COMMUNITY ANNUAL REPORT 2019

Training for Service

SACRAMENTO METROPOLITAN FIRE DISTRICT

CALIFORNIA

For the fiscal year ended
June 30, 2019

PROUDLY SERVING THE
COUNTIES OF SACRAMENTO AND PLACER

Did you know?

A Metro Fire academy lasts 18 grueling weeks of physical and mental training, including structural and wildland firefighting, Hazmat, rescue, and live fire training (like pictured here).

In the four most recent academies, 78% of the recruits graduated and moved on to the next step as a probationary firefighter for one year.

TABLE OF CONTENTS

Fire Chief's Message	1
At a Glance	2
Our History	3
Academy Training	5
Gearing Up!	6
By the Numbers	7
Year in Review	
Net Position	8
Revenue	9
Expenses	10
Capital Spending	11
Debt Service	12
Award Winning	12

Core Values

Integrity · Professionalism · Teamwork · Service Before Self

Financial information in the Community Annual Report is derived from the audited financial statements that form part of the Comprehensive Annual Financial Report (CAFR), which is a detailed report showing Metro Fire's financial condition. This annual report is not intended to be a substitute for the CAFR. To obtain a copy of the CAFR, visit

www.metrofire.ca.gov/index.php/about-us/fin-div

FIRE CHIEF'S MESSAGE

Dear Residents of Sacramento Metropolitan Fire District,

As the old saying goes, 'Jack of all trades, master of none', but in these days a jack of all trades is precisely what a firefighter must be. A firefighter must possess a wide array of skills and an unyielding strength of character in order to be successful in this profession of saving lives. Metro Fire's core values encapsulate it best – Integrity, Professionalism, Teamwork, and Service Before Self.

Anyone desiring to start the journey as a firefighter must begin with the two core values of integrity and service before self, which lay the foundation necessary to be a successful firefighter. In order to maintain the public's trust, we must always demonstrate the utmost integrity, with a constant focus on service delivery. Beginning in the firefighter academy, the other two core values of teamwork and professionalism are continuously emphasized and developed with each firefighter emerging from the academy possessing the right combination of skills with a continuous drive for excellence.

I am pleased to present to you our second Community Annual Report, which not only gives information on how Metro Fire effectively used your tax dollars but also provides a glimpse of the continuous process of training a firefighter undergoes. The financial information presented here is based on the Comprehensive Annual Financial Report (CAFR) which is audited annually by independent auditors. The CAFR provides a detailed and complete report showing Metro Fire's financial condition. In an effort to provide greater transparency, we extracted information from the CAFR and presented it here in a format that's easily understandable to the general public without a background in public finance. This report is not intended to be a substitute for the CAFR but will give you a better understanding of Metro Fire's condition and how it operates.

We welcome your questions, comments and suggestions regarding the information in this report and about how Metro Fire is performing.

Thank you for the confidence you have placed in us.

Todd Harms
Fire Chief

Elected Board of Directors

as of June 30, 2019

PRESIDENT

GAY JONES
Division 8

VICE-PRESIDENT

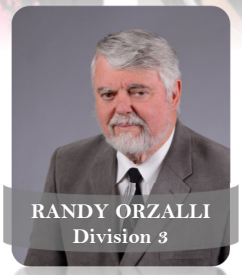
JENNIFER SHEETZ
Division 5

SECRETARY

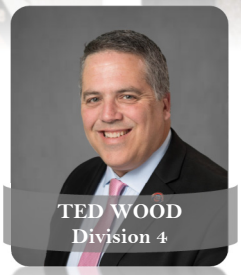
MATT KELLY
Division 7

CINTHIA SAYLORS
Division 1

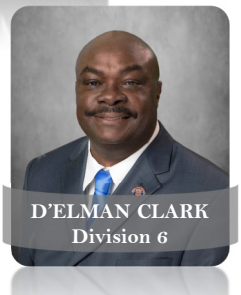
GRANT GOOLD
Division 2



RANDY ORZALLI
Division 3



TED WOOD
Division 4

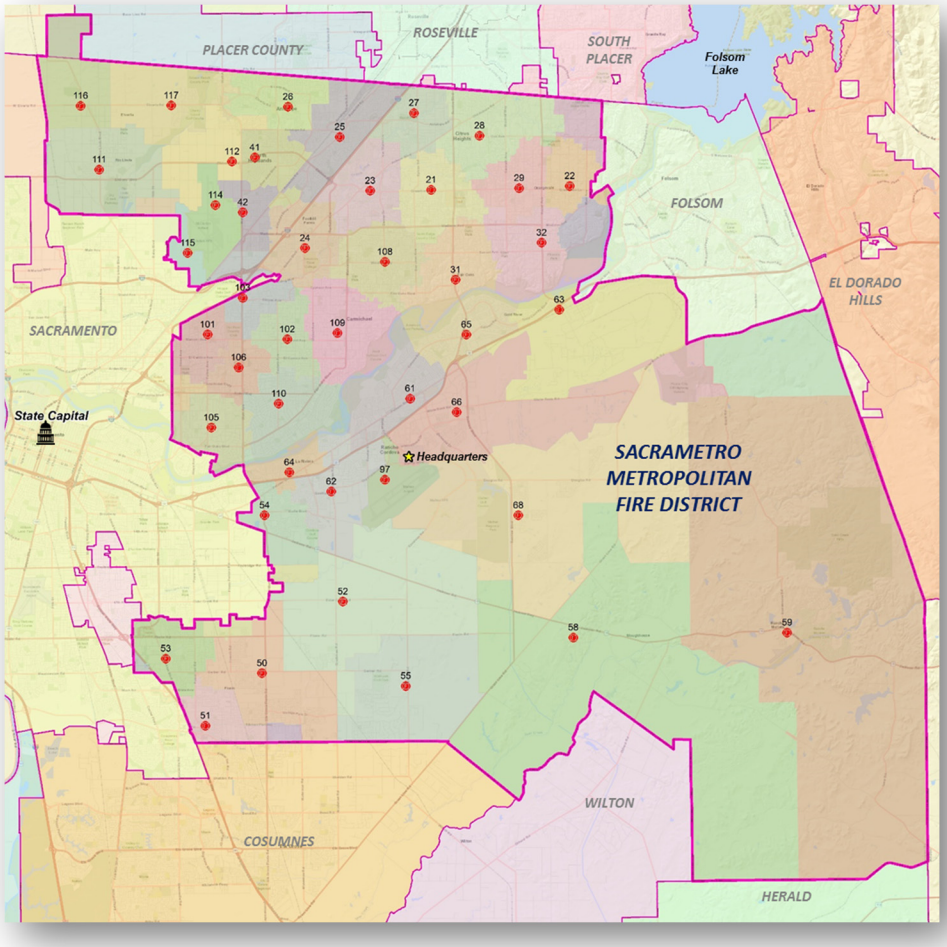


D'ELMAN CLARK
Division 6

JIM BARNES
Division 9

Sacramento Metropolitan Fire District was established on December 1, 2000 through the merger of the American River and Sacramento County Fire Protection Districts, which brought together 16 predecessor fire agencies including Arcade, Arden, Carmichael, Citrus Heights, Elverta, Fair Oaks, Florin, Mather Field, McClellan Field, Michigan Bar, Mills, North Highlands, Orangevale, Rancho Cordova, Rio Linda, and Sloughhouse. Metro Fire is governed by a nine-member Board of Directors duly elected by citizens from each of the nine geographical divisions in Metro Fire's area of responsibility.

Today, Metro Fire is the largest fire agency in the County of Sacramento and one of the largest in the State. The combined District provides fire suppression and emergency medical services along with various other public safety and hazard mitigation community services to 757,000 residents in approximately 359 square miles that include two cities, most of the unincorporated area of Sacramento County, and a portion of Placer County. Within the boundaries of Metro Fire are wildland areas, single and multi-family residential units, commercial and light industrial occupancies, hotels, regional hospitals, institutional buildings, local airfields, numerous convalescent and assisted living facilities, equestrian areas, and open space areas including hiking trails. Several major interstate highways also traverse Metro Fire's jurisdiction, along with the American River, a major recreation resource for area residents.



Metro Fire provides all-hazard emergency services to the communities it serves. Additionally, Metro Fire staff is not only routinely deployed to local and state emergencies, but also federal emergencies around the country.

Did you know?

Unlike a fire department which reports to a city mayor, Metro Fire is organized as a special district and reports to an elected Board of Directors. Roughly one out of three California fire agencies are organized as a special district.

OUR HISTORY

Mills Fire Dept.

Elverta Fire District

Citrus Heights Fire District

Arcade Fire Protection District

Carmichael Fire District

1918 1922 1923 1925 1933 1935 1938 1942

Mather Air Force Base Fire Dept.

Rio Linda Outpost of Fire Protection

Orangevale Volunteer Fire Dept.

McClellan Air Force Base Fire Dept.

Fair Oaks Fire District

Florin Fire District

North Highlands Village Fire District

Merger of North Highlands Village FD into Citrus Heights FPD

Consolidation of Arden FPD and Carmichael FD into American River FPD

Consolidation of Rancho Cordova FPD, Fair Oaks FD and Citrus Heights FPD into Sacramento County FPD

Consolidation of Citrus Heights FD and Orangevale Volunteer FD into Citrus Heights FPD

1943 — 1945 — 1947 — 1951 — 1958 — 1983 — 1984 — 1989 — 2000

Arden Fire District

Rancho Cordova Fire Protection District

Sacramento Metropolitan Fire District

Consolidation of all 16 historic fire districts

Sloughhouse Fire Protection District

ACADEMY TRAINING THE METRO WAY

Strength of Character

A firefighter's career is a life of public service. It requires more than just brute physical strength, it demands strength of character - the willingness to do the right thing even at one's own expense. While 18 weeks at the academy of constantly handling heavy hoses, raising ladders, climbing stairs in full heavy gear in Sacramento's hot weather will build up physical strength and mental toughness, strength of character can't be taught. It comes from a desire to be part of something bigger than yourself. The academy is where firefighter recruits start devoting time, talent, and energy to training, all towards an end of providing compassionate service to others.

Teamwork

While individual skills and initiative are developed and refined at the academy, ultimately true strength comes from the ability to work together as a cohesive team. The academy teaches the importance of building trust with one another and of strong communications to establish good situational awareness in life-threatening conditions. When facing a raging fire, it brings comfort to have the support of a team.

Professionalism

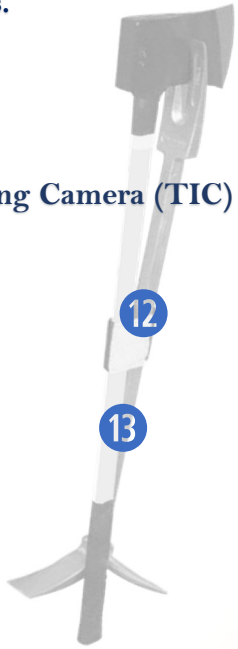
Setting the bar high, the academy trains each recruit to be the best of the best. Each graduate will be well-trained and proficient in the practical tools and knowledge required in the service of saving lives. Decision-making skills are honed so that each firefighter will be adaptable in the face of a dynamic work environment. In donning the firefighter's uniform, each firefighter is a part of building a reputation as the pros who do things right and proudly embody the values and ideals of an honored and respected profession.

Continuous Improvement

The Academy is just the beginning of a firefighter's training. In the face of an ever-changing environment characterized by emerging threats, changing priorities, and increasing public expectations, training never ends for a firefighter. Regular drills build instinctual responses to a variety of situations; best practices and lessons are learned from doing After Action Reviews (AARs) at the end of significant events; and mentoring from more experienced firefighters builds capacity and resilience. The goal is not perfection but the continuous drive for it.

GEARING UP!

1. **Helmet**
   $315 / 6.25 lbs.
2. **Hood**
   $28 / 0.5 lb.
3. **Self-contained breathing apparatus (SCBA)**
   $5,674 / 28 lbs.
4. **Face mask**
   $262 / 1.5 lbs.
5. **Portable radio with holster**
   $5,335 / 3 lbs.
6. **Gloves**
   $65 / 1 lb.
7. **Coat**
   $1,591 / 7 lbs.
8. **Pants and suspenders**
   $1,008 / 9.5 lbs.
9. **Boots**
   $350 / 7 lbs.
10. **Thermal Imaging Camera (TIC)**
    $9,123 / 6 lbs.
11. **Rubbish hook**
    $93 / 9.5 lbs.
12. **Halligan 30”**
    $215 / 13 lbs.
13. **Flat head axe**
    $165 / 8 lbs.



Did you know?

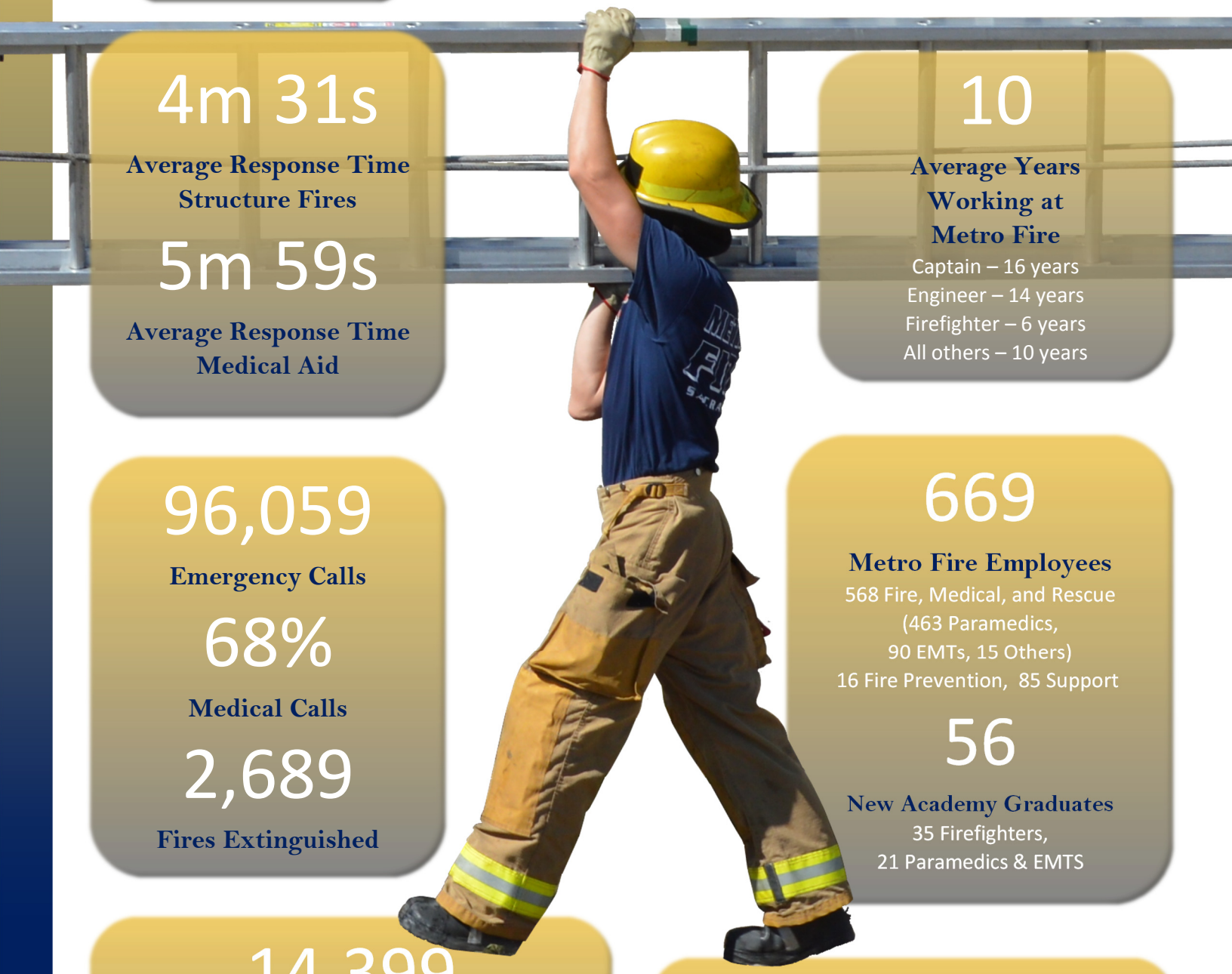
The cost to outfit a firefighter can total up to $25,000 and weigh up to 100 lbs. including essential tools such as a TIC, rubbish hook, or Halligan and axe. A fire hose or ladder can easily add hundreds of pounds to the weight of gear already carried. Imagine also removing an occupant out of a burning building!

BY THE NUMBERS

41
Fire Stations

51
Front Line Apparatus

51
Deployments
49 California
2 National



4m 31s
Average Response Time Structure Fires

5m 59s
Average Response Time Medical Aid

10
Average Years Working at Metro Fire
Captain – 16 years
Engineer – 14 years
Firefighter – 6 years
All others – 10 years

96,059
Emergency Calls

68%
Medical Calls

2,689
Fires Extinguished

669
Metro Fire Employees
568 Fire, Medical, and Rescue
(463 Paramedics,
90 EMTs, 15 Others)
16 Fire Prevention, 85 Support

56
New Academy Graduates
35 Firefighters,
21 Paramedics & EMTS

14,399
Inspections and Plan Reviews
3,447 Code Enforcement Inspections
3,129 Plan Reviews
7,117 Construction Inspections
166 Fire Works Inspections
540 Weed Abatement Inspections

372
Community Events
151 Educational School Visits
102 Fire Station Tours
119 Community Events or Parades

NET POSITION

What We Own & What We Owe

The government-wide Statement of Net Position provides a "snapshot" of where the District stood financially at the close of the fiscal years. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The largest portion of Metro Fire's net position reflects its net investment of $75 million in capital assets, net of related outstanding debt used to acquire those assets. Metro Fire uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Metro Fire's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

Metro Fire's negative unrestricted net position is largely due to the recognition of the liability owed to its employees as they retire from Metro Fire which includes pension liability and post-retirement medical liability. Metro Fire is making great strides in addressing these liabilities by setting aside money each year to slowly but surely chip away at the deficit. In the current year, Metro Fire's overall financial position has improved by $20 million compared to the prior year.

June 30, 2019 and 2018 *(in thousands)*	FY2019	FY2018
ASSETS		
What is owned by Metro Fire.		
Cash and other assets *Includes such items as cash and investments, receivables, and inventories.*	$ 81,528	$ 91,334
Capital assets *Includes such items as land, buildings, apparatus, and equipment net of accumulated depreciation.*	98,476	92,860
DEFERRED OUTFLOWS *Use of net position applicable to a future year.*	109,810	129,314
Total assets and outflows	**289,814**	**313,508**
LIABILITIES		
What Metro Fire Owes		
Current and other liabilities *Includes such items as payables, payroll, accrued interest and unearned revenue.*	12,757	11,530
Long-Term liabilities *Includes such items as bonds, net pension liability, other postemployment liability, and other obligations.*	735,785	846,666
DEFERRED INFLOWS *Net position received applicable to a future year.*	111,244	45,515
Total liabilities and inflows	**859,786**	**903,711**
NET POSITION		
The difference between: assets plus deferred outflows of resources; minus liabilities and deferred inflows of resources. It's Metro Fire's net worth.		
Net investment in capital assets *Represents amounts invested in capital assets less accumulated depreciation and any outstanding debt used to acquire these assets.*	74,969	69,839
Restricted *What is not available for use by Metro Fire because it is set aside for a particular use.*	7,920	5,667
Unrestricted *Funds available for Metro Fire to use for operations.*	(652,861)	(665,709)
Total net position	**$ (569,972)**	**$ (590,203)**

REVENUE

SOURCES *(in thousands)*	FY2019	FY2018
Program Revenues		
Revenues that are derived directly from the program itself or from other parties, not the taxpayers		
Charges for services *Fees charged for ambulance transports, deployments to other jurisdictions, and other similar charges*	$ 72,147	$ 80,537
Grants *Resources received thorugh federal and state grant awards*	5,398	1,794
General Revenues		
General revenues are those not required to be reported as program revenues.		
Property taxes *Real estate taxes received from property owners based upon the assessed valuation and tax rate.*	149,288	141,519
Intergovernmental *Resources received from other local agencies*	4,559	4,234
Miscellaneous / Other Income *All other revenue such as investment and rental income*	3,865	2,049
Total Revenues	**$ 235,257**	**$ 230,133**

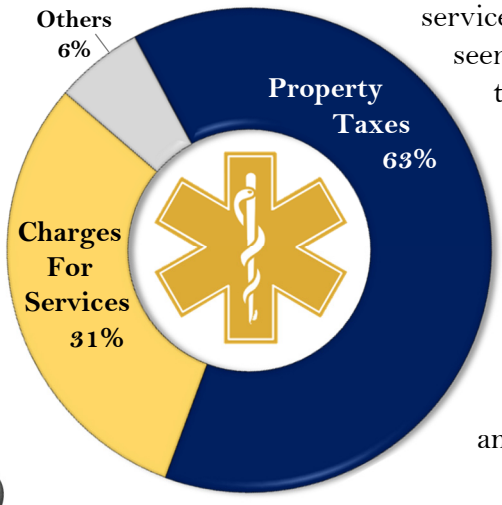
Where the Money Came From

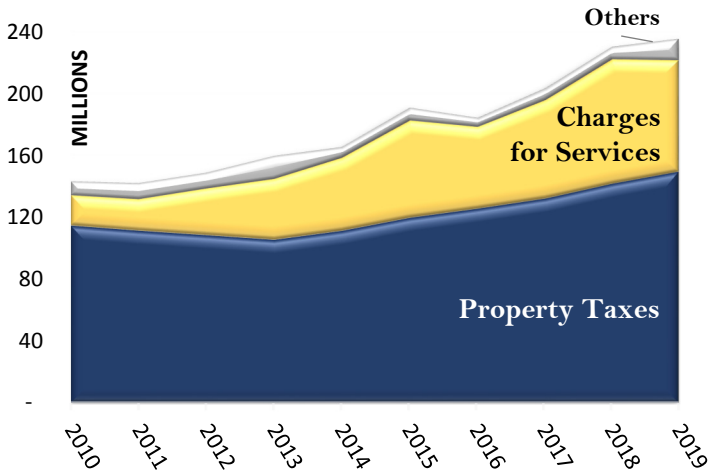
Property tax revenue is the main source of Metro Fire's funding and provides support for it fire suppression activities. For every dollar paid by a resident in Metro Fire's jurisdiction, about 23.5 cents go to Metro Fire.

The median sale price of a detached single family home in Metro Fire's jurisdiction is $365,000, which means that a homeowner typically contributes more or less $858 in property taxes to Metro Fire.

During the most recent recession, annual property taxes declined from a peak of $129 million to $105 million in 2012/13. Since then, there have been 6 straight years of growth in assessed property values. In the current fiscal year, property taxes were at $149 million, an increase of over 5% from last year.

While management expects to see modest growth in property taxes, it continues to find ways to lessen its fiscal dependency on property tax revenues. These efforts successfully yielded better cost recovery on its emergency medical services. As can be seen on the graph to the right, property taxes contributed 80% of total funding sources nine years ago; that portion now composes 63% of all sources. Charges for services and other revenues amounted to $85 million in the current fiscal year.



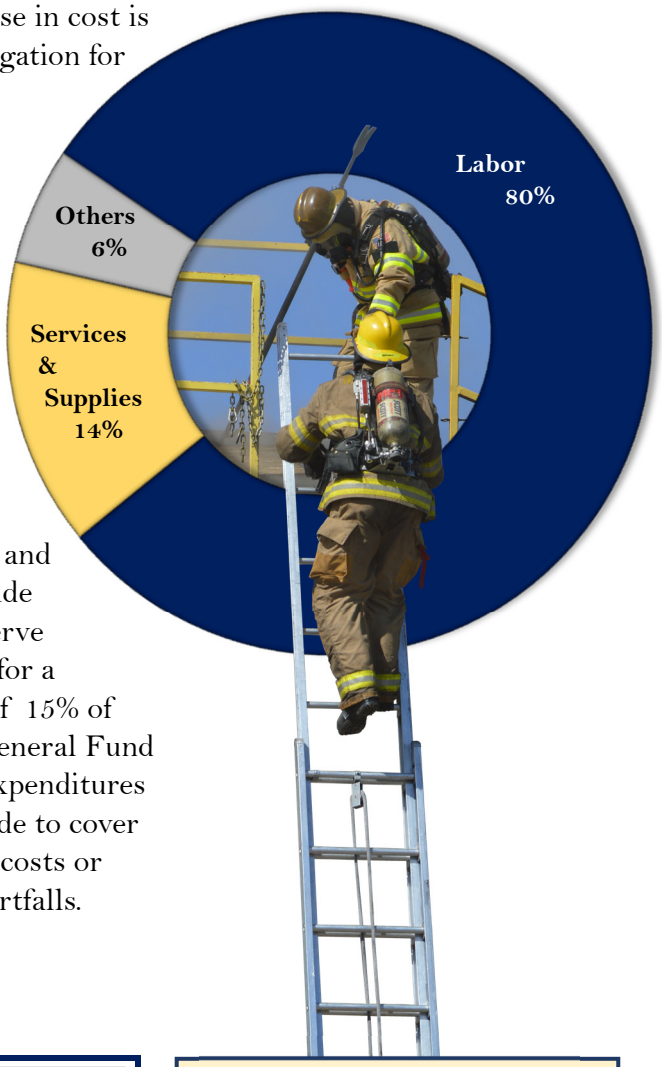


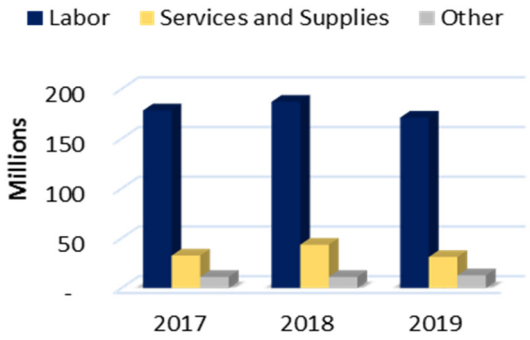
Where the Money Went

As a public safety provider, the majority of Metro Fire's operating expense relates to personnel costs, which comprise about 80% of total expenses. The 11% decrease in cost is mainly due to a decrease in the estimates for Metro Fire's obligation for post-retirement benefits such as pension and retiree medical.

The other significant expense is services and supplies which comprise about 14% of total expenses. The $12 million decrease is mainly due to lower costs associated with the intergovernmental transfer (IGT) program which provides federal funding for Medi-Cal patients.

Metro Fire begins its budget process in Spring each year and adopts a preliminary budget in June, a final budget in September, and a mid-year adjustment. The overriding goals of the budget process are to optimize services to the greatest extent possible, ensuring that the ongoing all-risk fire, rescue and emergency medical needs of the citizens are met, and to provide adequate reserves for future contingencies. The District's reserve policy calls for a minimum of 15% of budgeted General Fund operating expenditures to be set aside to cover unexpected costs or revenue shortfalls.





EXPENSES *(in thousands)*	FY2019	FY2018
Public Protection		
Direct cost of services provided		
Personnel	$ 171,189	$ 187,118
Salaries and benefits such as pension and medical costs		
Services and Supplies	31,118	43,486
Fees paid to external vendors for various services and supplies		
Other	3,827	2,227
Includes assessments paid to other local agencies		
Depreciation	5,434	4,628
Allocated cost of capital assets over their useful life		
Interest and Others	3,458	4,288
Includes interest and other miscellaneous expenses		
Total Expenses	**$ 215,026**	**$ 241,747**

Firefighters have to get dressed within one minute from receiving the dispatch call. Turnouts with boots are always ready to go!

CAPITAL SPENDING

Investing in reliable firefighting apparatus is a crucial step in building a better fire service. Not only does each apparatus have to be maintained in the highest state of readiness to respond to emergencies, it must also take advantage of better technology that will allow efficient and safe operation.

2019

Taking into account the operational needs, current fleet status, and available resources, Metro Fire invested in the following significant capital assets in the most recent year:

6 TYPE III AMBULANCES ($1.3 million)

Designed for better gas mileage, these are Metro Fire's main patient transport vehicles.

2 TYPE I ENGINES ($1.3 million)

This engine type is primarily designed to fight structural fires. It holds 700 gallons of water, and has a higher flow capacity than any other apparatus in order to face the threat of high-rise fires.

1 HAZMAT TRUCK ($953,000)

Responding to emergencies involving potentially hazardous materials, it also features a mobile laboratory and communications and command center.

ERP IMPLEMENTATION ($1.8 million)

The Enterprise Resource Planning System is used to support the finance, payroll, human resources, and purchasing functions of Metro Fire.

Did you know?

There are typically 3 firefighter/paramedics (a Captain, an Engineer and a Firefighter) staffed on an "Engine", while a ladder "Truck" is typically staffed with the same plus one additional firefighter.

2020

In the upcoming year, the following are the significant planned acquisitions:

3 TYPE I ENGINES ($2.1 million)

These engines hold 700 gallons of water and have a larger pump to provide higher water flows for fighting structure fires. These engines are the most common engines at Metro Fire with up to 36 Type I engines in service daily throughout the District.

1 FIRE STATION ($2.1 million)

Planned construction of the new Station 68 location in the Anatolia area of the City of Rancho Cordova.

1 AIR UNIT ($550,000)

This apparatus is designed to fill the new higher pressure SCBAs and carry rehabilitation equipment for firefighter recovery during fires.

2 WATER TENDERS ($882,000)

Transporting more than 2,000 gallons of water, these are mainly used to fight fires in rural areas where there are no working fire hydrants within reach.

140 SCBA PACKS ($2.6 million)

The self contained breathing apparatus provides breathable air to a firefighter while in areas filled with smoke, toxic gas or other contaminants immediately dangerous to life and health.

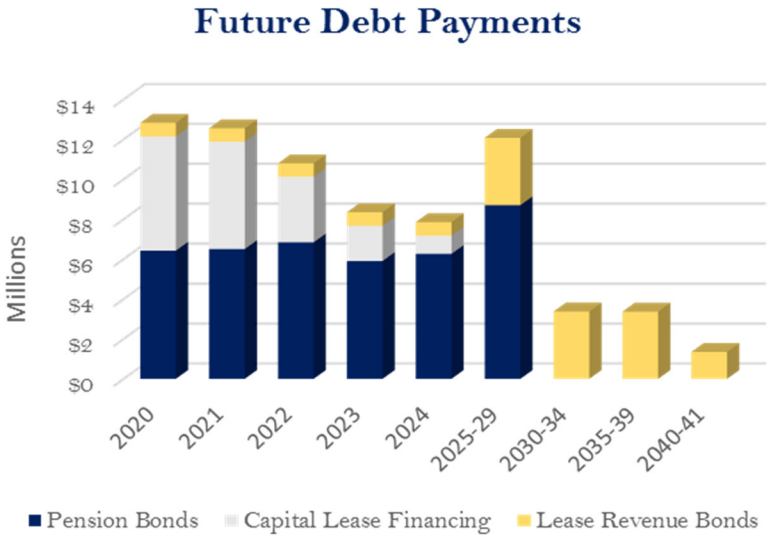
3 TYPE III AMBULANCES ($645,000)

These smaller ambulances will be replacing the older, larger, and more expensive design. These new units have increased fuel economy, longer service intervals, and a lower initial cost.

DEBT SERVICE

Metro Fire uses debt to spread the cost of larger purchases over time. Metro Fire's debt policy requires that the maturity of a debt issue be consistent with the economic or useful life of the asset being financed, generally level annual debt services payments, and preferences for fixed interest rates and optional redemption at a reasonable call date. This policy prohibits the issuance of long-term debt to fund District operating costs.

Metro Fire has three major debt types: pension bonds, lease revenue bonds, and capital equipment financing. Pension bond proceeds were used to reduce the unfunded actuarial liabilities of its pension plans. The lease revenue bonds were used to purchase the headquarters building, building improvements, and fire-fighting and computer equipment. Proceeds of capital equipment financing are used mainly for ongoing apparatus and equipment needs.



AA

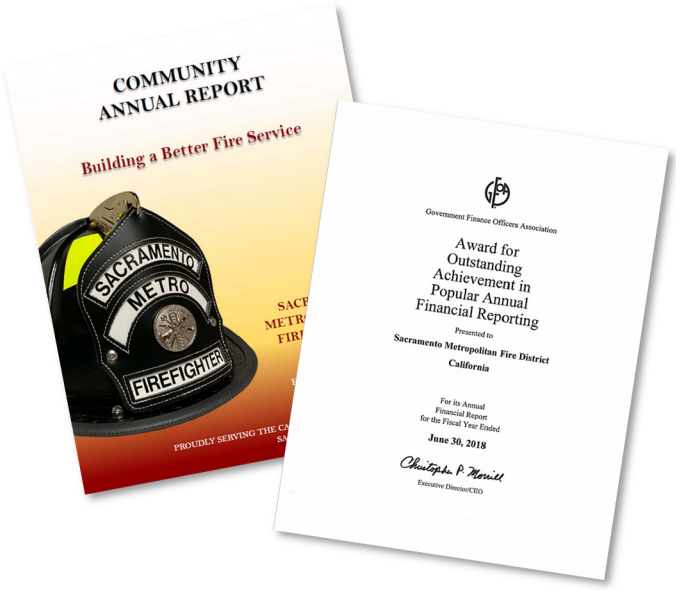
Metro Fire's S&P Global Credit Rating

In 2018, S&P upgraded Metro Fire's credit rating from AA- to AA which indicates that its capacity to meet its financial commitments on its pension bonds is extremely strong.

AWARD WINNING

Metro Fire received its first ever Award for Outstanding Achievement in Popular Financial Reporting from the Government Finance Officers Association (GFOA) for its *Community Annual Report* for the fiscal year ended June 30, 2018. This prestigious national award recognizes conformance with the highest standards for the preparation of creative popular annual financial reports specifically designed to be easily understandable to the general public.

Metro Fire has also been awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA for the 5th straight year for its *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended June 30, 2018.



Mission Statement

"To provide professional and compassionate protection, education and service to our community."

Come join us!

www.metrofire.ca.gov