



PORTLAND FIRE & RESCUE



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March 27, 2017

TO: Ryan Kinsella
City Budget Office

FROM: Fire Chief Mike Myers 

RE: Portland Fire & Rescue (PF&R) 2017 Spring BMP Submittal

The attached PF&R's 2017 Spring BMP submittal includes the following requirements: Budget Amendment Requests, Current Year Projections, and Current Year Decision Package and Budget Note Updates. PF&R is requesting the following amendments for Council approval:

- General Fund Compensation Set-aside
- Create three full-time Inspector positions in the Prevention Division
- Request funds to pay for an arbitrator for PFFA contract negotiations
- Appropriate State conflagration reimbursements
- Recognize additional Prevention program revenues and appropriate to cover associated costs
- Increase FPDR Interagency Agreement
- Increase BES Interagency Agreement
- Internal transfers in the major object categories

PF&R is requesting \$704,000 from the General Fund Compensation Set-aside to cover a portion of the projected year-end personnel services expenditures. The balance will be covered by other budget amendment requests that appropriate additional revenues and make internal transfers.

One of the budget amendment requests will add three Inspector positions in plan review and permits to provide adequate staffing to keep up with the service demand and enable PF&R to meet the 20-business-day turnaround goal 90% of the time. PF&R is requesting \$50,000 from the General Fund contingency to cover our share of the arbitrator cost for the PFFA negotiations as this is an unforeseen expense and our budget doesn't include funds for this purpose. The remaining budget amendment requests are technical and include interagency adjustments and internal transfers between and within major object categories to ensure year-end expenditures are within budget.

We will continue to implement cost saving measures and closely monitor all of our expenditures during the remaining three months of the fiscal year as well as, communicate significant changes to the year-end projections. If you have any questions or need additional information, please contact Jay Guo at x33726.

**CBO Discussion and Recommendations
FY 2016-17 Spring BMP**

Bureau: Portland Fire & Rescue

Type: New Request

Request: FR_007 - GF Compensation Set-Aside

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Personnel Services	704,227	0	704,227
External Materials and Services	0	0	0
TOTAL EXPENDITURES	704,227	0	704,227
REVENUES			
General Fund Discretionary	704,227	0	704,227
TOTAL REVENUES	704,227	0	704,227

Bureau Description:

This request appropriates the \$704,227 identified for PF&R in the General Fund compensation set-aside into PF&R's personnel services budget to cover the projected year-end expenditures. These funds are not budgeted in PF&R's adopted budget, but rather in the General Fund Compensation Set-Aside.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Spring BMP**

Bureau: Portland Fire & Rescue

Type: Technical Adjustment

Request: FR_008 - Personnel Services Account Code Adjustments

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Personnel Services	0	0	0
TOTAL EXPENDITURES	0	0	0

Bureau Description:

This request transfers \$4,800,000 from the regular full-time account and re-appropriates \$2,800,000 to the premium account and the remaining \$2,000,000 to the overtime account. These personnel services adjustments will align the budget more closely with the projected year-end expenditures in each of these accounts. The variances between the budgeted amount and actual expenditures for premium is largely due to how BRASS, the City's budgeting tool, calculates salary costs versus where these same costs are charged in the SAP payroll system. The overspending in overtime is primarily due to vacancies in the Traveler Pool. This adjustment transfers vacancy savings in salaries to offset overtime increases.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Spring BMP**

Bureau: Portland Fire & Rescue

Type: New Discretionary Revenues

Request: FR_009 - Add Three Inspectors in Prevention

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Personnel Services	60,000	0	60,000
TOTAL EXPENDITURES	60,000	0	60,000
REVENUES			
Licenses & Permits	60,000	0	60,000
TOTAL REVENUES	60,000	0	60,000

Bureau Description:

This request adds three Inspector positions in plan review and permits in response to increased demand for services and associated workload. These position are fully funded by plan review and permitting fees. If authorized, these positions would be filled starting May 1, 2017 and cost approximately \$60,000 for the last two months of this fiscal year. PF&R will also adjust the plan review/permit revenues to support the ongoing costs associated with these positions, which are estimated \$360,000 annually.

As indicated in the Housing Development GATR section in January 2017, PF&R currently meets the 20-business-day turnaround goal approximately 50% of the time due to increased workload and staff shortage. During the last four years, the number of plan review and permits requests increased by approximately 32% to 9,176 in FY 2015-16 as a result strong construction activities in Portland. The additional inspector positions in the plan review/permit section will provide adequate staffing to keep up with the service demand and enable PF&R to meet the 20-business-day turnaround goal 90% of the time.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Spring BMP**

Bureau: Portland Fire & Rescue

Type: Technical Adjustment

Request: FR_010 - External M&S transfer to Capital Outlay

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
External Materials and Services	(180,000)	0	(180,000)
Capital Outlay	180,000	0	180,000
TOTAL EXPENDITURES	0	0	0

Bureau Description:

This request transfers \$180,000 from external materials and services to capital outlay to cover projected year-end expenditures.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Spring BMP**

Bureau: Portland Fire & Rescue

Type: New Discretionary Revenues

Request: FR_011 - Appropriate Conflagration Reimbursement

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Personnel Services	40,000	0	40,000
TOTAL EXPENDITURES	40,000	0	40,000
REVENUES			
Intergovernmental Revenues	40,000	0	40,000
TOTAL REVENUES	40,000	0	40,000

Bureau Description:

This request appropriates the \$40,000 received from the state as reimbursement of call shift overtime costs associated with PF&R's wildland responses on the Okwana and Wasson fires. These resources will be budgeted in the overtime account.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Spring BMP**

Bureau: Portland Fire & Rescue

Type: New Discretionary Revenues

Request: FR_012 - Appropriate additional Prevention Revenues

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Personnel Services	300,000	0	300,000
TOTAL EXPENDITURES	300,000	0	300,000
REVENUES			
Licenses & Permits	280,000	0	280,000
Miscellaneous	20,000	0	20,000
TOTAL REVENUES	300,000	0	300,000

Bureau Description:

This request increases the FY2016-17 budget estimate for plan review and special use permit revenues and ATF investigation reimbursements by \$300,000. These resources will be appropriated to cover the overtime costs which have been incurred while trying to keep up with the service demand.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Spring BMP**

Bureau: Portland Fire & Rescue

Type: Technical Adjustment

Request: FR_013 - Increase FPDR IA

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Personnel Services	300,000	0	300,000
TOTAL EXPENDITURES	300,000	0	300,000
REVENUES			
Interagency Revenue	300,000	0	300,000
TOTAL REVENUES	300,000	0	300,000

Bureau Description:

This request increases the FPDR interagency by \$300,000 to cover higher OPSRP costs than were originally budgeted. FPDR reimburses PF&R for the actual OPSRP expenditures incurred throughout the fiscal year. The original projections didn't reflect the full impact of cost increases as members' advance through the firefighter/officer pay scale and/or get promoted.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Spring BMP**

Bureau: Portland Fire & Rescue

Type: Technical Adjustment

Request: FR_014 - Increase BES IA

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
External Materials and Services	(10,000)	0	(10,000)
Internal Materials and Services	10,000	0	10,000
TOTAL EXPENDITURES	0	0	0

Bureau Description:

This request increases the interagency agreement with BES by \$10,000, to provide resources for environmental testing and consulting services to ensure PF&R comply with federal, state and City environmental regulations and policies for protection of City workers, the public. The increase will be funded within existing appropriation.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Spring BMP**

Bureau: Portland Fire & Rescue

Type: New Request

Request: FR_015 - PFFA Arbitration Cost

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
External Materials and Services	50,000	0	50,000
TOTAL EXPENDITURES	50,000	0	50,000
REVENUES			
General Fund Discretionary	50,000	0	50,000
TOTAL REVENUES	50,000	0	50,000

Bureau Description:

This request asks for \$50,000 from the General Fund contingency to cover PF&R's portion of the cost of an arbitrator for the labor negotiations with the Portland Fire Fighters Association.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Spring BMP**

Bureau: Portland Fire & Rescue

Type: Technical Adjustment

Request: FR_016 - GO Bond budget adjustments

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Capital Outlay	3,094,920	0	3,094,920
TOTAL EXPENDITURES	3,094,920	0	3,094,920
REVENUES			
Budgeted Beginning Fund Balance	3,094,920	0	3,094,920
TOTAL REVENUES	3,094,920	0	3,094,920

Bureau Description:

This request recognizes additional beginning fund balance and appropriates the funds into capital outlay to cover projected year-end expenditures.

CBO Discussion and Recommendation

Business Area Projection Report

	Spring BMP Revised Budget	FY 2016-17 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Portland Fire & Rescue				
EXPENDITURES				
Personnel Services	\$98,427,568	\$65,581,171	\$98,427,568	100%
External Materials and Services	\$7,430,225	\$3,572,987	\$7,430,225	100%
Internal Materials and Services	\$6,471,914	\$4,183,459	\$6,471,914	100%
Capital Outlay	\$5,077,924	\$2,255,758	\$5,077,924	100%
TOTAL EXPENDITURES	\$117,407,631	\$75,593,376	\$117,407,631	100%
REVENUES				
Licenses & Permits	\$2,890,000	\$2,138,428	\$2,890,000	100%
Charges for Services	\$1,595,000	\$1,045,667	\$1,595,000	100%
Intergovernmental Revenues	\$655,000	\$454,772	\$655,000	100%
Interagency Revenue	\$5,479,450	\$2,521,350	\$5,479,450	100%
Miscellaneous	\$152,000	\$154,557	\$152,000	100%
General Fund Discretionary	\$106,559,083	\$0	\$106,559,083	100%
General Fund Overhead	\$77,098	\$0	\$77,098	100%
TOTAL REVENUES	\$117,407,631	\$6,314,774	\$117,407,631	100%

Bureau Projection Narrative

GENERAL FUND

Revenues

Year-end projections indicate the following program revenues will exceed the adopted budget amounts. PF&R is requesting these additional program revenues be appropriated to offset related expenditures. The revenue increases are explained in the budget amendment request narratives.

- Prevention Revenues -\$300,000
- FPDR Interagency Reimbursements – \$300,000
- State Conflagration Reimbursements - \$40,000

The Business Area Projection Report reflects these increased revenues. With these adjustments, PF&R's program revenues will be in line with the revised budget.

Expenditures

The year-end projected personnel services expenditures exceed the adopted budget. The over-expenditure is due to:

- the budget not including funds to cover the cost of the COLA increase;
- vacancies in the traveler pool resulting in higher overtime costs to maintain minimum daily staffing;
- higher than budgeted OPSRP costs since the budget didn't reflect the full impact of salary increases as member's advance through the firefighter/officer pay scale.

The spring BMP requests \$704,000 from the General Fund compensation set aside, as well as appropriates the additional program revenue (\$640,000) to cover the projected expenditures.

Expenditures in the other major expenditure categories are projected to be within budget.

PUBLIC SAFETY GENERAL OBLIGATION (GO) BOND FUND

The GO Bond Budget is intended for apparatus replacement over several years. The Spring BMP includes a request to recognize additional beginning fund balance and increase the capital outlay budget to cover the projected expenditures at year-end.

Business Area Projection Report

	Spring BMP Revised Budget	FY 2016-17 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Portland Fire & Rescue				
EXPENDITURES				
External Materials and Services	\$0	\$1,897	\$0	0%
Capital Outlay	\$6,048,429	\$447,592	\$6,048,429	100%
TOTAL EXPENDITURES	\$6,048,429	\$449,489	\$6,048,429	100%
REVENUES				
Budgeted Beginning Fund Balance	\$6,048,429	\$0	\$6,048,429	100%
TOTAL REVENUES	\$6,048,429	\$0	\$6,048,429	100%

Bureau Projection Narrative

GENERAL FUND

Revenues

Year-end projections indicate the following program revenues will exceed the adopted budget amounts. PF&R is requesting these additional program revenues be appropriated to offset related expenditures. The revenue increases are explained in the budget amendment request narratives.

- Prevention Revenues -\$300,000
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The Business Area Projection Report reflects these increased revenues. With these adjustments, PF&R's program revenues will be in line with the revised budget.

Expenditures

The year-end projected personnel services expenditures exceed the adopted budget. The over-expenditure is due to:

- the budget not including funds to cover the cost of the COLA increase;
- vacancies in the traveler pool resulting in higher overtime costs to maintain minimum daily staffing;
- higher than budgeted OPSRP costs since the budget didn't reflect the full impact of salary increases as member's advance through the firefighter/officer pay scale.

The spring BMP requests \$704,000 from the General Fund compensation set aside, as well as appropriates the additional program revenue (\$640,000) to cover the projected expenditures.

Expenditures in the other major expenditure categories are projected to be within budget.

PUBLIC SAFETY GENERAL OBLIGATION (GO) BOND FUND

The GO Bond Budget is intended for apparatus replacement over several years. The Spring BMP includes a request to recognize additional beginning fund balance and increase the capital outlay budget to cover the projected expenditures at year-end.

Portland Fire & Rescue

Date of Update: FY2016-17 SPRING BMP

Budget Note Title: Collaboration on Facility Locations with Other City Bureaus

Budget Note Language: Please provide the verbatim language of the budget note as stated in the Adopted Budget.

The FY 2016-17 budget does not include one-time resources for Portland Fire & Rescue (PF&R) to relocate and combine the current logistics center with the Training Division. Prior to any further commitment of one-time or ongoing resources, Portland Fire & Rescue is instructed to conduct a full needs-assessment, cost-benefit analysis, and analysis of future site locations for any relocation or consolidation plans for the Logistics, Training, and Prevention programs.

Additionally, the bureau will identify the cost and operational impacts of having separate facilities as compared to a consolidated central location. Included in this analysis is the potential for PF&R to occupy portions of the Jerome Sears facility in southwest Portland, or any other City-owned facility prior to purchasing new property.

Summary Status: Underway

Budget Note Update: PF&R and the Bureau of Internal Services (BIBS) are working together to assess the feasibility of co-locating PF&R uses and Westside Emergency Operations uses at the Sears site. PF&R will also explore options for co-locating PF&R training and logistics functions at the Parkrose sites.

A contract with Carleton Hart Architecture was authorized by City Council on March 1, 2017 to conduct a needs analysis for Portland Fire & Rescue Logistics, Prevention, and Training, and Scenario Planning for the Parkrose SFC Jerome F. Sears Sites.

Service Area	Bureau Name	Decision Package Title	Package Description	Funded In:	Package Fund	Package	Package Status	Package Update
Public Safety	Portland Fire & Rescue	GF Request - Restore ongoing Funding for 13 Positions	This decision package requests ongoing funding of \$1.54 million for the remaining 13 positions that have been funded by the Staffing for Adequate Fire and Emergency Response (SAFER) grant from January 9, 2014 through January 8, 2016. The funding need for FY16-17 is for ongoing funding for 13 firefighter positions.	FY 2016-17 Adopted Budget	\$ 1,543,882	13.00	Complete	The \$1.54 million included in the FY16-17 Adopted Budget provided ongoing funding for the remaining 13 firefighter positions.
Public Safety	Portland Fire & Rescue	Increase Prevention Fee - Reduce GF support by \$50,000	This request would increase the Special Use Permit fee to fully cover the program cost and eliminate \$50,000 in general fund support of the program.	FY 2016-17 Adopted Budget	\$ 50,000	-	Complete	The Special Use Permit fees were increased.
Public Safety	Portland Fire & Rescue	Solar Additions at Station 1	Installation of a turn-key solar photovoltaic system at Station 1.	FY 2016-17 Adopted Budget	\$ 60,000		In Progress	PF&R is working with the Bureau of Planning and Sustainability on the implementation of the solar system. Planning meetings have taken place and the actual installation of the system should occur in the next 6-9 months. PF&R was awarded a 2016 Renewable Development Fund (RDF) from Portland General Electric which will provide additional resources up to approximately \$90,000.
Public Safety	Portland Fire & Rescue	Innovation Fund Carryover - CHAT	This \$130,000 carryover request was originally included and approved in the FY15-16 Spring BMP. These are resources PF&R received from the City of Portland Innovation Fund in FY2014-15 for a Field Treatment Pilot now referred to as the Community Health Assessment Team (CHAT). The CHAT pilot program will be at least six months in length and staff an emergency response vehicle with a PF&R Firefighter and a Social Worker from Multnomah County. The main beneficiary of this program will be the patient, particularly homeless or uninsured individuals who do not have regular access to care.	FY 2015-16 Spring BMP; Carryover included in FY2016-17 Adopted Budget	\$ 130,000		Complete	The IGA with Multnomah County was approved by Council in July and the pilot program was conducted.

Capital Program Status Report

Fire

CIP Program	FY 2015-16		FY 2015-16		FY 2015-16		FY 2016-17		FY 2016-17		FY 2016-17		Variance %
	Adopted Budget	Revised Budget	Year-End Actuals	Year-End Actuals	Revised Budget	Year-End Actuals	Adopted Budget	Revised Budget	Year to Date Actuals	Revised Budget	Year to Date Actuals	Variance \$	
Acquisitions	\$0	\$13,666,392	\$0	\$1,183,722	\$0	\$1,183,722	\$0	\$4,793,169	\$0	\$4,793,169	\$0	\$3,094,920	182%
Total	\$8,384,405	\$13,666,392	\$0	\$1,183,722	\$0	\$1,183,722	\$1,698,249	\$4,793,169	\$292,786	\$4,793,169	\$292,786	\$3,094,920	182%

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

Prior Year Variance Description

The \$12.2 million variance between the FY2015-16 Revised Budget and Year-End Actuals has to do with when a piece of emergency apparatus is ordered and funds encumbered to when PF&R takes delivery and payment is made to the vendor, which can be as much as 18 months. Based upon the GO Bond Replacement schedule, the budget is adjusted accordingly for the next fiscal year.

Current Year Variance Description

The FY2016-17 Adopted Budget of \$1.7 million does not reflect the Fall BMP technical budget adjustment of \$1.255 million, to true-up the beginning fund balance since the FY15-16 expenditures were less than projected. The FY2016-17 Adopted Budget is actually \$2.95 million, and the Spring BMP Revised Budget includes a request recognizing additional beginning fund balance and increasing the capital outlay budget by \$3.1 million to cover the projected expenditures in the current year. Also, the FY2016-17 Year to Date Actuals are \$458,248 rather than the \$292,786 due to expenditures not being coded correctly in SAP.