

Analysis By: Kezia Wanner

PORTLAND FIRE & RESCUE

All Funds Budget Summary	Adopted FY 2012-13	Request Base FY 2013-14	Decision Pkgs FY 2013-14	Request Total FY 2013-14	Percent Change
Resources					
Budgeted Beginning Fund Balance	\$ 5,762,000	\$ 1,857,329	\$0	\$ 1,857,329	-67.8%
Licenses & Permits	1,430,000	1,736,000	0	1,736,000	21.4%
Charges for Services	1,190,000	1,190,000	108,138	1,298,138	9.1%
Intergovernmental Revenues	1,755,000	564,000	0	564,000	-67.9%
Interagency Revenue	3,167,849	2,257,169	1,598,844	3,856,013	21.7%
Bond and Note Proceeds	0	12,679,000	0	12,679,000	na
Miscellaneous Sources	216,200	216,200	0	216,200	0.0%
General Fund Discretionary	88,679,206	83,685,362	10,261,098	93,946,460	5.9%
General Fund Overhead	71,451	67,917	0	67,917	-4.9%
Total Resources	\$102,271,706	\$104,252,977	\$11,968,080	\$116,221,057	13.6%
Expenditures					
Personnel Services	\$ 84,570,992	\$ 78,528,132	\$ 11,228,484	\$ 89,756,616	6.1%
External Materials and Services	5,422,324	6,074,996	355,736	6,430,732	18.6%
Internal Materials and Services	5,296,390	4,928,520	383,860	5,312,380	0.3%
Capital Outlay	6,982,000	5,463,443	0	5,463,443	-21.7%
Contingency	0	9,257,886	0	9,257,886	na
Total Requirements	\$102,271,706	\$104,252,977	\$11,968,080	\$116,221,057	13.6%
Total Bureau FTE	730.47	641	91.8	732.8	0.3%

Percent Change is the change from FY 2012-13 Adopted Budget to FY 2013-14 Total Requested Budget.

Key Issues

Overtime Trends

The bureau's historical expenditures for overtime have comprised approximately 8-9% of its personnel services expenditures (details in table below) and slightly lower percentage of the total bureau expenditures. The question of whether Fire Bureau overtime was excessive or appropriate was the subject of a City Auditor's audit in 2012. The Auditor concluded that there was not a culture of overtime management or minimization in the bureau. Since that time, the bureau has stated they have implemented operational measures to minimize/reduce overtime costs including an August 2012 memo from the Chief to all PF&R employees emphasizing the importance of minimizing overtime, reduced off-duty training and other activities, closer tracking in Management Services Division of how and where the overtime costs are incurred, and the use of the Travelers Pool staff as opposed to call shifts to cover vacation, sick, or injury leave. It should be noted that the most recent contract with the Portland Fire Fighters Association had increased call shift pay from 1.25 times regular pay to 1.5 times regular pay, adding an additional \$610,000 of overtime cost to the bureau in FY 2012-13.

	Actuals			Revised	no DP	w DP
				Requested		
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2013-14
Total Expense	89,658,856	90,876,528	95,457,139	96,633,508	89,716,648	101,684,728
Total Personnel Services	76,623,284	78,719,899	83,919,639	84,455,382	78,528,132	89,756,616
Overtime	8,194,548	6,814,388	7,155,429	7,897,103	7,062,608	7,909,708
Overtime as % of Bureau budget	9.14%	7.50%	7.50%	8.17%	7.87%	7.78%
Overtime as % of PS budget	10.69%	8.66%	8.53%	9.35%	8.99%	8.81%

Concern over fire department overtime costs is a nation-wide issue, with Pittsburg, Pennsylvania as the subject of a December 2012 audit noting that over 23% of that department's total expenditures in 2011 were overtime costs. Other recent examples include Cincinnati, Ohio; Petaluma California; Los Angeles County, California; and Charlotte, North Carolina. CBO recognizes both that the management of overtime is complicated and requires internal organization culture shifts, protocol changes, and often changes to the collective bargaining agreements; and that the use of overtime is essential to emergency response organization operations. However, it is important to note that PF&R control overtime costs in order to reduce the risk to the General Fund. The CBO recommends that, as an additional overtime management tool, as well as for greater transparency, PF&R provide a report every six months to the City Budget Office and to the City elected officials that displays bureau overtime costs incurred by division and purpose for the overtime.

Ambulance Transport

Portland Fire & Rescue responds to nearly 50,000 medical emergency calls a year, which comprises over 71% of their workload. PF&R responds to 90% of the EMS calls within 7 minutes and 6 seconds, with their goal being 5 minutes and 20 seconds. PF&R responds to EMS calls and provides medical services but PF&R is not authorized or equipped to transport patients to the hospital or other care facility. Currently Multnomah

Multnomah County Fee Schedule - Ambulance	
Service Description	Fee
Basic Life Support	922.54
Advanced Life Support	922.54
Non-transport	174.45
Mileage	20.40

County has a contract with American Medical Response (AMR), a private ambulance company, to provide transport services for medical calls received by 9-1-1. AMR is a for-profit company. The fee schedule is shown in the table above. AMR charges the fees to either a patients' medical insurance provider or a government medical provider (Medicare and Medicaid) with a roughly 65% reimbursement within Multnomah County.

Portland Fire and Rescue, responding to the same 9-1-1 calls, funds its operations through various forms of primarily tax revenues streams, including property tax, business license tax, and transient lodging tax. It has been argued that there is duplication of work performed by the responding agencies, as well as duplicate charging for the services (by direct billing from AMR and taxpayer costs that support PF&R). Currently PF&R is facing closures of seven of its 30 fire stations because of constrained General Fund resources. Since the ambulance transport services generate significant revenues, it would make sense for

the City and County, together, to reevaluate the contract with AMR and consider if this is a function that could be performed by the City.

Based upon factors including workload, fees charged, recovery rates, and collections costs, there is potential significant new revenue to the City in assuming the ambulance transport service, although there is at this point also great uncertainty to the costs involved in implementing such a service. Not considering recovery rates, preliminary revenue estimates range between \$39.4 million on the high end and \$25.6 million on the lower end. The wide range in the potential revenues is due to the high rate of transport that AMR currently performs (77%) on EMS call response, and the lower level of transport that PF&R would likely perform (50%, which is similar to other municipalities providing ambulance service). Providing ambulance services would generate significant expenses including staffing, vehicles, training, program management, as well as billings and collections. The CBO has been able to cost out billing and collections functions based upon the current AMR level of staffing specified in their contract with Multnomah County, the contract stipulates that 43 positions are dedicated to billing and collections services. Using an equivalent City classification to cost out the positions, the billing and collections costs is estimated to be approximately \$3.06 million. Other costs related to staffing, vehicles, training, and vehicle outfitting have not been calculated in this analysis but would be significant.

It is instructive to look at other jurisdictions that operate ambulance services. The first case study is Eugene, Oregon. The City began providing ambulance services in 1981 when a private vendor abruptly ceased to provide the service. In 2010, Eugene contracted again with an outside vendor to provide certain types of EMS services (non-emergent medical transports only) while maintaining its own ambulance service for other medical response call types. Eugene's medical response services include 12 paramedic engine companies, three 24-hour ambulances (with two more in reserve for additional capacity/need), and two ambulances for non-emergency transports 24 hours a day provided by a private ambulance service. The estimated cost for ambulance transport by the Eugene Fire and EMS Department is \$1,800 to \$3,000 and transport via life flight is estimated at \$18,000. Eugene has provided a cost-reduction option for non-insured citizens by partnering with FireMed, an emergency transport membership service, which is essentially a specific type of insurance. Under a subscription/membership program of this type, subscribers pay a lump sum for a year of coverage for varying levels of EMS services - basic ambulance service (\$26 per household annually) and ambulance with life flight services (\$43 per household annually). Subscription/membership programs allow for residents who do not have adequate insurance coverage to insure themselves against potential medical bills.

Another municipality that has assumed the responsibility of ambulance service delivery is the City of Bend, Oregon. The department has six engines and seven ambulances that can respond to EMS calls, and the department receives 6,330 EMS calls annually, 47% of which they transport. In 2010, Bend considered privatizing ambulance services but the ultimate decision was that privatizing the service will not reduce the fire department costs, but would reduce revenues to the department of approximately \$1.6 million annually. During the process of deliberations, it was determined that the City would still be expending the same resources on personnel but losing revenue and authority to manage ambulance services, an integral part of the EMS system. Bend charges for ambulance transport at the rate of \$863 per advanced life support (ALS) transport, and \$765 for basic life support (BLS) transport.

CBO recommends that the City pursue discussion with the County well in advance of the next renewal of AMR's contract in 2015. The goal should be to determine 1) if the City can provide the same or better levels of service than that of AMR, 2) the benefits outweigh the costs for providing emergency ambulance services, and 3) there is clear benefit to the public/taxpayers. Council should also keep in mind that the Affordable Health Care Act may inject some uncertainty into healthcare reimbursement costs and may affect the implementation of cost-recovery programs related to ambulance transport.

Station Closures

Decreasing the PF&R budget in any material way will require closing Fire Stations. Position costs comprise more than 87%, on average, of the bureau's budget. To make significant reductions, as the bureau has been directed to do in the FY 2013-14 Requested Budget, means cutting positions. The bureau's Requested Budget, without add packages, includes reductions of seven fire stations, 82.0 sworn FTE, 4.8 non-sworn FTE, and other operational reductions. To reduce sworn staffing and thereby close companies will mean that the time required for bureau response to emergencies of all types will increase. To take a single station off-line requires companies in the surrounding fire management area (FMA) to fill in for the company no longer in service, which increases time for emergency response in that specific and surrounding FMAs. To close several companies has a domino effect of increasing response time in all FMAs across the system, which increases the risks to life and property. The bureau's goal is to respond to all calls within 5 minutes and 20 seconds, which is 20 seconds higher than the National Fire Protection Agency's recommendation for fire and EMS calls. The bureau is currently not meeting that goal and the current response time for 90% of calls is 7 minutes and 5 seconds with no station closures. The bureau has estimated that with multiple station closures, response time could be as much as 15 minutes in some areas.

To have a strategic discussion about station closures and meaningful changes to the fire response system requires performance and workload data, and data resulting from modeling possible outcomes/risks due to station closures is the preferable tool to guide decisions. The bureau has stated that at they will begin analysis and station closure modeling after Council provides a better indication of the ultimate number of stations to close. The bureau will examine various factors in each FMA, present the results of its analysis to Council, and make recommendations to Council on the changes to the existing emergency operations deployment model. PF&R has stated that, in considering which stations to close, they will evaluate the criteria of response time, reliability, call volumes/time of day, risks, and demographic and population change information. The results of the bureau's analysis might come as early as the Mayor's Proposed Budget, scheduled for public release on April 30, or it could come as late as the Approved Budget, which is scheduled for a vote by Council on May 30, 2013.

Regardless of what date the bureau feels that they have adequate direction/indication from Council to proceed with modeling station closures, it will be very late in the budget process, and therefore, far into the budget decision-making process. The CBO stated in our analysis of PF&R's FY 2012-13 Requested Budget: "In the absence of available data, [CBO] recommends that the bureau model the operational impacts of closing stations to provide more precise data to Council during the FY 2012-13 budget process." However, the bureau believes that at this phase of the budget process, there is still too much

uncertainty for it to seriously begin analyzing which stations to close. PF&R has indicated that with the Proposed Budget, there is much more certainty to begin the analysis.

CBO has evaluated PF&R's rationale for maintaining the current system of stations, and the arguments against station closures, but considering the current budget shortfall, we do not believe that the FY 2013-14 Budget can be balanced without station closures. Understanding that there will be impacts to service delivery, CBO recommends that three fire stations be closed, but also recommends this is done in concert with three key operational changes affecting both PF&R and BOEC: 1) revise the Fire Management Areas (more on that issue follows later in the analysis), 2) refine BOEC triaging protocols of EMS calls including "stacking" calls in a queue, which ties in with 3) expand the Rapid Response Vehicle program to four vehicles, staffed seven days a week to mitigate the impact of taking stations off-line. Each of the three operational changes is discussed in some detail in the narrative below.

The process of redrawing FMA boundaries would take into consideration call volume, current response and reliability data, topographical considerations, traffic and roadways. PF&R maintains response and reliability data by FMA (and within the FMAs, by fire block) that is instructive to see where the system is exceeding or falling short of the established goals with all stations and companies in operation. From this data, one can see that with all of the current resources deployed there are still significant swaths of the City that are receiving a lower level of service. These specific geographic areas – Portland's West Hills, Forest Park, Southwest Portland, outer East Portland, and far North Portland - generally are larger FMAs with non-grid roadways and complicated topography. Even with the system operating at full capacity the response time and reliability goals are not attainable in these areas of the city. Some FMAs are performing more successfully in achieving lower response times and greater reliability; this information is useful in identifying areas of the city that could best bear the shifting burden of work resulting from station closures.

PF&R's stations, apparatus, and companies (with the exception of the rapid response vehicles and rescue units) are all location-based and therefore cannot be adjusted when a station is taken off line. This fundamental fact has been the primary obstacle to reorganizing the current PF&R system. One idea that would allow for a system restructure, although it is not known if this has been discussed at a policy level, is to redefine the FMA boundaries to address current lower-performing stations and to accommodate the closure of key stations. Undoubtedly the bureau would need to redraw FMA boundaries at the time that specific stations closures decisions were made.

Another key operational change CBO recommends is the refinement of BOEC triaging of EMS calls. This issue figured prominently in the 2011 Fire Staffing Study conducted by TriData, a consulting firm hired by the City. The study focused on how to best staff the bureau's four rapid response vehicles (RRVs) purchased with 2010 Public Safety GO bond resources, but in addressing the staffing question, the study evaluated workload and how to assign EMS calls among the new RRVs and the bureau's other apparatus. The first recommendation of the study was that "the City should remove non-emergent calls from its dispatching call processing time criteria and place these calls in a non-emergent category to enable additional time to manage these requests." The logic behind this recommendation is that BOEC, which

manages the 9-1-1 calls, applies their same call processing time performance targets to all types of calls received, but the time constraints inhibits the adequate vetting of non-emergent calls to determine what type of response resource is appropriate. Furthermore, the study recommended that EMS calls are prioritized (stacked), which would allow for PF&R to respond in order of urgency. If calls were stacked, during the hours that the RRVs were operating it would allow for RRVs to manage a distinct set of non-emergent calls without requiring any assistance from other PF&R apparatus to respond to this group of calls. Theoretically, then, all other apparatus would be available to respond to emergent EMS, fire, and other emergencies.

The third of the operational changes that CBO recommends in tandem with the station closures is the full implementation of the RRV program or the possibility of employing a combination of RRVs and rescue units. The fundamental goal is to have more EMS response vehicles operating more of the time, ideally 24/7, and both the RRVs and Rescue Units serve this function although they have different capabilities. The bureau has used limited resources to fund a pilot program beginning in April 2012; the pilot is operating two RRVs 8am to 6pm Monday through Thursday. Operating in this limited capacity, it is difficult to gauge how the addition of the RRVs has impacted the overall workload of the system. For greater effectiveness in alleviating the workload that would otherwise be assumed by engine and truck companies, it makes sense that more of the bureau's RRV or Rescue Units are operational seven days a week during the peak call times (or if warranted, 24 hours a day, seven days a week) to respond to non and less emergent EMS calls. An additional recommendation from the TriData study is that the RRVs operate across multiple FMAs in defined "hubs." The hub model would be structured to provide targeted coverage for areas of closed fire stations.

CBO recognizes that taking stations off-line will mean a lower level of response/service in all areas of the City, to some increment, but taking certain stations off-line would impact the system less severely than others. CBO recommends closures of stations, along with the three parallel recommendations.

Insurance Service Office (ISO) Rating

One of the potential risks resulting from closing fire stations and reducing the fire system response capacity is that the City's Insurance Service Office (ISO) rating could be affected by closures of stations. The ISO is a for-profit organization that provides statistical information regarding risk related to a jurisdiction's fire services. The ISO rating system is on a 1 to 10 scale with 1 being the best; the City of Portland currently is ranked at a level 2. The ISO calculates data on the effectiveness and strength of City fire departments and then sells the data to insurance carriers who build their homeowner and property insurance rates from this data. Currently the influence that the ISO has over setting insurance rates is decreasing as fewer insurers are using this data to set rates, but are instead basing rates on the actual experienced fire losses in geographic areas (per zip code). It is projected that the ISO will downgrade the City of Portland's rating if a number of stations are closed, as that would have a negative impact on the emergency response system capacity. If private insurance providers are using the ISO ranking to develop their rates, this could drive private property fire insurance costs significantly higher.

Decision Package Analysis & Recommendations

Restore Three Fire & Rescue Stations FR_02, \$4,828,884, 39.00 FTE

Restore One Fire & Rescue Station FR_03, \$1,484,442, 13.00 FTE

Restore One Fire & Rescue Station FR_04, \$1,418,502, 13.00 FTE

Restore One Fire & Rescue Station FR_05, \$1,354,102, 13.00 FTE

Restore Station Operation Funding FR_18, \$801,809, 0.00 FTE

The bureau has submitted their base Requested Budget, at a 90% current service level, with the reduction of six fire stations and discontinued one-time funding for a partial station. PF&R's projected impacts of the station closures include significantly decreased response reliability, increased response times, fewer lives saved, less property protected, and fewer lives saved from cardiac arrest. The bureau is not able to quantify with precision the impacts until they know the level of station closures they face and modeling of the specific stations is accomplished.

The bureau has requested that funding for these stations be restored. CBO recommends funding for three of the requested stations (specific to decision packages FR_03, FR_04, FR_05), but does not recommend funding the request for restoring the three stations in decision package FR_02 nor partial station funding in FR_18. FR_18 is requesting funding for seven firefighter positions to keep a station open. Layoffs in the bureau are based on seniority, and the newest, and hence lowest-paid, firefighters are the ones laid off first. While CBO is recommending the packages with the lower paid staff to be added, the ongoing savings associated with the closing of the station associated with FR_18 added to the funding in the packages recommended should enable the bureau to effectively keep three stations operating. More information about the CBO's recommendations for station closures is located in the key issues section.

CBO Recommendation: \$3,631,306, 39.00 FTE

Rapid Response Vehicles FR_19 \$367,960, 4.00 FTE

The bureau received one-time funding in FY 2010-11 and FY 2011-12 years to operate EMS rescue units, and then in 2012-13, operate new Rapid Response Vehicles. The bureau implemented the RRV pilot program April 2012, which is still in operation. The program has the potential to alleviate the EMS workload for other companies, but that impact is predicated on how fully the effort is implemented in the bureau. Currently the bureau operates the program at less than 50% of the program capacity. CBO recommends the funding requested by the bureau, and also that Council consider fully implementing the program with four RRV vehicles during peak hours for EMS calls, seven days a week. The full implementation of the program will require more staff to work additional shifts. Only with the full implementation will it be possible to evaluate the success of the program. More information about CBO's recommendations for the RRV is located in the key issues section.

CBO Recommendation: \$367,960, 4.00 FTE

Restore the Safety Chief Position FR_15 \$132,903, 1.00 FTE

PF&R requests to restore the Safety Chief position in order to continue to provide the bureau with centralized management of all safety prevention, compliance, and training matters.

The CBO is not recommending the restoration of funding for this position due to the lack of discretionary resources. Although the bureau would no longer have a single point of contact regarding safety issues, the position's duties would be distributed to the three Emergency Operations Deputy Chiefs. In addition, the EMS Program Manager/Occupational Nurse also serves as a resource for safety data and analysis.

CBO Recommendation: \$0, 0.00 FTE

Restore Two Training Academy Fire Fighter Specialists FR_21 \$171,136, 2.00 FTE

This is the bureau's 6th highest priority request. The two positions provide orientations, overviews, and training instruction to academy recruits. These Specialists ensure compliance with bureau operations and work to reduce injuries by supervising the health and welfare of recruits while they develop their skills.

The CBO is not recommending the restoration of funding for these positions due to the lack of discretionary resources. The bureau states that the Training Academy would need to be open for shortened periods to retrain firefighters as they are brought back from lay-off status and to replace senior members who have retired. The CBO notes that it is unlikely that any firefighters will be brought back from lay-off status any time soon due to the City's difficult financial situation. In addition, the number of retirements is projected to be low. PF&R has indicated that when a training class is not available, the Specialists would be absorbed into the Traveler's Pool to reduce call shift or replacement costs until a new training class begins.

CBO Recommendation: \$0, 0.00 FTE

Restore Dive Rescue Team FR_06 \$133,000

This is the bureau's 7th highest priority request. The bureau maintains a marine program that is focused on rescue, as well as a separate dive team, that is focused on recovery. The request for funding in this package would maintain the specific premium pay of 6% for the sworn firefighters who are certified to serve as dive team responders. Dive rescue is highly technical and dangerous. A result of the request not being funded is that victims of drowning would not be recovered by the PF&R dive team, as is current practice, but only be recovered through non-diving mechanical means or through natural resurfacing. In FY 2011-12 the dive team responded to four incidents. The bureau notes that although dive rescue events occur infrequently, they tend to be highly traumatic for victims, their families, and responders.

Both PF&R's Marine Program and Multnomah County Sheriff's Office River Patrol provide patrol and enforcement services on the City's waterways. The two agencies largely provide different services, but there are some areas of overlap. At the point that the issue of river patrol responsibilities is again discussed between the City and County, CBO recommends that Dive Team recovery functions are part of that discussion.

CBO does not recommend funding the request, because, unlike the marine program, the dive team does not provide life-saving response services.

CBO Recommendation: \$0

Restore the Operations of the Safety Learning Center FR_07 \$133,916, 1.00 FTE

This is the bureau's 8th highest priority request. PF&R is requesting a Public Education Officer position be restored to staff the Belmont Safety Learning Center. The learning center provides education to the public, primarily school-aged children, during the year and is currently open 9am-3pm every Wednesday, 9am – 3pm the second Saturday of the month, and will host tours upon request. In addition to managing the Learning Center, the Public Education Officer develops and distributes fire and safety education materials.

CBO does not recommend this position restoration but believes that the functions required to keep the center open could be performed by volunteer staff. PF&R is currently looking into the viability of volunteers staffing the center, but are not certain that volunteers alone would be adequate to operate the center. Central to the bureau's concerns are the value of the items housed in the museum and the very specific knowledge that is necessary to speak about PF&R operations and history. CBO believes that with an effective training program and professional application/background/bonding of volunteers, most of the concerns could be ameliorated.

CBO recommends that the City look at establishing a cross-bureau volunteer coordinator position that would serve as a resource for bureaus that have a need to use volunteers either for a limited durations or for projects of limited scope. Some of the other City bureaus that could capitalize on this service are PBOT regarding the Sunday Parkways events, for which they used 886 volunteers (and 4,773 volunteer hours) in the five 2012 events; the ONI Graffiti Abatement program that operates several clean-up events throughout the year; various bureaus, such as Planning and Sustainability and the City Budget Office, that hold public events and forums; and specific outreach and education efforts for Portland Police Bureau. The Parks Bureau currently has a full-time volunteer coordinator to address the broad range of volunteer opportunities/needs in the bureau; the Parks coordinator could serve as an information resource in establishing a city-wide program. CBO recommends that the volunteer coordinator position operates from a central office or bureau, such as Bureau of Human Resources or the Mayor's Office. The position would require new funding but the return of work accomplished by volunteers could offset that investment to a significant degree, if not fully.

CBO Recommendation: \$0, 0.00 FTE

Restore Two Carpenter Positions FR_08, \$194,692, 2.00 FTE

The request is the bureau's ninth prioritized request, and is for the restoration of the bureau's two carpenter positions. If the request is not funded, the bureau will outsource only essential work, such as dry rot repairs and situations that may affect safety and emergency operations, and will not do any other

lesser priority carpentry work that includes cabinetry work; finishing; moldings; window and door installations; and building, furniture, fixture, equipment repairs. Additionally the bureau has identified that the carpenter work that was scheduled to be accomplished for Fire Station 21 retrofit project has been added to the contractor's scope of work. The work was originally going to be done by in-house contractors, but with the position reduction, it will now be done through project sub-contractors.

Based on the lack of discretionary resources, CBO does not recommend funding for this request at this time. If, after one year of operating without the carpenter positions, the bureau's outsourced costs for carpentry and small tenant improvement projects is significant, CBO recommends evaluating if it makes financial sense to bring the function in-house again.

CBO Recommendation: \$0, 0.00 FTE

Restore Overtime FR_09, \$120,000

The bureau is requesting to restore their overtime budget by \$120,000 in this decision package. Currently the bureau's base budget includes overtime funding of \$7.0 million. The bureau requested to restore \$727,100 of overtime funding in other decision packages aside from this one. The other decision packages are FR_02, FR_03, FR_04, FR_05, and FR_19. The bureau's average overtime spending is approximately \$7.4 million, but that number is inflated to some degree because it calculates three prior fiscal years' expenditures, two of those years were prior to the overtime reforms that the bureau has started to implement. It should be noted that the most recent contract with the Portland Fire Fighters Association had increased call shift pay from 1.25 times regular pay to 1.5 times regular pay, adding an additional \$610,000 of overtime cost to the bureau in FY 2012-13. Details on overtime expenditures are in the table below. CBO does not recommend this request because the bureau has a commitment to minimizing overtime usage and therefore the base budget sets the bar at a realistic lower target for the bureau to meet.

	Actuals			Revised	Requested	
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	no DP FY 2013-14	w DP FY 2013-14
Total Expense	89,658,856	90,876,528	95,457,139	96,633,508	89,716,648	101,684,728
Total Personnel Services	76,623,284	78,719,899	83,919,639	84,455,382	78,528,132	89,756,616
Overtime	8,194,548	6,814,388	7,155,429	7,897,103	7,062,608	7,909,708

CBO Recommendation: \$0

Restore 0.5 FTE Office Support Specialist II FR_10, \$27,132, 0.50 FTE

This request is the bureau's 11th priority package. The OSSII position is assigned to the Prevention Division and, along with four other support positions, provides customer service and administrative services to the 39.00 FTE Prevention Division personnel that provide direct services. This reduction of a 0.50 FTE reduces the support function positions by slightly more than 11% of current capacity.

Based on the lack of discretionary resources, CBO does not recommend funding for this request at this time.

CBO Recommendation: \$0, 0.00 FTE

Restore 0.4 EAP Specialist FR_11, \$42,138, 0.50 FTE

The bureau is requesting funding to restore the position from 0.40 to a 0.90 FTE position. The EAP specialist provides assistance to PF&R employees regarding both issues of work and non-work stress. First responders frequently deal with injury, death, traffic accidents, sub-standard living conditions, emergencies, and catastrophic events. The EAP specialist assists the sworn employees with emotional effects related to the traumatic events witnessed while on the job.

CBO does not recommend restoring the position funding in the PF&R but instead recommends that the EAP specialist's functions within the Fire and Police bureaus are consolidated and management of the service shifts to a centrally-located bureau; Bureau of Human Resources is appropriately positioned to assume this responsibility, as they already manage the City-wide EAP program. If this proposal moves forward and the EAP services are relocated from Police and Fire to BHR, the savings to PF&R would be approximately \$60,000 ongoing, and for Police it would be \$100,222.

CBO Recommendation: \$0, 0.00 FTE

Restore .4 FTE Assistant Financial Analyst FR_12, \$40,386, 0.40 FTE

This is the bureau's thirteenth highest prioritized request out of 20 requests. The request is for funding to restore a 0.60 FTE to 1.00 FTE. The position is located in the bureau's Finance Section of the Management Services Division and performs as the bureau's grants analyst. Current work that the position performs includes financial coordination for the Public Safety GO Bond expenditures, as well as financial, budget and purchasing functions for the Logistics Section. Projected outcomes of not restoring the position will be the shift of workload to the three accounting positions in the Finance Section.

Based on the lack of discretionary resources, CBO does not recommend funding for this request at this time, but if the bureau feels that the work performed by this position is essential, CBO recommends that resources should be shifted from other support functions in the bureau, such as Television Services, to fund the restoration of the AFA position.

CBO Recommendation: \$0, 0.00 FTE

Increase Code Enforcement Fines and Fees FR_13, \$75,000

The bureau is requesting to increase fees by 15% and fines to a larger percentage. The last fee increase was 2005-06 and the bureau believes revisiting the fees schedule is overdue. The bureau will convene a Prevention Advisory Council that will provide guidance regarding the specific fee increases. In the past the bureau has used the same advisory body to address Prevention Division issues that could have financial or operational impacts on the broader community and to solicit support from stakeholders.

The estimate for increase in annual revenues is \$150,000, although that could be conservative. The bureau is anticipating \$75,000 in new revenues for FY 2013-14 because they anticipate the new fees will be in effect for half of the fiscal year, beginning in January 2014.

CBO recommends this request and is in agreement that seven years is too long to maintain a static fee structure. CBO additionally recommends that the bureau research the current fees/fines charged by comparative agencies when establishing the new PF&R fees/fine schedule to inform setting appropriate increases.

CBO Recommendation: \$75,000

Restore .5 Vehicle Maintenance Supervisor I FR_14, \$57,498 0.50 FTE

This is the bureau's fifteenth out of 20 requests. The bureau is requesting funding to restore the position from 0.5 FTE to 1.00 FTE. Currently there are 2.00 FTE Vehicle Maintenance Supervisors and 7.00 FTE Vehicle & Equipment Mechanic positions in the bureau, responsible for maintaining all apparatus and specialized vehicles/equipment. This Vehicle Maintenance Supervisor position is the coordinator for the Public Safety GO Bond apparatus purchases and the responsibilities include involvement in the selection of vendors (RFP process), establishing apparatus specifications, PF&R point person in the procurement process. The bureau has stated that this position qualifies as a legitimate expense for the GO Bond project management budget, which would shift the position costs to the GO Bond through 2015-16.

CBO supports the bureau's request to reallocate the 0.50 FTE position expense to the GO Bond and does not recommend the restoration of the 0.50 FTE that would be funded with General Fund resources.

CBO Recommendation: \$0, 0.00 FTE

Restore Hazmat Coordinator Position FR_16, \$116,210 1.00 FTE

This is the bureau's sixteenth highest priority request out of twenty. To add context, this position/function was the subject of a reduction in the FY 2012-13 Budget process although ultimately the reduction did not occur. This position is currently vacant. The bureau is requesting to restore the hazmat coordinator position, the single position in the bureau currently that performs training to bureau personnel regarding hazmat issues. If the position funding is not restored, the bureau will shift most, but possibly not all, of the functions to other bureau staff, including the functions of hazmat training, certification, liaison, compliance, and response coordination functions.

Based on the lack of discretionary resources, CBO does not recommend funding for this request at this time.

CBO Recommendation: \$0, 0.00 FTE

Bureau Base Budget Realignment – New Data Analyst FR_17, \$93,264 1.00 FTE

The Bureau is requesting to reduce its base external materials and service budget to fund a new data analyst position. The analyst would be responsible for general bureau data collection; comparable studies of other agencies regarding performance, finance, operations issues; modeling changes to the system (e.g. station closures or FMA boundaries). CBO recommends this realignment and strongly supports the bureau’s move toward establishing the capacity to make more data-driven decisions. It has been made clear in the current and past budget processes that the bureau does not have the capacity to conduct rigorous analysis regarding the impact of potential changes to the system such as adding the RRVs to the system or taking stations off-line and out of the system. This information is essential to making informed decisions.

CBO Recommendation: \$93,264, 1.00 FTE

OMF Interagency Agreements Add-backs FR 20, \$383,860

As per budget direction, the Office of Management and Finance (OMF) internal service funds were asked to submit 90% of their current service level (CSL) budgets as their base and add packages to restore funding up to 100% of CSL. Bureaus were directed to match the OMF add-back packages with a single decision package. The table below outlines the total requested add-backs by service provider.

EBS	64,052
Fleet	7,100
Facilities	13,582
Risk	18,225
BTS	280,901
Fire Bureau/ OMF IA Ad	383,860

In response to add-backs recommended in the OMF budget analysis, the CBO recommends \$12,221 in General Fund discretionary support to fund these packages. A full discussion of all of the OMF packages may be found in the OMF budget analysis.

CBO Recommendation: \$12,221

City of Portland
Decision Package Recommendations
(Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested					CBO Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
Portland Fire & Rescue											
<u>Unfunded Ongoing</u>											
FR_18 - Station Operation Funding	01	0.00	0	669,809	132,000	801,809	0.00	0	0	0	0
FR_19 - RRVs	02	4.00	0	367,960	52,560	420,520	4.00	0	367,960	52,560	420,520
<i>Total Unfunded Ongoing</i>		<i>4.00</i>	<i>0</i>	<i>1,037,769</i>	<i>184,560</i>	<i>1,222,329</i>	<i>4.00</i>	<i>0</i>	<i>367,960</i>	<i>52,560</i>	<i>420,520</i>
<u>Bureau Adds</u>											
FR_02 - Restore Three Fire & Rescue Stations	01	39.00	4,108,068	0	720,816	4,828,884	0.00	0	0	0	0
FR_03 - Restore One Fire & Rescue Station	02	13.00	1,262,222	0	222,220	1,484,442	13.00	1,262,222	0	222,220	1,484,442
FR_04 - Restore One Fire & Rescue Station	03	13.00	1,209,922	0	208,580	1,418,502	13.00	1,209,922	0	208,580	1,418,502
FR_05 - Restore One Fire & Rescue Station	04	13.00	1,159,162	0	194,940	1,354,102	13.00	1,159,162	0	194,940	1,354,102
FR_15 - Restore the Safety Chief Position	05	1.00	132,903	0	25,020	157,923	0.00	0	0	0	0
FR_21 - Restore Two Training Academy FF Specialists	06	2.00	171,136	0	26,880	198,016	0.00	0	0	0	0
FR_06 - Restore Dive Rescue Team	07	0.00	133,000	0	0	133,000	0.00	0	0	0	0
FR_07 - Restore the Operations of Safety Learning Ce	08	1.00	65,000	0	48,966	113,966	0.00	0	0	0	0
FR_08 - Restore Two Carpenter Positions	09	2.00	194,692	0	0	194,692	0.00	0	0	0	0
FR_09 - Restore Overtime	10	0.00	120,000	0	0	120,000	0.00	0	0	0	0
FR_10 - Restore .5 FTE Office Support Specialist II	11	0.50	27,132	0	0	27,132	0.00	0	0	0	0
FR_11 - Restore .4 FTE EAP Specialist	12	0.40	42,138	0	0	42,138	0.00	0	0	0	0
FR_12 - Restore .4 FTE Assistant Financial Analyst	13	0.40	40,386	0	0	40,386	0.00	0	0	0	0
FR_13 - Increase Code Enforcement Fines and Fees	14	0.00	0	0	75,000	75,000	0.00	0	0	75,000	75,000
FR_14 - Restore .5 FTE Vehicle Maintenance Supervi	15	0.50	57,498	0	0	57,498	0.00	0	0	0	0
FR_16 - Restore the Hazmat Coordinator Position	16	1.00	116,210	0	0	116,210	0.00	0	0	0	0
FR_20 - Restore Interagency Agreements to 100% CS	NA	0.00	383,860	0	0	383,860	0.00	12,221	0	0	12,221
<i>Total Bureau Adds</i>		<i>86.80</i>	<i>9,223,329</i>	<i>0</i>	<i>1,522,422</i>	<i>10,745,751</i>	<i>39.00</i>	<i>3,643,527</i>	<i>0</i>	<i>700,740</i>	<i>4,344,267</i>
<u>Realignments</u>											
FR_17 - Base Budget Realignment - Fund Data Analy	01	1.00	0	0	0	0	1.00	0	0	0	0
<i>Total Realignments</i>		<i>1.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Portland Fire & Rescue		91.80	9,223,329	1,037,769	1,706,982	11,968,080	44.00	3,643,527	367,960	753,300	4,764,787