

## FINANCIAL PLANNING DIVISION ANALYSIS FY 2012-13 Budget

### Bureau of Emergency Communications

Analysis by: Yung Ouyang

#### I. Overview

Budget Summary	Revised FY 2010-11	Revised FY 2011-12	Request Base FY 2012-13	Request Total FY 2012-13	Percent Change
<b>Resources</b>					
Budgeted Beginning Fund Balance	\$1,658,142	\$3,315,476	\$2,641,966	\$2,641,966	-20.3%
Charges for Services	200,000	200,000	370,919	370,919	85.5%
Intergovernmental Revenues	6,624,045	6,720,863	7,177,738	6,566,617	-2.3%
Interagency Revenue	230,511	0	0	0	N/A
Fund Transfers - Revenue	10,328,298	12,717,324	14,190,127	11,847,548	-6.8%
Bond and Note Proceeds	26,207	0	0	0	N/A
Miscellaneous Sources	50,000	50,000	50,000	50,000	0.0%
<b>Total Resources</b>	<b>\$19,117,203</b>	<b>\$23,003,663</b>	<b>\$24,430,750</b>	<b>\$21,477,050</b>	<b>-6.6%</b>
<b>Expenditures</b>					
Personnel Services	\$14,109,600	\$14,076,415	\$14,600,320	\$11,646,620	-17.3%
External Materials and Services	659,998	314,818	1,103,144	1,103,144	250.4%
Internal Materials and Services	2,535,302	4,025,959	3,865,896	3,865,896	-4.0%
Debt Service	138,736	1,330,111	1,339,286	1,339,286	0.7%
Fund Transfers - Expense	486,000	614,394	830,138	830,138	35.1%
Contingency	1,187,567	2,641,966	2,691,966	2,691,966	1.9%
<b>Total Requirements</b>	<b>\$19,117,203</b>	<b>\$23,003,663</b>	<b>\$24,430,750</b>	<b>\$21,477,050</b>	<b>-6.6%</b>
<b>Total Bureau FTE</b>	<b>145.00</b>	<b>145.00</b>	<b>145.00</b>	<b>136.00</b>	<b>-6.2%</b>

Percent Change is the change from FY 2011-12 Revised Budget to FY 2012-13 Total Requested Budget.

#### II. Key Issues

##### Staffing Issues

Due to a self-imposed hiring freeze resulting from the need to train existing employees on the new CAD system, the Bureau of Emergency Communications (BOEC) has had several positions that it has allowed to remain vacant last year, resulting in savings in Personnel Services costs for the bureau. On the other hand, leaving positions vacant meant that existing staff has had to work extra overtime hours, and with overtime pay being 1.5 times the regular pay, any salary and benefits savings from the vacant positions may be eliminated. However, the bureau has determined that the number of overtime hours worked is a small percentage of the hours resulting from vacancies, at most about 22%. Management has concluded that at an average of 4 hours a week, the amount of overtime worked by certified staff is excessive, with negative effects on employee health, retention, stress, sick time usage, and performance.

Thus, the bureau is in the process of hiring additional staff. Currently, there are 80 certified dispatchers, 14 certified call-takers, and four trainees with eight more to be hired soon. The bureau's base budget (before any reductions) contains 108 certified positions, plus six trainee positions. A study conducted by an outside consultant in 2004 concluded that the bureau should

have a staff requirement of 107 FTE. Eight years later, the county's population has increased with a corresponding increase in emergency calls, and so BOEC currently has a goal of staffing up to 110 FTE. The bureau derived this figure by considering call volume; call distribution by the time of day, day of week, and month of year; call processing times; dispatching requirements; and performance expectations of staff and the bureau. With 110 FTE being the ideal, the bureau has determined that 102 FTE should be a minimum. BOEC's plan is to hire call-taker/dispatch trainees twice a year, once in the spring and once in the fall, with a goal of nine trainees per academy.

Due to the City's difficult fiscal circumstances next year, the bureaus have been directed to propose reductions of 4%, 6%, and 8%, and BOEC has proposed to first reduce its overtime budget and then eliminate six of the vacant positions if necessary. Financial Planning recommends the reduction at the 6% level (which actually translates to a reduction numerically equivalent to 7.6% of the bureau's General Fund appropriation due to the loss of additional revenues from partner agencies), which consists of cuts to BOEC's overtime budget and the elimination of three call-taker positions. See discussion below for Financial Planning's rationale.

However, if City Council decides to implement certain new policies, BOEC may need to screen calls more to assist the Police Bureau with regards to mental health issues and to assist Portland Fire & Rescue (PF&R) with better triaging of medical calls. Any changes implemented will have a direct impact on BOEC's workload and staffing. In order to maintain performance at a high level, for example, to answer a certain percentage of calls within a specified number of seconds, while spending more time triaging the calls for mental health and medical issues, the bureau would need additional staff. Studies such as the one conducted for PF&R in regards to staffing have concluded that investments in better triaging of calls will save the City more money by reducing the workload for PF&R.

If Council does decide that BOEC should take all of its proposed cuts, including the loss of six call-taker positions, the bureau has indicated that it can still maintain a high level of service by answering 200,000 fewer non-emergency calls, a decrease of about 67%. The bureau believes that these calls that are not public safety dispatch-worthy should be handled by a more appropriate agency such as a non-emergency call center. Financial Planning recommends that Council explore the possibility of the City having such a non-emergency call center that would respond to all the non-emergency calls currently handled by BOEC as well as those handled by the Information & Referral program at the Office of Neighborhood Involvement.

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

	Bureau Priority	Bureau Requested				FPD 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
<b>Bureau of Emergency Communications</b>											
<i>Reductions</i>											
EC_01 - BOEC - 4% Reduction Package	01	0.00	(520,573)	0	(135,805)	(656,378)	0.00	0	0	0	0
EC_02 - BOEC - 6% Reduction Package	02	(3.00)	(780,860)	0	(203,707)	(984,567)	(3.00)	(780,860)	0	(203,707)	(984,567)
EC_03 - BOEC - 8% Reduction Package	03	(6.00)	(1,041,146)	0	(271,609)	(1,312,755)	0.00	0	0	0	0
<i>Total Reductions</i>		(9.00)	(2,342,579)	0	(611,121)	(2,953,700)	(3.00)	(780,860)	0	(203,707)	(984,567)
<b>Total Bureau of Emergency Communications</b>		(9.00)	(2,342,579)	0	(611,121)	(2,953,700)	(3.00)	(780,860)	0	(203,707)	(984,567)
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<b>Summary by Decision Package Type</b>											
<i>Total Reductions</i>		(9.00)	(2,342,579)	0	(611,121)	(2,953,700)	(3.00)	(780,860)	0	(203,707)	(984,567)
<i>Total Unfunded Ongoing</i>		0.00	0	0	0	0	0.00	0	0	0	0
<i>Total Bureau Adds</i>		0.00	0	0	0	0	0.00	0	0	0	0
<i>Total Realignments</i>		0.00	0	0	0	0	0.00	0	0	0	0
<b>Grand Total</b>		(9.00)	(2,342,579)	0	(611,121)	(2,953,700)	(3.00)	(780,860)	0	(203,707)	(984,567)

### III. Decision Package Analysis & Recommendations

#### Reduction Packages

Note: BOEC's reduction packages are individually cumulative, that is, the 6% reduction package contains the 4% reductions plus other reductions needed to reach 6%, and the 8% reduction package contains the 4% reductions plus other reductions needed to reach 6% as well as additional reductions needed to reach 8%. Thus, in the preceding table, the total requested budget reductions of \$2.3 million contain a double count of the 4% and 6% cuts. BOEC's total reductions at 8% would be \$1.0 million (or \$1.3 million including loss of revenues from the other jurisdictions).

#### ***4% Reduction Package/EC\_01, (\$656,378), Bureau Priority #1***

A reduction of 4% from BOEC's General Fund allocation equates to a reduction equivalent to about 5% of its General Fund appropriation since the bureau is about 80% funded by the City's General Fund and 20% funded by partner jurisdictions. Any reduction to the City's share of the funding would legally necessitate a reduction in revenues from Multnomah County and the other municipalities of the county. BOEC has proposed reducing its overtime budget by \$525,000, leaving only \$150,000 in that line item, with the rest of the reduction coming from benefits associated with the overtime. Financial Planning is recommending the reduction at the 6% level which includes all the reductions in this package and so is not recommending this package. See the discussion on EC\_02 below.

*FPD Recommendation: \$0*

#### ***6% Reduction Package/EC\_02, (\$984,567), (3.00) FTE, Bureau Priority #2***

As mentioned above, this package contains the overtime reduction in the 4% reduction package. In addition, BOEC is proposing to cut its overtime budget by a further \$75,000 as well as three Emergency Communications Call-Taker positions to reach the 6% reduction target. Again, due to the agreements between the various user jurisdictions and the City, a reduction of 6% of revenue from the City's General Fund would actually equate to a reduction of about 7.6% of the bureau's General Fund appropriation due to the loss of revenue from the other jurisdictions.

Financial Planning is recommending this reduction for a variety of reasons. With regards to overtime, Financial Planning believes that BOEC should have enough savings from other parts of its budget to cover the reduction. The bureau received a significant increase in its CAL to pay for increased O&M costs for the new CAD system, but its Interagency Agreement (IA) with the Bureau of Technology Services (BTS) actually decreased by more than \$193,000 from the prior year. The bureau has estimated that the "fully staffed operationally required overtime," defined to be the amount of overtime needed irrespective of the number of vacancies, to cost about \$400,000 per year. Last year, the bureau incurred overtime costs of about \$667,000 due to a significant number of vacancies resulting from a self-imposed hiring freeze so that it can train existing staff on the new CAD system instead of training new hires. With the bureau hiring again, the budget needed for overtime should be much less than last year's actual amount expended. The table below shows that the bureau averaged about \$552,000 in overtime costs over the last three years.

<b>Year</b>	<b>Overtime Spending</b>
2008-09	\$ 463,692
2009-10	\$ 524,406
2010-11	\$ 667,390
<b>Average</b>	<b>\$ 551,829</b>

Assuming that BOEC staffs up with only several vacancies left next year, the salary and benefits savings from those vacancies, added to the savings from the BTS IA reduction and the \$75,000 left for overtime after the reduction, should enable the bureau to meet its overtime costs needs.

Overtime budget before reduction	\$ 675,000
Overtime reduction	\$ (600,000)
Savings from BTS IA reduction	\$ 193,000
Savings from 3 vacancies (at \$77K per vacancy)	\$ 231,000
<b>New amount available to cover overtime costs</b>	<b>\$ 499,000</b>

Moreover, Financial Planning is recommending the elimination of three of the Call-Taker positions because it believes that BOEC will not be negatively impacted by the loss of the positions. The bureau has been significantly understaffed for over a year now, with a high number of vacancies, and has only suffered a slight deterioration in performance even though additional overtime costs have been substantial. The bureau has only staffed with overtime at most 22% of the work hours resulting from the vacancies. With the bureau having that many vacancies and experiencing only a slight deterioration in performance, a loss of three positions while the bureau is filling most of the other vacant positions should not have much of an effect on the bureau.

Financial Planning’s analysis for this package also assumes that three of the positions that are currently vacant will continue to remain vacant so that there will be salary and benefits savings to supplement the bureau’s overtime budget. With the bureau’s current 108 certified positions minus the three eliminated with this package and with three remaining vacant, BOEC should have 102 positions that can be filled. While not ideal considering that its goal is to have 110 FTE and a study conducted eight years ago recommended 107 FTE, the bureau is at least able to staff its minimum of 102 positions. Financial Planning recommends that Council review BOEC’s staffing in FY 2012-13 to determine a target level of future staffing.

*FPD Recommendation: (\$984,567), (3.00) FTE*

**8% Reduction Package/EC\_03, (\$1,312,755), (6.00) FTE, Bureau Priority #3**

This 8% reduction package contains the reductions detailed above, as well as an additional reduction in overtime of \$75,000 and the elimination of three more call-taker positions. An 8% reduction in General Fund revenue translates to a reduction numerically equivalent to 10% of the bureau’s General Fund appropriation due to the loss of revenue from partner jurisdictions.

Financial Planning is not recommending this request because further eliminations of call-taker positions will prevent the bureau from staffing up to its minimum of 102 FTE. As the initial responder to any call for help from the public, the bureau performs functions that are considered essential City services. Further reductions in staff will translate into additional overtime work for the remaining staff, and management has determined that the amount of overtime currently worked by certified staff to be excessive, impacting employee health, retention, stress levels, and sick time usage. The bureau’s performance, as reflected in its performance measures, have also shown a slight but noticeable deterioration. Furthermore, Financial Planning is recommending against further staff reductions because the bureau may potentially need to respond to new obligations, as mentioned above in the discussion on Staffing Issues. Spending more time to screen or triage calls for mental health or medical purposes will require more staff, not less, in order to maintain the same level of service, since call-takers will be spending more time on each of the calls.

*FPD Recommendation: \$0, 0.00 FTE*

## **V. Performance and Accountability**

### **Program Summary Template**

BOEC has only one program, 9-1-1 Operations, so ranking is irrelevant. Its Program Summary Template is clear, with financial data in their correct columns. However, BOEC can improve its template by paying better attention to the Fund Level Expenses line; debt service, contingency, and cash transfer expenses should be placed in this row and not in the row for 9-1-1 Operations.

### **Performance Measures**

Data for FY 2010-11 show a slight deterioration in performance, most likely due to the bureau's self-imposed hiring freeze which left a good number of positions vacant. Calls per Emergency Communications Operator increased by almost 14%, while overtime hours increased by almost 13% above the previous year. The percent of Emergency 9-1-1 calls answered within 20 seconds, percent of police "emergency priority" calls dispatched within 120 seconds, and the percent of medical "priority emergency, 1, or 2" calls dispatched within 90 seconds all decreased slightly.

For FY 2012-13, without reductions, the bureau expects to perform as well as it expects to for the current fiscal year. With the full 8% reductions, the bureau still expects to perform as well as FY 2011-12, even with the calls per Emergency Communications Operator significantly increased. The bureau would attempt to achieve this same level of performance by answering 200,000 fewer non-emergency calls, a drop of about 67%.

### **Bureau Baseline Template**

The bureau's Baseline Template presents a good overview of the bureau and the issues that it faces. Financial Planning finds most compelling the highlight the bureau has placed on BOEC's response to non-emergency calls, i.e., that BOEC believes having a non-emergency call center available to the City would allow it to maintain effective 9-1-1 operations at current service and staffing levels.

### **Service Improvement**

In its Customer Service Improvement Status Report, BOEC lists its two focuses in regards to service improvement. The bureau then discusses how it is using an online form to obtain feedback and how it follows up on that feedback. In addition, BOEC mentions its partnership with the Office of Neighborhood Involvement and the Police Bureau and its participation at neighborhood association meetings. Furthermore, the bureau relays the changes instituted in its performance reviews that now incorporate a focus on providing respectful customer service delivery. Finally, in regards to workforce development, BOEC mentions how in its recruitment process, customer service expectations are communicated at all levels and how new employee orientations and trainings include customer service delivery components.

As in prior years, BOEC's Service Improvement Plan focuses on two areas: Quality Awareness Focus and Focus on Effective and Responsive Operational Supervision. Employees and supervisors review calls monthly to document opportunities for improvement in call taking and customer service skills, and the bureau has seen a significant decrease in complaints. New employee orientation and training includes daily evaluations which critique key elements of customer service delivery. In addition, maintaining an adequate span of control is critical in a 9-1-1 center. BOEC has needed to increase the number of operations supervisors from 10 to 12 for the past couple of years, but it recognizes the difficult economic times facing the City and are delaying that request once again. In order to maximize effectiveness and efficiency of the supervisors and in order to provide them with as much support as possible to assist them in managing such large groups of subordinates, BOEC conducts timely and thorough supervisor evaluations.