

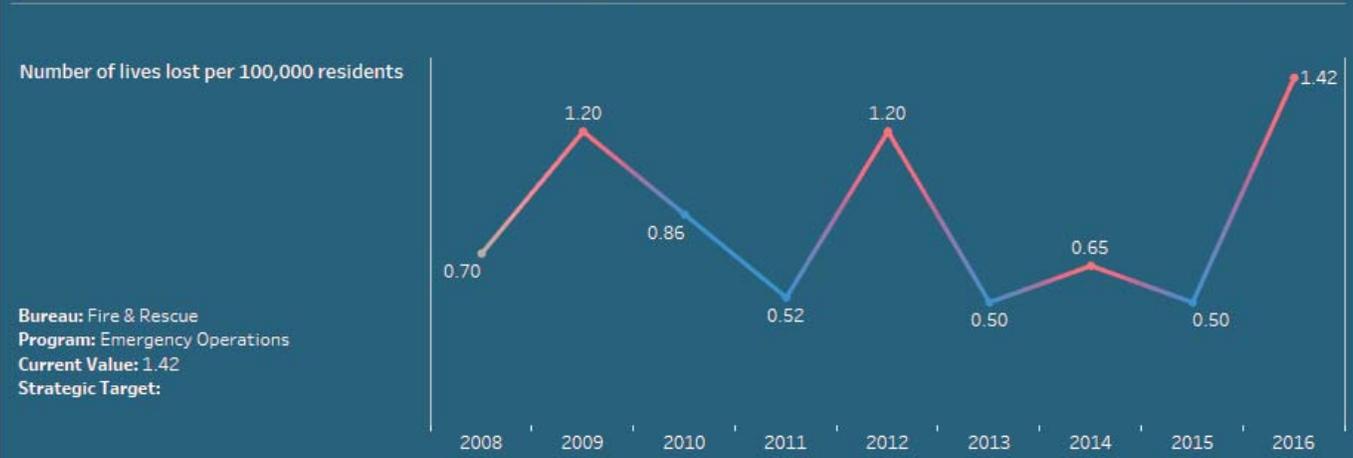
# Portland Fire & Rescue

Analysis by: Ryan Kinsella

Portland Fire & Rescue (PF&R) ended FY 2016-17 within the General Fund discretionary budget and a majority of reported Key Performance Measures are trending consistently with prior years. The bureau has implemented several key changes to operations under the direction of Chief Meyers and is preparing for several significant changes in future years.

## Bureau Performance

<b>Fire &amp; Rescue</b>	Insurance Service Office rating	2
	Number of lives lost per 100,000 residents	1.42
	Number of structural fires per 1,000 inspectable occupancies	10.00
	Percentage of residents rating service good or very good	87%
	Property loss as a percentage of property value	1.30%
	Total number of arson incidents per 10,000 residents	4



<https://www.portlandoregon.gov/cbo/article/655039>

Over this past year, Portland Fire & Rescue as restructured its management practices in two notable ways First, the bureau has revised its 2017-2020 Strategic Plan and created performance measures and milestones in seven key areas, including fire protection, prevention, public health, logistics, organizational culture, finance and administration, and information technology. Battalion chiefs tasked with overseeing this measures meet on a regular basis to update bureau leadership on the status for each measure, task, and milestone. Second, the bureau recently developed strategic plans for each of the fire management areas, which are intended to reflect the unique needs of each community.

Looking forward, several items with notable fiscal impacts will require careful planning over the next few years:

- *Fire Information System.* The Fire Information System is in need of replacement, which includes six modules: Incidents, Pre-Fire, Inspection, Training (recently replaced with Target Solutions), Personnel, and Journal (scheduling, workload tracking). The Fire Inspection System was recently replatformed to an updated environment in 2014, funded by \$1.8 million in Public Safety Systems Revitalization Program (PSSRP) funds. This update allowed the system to continue functioning; however, an assessment by BTS and PSRRP (July 2017) found that the bureau would benefit from a new off-the-shelf system, to address the many inefficiencies and problems of its current system. These inefficiencies were evaluated in terms of usability, sustainability/maintainability, governance/management, and accessibility. The replacement of the system will require additional resources, which could include the bureau's current General Fund appropriation and remaining PSSRP balance.
- *Logistics and Training Relocation.* Per a budget note from the FY 2016-17 Adopted Budget, PF&R in conjunction with Facilities' Services has hired a consultant to conduct a needs analysis of the Logistics, Prevention and Training divisions, with the goals of identifying the most appropriate and cost-effective locations for these divisions. Options may include the Sears Building in SW Portland, relocating the Logistics division to the current Parkrose site of the Training division, in addition to other options. Once the assessment is complete, the next steps will be for the bureau to develop design, cost estimates and a financing plan prior to seeking Council's approval. The 1998 Fire Facilities GO Bond balance is mostly expired, and the City would need to identify new revenue sources for any major facility projects.

Lastly, in addition to these changes noted above, there are potential changes to medical dispatch due to the renewal of ambulance service contract procured by the County.

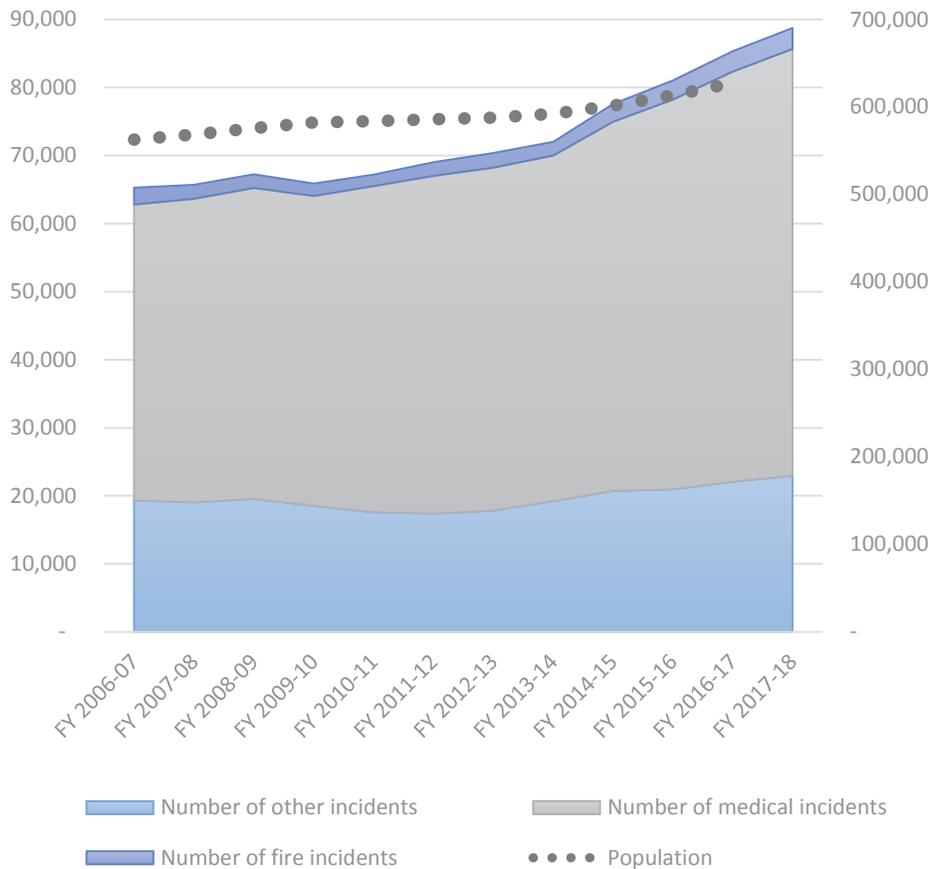
## Performance Measures

Over the past fiscal year, the majority of PF&R's identified Key Performance Measures (KPMs) have either trended positively or remained flat when compared to prior year data. However, PF&R leadership is assessing the current bureau KPMs, performance measures, and is currently implementing changes to how performance is monitored in accordance with its revised strategic plan. This is an important step in ensuring the bureau is collecting appropriate data, and subsequently using tools throughout the year to meet bureau-wide goals.

CBO notes that response times for the highest priority calls remain consistent when compared to prior years. In FY 2016-17 there was a slight increase in response times at the 90<sup>th</sup> percentile from 7:19 to 7:39. There are many factors which impact overall response times, some may be within the bureau's control such as staffing configurations, and others, like traffic congestion, are not.

*Call Volume.* Medical response call volume continues to increase as a result of fewer residents relying on paramedics and ambulatory transport for chronic and less acute medical issues.

Call Volume compared to Population Growth



The chart to the left illustrates the changes in call volume:

- Call volume increases as population increases. While not a direct correlation, it is expected that PF&R will need to address a greater number of calls as Portland’s population increases. On average, population has increased by 1% per year over the past ten years (11% total increase). During that same period, total call volume has increased by 3% per year (31% total increase).
- Medical calls remain the largest portion of call volume, representing 70% of total calls over the past ten years.

Based on prior trends, PF&R will need to address an increase of 3% or approximately 2,500 calls per year through various mitigation strategies that shift calls away from 4-person engines’ response to maintain current service levels. PF&R has piloted and implemented strategies with the intent of mitigating the impact from additional medical call volume. These initiatives include the following:

**Rapid Response Vehicle Program.** Implementation of the Rapid Response Vehicle Program, which provides medical response to low acuity calls using two person teams staffed by a paramedic and EMT, thereby lessening the need to use four-person teamed fire engine and truck response.

**Alternative Destination and Alternative Transport (ADAT).** In FY 2014-15, the bureau piloted the ADAT program, the goal of which is to respond to low acuity calls with a Fire paramedic who would determine if patients would be best served by being transported to an emergency room or to a lower cost alternative healthcare provider or urgent care facility.

**High Utilizer Call Program.** This program proactively assists approximately 30 residents who regularly call 9-1-1 for emergency services (“high utilizers”). Conditions of the high utilizers typically include chronic medical illness, drug addiction, and mental illness. The pilot, funded

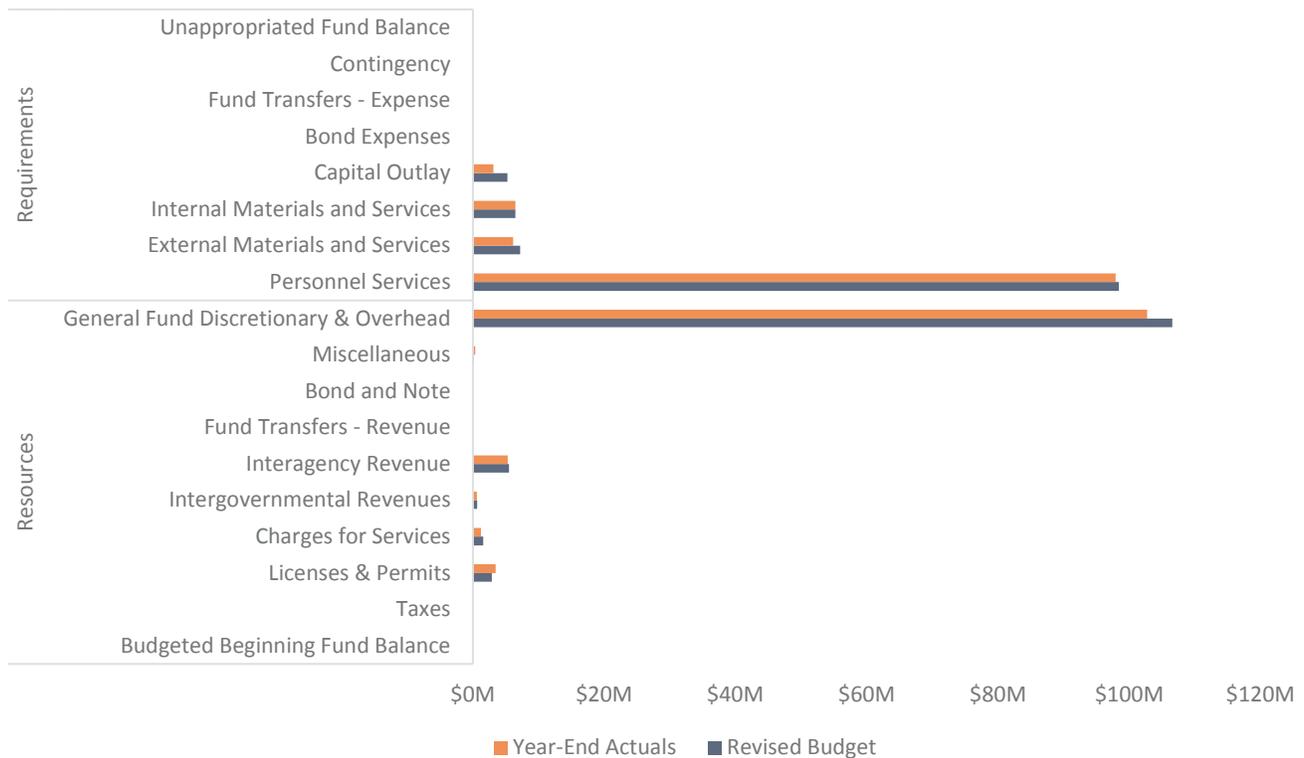
by the Innovation Fund, has been effective in reducing high utilizer calls. Of a group of 17 pilot enrollees, calls were reduced by 75 percent, from 274 to 69 in the following 6 months.

In addition to these strategies, other fire service agencies have been exploring different ways to respond to increases in medical calls, such as 911 call-center nurse triage and in-field treatment (paramedicine).

## Bureau Finances: Budget-to-Actuals and Key Issues

### General Fund

#### Portland Fire & Rescue - General Fund - FY 2016-17 Reconciliation



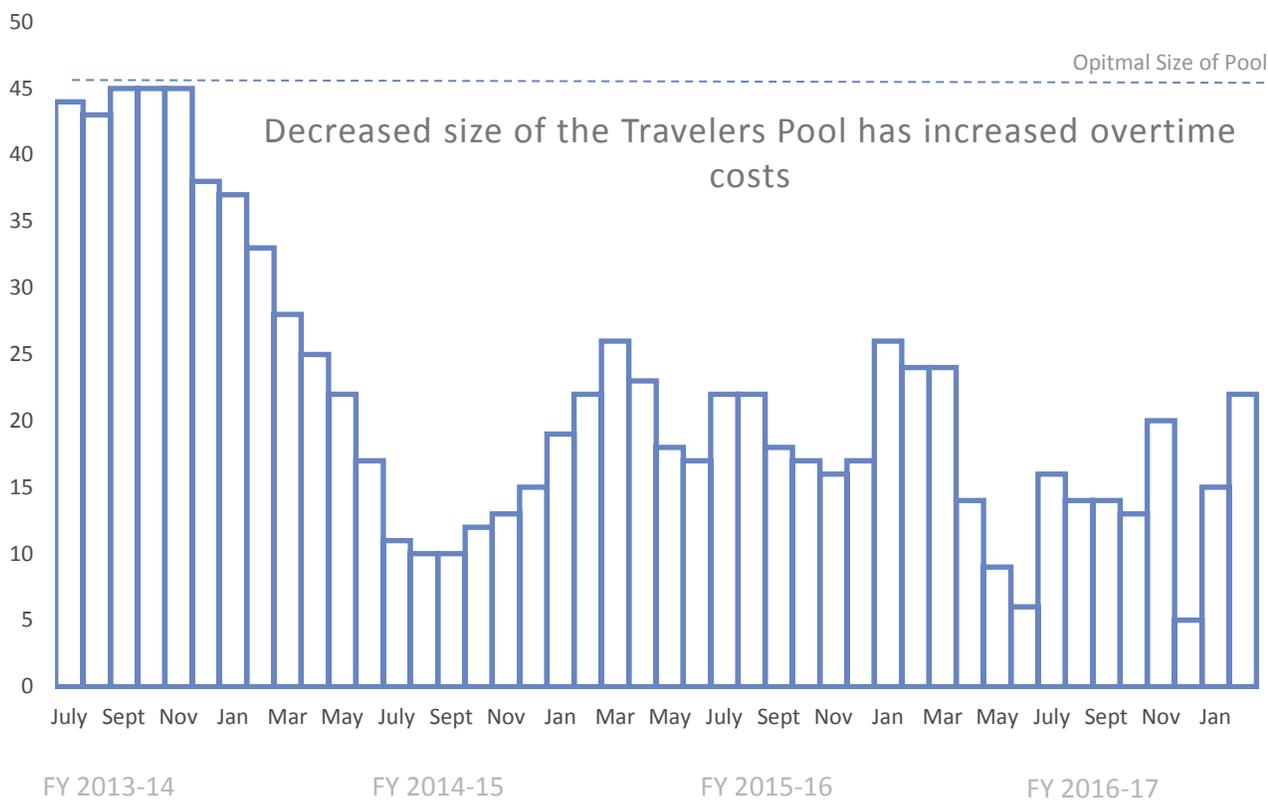
At the close of FY 2016-17, PF&R had spent 98% of the General Fund budget. Unspent funds for apparatus replacement have been recommended by CBO as encumbrance carryover, pending Council approval with the Fall Supplemental Budget. Revenues received from the inspections and permitting functions at PF&R continue to grow at a higher rate when compared to prior years. Based on projections from the Bureau of Development Services, the demand for permitting and inspections is not likely to slow down in the next three to five years.

The largest expense category for PF&R is personnel services for station operations. Over the past three years there has been increased reliance on overtime hours to meet the bureau's desired staffing requirements. This expense constrains the bureau's limited discretionary resources that are

available to fund other expenses, such as station projects, equipment purchases, and information technology updates.

While unforeseen overtime costs were incurred as a result of the recent winter storms (\$62,000) and protests/rapid response team activities (\$27,000), the primary driver of bureau personnel spending is due to call shift or replacement overtime. Call shift or replacement overtime is used to meet minimum staffing requirements while firefighters take vacation, sick and other leave. The number of leave hours requiring replacement overtime has increased by 4% compared to previous years; family parental leave, which was not offered as a City benefit in previous years, accounts for 2% in replacement overtime.

Staffing of the Travelers Pool (the group of firefighters – typically filled by new hires – that are designated to fill vacation, sick and other leaves at stations to reduce call shift overtime) has been less than in previous years. Specifically, there are an average of 16.1 firefighters in the Travelers Pool this year, whereas last year there was an average of 20.3 firefighters in the pool. The bureau targets having 45 firefighters in the pool, which results in the least costly balance of having regularly staffed positions in the pool and using call shift overtime. To the degree that there are fewer firefighters to fill shifts in the Travelers Pool, these shifts are then filled by firefighters being paid overtime. As evidenced in the chart below, the number of firefighters is approximately half of the optimal number and has significantly decreased since FY 2013-14, resulting in increased overtime costs.



There are two primary drivers of the current lower numbers of firefighters in the pool: (1) fewer candidates entered firefighting in the past two years as a result of the budget uncertainty resulting from the 26 positions that were converted to limited-term, grant-fund positions in FY 2013-14; and (2) an increased number of retirements, which results in a greater number of positions being transferred out of the Travelers Pool into fire stations.

Increasing the number of new hires – and thus, the size of the Travelers Pool – is constrained by the fact that all new hires are required to complete one year of training and the bureau has limited staff capacity to increase the number of training classes. However, beginning in July 2015, the bureau doubled the number of training classes, resulting in a cohort of 12 new recruits every three months instead of every six months as previously was the case. As a result, 32-35 new firefighters will complete their training and enter the Travelers Pool by the end of 2017, lessening the use of call shift overtime and also preparing for the next spike in retirements.

## Capital

PF&R capital projects consist mostly of the procurement of replacement engines, trucks, and specialized emergency response equipment. The Public Safety General Obligation (GO) Bond has been the primary funding source for these purchases, with the bureau transitioning to the utilization of the General Fund Apparatus Replacement Reserve in FY 2015-16. Currently PF&R operates a network of 30 stations which are in use 24 hours a day, seven days per week. Since 1998, many stations have received seismic updating and additional enhancements, using resources from the 1998 and 2010 General Obligation (GO) Bonds. As a result of these investments, the overall condition of the stations at present is better than most other assets owned by the City. However, the bureau does not have a major maintenance reserve to fund future costs. PF&R does track and set aside approximately \$300,000 for annual station repairs and maintenance, but the funding source is bureau discretionary resources, which may be limited in some years. Items such as additional dormitories, roof work, and HVAC or generator projects have been more urgent in recent years, therefore reducing the bureau's ability to fund routine station maintenance. Previously, PF&R Management Services Division estimated an annual need of \$1 million for major expenses, based on current assets' condition and approximate scheduled life-cycle replacement.

CBO continues to recommend that the bureau build a reserve dedicated solely to major maintenance needs and asset preservation. Moreover, it is recommended that the bureau develop a scheduled major maintenance plan to submit as part of PF&R's Requested Budget that consists of project detail, timeline, and level of priority.