

STAFF REPORT

DATE: March 19, 2019

TO: City Council

FROM: Mike Webb, City Manager
Nitish Sharma, Finance Director
Dennis P Reilly, Interim Fire Chief

SUBJECT: Fire Department Overtime Analysis

Recommendations

1. Receive the enclosed overtime cost/benefit analysis as requested by the City Council at the October 30th 2018 meeting; and
2. Support the City Manager's inclusion of three (3) additional firefighter positions in the proposed 2019/20 budget for City Council consideration as part of the overall budget proposal along with the associated reduction in overtime used to maintain Fire Department staffing; and
3. Direct the City Manager and Fire Chief to bring forward to the City Council a follow up discussion regarding the City's long-term policy related to optimization of staffing Fire Department unit including the potential future use of resources such as SAFER grant to supplement staffing levels at the Fire Department.

Fiscal Impact

The three (3) additional Firefighter positions will cost \$497,547.00 per year in salary and benefits as per the current MOU. There will also be one-time startup costs such as personal protective equipment, uniform items, etc. The one time expenditures would be offset by funding the positions for the full budget year, but adjusting the start date past July 1st. Over the course of time these staff members will be eligible for promotion to the Firefighter II grade which will entail a pay increase. It takes a minimum of three (3) years for a Firefighter I to become eligible for this increase.

Council Goal(s)

The following City Council goals are associated with this effort:

- Ensure fiscal resilience
- Ensure a safe, healthy, equitable community
- Foster excellence in city services
- Cultivate positive workplace dynamic

Background

In fiscal year 2013/14, the Fire Department experienced a reduction in staffing as a byproduct of the economic downturn. The Fire Department has continued to see an increase in run volume since the staffing reduction. In 2018, the Fire Department responded to 5,451 incidents as

compared to 4748 incidents in 2013. In the simplest terms, the Fire Department is making more responses with fewer people.

Analysis

The reduction in the force has led to a significant increase in overtime to maintain staffing. To provide the services that our citizens expect the Fire Department must maintain a minimum level of staffing. As the size of the pool of available staff members decreases, the only way to maintain staffing is to hire off duty staff back via overtime.

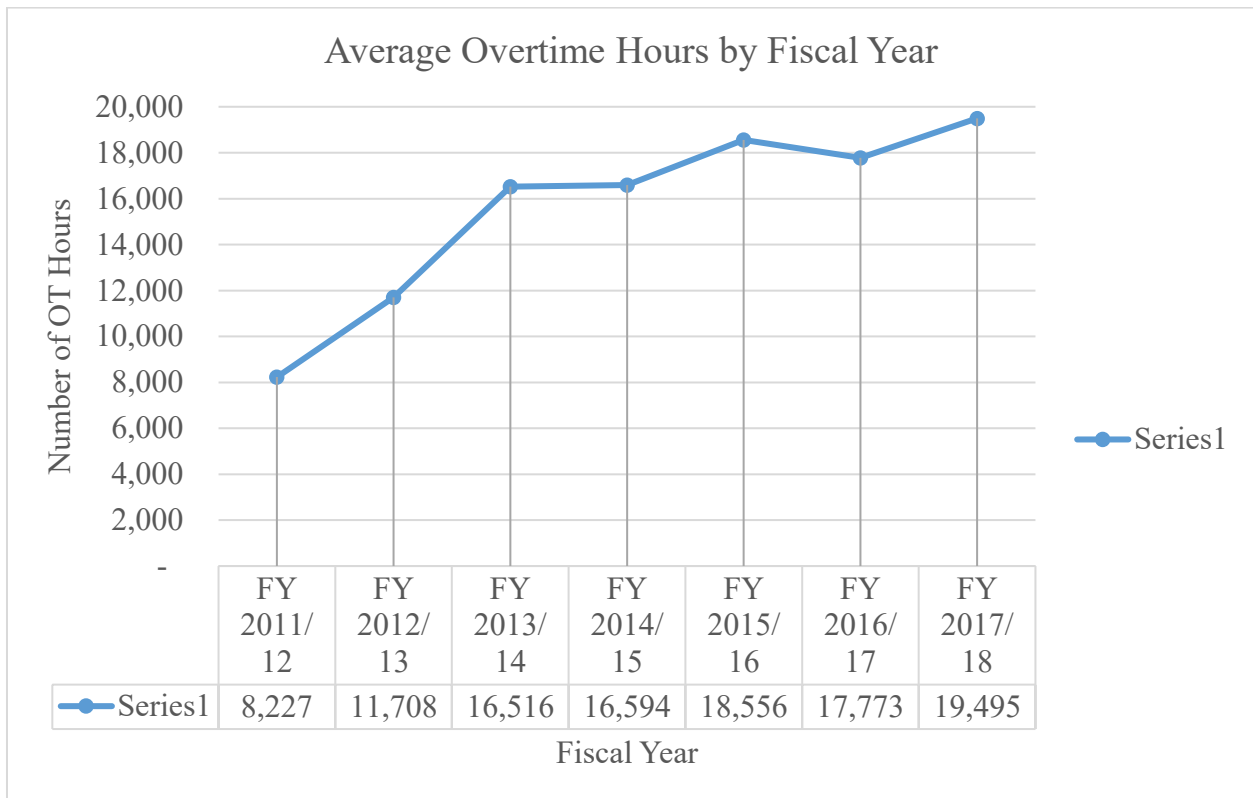


Figure 1: This chart depicts the increase use of overtime by the Fire Department. The trend line shows that the increasing use of overtime is likely to continue into the future.

Even with the existing “pool firefighters” it is extremely difficult to maintain minimum staffing. Since the pool firefighters were hired they have, with rare exceptions, been used to maintain minimum staffing. It is not uncommon to have members of the Fire Department off duty for extended periods due to injury or health related limited duty. Currently the Fire Department has one member on “light duty” and two members out for extended leave for reasons other than line of duty illness such as parental leave. These types of occurrences are not atypical to fire departments and there is no way to prevent them. It is prudent to plan for a reasonable amount of overtime to account for such absences.

Overtime Hours Composition					
Fiscal years	2017/18	2016/17	2015/16	2014/15	2013/14
Parental leave	1872	1556	1800	0	192
Vacation O/T	12,896	12,107	11,198	10,308	10,819
Jury Duty O/T	N/A	N/A	N/A	N/A	N/A
Sick leave O/T	3,168	3,138	3,483	3,317	4,847
Military O/T	580	215	133	322	424
Injury O/T	979	757	1942	2647	234
Total Overtime Hours/Leave	19,495	17,773	18,556	16,594	16,516

The above chart shows the amount and type of events that generates overtime from the fiscal years 2013/14 – 2017/18. Over the last several years, the data shows that the total amount of overtime hours seems to be generally consistent with what one would expect from a fire department, with variations in parental leave and injury leave form year to year. The data shows reliable predictions can be made regarding the types and amount of leave used by Fire Department employees.

Descriptions	Fiscal Years				
	2017/18	2016/17	2015/16	2014/15	2013/14
Adjusted Overtime	\$957,475	\$1,038,225	\$1,037,131	\$773,809	\$846,561
Actual Overtime:					
1. Regular	\$1,815,543	\$1,911,194	\$1,475,714	\$1,113,278	\$731,396
2. FLSA		\$944	\$1,483	\$1,905	\$44,400
3. Retro		\$136,857			
4. Standby	\$57,845	\$77,681	\$109,352	\$63,801	
Actual Overtime Totals	\$1,873,388	\$2,126,676	\$1,586,549	\$1,177,984	\$775,796
Budget Variance	(\$915,913)	(\$1,088,451)	(\$549,418)	(\$404,175)	(\$70,765)
Regular O/T Costs	\$1,815,543	\$1,911,194	\$1,475,714	\$1,113,278	\$731,396
Less Strike Team O/T	(\$285,361)	(\$385,422)	(\$452,651)	(\$243,287)	(\$153,059)
O/T Cost General Fund	\$1,530,182	\$1,525,772	\$1,013,063	\$869,991	\$578,337

This chart demonstrates the Fire Department's use of overtime to maintain staffing. At the current level of staffing, any vacancy creates a need for overtime. As the number of assigned personnel per shift increases, the dependence on overtime to maintain staffing will decrease. Labor and management agreed to a "resource closure" program in March of 2018. This program allowed the minimum level of personnel on duty to be reduced from 12 to as low as 9. Even with this reduction, the use of overtime is still well above budgeted amounts. From the information available there is no reason to expect this upward trend in overtime to curtail in the future.

In addition to the financial impact, the constant use of overtime has created stress on personnel. While one might conclude that overtime is viewed as a positive to staff, the amount of overtime being utilized is inducing stress, rates of burnout and negatively affecting morale and efficiency. This in turn can have an impact on rates of illness and exacerbate the use of overtime. This “human costs” of overtime was one of the reasons for the “resource closure” program. Prior to March 2018, it was common to have firefighters on forced overtime to maintain the 12 members. The need to maintain staffing at 12 with the limited pool of personnel was simply not achievable without the use of mandatory overtime. The analysis contained herein was undertaken to determine if there may be a better balance achieved.

Compensation	Regular Wages	Additional	Pension/Workers Comp	Medical	Total (Fiscal Year 2017/18)
Firefighter I	\$79,677	\$2,968	\$63,938	\$19,266	\$165, 849
Fiscal Year 2017/18					
O/T General Fund	\$1,530,182				
Base O/T Budget	\$649,803				
O/T Excess	\$880,803				
Firefighter 1	\$165,849				
Firefighter 2	\$165,849				
Firefighter 3	\$165,849				
Total of 3 FFs	\$497,547				
Anticipated reductions in O/T based on current assumptions:					\$382,832

After careful review of the historical overtime data, and inclusion of reasonable assumptions for anticipated absences and strike team events, an increase in staff to offset current overtime would be a positive step both fiscally and for staff well-being. The above chart annotates the cost of three additional staff and the possible overtime funding reduction that might be possible with this staff expansion. In this scenario overtime is not eliminated but is brought to a more reasonable and sustainable level. The more staff available at any one time would allow the resources needed to maintain minimum staffing. Three additional firefighters would cost \$497,547.00 per year per current compensation and assuming new staff would be PEPRA employees under the PERS retirement system. With a remaining overtime budget of \$649,803.00, the City could see a possible reduction of up to \$382,832.00 over current expenditures. It is important to note that the current fire fighter schedule triggers mandatory overtime each pay period. The base overtime budget of \$649,803 accounts the costs related to mandatory overtime and continues to assume that strike team related costs will be reimbursed to the City.

The reductions in the needed overtime funding are only projections and not guarantees. There are many factors such as long-term illness, injured-on-duty events or unforeseen major incidents requiring long deployments that could affect these figures. What does appear clear is if the City

takes no action, the overtime costs will remain extremely high and fatigue will continue to take a toll.

As discussed with Council in October of 2018 there are several policy elements that must be considered for Fire Department staffing. This report deals exclusively with an analysis of the costs of additional positions as opposed to overtime. In the best interest of public and firefighter safety, staff believes that a long-term policy conversation about the minimum apparatus staffing levels is warranted and would be brought forward for future City Council discussion.