



# Memorandum

**TO: MAYOR AND CITY COUNCIL**

**FROM: Jeffrey L. Clet**

**SUBJECT: SEE BELOW**

**DATE: September 9, 2004**

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Approved

Date

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**SUBJECT: FIRE DEPARTMENT UPDATE RESPONSE TO AUDITOR'S REPORT ON OVERTIME EXPENDITURES**

**RECOMMENDATION:**

The City Council accept the Fire Department's Update Response to the City Auditor's 2001 Report on Overtime Expenditures as presented with the following actions:

- Accept the Fire Department's status report on outstanding Audit Recommendations.
- Direct the Fire Department to report back on the status of Audit Recommendations, including updated staffing levels and the most efficient and cost effective mix of relief staff and overtime to meet minimum staffing requirements, as a part of the FY 2005-06 budget process.

**BACKGROUND:**

In April 2001 the City Auditor issued a report on "An Audit of the City of San Jose Fire Department's Overtime Expenditures". A summary of the nine recommendations is shown in Attachment A. In consultation with the City Auditor, it was determined that Recommendations 5 and 6 (see below) are the most critical issues for the Department to address. Other Audit Recommendations (1 – 4) are linked to these issues and will be covered in a subsequent report.

**ANALYSIS:**

**Recommendation #5:** Report to the City Council updated staffing information December of each year including staffing levels and vacancies by rank, the number of personnel on disability and modified duty, and projected short-term and long-term vacancies.

During 2003 – 04, the Fire Department maintained a higher level of vacancies than normal as a contingency for possible budget reductions. The Department has begun to address these staff shortages by recently promoting thirty-six sworn personnel (Fire Engineer, Fire Prevention Inspector, Fire Captain, Battalion Chief and Deputy Fire Chief) in July. Additionally, the Department hired twenty-four Firefighter - Paramedics for a Recruit Academy,

which started on August 30. The Department is still maintaining a sufficient number of vacancies as a contingency for possible Tier II reductions this fiscal year.

**Fire Department Staffing Levels:**

Under the Memorandum of Agreement with the International Association of Fire Fighters, Local 230 the Department is required to maintain a Minimum Staffing (MS) level of 193 personnel on duty in stations each day, every shift. Table 1 describes the MS positions by rank.

**Table I  
 Minimum Staffing Assignments by Rank:**

<b>Rank</b>	<b>Number of Minimum Staff Positions</b>
Firefighter – EMT	33 <sup>^</sup>
Firefighter – Paramedic	42
Fire Engineer	68
Fire Captain	44
Battalion Chief	5
<b>Total Minimum Staffing Assignments per shift</b>	<b>193<sup>^</sup></b>

<sup>^</sup> Does not reflect the reduction of two Firefighter positions on the Hazardous Incident Team approved in the 2004 - 05 Adopted Budget. This reduction is subject to meet and confer negotiation with Local 230 which is ongoing.

Due to the Department’s higher than normal vacancy rate, the following staffing and overtime issues have developed. First, the Department has not had a sufficient mix of personnel assigned to relief positions. Relief personnel are assigned to Battalion headquarter stations and dispersed as needed to other stations to fill vacant positions. Secondly, when there are insufficient relief personnel available to fill vacant assignments, the Department either holds over personnel who are presently on-duty or calls back other employees to meet Minimum Staffing (MS) requirements. The increased use of backfilling of vacancies has caused higher than normal overtime expenses.

The following table details Fire Department authorized and filled Sworn positions:

**Table II  
 Fire Department Staffing by Fiscal Year**

<b>CLASSIFICATION (JOB CODE)</b>	<b>2003-04 AUTH. POSITIONS</b>	<b>FILLED POSITIONS JULY 2003</b>	<b>2004 – 05 AUTH. POSITIONS</b>	<b>FILLED POSITIONS AUG. 2004</b>	<b>CURRENT VACANCIES *</b>
<u>Firefighter (2311)*</u>					
• EMT	125	141	125	110	15
• Paramedic	147	126	147	127	20
Total Firefighter	272	267	272	237	35
Fire Engineer (2312)	228	210	228	218	10
Fire Prevention Inspector (2326)	13	11	11	7	4
Fire Captain (2313)	173	165	172	167	5
Arson Investigator (2328)	4	4	4	4	0
Battalion Chief (2314)	23	21	23	21	2
<b>Total Sworn Personnel</b>	<b>713</b>	<b>678</b>	<b>710</b>	<b>654</b>	<b>56*</b>

\* Does not include 24 Firefighter-Recruit (2310) overstrength positions authorized for the Recruit Academy which began on 8/30/04, resulting in a net of 32 current vacancies.

Other factors that affect the Fire Department's sworn staffing levels include:

**Firefighter staffing:**

The Fire Department is authorized 272 Firefighter positions. Of these, 147 are designated as primary Paramedic (FF/P) positions with the remaining 125 requiring Emergency Medical Technician certification (FF/EMT). The Department currently has 35 Firefighter vacancies – 20 Paramedic and 15 EMT. On August 30 the Department initiated a new Firefighter Academy which is composed of 24 certified Paramedics. The sixteen-week Academy will conclude on December 29 with the new firefighters reporting for line duty as 2005 begins.

Following graduation from the Recruit Academy, each new Firefighter - Paramedic must be accredited by the County of Santa Clara to practice as a Paramedic with San Jose Fire. The Paramedic accreditation process can take up to six months. Therefore, there is a time interval between completion of training and Paramedic accreditation that must be taken into consideration before new employees are fully functioning as a Firefighter – Paramedic. The Department is continuing to examine the Paramedic Accreditation process to determine if the time required can be reduced through more efficient procedures.

**Paramedic Staffing:**

Overall, the Department is authorized for a total of 252 Paramedic positions. Currently 152 are designated as Primary Paramedics (147 Firefighter – Paramedics and 5 Captain - Paramedics) and 100 Support Paramedics (personnel who were previously designated as primary paramedics and have now been promoted to the rank of Fire Engineer or Captain). The Department currently has 221 certified Paramedics (Primary and Support) on duty. With the current Firefighter Academy graduating in December and becoming accredited Paramedics in early 2005, the Department projects that it will meet its target staffing level of 147 Primary Firefighter – Paramedics.

**152 Primary Paramedics.** Of these, 147 are Firefighters who are also licensed and accredited Paramedics providing Advanced Life Support (ALS) services on every company, every day. In addition, five Captains are designated as Primary Paramedics and serve in supervisory capacities in the Emergency Medical Services division, including one on duty each shift as the Med-30 coordinator. Paramedic is not currently a rank in SJFD; rather it is a duty assignment for which qualified employees earn additional premium pay of 12% of top step Firefighter pay. The Department currently has 132 of these 152 positions filled. The addition of 24 new Paramedics from the current Academy will enable the Department to reach its target of 147 line Firefighter – Paramedics. However, as is discussed in the following section, the net number of available Paramedics may decrease due to potential promotions to higher ranks.

**100 Support Paramedics.** These 100 positions are currently allocated to Firefighter – Paramedics who have been promoted to the rank of Fire Engineer or Fire Captain. These employees provide additional paramedic resources on the line and may temporarily fill in for short-term vacancies of a Primary Paramedic. The Department currently has 89 of these

positions filled. These personnel earn premium pay of 8% of top-step Firefighter as compensation for their skills and availability to serve.

**Promotions:**

All promotions to higher ranks (Fire Engineer and above) are internal. The Department considers vacancies in all ranks in assessing the need to hire additional Firefighters in anticipation of promotions. The Department will be administering promotional examinations in 2005 for the ranks of Battalion Chief, Captain, Fire Prevention Inspector, and Fire Engineer.

As shown in Table II, there are currently twenty-one (21) vacancies in promotional ranks. The promotional process directly impacts Paramedic staffing levels as qualified Firefighters move to higher ranks. The Department has recognized the need for continuous filling of promotional vacancies resulting from operational changes and twenty to thirty retirements each year. For example, Fire Engineer staffing has grown in importance over the last few years as the number of Engineer assignments has increased. In November 2001 six Firefighter positions were converted to the Engineer classification so that the Department could provide Supplemental Transport Ambulance Service (STAR cars). Additionally, Firefighters can be promoted to the rank of Engineer, Inspector or Captain.

In recognizing the need to provide replacements as existing personnel pursue and accept promotional opportunities, the Department is faced with ensuring that a sufficient number of trained and experienced personnel are available to fill higher ranks while maintaining adequate staffing in the Firefighter rank. This trend is expected to continue into the future, especially as new developer and bond-funded stations come on line beginning in the Summer 2006.

**Retirements:**

Historically, most Fire Department retirements have occurred when employees attain approximately 28-years of service. Nearly 25% of retirements occur in January. Over the past few years the Department has experienced 20 to 30 retirements per year. Today, there are nearly 100 employees approaching retirement eligibility. Many of these employees have reached the combination of age and total years of service to become retirement eligible. The retirement bubble is high due to a hiring peak that took place in the 1970's due to growth, a change to four-person engine companies, and the inclusion of a number of personnel in a consolidation with the County Fire Department. As of August, ten employees have filed for retirement through January 2005, with more anticipated.

**Current Hiring Projections:**

Based on the Department's current thirty-two (32) position vacancies, the Department believes that contingency planning should begin for a possible Firefighter Academy in the Spring/Summer 2005. Funding for this second Academy was eliminated in the FY 2004-05 budget as a result of projections that it would not be needed. The Department and Budget Office will be closely monitoring vacancies and an evaluation of whether it will be necessary to reestablish the second academy will be made later in the year. As the Department prepares for the opening of new developer and bond-funded stations in 2006 and beyond, additional academies will be necessary beginning in FY 2006 - 07.

**Recommendation #6:** Update its 1992 study regarding the use of relief staff and overtime to meet minimum staffing requirements and annually determine the most efficient and cost effective mix of relief staff and overtime to meet minimum staffing needs.

The 1992 Fire Department "Staffing Ratio" report recommended that the Department continue to use relief positions to cover 73% of absences due to sick leave, vacation and disability and cover the remaining 27% of such absences by overtime. Subsequently, the FY 1992-93 budget eliminated 41 of the Department's relief positions. This change resulted in the Department's overtime costs increasing from \$2.4 million annually in 1992-93 to \$5.5 million in 1993-94. The Department is currently budgeted at \$6.7 million for overtime costs. An ongoing base budget augmentation of \$650,000 and a one-time adjustment of \$400,000 was made in FY 2004 - 05 in an effort to balance the projected budget based upon current staffing assumptions and costs in preceding years. This matter requires further analysis to determine the appropriate mix of relief positions to overtime budget.

The Fire Department has had many changes since the 1992 report. These changes include the addition of Paramedic service, new stations, and other operational changes that affect staffing. Beyond reviewing the 1992 report, the Department and Budget Office need to fully assess the appropriate relief staff to overtime ratio in the context of current operations and service requirements.

One of the major complications in completing this analysis has been the requirement for the Department to hold a larger number of vacant positions in preparation for possible future budget reductions. Since the Department has restored a better balance of filled positions, the analysis of relief positions to overtime budget will proceed. The Department and Budget Office have committed to review the absence rate data and prepare an analysis on the most efficient and cost-effective mix of relief staff to meet staffing requirements. Evaluation of this analysis will be used to determine the proposed overtime and relief staffing funding as a part of the FY 2005 - 06 budget process. Key elements of this analysis will include:

- The proper ratio and composition of relief to assigned positions
- The cost of relief positions to overtime
- The absence rate by rank (for vacation, sick leave, disability, modified duty and other leaves)
- The vacancy rate by rank

In 2002, the Department implemented a new staff management program, Telestaff. This program has served as a useful tool in gathering reliable and timely data regarding department staffing levels, vacancies, minimum staffing and overtime usage. The Department has investigated upgrading to an enhanced version of the Telestaff software. Indications are that the improved edition may increase our capacity to gather more refined data, which will help further determine the appropriate allocation and mix of relief staffing to the budget for overtime staffing.

**COORDINATION:**

This report has been coordinated with the City Manager, Budget, City Attorney, and the City Auditor's Offices.

**SUMMARY:**

Fire Administration continues to be committed to complying with the recommendations made in the Auditor's 2001 Overtime Report. Efforts have been made to implement all recommendations in a timely manner, subject to budget and other constraints. Over the past year, the Department has maintained a prudent vacancy rate, although higher than normal, which is consistent with the need to preserve vacancies as a part of the Citywide contingency for possible budget reductions. Recently, the Department has proceeded with its hiring and promotion plans while maintaining a workable vacancy reserve as part of the budget contingency plan. The Department will work with the City Manager's Office in March 2005 to present updated information on outstanding Audit issues, including staffing and the absence rate as it concerns overtime and relief staffing levels, as a part of the FY 2005 - 06 budget process.

Jeffrey L. Clet  
Fire Chief

Attachment

C:  
Del Borgsdorf, City Manager  
Mark Linder, Assistant City Manager  
Kay Winer, Deputy City Manager  
Larry Lisenbee, Director, Budget Office  
Gerald Silva, City Auditor



**Attachment A:**  
**2001 Auditor's Report Recommendations**

**Recommendation #1:** Ensure that fire personnel that are held over properly document the absence they are covering.

**Recommendation #2:** Calculate an absence rate for each rank using the most reliable and accurate absence rate data available for determining SJFD staffing and overtime needs and management reporting purposes.

**Recommendation #3:** Analyze vacancy rate data separately for each rank using the most reliable and accurate vacancy rate data available when determining staffing and overtime needs.

**Recommendation #4:** Develop procedures to ensure that the correct data and proper adjustments are entered into the PeopleSoft and Supplemental Employee Absence Reporting Systems (SEARS) systems and designate a staff person to monitor and evaluate PeopleSoft and SEARS data on a regular basis.

**Recommendation #5:** Report to the City Council updated staffing information December of each year including staffing levels and vacancies by rank, the number of personnel on disability and modified duty, and projected short-term and long-term vacancies.

**Recommendation #6:** Update its 1992 study regarding the use of relief staff and overtime to meet minimum staffing requirements and annually determine the most efficient and cost effective mix of relief staff and overtime to meet minimum staffing needs.

**Recommendation #7:** Review sick leave data to establish benchmarks for sick leave use and identify possible patterns of abuse and take appropriate follow-up actions.

**Recommendation #8:** Implement a proactive sick leave reduction program to inform line personnel of the benefits of conserving sick leave and rewarding personnel with perfect attendance.

**Recommendation #9:** Evaluate the feasibility of implementing a comprehensive Wellness-Fitness Initiative Program for the SJFD and prepare a budget proposal should the initiative appear cost beneficial.