

Portland Fire & Rescue

Budget Monitoring Report

Spring 2012



March 30, 2012



PORTLAND FIRE & RESCUE



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March 30, 2012

To: Mayor Sam Adams
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Dan Saltzman

From: Commissioner Randy Leonard

Re: Portland Fire & Rescue (PF&R) 2012 Spring BMP Submittal

PF&R's 2012 Spring BMP submittal includes the Business Area Projection Report, Budget Amendment Requests, and updates on Service Improvement Plan, Budget Note, and Decision Packages. Following is a brief synopsis of the contents.

The year-end revenue projections in the Business Area Projection Report reflect a reduction in the FPD&R reimbursement for return-to-work (RTW) positions because of the number of RTW position vacancies. In addition, the OPSRP reimbursement is also projected to be lower than anticipated, and between the two, the reimbursement shortfall is projected to total \$200,000. The decreased reimbursement is offset by savings of RTW position salaries and the OPSRP expenditures.

On the expenditure side, PF&R projects personal services expenditures at year-end will exceed budget by approximately \$1.2 million. The over-expenditure is due to the retirement payout costs associated with the number of retirements that have occurred to date and the additional retirements projected before year-end. The updated retirement projections for this fiscal year total 30, of which 21 have already occurred. Expenditures within the external and internal materials and services and capital outlay categories are projected to be in line with the revised budget at year-end.

PF&R's Spring BuMPP budget amendment requests that Council:

- Allocate \$1.19 million from the General Fund compensation set-aside to cover retirement payouts.
- Transfer \$77,590 from the General Fund contingency to reimburse PF&R's expense for the TriData contract.
- Reduce the FPD&R and PF&R interagency for both the reimbursements and associated expenditures related to the RTW positions and OPSRP costs.
- Approve an interagency adjustment with BTS and reallocation of the appropriation to external material and services and capital outlay.

PF&R will continue to closely monitor its expenditures throughout the remainder of the fiscal year to ensure the budget is not over-spent at year-end. PF&R continues to make progress on their Service Improvement Plans and the reductions from the decision packages have been implemented. As always, PF&R continues to strive to accomplish its mission with limited resources. Your support of this Spring BMP will ensure this occurs.

BUDGET AMENDMENT REQUEST

Portland Fire and Rescue

PERIOD Spring BuMP

FISCAL YEAR FY 2011-12

FR_011 - Reduce FPDR Interagency

This request reduces the FPDR interagency by \$200,000 of which \$150,000 is associated with OPSRP costs, and the remaining \$50,000 with light duty. FPDR reimburses PF&R for the actual expenditures incurred which are projected to be less than budgeted. PF&R's personnel services budget will be reduced by \$200,000 to offset the \$200,000 decrease in IA revenues from FPDR reimbursement.

Dollar Amount: (\$200,000)
Type: New Request
Resources: Internal Transfer

FR_012 - Reduce Bureau of Technology Svcs Interagency

This request reduces the BTS interagency by \$140,000 and reallocates the resources to capital outlay. The application analysts assigned to support PF&R have been diverted to PSSRP and their salary and benefit costs are being charged to this project.

Dollar Amount: \$0
Type: New Request
Resources: Internal Transfer

FR_013 - General Fund Compensation Set-aside

PF&R is requesting \$1,190,000 from the General Fund compensation set-aside to cover the projected year-end personnel services expenditures. The over-expenditure is due to the retirement payout costs associated with the number of retirements that have occurred to date and the additional retirements projected before year-end. Retirement projections for this fiscal year total 30. PF&R's budget includes \$1.05 million to cover retirement costs, but this fiscal year's payouts are projected to be \$2.32 million.

Dollar Amount: \$1,190,000
Type: Compensation Set Aside Request
Resources: General Fund Discretionary

BUDGET AMENDMENT REQUEST

Portland Fire and Rescue

PERIOD Spring BuMP

FISCAL YEAR FY 2011-12

FR_014 - TriData Funding

The FY2011-12 Adopted Budget included the following budget note:

The Office of Management & Finance, working with Portland Fire and Rescue (PF&R), shall hire an independent expert consultant to prepare a report for Council consideration comparing PF&R staffing and deployment levels to like metropolitan fire and rescue departments. Particularly, the report shall address efficient and innovative methods of recognized service delivery.

The report shall also provide data to assist Council in determining whether the new response vehicles being purchased with funds from the 2010 Fire Bond shall be staffed utilizing existing or new personnel. The report shall be prepared and presented to Council within six months of the budget adoption in a Council Work Session.

In response to this budget note, PF&R entered into a contractual agreement with TriData to conduct this study at a cost not-to-exceed \$100,000. PF&R managed the contract and the associated costs were charged to PF&R, but no additional resources were allocated to the budget to cover the contract cost.

In the Fall BMP PF&R included a request for \$100,000 to cover the contract costs; but the funds weren't allocated at that time. Instead, FPD recommended Council commit \$100,000 of General Fund discretionary in a set-aside, and once all the contract costs have been incurred, the actual amount of contract expenditures be moved to PF&R's budget.

TriData fulfilled the terms of the contract; the final report was completed in December 2011, and a Council work session held in January 2012. The final cost of the study was \$77,590 and PF&R is requesting this amount be allocated to the external material and services budget to cover the contract expense, since the bureau doesn't have the capacity to absorb the additional cost.

Dollar Amount: \$77,590
Type: New Request
Resources: General Fund Discretionary

FR_015 - UASI 2009

This request appropriates grant revenue of \$1,439,826 from the UASI 2009 grant. The grant funds were allocated for communications equipment such as MDC's, VHF equipment, portable and mobile radio equipment to enhance interoperable communications; and hazmat monitors and equipment, gas monitors, and medical equipment to support regional incident response and recovery.

Dollar Amount: \$1,439,826
Type: New Request
Resources: Grants

FR_016 - Technical Adjustment

This request transfers \$45,250 from Capital Outlay to External Materials & Services (M&S) in the G.O. Bond Fund to cover the fireboat specification consulting expenses and to avoid overspending in the External M&S category.

Dollar Amount: \$0
Type: Technical Adjustment
Resources: Internal Transfer

Business Area Projection Report

	Spring BuMP Revised Budget	FY 2011-12 YTD Actuals Thru AP8	Spring BuMP Year-End Projection	% of Projected Actuals to Revised Bud
Portland Fire and Rescue				
EXPENDITURES				
Personnel Services	\$85,062,925	\$56,589,425	\$85,060,000	100%
External Materials and Services	\$7,055,857	\$3,268,923	\$7,055,250	100%
Internal Materials and Services	\$5,677,722	\$3,722,901	\$5,677,000	100%
Capital Outlay	\$5,716,088	\$594,098	\$5,716,000	100%
Contingency	\$4,397,000	\$0	\$4,397,000	100%
TOTAL EXPENDITURES	\$107,909,592	\$64,175,347	\$107,905,250	100%
REVENUES				
Budgeted Beginning Fund Balance	\$7,121,000	\$0	\$7,121,000	100%
Licenses & Permits	\$1,290,000	\$1,109,828	\$1,520,000	118%
Charges for Services	\$1,200,000	\$773,352	\$1,087,000	91%
Intergovernmental Revenues	\$2,827,365	\$498,094	\$2,829,000	100%
Interagency Revenue	\$2,658,622	\$1,169,824	\$2,658,622	100%
Miscellaneous	\$276,200	\$296,105	\$255,000	92%
General Fund Discretionary	\$92,361,264	\$0	\$92,259,487	100%

Business Area Projection Report

	Spring BuMP Revised Budget	FY 2011-12 YTD Actuals Thru AP8	Spring BuMP Year-End Projection	% of Projected Actuals to Revised Bud
Portland Fire and Rescue				
REVENUES				
General Fund Overhead	\$175,141	\$0	\$175,141	100%
TOTAL REVENUES	\$107,909,592	\$3,847,203	\$107,905,250	100%

Bureau Projection Narrative

GENERAL FUND

Revenues

Overall PF&R's FY 2011-12 program revenues are projected to be in line with budget.

The FPDR reimbursement for return-to-work (RTW) positions will be lower than budgeted due to the RTW position vacancies. The OPSRP reimbursement is also projected to be lower than anticipated. The reimbursement shortfalls total approximately \$200,000, which, however, will be offset by savings in RTW position salaries and the OPSRP expenditures. In this spring BMP, PF&R is requesting budget reductions in both the reimbursements and related expenditures.

Plan Reviews and Permit revenues are projected to exceed the budgeted amount by \$230,000 as a result of a strong recovery in construction activities this fiscal year. However, Code Enforcement revenues will be below the target due to inspector staff turnovers and periodic vacancies.

The year-to-date miscellaneous revenue actual should be \$133,801 because a \$162,304 in-kind donation was mis-coded as a cash receipt. The miscoding will be corrected in the next accounting period.

Expenditures

The Personal Services expenditures will exceed budget by approximately \$1.19 million due to a large amount of retirement payouts. PF&R earmarks \$1.05 million for retirement payouts each year, however, this fiscal year's actual retirement payouts are projected to close to \$2.32 million. PF&R is requesting \$1.19 million from the General Fund Compensation Set-Aside to cover the projected Personal Service budget shortfall. Expenditures in other major expenditure categories are projected to be within budget.

GRANT FUND

Both grant expenditures and reimbursements will be on target.

PUBLIC SAFETY GO BOND FUND

Both the bond sale proceeds and the expenditures are projected to be in line with budget.

**PORTLAND FIRE & RESCUE
FY2011-12 SPRING BMP
CURRENT YEAR BUDGET NOTE UPDATE**

The FY2011-12 Adopted Budget included the following budget note:

The Office of Management & Finance, working with Portland Fire and Rescue (PF&R), shall hire an independent expert consultant to prepare a report for Council consideration comparing PF&R staffing and deployment levels to like metropolitan fire and rescue departments. Particularly, the report shall address efficient and innovative methods of recognized service delivery.

The report shall also provide data to assist Council in determining whether the new response vehicles being purchased with funds from the 2010 Fire Bond shall be staffed utilizing existing or new personnel. The report shall be prepared and presented to Council within six months of the budget adoption in a Council Work Session.

UPDATE: PF&R entered into a contract with TriData to conduct a staffing and deployment study that would identify options to implement the rapid response vehicle (RRV) program; specifically staffing the new vehicles with existing or new personnel. A steering committee was appointed and provided oversight to the project, and the final report was completed in December 2011, and the findings and recommendations were presented to Council at a January 2012 work session. In its final report, TriData outlined four staffing options to implement the RRV program;

1. Hire additional personnel to staff the new vehicles
2. Reassign staff from Rescues 11 and 19 to the new vehicles
3. Adjust the bureau's traveler's pool (employees who fill in for employees on vacation and sick leave)
4. Utilize two truck companies to staff the new vehicles on a limited daily basis

As approved by the Fire Commissioner, PF&R determined option #2 was the most feasible to implement and will reassign staff from Rescues 11 and 19 when the pilot program begins in April 2012. These two rescues are currently funded with one-time resources, and are scheduled to go out of service June 30, 2012. PF&R's Requested Budget included two decision packages for one-time resources to support the continued operation of the rescues. If these requests are not funded for FY2012-13, the RRV pilot program will also end since the resources were diverted from the two rescues.

**PORTLAND FIRE & RESCUE
FY2011-12 SPRING BMP
CURRENT YEAR DECISION PACKAGE UPDATE**

FY2011-12 Adopted Budget one-time reductions to ongoing reductions

In the Fall BMP, PF&R included a request that made substitutions for the one-time reductions that were converted to ongoing in the FY2011-12 Adopted Budget. PF&R combined the efforts of Public Communications, Public Information, and Public Education to enhance the bureau's public outreach and communication, which allowed a vacant Assistant Public Education Officer position to be eliminated.

The remaining ongoing reductions were in external materials and services and affected the budget for personal protection equipment (PPE), self-contained breathing apparatus (SCBA), travel, office supplies, recruit testing and funds available for grant match. Since this is the first year of these reductions, the impact has not been fully realized. The impact will become much more apparent in the upcoming fiscal years, as PF&R falls behind in replacement of PPE and SCBAs.

Reductions in the Training and Safety Division affected the recruit testing process and EMT certification. The funds to hire an outside vendor to perform applicant testing were eliminated and the recruit testing is being done in-house and PF&R will no longer pay the salary costs associated with new hires EMT certification.

One-time funding for rescues and station staffing

The two rescues and all fire stations are operational until June 30, 2012 when the funding runs out.

**PORTLAND FIRE & RESCUE
SERVICE IMPROVEMENT PLAN UPDATE
FY 2011-12 SPRING BMP**

Create and enhance viable opportunities for collaboration with other agencies to improve service to the public.

- PF&R routinely applies for and receives grant funds that are used to improve emergency response capabilities and to educate and increase public's awareness of fire and life safety. Frequently, these activities are done in collaboration with other agencies throughout the region. Currently, PF&R acts as the purchasing agent for a regional group of emergency responders that have received federal funds. This is a significant benefit to smaller agencies because the city has greater purchasing power.
- PF&R's HazMat Coordinator is actively involved in training, outreach and interagency events at the state, regional, and national level focused on ensuring the safety of the public and emergency responders during a hazardous materials event. Some of the agencies include the Port of Portland, Portland Airport, Oregon Health & Sciences University, EPA, USAR, and fire agencies throughout Oregon.

Continue to plan, coordinate, and communicate with City bureaus and partner agencies to enhance the City's response to Low Frequency/High Consequence events.

PF&R has been active in participating with other city bureaus, multiple disciplines, and outside agencies such as Multnomah County, Portland Public Schools, and Coast Guard. Following are some examples:

In September 2011 PF&R participated in the Liquefaction Exercise, which was a simulation of an earthquake occurring on the East Bank Fault Line. The earthquake response and recovery exercise focused on participants' emergency response plans, policies, and procedures.

- A marine drill was conducted in October 2011 aboard a vessel that tested the response capabilities of multiple agencies (fire, law enforcement, Coast Guard) to a shipboard fire in our harbor.
- The Mt. Tabor Hydroelectric tabletop exercise conducted in October 2011 focused on evaluating emergency response procedures, identifying areas for improvement, and achieving a collaborative attitude with city bureaus and regional partners.
- A Spring Flood tabletop exercise concerning flooding of the Willamette River and securing the sea wall downtown is scheduled for April 2012.
- The upcoming statewide USAR event in May that will bring together responders from multiple disciplines and agencies (fire, law enforcement, military, EMS) to test our response in a structural collapse. USAR 1 with Station 1 personnel will be evaluating and rescuing victims from collapsed buildings and structures, and Heavy Squad 18 & 24 will be executing capabilities for mass casualty care.

Develop a coordinated leadership and management training program to meet the bureau's needs for current and future leaders.

A task force was formed and assigned with developing the leadership program. The task force created a leadership course covering each promotional step to ensure that the training needs of current and future leaders are met. The leadership course is now in place and will be updated on a regular basis.

Capital Program Status Report

Fire

CIP Program	FY 2010-11		FY 2010-11		FY 2010-11		FY 2011-12		FY 2011-12		FY 2011-12	
	Adopted Budget	Revised Budget	Year-End Actuals	Year-End Actuals	Variance \$	Variance %	Adopted Budget	Revised Budget	Year to Date Actuals	Variance \$	Variance %	
Acquisitions	\$0	\$0	\$41,993	\$41,993	\$41,993		\$2,724,000	\$2,724,000	\$122,727	\$0	0%	
Facilities	\$543,239	\$1,998,126	\$971,949	\$971,949	(\$1,026,177)	(51%)	\$0	\$129,350	\$396,684	\$129,350		
Total	\$543,239	\$1,998,126	\$1,211,046	\$1,211,046	(\$787,080)	(39%)	\$2,724,000	\$2,853,350	\$519,411	\$129,350	5%	

* Prior Year variances compare Year-End Actuals to Revised Budget

** Current Year variances compare Revised Budget to Adopted Budget

Prior Year Variance Description

The variance between the FY 2010-11 Revised Budget and the FY 2010-11 year-end actuals is due to apparatus purchase encumbrances. The Fall BMP approved PF&R's request that these encumbrances be carried forward to FY 2011-12 to complete the purchases.

Current Year Variance Description

The Capital Program Status Report understates the FY 2011-12 Revised Budget and the year-to-date actuals. The correct amount of the FY 2011-12 Revised Budget including the spring BMP should be \$4,166,884, resulting in a \$1,442,884 variance between the adopted and the revised budgets. The variance is mainly due to encumbrance carryover from FY 2010-11.

The year-to-date actual should be \$2,156,684. Of the remaining budget, \$1,524,885 is encumbered and the other \$485,315 is projected to be expended or encumbered by the end of this fiscal year.