



# Agenda Report

June 27, 2011

**TO:** Honorable Mayor and City Council

**THROUGH:** Public Safety Committee

**FROM:** City Manager

**SUBJECT: DISCUSSION OF PROPOSED \$2 MILLION REDUCTION IN FIRE DEPARTMENT'S FISCAL YEAR (FY) 2012 OPERATING BUDGET AND ASSOCIATED SERVICE LEVEL IMPACTS**

## **RECOMMENDATION:**

It is recommended that the Public Safety Committee recommend to the City Council that the following actions be taken in order to achieve the proposed \$2 million reduction in the Fire Department's FY 2012 operating budget:

- 1) Endorse civilianization of the Fire Prevention Bureau;
- 2) Endorse conversion of one Advanced Life Support Ambulance to Basic Life Support to be staffed by civilian Emergency Medical Technicians;
- 3) Defund a Deputy Fire Marshal position for six months;
- 4) Defund a vacant Staff Assistant II position; and
- 5) Reduce the medical insurance line item by \$64,000 and the contract services line item by \$63,000.

## **BACKGROUND:**

Since mid-fiscal year 2009 significant budget reductions have been made in the City's General Fund in order to eliminate the structural deficit and absorb increases in employee benefit and pension costs. As illustrated by the attached worksheet, throughout this period every effort has been made to avoid making structural budgetary reductions in the Fire Department. Unfortunately, given the level of reductions elsewhere in the General Fund, it is no longer possible to avoid making reductions in the Fire Department without further jeopardizing other key City services.

On June 6<sup>th</sup> the Fire Chief presented the recommended operating budget for the Fire Department to the joint City Council-Finance Committee. The proposed budget

included a reduction of \$2 million, roughly 5% of the approximate \$40 million departmental total.

To achieve this level of savings, a combination of near-term and longer-term actions were presented. In the near-term, in order to achieve immediate savings, staff proposed temporarily moving to a minimum staffing model as opposed to the daily staffing approach in place today. Currently the Fire Department staffs 51 positions per 24 hour shift across three shifts, for a total of 153 positions (daily staffing). However, during any given shift an average of nine positions are vacant due to some permanent vacancies as well as vacation, sick and workers compensation leave time. When this occurs replacement staff is hired back on what is termed Position Coverage Overtime to reach the 51 position complement. Under the minimum staffing model that was presented, shifts would be allowed to drop to 46 positions without hiring staff back on Position Coverage Overtime. This approach would not result in any firefighter lay-offs.

Over the longer-term and in cooperation and dialogue with the Firefighters union, it was anticipated that alternative structural cost reductions would be identified and placed into effect, thereby allowing a shift back to daily staffing as the longer-term changes could be implemented.

The potential for altering Fire Department staffing models, even on a temporary basis, created a concern on the part of some City Council members that the City was moving away from its long standing policy of staffing four persons per fire company. Consequently the issue was referred to the Public Safety Committee for further consideration.

The Public Safety Committee met on June 14<sup>th</sup> and again on June 20<sup>th</sup> to discuss how the proposed approach would impact operations and service levels. The Committee heard directly from the Fire Chief as well as representatives of the Firefighters and fire management unions. Concurrently, discussions between City management and the Firefighters continued in order to identify viable alternative options and to determine whether any of the potential longer-term solutions might be achievable in the near-term, thus minimizing or eliminating the need to adopt a temporary minimum staffing model, or implement any of the other options discussed with the Committee.

These recent discussions have focused on two immediate structural reductions: civilianization of the Department's Inspection Bureau and conversion of one Advanced Life Support Ambulance to Basic Life Support to be staffed by civilian Emergency Medical Technicians (EMT).

Currently, the Department utilizes sworn firefighters to perform inspections of businesses and other occupancies. In many other jurisdictions, such as neighboring Glendale and for the most part Burbank, this function is performed by trained civilian staff similar to Building Inspectors. Shifting from sworn Firefighters to civilians will save approximately \$46,400 per position and with seven positions assigned to this function

the annual savings would be \$324,800. Staff anticipates that it would take up to six months to meet and confer with the Firefighters' Union, complete the process of creating the positions and recruiting civilian inspectors, therefore savings in FY12 are estimated at \$162,254.

As envisioned, the existing firefighter staff assigned to inspections would be reassigned to regular daily shifts, thereby reducing the need to use overtime to backfill vacancies and creating a cost offset. Through normal attrition, the total number of operational staff would return to current levels.

The Fire Department operates five Advanced Life Support (ALS) ambulances that are staffed by sworn fire personnel. An ALS ambulance is staffed with two Firefighters, certified as paramedics who are able to treat illnesses and injuries, administer medications, provide cardiac monitoring, intubate, and carry out many procedures similar to those in an emergency room setting. A BLS (Basic Life Support) ambulance is staffed with two certified Emergency Medical Technicians who are able to treat illnesses and injuries, administer oxygen, and provide cardiac defibrillation. Of the medical calls that Fire responds to annually, approximately 60% are treated at the BLS level and 40% are treated at the ALS level.

A number of cities operate a combination of ALS and BLS ambulances, including Los Angeles City and Glendale. In the Verdugo Communications Center, when a 9-1-1 call is received that requires medical dispatch, Emergency Medical Dispatchers (EMD) are trained to ascertain whether an ALS or BLS ambulance should be dispatched. If there is any question as to which one is more appropriate, the dispatchers send an ALS ambulance.

Staff is recommending the conversion of one of the Department's five ALS ambulances to BLS staffed with civilian Emergency Medical Technicians. These ambulance operators will be City employees, under the direction of the Fire Department. As with the civilianization of the inspection bureau, it is anticipated that it will take up to six months to put this in place. The associated savings for FY12 is approximately \$180,000. The program will be evaluated throughout the six month period to ensure our public safety and high service quality expectations are being met.

The Fire Department also contemplates that if the EMT program were to become permanent, it could be a great training ground to develop potential fire fighters to fill future vacancies. A possible concept would be to retain the EMTs in a three year training/apprenticeship program so that after the third year they are either promoted into the fire service as a sworn fire fighter in Pasadena or move on to another agency allowing a new EMT to begin a new three year training/apprenticeship program.

In analyzing what other immediate savings might be achieved, the following additional reductions have been identified: Defunding of a vacant Staff Assistant II position (\$73,586); half year defunding of a Deputy Fire Marshal in recognition of an anticipated retirement in December (\$129,737) who's duties will subsequently be handled by other staff; a reduction of \$64,000 in the medical benefits line item made possible by recent and anticipated changes in the manner in which the employee options benefit fund payments are adjusted and a \$63,000 reduction in the contract services line-item.

Finally, as has been the subject of discussion at the Public Safety Committee, Station #39 remains closed for safety reasons. Despite staff's best efforts to identify a suitable location for a temporary station, having examined some 300+ properties, a suitable site has been elusive. Staff is continuing in earnest to identify a temporary site; however, it is anticipated that even in the best case scenario Station #39 will most likely be out of service for a period of 6 months with a net operational cost savings of \$886,303. Staff will continue to seek a shorter implementation timeline if possible.

In assessing potential temporary locations, staff recognizes that the structures and/or available land are not sufficient to house a fully-staffed, four-person engine company. As such, once temporary Station #39 is opened, it is likely that the Department would need to staff it with a patrol consisting of one Fire Captain and one Fire Engineer, at least one of whom would be certified as a Paramedic. This staffing level would be expected to save \$441,120 over a six month period.

**CITY COUNCIL POLICY CONSIDERATION:**

The proposed action is consistent with the City Council's strategic plan goal of maintaining financial stability and the operational solutions being put forth were developed with the objective to minimize impact on the City Council's goal of ensuring public safety.

**FISCAL IMPACT:**

The proposed actions are expected to achieve \$2 million worth of savings within the Fire Department during Fiscal Year 2012 thereby allowing the City to remain consistent with the plan to balance the General Fund operating budget by the close of Fiscal Year 2014.

<b>Fire Department Budget Reduction Alternatives \$</b>	
Savings prior to establishment of temporary Fire Station 39 (6 months)	886,303
Savings following the establishment of temporary Fire Station 39 (6 months) – two person patrol	441,120
Civilianize Fire Inspection (6 months)	162,254
Conversion of one ALS ambulance to BLS - 6 months	180,000
Defund Deputy Fire Marshal (6 months)	129,737
Defund Staff II in Admin	73,586
Medical Benefit Savings	64,000
Reduction in Contract Services	63,000
<b>Total FY 2012 Savings</b>	<b>\$2,000,000</b>

Staff will continue the practice of providing regular financial updates to the City Council throughout the year. If the City's financial situation were to improve, the Council could restore funding to the Fire Department or programs in other departments.

Respectfully submitted,



Michael J. Beck  
City Manager

Concurrence:



DENNIS J. DOWNS  
Fire Chief  
Fire Department

Attachment: Comparison of FY09 to FY12 by Department

**General Fund Budgeted Appropriations and FTEs  
Comparison of Fiscal Year 2009 to Fiscal Year 2012 By Department**

Department	Appropriations				FTEs			
	FY 2009	FY 2012	FY 2009 to FY 2012		FY 2009 <sup>2</sup>	FY 2012	FY 2009 to FY 2012	
			Amount <sup>1</sup>	%			Amount	%
City Council	\$2,008,894	\$1,950,842	(\$58,052)	(2.9%)	10.00	10.00	0.00	0.0%
City Manager	\$3,477,584	\$3,181,490	(\$296,094)	(8.5%)	15.75	12.60	(3.15)	(20.0%)
City Attorney	\$6,630,296	\$6,223,493	(\$406,803)	(6.1%)	33.00	28.00	(5.00)	(15.2%)
City Clerk <sup>3</sup>	\$1,639,651	\$1,566,116	(\$73,535)	(4.5%)	12.50	10.00	(2.50)	(20.0%)
Finance	\$10,105,373	\$9,041,622	(\$1,063,751)	(10.5%)	74.65	59.75	(14.90)	(20.0%)
Fire (excludes \$2.0 million Managed Savings) <sup>4</sup>	\$40,307,173	\$41,583,083	\$1,275,910	3.2%	185.50	183.50	(2.00)	(1.1%)
Police	\$59,419,972	\$58,141,360	(\$1,278,612)	(2.2%)	393.05	370.00	(23.05)	(5.9%)
Planning	\$9,553,556	\$8,559,939	(\$993,617)	(10.4%)	69.78	55.42	(14.36)	(20.6%)
Human Resources	\$3,007,094	\$2,798,669	(\$208,425)	(6.9%)	20.55	16.50	(4.05)	(19.7%)
Human Services & Recreation	\$9,835,772	\$9,015,896	(\$819,876)	(8.3%)	112.57	100.11	(12.46)	(11.1%)
Public Works	\$22,020,465	\$19,365,972	(\$2,654,493)	(12.1%)	140.43	100.58	(39.85)	(28.4%)
Transportation	\$5,473,304	\$4,818,257	(\$655,047)	(12.0%)	24.92	21.47	(3.45)	(13.8%)
Non-Departmental	\$56,630,326	\$51,355,058	(\$5,275,268)	(9.3%)	0.00	0.00	0.00	0.0%
<b>Fire Managed Savings<sup>4</sup></b>		<b>(\$2,000,000)</b>	<b>(\$2,000,000)</b>					
<b>General Fund Total</b>	<b>\$230,109,460</b>	<b>\$215,601,797</b>	<b>(\$14,507,663)</b>	<b>(6.3%)</b>	<b>1,092.70</b>	<b>967.93</b>	<b>(124.77)</b>	<b>(11.4%)</b>

<sup>1</sup> The FY09 to FY12 changes include organizational changes and are net of cost increases such as PERS and Medical Insurance rates that have been absorbed within each department's budget.

<sup>2</sup> FY 2009 FTEs have been adjusted to reflect FTEs that transferred from the General Fund to the Computing and Communications Fund as a result of the DoIT consolidation implemented in FY 2011.

<sup>3</sup> To provide a more accurate comparison of the City Clerk's budget FY 2009 appropriations excludes election costs totaling \$725,044 and FY 2012 appropriations excludes one-time redistricting costs of \$133,500 have been excluded from FY 2012 appropriations.

<sup>4</sup> The proposed FY 2012 Fire Department reduction of \$2.0 million is shown as **Fire Managed Savings**.