

**SALT LAKE CITY COUNCIL STAFF REPORT**  
**BUDGET ANALYSIS – FISCAL YEAR 2007-08**

**DATE:** May 15, 2007

**BUDGET FOR:** **FIRE DEPARTMENT**

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The proposed fiscal year 2007-08 budget for the Fire Department is \$32,707,103. This represents an increase of \$3,675,038, or 12% over fiscal year 2006-07.

<b>FIRE DEPARTMENT PROPOSED BUDGET</b>					
	<b>Actual 2005-06</b>	<b>Adopted 2006-07</b>	<b>Proposed 2007-08</b>	<b>Difference</b>	<b>Percent Change</b>
Office of the Chief (including financial management, payroll, purchasing, inventory, research, human resource management, facility maintenance)	\$ 1,773,837	\$ 2,097,962	\$ 2,276,159	\$ 502,322	23.9%
Operations (including airport operations)	21,804,973	22,343,625	24,332,998	2,528,025	11.3%
Special Operations (including hazardous material incidents, water rescues, high-rise rescues, trench rescues)	199,700	252,898	232,336	32,636	12.9%
Communications (dispatch, equipment maintenance & repair, technical support, records management)	1,472,794	1,802,262	1,649,501	176,707	9.8%
Training (including managing fleet acquisitions, maintenance and supplies activities)	1,902,017	2,216,480	2,191,262	289,245	13.0%
Fire Prevention (business inspections, hazardous materials permits, new construction, special events, community training, public education)	1,187,992	1,152,086	1,198,988	10,996	1.0%
Emergency Medical Services (including medical training, certification, quality assurance)	690,752	684,624	825,859	135,107	19.7%
Total	\$ 29,032,065	\$ 30,549,937	\$ 32,707,103	\$ 3,675,038	12.0%

## **POTENTIAL MATTERS AT ISSUE**

- A. Addition of positions – (6 FTE, \$307,500) – The Administration has indicated that over the past year there has been a significant increase in the use and cost of overtime to staff the “4-handed crews” policy. The Administration is recommending hiring 6 additional firefighters (\$51,250 per FTE) to help reduce the need to use overtime buyback.
1. This would provide an additional 2 firefighters per “shift day.” On average, over the last year, the Fire Department has had to hire back 3 fire fighters per day.
  2. The Administration’s strategy for addressing the increases in overtime in the future, along with the addition of positions, includes:
    - i. Emphasizing the hiring of fire fighters with previous paramedic school training. Currently a fire fighter leaves a position vacant but with pay, for nine months while they are at paramedic training school. The fire department believes that they can fill most of their vacant positions with fire fighters that have already gone through the paramedic training school, thereby decreasing the amount of vacancies per day for that nine month period.
    - ii. Closer management of allowed time off. The Department has indicated that it will look to better manage vacation and holiday schedules to ensure that an even distribution can be attained throughout the year. This may require the Department to be more strict in the number of employees allowed to have leave during certain times of the year.
    - iii. Better management of other schooling and training. The Department has indicated it will continue to have a need to provide other training classes, however, the Department will manage these classes to ensure that they do not create a burden on staffing.
  3. See **Attachment A** for a breakdown of the average SLCFD daily staffing totals, in the current situation and in the proposed situation.
  4. As shown in the chart – two additional FTE per platoon (6 fire fighters total) enables the department to have close to the amount of staff needed to staff apparatus, even with scheduled and unscheduled leave.
- B. Elimination of positions – The Administration is not recommending the elimination of any positions, but is recommending the transfer of 1 FTE Data and Information Administrator to the Information Management Services fund, as per the recommendation of the IMS Audit. This FTE will still work with the Fire Department on their technological needs, but will be funded and managed in the in the IMS Division (SLCFD savings of \$68,150). The funding for this position is included in the IMS funding for Nondepartmental. The Fire Department will not be billed for the services of this Data and Information Administrator.
- C. Other Budget Changes –
- \$ 901,123 – Cost of living salary increases
  - \$ 433,836 – Insurance programming change
  - \$ 287,012 – Insurance rate change
  - \$ 206,830 – Pension rate changes
  - (\$ 370,000) – Attrition reduction

- \$ 60,000 – Special clothing per new requirements
- \$ 88,300 – Fleet maintenance
- \$ 23,100 – Training
- \$ 21,800 – Fleet fuel
- \$ 20,000 – Fitness Facility Membership
- \$ 5,000 – Station Upkeep and Maintenance

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*One-time expenses:*

- \$ 170,000 – New Apparatus Equipment
- \$ 92,000 – AEDS and Electronic Cardiac Monitor Units – first of two year funding
- \$ 65,000 – SCBA Bottle Replacement and Upgrades
- \$ 23,000 – Training Tower Maintenance
- \$ 16,000 – Wild Land Pants – first of two year funding
- \$ 12,000 – Emergency Supplies in Fire Stations
- \$ 10,000 – Radio Replacement
- \$ 10,000 – Special technical rescue equipment replacement

D. Insurance programming and rate change (720,848) – The “insurance rate change” line item reflects the 10% increase to cover the city insurance pool costs (\$287,012). The “insurance programming change” line item reflects the refinements made to the employee salary and benefits projection system that now enable the City to more accurately budget for health insurance costs. The Fire Department’s budget last year reflected a \$433,836 difference in terms of the actual costs of insuring fire department employees. This year’s budget proposal reflects this adjustment.

E. Overtime Accounting Shift – Previously all SLCFD overtime costs were accounted for in a single cost center. The Administration is proposing breaking out the overtime costs into the five categories that more accurately reflect fire department operations, and enable the Administration to more accurately track costs in the future. The five categories and their proposed budget increases are as follows:

- \$310,000 - Combat Crews (4-handed Staffing Issue) Vacation buy-back (Offset by attrition reduction)
- \$203,000 - Airport/ARFF requirements (reimbursed by Airport Enterprise Fund)
- \$38,300 - Dispatchers
- \$5,000 - Arson Investigation
- Special Events (accounted for in Salary Contingency Budget)

F. Capital Outlay for Equipment - \$170,000 would equip new apparatus, including two fire engines and six light fleet vehicles. The Administration is recommending this equipment in order to replace outdated equipment. Other equipment is recycled as much as possible. (Last year the Department’s budget for this line item was \$408,000)

- G. Automatic Electronic Defibrillators (AEDs) and Electronic Cardiac Monitors – The Administration’s proposed budget includes a one time budget request for \$92,000 to purchase new Automatic Electronic Defibrillators and Electronic Cardiac Monitors to replace the current units which are aging and no longer meet the required standard of care. This is a two year plan that will require additional one time funding next year. These units are used on more than 10,000 calls annually.
- H. Self Contained Breathing Apparatus – The Administration is recommending \$65,000 to replace outdated air bottles for the self-contained breathing apparatus.
- I. Wildland Pants – The Administration is recommending a \$32,000 one time request to purchase wildland pants for each firefighter. This is a two year plan that will outfit each firefighter with proper safety clothing to be worn in wildland interface and other grass fires. Currently the Department does not provide this type of protective clothing. Instead firefighters use their heavy turn out gear used in all other fires. The purchase of the wildland pants will enable the firefighters to have lighter more effective protective clothing for wildland interface and grass fires

**OTHER BUDGET RELATED ITEMS**

- A. Dispatch Staffing – The Administration is not recommending any new dispatchers. In the FY 2006 budget, the Administration recommended 2 additional dispatchers as a result of the Fire Department Management Audit. The Audit recommended 4 additional dispatchers to fully eliminate the built-in overtime costs related to dispatchers schedules, but the Fire Department, recognizing City-wide budget constraints last fiscal year, indicated that 2 dispatchers would help alleviate the staffing pressures.
  - 1. This year the Administration is not recommending any new dispatchers, but overtime costs in the dispatch unit remains an issue.
  - 2. There are currently 4 dispatchers who are anticipated to retire this fiscal year, which could exacerbate this overtime problem.
  - 3. In FY 2006 when the Council funded two dispatchers the total cost was \$99,192.
  - 4. The Council may wish to discuss this further.
- B. Technology – the Audit made the following recommendation relating to technology and operational efficiency: “#6 Add technologies to eliminate manual processes for firefighter shift schedules and free up staff resources for other critical projects.” The Council may wish to confirm if this is in the process of implementation. The SLCFD has indicated that their overall technology needs far outweigh their technology resources.
- C. Retirement – The Department is continuing to face challenges planning for and anticipating employee retirement. There are currently 46 employees with 30-plus years of experience. Current union contract specifies that only two weeks notice are necessary for a fire fighter to retire. As a result, if the timing of the retirement happens months away from when the next training class can be hired,

the Fire Department can be left with multiple vacancies (which could otherwise be filled and used to help offset the 4-handed-staffing overtime issue).

1. One option presented during last year's budget that was not funded was providing a one-time "retirement incentive payout" for fire fighters nearing retirement. The management audit of the Fire Department also made this a recommendation to aid the SLFD in retirement planning and budgeting.
2. The proposal would have given a \$5,000 payout for a fire fighter who agreed to retire. The total amount requested for this purpose was \$45,000, which would have addressed 9 firefighters but would not have addressed all eligible employees. The total amount needed to address all eligible SLCFD employees last year under that proposal would have been approximately \$230,000. This would have addressed only eligible employees in the Fire Department and would not have addressed any eligible employees in the Police or other City departments that face similar challenges.
3. The Fire Department has noted that there would be a "base pay" savings of \$70,000 per person over the first five years, for every retired fire fighter (replacing an employee at the higher end of the pay scale with an employee at the lower end).
4. The Council may wish to consider the concept of a \$5,000 bonus per employee that gives 6 months or more notice (and retires on the date specified), to further assist the SLCFD with retirement/hiring date planning.

### **AUDIT RECOMMENDATIONS RELATING TO THE BUDGET**

The Council initiated an audit of the Salt Lake City Fire Department, which was completed in May, 2005. The audit was discussed at a Council briefing on January 17, 2006. Issues discussed included audit recommendations that SLCFD agrees can be implemented with little or no budget impact, as well as audit recommendations that would need additional appropriations. The Council asked the SLCFD to prioritize these audit recommendations and have basic cost estimates for implementation of those recommendations that are a priority to the department. While the department has not officially prioritized their audit recommendation responses, the proposed budget does incorporate a number of changes that stem directly from the Audit:

1. Computer Aided Dispatch (CAD)/Record Management System (RMS) – The Audit found the current system to be lacking. This item was partially funded in FY 2007. After further review the amount funded was not adequate to provide a system that would meet the department's needs. The department is continuing to work closely with IMS to find a satisfactory solution.
2. Fees:
  - a. Fire Hazardous Materials Fees: The Fire Prevention Bureau currently collects fees for hazardous materials permits, tank permits, blasting permits, high rise permits, fireworks public display permits, temporary structure permits, health care facility inspections and day care inspections. A recent review of business license fees showed that the fee amounts were less than the costs. The Administration recommended fees be established based on size, difficulty, and the

type of permit or inspection needed. The proposed ordinance established a fee schedule for open burning permits, flame effects permits, assembly permits, trade show permits, suppression, alarm or detection system installation permits, hot works operations permits and re-inspections.

- b. The following is a review of the specific audit recommendations relating to Fire Permit and inspection fees (The Council may wish to inquire as to the status of these fees):
- #104 Institute fees for all permits (only 14 fees out of 47 permits).
  - #85 Establish fees for fire construction permits that are sufficient to cover the cost of the entire construction code enforcement function including fire plan review and fire construction inspection.
  - #103 Fire construction permits *with fees* should be issued for the construction and renovation of permanent or temporary structures and for all fire protection systems (alarms, mains, standpipes, sprinklers, hood, etc.)
  - #105 Fees should be instituted for initial inspections and re-inspections for all operational code enforcement inspections.
  - #107 Fees should be instituted for initial inspections and re-inspections conducted by fire companies.
  - #108 Evaluate feasibility of building Services issuing all permits and collecting fees rather than the Fire Department.
3. Staffing Changes: While the staffing changes within the fire department do not tie directly to the audit (a shift of 1 FTE), the proposed budget includes the addition of a Fire Inspection Plan Reviewer in the Community Development Department to assist the “one stop” counter. The Council may wish to ask the department that if the “1 stop” concept is funded, are there any operational efficiencies that could be realized by re-assigning the staff in the Fire Department that currently do plan review. Specifically, what functions will the two staff members who have been conducting the 400 plus plan reviews per year be assigned in the future; might there be opportunity to enhance other Fire programs that have been reduced in recent years? The following are audit recommendations directly relating to fire plan review and inspections:
- #99 Require fire captains and/or battalion chiefs to become certified as fire inspectors so they can supervise company inspections.
  - #86 Contract with 1 or 1.5 civilian certified fire plan examiners (or private companies) to provide fire code plan checking services. (*Staff Note*: to an extent, this is accomplished with having a certified fire plans examiner in the Building Services and Licensing division at the “one stop shop”)
  - #88 The hazardous material inspector should become certified as a fire inspector to allow greater flexibility in assignment, (Staff Note: The Fire Department indicates that this has been accomplished)
  - #91 .5 to 1 FTE clerical position is needed to provide 5-10 hour day coverage for reception and phone duties, at a lower cost than having certified fire inspectors perform these duties.

## **AUDIT BACKGROUND INFORMATION**

The following section re-caps findings and recommendations from the audit report that relate directly to the budget, grouped in general categories. These recommendations, as well as the SLCFD responses, were presented to the Council in January. This list is intended for background information purposes:

### 1. Recommendations relating to overtime/retirement management:

- a. #30 The Fire Department uses salary savings from vacant positions to supplement overtime costs, which can result in more overtime. There are times of 20 or more vacancies. Consider some overhire process.
- b. #21 Design an incentive program to provide more notice of retirement.
- c. #10 Explore alternative work schedules that could reduce the reliance on overtime
- d. #11 Identify current trends in leave use and establish a smaller number of people allowed off each day on scheduled leave
- e. #12 Implement incentives to reduce sick leave taken (reduce overtime)
- f. #14 and #115 Assign some basic cause and origin investigation to company officers rather than bring investigator in (overtime) for clear-cut cases
- g. #161 Implement a sick leave reduction program to reduce overtime and provide some health insurance funding after retirement.

### 2. Recommendations relating to staffing changes:

- a. #49 Staff Station 9 during peak hours only. #48 In the next five years, move Station 9 further southeast to justify full-time operation with sufficient volume of calls.
- b. #46 Add a 2-person Advanced Life Support (ALS) unit in the downtown area from 10 A.M. to 10 P.M.
- c. #37 Continue using four-person staffing on all engines and trucks in the SLCFD.
- d. #144 Fire communications center requires a total of 20 employees, but the center has only 16 employees. (Previous year's budget partially addressed this recommendation)
- e. #47 Upgrade Engine 1 to advanced life support and downgrade Rescue Engine 4 to an engine to better address the distribution of EMS demand.
- f. #55 Institute an officer rotation policy for all captains
- g. #66 Consider adding a provision to its upcoming RFP for ambulance services that would include a single medical director for both the ambulance service provider and the fire department. (SLCFD has previously responded to this issue in a memo to Council Staff. Staff will provide a copy of this memo if desired.)
- h. #81 Convert all employees except four (fire marshal and three sworn fire investigators) in the Fire Prevention Bureau to civilian positions through attrition.
- i. #148 The radio technician position with the Fire Department should be consolidated into IMS Division.
- j. #99 Require fire captains and/or battalion chiefs to become certified as fire inspectors so they can supervise company inspections.

- k. #110 The deputy fire marshal (captain) over investigations should be a working captain active in fire investigations.
- l. #86 Contract with 1 or 1.5 civilian certified fire plan examiners (or private companies) to provide fire code plan checking services. (Accomplished through the one-stop counter)
- m. #88 The hazardous material inspector should become certified as a fire inspector to allow greater flexibility in assignment.
- n. #90 The civilian Public Education Specialist should be retained to provide adult and children programs.
- o. #91 .5 to 1 FTE clerical position is needed to provide 5-10 hour day coverage for reception and phone duties, at a lower cost than having certified fire inspectors perform these duties.

3. Recommendations relating to general operations:

- a. #36 Monitor response times in areas with traffic calming devices.
- b. #43 and #44 Call processing, dispatch and turnout times much higher than recommended standards. Implement changes such as to dispatch first fire unit before all call information is entered into the CAD system.
- c. #67 The City should maintain the current two-tiered system that involves the SLCFD and a private ambulance provider in the delivery of Advanced Life Support (ALS) and Basic Life Support (BLS) pre-hospital care and ambulance transport. (SLCFD has previously responded to this issue in a memo to Council Staff. Staff will provide a copy of this memo if desired.)
- d. #68 The SLCFD should formalize and strengthen its organizational structure and oversight of EMS service delivery within the Operations Division. (SLCFD has previously responded to this issue in a memo to Council Staff. Staff will provide a copy of this memo if desired.)

4. Recommendations relating to budget increases/fees:

- a. #6 Add technologies to eliminate manual processes for firefighter shift schedules and free up staff resources for other critical projects.
- b. #69 The SLCFD should explore a legal mechanism that will allow the ambulance transport provider to pay the City an annual fee for its “paramedic first responder” program. (Fee not allowed under state law. (SLCFD has previously responded to this issue in a memo to Council Staff. Staff will provide a copy of this memo if desired.)
- c. #16 Allocate revenue from special events back to the EMS Division to offset the cost of the bike patrol.
- d. #99 Establish a self-inspection program for the lower risk businesses.
- e. The following recommendations all relate to the issue of fees charged (or not charged) for permits and inspections:
  - i. #104 Institute fees for all permits (only 14 fees out of 47 permits).
  - ii. #85 Establish fees for fire construction permits that are sufficient to cover the cost of the entire construction code enforcement function including fire plan review and fire construction inspection.
  - iii. #103 Fire construction permits *with fees* should be issued for the construction and renovation of permanent or temporary structures and for all fire protections systems (alarms, mains, standpipes, sprinklers, hood, etc.)
  - iv. #105 Fees should be instituted for initial inspections and re-inspections for all operational code enforcement inspections.



- v. #107 Fees should be instituted for initial inspections and re-inspections conducted by fire companies.
- vi. #108 Evaluate feasibility of building Services issuing all permits and collecting fees rather than the Fire Department.
- f. #122-128 Workload data on the number of plans reviewed and the amount of time spent on each type of plan should be collected. Establish goals.
- g. #149 Mobile computer devices should be installed in fire apparatus to improve communication capabilities and response times.

## **PERFORMANCE MEASUREMENTS**

The Fire Department has several goals and objectives to guide the budgeting process and provide a means for management to better evaluate overall Department performance. In order to assist the Council in evaluating progress, Council staff summarized the goals and noted the results or steps taken by the Department through December of 2004.

1. Goal/Objective: Maintain an average time from dispatch to arrival on life-threatening emergencies of less than or equal to 5 minutes. *During 2006 the department maintained an average response time of four minutes nineteen seconds.*
2. Goal/Objective: Maintain a turnover rate below 10% per year. *The department's "turnover" rate during 2006 was approximately 3.6% (.3% higher than FY 2004).*
3. Goal/Objective: Fire Prevention Bureau inspectors will complete 6,500 fire inspections and preplans annually. *The department has exceeded this goal in 2006 with 17,527 building inspections and preplan reviews completed by FPB inspectors and firefighters (significantly higher than the 7,901 inspections completed in FY 2004).*
4. Goal/Objective: Complete 350 community training events with 19,000 participants annually. *The department far exceeded these goals in 2006 with 1,061 community training events and 34,665 participants (increased from 862 events in FY 2004)..*
5. Goal/Objective: Ensure 90% of employees will perform at or above the "satisfactory" level on their annual performance evaluation. *Currently 99.7% (similar to the previous year) of the employees have received satisfactory or better on the annual performance evaluation.*

## **LEGISLATIVE INTENT STATEMENTS**

- A. In previous budget years, the Council adopted a legislative intent regarding the reduction in reliance on overtime. The Fire Department had previously responded that it "...continues to oversee its full staffing program in an attempt to reduce overtime costs and strives to use employees entitled to straight time

rather than those entitled to overtime.” The Audit of the SLCFD presented to the Council in 2005 made a number of recommendations relating to the use of overtime (see above).

- While the audit recommends increasing the base staffing levels to cover needs without overtime, it also recognizes that this may be a more expensive solution. The audit recommended that a study of leave use could result in policy changes that may help reduce the reliance on hiring back “overtime” personnel.
- The Department has studied the leave usage and this is part of why six additional FTE positions are recommended.

## **SIX YEAR BUSINESS PLAN**

The following are goals and anticipated needs identified by the Fire Department within their six year business plan:

- Additional budget may be requested to cover the rising costs of utilities and basic required safety equipment, and required replacement of certain training equipment. *Department note: Budget has already been requested, and will continue as utility rates increase and safety equipment ages and is in need of repair.*
- Any other budgetary increases will be defined by the approved adjustments based on the salary compensation plan.
- Currently the City mission is to have every Fire apparatus staffed with four firefighters. Currently a portion of the department’s overtime budget is used to accomplish this. However, if it could be accomplished with straight-time firefighters, it would result in a savings to the City. (The Department uses the Fair Labor Standards Act – FLSA – to allow hiring personnel at a straight time rate, saving the City the cost of funding a full time position including benefits).
- The Fire Department will continue to aggressively pursue annual grants from the Utah State Bureau of Emergency Medical Services, which ranges between \$50,000 and \$100,000 per year. (The Department has been able to secure not only funding from the Utah State Bureau of Emergency Medical Services but other sources enabling the SLCFD to meet some of its equipment and training needs without coming to the City for additional funding.)

**Attachment A**

Salt Lake City Fire Department  
Daily Staffing  
Based on Current Averages

	Current Platoon Strength	One Additional FTE per Platoon	<b>*Proposed*</b> Two Additional FTE per Platoon	Three Additional FTE per Platoon
Platoon Strength (3 Platoons Total)	98.00	99.00	100.00	101.00
<b>Scheduled Leave</b>				
Vacation	6.40	6.44	6.48	6.52
Holiday	4.33	4.38	4.43	4.48
Personal Leave	0.25	0.25	0.25	0.25
<b>Total</b>	<b>10.98</b>	<b>11.07</b>	<b>11.16</b>	<b>11.25</b>
<b>Unscheduled Leave</b>				
Sick Leave	2.50	2.50	2.50	2.50
Personal Leave	0.85	0.88	0.92	0.95
Funeral Leave	0.20	0.20	0.20	0.20
Military Leave	0.14	0.14	0.14	0.14
Dependant Leave	0.13	0.13	0.13	0.13
STD/LTD/Injury Leave	0.85	0.85	0.85	0.85
<b>Total</b>	<b>4.67</b>	<b>4.70</b>	<b>4.74</b>	<b>4.77</b>
<b>Other</b>				
Vacancies	3.12	3.12	3.12	3.12
Department Business	0.21	0.21	0.21	0.21
Schooling	1.28	1.28	1.28	1.28
Temporary Assignments	0.64	0.64	0.64	0.64
<b>Total</b>	<b>5.25</b>	<b>5.25</b>	<b>5.25</b>	<b>5.25</b>
<b>Total All Leave</b>	<b>20.90</b>	<b>21.02</b>	<b>21.15</b>	<b>21.27</b>
Available Staff	77.10	77.98	78.85	79.73
Daily Staffing Needed	79.00	79.00	79.00	79.00
<i>Difference</i>	<i>(1.90)</i>	<i>(1.02)</i>	<i>(0.15)</i>	<i>0.73</i>