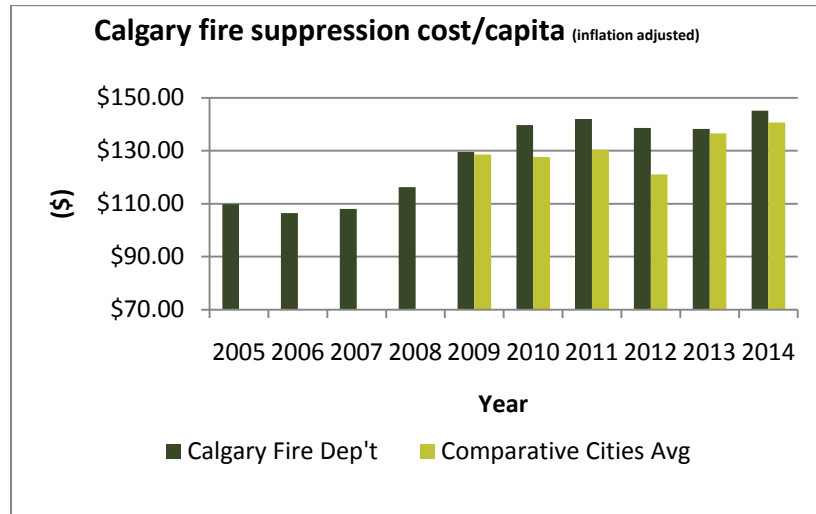


To read graph: Use left axis (\$0-\$60) to read Fire Loss Per Capita (and the related linear trend line). Use right axis (0-16.0) to read Fire Incident Rate, Civilian Injury Rate, and Civilian Death Rate.

Fire Service Costs: Like other Canadian municipalities, The City of Calgary must be increasingly vigilant and innovative in restraining public expenditures in the face of growing service costs and demands, recognizing that increasing budgets is not, by itself, a sustainable way to respond future service demands. As the graph

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below indicates, over the past ten years the per capita costs of fire suppression (after adjustment for inflation) have increased from approximately \$110 to just over \$145 per person.



The Administration's recommendations related to the Fire ZBR are designed to maintain a high standard of service outcomes, while mitigating service cost increases in the future.

Administration's Recommendations: To achieve this, the Administration's recommendations include:

- Reorganizing the management and leadership structure to improve stability, workload balance, succession planning and communication;
- Enhancing diversity and inclusion practices;
- Working closely with Alberta Health Services to improve coordination on medical response;

- Changing the approach to recruit training and increasing utilization of the training facility;
- Pursuing multi-use facilities including co-location with other City facilities and/or private uses such as retail or residential.
- Using service outcomes (i.e. reduction of fire loss) to establish future service standards, rather than response times (which measure only one means to achieve this outcome).
- Continuing to advance dynamic deployment and increasingly deploying resources based on risk and demand;
- Pursuing complementary means to reduce fire loss (e.g. building code, sprinklers); and
- Reallocating planned service growth to more efficiently meet future service needs.

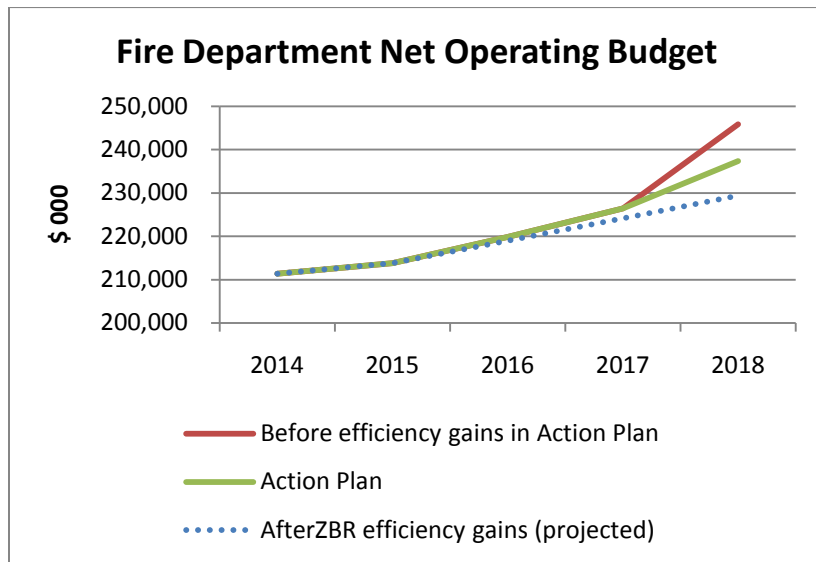
These recommendations are expected to yield financial benefits (primarily cost savings, with some potential revenue increases) ranging between \$15.0 and \$16.2 million in net annual financial benefits.

A portion of these potential benefits -- \$8.4 million in base operating costs -- had previously been identified as efficiency gains in the Calgary Fire Department's 2015-2018 Action Plan operating budget. The balance -- ranging between \$7.5 million and \$8.7 million -- are incremental net cost reductions beyond that which was identified in Action Plan.

The costs savings identified are primarily in the form of future cost avoidance, and will be implemented over the next three years. It is expected that the full benefits will be realized by 2018.

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The total budget and staffing level of the Calgary Fire Department will continue to increase as the city's overall population and developed areas grow. However, as a result of implementing Administration's ZBR recommendations, the amount and rate of growth will be less than it otherwise would have been. The chart below shows the projected Fire department net operating budget with and without the efficiency gains identified in the Fire ZBR report.



It should also be noted that the efficiency gains described here are also over and above an additional \$5 million in cost avoidance resulting from the combination of two planned future stations. These benefits are independent of the ZBR, and were identified before Action Plan was finalized. For that reason, they were not described in the Action Plan document presented to Council in November, 2014.

Stakeholder Consultation: The ZBR process relies on data and analysis (including performance measures and benchmarking of other municipalities) to support evidence-based decisions. Equally important, however, is consultation with stakeholders to ensure that their knowledge, experience and judgement are factored into recommendations. The Fire ZBR has included extensive consultation during the course of the review, including:

- interviews with 25 fire management and senior staff
- interviews with four Councillors and the Mayor
- a survey open to all Fire Department staff, to which 345 responses were received;
- consultation with the Firefighters' union (IAFF); and
- ongoing consultation with the Fire Chief and the General Manager of Community Services & Protective Services including (but not limited to) their participation on the ZBR steering committee.

Next Steps: Following Council's review and approval of Administration's recommendations, the Calgary Fire Department will develop an implementation plan and bring this to Council (via the SPC on Community & Protective Services) not later than October 2016. The plan will provide more detail on the timing for moving ahead with these proposals as well as information on any expected implementation costs.