



PORTLAND FIRE & RESCUE



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DATE: March 26, 2018

TO: Andrew Scott, Director
City Budget Office

FROM: Mike Myers, Fire Chief

SUBJECT: Portland Fire & Rescue (PF&R) FY 2017-18 Spring Budget Monitoring Report

Enclosed is PF&R's Budget Monitoring Report for the spring of FY 2017-18. This submittal includes the Budget Amendment Request Report, current year spending and revenue projections, and updates on decision packages and budget notes. PF&R is requesting the following amendments for Council approval:

- State conflagration reimbursements
- General Fund Compensation Set-Aside
- Arbitration expenses for PFFA contract negotiations
- Longevity pay increase
- Revenue adjustments
- Carryover of SCBA funds

PF&R is requesting \$2,074,757 from the General Fund Compensation Set-aside and \$721,025 from the policy set aside to cover the retroactive cost of living adjustments (COLA) provided to Portland Firefighters Association employees for FY 2016-17 and FY 2017-18. The labor agreement also included an increase in the longevity pay premium for firefighters that has added to PF&R's personnel service expenditures.

We will continue to implement cost saving measures and closely monitor 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 823-3726.

**CBO Discussion and Recommendations
FY 2017-18 Spring Supplemental Budget Ordinance**

Bureau: Portland Fire & Rescue

Type: New Discretionary Revenues

Request: FR_013 - State Conflagration Reimbursement

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Personnel Services	795,616	0	795,616
External Materials and Services	289,044	0	289,044
TOTAL EXPENDITURES	1,084,660	0	1,084,660
REVENUES			
Intergovernmental Revenues	1,084,660	0	1,084,660
TOTAL REVENUES	1,084,660	0	1,084,660

Bureau Description:

This request recognizes the additional state reimbursement for PF&R's deployments to wildfires in Oregon and California during the fiscal year. The state reimbursement covers PF&R's overtime, backfill, apparatus, and equipment costs.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2017-18 Spring Supplemental Budget Ordinance**

Bureau: Portland Fire & Rescue

Type: Compensation Set Aside Request

Request: FR_014 - General Fund Compensation Set Aside

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Personnel Services	2,795,782	0	2,795,782
TOTAL EXPENDITURES	2,795,782	0	2,795,782
REVENUES			
General Fund Discretionary	2,795,782	0	2,795,782
TOTAL REVENUES	2,795,782	0	2,795,782

Bureau Description:

The bureau is requesting \$2,795,782 from the Compensation Set-Aside to support projected year-end expenditures in PF&R's personnel services budget. This request includes \$721,025 from the FY 2016-17 policy set-aside to support retroactive cost-of-living adjustments provided to Portland Firefighters Association employees.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2017-18 Spring Supplemental Budget Ordinance**

Bureau: Portland Fire & Rescue

Type: New Request

Request: FR_015 - PFFA Bargaining and Arbitration Expenses

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
External Materials and Services	203,136	0	203,136
TOTAL EXPENDITURES	203,136	0	203,136
REVENUES			
General Fund Discretionary	203,136	0	203,136
TOTAL REVENUES	203,136	0	203,136

Bureau Description:

PF&R incurred costs to support contract negotiations and arbitration between the City and PFFA. This new request for \$203,136 would reimburse PF&R for the unbudgeted expense of a consultant's benefit study and outside counsel for interest arbitration.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2017-18 Spring Supplemental Budget Ordinance**

Bureau: Portland Fire & Rescue

Type: New Request

Request: FR_016 - Increased Contract Costs-FY 17-18 Longevity Pay

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Personnel Services	181,500	0	181,500
TOTAL EXPENDITURES	181,500	0	181,500
REVENUES			
General Fund Discretionary	181,500	0	181,500
TOTAL REVENUES	181,500	0	181,500

Bureau Description:

The new PFFA contract provides additional longevity pay to union members effective December 29, 2017. This request would increase PF&R's personnel services budget by \$181,500 to cover this unbudgeted increase in FY 2017-18.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2017-18 Spring Supplemental Budget Ordinance**

Bureau: Portland Fire & Rescue

Type: Mid-Year Reductions

Request: FR_017 - Revenue Adjustments

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Personnel Services	(232,000)	0	(232,000)
External Materials and Services	(30,000)	0	(30,000)
TOTAL EXPENDITURES	(262,000)	0	(262,000)
REVENUES			
Licenses & Permits	(262,000)	0	(262,000)
TOTAL REVENUES	(262,000)	0	(262,000)

Bureau Description:

This request recognizes \$262,000 in reduced revenue from Prevention. The reduced revenue is offset by reduced expenditures in overtime, vacancies, and external materials and services.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2017-18 Spring Supplemental Budget Ordinance**

Bureau: Portland Fire & Rescue

Type: Program Carryover Request

Request: FR_018 - Carryover - SCBA

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Capital Outlay	(100,000)	0	(100,000)
TOTAL EXPENDITURES	(100,000)	0	(100,000)
REVENUES			
General Fund Discretionary	(100,000)	0	(100,000)
TOTAL REVENUES	(100,000)	0	(100,000)

Bureau Description:

PF&R has \$100,000 in ongoing funds for SCBA replacement. PF&R has not spent the \$100,000 budgeted for SCBA replacement in FY 2017-18 because, as part of its FY 2018-19 budget request, PF&R is planning to completely overhaul and replace its existing inventory of SCBAs. Rather than invest in outdated equipment that PF&R is planning to replace, PF&R requests to carryover the \$100,000 to help offset the cost of the new SCBAs in FY 2018-19.

CBO Discussion and Recommendation

Business Area Projection Report

	Spring BMP Revised Budget	FY 2017-18 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Portland Fire & Rescue				
EXPENDITURES				
Personnel Services	\$103,849,355	\$67,450,220	\$103,600,000	100%
External Materials and Services	\$8,559,861	\$5,335,619	\$8,559,000	100%
Internal Materials and Services	\$7,200,304	\$4,904,365	\$7,198,000	100%
Capital Outlay	\$5,117,277	\$2,936,347	\$5,117,000	100%
TOTAL EXPENDITURES	\$124,726,797	\$80,626,550	\$124,474,000	100%
REVENUES				
Licenses & Permits	\$3,085,436	\$1,942,869	\$2,985,000	97%
Charges for Services	\$1,450,000	\$779,696	\$1,250,000	86%
Intergovernmental Revenues	\$2,119,660	\$1,500,922	\$2,419,000	114%
Interagency Revenue	\$6,719,776	\$3,105,217	\$6,475,000	96%
Miscellaneous	\$205,000	\$132,712	\$205,000	100%
General Fund Discretionary	\$111,070,788	\$0	\$111,063,863	100%

Business Area Projection Report

	Spring BMP Revised Budget	FY 2017-18 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Portland Fire & Rescue				
REVENUES				
General Fund Overhead	\$76,137	\$0	\$76,137	100%
TOTAL REVENUES	\$124,726,797	\$7,461,416	\$124,474,000	100%

Bureau Projection Narrative

GENERAL FUND

Revenues

PF&R has received \$1,051,880 reimbursements for its conflagration deployments in Oregon during this fiscal year. PF&R is expected to receive an additional \$732,780 reimbursements for its deployments to California. The fall BMP recognized and appropriated some of the reimbursements. The spring BMP requests an additional reimbursement be added to PF&R's budget to offset overtime costs related to the conflagration deployments.

Year-end projections indicate the Plans Review/Permits and Code Enforcement program revenues will be below the budgeted amounts. The Plans Review/Permits revenue has increased significantly in recent years as the city experienced robust construction activities. This revenue remains strong, but has showed signs of leveling off.

The Code Enforcement revenue shortfall was mainly due to vacancies and new inspector training. The revenue is anticipated to rise significantly during the remainder of the fiscal year as new inspectors have completed their training and the program is fully staffed.

The Plans Review/Permits and Code Enforcement revenues shortfall will be offset by more-than-budgeted conflagration reimbursements. The Business Area Projection Report reflects these revenue changes. With these adjustments, PF&R's overall program revenues will be in line with the revised target.

Expenditures

The year-end projected personnel services expenditures exceed the adopted budget. The over-expenditure is driven by conflagration deployments, retroactive COLA increases and an additional longevity pay resulting from the new PFFA contract.

The spring BMP requests the following budget adjustments to cover the over-expenditures in personnel services:

- \$795,616 from conflagration reimbursements
- \$2,074,757 from this fiscal year's compensation set aside allocated for PF&R
- \$721,025 from policy set aside for last fiscal year's COLA expenses for PFFA members
- \$181,500 from General Fund contingency to fund the longevity pay increase due to the new PFFA contract

The Business Area Projection Report reflects these personnel services budget requests. With these adjustments, PF&R's personnel services expenditures will be within budget.

Expenditures in other major expenditure categories are projected to be in line with budget.

PUBLIC SAFETY GENERAL OBLIGATION (GO) BOND FUND

The GO Bond Budget is intended for apparatus replacement over several years. The revised budget includes funds to complete the purchases of five emergency apparatus vehicles.

Business Area Projection Report

	Spring BMP Revised Budget	FY 2017-18 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Portland Fire & Rescue				
EXPENDITURES				
Internal Materials and Services	\$0	\$0	\$0	0%
Capital Outlay	\$3,266,700	\$1,065,998	\$2,080,000	64%
TOTAL EXPENDITURES	\$3,266,700	\$1,065,998	\$2,080,000	64%
REVENUES				
Budgeted Beginning Fund Balance	\$3,266,700	\$0	\$3,266,700	100%
TOTAL REVENUES	\$3,266,700	\$0	\$3,266,700	100%

Bureau Projection Narrative

GENERAL FUND

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Portland Fire & Rescue

Date of Update: FY 2017-18 Spring BMP

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

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.

Budget Note Update: Carleton Hart Architecture (CHA) was authorized by City Council on March 1, 2017 to conduct a needs analysis for PF&R Logistics, Prevention, and Training, and develop Scenario Planning for the Parkrose and Jerome Sears Sites. The consultants have completed the needs assessment and suitability analysis of the Sears site and PF&R's Training Center in Parkrose (122nd and Sandy). Their findings and recommendations are as follows:

- The Sears site is not suitable for a new Logistics facility.
- It is not feasible to combine Logistics and Training onto the existing Parkrose site.
- Prevention is potentially well suited for the Sears site in conjunction with a new PBEM westside Emergency Operations Center (EOC).

CHA is currently conducting a real estate search for scenario planning to identify the availability and cost range of properties that would be suitable for Logistics relocation. They will complete the budget note study by May 2018.

Service Area	Bureau Name	Decision Package Title	Package Description	Funded in	Year Funded:	Package Funding	Package FTE	Package Status	Package Update
Public Safety	Portland Fire & Rescue	Eliminate Dive Rescue Team	This request will eliminate PF&R's Dive Rescue Team. The request will generate \$94,900 in ongoing General Fund savings by eliminating the premium pay, training, and equipment costs for the existing 13 members of PF&R's Dive Rescue Team.	FY 2017-18 Adopted Budget	FY 2017-18	(94,900)		Complete	PF&R discontinued the Dive Team on 7/1/2017.
Public Safety	Portland Fire & Rescue	High-Speed Connection to Stations	<p>This request funds the increased ongoing costs associated with high-speed [up to 400 megabits per second (Mbps)] INET connections to all PF&R stations. The current T1 line (1.5 Mbps) connections to stations are slow, impacting the performance and functionality of PF&R's Fire Information System (FIS). FIS uploads and downloads emergency response reports, personnel information, training records, and fire inspection/prevention information. The system was recently upgraded and consequently requires a larger bandwidth. At the current T1 connection speed, firefighters spend increased time to access information and create reports within the system.</p> <p>High-speed connections to stations will have the following benefits:</p> <ul style="list-style-type: none"> • More efficient use of the Fire Information System; • Video conference for meetings; • Enhanced training options including streaming TV services and videos on demand; • Timely and faster mobile data computer (MDC) mapping and data updates; • Wi-Fi capabilities at stations. <p>All the above benefits will result in time savings for firefighters, enabling them to respond to an increasing call volume and provide other services such as community education and outreach.</p>	FY 2017-18 Adopted Budget	FY 2017-18	50,000		In Progress	This project is nearly complete. PF&R expects Comcast to complete installation in the final two stations within the next few weeks.
Public Safety	Portland Fire & Rescue	Cancer Reduction Plan - Second Set of Turnouts	This request is part of PF&R's cancer reduction plan to fund the purchase of 300 sets of turnouts or Personal Protection Equipment (PPE) so that every frontline firefighter will have a second set. Turnouts are the exterior layer of protective clothing or gear that provides barriers to heat and toxic substances. A complete set of turnout gear includes a helmet, hood, coat, pant, suspenders, pair of gloves, and pair of boots. While working at a fire and other hazardous incident, chemical carcinogens adhere to firefighter turnouts and should not be worn until they have been washed. Having a second set allows the original set to be washed, instead of wearing turnouts that have carcinogens on it that can be absorbed into the body.	FY 2017-18 Adopted Budget	FY 2017-18	391,494		Complete	PF&R has purchased and provided each front-line firefighter with a second set of turnouts.
Public Safety	Portland Fire & Rescue	Add Inspector Positions	Positions added in previous BMP. This package adds these permit revenue-backed positions into Adopted Budget.	FY 2017-18 Adopted Budget	FY 2017-18	365,436	3.00	Complete	These positions have been filled, and Prevention is now fully staffed. The increased staffing has resulted in improved performance in Plan Review: PF&R is meeting turnaround goals 93.4% of the time in FY 2017-18 compared to 80.2% in FY 2016-17.

Public Safety	Portland Fire & Rescue	David Campbell Firefighter Memorial Relocation		FY 2017-18 Adopted Budget	FY 2017-18	100,000		Complete	PF&R transferred these funds to the David Campbell Memorial Association.
Public Safety	Portland Fire & Rescue	Apparatus & Equipment Mechanic	<p>This request will add an Apparatus and Equipment Mechanic position to the Apparatus Maintenance unit to cope with increasing maintenance backlog and contracting out expenses. This request is cost neutral through re-appropriating external material and services budget that is spent on contracting out for apparatus and equipment repair and maintenance. In addition, this position will perform apparatus warranty work and generate reimbursement revenues to offset the remaining cost of the position.</p> <p>The Apparatus Maintenance unit is responsible for the maintenance and repair of nearly 100 front-line and reserve fire & rescue apparatus, as well as a large array and volume of equipment, tools, and personal protective equipment (PPE). Additionally, the unit is also responsible for the acquisition, replacement, and outfitting of all apparatus, equipment, and tools.</p>	FY 2017-18 Adopted Budget	FY 2017-18	15,000	1.00	Complete	This position has been hired, and PF&R does not currently have any mechanic vacancies.