

Analysis By: Christy Owen

PORTLAND FIRE & RESCUE

All Funds Budget Summary	Adopted FY 2014-15	Request Base FY 2015-16	Decision Pkgs FY 2015-16	Request Total FY 2015-16	Percent Change
Resources					
Beginning Fund Balance	\$6,712,662	\$8,384,405	\$0	\$8,384,405	24.9%
Licenses & Permits	1,900,000	2,360,000	0	2,360,000	24.2%
Charges for Services	1,570,000	1,605,000	0	1,605,000	2.2%
Intergovernmental Revenues	2,778,116	1,783,624	0	1,783,624	-35.8%
Interagency Revenue	3,601,446	4,206,079	(18,280)	4,187,799	16.3%
Miscellaneous Sources	120,000	120,000	0	120,000	0.0%
General Fund Discretionary	91,961,067	97,598,477	2,969,000	100,567,477	9.4%
General Fund Overhead	70,015	73,010	0	73,010	4.3%
Total Resources	\$108,713,306	\$116,130,595	\$2,950,720	\$119,081,315	9.5%
Expenditures					
Personnel Services	\$89,521,980	\$92,267,070	\$1,053,654	\$93,320,724	4.2%
External Materials and Services	6,721,944	6,839,229	1,647,066	8,486,295	26.2%
Internal Materials and Services	5,701,720	6,652,989	0	6,652,989	16.7%
Capital Outlay	4,995,000	10,371,307	250,000	10,621,307	112.6%
Contingency	1,772,662	0	0	0	-100.0%
Total Requirements	\$108,713,306	\$116,130,595	\$2,950,720	\$119,081,315	9.5%
Total Bureau FTE	715.60	701.10	10.00	711.10	-0.6%

Percent Change is the change from FY 2014-15 Adopted Budget to FY 2015-16 Total Requested Budget.

Key Issues

Staffing Issues

The most significant issue facing Portland Fire & Rescue (PF&R) in FY 2015-16 is the eventual expiration of the Staffing for Adequate Fire and Emergency Response (SAFER) grant. The FY 2013-14 budget eliminated 26 positions that are currently backfilled with grant funds that will expire midway through FY 2015-16. A full discussion of the impact of the loss of resources is discussed in the analysis of decision package FR_05.

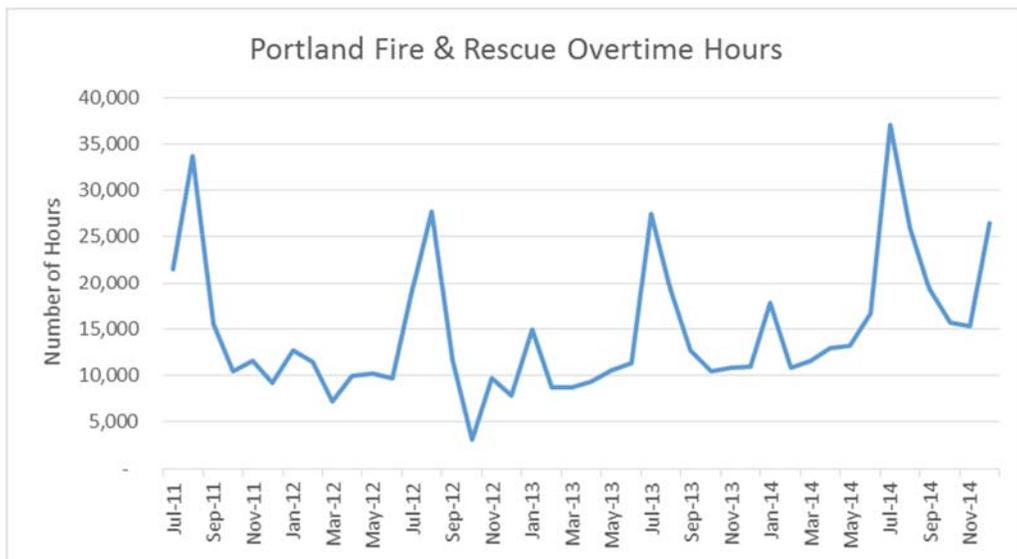
Staffing Impacts in Operations

Since FY 2009-10 the bureau has reduced 11.30 FTE positions that were classified as non-sworn and 60 FTE sworn positions. Of the sworn positions, there were 26 positions that have continued with the SAFER grant funding; effectively the reduction on services during this time was 34 positions, or 4.5% of the total workforce. In that time, there has been impact associated with the decisions to eliminate both sworn and non-sworn positions. Without the positions, the bureau loses flexibility to redirect resources with minimal impact, and in order to preserve positions the bureau also reduced the external materials and services budget. Operationally, the bureau is beginning to experience the effects of the reductions, and in some cases has requested restoration of positions where the body of work could not be absorbed by existing staff.

In FY 2014-15, the Battalion Chief responsible for the bureau’s safety programs was restored as it was not efficient to disperse necessary reporting and safety program management work among remaining battalion chiefs. Reductions to non-sworn positions have resulted in reduced staff capacity to perform services in the Logistics Section, which is primarily responsible for operations and maintenance of the stations and response apparatus. The City owns around \$100 million in asset value for the stations alone and there is concern that continued deferred maintenance coupled with lack of adequate resource planning will require additional resources in the future for basic maintenance functions. CBO recommends the bureau cost out options for staffing a Facilities Management section in the Logistics Section to include a civilian facilities manager and potential supporting staff. This should be compared to the cost of using the Office of Management and Finance Facilities Division to manage major maintenance project prioritization, funding, and daily operational needs. This recommendation is not to replace the current structure within Fire, but to determine where the division would benefit from expertise that could be gained from more concerted facility management.

Overtime Usage Trends

In FY 2014-15, PF&R has relied more extensively on the use of overtime hours to provide shift backfill when necessary to meet daily staffing requirements at all stations on all shifts. Shift backfill can occur for many reasons including: scheduled leave coverage, sick/ call-in coverage, training or in-service coverage, and staff meeting coverage. As overtime is not the most efficient way to cover the costs associated with known absences, PF&R uses a Travelers Pool to augment shift absences with straight time as opposed to calling in overtime shifts. The Travelers Pool is often staffed with a mix of newly trained firefighters and more tenured staff. The increased reliance on overtime hours in the first six months of FY 2014-15 is mostly attributed to the reduced number of Traveler Pool firefighters. When compared to the first six months of FY 2013-14, there has been an increase of 53% of hours charged as overtime in SAP. The chart below illustrates the overtime hours by month since 2011. The pattern of overtime usage is relatively consistent, but climbing.

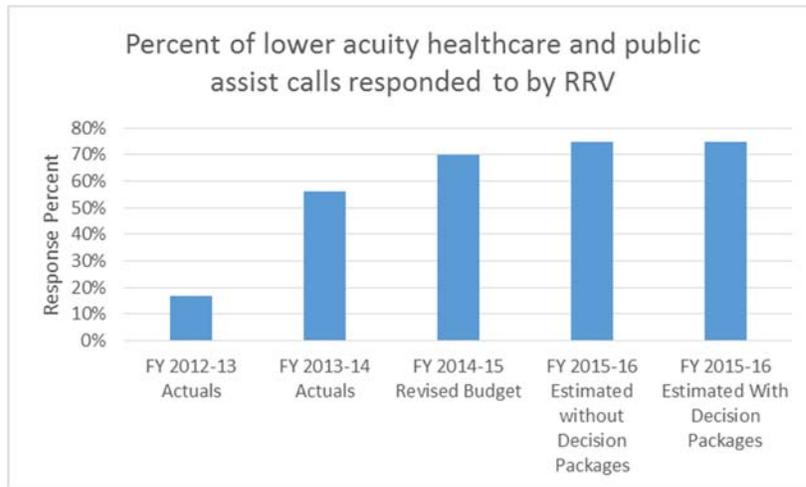


Due to potential position reductions, from FY 2010-2011 until January 2014 the bureau did not conduct Training Academy for new recruits. The result is that no new resources were added to the pool and the bureau continued to have vacant positions, primarily as active duty retirements separate employment from the City. One of the results of the hiring freeze, and bureau operational decisions to not fill positions, is the bureau uses more overtime resources from the compensation set aside. As the graph above indicates, the bureau has a historical pattern of overtime usage during the peak demand months and less of a need for overtime in the spring.

A Budget Note in FY 2013-14 required PF&R to report to Council, the Office of the Auditor, and the City Budget Office on overtime expenses and reasons for overtime usage. Beginning in FY 2014-15, PF&R provides quarterly overtime reports to the Commissioner-in-Charge. CBO recommends this practice of reporting overtime hours and driving factors continue in FY 2016-17.

Results of Pilot Projects & City Innovation Fund Projects

The FY 2013-14 Adopted Budget approved funding for 26 positions to expand the bureau’s Rapid Response Vehicle (RRV) program to support four units. The intent of the RRV program is to provide response to the lower acuity medical calls for service with a two-person team, which allows the four-person teams to be available for the more emergent Code 3 call types. The chart below provides the bureau’s results on this reported performance measure.



As additional resources were dedicated to this program, the results illustrate how the investment is affecting bureau goals of increasing the amount of call workload that could be assigned to a small team while still providing appropriate levels of patient care. Within the criteria established by the Multnomah County Emergency Medical Services (MCEMS) department, RRVs are permitted to be the primary responder on approximately 12.6% of the medical calls for service. Within these current guidelines for dispatch, this leaves approximately 88% of all medical calls for service as calls for a four-person engine or truck company to provide response. The current approved call assignment types (public assist and low acuity medical calls) have limited growth potential for the RRV program as the RRVs as currently configured are able to respond to 75% of these calls. In order to expand the potential calls that RRVs could respond to within the City of Portland the MCEMS protocols would need to be revised to allow RRVs

to be able to respond to a greater number of medical emergency calls for service. Correspondingly, PF&R would need to either reallocate existing resources to the RRV program or request additional General Fund resources in support of RRVs.

PF&R has been able to complete the Alternative Destination and Alternative Transport (ADAT) pilot project and start ADAT II as a second phase starting in January 2015. The goal of the ADAT is to respond with a fire paramedic who has the level of training to determine if the nature of injury requires the patient to be admitted in a hospital emergency room or if the patient could be better served at lower cost through an alternative healthcare provider or urgent care facility. When the determination is made, the patient is often transported via private party to the facility at a significantly reduced cost. The second phase, ADAT II, expands the pilot program to more PF&R stations, adds additional healthcare provider options, and surveys the patient and the provider to assess quality of care and overall results of the interaction from start to finish.

PF&R applied for and received City Innovation Funding for two separate projects that are currently underway. In FY 2013-14 PF&R received funds to implement the Pulse Point App program. This is a nationally recognized program where citizens who are CPR trained can register and receive notification if someone is in cardiac arrest where the citizen could potentially respond. PF&R is in the final testing phases of this initiative and anticipates that activation of the app will occur in the near term. The second project was awarded to the bureau in FY 2014-15 with funding provided to pair a PF&R paramedic with a nurse practitioner or physician assistant to attend to lower acuity calls where medical attention is still required but transport to the Emergency Department may be a better option. The bureau is providing updates to the Innovation Fund Program Manager regularly and CBO recommends this process continue.

Key Performance Measures

As part of the FY 2015-16 Budget guidance, Portland Fire & Rescue has identified nine Key Performance Measures (KPMs) to report to Council and the public the performance associated with the bureau, and any impacts that would be realized through either additional resources or reductions in resources. The bureau's Budget Advisory Committee (BAC) provided input to PF&R and assisted in determining which of the bureau's current performance measures best meet the definition of a KPM, mostly focusing on outcomes that are core to the bureau's service mission while recognizing the breadth of services the different operation's branches provide. One KPM is a workload measure; the number of calls for service the bureau responds to only measures demand, not efficiency in providing services. However, other KPMs assess how efficient and effective the bureau is at managing this workload.

Some of the bureau's new performance measures created in FY 2015-16 are in response to the increasing role of medical service calls that PF&R responds to and how success in this response can be measured. The KPM assessing the Cardiac Arrest Resuscitation Rate is a measure of data provided by Multnomah County Emergency Medical Services that reports the percent of patients suffering from cardiac arrest who are responded to by PF&R who survive. At the end of FY 2013-14, the bureau reports 46% of patients survive and the target for FY 2014-15 is a survival rate of 49%. This measure may be negatively impacted by the non-restoration of the 26 positions requested in decision package FR_05.

PF&R added a KPM to report and manage hours lost due to on-duty injury to firefighters. This measure is an important tool for managers to assess the effectiveness of safety and training programs in a high-risk work environment. The bureau received ongoing General Fund resources to support the Safety Chief position that was eliminated in the FY 2013-14 Budget. Time-loss is critical because hours lost to injury still require shift coverage, and with the reduction in available straight-time resources within the Traveler Pool the bureau would likely use overtime to cover shifts. Outcomes of this measure may also be realized in the Bureau of Fire Police Disability & Retirement (FPDR) as this is where medical disability claims are paid. If PF&R is able to reduce time-loss associated with workers compensation disability, the City could expect to have reduced disability payments to medical providers, which would be more effective use of Citywide resources.

CBO recommends that PF&R continue to refine the existing performance measures associated with programs to determine how to convert workload measures into measures that assess either the program's effectiveness or bureau's efficient use of City resources.

Decision Package Analysis & Recommendations

Ongoing Funding for 26 Positions, FR_05, \$2,772,892, 26.0 FTE

The FY 2013-14 Adopted Budget reduced 26 positions in the Emergency Operations Division at the Portland Fire Bureau. In order to preserve services and avoid closing a fire station, the bureau applied for and received a two-year Staffing for Adequate Fire and Emergency Response (SAFER) grant from the federal government. The grant runs out in January 2016, and in order to retain the same staffing levels at fire stations the bureau has requested ongoing General Fund resources to support the 26 positions, which equate to two companies. The elimination of the positions would result in reduced frontline services, either through the closing of fire stations and/or further reducing engine or truck companies. As the grant expires midway through the fiscal year, the bureau is requesting partial year funding in FY 2015-16 and the remainder would be realized in the FY 2016-17.

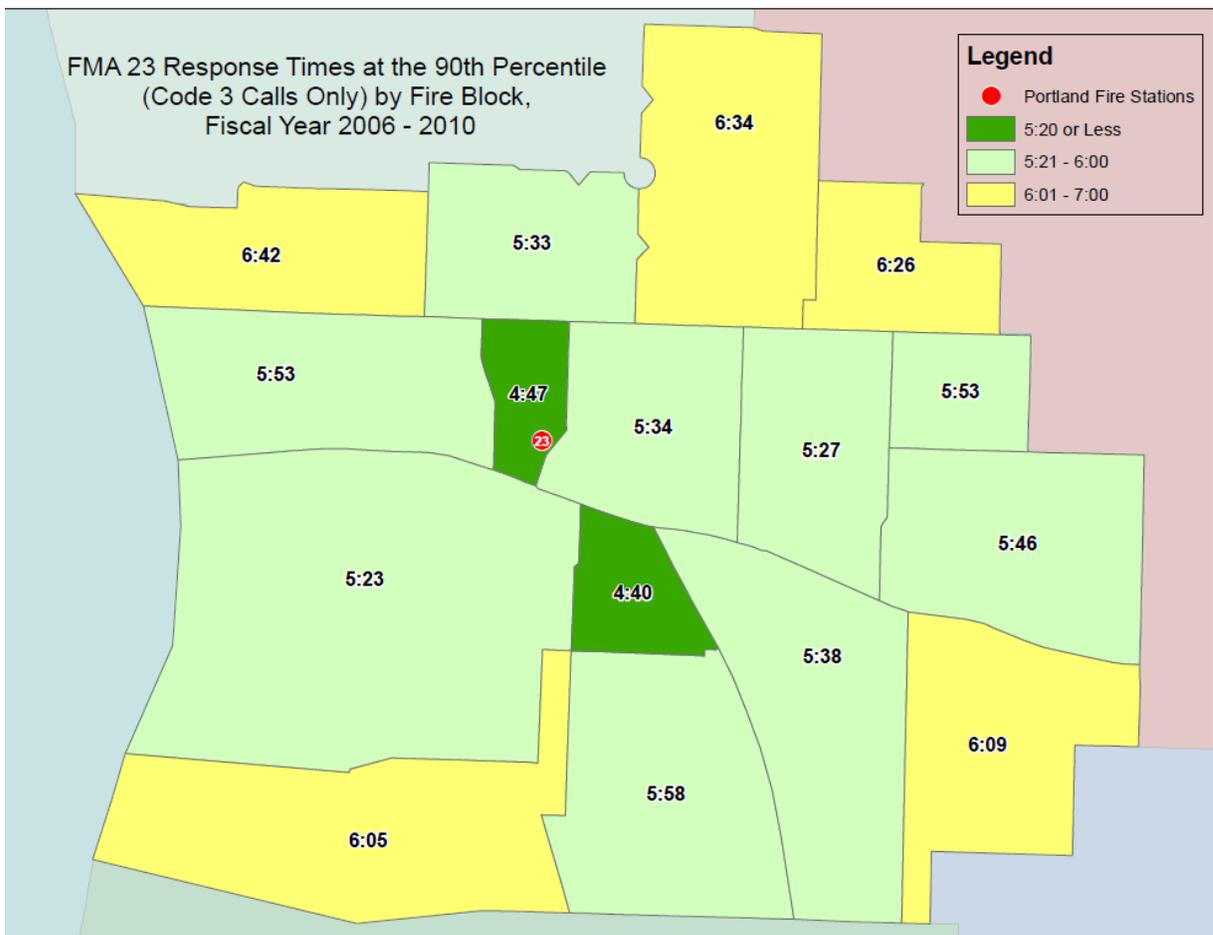
Of the bureau's identified Key Performance Measures (KPMs), there are four measures that would likely be impacted by the elimination of the positions. These measures are:

- Overall response reliability
- Response time at the 90th percentile for Code 3 calls
- The percentage of structural fires where flamespread was confined to the room of origin
- The cardiac arrest resuscitation rate

With the current staffing model at the City's 30 fire stations, the impacts to response time and response reliability are the two outcome measures where impact would be most immediate. Citywide, the estimated impact of reducing 26 positions for half of the fiscal year on overall Code 3 response times at the 90th percentile would be approximately four seconds. The response time would slow from 7:10 to 7:14, and this delayed response gives the illusion that there would likely be a very small impact to the City

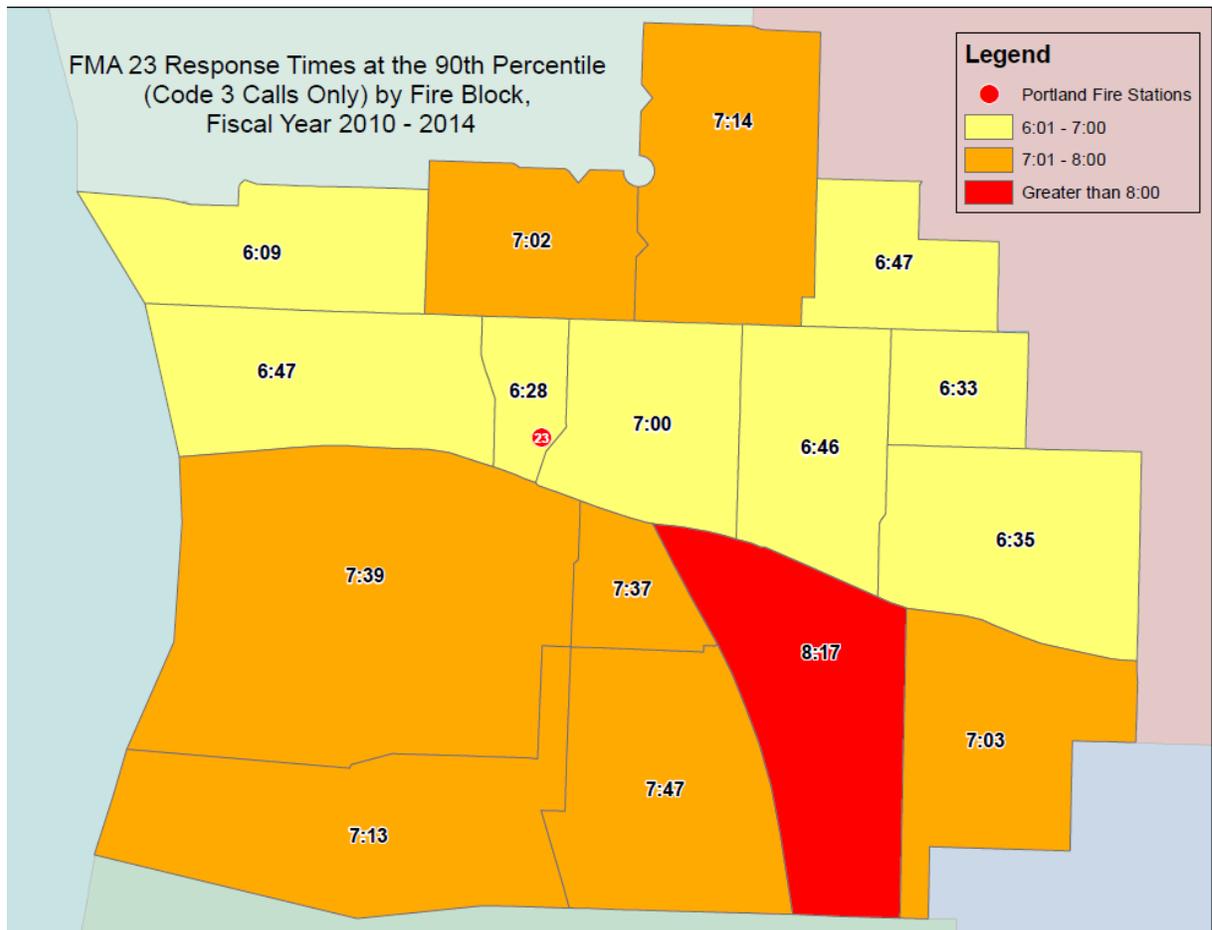
should the bureau reduce the number of stations associated with the reduction in positions when grant funds expire. It is estimated that not restoring the 26 positions would increase the Code 3 response times by more than the four seconds when looking at the full-year impact.

When assessing the potential impact of station closure on a more micro level, however, results show the impact may be more significant. PF&R provided to CBO more finite data to show the potential impact of closing a station in the immediate area surrounding a closure. In June 2010, the bureau closed Station 23 in SE Portland as an operational decision to shift resources from supporting a 24/7 three-shift station operation to staffing a 24/7 marine rescue at Station 21 along the Willamette River. This decision shifted internal resources, enabling the emergency marine response to be more central, which potentially aids in more successful water rescue efforts. The Fire Management Area (FMA) for Station 23 was impacted over the last four years by this action. Calls for service are now assigned to one of five other surrounding FMAs for response, and as these stations are further away, the impact has been increased response times on Code 3 calls ranging from one to three minutes. This impact is illustrated in the following two charts that break out the FMA by individual Fire Blocks with response times in each block. The first represents the call response time for Code 3 calls from 2006-2010 before closing the station, and the second shows the response times for Code 3 calls from 2010-2014 after closing the station.



Fiscal Year	Code 3 Calls	All Calls
2006 - 2007	761	1,081
2007 - 2008	725	1,058
2008 - 2009	842	1,196
2009 - 2010	779	1,038
Total	3,107	4,373

Calls for FMA 23, Fiscal Years 2006-2010



Fiscal Year	Code 3 Calls	All Calls
2010 - 2011	651	983
2011 - 2012	675	995
2012 - 2013	751	1,124
2013 - 2014	766	1,111
Total	2,843	4,213

Calls for FMA 23, Fiscal Years 2010-2014

Call volume during this same time period has been consistent at averaging 1,073 total calls for service and 743 Code 3 Calls per year. Response times for all calls by Fire Block, which is not a KPM but still a priority bureau performance measure, show longer overall response times; in some cases the individual Fire Block experienced an increase of over five minutes from previous service levels. Calls that are not Code 3 do not include full lights and sirens, thus slowing response times. As the stations covering the FMA have farther to drive to respond, the time has correspondingly increased.

Based on these comparison maps for a currently closed station, it is reasonable to infer that longer response times would result in the closed station FMA and the adjacent FMAs should the requested positions in the current configurations not receive continued funding. The closure of Station 23 does not reflect the whole effect on response times of a station closure as an additional station was opened in an adjacent FMA. Overall, net resources in the immediate region did not change. It is likely that the elimination of a station or company will result in longer response time to the immediate FMA and the surrounding FMAs. Many factors can potentially impact response times, not just adequate staffing levels. Other factors include: roadway construction, traffic accidents or slowdowns, curbs and traffic calming devices, curvy roads, narrow streets, transit services, and weather conditions. Additional modeling of other potential FMA closure options may not be able to take into account these variables, however depending on where a closure would take place in the City would determine the extent the response times could be further delayed by outside factors as opposed to staffing limitations.

Response reliability is equally important when determining the impact of potentially closing a station. This measure determines the reliability of the assigned stations in the FMA to respond to calls within the FMA's boundary. The bureau's goal for this measure is to have assigned units working within an FMA available to respond to calls for service at least 90% of the time in the home FMA. At current service levels, the response reliability in FY 2013-14 is reported at 92% and it is estimated that a reduction in response capability at one FMA would correspond to a reduction in response reliability of 1% across the City. However, as with response times the impact in a designated FMA that no longer has a station could vary more significantly. Currently, there are five other FMA's that border Station 23. Each of these FMA's have experienced negative effects on response reliability as the stations are responding to calls for service that are outside the current FMA boundaries.

It is worth noting that PF&R has reported that the impact to the FMA response reliability for the stations surrounding Station 23 may have lessened due to the opening of Station 21 and expansion of the RRV program. Having RRVs respond to the lower acuity calls does free up resources to be available to respond to the priority Code 3 calls. This is the intention of the RRV program. Under the bureau's current station staffing model, the potential for adding back any of the 26 positions as RRV units would require additional staffing analysis and modeling. This is because the current resource planning allocation the bureau utilizes maintains that there still is a need for the 4-person engine or truck companies to provide services for all other call types, including the majority of all Code 3 calls. Under the current guidelines for sending RRVs to call responses, there are only approximately 12% of the potential medical response calls that are cleared for RRV response.

From 2000 through 2010, PF&R temporarily closed stations for construction and renovation projects approved with the passage of the 1998 General Obligation Bond. During this time period there is the potential to have data available for modeling future impact in other parts of the City if stations are to be closed permanently. There were 21 stations that have undergone some form of construction that likely resulted in some form of extended station closures where existing resources were deployed to other areas in the City in order to mitigate impact to response time and response reliability. Results from this

data are likely to be similar to the more recent operational changes at Stations 23 and 21, and would not include the impacts realized from the RRV program and the changing demographics of the past fifteen years in the City.

The FY 2013-14 Budget reduced 52 firefighter positions and restored 26 firefighter positions in support of the RRV program. This allowed the bureau to take the RRV program from a pilot program to a more robust program that is performing in-line with expectations. Operationally, the bureau completed a comprehensive review of internal resources to determine where consolidation of engine or truck companies could occur without sacrificing public safety and these realignments were completed in FY 2013-14. PF&R has not identified alternative operational models should the positions not be restored with General Fund resources when the SAFR grant expires. As a result the CBO has only provided analysis on the potential impact of closing a station, which is based upon the current station staffing practice at PF&R.

After reviewing the information provided this year that clearly shows the impact of reduced services in one FMA, CBO recommends partial-year one-time funds for the remainder of FY 2015-16 in order to allow for further discussion between Council and the Fire Bureau on possible alternative service delivery models that would maintain service levels without requiring full restoration of the FY 2013-14 budget cuts. If the Council does not fund the requested positions with ongoing resources in FY 2015-16, then the bureau should be given clear direction as to what alternative service delivery models to explore further. A complete analysis of those alternatives, including the full impact and practicality of implementation, should be provided to Council.

CBO Recommendation: \$1,386,446

Offset Reduction for 26 Positions- Reduce Training Division, FR_06, (\$2,772,892), (18.0 FTE)

As required in the FY 2015-16 Requested Budget guidance, any request for ongoing discretionary resources requires an off-setting reduction package for consideration. The off-setting request for FR_05 would be met by reducing the Training Division by 18.0 FTE and \$2.7 million in order to fund 26.0 FTE Firefighter positions. The 20% of the program that would remain would be the support for the Fire Academy.

The Training Division is responsible for all safety and training programs for the bureau which includes the following: Fire Academy for newly hired trainees; annual re-certification or refresher trainings as required for EMS, paramedic, hazardous materials, and confined space training; training resources for on-the-job health and safety precautions; internal promotional exams; and insures the bureau is compliant with federal, state, and local rules and regulations. Training is a year-round effort for the bureau and a reduction of 80% of this program would significantly harm the bureau's ability to provide the level of emergency medical care, fire response, and rescue response that the City receives.

If this reduction were taken, the impacts could affect multiple areas of the operation. Firefighters would potentially not make the requirements for maintaining EMT, Paramedic, or other specialty certifications, which could put the public at risk. One of the bureau's Key Performance Indicators is the amount of time-

loss due to firefighter injuries. This is a benchmark measure for most successful safety programs because in addition to paying for disability medical claims expenses, the employer also pays for employee time-loss wages, and in the case of a 24/7 service provider, the shift will still require coverage and overtime backfill is more likely. Without focused training efforts the bureau would likely be faced with more serious injuries to responders and potentially patients.

This would place the bureau at risk for significant non-compliance and there would be the potential for the bureau to lose national certifications as an operating Fire Department. Efforts to keep the bare minimums of certification or accreditation would likely involve resources to pay outside vendors or companies, potentially requiring cuts or delays in expenditure in other parts of the organization. CBO does not recommend this offset.

CBO Recommendation: \$0, 0.00 FTE

Dive Rescue Team, FR_07, \$72,000

Premium pay for PF&R's dive team was eliminated in FY 2013-14 thereby reducing the 25-member team to zero, and this request would restore ongoing General Fund resources supporting one-half of the team. In addition, the bureau would likely have the ability to dispatch dive team members in the event of a potential suicide call-out from any one of the city's potential access points to the river. This would allow for the potential rescue of the victim, but there is greater potential that the result could be a more rapid recovery of the body by the dive team. In FY 2013-14 there were 83 potential suicide incidents where the bureau could have initiated the dive team to respond for either a potential rescue or to initiate a recovery mission. In FY 2013-14, there were 252 total water-related incidents where PF&R responded, regardless of having the dive team to assist in either rescue or recovery missions. In the past, the majority of the dive team's responses were associated with the recovery efforts of a victim.

CBO does not recommend the restoration of the team as the bureau maintains a marine program that is focused on rescue. Members of the marine program attempt to save potential victims of drowning while they are still on the water's surface, and in the past, the dive team provided for the safety of the firefighters operating in the water. The continued result of the request not being funded is that firefighters performing surface water rescue would have a higher safety risk; and the victims of drowning would not be recovered by the PF&R dive team. Recovery would be conducted either by the Multnomah County Sheriff's Office, through non-diving mechanical means, or through natural resurfacing.

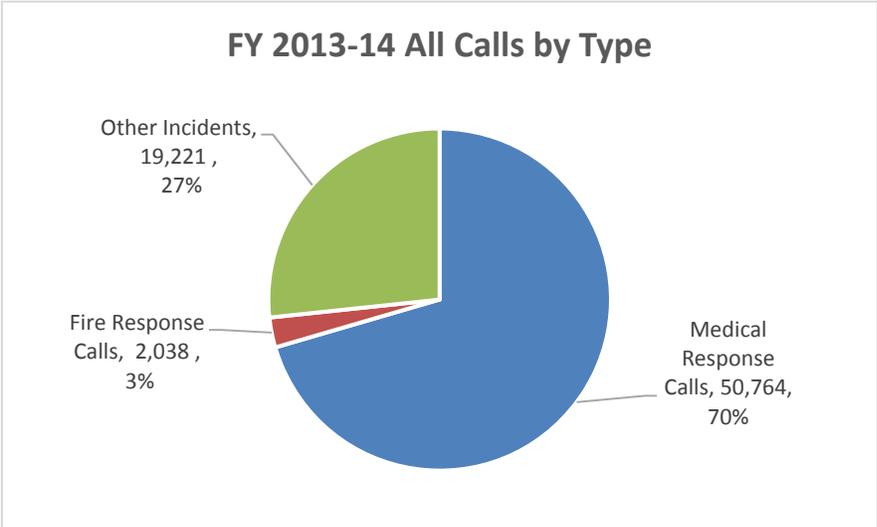
CBO Recommendation: \$0

EMS Deputy Chief, FR_03, \$175,092, 1.00 FTE

The requested EMS Deputy Chief would be a new position reporting to the Training and Safety Division Chief with the primary goal of continuing the pilot work that PF&R has undertaken in the past two years and providing an expanded role in public policy discussions for emergency medical care. The position would support the bureau's goals of implementing EMS practices that improve the services to the patient and hopefully reduce the overall cost of patient treatment provided by the local healthcare organizations.

Starting in 2013, PF&R began the Alternative Destination and Alternative Transport (ADAT) pilot project, where patients were assessed in the field for a specific set of criteria where a determination could be reached that ambulance transport was not required in order for the patient to safely reach a healthcare clinic for treatment. The patient would be given a voucher for cab fare to provide transportation. This model has the potential to reduce overall healthcare system costs as cab fare is less than the cost of an ambulance transport and the participating clinic visit is less than the cost of hospital Emergency Rooms. In January 2015, the bureau began ADAT II which includes additional healthcare providers as care options, and is collecting outcome survey data from the patient and the provider. Collecting this data will assist the bureau with assessing the program’s impact and if the desired outcomes of positive interactions are being realized by both parties.

The majority (70%) of PF&R’s total calls for service are categorized as a medical response call. The chart illustrates the breakout of call types as reported by PF&R in FY 2013-14.



PF&R has responded to this increased demand for first responder medical services with the pilot ADAT programs, applying for City Innovation funds for the Pulse Point Application and for the in-field treatment pilot project. The bureau reported to Council in December 2014 on the status of seven areas with either pilot programs or as opportunities identified by the bureau as potential service area improvements with the overall goal of reducing the overall costs of the healthcare system.

The requested Deputy Chief would be responsible for managing these projects and the continued effort of the bureau to pursue opportunities geared at enhancing the overall experience of the patient with identifying more efficient use of the current healthcare system. These efforts require considerable time associated with the coordination of leadership within various outside organizations, such as hospital administrators, the Oregon Health Authority, Multnomah County Emergency Medical Services, and community care organization management. The classification of Deputy Chief would provide the appropriate knowledge basis and working relationships for this effort to continue.

CBO recommends this request as PF&R's ability to adapt and respond to the changing medical services requires additional research and assessment from the EMS Section. There are many projects the bureau is actively managing with current resources and this is reducing existing staff capacity. This position should also be able to assist with identifying appropriate alternative staffing models, and where appropriate, continue exploring options for providing additional EMS response capabilities for the RRV program with Multnomah County Emergency Medical Services. The programs that this position support are likely to improve service equity as the programs have the ability to potentially expand outside of the identified pilot project scope of work, and the bureau would be able to service additional residents in the City.

CBO Recommendation: \$175,092, 1.0 FTE

Training Firefighter Specialist, FR_11, \$115,368, 1.00 FTE

This request would restore ongoing funding for 1.0 Fire Fighter Specialist in the bureau's Training Division. During the recession, the number of Fire Fighter Specialists dedicated to training was reduced by 2.0 FTE leaving the current team with 2.0 Fire Fighter Specialists and 1.0 Fire Lieutenant.

The bureau has not conducted a Fire Academy since 2012 due to budget uncertainties and the potential for hiring and training new recruits to then have to eliminate positions resulting in layoffs. In the immediate timeframe after the decision was made to not conduct training academies the impact of the decision to reduce the Training Division was not immediately experienced by the bureau. In the past two years there has been attrition through retirement or other separations, and as such the bureau has begun the Training Academy again with the first class graduating in January 2015.

The Training Division has identified that the reduction in qualified Fire Fighter Training Specialists has resulted in increased Training Division staff overtime to complete the necessary recruit progress reports, and at the present level it is not feasible to increase academy class size to 15 recruits from the current class size of 12. Safety of recruits would likely be compromised if there were additional recruits learning hands-on tasks (handling hose, technical equipment, driving apparatus etc.) without appropriate supervision.

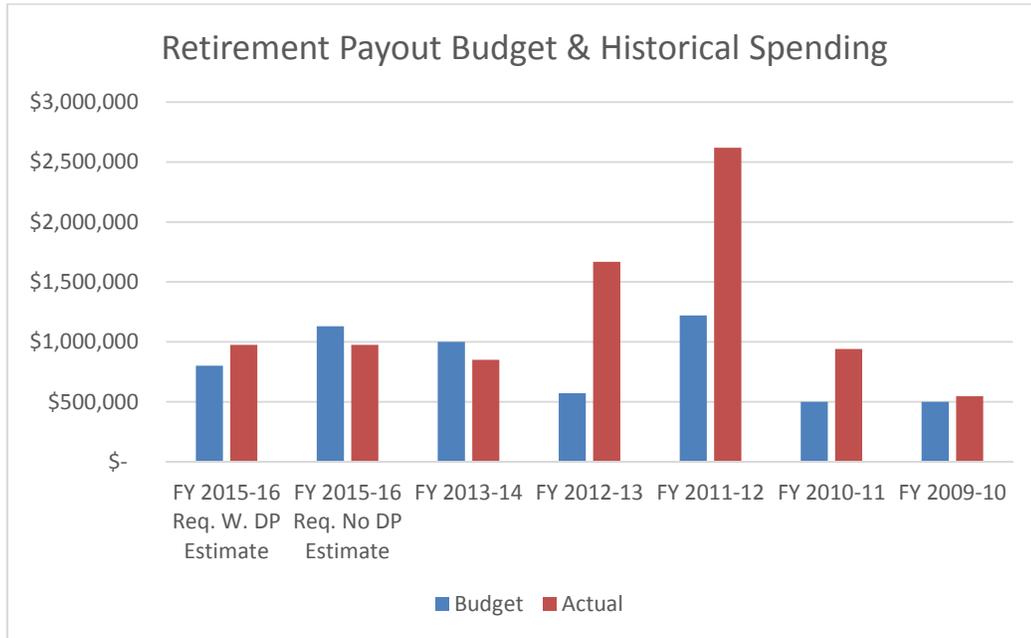
The benefit of training additional recruits is that the newly trained firefighters are first assigned to the Traveler Pool, which is a resource the bureau uses to mitigate a reliance on overtime usage for shift-backfill. As discussed in the key issues section, the size of the Traveler Pool has been reduced through attrition and in FY 2014-15 there has been a greater reliance on overtime hours to meet minimum staffing.

The requested position would give the bureau the flexibility to conduct the Training Academy with a larger pool of recruits, and there is the potential that some of the costs of this position would be offset by a reduction in overtime usage. CBO recommends funding this position.

CBO Recommendation: \$115,368, 1.0 FTE

Position Request Offsets, FR_12, FR_10, FR_08, (\$329,172)

The bureau has identified off-setting reductions to the retirement payout line item in the personnel services budget. Based on past experiences, the bureau estimates that there is an average of 15 retirements per year over the next five years. If 15 positions separate at \$65,000 per separation, then the expense is on par with the requested budget. Reducing this line item will likely result in the bureau needing to manage vacancy savings or request increased amounts of the bureaus compensation set-aside on an ongoing basis.



The chart above details the line-item budget and expense projection that is based on the average separation payouts. There is the potential that this current fiscal year may have an above average count of retirement payouts due to the 27 pay period look-back calculation which may effects the retiree’s pension payments. This issue is currently in litigation, and the legal outcome is still to be determined. The effect may lower the average number of separations over the next five years, but this is not a precise model as there are many factors that go into an individual’s decision as to when to retire from the City.

CBO recommends this realignment as an offset for the EMS Deputy Chief and the Training Firefighter Specialist positions that are requested in FR_03 and FR_11. The impact of this recommendation is that additional bureau resources for personnel service expenses will be reduced, however the probability of the bureau covering this expense within current service levels is not likely to cause the bureau to over spend.

CBO Recommendation: (\$257,172)

Earthquake/ Structural Collapse Response Training, FR_01, \$375,000

This request for additional training resources would support the bureau’s ability to safely respond to a major earthquake or structure collapse incident. The first phase of this training aims to get all PF&R

personnel seven hours of the Awareness-level training and includes classroom time and fieldwork. The majority of the costs associated with this training request are in personnel services to pay for overtime and backfill costs to ensure shift coverage during the course. The course would take some time to develop and then it could be conducted in six-week blocks.

PF&R is the City's first responder in the event of a structural collapse incident, which may be a result of natural hazards or manmade disasters. At present, there are fewer than 10% of bureau staff who have completed the Awareness level course as part of the PF&R Technical Rescue Teams located at Stations 1 and 12. Previously, funds for this level of training may have been available through FEMA or state level grants, however those resources are no longer available.

Currently there are no Key Performance Measures associated with first responder responsibilities as part of the City's overall Emergency Preparedness reporting. Despite the lack of a benchmark KPM for first responders, it is the responsibility of PF&R to be able to respond to all hazard emergencies. CBO recommends this request.

CBO Recommendation: \$375,000

Earthquake/ Structural Collapse Response Operations Level, FR_02, \$344,000

This request represents the second level of earthquake and structural collapse rescue training specific to eight truck companies. The training would be an enhanced 42-hour course to bring the eight truck companies up to the Operations level knowledge base. The majority of the costs associated with this training request are in personnel services to pay for overtime and backfill costs to ensure shift coverage during the course.

The expected outcome of this secondary more in-depth training is that there would be additional trained response capabilities within PF&R. Adding the eight companies would equate to 20% of the bureau's responders having a more in-depth knowledge on how to safely respond and provide rescue aid in a structural emergency. There are three levels of training for earthquake and structural collapse response and the bureau currently has staff trained at the highest level, the Technician as a part of the Technical Rescue Teams located at Stations 1 and 12. The bureau does not intend to have all first responders trained at the Operations or Technician level and funding this request is anticipated to provide the resources that PF&R believes it will need as first responders.

It is anticipated that the Awareness level training will take four to five months to complete and this base knowledge must be acquired prior to starting the secondary level of training. It is possible that this secondary level of response training would be complete by June 2016. CBO recommends the bureau determine if the timing of the training could potentially split two fiscal years and internally reprioritize training resources (as the bureau did with the paramedic training) to provide the Operations level training.

CBO Recommendation: \$0

Fire Station Roof Replacement, FR_03, \$250,000

One-time General Fund resources would be used to replace the roofs at Stations 4, 10, 16 and 20 which were inspected by an outside contractor in 2014 as a part of a comprehensive roof assessment of PF&R fire stations. Based on the contractor's findings, the bureau has requested the funds for the most critical projects where the roofs are approaching a failed state.

Without the replacements of the identified roofs, the bureau can expect to continue to pay for expensive repairs. Stations 4 and 10 have reports of ponding water, in addition to failed flashing, and a failed membrane which contributes to additional water damage. Station 16 has wet insulation and reports of numerous holes and slices in the existing roof. Without replacement, the bureau will continue to amass minor repair expenses. The roofs at the four stations are less than 20 years old, and it is concerning that the preventative maintenance or the initial construction appears to not be of quality where the asset lifecycle would be longer. The period for vendor warranty work on the roof has passed and there is no recourse for the City to seek to have the initial construction work redone.

The City's Capital Asset Management Group scored these projects with a 19.4, and an overall ranking of 11 out of 20 submitted projects. Currently, the bureau does not maintain a prioritized major maintenance plan for the 31 fire stations over the next five years. The current value of the City's Fire stations is estimated to be \$100 million, and the bureau has received voter approval for issuing General Obligation Bond funds to complete necessary seismic upgrades, which will likely increase the overall value of the City's assets when construction is complete. Without having a more comprehensive and developed future maintenance plan to make long term decisions, the requests for funding will continue come to the Council only when the project is urgent. It is recommended that the bureau develop a scheduled major maintenance plan to submit as part of PF&R's Requested Budget Five Year Plan submission that consists of project detail, timeline, and level of priority.

CBO recommends the funding for the roof replacements at the identified four stations. The report provided by the consultant identifies other projects that will be on the horizon for replacement and it is recommended that PF&R begin to prioritize the ideal timeframe for replacement of remaining roofs that are nearing the end of lifecycle.

CBO Recommendation: \$250,000

Logistics and Prevention Facility Relocation, FR_04, \$2,000,000

The Logistics and Prevention staff operate out of the current facilities on SE Powell Boulevard and SE Gideon Street, and there is potential in the next five years for the area to become part of the redevelopment of the Clinton Triangle as the land is adjacent to the future Clinton Station light rail stop. Additionally, the bureau has identified that there are potential operational gains that could be met if the Fire Logistics group could be collocated with the Training Division, which presently operates out of Station 2 at 122nd Avenue. Depending on site redevelopment plans, the bureau could be faced with relocating

these operations and has requested \$2.0 million to be set into a reserve for future costs related to the redevelopment and relocation of these current operations.

The current facilities are no longer meeting the needs of PF&R and have proven costly to maintain due to the age of the buildings, and the nature of the repairs is significant in scope. If the proper site is identified, the bureau would like to locate the Logistics and Training Divisions together to realize increased efficiencies as apparatus can be maintained while staff are conducting training. There is a business case to be made for supporting the colocation of the operations as it would likely prove to be more efficient and potentially cut down the amount of time in transit between training and apparatus maintenance as the Training Division currently operates at Station 2, which is a significant distance away from many stations. In terms of identifying estimated dollar amounts, the potential cost savings associated with colocation have not been developed.

In the FY 2014-15 Fall BMP, the bureau requested \$1 million in General Fund resources to be set aside for this project. This budget request for FY 2015-16 for \$2 million does not provide a more complete plan, timeline, or overall budget estimate for this project. Outside of either General Fund resources or a debt sale, the only identified resource is the value of the sale of the land where the current facilities are located. Depending on the appraised value, this could present a sizable resource for this project, however there still is an ownership issue to determine if any of the proceeds of the sale of the property would go to the Portland Water Bureau and not to the General Fund. Portland Fire & Rescue is still waiting a decision of ownership from the Office of the City Attorney.

CBO does not recommend funding for this project at this point in time as the bureau is still conducting a needs assessment and determining the final project scope, timeline, anticipated budget, and identifying potential resource options. Additionally, PF&R does not track individual fire station facility operation and maintenance costs and there would need to be additional work completed by the bureau to identify any potential increase or decrease in ongoing costs associated with a new facility.

However, CBO does recommend if additional resources are available in the April 2015 forecast that dedicating funding towards developing a facility usage plan that includes a total project cost, timelines, and the estimated operational costs of a new facility.

CBO Recommendation: \$0

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											
<i>Adds</i>											
FR_05 - GF Request - Ongoing Funding for 26 Positio	01	26.00	2,772,892	(1,386,446)	186,432	1,572,878	0.00	0	1,386,446	0	1,386,446
FR_07 - GF Request - Dive Rescue Team	02	0.00	72,000	0	0	72,000	0.00	0	0	0	0
FR_09 - GF Request - EMS Deputy Chief	03	1.00	156,504	0	18,588	175,092	1.00	156,504	0	18,588	175,092
FR_11 - GF Request - Training FF Specialist	04	1.00	100,668	0	14,700	115,368	1.00	100,668	0	14,700	115,368
FR_01 - Earthquake/Structural Collapse Response Tr	05	0.00	0	375,000	0	375,000	0.00	0	375,000	0	375,000
FR_02 - Earthquake/Structural Collapse Response Op	06	0.00	0	344,000	0	344,000	0.00	0	0	0	0
FR_03 - Fire & Rescue Station Roof Replacements	07	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
FR_04 - Logistics and Prevention Facility Relocation	08	0.00	0	2,000,000	0	2,000,000	0.00	0	0	0	0
<i>Total Adds</i>		<i>28.00</i>	<i>3,102,064</i>	<i>1,582,554</i>	<i>219,720</i>	<i>4,904,338</i>	<i>2.00</i>	<i>257,172</i>	<i>2,011,446</i>	<i>33,288</i>	<i>2,301,906</i>
<i>Reductions</i>											
FR_12 - Offset Reduction - Training FF Specialist	01	0.00	(100,668)	0	0	(100,668)	0.00	(100,668)	0	0	(100,668)
FR_10 - Offset Reduction - EMS Deputy Chief	02	0.00	(156,504)	0	0	(156,504)	0.00	(156,504)	0	0	(156,504)
FR_08 - Offset Reduction - Dive Rescue Team	03	0.00	(72,000)	0	0	(72,000)	0.00	0	0	0	0
FR_06 - Offset Reduction - 26 Positions	04	(18.00)	(2,772,892)	1,386,446	(238,000)	(1,624,446)	0.00	0	0	0	0
<i>Total Reductions</i>		<i>(18.00)</i>	<i>(3,102,064)</i>	<i>1,386,446</i>	<i>(238,000)</i>	<i>(1,953,618)</i>	<i>0.00</i>	<i>(257,172)</i>	<i>0</i>	<i>0</i>	<i>(257,172)</i>
Total Portland Fire & Rescue		10.00	0	2,969,000	(18,280)	2,950,720	2.00	0	2,011,446	33,288	2,044,734