



CHIEF'S FILE CABINET

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Old Mother Hubbard

Old Mother Hubbard went to her cupboard, to get her poor dog a bone. And, when she was there, the cupboard was bare, so her poor dog had none. That's what the fairy tale rhyme said many decades ago.

As a rather curious child I asked a question. If Mother Hubbard took the last bone out herself, didn't she already know the cupboard was empty? The answer I received then was, don't ask so many questions.

The modern day version of the empty cupboard is the phenomenon of revenues to support local governmental services eroding while costs continue to escalate. The current economic situation is a pretty good example of what can happen if the ways and means of financing government begins to falter.

Currently, fire agencies across the state are being asked to reduce budgets to live within the projected constraints created by revenue short falls. While an accurate count of such reduction is not been tallied it is easy to observe that these reductions are having an effect upon the fire service. There have been station closures, program reductions, service level modifications, etc. This is not the first time such events have occurred. Nor, is it likely to be the last time.

What is important for Chief Fire Executives to learn from the current experience is that fire departments need to be better prepared to cope with the phenomenon. This is not to suggest that we need to always be prepared to "cut-back", but rather that fire departments need to have the deepest regard for the revenue side of budgeting as well as to be experts on the expenditure side of the ledger. So that whatever cuts are made should be based on rational logic rather than emotion.

It is interesting to note that the two different "types" of fire departments in California already have two different perspectives on this issue. I am referring to the difference between a municipality and a district. The former lives in the world of general funds, the latter in the world of dedicated property taxes. Both have opportunities to seek "alternative" funding in such things as fees, permits, reimbursement activities, etc. Often fire agencies find themselves in the undesirable position of having to go to the taxpayers to vote for additional funds. Currently, our research indicates that such appeals to the taxpayer have about a 50% failure rate. That also means they have a 50% success rate. What is really difficult to understand is the real reasons for either passage or rejection.

Both fire agencies do have one thing in common. The community they serve has an economic footprint. For example, there are several significant differences in bedroom type communities versus heavily commercial or industrial areas.



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The primary lesson that should be taken away from any exercise in living within budget constraints is the lesson on economics. In other words, while the budget exercise is to reduce costs, some attention needs to be given as to the factors that are causing the need to reduce expenditures. The study of the economic footprint of an Authority Having Jurisdiction is not easily accomplished. Yet, requires that the person seeking answers become more than familiar with the wide variety of legislative and regulatory actions that have complicated and convoluted budget priorities for state and local government since the passage of Proposition 13.

In a previous Cornerstone, we alluded to the fact that GIS is becoming the spreadsheet of local government. In this edition we would like to suggest that fire departments need to improve upon their understanding of the various functions that make up their community economic base and then begin to weave those factors with fire departments data collection and program delivery design. If GIS can tell us where anything is, we need to determine how the fire service makes everything safer and be able to illustrate that to the taxpayer and policy makers.

What we are suggesting here is that FD's need to plan for this revenue stream as well as for their proposed expenditures but they must also be prepared to justify their position on what it costs to provide that protection. There are many questions that could and should be asked about the community's ability to generate revenues that can also be related to the level of service being delivered.

Some folks might call that process justification. We all know that it is far easier to reduce a level of service if it is not adequately explained, or moreover if its removal has significant consequences.

A plan that is based on a constant increase in revenues, without an underlying body of knowledge about the local, state and national economy will sooner or later be forced to reckon with drastic shortfalls. One of the most important skills for fire administrators in a troubled economy is to know what can be done to live within constraints without destroying a department's core competency.

The modern day version of Old Mother Hubbard is someone who makes sure that the cupboard is adequately stocked and that it is not a shock to the system when the stocks run low.