Effect of Countywide Fire Department Consolidation on Dunedin's Firefighters

William L. Barrs

Dunedin Fire Department, Dunedin, Florida

Executive Fire Officer Program

Certification Statement

I hereby certify that this paper constitutes my own product, that where the language of others is set forth, quotation marks so indicate and that appropriate credit is given where I have used the language, ideas, expressions, or writings of another.

Signed:_____

Abstract

The Pinellas County Fire Authority considered consolidating its eighteen municipal fire departments into one metro fire and EMS department. The problem was that the effects of organizational changes to firefighter compensation and benefits were an unknown factor for the Dunedin Fire Department. Pension, salary, and retirement benefits were thought to be key factors in determining the willingness of the department's members to embrace such a change. The purpose of the research was to examine methods of creating positive change processes and relate them to the proposed consolidation and its effects on the Dunedin Fire Department. The barriers that have been overcome during consolidations in other jurisdictions were also evaluated and compared with management theory. Evaluative research was conducted to compare Pinellas County's situation with consolidations in three similarly situated fire departments, and focused on how the various stakeholders addressed changes in their employee's working conditions.

Information was gathered from personal interviews, questionnaires, and internet searches to determine the possible organizational structure and employee benefit plans available in a consolidated Pinellas County Fire Department. This information was compared to the current situation at the Dunedin Fire Department and the seventeen other departments involved in this consolidation. The results of three other fire department consolidations were examined for impact on the organizational culture after changes were made to the firefighter's working conditions. It was determined that good communication, effective change management, and the ability of stakeholders to observe different perspectives were key factors in the outcome of a proposed consolidation. This research was undertaken with the intent that it be replicated by other departments involved in consolidations as a method to prepare the various stakeholders for the process of implementing changes to their current working conditions.

Table of Contents

Section **page**

Introduction……..5

Background and Significance……6

Literature Review…….10

Procedures……17

Results……..19

Discussion……26

Recommendations……....29

Reference List……..31

Appendix A……..33

Appendix B……..35

Introduction

The Pinellas County Fire Authority is considering consolidating its eighteen municipal fire departments into one metro fire and EMS department. The problem is that the effect on Dunedin Fire Department's employee's pay, seniority, and benefits is unknown. The purpose of this research is to identify methods to determine the possible effects of changes in these working conditions at the Dunedin Fire Department if the proposed consolidation occurs. If consolidation is to be successful, it will be necessary to reach a consensus on a multitude of issues, such as pay and benefits, among the various internal stakeholders involved. This research is directed toward examining the effect on one of those stakeholder departments with the understanding that conclusions reached may be duplicated by the other departments involved.

> The following questions are designed to gather the data necessary to determine what options are available: a) What are the current benefits and compensation for firefighters at the Dunedin Fire Department?, b) How does Dunedin Fire Department's pay and benefits compare to the current benefits of the other seventeen municipalities potentially involved in the consolidation?, c) What proposals have already been created addressing the possible structure of a consolidated Pinellas County Fire Department?, d) What was the impact on firefighter pay, benefits, and seniority where similar consolidations have occurred?, e) How has leadership style and management philosophy affected the firefighter's conditions of employment following similar consolidation efforts?, and f) What management theories can be used to predict changes in working conditions to be expected in the Dunedin Fire Department if consolidation occurs?

An evaluative research method will be used to analyze the data gathered by this research. This methodology will require a historical look back at consolidations in other jurisdictions as well as

a review of the management techniques used in these consolidations. The research will also describe the current situation of the proposed consolidation (including working conditions) as they now exist for the stakeholder departments. Firefighter's pay and benefits make up nearly 80% of the fire department's operating budget. According to Fire Chief Bud Meyer (personal communication, April 21, 2010) it is reasonable to assume that developing a common benefit structure will be a priority in a consolidated fire department. The intent is that this research will be used by the consolidating authority to develop a method for computing a standard benefit and change management structure that could be applied to all of the departments involved with the consolidation.

Background and Significance

Pinellas County is a 280 square mile peninsula located on the west coast of Florida. According to 2009 U.S. census figures, the population is 909,013 and is expected to remain fairly constant for the next five years. The county is governed by a board of county commissioners who also serve as the fire protection authority. This authority coordinates the fire protection plan for the unincorporated county areas as well as the municipal fire departments. There are 14 municipal fire departments and four special fire control districts in the county with a total of 1,325 full time personnel operating from sixty-two stations (Office of Program Policy Analysis and Governmental Accountability [OPPAGA] 2010). There are no volunteer firefighters in Pinellas County. According to the 2010 OPPAGA study, the estimated countywide cost of this service delivery in fiscal year 2008-09 was $210.9 million.

Emergency 911 dispatch (Dispatch) is provided by the county and serves all of the fire departments within its borders. This functional consolidation provides for the closest unit

response to emergency calls and uses computer aided dispatching to automate the process of assigning units to calls. All 18 fire service providers in the county have automatic aid agreements in place to allow for dispatch across municipal boundaries. Dispatch can also move fire apparatus between stations to cover areas where other units are expected to be unavailable to answer emergency calls for an extended period of time. Dispatch personnel are county employees and not affiliated with any organized labor. Ambulance dispatch is coordinated through a separate EMS dispatch facility operated by a contract ambulance provider. The ambulance and EMS dispatch personnel are represented by the International Association of EMTs and Paramedics (IAEP).

Emergency medical services (EMS) in Pinellas County are provided through a public utility model (PUM). A private ambulance contractor provides Advanced Life Support (ALS) transport for both 911 emergency and non-emergency inter-facility transports. Fire department units respond to all 911 calls and provide first response ALS care to customers until the arrival of the transport ambulance. The average response time for fire department arrival on the emergency scene is 4.5 minutes from the time of the 911 call, and the transport unit must arrive within ten minutes of dispatch per contractual guidelines (B. Meyer, personal communication, April 21, 2010). Patient care is then assumed by the ambulance paramedics and the fire department unit is available to respond to other 911 calls. Municipal fire departments and fire control districts are reimbursed by the county annually for the costs of providing first responder ALS services. First response by the fire departments is generally accepted as being retained as part of any consolidation plan. Pending ongoing study by the county fire authority (OPPAGA, 2010), it is uncertain if the transport function will be incorporated into the consolidated fire department.

Medical control for the county EMS system is provided by contract with a private company. The contracting company is responsible for providing physician oversight of all EMS operations. They also maintain a quality control division, liaison with the area hospitals, and provide real time consultation with physicians when requested by field crews. The county's physician medical director reports to the county commission which also serves as the county EMS authority. Personnel working for the medical director's office are employees of the private company contracting with the county. Due to the oversight and quality control functions they perform, the medical director's office and staff are not likely to be part of a countywide consolidation.

The City of Dunedin operates three fire stations and provides first response ALS and fire protection for an estimated 35,988 residents. Dunedin is located in the northern third of Pinellas County and is considered a suburban department by the Insurance Services Organization (ISO). The Dunedin Fire Department (DFD) has fifty-four members and has automatic aid agreements in place to provide service throughout the county. DFD's budget for 2008-09 was $6,456,486 with eighty percent being paid for firefighter and staff pay and benefits (B. Meyer, personal communication, April 21, 2010). The city currently has a contract with the county fire authority to provide services to a four square mile unincorporated area adjoining the east side of the city.

DFD firefighters are represented by the International Association of Firefighters (IAFF) local 2327. The IAFF local is recognized by the city as the exclusive bargaining unit for labor in the fire department. The local is a member of Pinellas County Council of Firefighters (Council), an organization consisting of representatives from the eleven union locals within the county. The Council has been politically active in its concern regarding the proposed consolidation.

Fire protection in the various municipalities and unincorporated areas is funded by ad valorem property taxes. Since the County Fire Authority has no jurisdiction to regulate municipal taxing rates, each fire control district and municipal fire department sets its own cost for service. One of the primary issues driving the current push for consolidation is the perceived inequity in cost of what is essentially considered to be the same level of service. As the system currently operates, the automatic aid agreements provide the same level of service regardless of boundaries, but at disproportionate costs to the residents of the various cities and unincorporated county areas (OPPAGA, 2010). There is no county-wide jurisdiction for fire planning and the County Fire Authority has no method for requiring local governments to more efficiently operate their fire departments. This research is intended to "Improve the fire and emergency services' professional status", as outlined in the United State's Fire Administration's strategic plan (United States Fire Administration [USFA], 2009). By focusing on a key area of concern that effects the personnel of a new organization, it will promote a more efficient and centralized delivery of service to the citizens of Pinellas County.

Since cost cutting and increased efficiency are the driving forces behind this attempt at consolidation, firefighter salaries and benefits are likely to become areas for debate if the eighteen current fire departments consolidate as a single organization. Combining all of the various stakeholder organizations into one fire and emergency services department will require adaptive change on the part of both the citizens and employees of the new organization. This change process in Pinellas County can be further evaluated using the Bridges Model of change management (Executive Development, 2006). Bridges identifies the three steps of a successful change process as: an ending, a neutral zone, and a beginning. The firefighters will experience the ending aspect as they grieve the loss of their old organization and benefits structures. At this

stage, open communication between all stakeholders will be crucial to the success of a consolidation effort. Dunedin's firefighters will be required to accept the future as members of a larger and more diverse organization. The neutral zone will entail the application of creative ideas to assuage the challenges of determining a suitable benefit plan that will satisfy the needs of both the firefighters and the new organization. Bridges notes that chaos is to be expected when operating in the neutral zone, but careful goal setting and adherence to the established rules allows an organization to move into the final stage of his change process: the beginning (Executive Development, 2006).

As members of the affected groups begin to accept that there is potential for a better situation, the change will have moved into the beginning stage. When ideas are developed for determining pay and benefit calculations in the new organization, the internal stakeholders will have a better idea of how they will be directly affected by the change. It is at this stage that pay and benefit changes will begin to become internalized into the organization. As a new county-wide fire and emergency services provider emerges, the ability to move forward with the assurance of financial security will allow its employees to focus on performance.

Literature Review

Given the magnitude of change proposed, a review of the literature available about employee benefits and perceptions, their effects on mergers, and managing change is warranted. Other fire departments that have participated in consolidation efforts are to be examined and evaluated from the perspective of the employee stakeholder. Public sector EMS providers are also subject to consolidations and mergers, and they will be examined for similarities in the employee's reaction to these aspects of change. Finally, theoretical models for managing change will be

researched and evaluated. Applicable change models will be applied to the current situation in the discussion portion of this project.

In 1999, five fire departments in Hudson County, New Jersey consolidated to form North Hudson Regional Fire & Rescue (NHRFR). According to Deputy Chief Anthony Avillo, (personal communication, June 13, 2010) his organization suffered through difficult times as their consolidation occurred (see Appendix A). Issues of pay and longevity compensation were negotiated by the unions, but a consensus was not able to be reached. These inequities resulted in disparities in compensation due to longevity pay that continued to exist in the organization. This is an example of what Berger (1999) calls an internal pay inequity, and its presence has a negative impact on the morale of the organization's personnel. Despite the other successes management had in combining pay scales, seniority lists, and other working conditions, many senior members of the new organization accepted buy outs as a result of the resentment felt at the "clashing of cultures" (A. Avillo, personal communication, June 13, 2010).

In a similar situation, the Community of Westchester, New York is currently considering consolidating its ten municipal fire departments into one large fire and rescue organization. Keith Fennelly (2009), a retired fire chief, investigated many of the same issues considered in this research. Union concerns were addressed through consultation with the affected locals. Fennelly concluded that after addressing firefighter safety issues, the unions were most concerned with fairness in compensation, working conditions, and job security. Abraham Maslow's Theory of Motivation applies to this situation and to change management in general. Maslow theorizes that human beings are motivated by a hierarchy of needs where the need for security and physiological well-being must be realized before a person can realize self-actualization in the workplace (Morgan, 1998). Morgan expands on Malsow's theories to conclude that employees

should be given as much autonomy and responsibility as possible in determining their working conditions. Morgan's theory further expounds on the idea that an employee must first be secure in his basic needs before he can become a productive member of the organization. To this end, Fennelly illustrated that the employee's working conditions should receive particular attention during the development process of the new organization.

Mitchell Mauer (2009) identified obstacles to transitioning a PUM ambulance service into the Kansas City Fire Department (KCFD) as it took over responsibilities for ALS response. Employee concerns for both the organizational culture and individual job security were addressed through careful planning and implementation of participative management techniques. The consolidation planning that occurred in the KCFD merger is not unique to the fire and EMS services. Bradford and Duncan (2000) discuss strategic planning as it applies to formulating a plan for moving into uncharted territory in a corporate business structure. This is similar to the process that the KCFD and Metropolitan Ambulance Service Trust (MAST) employees had to implement to arrive at a consensus on pay and benefit issues in their consolidation. Bradford and Duncan describe a process of simplified strategic planning that begins with a series of meetings structured for the purpose of gathering data. The objective at this point is not to make judgments, but to assimilate the facts of the situation in preparation for determining successful outcomes. Bradford and Duncan suggest a broad approach initially, exploring issues such as "How do we get there, How much is it going to cost, When do we arrive, Who is responsible?" (p.26). The authors also suggest attempting to resolve problems in theory before trying to resolve the actual issues, thus allowing the data gathered to flow "from the general to the specific in this series of meetings" (Bradford and Duncan, 2000, p.26).

Colin Campbell (1994) identifies several key points in his work on fire department consolidation. Campbell's work was published by the Volunteer Fireman's Insurance Fund (VFIS) and continues to be referenced as an authoritative work on public sector consolidations. Campbell cites labor representation and collective bargaining agreements (CBA) as the areas requiring the most attention prior to a merger or consolidation. Campbell states that prior to a consolidation attempt, the organization must have a plan for combining the labor force into one single group and develop a mutually agreeable CBA with that group. The consolidated organization must also be prepared to operate under existing contracts that remain in force at the time of consolidation. This process can take years and result in added stress for the employees until true parity can be reached.

Determining what pension benefits employees of a consolidated Pinellas County Fire Department will receive will require review of the current state statutes and local ordinances that will be affecting the change. According to Kroeger (2010), the pension at the Dunedin Fire Department is a defined benefit plan. Research indicates that the other 17 Pinellas County departments also participate in defined benefit plans with various levels of employee contribution, vesting time requirements, and benefit levels. Combining these plans requires that the accrued benefits owed to current plan participants be non-forfeitable (Florida statutes, 2009). The responsibility for funding these closed plans rests with the organizations that created them, not the new organization, according to Florida statutes (2009). The State of Florida provides a defined benefit retirement plan that three of the Pinellas County fire departments currently participate in (Kroeger, 2010). With the exception of the employee's required contribution, Florida's plan is similar to the plans currently provided by the other departments in Pinellas County (Florida statutes, 2009).

Another potential area for conflict in consolidation efforts is politics. In today's budget conscious times, city and county managers are often at odds with firefighters as to the best and most efficient ways to provide services. Fire Chiefs J. Snook and J. Johnson (1997) cite politics as one of the most likely contributors to failure of a consolidation attempt. Politics play a role in both the organization's internal political leadership as well as in the relations between labor and management. According to Snook and Johnson, consideration should be given to the peer pressure among governmental leaders to keep wages in the new organization at a level that does not affect the local balance of supply and demand. This is in direct conflict with the goals of most labor unions seeking the greatest benefit for their membership in exchange for their services.

In addition to motivating employees, compensation should be both internally and externally equitable based upon the market price for the position being evaluated (Berger, 1999). Berger (1999) defines internal pay equality in terms of the value of a specific job compared to others within the organization. As applied to the Pinellas County consolidation, the internal stakeholders in a new organization would likely receive a compensation adjustment as the members of the 18 current fire departments are combined into a new pay and benefit structure. The challenge, as Berger notes, is for an organization to realize that the monetary compensation is not only a reward for performing specific tasks, but it is also a method of "keeping score" of the value placed upon various positions within an organization. Caution must be observed in the case of the consolidating authority in Pinellas County. Any decrease in benefits from an employee's current compensation may be perceived by that group as their value being diminished within the new organization.

When designing an effective salary program, Berger (1999) recommends using survey data in the local market to determine base salaries and making them externally equitable. Supply and demand for labor would then dictate salary ranges and benefit packages that would be reasonable for both the type of work and the marketplace in which the work is to be performed. Internal pay equity, or pay for performance of like work, would be negotiated on a case-by-case basis as specialties are developed within the organization (Berger, 1999). Berger also recommends using performance measures to motivate both individual and group effort, thereby linking these measures to compensation as performance norms are established in the organization.

Consolidations in the planning stages should devote considerable time to identifying the key political stakeholders and address any concerns that they may have (Snook & Johnson, 1997). In many cases, these political bodies are giving up direct control of their budgets and emergency services personnel to another government entity. It has been suggested that “One on one meetings with policymakers in the final days of developing contract proposals, or organizational designs will help avoid embarrassing moments in front of a public body” (Snook and Johnson, 1997, p.100). The timing of these discussions is another important consideration as budgets, elections, and funding issues can all be time sensitive and have an impact on an elected official’s support or opposition to the details of a consolidation.

When the financial and emotional security of a group of employees is at stake, changes such as the ones previously discussed need to be skillfully led. As in the KCFD consolidation, participative management needs to provide the necessary framework to manage and lead a successful change effort. Participative management theory suggests that those stakeholders who will be substantially affected by changes in an organization should have some say in the outcome of the change being effected (Harris, Moran, & Moran, 2004). Leaders using this type of

management may want to consider implementing a technique called Force Field Analysis. By employing this systematic method for analyzing the resistance to change, a leader is able to determine how one change will affect the other parts of the organization. This is called the *ripple effect*, and has the potential to cause additional problems as the current situation is being addressed. Forecasting this ripple effect and not allowing it to disrupt interdependent systems within the organization is where Harris et al. (2004) believe that an organization can forestall the negative impacts of merging two or more distinct organizational cultures.

Disruption of routine, loss of existing benefits, and the threat to security are three of the factors common to mergers and consolidations according to Don Harvey and Donald Brown in their 2001 work on organizational development. They focus on the lack of an employee's incentive to change when the "old way of behaving has been tried and is successful" (Harvey & Brown, 2001, p.171). When resistance to change is noted, organizations must realize the cause is likely to be a feeling of loss by the employees, both of individual security and of their place within the organization's culture. Organizational consultant Linda McDermott notes that in organizational change the focus is typically on "*what's in it for the organization*, but to counter resistance to change there has to be a focus, for some period of time, on *what's in it for the individual*" (Harvey & Brown, 2001, p.171). Harvey and Brown further note that when change elicits concern for loss of wages, benefits, promotional potential, or career potential, the change must be predicted and managed using the conflict to stress the positive aspects of the change for both the individual and the organization.

Organizational consultants Ronald Heifetz and Marty Linsky (2002) advocate managing conflict in a changing organization by "controlling the temperature of the change" (p.107). Keeping the heat in a tolerable range, according to Heifetz and Linsky, promotes a sense of

urgency to participate in and help orchestrate the change. Conversely, if the heat or stress associated with the change in conditions becomes too great, the organization will become a counterproductive force by inhibiting the necessary change in the organizational culture (Heifetz & Linsky, 2002). To summarize, the research shows that members in an organization must be given some of the responsibility to help solve some of the difficult issues surrounding the change effort. One way to do this is through the use of labor/management teams and participative management techniques as described earlier by Harris, et al. (2004).

Procedures

Research was initially conducted using internet searches looking for fire departments that had consolidated into an organization that would be similar in size and scope of services to what a consolidated Pinellas County Fire Department might entail. U.S. Census figures were used to determine municipality populations. Staff members at the learning resource center at the National Fire Academy were consulted and literature searches conducted to provide results of past research into the topic of fire department consolidations. Once identified, the departments in consideration were subjected to a literature review of the documentation relating to their consolidation status. Examples of relevant consolidation efforts were identified for inclusion in this study at this stage. Contact was then made with executive level officers of these organizations and arrangements were made to obtain information via email and telephone communications.

Information regarding the status of the potential Pinellas County consolidation of fire departments and EMS was obtained from a variety of sources. President of the Pinellas County Council of Firefighters, John Little, was contacted and a personal interview was conducted. This

data was then used to reference the internet and locate studies conducted by the Florida State Legislature, relevant state statutes, and payroll data from the municipalities involved in the consolidation discussions. Pinellas County Commission proceedings were reviewed on their website which led to areas for further research in periodicals and local news media outlets. Patrick Kroeger, pension administrator for the Dunedin Firefighter's Municipal Pension, was contacted via email. Kroeger provided access to his data collection referencing the various pension plans for Florida firefighters.

Requests for information were processed through a local municipal library for inter-library loan of the relevant materials including applicable management theory. The data collected was compared to relevant literature and management theory applied to the situations that were studied. Results of past consolidations and their relevancy to the change being studied in the working conditions of the firefighters at Dunedin Fire Department were examined in the results and discussion portion of this research.

Limitations in this research are the amount of data that could be collected from the similarly situated departments that were studied. The expertise of the individuals contacted is unable to be verified by the researcher. Additionally, the intent of the Pinellas County Commission regarding fire department consolidation is unknown. References to consolidation plans are speculation based upon stakeholder perceptions. Because it is unknown which emergency services a consolidated organization would provide, EMS consolidation into a fire service organization was also studied (see Appendix B). While salary data is considered to be complete, an accounting of all of the pension benefit variables is beyond the scope of this research. Pension information was limited to the three variables having the most impact on pension value.

Results

In his study of fire department and ambulance consolidation for the city of Kansas City, Missouri, Mitchell Mauer (2009) examines some of the same issues that can be expected in the interdepartmental consolidation in Pinellas County. Mauer details the experiences of the Kansas City Fire Department (KCFD) as they integrated the personnel from the PUM contractor that had provided ambulance service into the KCFD. Both entities' line personnel worked under separate collective bargaining agreements. Monetary and benefit concerns were addressed, as were the personnel's reluctance to accept change and fully integrate into the combined organization. A follow up phone interview was conducted with Mauer revealing details of the transition process and ways in which obstacles were overcome.

Prior to the combination of the two entities into one, KCFD firefighters were performing first response ALS and the Metropolitan Ambulance Service Trust (MAST) was the City's sole ALS transport provider. KCFD employees worked a 24/48 shift schedule and MAST personnel worked 12-hour rotating shifts (M. Mauer, personal interview, May 8, 2010). This required an incremental transition of MAST paramedics onto the KCDF schedule and resulted in several compensation issues. Salary for the MAST and KCFD paramedics were compared, and the MAST paramedic's hourly rates were brought up to the existing rates for the KCFD. These paramedics will eventually receive firefighter training and be eligible to advance in the organization along the same career path as firefighter/paramedics, thus further integrating them into the system. If Pinellas County were to consolidate its fire departments, similar inequities in training and pay would have to be addressed among the departments being consolidated.

Mauer (2010) indicated that the KCFD has a long history of participative management by using employee/management teams to solve complex issues. In Kansas City, both CBAs had to be rewritten to reflect the changes in working conditions negotiated by employee committees. Not all employees from the smaller organization (MAST) were in favor of the consolidation as addressed by local reporter Michael Mahoney's report on a KMBC news story that aired on March 9, 2010. According to Mahoney, some of the concerns of the MAST employees were their seniority, retirement benefits, and the organization's ability to continue delivery of quality service to the customer. Mauer (2010) confirms that the former MAST employees helped to determine their own pay scale conversion, sick leave, and vacation leave balance conversions through an EMS steering committee set up by KCFD management. The former MAST employees were given the opportunity to transfer their MAST 401K retirement plan into a 457b plan or to join the city employee's defined benefit retirement plan. Mauer notes that the city employee's retirement plan is not the same plan as the KCFD employees have, and former MAST employees would be eligible to join the firefighter's defined benefit plan only after completing training as a firefighter.

KCFD integrated the former MAST employees into its organizational seniority through procedures developed by labor/management workgroups. According to Mauer (2010), IAFF Local 42 negotiated a system of transferring the former MAST employees' seniority where MAST employees received half of their years of MAST service when they became employees of the KCFD. These employees then continued to earn seniority as a member of the KCFD.

North Hudson Regional Fire Rescue (NHRFR) underwent similar changes when it was created to replace the five municipal fire departments in the North Hudson area. At the time of the consolidation, the entities that were consolidating were operating under nine separate CBAs

(A. Avillo, personal communication, June 13, 2010). According to NHRFR Deputy Chief Anthony Avillo, several of these contracts expired during the course of the negotiation for a unifying contract, but they were allowed to remain in force until a new contract was agreed upon (2010). The process of developing new labor contracts took five years and interim agreements were reached by a management committee to deal with new hires until a CBA could be implemented (Avillo, 2010).

NHRFR is administered by a management committee comprised of one member from each of the municipal fire departments that were consolidated (North Hudson Regional Fire Rescue [NHRFR], 2010) The management committee is structured to allow for input by each municipality involved and provides direction to the fire chief who oversees daily operation of the organization (NHRFR, 2010). One issue that illustrates the importance of integrating all members into the new organization arose when longevity pay was addressed at NHRFR. Longevity pay, or the amount of additional compensation awarded to members on their anniversary dates, was computed differently in all of the organizations that consolidated. The amount of longevity bonus that is currently awarded was based upon the individual member's former organization's policy (A. Avillo, personal communication, June 13, 2010). This is an example of internal pay inequity as described by Berger (1999) and is a source of potential conflict within an organization.

A new retirement plan was crafted using a combination of the plans being consolidated for NHRFR employees. According to Avillo (2010), employees vested in retirement plans at the time of consolidation remained in those plans at the expense of the municipalities or pension systems from which they came. New hires and those not vested in another plan were required to participate in the NHRFR retirement plan (A. Avillo, personal communication, June 26, 2010).

Seniority in the new organization, according to Avillo, was agreed to be based on the original hire date of the member at his old organization and a master list was created combining all NHRFR personnel.

The proposed consolidation in Westchester, New York involved meetings early on in the process between the fire chief's association and the union leaders. In his study, Fennelly (2009) outlines the procedures proposed to determine a fair level of compensation for members of the new organization. It was determined that new CBAs, which streamlined the varied compensation issues facing the new organization, would need to be created. Fennelly cites as an example the uniform allowance and other non-base pay compensation that some of the departments currently receive has a monetary value that must be distributed evenly across the new organization's employees if internal pay equity is to be achieved. Compensation in the proposed Westchester organization is also observed, from the union perspective, to be a symbol of an employee's value in the new organization as compared to that member's value in their current department (Fennelly, 2009). As Berger (1999) describes this, there is potential for an employee's commitment to the organization to be undermined if overall compensation is reduced in a merger or consolidation. The danger here is in devaluing a particular group of employees in the new organization and the ripple effect that may affect other aspects of the organization's efficiency as a result (Harris et al., 2004).

In Pinellas County, county commissioner Ken Welsh is quoted in the St Petersburg Times as being in favor of consolidating fire departments as a method to save money by providing a more efficient form of service (Lindberg, 2010). The same article notes that two firefighter/paramedic positions were eliminated in one of the county fire control districts in 2009 when the county EMS authority voted to contract with the adjoining city's fire department to provide that service.

In 2009, county commissioners also voted to pass a resolution requiring first response EMS units from the municipal fire departments and fire control districts to arrive on emergency scenes in no more than 7 minutes and 30 seconds (Douglas & Thompson, 2009). The current average response time in most municipalities is 4 minutes and 30 seconds. The IAFF local for several of the affected municipalities believes that the commission is deliberately establishing the slower response time as the standard in an effort to state that there is currently an "excess response capacity" (Douglas & Thompson, 2009, p.1). The commission would then be able to fund fewer first responder apparatus and eliminate firefighter/paramedic positions. While there could be a cost savings by the consolidated organization in numbers of employees, it is uncertain if consideration is being given to the salary and benefit concerns of those employees that would remain as part of a new organization. Additionally, the fewer apparatus responding to calls for service would increase the workload for these employees and drive the cause for higher wages.

Pinellas County Council of Firefighters president, John Little, (personal interview, April 2010) states that any prediction of pay and benefits for a consolidated organization would be difficult since there are several proposals for the structure of a consolidated organization currently being discussed. Little suggests that the county could be divided into three geographical divisions, possibly under one organization, or each being autonomous departments. Another proposal, states Little, is that the county maintain control of its fire control districts by consolidating them into one department. The municipalities would continue to operate their own fire departments and remain functionally consolidated through the county's 911 dispatch center. Firefighter unions have also proposed a plan that allows municipal departments operating transport-capable ALS rescues to transport their own patients instead of utilizing the current county ambulance system (Douglas & Thompson, 2009). A plan that divides the county into

five districts had been considered as far back as 2005 according to Mike Cooksey, Pinellas County Fire Administrator (Lindberg, 2010).

As previously stated, any consolidation attempt would require adjustments to the current firefighter's salary and benefit packages. These adjustments would require an agreed upon method for determining a salary and benefit package that is acceptable to all stakeholders involved in the consolidation. Current salary and benefit information for Dunedin Fire Department and the 17 other departments in Pinellas County was obtained and is displayed in Table 1. The salaries displayed reference those for a firefighter/paramedic at entry level and at top out pay. Although other retirement options were available, comparison was made of only the maximum benefit allowed under the current plans. Options for early retirement and reduced benefit plans were excluded from this study. An average of all departments is listed in the last row. The county's PUM ambulance provider, Sunstar, is charted separately and lists data for Paramedics only (see Table 2).

As discussed in the literature review, management theory relating to fire department consolidations has led to the inclusion of multiple stakeholder groups in the consolidation process. Planning and predicting outcomes have been shown to reduce tensions for those involved in adapting to organizational changes. As Fire Chief Robert Rielage (2010) notes:

> Consolidation then is a process that requires an extensive and not inexpensive study conducted by experienced consultants who can look objectively at the whole picture: leadership, personnel, services, apparatus, and the political agenda of the government entities involved. This process needs the support and cooperation of all stakeholders, including each chief, the union, firefighters' association, politicians and citizens, otherwise critical viewpoints and potential pitfalls may be missed, glossed over, or ignored. These pitfalls may be harder to overcome after the fact than during the study (p.22).

Research shows that, when possible, past consolidations have relied on joint labor/management discussions during the planning stages to determine benefit levels for the new

organization. It would be reasonable to assume that the various stakeholders involved would negotiate firefighter benefits during this process. A variety of management theory has been included as a guideline to assist an organization in the process of determining acceptable levels of benefits and compensation for its firefighters.

Table 1

Salaries and Retirement Options for Pinellas County Fire Department Employees

Municipality or Fire District	Firefighter min	Firefighter max	Years until full retirement	% multiplier	Employee contribution
Clearwater	42,388	62,983	20	2.75	8.0
Dunedin	41,911	60,438	25	3.0	5.5
East Lake	44,469	63,895	25	3.0	5.0
Gulfport	43,408	60,086	30	3.37	10.0
Largo	44,505	66,159	23	3.25	5.0
Lealman	45,744	64,765	25	3.0	0
Madeira Beach	38,961	57,491	25	3.0	0
Oldsmar	43,743	61,684	25	3.25	1.5
Palm Harbor	43,644	64,900	25	3.25	5.0
Pinellas Suncoast	44,432	65,647	25	3.0	0
Pinellas Park	43,798	63,432	25	3.25	7.44
Safety Harbor	42,194	64,239	25	3.0	1.0
Seminole	43,309	62,606	25	3.0	8.0
South Pasadena	42,850	59,834	25	3.0	6.0
St Pete Beach	44,463	61,985	25	3.4	10.3
St Petersburg	48,231	69,197	30	3.0	7.0
Tarpon Springs	43,522	65,125	25	3.25	9.45
Treasure Island	38,879	57,124	25	3.0	0
Average	**43,358**	**62,866**	**25.17**	**3.1**	**5.0**

Note. Retirement information in red indicates participation in the state retirement system. Data gathered from Kroger (2009).

Table 2

Salaries and Retirement of Sunstar Ambulance Employees

	Paramedic min	Paramedic max	Years until full vesting	%multiplier	Employee contribution
Sunstar Ambulance	32,032	36,997	3	401k 50% employer match	6% max

Note. Data gathered from Kroger (2009).

Discussion

This research shows a correlation between the management theory of several prominent organizational studies experts and the process that has occurred in other jurisdictions attempting consolidations similar to the one the Dunedin Fire Department is considering. The differences in benefits noted in the tables will need to be addressed if internal pay equity is to be achieved throughout the consolidated organization. Berger (1999) expects an organization to respond to a perceived pay inequity among its members with actions that remedy the situation. Until a standard for compensation of its employees is established, a consolidated Pinellas County Fire Department will experience organizational dysfunction as the various cultures attempt to become a cohesive group. Members of the departments currently earning less than a proposed new pay scale would likely embrace the new organization's benefit package and be more content in their financial and job security as described by Maslow's hierarchy of needs (Morgan, 1998). Those members whose compensation remains stagnant or declines as a result of the consolidation would likely experience a more difficult transition and feel as though their efforts are of less worth to the new organization that to their previous department (Harvey & Brown, 2001). Care must also be given to the organization's ability to function in a political climate requiring fiscal responsibility as described by (Snook & Johnson, 1997). A consolidated organization must be

concerned with the perception of its primary stakeholder, the taxpayer, and whether or not it is being too generous with its employee's benefits and pay. Given the risk associated with setting the new organization's benefit package, input from all stakeholders is to be expected if a successful consolidation is to be attempted between Dunedin Fire Department and the other entities that would make up a consolidated Pinellas County Fire Department.

Mitchell Mauer's (2009) study of his organization's consolidation of two very different cultures is indicative of the need for input from all affected parties in an organizational consolidation. By using management techniques such as participative management and strategic planning, an organization is able to forecast where difficulties can be expected and address them before they become impediments to a successful transition. Bradford and Duncan (2000) suggest that time spent in the planning stages of a consolidation will manifest benefits as the process enters the action phase and problems that surface have already been addressed. Dunedin Fire Department would be well served to develop labor/management committees early in the process to focus on the needs of their organization as they relate to the consolidation process in Pinellas County. The departments in Westchester appear to be opening this type of dialogue with the labor organizations involved in their proposed consolidation (Fennelly, 2009).

Discontent and employee reaction to change will disrupt an organization's efforts if allowed to dominate the consolidation process. When previously negotiated labor agreements are allowed to remain in effect until a consolidated organization's CBA takes effect, employees will experience a state of transition that may prevent them from fully assimilating into the new organization's culture (Campbell, 1974). Harris, et al. (2004) discuss the possibility of a ripple effect throughout the organization when changes, such as those being proposed to the pay and benefits at Dunedin Fire Department, are allowed to affect the work environment of the entire

organization. When a group of employees becomes disenfranchised, the organization is best served by including them in the change process as a stakeholder so that their concerns may be addressed.

As a result of this research, it is evident that the data exists to support employee involvement in an organization's change process. Data collection prior to the stakeholders meeting to address areas of concern is also a critical component of any change process. The pay and benefit data provided by Kroeger (2010) suggests that ample information is available to the stakeholders in the proposed consolidation affecting the Dunedin Fire Department. Using this data to suggest actual benefits for a new organization is outside the scope of this research; however, the processes outlined here may be useful in determining a starting point in planning for the proposed consolidation. Options available for a consolidation of employee pension plans also exist as outlined in Florida state statutes (2009).

The organizational culture at Dunedin Fire Department will be affected by any proposed consolidation in Pinellas County. Even if Dunedin does not participate directly in a consolidation, which would be one possible outcome, its working environment would be changed because of its reliance on the county for dispatch, medical control, ambulance service, and automatic aid. Harvey and Brown (2001) suggest that the disruption of routine is a cause for concern among members of an organization because of the effect on the employee's productivity. Were Dunedin to fully participate in a countywide, or even an area wide consolidation, the effects of these changes would likely be widespread in the department. Regardless of Dunedin's level of participation in a consolidation effort, management will need to manage the *temperature* of the change to optimize the amount of distress employees feel (Heifetz & Linsky, 2002). Too much distress and the members of the organization will resist the change;

however, if there is not enough change effort, the status quo will appear to be the optimal situation.

Recommendations

It is outside the scope of this research to predict what changes may occur in the Pinellas County Fire and EMS Services. This research is intended to address the potential consequences of change in the Dunedin Fire Department's organizational structure as it relates to the compensation and benefits of its firefighters. An understanding of the fiscal realities facing both employees and employers will be necessary to accomplish meaningful dialogue as the consolidation process moves forward. Stakeholders involved in any proposed consolidation must develop open lines of communication in order to facilitate mutual respect and a professional atmosphere that is accepting of change.

Dunedin's Firefighters may begin the change process by determining the city's position on consolidation of its fire department into a countywide system. The opinion of the citizens will likely influence the city's management staff in determining the amount of change that is tolerable for their fire department. City leaders will need to carefully manage the information gathering and dissemination process to maintain acceptable *levels of distress* as suggested by Heifetz and Linsky (2002). Any change in pension plans will cause the citizens to accept responsibility for unfunded liabilities of the old plan in addition to providing benefits under a new plan (Kroeger, 2010). The political implications of supporting this type of expenditure may be difficult for the elected officials in Dunedin to accept and must be carefully managed.

Additional research will be necessary to determine a salary range for firefighters in a new organization. Figures provided in this research indicate how the current external marketplace compares to Dunedin Firefighter salaries. Key decision makers will need to determine the extent

to which they are willing to place a value on the services they receive from the firefighters. As noted previously, this value will play a role in determining the organizational culture. A salary that is not commensurate with others in the local market may be met with resistance that may ultimately have a negative effect on the change process as a whole.

As noted by Bradford and Duncan (2000), the period of information gathering prior to initiation of a change process is critical in determining a positive outcome. In all three examples of organizational change examined in this research, attention was given to involving all stakeholders in discussions early in the process. Change that appears to be beneficial for some stakeholders and a detriment to others will certainly be met with resistance. Efforts must be made to minimize differences of opinion in the early stages of the process. Labor/management meetings have been shown to work well at this stage by allowing for the free exchange of ideas during brainstorming sessions and later in more formal meetings (Bradford & Duncan, 2000). Healthy debate and open discussions among the stakeholders will allow for development of a plan to manage change that may be proposed by any of the stakeholders involved.

Individuals desiring to replicate this study are advised to seek out and study examples of consolidation that are similar to their situation. Issues that are likely to be problem areas may be focused upon and that subject matter addressed in a literature review of applicable management theory. Contact should be made early in the study with stakeholders representing as many aspects of the organization as possible. Multiple perspectives should be expected and the opinions and ideas of all stakeholders should be treated equally as the processes outlined in this study are applied to similar research projects.

References

Berger, L.A., (1999). *Compensation handbook.* Blacklick, OH: McGraw-Hill.

Bradford, R., & Duncan, P., (2000). *Simplified strategic planning.* Worcester, MA: Chandler House Press.

Campbell, C. (1994). *Fire department consolidation why & how to do it…right*. York, PA: Volunteer Fireman's Insurance Services.

Douglas, M., & Thompson, S. (2009, March 20). EMS under budget microscope in Pinellas. *The Tampa Tribune.* Retrieved from http://www.suncoastpinellas.tbo.com

Executive Development Student Manual, third edition (October 2006). Emmitsburg, MD: United States Fire Administration.

Fennely, K. E. (2009). *Fire services of southern Westchester: A case for consolidation*. Retrieved from Pace University website: http://web.pace.edu/dyson/wfo/pdf/academiccenters/michaelian/FireServiceReport060409.pdf

Florida statutes. (2009). *The 2009 Florida statutes, chapter 175.* Retrieved from http://www.leg.state.fl.us/statutes/index.cfm

Harris, P., Moran, R., & Moran, S. (2004). *Managing cultural differences, sixth edition.* Burlington, MA: Elsevier Butterworth-Heinemann.

Harvey, D., & Brown, D. (2001) *An experiential approach to organizational development, sixth edition.* Upper Saddle River, NJ: Prentice Hall.

Heifetz, R., & Linsky, M. (2002). *Leadership on the line; Staying alive through the dangers of leading.* Boston, MA: Harvard Business School Press.

Kroeger, P. (2009). [Brief study of plan benefits]. Unpublished raw data.

Lindberg, A. (2010, April 14). Departments in Pinellas County could shrink to 2 or 8; down from 18. *The St. Petersburg Times.* Retrieved from http://www.firerescue1.com

Mahoney, M. (2010, March 9). Some ambulance workers resist consolidation. *KMBC.com.* Retrieved from http://www.kmbc.com/news/18891607/detail.html

Mauer, M.G. (2009) *Identifying and addressing obstacles to successful transition in Kansas City, Missouri.* Kansas City, MO: Kansas City Fire Department.

Morgan, G. (1998). *Images of organization the executive edition.* Thousand Oaks, CA: SAGE Publications.

North Hudson Regional Fire Rescue. (2010). *NHRFR organization.* Retrieved from http://NHRFR.net/organization.htm

Office of Program Policy Analysis and Government Accountability, Florida Legislature. (2010). *Pinellas county should track fire and EMS costs to set benchmarks, control costs, and evaluate alternative service delivery models (*OPPAGA report No. 10-25). Retrieved from http://www.oppaga.state.fl.us/Summary.aspx?reportNum=10-25

Rielage, R. (2010, January). Collaboration or consolidation? *Fire Chief,* 54(1), 22-25.

Snook, J., & Johnson, J. ((1997). *Cooperative services through consolidations, mergers, and contracts…making the pieces fit.* West Linn, OR: Emergency Services Consulting Group.

United States Census Bureau, American Factfinder. (2009). *Population finder: Pinellas County, Florida.* Retrieved from: http://www.factfinder.census.gov/servlet/SAFFPopulation

United States Fire Administration, (2009). *Strategic Plan, 2009-2013.* Retrieved from: http://www.USFA.dhs.gov/downloads/pdf/strategicplan

Appendix A

The following questionnaire was sent to North Hudson Regional Fire Rescue:

Chief, I am conducting research for a paper on fire department consolidations and their effects on department members. I have identified your department as one that would be similar in size and function to the consolidated department my county is considering. It would be helpful if one of your staff could provide answers to the following questions:

1. At the time of consolidation, how many collective bargaining agreements were in effect? Were they allowed to expire as written, terminated, or modified? What is the current status of collective bargaining for your department?
2. How were payroll and leave accrual rates determined for the consolidated organizations? i.e. labor/management discussions, impact bargaining, imposed by ordinance…?
3. What happened to employee's vested interest in the retirement plans of the organizations that became North Hudson Regional Fire and Rescue? How does your current retirement system compare to those of the five municipalities that were consolidated?
4. What is your current retirement benefit, years to full retirement, % multiplier, and employee contribution?
5. How was seniority determined at the time of consolidations?
6. Were there any concerns by the members of the consolidated departments that service quality would be impacted? What other concerns did the firefighters have regarding the consolidation?
7. Were there any particular change management techniques used in the preparation and implementation of the consolidation?

Thank you for taking the time to help me with this project. Please contact me if I may be clearer in my questions, or if I may ever be of service to you.

Appendix B

The following questionnaire was sent to the Kansas City Fire Department:

Chief, I am conducting research for a paper on fire department consolidations and their effects on department members. I have identified your department as one that would be similar in size and function to the consolidated department my county is considering. It would be helpful if one of your staff could provide answers to the following questions:

1. At the time of consolidation, how many collective bargaining agreements were in effect? Were they allowed to expire as written, terminated, or modified? What is the current status of collective bargaining for your department?
2. How were payroll and leave accrual rates determined for the consolidated organization? i.e. labor/management discussions, impact bargaining, imposed by ordinance…?
3. What happened to employee's vested interest in the retirement plan of the employees from MAST? How does your current retirement system compare to the plan(s) that were consolidated?
4. What is your current retirement benefit, years to full retirement, % multiplier, and employee contribution?
5. How was seniority determined at the time of consolidation?
6. Were there any concerns by the members of the consolidated organization (MAST) that service quality would be impacted? What concerns did the KCFD firefighters have regarding the consolidation?
7. Were there any particular change management techniques used in the preparation and implementation of the consolidation?

Thank you for taking the time to help me with this project. Please contact me if I may be clearer in my questions, or if I may ever be of service to you.