

# SALT LAKE CITY COUNCIL STAFF REPORT

## BUDGET ANALYSIS – FISCAL YEAR 2010-11

**DATE:** May 18, 2010

**BUDGET FOR:** FIRE DEPARTMENT

**STAFF REPORT BY:** Jennifer Bruno, Deputy Director

**cc:** David Everitt, Chief Cook, John Vuyk, Gordon Hoskins, Gina Chamness, Kay Christensen

The proposed fiscal year 2010-11 budget for the Fire Department is \$33,362,538. This represents an increase of \$800,763 (2.5% increase from fiscal year 2009-10).

<b>FIRE DEPARTMENT</b>					
<b>PROPOSED BUDGET FY 2010-11</b>					
	<b>Adopted 2009-10</b>	<b>Proposed 2010-11</b>	<b>Difference</b>	<b>Percent Change</b>	<b>Explanation of Change</b>
Office of the Chief (including financial management, payroll, purchasing, inventory, research, human resource management, facility maintenance)	\$ 1,969,922	\$ 1,678,925	\$ (290,997)	-14.4%	Capital Improvement Reduction  Transfer PPE Expenses to Training  New FTE - Admin Assistant
Operations (including airport operations)	24,501,367	25,003,553	\$ 502,186	2.0%	Salary and Step Increases
Communications (dispatch, equipment maintenance & repair, technical support, records management)	1,814,118	2,030,734	\$ 216,616	11.7%	Salary and Step Increases  Payroll System Maintenance Increase
Training & Apparatus Division (including managing fleet acquisitions, maintenance and supplies activities, CERT function, Hazmat/Special Operations)	2,388,327	2,557,032	\$ 168,705	6.8%	Salary and Step Increases  PPE Expense Transfer from Office of the Chief
Fire Prevention (business inspections, hazardous materials permits, new construction, special events, community training, public education)	1,097,436	1,286,556	\$ 189,120	16.3%	Salary and Step Increases
Emergency Medical Services (including medical training, certification, quality assurance)	790,606	805,738	\$ 15,132	1.7%	
<b>Total</b>	<b>\$ 32,561,776</b>	<b>\$ 33,362,538</b>	<b>\$ 800,762</b>	<b>2.5%</b>	

## POTENTIAL MATTERS AT ISSUE

- A. Position Vacancies – (total savings of \$691,600 - salaries, benefits and equipment)
1. The SLCFD is proposing to continue holding 11 FTEs vacant (savings of \$576,928), pending notification of the SAFER (Staffing for Adequate Fire and Emergency Response) grant, which may allow the City to hire these positions. Initial feedback from the grant application is that we may be able to hire as many as nine (9) FTEs. The SLCFD has not yet received a final award indication.
  2. The SLCFD is also proposing to hold an additional three (3) FTEs vacant until January, for a savings of \$78,672.
  3. The SLCFD is also proposing to reduce Personal Protection Equipment (PPE) for new hires, since hiring will be limited (\$36,000 savings).
    - The Council may wish to consider the implication these vacancies will have on the department's overall overtime expenditures. For a more detailed discussion on overtime, see Matter At Issue K.
- B. Position Addition – The Administration is proposing to add an Administrative Assistant to the Office of the Fire Chief (\$40,000 – includes salary and benefits).
- C. Merit increases and restoration of 1.5% pay suspension – **\$754,910 increase** - The Administration is proposing to restore the 1.5% pay suspension that all City employees received last year. The Administration is also proposing to award merit increases that were due to some SLCFD employees in FY 2010 (note: Merit increases due for FY 2011 will not be awarded).
- D. Pension Changes - **\$1,155,911 increase** - The Utah State Pension fund lost a significant amount of money in the recent economic contraction. The Utah State Retirement System (URS) calculates the rates that the City must pay into the system in order to fund future retirement needs. Salt Lake City does not determine or adjust these rates. Currently the City is paying 35.71% of base salary for sworn police officers, which is increasing to 36.31% for FY 2011. For fire fighters, the City currently pays 9.68%, which will increase to 16.18%. For the Fire Department FY 2011 budget, this translates into a \$1,155,911 increase that the City must fund.
- E. Fuel Savings – **\$30,000 decrease** - The Administration is recommending reducing the Fire Department Fuel and maintenance budget by \$30,000 as a result of fuel conservation efforts. This represents a 2.5% reduction in the department's fuel and fleet maintenance budget.
  - The Council may wish to ask the Administration if the budget projections allow for fluctuation in fuel prices.
- F. Reduce Capital Expenditures - **\$50,000 decrease** – The Administration is proposing to reduce capital expenditures by \$50,000. This will delay the repair of heating and cooling systems at Fire Station #2, and water supply issues at Fire Station #3.
  - The Council may wish to consider the potential for increased utilities costs in the interim if these repairs are delayed.
- G. Reallocate Radio Expenses from Police - **\$33,000 increase** – Since the City has gone to a single City-wide radio system, the Police and Fire Departments have agreed to share the costs of the system. As a result, \$33,000 in costs are shifting from Police to Fire.
- H. Reduce Budget for Physicals, Gym Memberships, Cash Conversion - **\$10,000 decrease** – The Administration is proposing to reduce this line item in the budget – relating to gym memberships, physicals and cash conversions. This decrease will bring the budget closer in line with actual expenditures.

- I. Annual payroll system maintenance cost - \$21,000 increase – The Fire Department recently installed a new payroll system to increase staffing/tracking efficiency. The annual maintenance agreement for this new system is \$21,000.
- J. Summary of Budget Changes – The following chart is a list of the budget changes and the various amounts attributable to those changes:

<b>Fire Department Proposed Budget Changes - FY 2010-11</b>	
<b><i>Relating to Staffing</i></b>	
Base to Base adjustment	\$ (487,215)
Pension rate changes	\$ 1,155,911
Insurance rate changes	\$ 99,472
Restore 1.5% and FY 2010 Merit Increases	\$ 754,910
Add Administrative Assistant to Fire Chief (Salary&Benefits)	\$ 40,000
Hold 11 vacancies throughout the year	\$ (576,928)
Hold 3 vacancies through January	\$ (78,672)
Reduce PPE Funding for new recruits due to limited hiring	\$ (36,000)
<b><i>Other</i></b>	
Reduce Capital Expenditures at Fire Stations	\$ (50,000)
Reallocate radio expenses from police	\$ 33,000
Reduce budget for gym memberships, physicals to reflect ac	\$ (10,000)
Fleet Fuel and Maintenance Reduction	\$ (30,000)
Payroll Software Maintenance Agreement	\$ 21,000
adjust base for FY 2010 one-time expenses	\$ (34,716)

- K. HazMat Restructuring/Overtime costs – In March of 2010, the Fire Department restructured how it delivers HazMat service in the City, in order to maximize the number of employees available throughout the City on a given day, and address both four-handed staffing and response time issues. The staffing goal of the Fire Department, in order to meet these issues, is 75 firefighters each day. The Department indicates that it is too early to completely judge the success of this program two months into implementation. There have been other staffing impacts (such as additional HazMat training for certain team members, and a number of unplanned illnesses), that have reduced the available force, causing the department to rely on overtime. **In spite of these challenges, the Department has been able to maintain four handed staffing levels without “browning out” a station, as well as stay within the given budget for overtime.**
- *The Council may wish to ask for a report from the Fire Department at a later date as to the operational and budgetary experience of the restructuring HazMat delivery.*
  - *The Council may wish to have a policy discussion with the Fire Department about the Department’s approach when short-staffed – does the SLCFD intend either “brown out” a station and reduce service to a section of the City, or potentially run an apparatus with fewer than four fire fighters.*
- L. Retirement – The Fire Department continues to face challenges planning for and anticipating employee retirement. Current union contract specifies that two weeks of notice are necessary for a firefighter to retire. As a result, the lag time between a retirement of a firefighter and the hiring of a new class can leave the department with multiple vacancies. The Fire Department currently has 33 employees with at least 30 years, and an additional 41 employees with at least 20 years of service. The Council may wish to note that the Administration is reducing the Non-Departmental contribution towards retirement to

\$500,000, potentially adding to the problem of having sufficient funds to cover retiring employees.

- *The Council may wish to ask the Administration if they are planning to continue investigating some form of retirement incentive programs in order to better manage retirements, thereby assisting the department with four-handed crews.*

M. Other City Staffing changes/cuts with Fire Department Implications:

1. **Community and Economic Development (CED)** - The CED budget proposes eliminating a Fire Plan review position. The Fire Department indicates that at the time this position was proposed to be eliminated, the possibility of eventually sharing a single FTE between Fire and CED was discussed. However, no position like this was included in the Mayor's proposed budget. The Fire Department indicates that it does not have the capacity with existing staff to handle the plan review that would be generated with this position eliminated. Because CED is also planning to eliminate some plan review outsourcing money, significant outsourcing plan review is also not likely a viable option.

- *The Council may wish to consider restoring the position cut CED (or split between Fire and CED) in order to handle this workload, or restore the cut to outsourcing funds.*

- *The Council may wish to request that the Administration return with a recommendation as to how to address this issue fully in the annual budget process, rather than leaving the potential for resolution in a mid-year budget opening.*

2. **Airport** - The Airport budget proposes eliminating the Fire Marshal at the airport (vacant). The Fire Department is concerned that without proper attention at the Airport, compliance issues could end up not being adequately addressed. The Department assumes that the current Airport Fire Captains are acting as code enforcement, which may present issues of impartiality. The Fire Chief indicates that with current and future development at the Airport, a qualified independent Fire Marshal or equivalent is justified. Until a Fire Marshal position is added at the Airport, the SLCFD indicates that it will seek a mechanism to bill the Airport for any services provided by general fund employees. However, because the department is short-staffed as is, this could lead to fire code compliance issues at a major international airport.

- *The Council may wish to discuss the implications of eliminating a Fire Marshal at the airport before approving the airport budget.*

## **BACKGROUND INFORMATION**

The SLCFD has provided statistics on total responses per apparatus, summarized in the table below, detail per apparatus provided in **Attachment B**. (*Note: The statistics refer to "responses."* In some cases more than one apparatus responded to the same call for service, but in the majority of cases a single SLCFD unit satisfied the call for service. The Fire Chief will provide more detailed information on Tuesday).

## Summary of Total Responses - Calendar Years 2005-2008

	2005		2006		2007		2008		% change 2005-2008
	Total	Per Day	Total	Per Day	Total	Per Day	Total	Per Day	
Medical	20,142	55	21,172	58	22,144	61	21,890	60	9%
Fire	5,298	15	5,424	15	6,047	17	5,830	16	10%
Total	25,440	70	26,596	73	28,191	77	27,720	76	9%

*Key points from this information:*

- Total Medical responses increased 9% over the 2005-08 period, from an average of 55 per day to 60 per day.
- Total Fire responses increased 10% over the 2005-08 period, from an average of 15 per day to 16 per day.
- Total responses over the period increased 9% from an average of 70 responses per day to 76 per day.
- The percentage of medical responses to fire responses over this period remained relatively constant, with medical responses representing approximately 79% of total responses.

## 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.

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: (*Note: Part of this section may have been implemented – staff will confirm exactly what has been implemented prior to Tuesday’s briefing.*) 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.

## **OTHER 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 2006. This list is intended for background information purposes:

1. Recommendations relating to overtime/retirement management:
  - #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.
  - #21 Design an incentive program to provide more notice of retirement.
  - #10 Explore alternative work schedules that could reduce the reliance on overtime
  - #11 Identify current trends in leave use and establish a smaller number of people allowed off each day on scheduled leave
  - #12 Implement incentives to reduce sick leave taken (reduce overtime)

- #14 and #115 Assign some basic cause and origin investigation to company officers rather than bring investigator in (overtime) for clear-cut cases
- #161 Implement a sick leave reduction program to reduce overtime and provide some health insurance funding after retirement.

## 2. Recommendations relating to staffing changes:

- #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.
- #46 Add a 2-person Advanced Life Support (ALS) unit in the downtown area from 10 A.M. to 10 P.M.
- #37 Continue using four-person staffing on all engines and trucks in the SLCFD.
- #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)
- #47 Upgrade Engine 1 to advanced life support and downgrade Rescue Engine 4 to an engine to better address the distribution of EMS demand.
- #55 Institute an officer rotation policy for all captains
- #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.)
- #81 Convert all employees except four (fire marshal and three sworn fire investigators) in the Fire Prevention Bureau to civilian positions through attrition.
- #148 The radio technician position with the Fire Department should be consolidated into IMS Division.
- #99 Require fire captains and/or battalion chiefs to become certified as fire inspectors so they can supervise company inspections.
- #110 The deputy fire marshal (captain) over investigations should be a working captain active in fire investigations.
- #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)
- #88 The hazardous material inspector should become certified as a fire inspector to allow greater flexibility in assignment.
- #90 The civilian Public Education Specialist should be retained to provide adult and children programs.
- #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:

- #36 Monitor response times in areas with traffic calming devices.
- #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.
- #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.)

- #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:

- #6 Add technologies to eliminate manual processes for firefighter shift schedules and free up staff resources for other critical projects.
- #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.)
- #16 Allocate revenue from special events back to the EMS Division to offset the cost of the bike patrol.
- #99 Establish a self-inspection program for the lower risk businesses.
- 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.
- #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.
- #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. *Note: this data is from 2006. The Council may wish to ask for updated indicators.*

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 FY 2009, the Council adopted the following legislative intent relating to fuel efficient vehicles and medical calls:

“It is the intent of the City Council that the Administration report to the Council regarding how a more fuel efficient vehicle could be used on medical calls with the current staffing and operational models.”

**The Administration’s Response is as follows:** The Department successfully negotiated a response plan with Gold Cross Ambulance that allows for an ambulance only response on the Alpha medical calls. This change in response has reduced the fire department response by more than 2,000 calls per year, greatly reducing fuel consumption and carbon exhaust.

The Medical Division is developing its alternative response types for all medical calls, which will most likely include smaller vehicles responding. This will allow for less of the larger vehicles (engines and trucks) to respond. The smaller vehicles will have a significantly better fuel economy than the engines and trucks.

- B. In 2008 the Council adopted the following legislative intent relating to fitness for duty:

“It is the intent of the City Council that the Administration provide the Council with a progress report on implementation of the physical fitness requirement for City Fire and Police positions.”

**The Administration’s Response is as follows:** The Fire Department’s Task Performance Test (TPT) is now a multi-year program that is well established. The Department continues to have a 95% pass rate.

This year, the Department is partnering with the University of Utah to implement the Get Fit program. This program will assist firefighters in developing an individualized personal fitness program. There is no cost to the City or the firefighter or this program.

- C. In 2008, the Council adopted the following legislative intent relating to overtime:

“It is the intent of the City Council that the Fire Department continue to take measures to reduce the reliance on overtime and submit a written report to the Council outlining total amount spent for constant staffing at a straight-time rate and amount spent at an overtime rate.”

The Fire Department implemented the resource allocation change on February 1, 2010. The first two months (March and April) have shown that the Department’s use of overtime has been reduced. A detailed report on overtime use will be provided at the beginning of FY 11 after several months of tracking.

**EXECUTIVE ORDER – Relating to Fire Department Combat Crews**  
***Revised March 2007***

*Fire Department Combat Crews*

RESPONSIBLE CITY AGENCY: Fire Department

1. General

1.1 The City has created a Vacation/Holiday Buy Back program within the Fire Department to provide staffing of four firefighters per engine or truck to the extent possible. The Fire Chief shall maintain the Vacation/Holiday Buy Back program as one of the highest budget priorities of the Fire Department and shall manage the Fire Department budget with a goal of adequately funding that program.

1.2 When staffing levels would otherwise be reduced, the Fire Chief shall solicit volunteers from the Vacation/Holiday Buy Back program only. The Fire Chief is not obligated to solicit other employees from the Department employee roster to provide staffing of four firefighters per engine or truck.

1.3 Fire Department personnel working either under the Vacation/Holiday Buy Back program or otherwise off the employee roster shall be compensated as required by City ordinance or by any memorandum of understanding between the City and the employees' representative organization.

CURRENT REFERENCES: None

EFFECTIVE DATE: June 19, 2002

EFFECTIVE DATE OF CURRENT REVISION (Date signed by Mayor): March 29, 2007