



INTEROFFICE MEMORANDUM FROM THE OFFICE OF THE CITY MANAGER

TO: Mayor Arlene Schwartz and Members of the Commission

FROM: Cale Curtis, City Manager *CC*

DATE: August 6, 2025

RE: Margate Fire Department/BSO Fire Rescue Merger

Executive Summary

The City of Margate is at a pivotal moment in determining how to sustainably deliver high-quality fire and emergency medical services in an environment of increasing demands, workforce challenges, and fiscal constraints. The immediate options are to remain a standalone department as Margate Fire Department (MFD) or to merge resources and contract with Broward Sheriff Office- Fire Rescue (BSO-FR).

Why This Decision Matters Now

Margate is experiencing significant redevelopment and growth, including multi-family residential, commercial, and civic investments that place increasing demands on our public safety infrastructure. At the same time, like many municipalities across Florida, we are facing:

- **Workforce pressures:** Recruiting and retaining qualified firefighter-paramedics is increasingly difficult due to competitive markets and generational workforce shifts.
- **Escalating costs:** Equipment, training, and compliance requirements continue to grow faster than local revenue.
- **Rising risk:** With higher population density and mixed-use development, our emergency response needs will be more complex and resource-intensive than in the past.

Benefits of the Merger

1. Seamless Transition

- Whether we remain independent or join BSO-FR, the annual operating cost is essentially going to be the same: **\$22.5 million** (projected)
- This merger is about value, not cost-cutting.
- Current Margate Fire personnel remain in Margate for at least 12 months.

2. Stronger Workforce Stability

- Fire union leadership has endorsed the merger because BSO offers higher pay, better career pathways, broader training resources, and improved personnel support.
- Merging into a larger department reduces burnout and provides access to specialized support roles that small departments cannot afford alone.

3. Enhanced Capabilities and Regional Response

- BSO's regional scale ensures redundancy and surge capacity during hurricanes, mass casualty events, and other large-scale emergencies.
- BSO's regional scale also provides for backfilling of stations during periods of training and other high volume call events.

4. Future-Proofing Our Fire Service

- The merger mitigates long-term liabilities and legacy costs, which often strain smaller departments over time.
- It ensures the City remains competitive in an increasingly complex service environment—without needing to “catch up” through costly new investments later.

5. Reduction of Internal Services

- **Human Resources Management:** Eliminates the need to recruit, hire, train, or manage personnel internally.
- **Payroll Handled Externally:** Contractor assumes all payroll responsibilities, including taxes, benefits, overtime and all the other duties that come with it.
- **Budget Predictability:** Fixed or negotiated contract costs simplify budgeting and reduce financial uncertainty.
- **Finance Oversight Reduced:** Fewer internal financial transactions and reporting requirements for fire services.

- **Less Administrative Burden:** Day-to-day operations, compliance, and performance management are handled by the contracted provider.
 - **Liability Shift:** Reduces exposure to employee-related risks such as workers' comp claims or union negotiations.
 - **Streamlined Operations:** Focus internal resources on oversight and outcomes, not operational management.
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Addressing Key Concerns

Concern: Loss of Local Control

- The contract structure will include clear performance metrics, service level expectations, and oversight mechanisms to ensure Margate retains influence on how services are delivered.

Concern: Community Identity

- BSO has successfully preserved local identity in other cities.
- We can negotiate community-focused branding and personnel assignments that retain a “Margate feel” within the larger system.

Concern: No Financial Cost Savings

- True—but also **no cost increase** from what we are projecting we will need to remain independent.
 - The value proposition lies in service enhancement, risk reduction, workforce stability, and strategic alignment—not simply short-term dollars saved.
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Challenges Facing the Margate Fire Department

The Margate Fire Department is a well-respected, well-trained, and operationally and financially sufficient department as it stands today. However, the MFD must quickly overcome potentially significant challenges if we wish to remain a standalone department.

Recruitment/Retention

- A large number of Margate Fire Department employees will leave Margate Fire, either through retirement (23 currently in DROP) and others by seeking alternate opportunities over the next 1-5 years.
- The applicant pool for qualified FF/P is short of industry demands. Thus, fire agencies have become incredibly competitive, offering significant salary and benefits packages.

Competitive Salaries

Agency	Margate (FY 26 based on study)	BSO-FR (FY 26 projected)	Coconut Creek (FY 24)	Coral Springs (FY 26 projected)	Palm Beach Fire (FY 26)
Firefighter/Paramedic	\$ 104,607	\$ 116,303	\$ 105,331	\$ 110,064	\$ 108,925
Driver Engineer	\$ 112,453	\$ 122,118	\$ 115,465	\$ 115,366	\$ 114,372
Lieutenant	\$ 116,637	\$ 134,635	\$ 125,374	\$ 122,318	\$ 120,090
Captain	\$ 125,529	\$ 148,435	\$ 135,408	\$ 134,151	\$ 138,825
Battalion Chief	\$ 134,943	\$ 163,350	\$ 151,382	\$ 147,167	\$ 176,984

Work Schedule Trends

- Most agencies, including Margate, operate on a work schedule consisting of 24 hours on duty followed by 48 hours off duty with a “Kelly Day” (day off) for every 6th shift worked.
 - Some departments are shifting to a new schedule of 24 hours on followed by 72 hours off in an effort to reduce employee fatigue/burnout and as a way to recruit new employees. Miramar has already implemented this new schedule and Palm Beach County is implementing this schedule in FY 27. It is rumored that Palm Beach County will be hiring hundreds of FF/P over the next couple of years to accommodate the new shift, further straining the applicant pool for other agencies like Margate.
 - For Margate, the City would need to add 8-10 additional FF/P at a cost of approximately \$1.25 million to implement this new schedule, which will increase annually with existing personnel cost increases.
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Fiscal Constraints

Whether the City remains a standalone fire department or merges resources and contracts with BSO-FR, the City is faced with mounting financial pressure. To secure the future, we are looking at the need to invest millions of dollars annually in the Fire Department, primarily in personnel costs. BSO-FR has completed a salary study and are implementing new wages for FY 26 that are \$10,000 to \$28,000 higher than the salaries we provide in Margate.

The draft Agreement with BSO-FR includes a not to exceed annual increase of 5% over the total combined budgeted costs of the preceding year. However, the cap does not apply to certain expenditures like health insurance premiums, workers compensation premiums, other post-employment benefits and pension contributions. Furthermore, the draft Agreement requires the City to waive the 5% cap provision for the first two fiscal years of the Agreement. Waiving of the cap in the first two fiscal years of the Agreement is concerning, as it does not provide the City with an expectation of reasonable cost control. In addition, a review of BSO-FR budget indicates that the annual increases to its contract cities varies widely, with an average overall cost increase of approximately 8%. (See Exhibit A)

Regardless, the anticipated increases in Fire Rescue services are not sustainable even in these times of economic growth. The City Commission must strongly consider raising rates/fees associated with the Fire Department in upcoming budget years. This includes any combination of millage, fire assessment, and EMS billings.

Conclusion

Both service models are viable and sustainable if paired with appropriate funding mechanisms. The decision ultimately depends on the Commission's priorities regarding local control, workforce strategy, risk management, and operational scalability.

This memorandum is intended to serve as a foundation for discussion. Should the Commission wish to move forward with the BSO merger, staff can finalize contract negotiations and develop a formal transition plan. Should the Commission prefer to maintain a City-run fire department, a decision on staffing levels and funding adjustments will be required in the near future.

EXHIBIT A

							Percent Increase Year over Year				
	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Projections	FY 2026 Projections	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Dania Beach	\$ 13,369,160	\$ 14,052,728	\$ 16,523,314	\$ 17,695,170	\$ 18,953,233	\$ 20,663,351	5.11%	17.58%	7.09%	7.11%	9.02%
Deerfield Beach	\$ 30,230,673	\$ 27,726,660	\$ 31,649,803	\$ 33,638,280	\$ 36,721,238	\$ 39,531,914	-8.28%	14.15%	6.28%	9.17%	7.65%
Hallandale Beach	\$ 14,442,490	\$ 16,405,235	\$ 16,990,163	\$ 18,084,380	\$ 20,460,343	\$ 22,589,343	13.59%	3.57%	6.44%	13.14%	10.41%
Weston	\$ 25,565,480	\$ 29,001,433	\$ 30,921,456	\$ 33,602,980	\$ 36,481,136	\$ 40,531,723	13.44%	6.62%	8.67%	8.57%	11.10%
Cooper City	\$ 10,901,053	\$ 11,497,422	\$ 12,339,446	\$ 13,414,260	\$ 14,148,122	\$ 15,576,272	5.47%	7.32%	8.71%	5.47%	10.09%
Lauderdale Laks	\$ 9,263,658	\$ 8,634,290	\$ 10,122,165	\$ 11,104,530	\$ 11,805,483	\$ 12,385,297	-6.79%	17.23%	9.71%	6.31%	4.91%
West Park/Pembroke Park	\$ 6,600,296	\$ 7,146,328	\$ 7,695,960	\$ 8,293,880	\$ 8,594,974	\$ 9,310,543	8.27%	7.69%	7.77%	3.63%	8.33%
Totals	\$ 110,372,810	\$ 114,464,096	\$ 126,242,307	\$ 135,833,480	\$ 147,164,529	\$ 160,588,443	3.71%	10.29%	7.60%	8.34%	9.12%