



PORTLAND FIRE & RESCUE



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TO: Jessica Kinard
City Budget Office

FROM: Chief Sara Boone
Portland Fire & Rescue

SUBJECT: Portland Fire & Rescue FY 2020-21 Spring Budget Adjustment

Attached is the FY 2020-21 Spring Budget Monitoring Report (BMP) submittal for Portland Fire & Rescue (PF&R). This submittal includes the Budget Amendment Request Report and current year spending and revenue projections. PF&R is requesting the following amendments for Council approval:

- General Fund Compensation Set-Aside
- Revenue adjustments
- Arbitration expenses
- Program carryover for fleet vehicles.
- Grant revenue and other technical adjustments.

If you have any questions, please contact PF&R's Mark Whitaker at 991-2764.

FR - Portland Fire & Rescue

DP Type

Compensation Set-Aside

Request Name: 11714 -General Fund Compensation Set-Aside

Package Description

The bureau is requesting \$517,000 from the compensation set-aside to help offset unexpected personnel expenditures in FY 2020-21. Without Spring BMP adjustments, PF&R is projected to overspend its revised personnel budget by approximately \$3.3 million. Wildfire responses, the City's bereavement leave policy, paid leave for the Families First Coronavirus Response Act (FFCRA), protests, COVID-19 cases and quarantines, and COVID-19 testing and vaccination efforts have all led to unbudgeted overtime expenses. PF&R also had a high number of retirements in FY 2020-21 resulting in roughly \$2.7 million in retirement payouts (above the \$1.5 million budgeted).

As noted in other decision packages, PF&R is expecting reimbursement from FEMA, the State of Oregon, and Multnomah County to cover many of these expenses. Additionally, PF&R has withheld external materials and services expenditures and capital outlay expenditures to remain within budget without requesting General Fund contingency.

Service Impacts

Equity Impacts

Account Name		2020-21 SPRING Requested Adj
Expense	Personnel	517,045
Expense	Sum:	517,045

Account Name		2020-21 SPRING Requested Adj
Revenue	General Fund Discretionary	517,045
Revenue	Sum:	517,045

FR - Portland Fire & Rescue

DP Type

Technical Adjustments

Request Name: 11715 -Technical Adjustments

Package Description

This is a technical adjustment to balance interagency agreements and align budgets within the appropriate functional areas.

Service Impacts

Equity Impacts

Account Name		2020-21 SPRING Requested Adj
Expense	External Materials and Services	321
	Internal Materials and Services	-321
	Personnel	0
Expense	Sum:	0

Account Name		2020-21 SPRING Requested Adj
Revenue	General Fund Discretionary	0
	Interagency Revenue	0
Revenue	Sum:	0

FR - Portland Fire & Rescue

DP Type

New Revenue

Request Name: 11747 -Revenue Adjustments

Package Description

This package adjusts PF&R's revenue for a net increase of just over \$1 million. PF&R projects that Prevention revenue related to permits and code enforcement will end the year about \$1.1 million below the current budgeted amount. The ongoing effects of the pandemic have reduced new construction activity and business activity that the Fire Marshal's Office relies on for revenue. PF&R has held several Fire Inspector positions vacant to achieve savings due to the decline in revenue.

PF&R is also projecting to receive approximately \$1.5 million from the Oregon State Fire Marshal's Office as reimbursement for deployment to wildfires across the state this year. This reimbursement offsets the additional overtime from responding to those events.

The request also adjusts PF&R's interagency agreement with Fire & Police Disability & Retirement (FPDR) by \$500,000. FPDR reimburses PF&R for the bureau's payroll contributions to the Oregon Public Employees Retirement System (PERS) for sworn employees hired after 2006. Pension contribution costs and the associated reimbursement are higher than originally forecast because of PF&R's significant overtime this fiscal year.

Service Impacts

Equity Impacts

Account Name		2020-21 SPRING Requested Adj
Expense	Personnel	1,017,000
Expense	Sum:	1,017,000

Account Name		2020-21 SPRING Requested Adj
Revenue	Charges for Services	-590,000
	Interagency Revenue	500,000
	Intergovernmental	1,627,000
	Licenses & Permits	-520,000
Revenue	Sum:	1,017,000

FR - Portland Fire & Rescue

DP Type

GF Program Carryover

Request Name: 11748 -PSR Fleet Carryover

Package Description

This request is to carryover one-time funds budgeted in FY 2020-21 for Portland Street Response to purchase vans. CityFleet does not expect to deliver and bill for the vans until FY 2021-22.

Service Impacts

Equity Impacts

Account Name		2020-21 SPRING Requested Adj
Expense	External Materials and Services	-72,565
Expense	Sum:	-72,565

Account Name		2020-21 SPRING Requested Adj
Revenue	General Fund Discretionary	-72,565
Revenue	Sum:	-72,565

FR - Portland Fire & Rescue

DP Type

New GF Request

Request Name: 11749 -Arbitration Expense

Package Description

PF&R is expected to incur costs for outside counsel to support arbitration between the City and PFFA regarding IAP contributions. The City Attorney estimates expenses of \$50,000.

Service Impacts

Equity Impacts

Account Name		2020-21 SPRING Requested Adj
Expense	External Materials and Services	50,000
Expense	Sum:	50,000

Account Name		2020-21 SPRING Requested Adj
Revenue	General Fund Discretionary	50,000
Revenue	Sum:	50,000

FR - Portland Fire & Rescue

DP Type

Technical Adjustments

Request Name: 11754 -Personnel Adjustments

Package Description

This package consists of technical adjustments to align budget and expenses by major object category. The bureau has deferred expenses in certain categories of information technology, facilities, equipment, and apparatus to accommodate unexpected overtime and retirement costs.

Service Impacts

Equity Impacts

Account Name		2020-21 SPRING Requested Adj
Expense	Capital Outlay	-100,000
	External Materials and Services	-935,560
	Personnel	1,035,560
Expense	Sum:	0

FR - Portland Fire & Rescue

DP Type

New Revenue

Request Name: 11762 -Grant Adjustments

Package Description

This package adjusts PF&R's grant revenue. PF&R is expecting approximately \$1.6 million in reimbursement for COVID-related expenses from FEMA Public Assistance or Multnomah County.

Service Impacts

Equity Impacts

Account Name		2020-21 SPRING Requested Adj
Expense	External Materials and Services	631,000
	Personnel	945,000
Expense	Sum:	1,576,000

Account Name		2020-21 SPRING Requested Adj
Revenue	Intergovernmental	1,576,000
Revenue	Sum:	1,576,000

Business Area Projection Report

Portland Fire & Rescue - Fund 100

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	\$1,310,016	\$124,411	\$860,000	66%
External Materials and Services	\$7,703,756	\$3,994,142	\$7,150,000	93%
Fund Transfers - Expense	\$0	\$0	\$0	
Internal Materials and Services	\$7,472,415	\$4,584,525	\$7,140,000	96%
Personnel	\$119,700,000	\$81,928,742	\$119,700,000	100%
Sum:	\$136,186,187	\$90,631,820	\$134,850,000	99%

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Charges for Services	\$1,648,000	\$1,114,265	\$1,648,000	100%
General Fund Discretionary	\$118,482,059	\$0	\$118,482,059	100%
General Fund Overhead	\$84,660	\$0	\$84,660	100%
Interagency Revenue	\$10,984,468	\$2,899,640	\$10,200,000	93%
Intergovernmental	\$2,797,000	\$672,584	\$2,797,000	100%
Licenses & Permits	\$1,985,000	\$1,288,824	\$1,985,000	100%
Miscellaneous	\$205,000	\$148,310	\$200,000	98%
Sum:	\$136,186,187	\$6,123,623	\$135,396,719	99%

Revenue Discussion

PF&R's two main revenue sources are Plan Review/Permits revenue and Code Enforcement fee revenue. The Spring BMP adjusts budgeted revenue for these sources downward by \$1.1 million due to the ongoing effects of COVID-19 on local economic activity and PF&R operations.

Intergovernmental revenue has been adjusted to reflect an additional \$1.5 million in reimbursement from the State of Oregon for PF&R's wildfire deployment expenses.

Revenue Risks

The risk of steeper declines in permit and fee revenue is low. Collections have been consistent throughout the year and there is potential for activity to increase as the economy recovers into the summer.

PF&R has increased its interagency agreement with FPDR by \$500,000 to account for the higher-than-expected overtime so far this year and to provide a cushion in case of additional unexpected overtime for sworn personnel during the remainder of the year. In the event that overtime levels remain normal, PF&R will not realize the full additional \$500,000 in FPDR reimbursement.

Expenditure Discussion

Wildfire responses, the City's bereavement leave policy, paid leave for the Families First Coronavirus Response Act (FFCRA), protests, COVID-19 cases and quarantines, and COVID-19 testing and vaccination efforts have all led to unbudgeted overtime expenses. PF&R also had a high number of retirements in FY 2020-21. PF&R has requested the compensation set-aside and made several other adjustments in the Spring BMP to recognize the growth in personnel expenditures above the bureau's original budget. With these adjustments, PF&R's personnel services expenditures are expected to be within budget.

PF&R is projecting expenditures in other major categories to be at or below budgeted levels.

Expenditure Risks

Business Area Projection Report

PF&R is moving roughly \$1.6 million in personnel and external materials and services expenses related to COVID-19 out of the General Fund and into grant funds under the expectation that those expenses will be reimbursed by FEMA Public Assistance or Multnomah County. There is a small risk that certain expenses will be deemed ineligible by FEMA resulting in additional expenses for the General Fund that exceed PF&R's budget. We have already conservatively budgeted that only 85% of eligible expenses will be approved, so we believe the risk is low.

Additional unexpected events that result in overtime are also a risk to PF&R's personnel expenditures. Expenses related to wildfires and COVID-19, however, are generally reimbursable.

Other Notes

Business Area Projection Report

Portland Fire & Rescue - Fund 217

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	\$1,167,544	\$0	\$0	
External Materials and Services	\$1,608,092	\$7,940	\$981,000	61%
Personnel	\$1,155,967	\$54,660	\$1,100,000	95%
Sum:	\$3,931,603	\$62,600	\$2,081,000	53%

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Intergovernmental	\$3,931,603	\$337,566	\$2,081,000	53%
Sum:	\$3,931,603	\$337,566	\$2,081,000	53%

Revenue Discussion

PF&R is expecting approximately \$1.6 million in reimbursement for COVID-related expenses from FEMA Public Assistance or Multnomah County.

The bureau also continues to manage several federal grants for COVID-related PPE, technical rescue training, source capture exhaust systems in stations, and a staffing and deployment study. Many of these grant expenditures will carryover into FY 2021-22.

Revenue Risks

There is a small risk that certain expenses will be deemed ineligible by FEMA resulting in additional expenses for the General Fund that exceed PF&R's budget. We have already conservatively budgeted that only 85% of eligible expenses will be approved, so we believe the risk is low.

Expenditure Discussion

PF&R is seeking reimbursement for the following expenditures: overtime backfill for emergency operation personnel on leave due to COVID-19 or quarantine protocols; overtime for contract tracing and COVID testing of PF&R employees; overtime for COVID testing and vaccination of City employees and the public; materials expenses for PPE and other equipment necessary to ensure the safety of PF&R's first responders.

The majority of PF&R's grant expenditures for the source capture exhaust system and the staffing and deployment study will likely occur in FY 2021-22 as more of the projects are implemented.

Expenditure Risks

PF&R is starting vaccination clinics for the public this month. The estimated costs for these clinics through the end of the year is imprecise, but all costs should be reimbursable.

Other Notes

Capital Program Status Report

Portland Fire & Rescue

CIP Program Name	2019-20 Adopted Budget	2019-20 Revised Budget	2019-20 Actuals	PY Variance	PY Percent of Actuals to Revised	2020-21 Adopted Budget	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	Spring Req. to Adopted Variance	Spring Req. to Adopted % Variance
Apparatus	0	0	725,418	725,418		2,350,000	529,300	56,284	-1,820,700	-343.98%
Equipment	0	0	306,808	306,808		557,000	427,000	25,565	-130,000	-30.44%
Facilities	0	0	345,393	345,393		475,000	1,942,544	68,976	1,467,544	75.55%
Safety	1,807,000	1,500,000	42,224	-1,457,776	2.81%	25,000	25,000	66,448	0	0%
Technology	0	0	0	0		11,000	11,000	11,000	0	0%
Sum:	1,807,000	1,500,000	1,419,844	-80,156	-5.34%	3,418,000	2,934,844	228,273.06	-483,156	

Current Year Variance Description

Apparatus: PF&R has \$529,300 budgeted for apparatus replacement and outfitting, after a substantial one-time budget reduction in the fall to meet the City's reduction targets. So far this fiscal year, PF&R has spent \$56,284 on outfitting. The bureau is awaiting delivery of two brush units and a water tender. Payment due upon receipt of these apparatus is approximately \$323,000.

Equipment: PF&R budgeted for \$80,000 in firefighting tool replacement, \$37,000 in fitness equipment replacement, \$60,000 in medical equipment replacement, and \$250,000 in turnout replacement. PF&R has purchased \$5,555 in firefighter tools and \$15,010 in exercise equipment. The bureau purchased \$171,498 in turnouts this fiscal year which does not currently show on this status report. PF&R will assign a project code to the turnout purchase to allocate it to the capital equipment category. In the Spring BMP, PF&R has proposed to move \$200,000 in General Fund budget authority from this category to assist with the shortfall in its personnel budget.

Capital Program Status Report

Facilities: The FY 2020-21 Spring Requested CIP includes \$1,942,544 for facilities capital improvement. This consists of \$250,000 in building system replacements, \$125,000 in station improvements, \$400,000 in roof replacements, and \$1,167,544 in source capture exhaust system installations. Building system replacements and station improvement projects are in process and the costs will be posted before the end of the fiscal year. PF&R has completed three roof replacement projects totaling \$377,975. The roof replacements do not currently show under this Capital Program Status Report, but the costs will be capitalized and will show on the report. PF&R was awarded \$1,167,544 in federal funding to install source capture exhaust systems at each of its fire stations. This project is currently in the solicitation phase and no costs have been posted yet.

Safety: PF&R purchased \$66,448 in SCBAs. This purchase will be reimbursed by the Oregon State Fire Marshal.

Other Notes
