Portland Fire & Rescue

Budget Monitoring Report Spring 2013



March 29, 2013



Charlie Hales, Mayor Erin Janssens, Chief .55 SW Ash Street Portland, Oregon 97204 (503) 823-3700 Fax (503) 823-3710

March 28, 2013

TO:

Mayor Charlie Hales

Commissioner Nick Fish

Commissioner Amanda Fritz Commissioner Steve Novick Commissioner Dan Saltzman

City Auditor LaVonne Griffin-Valade

FROM:

Fire Chief Erin Janssens En Dansens

RE:

Portland Fire & Rescue (PF&R) 2013 Spring BMP Submittal

The attached represents PF&R's 2013 Spring BMP submittal and includes the following requirements: Current Year Projections, Current Year Budget Note Update, Current Year Decision Package Update, and the Budget Amendment Request Report. PF&R is requesting the following amendments for Council approval:

- Return PF&R vacancy savings to the General Fund
- Vacancy Exemptions Front Line Emergency Response Personnel
- General Fund Compensation Set-aside
- Reduce FPDR Interagency Agreement
- Reduce IA with Auditor's Office
- Adjustment for Capital Outlay budget over-expenditure

It should be noted, as a result of PF&R's reduction in overtime spending, at \$900,000, our request for the General Fund Compensation Set-aside is approximately half of the \$1.8 million set-aside for the bureau to cover the unbudgeted COLA and benefit cost increases. In addition, the Spring BMP includes a request to return vacancy savings, bringing the total amount returned to the general fund during this fiscal year to \$297.950. Lastly, year-end material and services projections show an unspent balance of \$120,000. In total, PF&R expects to have saved \$1,317,950 from original projections. We will continue to closely monitor all of our expenditures and continue to work to reduce overtime and material and services spending during the remaining three months of the fiscal year.

Cc:

City Budget Office Audit Services

PERIOD Spring BuMP

FISCAL YEAR FY 2012-13

FR_013 - Return PF&R vacancy savings to General Fund

In response to Council directive, this request returns vacancy savings in the amount of \$439,870 to the General Fund. These savings were generated by the 32 positions FPD identified as vacant.

Dollar Amount:

(\$439,870)

Type:

Vacancy Savings and Exceptions

Resources:

General Fund Discretionary

FR_014 - Vacancy exemptions-front line emergency response

PF&R is requesting twenty-four of the positions included in the vacancy list be determined exempt and the associated savings of \$337,751 be returned to the bureau's budget. All of these positions are assigned to the Emergency Operations Division, and do not represent true vacancies. All front—line emergency response positions must be staffed at all times; and as such vacancies do not and can not occur for operational and safety reasons.

Dollar Amount:

\$337,751

Type:

Vacancy Savings and Exceptions

Resources:

General Fund Discretionary

FR_015 - General Fund Compensation Set-aside

PF&R is requesting \$900,000 from the General Fund compensation set-aside to cover the projected year-end personnel services expenditures. The over-expenditure is a result of the unbudgeted COLA increase and other several factors. PF&R started the FY2012-13 with a \$500,000 reduction for overtime requirements, and has turned back approximately \$350,000 in vacancy savings including the Spring BMP request. Total retirement costs to date have exceeded the \$1.0 million PF&R is required to absorb within it's existing budget by \$560,000, and an additional \$300,000 are projected before year-end. Projecting the retirements is one of the more difficult parts of forecasting personal services expenditures; so in the event the projected retirement payouts to do occur, the unspent balance becomes part of the general fund ending balance.

Dollar Amount:

\$900,000

Type:

Compensation Set Aside Request

Resources:

General Fund Discretionary

FR_016 - Reduce FPDR Interagency Agreement

This request reduces the FPDR interagency by \$100,000 to accommodate lower than projected OPSRP costs occurring in PF&R. FPDR reimburses PF&R for the actual expenditures incurred which are projected to be less than budgeted since PF&R has not hired any new firefighters since last fiscal year. PF&R's personnel services budget will be reduced by \$100,000 to offset the \$100,000 decrease in IA revenues from FPDR reimbursement.

Dollar Amount:

(\$100,000)

Type:

Technical Adjustment

Resources:

Internal Transfer

BUDGET AMENDMENT REQUEST

Portland Fire and Rescue

PERIOD Spring BuMP

FISCAL YEAR FY 2012-13

FR_017 - Reduce I/A with Auditor's Office-Single Audit

The Auditor's Office is canceling the interagency agreements established during the FY2012-13 budget process for Single Audit costs. This request will reduce the \$248.00 I/A to zero.

Dollar Amount:

\$0

Type:

Technical Adjustment

Resources:

Internal Transfer

FR_018 - Capital Outlay budget over-expenditure

This request reallocates resources from external material and services to capital outlay to cover an over-expenditure of \$38,336. The over-expenditure resulted when the encumbrance carryover request for acquisition of EMS Life-Paks15 monitors/defibrillator was denied. This equipment was ordered in FY2011-12, but hadn't been received by June 30, 2012 Annually, PF&R purchases four to five Life-Paks to replacing the aging and no longer serviceable models, but the current year appropriation was included as a one-time budget reduction, therefore the resources weren't available to cover the expense.

Dollar Amount:

\$0

Type:

Technical Adjustment

Resources:

Internal Transfer

Business Area Projection Report

	Spring BuMP Revised Budget	FY 2012-13 YTD Actuals Thru AP8	Spring BuMP Year-End Projection	% of Projected Actuals to Revised Bud	
Portland Fire and Rescue					
EXPENDITURES					
Personnel Services	\$84,794,666	\$57,131,542	\$84,770,000	100%	
External Materials and Services	\$6,060,382	\$3,319,381	\$5,838,628	96%	
Internal Materials and Services	\$5,336,142	\$3,591,565	\$5,467,348	102%	
Capital Outlay	\$1,109,809	\$306,343	\$1,109,809	100%	
TOTAL EXPENDITURES	\$97,300,999	\$64,348,831	\$97,185,785	100%	
REVENUES					
Licenses & Permits	\$1,430,000	\$1,213,254	\$1,678,765	117%	
Charges for Services	\$1,190,000	\$764,155	\$972,676	82%	
Intergovernmental Revenues	\$535,000	\$457,200	\$588,542	110%	
Interagency Revenue	\$3,067,849	\$619,038	\$2,909,110	95%	
Miscellaneous	\$216,200	\$222,455	\$365,000	169%	
General Fund Discretionary	\$90,790,499	\$0	\$0	0%	

Business Area Projection Report

	Spring BuMP Revised Budget	FY 2012-13 YTD Actuals Thru AP8	Spring BuMP Year-End Projection	% of Projected Actuals to Revised Bud	
Portland Fire and Rescue				,	
REVENUES					
General Fund Overhead	\$71,451	\$0	\$0	0%	
TOTAL REVENUES	\$97,300,999	\$3,276,102	\$6,514,093	7%	

Bureau Projection Narrative

PERSONAL SERVICES EXPENDITURES

PF&R's year-end personal services expenditures are projected to exceed the revised budget by approximately \$950,000, which is attributable to several factors; and need to be reviewed in totality, and not be the individual personal services accounts. Expenditures in full-time employees and retirements have a direct affect on the overtime costs for suppression call shifts. Because PF&R maintains a minimum staffing level, all front line vacancies are filled with people assigned to the traveler pool or by call shifts, which are paid at time and a half. These vacancies don't generate cost savings since PF&R operates 24/7, 365 days a year.

PF&R's FY2012-13 Adopted Budget included a \$500,000 reduction in the overtime budget, and to date have returned vacancy savings of approximately \$226,000, which doesn't include the \$102,000 included in the Spring BMP requests. In addition, retirement payouts currently total \$1.56, and the bureau is projecting \$300,000 in payouts before year-end. Total retirement payouts are projected to be \$1.86 million or \$860,000 more than the \$1.0 million PF&R absorbs within the existing budget. PF&R will be including a request from the general fund COLA set-aside to cover the projected over-expenditure.

EXTERNAL AND INTERNAL MATERIALS AND SERVICES EXPENDITURES

At year-end PF&R projects an unspent balance of approximately \$260,000 or less than 5% of its total external material and services budget. Given the significant one-time budget reductions included in the Adopted Budget, and overall increases in station operating material and supplies it has been very challenging to meet the bureau's operational needs. Many purchases have been deferred in hopes resources would be available in the FY2013-14 budget. PF&R has spending control measures in place, and the budget is reviewed frequently to ensure this category will be within budget at year-end.

Internal materials and services are projected to be overspent at year-end by approximately \$131,000 primarily due to the increased cost of fuel. PF&R's Fleet interagency agreement includes resources for fuel for the emergency response apparatus, but the unpredictability of fuel costs which have risen beyond what was anticipated PF&R will exceed the amount allocated for these costs.

PF&R will continue to closely monitor external and internal material and services and include adjustments in the over-expenditure ordinance to ensure both major object categories are under-budget at year-end.

CAPITAL OUTLAY

At year-end the capital outlay category will be overspent by \$38,336, for the acquisition of Emergency Medical Services Life-Paks15 monitor/defibrillator. This was an encumbrance carryover request in the Fall BMP, because the life-paks were ordered in FY2011-12, but hadn't been received by June 30, 2012. This request was denied in the Fall BMP; hence the over-expenditure in capital outlay. The Spring BMP includes a request to reallocate resources from external material and services to capital outlay to cover the over-expenditure.

YEAR-END PROGRAM REVENUE PROJECTIONS

Year-end program revenue projections indicate PF&R will met the total Revised Budget, and collect approximately \$75,000 more than budgeted; although some of the revenue streams exceed the revised budget, whereas others will be under-realized at year-end. Revenue from construction permits and public assembly/special permits have steadily increased during the fiscal year and exceed projections by approximately \$250,000; which offset the under-collection of code enforcement inspection fees.

With the exception of the interagency with FPD&R, reimbursements from other bureaus are in line with the revised budget. OPSRP reimbursements are lower than originally budgeted since PF&R stopped hiring last fiscal year, so no additional employees have been added. The Spring BMP includes a request to decrease both FPD&R interagency expenditures and revenues by \$100,000.

PORTLAND FIRE & RESCUE FY2013-14 SPRING BMP CURRENT YEAR BUDGET NOTE UPDATE

Rapid Response Vehicle (RRV) Pilot Program

Portland Fire & Rescue will present a report to Council by October 31, 2012, after the pilot program has been in operation for six months. The report will include information including the metrics used for assessing the program, analysis of the types of calls to which the RRVs responded during the pilot, average response time data of the RRVs, and response time and reliability data of the non-RRV bureau response units during the pilot program period. The bureau should also provide comparative response and reliability data for the periods of when the RRVs were operating (7am-7pm) and when the RRVs were not in operation (7pm-7am).

UPDATE: City Council accepted the report for the Budget Note on the Rapid Response Vehicle Pilot Program on November 7, 2012.

Training Facility

Portland Fire & Rescue will perform a needs assessment of their current training facility and report on their findings to Council by December 31, 2012, in advance of the FY 2013-14 budget process. The analysis will be funded by existing PF&R resources.

UPDATE: A preliminary needs assessment of PF&R existing training facility was completed; report not presented to Council due to a heavy workload for FY 2013-14 budget development. PF&R plans to file the budget note report to the City Council after the FY 2013-14 Proposed Budget is released in late April.

Company Fire Inspection Program

Portland Fire & Rescue will provide a program performance report to Council by September 30, 2012. The report will include monthly data for the period of July 1, 2011 through June 30, 2012 disaggregated by Fire Management Area.

UPDATE: City Council accepted the report for the Budget Note on Company Fire Inspection Program on October 17, 2012.

Lift Assist EMS Calls

Portland Fire & Rescue will evaluate the feasibility of charging fees or fines for chronic public assist calls. The bureau will report findings to Council by November 30, 2012.

UPDATE: City Council accepted the report for the Budget Note regarding Charging for Lift Assist EMS Calls on December 19, 2012.

Billing for Emergency Medical Services

Portland Fire & Rescue will evaluate the feasibility of charging fees for emergency medical calls. The bureau will report findings to Council by November 30, 2012.

UPDATE: City Council accepted the report for the Budget Note regarding Billing for Emergency Medical Services (Report) on December 19, 2012.

PORTLAND FIRE & RESCUE FY2013-14 SPRING BMP CURRENT YEAR BUDGET NOTE UPDATE

Restructuring of Operational Zones

Council directs bureaus with operational zones in the City, including the Police Bureau, Fire & Rescue, Parks & Recreation, Bureau of Transportation, and the Office of Neighborhood Involvement, to review the borders of those zones and collaborate with the Bureau of Planning and Sustainability on aligning those boundaries where appropriate.

UPDATE: PF&R staff met with Bureau of Planning and Sustainability representatives and provided them PF&R's fire management area boundary information as requested.

PORTLAND FIRE & RESCUE FY2013-14 SPRING BMP CURRENT YEAR DECISION PACKAGE UPDATE

The FY 2012-13 Adopted Budget includes on-going budget reductions totaling \$3.06 million and made the following changes:

Eliminate Return to Work Program

The Return-to-Work (RTW) program was designed to offer sworn personnel who were injured in the line of duty, and unable to return to work on the front line, an opportunity to return to work in a staff position. The program has ten budgeted positions, which have been vacant most of the time since the program was created. The Fire and Police Disability and Retirement Fund pays 75% of RTW employees' salary cost through cost reimbursement, while PF&R covers the remaining 25% salary costs and benefits costs. This decision package eliminates all the RTW positions and the \$300,000 in funding supporting this program.

UPDATE: The Return to Work program and the ten budgeted positions and associated budget were eliminated from PF&R's budget.

Eliminate Land-Line Phone Accounts

This decision package generates cost savings of approximately \$5,000 by reducing the number of landlines where cell phones have been determined adequate.

UPDATE: PF&R has identified individuals whose landlines could be eliminated once cell phones have the capacity to transfer calls to other city bureaus when needed. This capability may become available sometime in the future according to BTS; with the implementation of digital voicemail

Eliminate Office Support Specialist III (OSS III)

This decision package eliminates the OSS III position in the Management Services Division (MSD) and reduces the personnel services budget by \$63,731. Loss of this position results in decreased administrative and support services to other bureau divisions and external customers. Live-person phone coverage will not be provided at all business hours, and status updates on strategic plan and business plan implementation and other document creation and revisions will be delayed or less frequent.

UPDATE: The OSSIII position assigned to the Management Services Division was eliminated; and as a result strategic plan status updates will occur annually versus quarterly and business plan implementation is not being documented. Frequently administrative support positions from other sections are called upon to assist with customer service.

Investigator Overtime/Standby Restructure

PF&R's Investigations Unit requires 24-hour a day coverage, which is achieved through a complex combination of work schedules, stand-by, and overtime. By restructuring Investigators' work schedules and assignments, the demand for overtime and call shifts will decrease and result in \$70,000 reduction in personnel services expenditures. These changes must be bargained with Local 43 prior to implementation.

UPDATE: PF&R has been working with PFFA Local 43 to revise the Investigators' schedule to reduce overtime cost; however, no agreement has been reached with PFFA to implement schedule changes.

PORTLAND FIRE & RESCUE FY2013-14 SPRING BMP CURRENT YEAR DECISION PACKAGE UPDATE

Overtime Reduction

This decision package decreases the overtime budget by \$120,000 and reduces the number of allowable paid overtime hours for employees to participate in committee meetings and other bureau-supported activities while off-duty. The overtime reduction will be achieved by limiting committee meetings, optimizing training schedules, and more aggressive monitoring and control. As a result, valuable employee participation and input at bureau-wide committees for safety, continuous quality improvement, strategic planning, budget development, and other projects will be negatively impacted.

UPDATE: Chief Janssens implemented additional overtime reduction measures in August 2012, which include more extensive review of overtime requests prior to approval, the number of employees serving on committees being significantly reduced, the number of special projects which involve overtime are limited, and the training schedules are optimized. The Core Leadership Team will regularly review the preapproved list of overtime activities to ensure these activities are critical to our mission. In addition, managers are reviewing monthly detailed overtime expense reports, and where needed, taking additional actions to ensure the reduction target is achieved.

Eliminate Utility Worker

This decision package eliminates a full-time utility worker position in MSD's Logistics section, and results in savings of \$68,968. This position is responsible for delivery and pickup services at the bureau's 30 stations and four other facilities located throughout the city. Mail and station supplies delivery to and biohazard waste pickup from stations will be reduced from the current daily schedule to weekly.

UPDATE: The Utility Worker was eliminated and the most significant impact has been the daily delivery of mail and station supplies being reduced to weekly. Often items are needed outside of the scheduled delivery and special accommodations are made.

Eliminate Senior Administrative Specialist

This decision package eliminates a full-time Senior Administrative Specialist position in the Chief's Office assigned to Public Communications, and results in personnel services savings of \$87,456. During FY 2011-12, the public information and public education sections were consolidated, and public communication service delivery is under review.

UPDATE: The Senior Administrative Specialist (SAS) position was eliminated; and the associated duties and responsibilities were reassigned to the Public Communication group formed from the consolidation of the public information and public education sections.

Reduce Replacement or Call Shifts Costs

PF&R doesn't plan on hiring during FY 2012-13 due to the current financial situation, which allows the two officers assigned to the Training Academy to be detailed to the traveler pool. People assigned to the traveler pool are used to cover vacation and other leaves at stations, thereby reducing replacement or call shifts costs. Estimated savings in FY 2012-13 is \$194,666.

PORTLAND FIRE & RESCUE FY2013-14 SPRING BMP CURRENT YEAR DECISION PACKAGE UPDATE

UPDATE: To date, PF&R hasn't hired, and has no immediate plans to hire the remainder of FY2012-13, so the two Training Academy officers were detailed to the traveler pool which reduced the replacement or call shift costs.

OMF Interagency Adjustments

The decision package reflects a decrease of \$337,289 in interagency costs resulting from decision packages in the Office of Management and Finance. An adjustment to the bureau's ongoing General Fund discretionary target was made to balance the decreased costs.

UPDATE: PF&R's ongoing general fund discretionary target was reduced by \$337,289 due to the decreased interagency costs.

The Adopted Budget includes the following **one-time budget reductions**:

- Turn-out and other personal protection equipment \$200,000
- Building deferred maintenance \$100,000
- New apparatus outfitting \$150,000
- Fireboat Campbell dry-dock maintenance \$20,000
- Defibrillator / LifePak replacement \$55,000
- Trainee EMT certification \$26,700
- Minor tools / equipment \$50,000
- Replacement / call shifts / overtime \$120,000
- Specialty team equipment \$50,000
- Operating supplies \$129,754
- Non-rep employee merit pay freeze \$18.029

UPDATE: The one-time budget reductions listed above adversely impacted PF&R's ability to maintain the replacement cycle for emergency response personnel turn-outs and other personal protection equipment; the building maintenance that was deferred potentially will cost more as further deterioration has occurred. The need for new apparatus outfitting, minor tools and equipment, station operating supplies remain and will need to be address during FY2013-14. Over the years, significant reductions have been made to external materials and services, at the same time, the costs of operating the stations, apparatus, and outfitting emergency response personal has increased.

The FY 2012-13 Adopted Budget also includes **one-time resources of \$1.03 million** for the following:

Station Operation Funding

Allocation of one-time resources totaling \$669,809 allows for all 30 fire stations to remain fully operational. This continues the one-time funding for one station funded with one-time since FY 2010-11.

UPDATE: All 30 fire and rescue stations remained operational throughout the current fiscal year.

Rapid Response Vehicle (RRV) Pilot Program

The Adopted Budget provides one-time resources of \$404,812 to support four FTEs for a full year or 12 FTEs for four months to support the completion of the RRV pilot program. The six-month pilot program started in April 2012 and will end in October FY 2012-13.

UPDATE: PF&R conducted the RRV Pilot program.

City of Portland

Request for Vacancy Savings Exception Please return this form, completed and signed by the bureau director and commissioner in charge, to your Financial Planning Division analyst. Bureau: _____Portland Fire & Rescue____ Job Classification: ____Firefighter _____ Job Classification Number: _____ 30000793 _____ Position Number: _40008915, 40003076, 40002732, 40003137, 40003005, 40002763, 40003088, 40002866, 40002730, 40003059, 40003128, 40002970, 40002969, 40002879,_ Date position became vacant (7/1/12 for newly created positions):_between 11/30/2012 and 1/17/2017 Bureau estimate of 3-month value (including benefits) of position: \$337,751___ Bureau estimate of savings exception requested: \$337,751_____ Funding split: 100% General Fund ______% Other Funds Reason for exception request: This Firefighter is a front-line emergency response position. Each fire engine or truck is staffed with four positions necessary for effective emergency operations, including fires, critical emergency medical calls, motor vehicle accidents, and other incidents that endanger peoples lives, property, and the environment. These assignments must be staffed at all times (24/7) for our firefighters to deliver effective emergency response equitably to our communities and ensure the safety of the public. Any vacancies in these front-line emergency response assignments need to be filled with off-duty sworn firefighters through callshift or overtime. Requested by: 3/20/2013 Director: Erin Janssens Date Approved by: 3/20/2013

Date

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August 2012

Mayor: Charlie Hales

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GF Savings Comments	26,098 EOPS minimum staffing requirement	25,637 EOPS minimum staffing requirement	26,271 EOPS minimum staffing requirement	83 EOPS minimum staffing requirement	02 EOPS minimum staffing requirement										51
GF Saving	26,0	25,6	26,2	19,183	25,002	24,996	23,085	24,042	28,890	24,993	25,590	17,039	24,072	22,854	337,751
3-Month Value	26,098	25,637	26,271	19,183	25,002	24,996	23,085	24,042	28,890	24,993	25,590	17,039	24,072	22,854	
	3001	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Savings? Y/N				. ,											
Vacant from	01/03/2013-12/31/3333	01/03/2013-12/31/9999	01/03/2013-12/31/9999	01/03/2013-12/31/9999	01/17/2013-12/31/9999	01/17/2013-12/31/9999	01/17/2013-12/31/9999	02/08/2013-12/31/9999	02/14/2013-12/31/9999	02/28/2013-12/31/9999	11/30/2012-12/31/9999	12/29/2012-12/31/9999	12/23/2012-01/16/2013	12/29/2012-02/13/2013	
Prior Incumbent Last Name	Andrew Legear	Robert Root III	Mark Tilden	Daniel Brinton	Peter Neal	Pete Valentine	Wendi Colmone	Eric Johnson	Kelly Webber	Jeffrey Herman	Jin Voeks	Lawrence Hall	Robert Hope	Glenn Hayden	
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