

County Auditor
Lance T. Taguchi



OFFICE OF THE COUNTY AUDITOR

COUNTY OF MAUI
2145 WELLS STREET, SUITE 106
WAILUKU, MAUI, HAWAII 96793
<http://www.mauicounty.gov/auditor>

October 27, 2017

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Honorable Mike White, Chair
and Members of the Council
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Dear Chair White and Members:

**SUBJECT: AUDIT REPORT NO. 15-02, AUDIT OF PREMIUM
PAY/OVERTIME OF THE DEPARTMENT OF FIRE AND
PUBLIC SAFETY**

Pursuant to Section 3-9.2(2) of the Revised Charter of the County of Maui (1983), as amended, transmitted are 19 bound copies and 2 unbound copies of Audit Report No. 15-02, relating to the Audit of Premium Pay/Overtime of the Department of Fire and Public Safety.

Sincerely,

LANCE T. TAGUCHI
County Auditor

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Enclosure

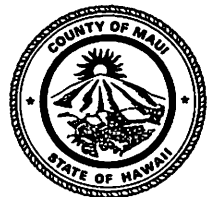
cc w/o enc: Alan M. Arakawa, Mayor
Keith Regan, Managing Director
Jeffrey A. Murray, Fire Chief

cc w/enc: Robert Carroll, Council Vice-Chair
Stacy Crivello, Presiding Officer Pro Tempore
Alika Atay, Councilmember
Elle Cochran, Councilmember
Don S. Guzman, Councilmember
Kelly T. King, Councilmember
Riki Hokama, Councilmember
Yuki Lei Sugimura, Councilmember

COUNTY COMMUNICATION NO. 17-433

**Audit of Premium
Pay/Overtime of the
Department of Fire
and Public Safety**

Report No. 15-02
October 2017



Office of the County Auditor
County of Maui

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Office of the County Auditor

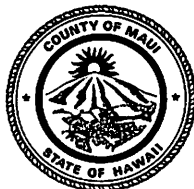
The mission of the Office of the County Auditor is to:

- Serve as a catalyst for positive change in County government through focused independent audits and examination.
- Advocate for the efficient and appropriate use of public resources.
- Increase government transparency for the purpose of bringing a higher quality of life to the citizens of Maui County.

The Office of the County Auditor consists of a County Auditor and necessary staff, and is responsible for promoting economy, efficiency, and improved service in the transaction of the public business in both the legislative and executive branches.

To ensure the objectivity of the Office of the County Auditor, the Revised Charter of the County of Maui (1983), as amended, requires that the County Auditor be independent of the Mayor and the County Council. As such, the County Auditor is appointed to a six-year term.

We adhere to very rigorous and demanding professional auditing requirements described in Generally Accepted Government Auditing Standards, or more commonly referred to as GAGAS or the Yellow Book. These standards include requirements for planning our work, ensuring that our staff is properly trained and supervised; determining our rationale for the objectives, scope, and methodology; selecting the criteria we use to evaluate the audit subject; and ensuring that our evidence is sufficient, relevant, and competent.



Office of the County Auditor

County of Maui

2145 Wells Street, Suite 106

Wailuku, Hawaii 96793

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Preface

This audit was initiated by the Office of the County Auditor pursuant to Section 3-9.1 of the Revised Charter of the County of Maui (1983), as amended, and the Plan of Audits for Fiscal Year 2015 issued by the Office of the County Auditor. At that time, the audit was described as an audit of the County's payroll. However, during preliminary review we noted rapidly increasing Premium Pay/Overtime Pay within the Department of Fire and Public Safety ("MFD"). The audit was then narrowed to focus on Premium Pay/Overtime within the MFD. Public interests and prior audit findings were also considered. The audit was conducted from December 2015 through August 2017.

We wish to express our appreciation for the cooperation and assistance extended by the Fire Chief and staff of the Department of Fire and Public Safety, various County employees, and others who assisted us throughout the course of the audit.

Lance T. Taguchi, CPA
County Auditor

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EXECUTIVE SUMMARY

Audit of Premium Pay/Overtime of the Department of Fire and Public Safety

Report No. 15-02, October 2017

Key ideas found in full report:

<i>Premium Pay/Overtime Pay is getting out of control.....</i>	<i>pg. 3</i>
<i>MFD staffing and hours worked.....</i>	<i>pg. 7</i>
<i>Does MFD only respond to fires?.....</i>	<i>pg. 10</i>
<i>What is Rank-for-Rank Recall?</i>	<i>pg. 10</i>
<i>Overtime skyrockets.....</i>	<i>pg. 12</i>
<i>Robbing Peter to pay Paul</i>	<i>pg. 14</i>
<i>MFD staffing obsolete and more costly; Fire Chief needs to adapt</i>	<i>pg. 15</i>
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“How much is a life worth?” That’s a difficult question...with an even more difficult answer. However, if the Department of Fire and Public Safety’s (“MFD”) Premium Pay and overtime costs are not controlled, soon taxpayers will be forced to answer.

“Premium Pay” is a term used to describe the payment of money in addition to a person’s regular pay (e.g., overtime, temporary assignment, standby, etc.).

While Premium Pay/Overtime Pay can be an effective tool to manage temporary fluctuations in workload, if not effectively managed it will lead to excessive costs, employee burnout, and low morale.

To be clear, we believe controlling Overtime Pay is the responsibility of **Management** within the MFD, not the individual fire fighters who are simply following orders.

On July 1, 2014, MFD implemented their Rank-for-Rank Recall program. That resulted in:

1. a 50 percent increase in Premium Pay/Overtime Pay;
2. MFD having the highest amount of Premium Pay/Overtime Pay per employee in the County;
3. automatic overtime for ranked fire fighters any time an equally ranked fire fighter is absent;
4. reduced opportunities for additional cross-training; and
5. three times more time-and-a-half overtime pay for Fire Fighter III and five times more for Fire Captain while time-and-a-half overtime pay for less costly lower-ranked Fire Fighter I actually declined.

Rank-for-Rank Recall drastically reduced MFD’s ability to temporarily assign qualified lower-ranked fire fighters to fill absences. As a result, MFD now fills absences of ranked fire fighters by calling in an equally ranked fire fighter at more costly time-and-a-half overtime even though qualified lower-ranked fire fighters (who are already on-shift) are available.

Not utilizing on-shift fire fighters to fill absences results in what is essentially automatic overtime any time a ranked fire fighter is absent.

Since its inception in FY 2015, Rank-for-Rank Recall has resulted in a 60 percent—or \$1.4 million—increase in overtime pay without a notable increase in emergency incidents, staffing levels, or absences.

Fire fighter base pay, as it relates to Premium Pay/Overtime, is listed below.

Average Base Pay Plus Average Premium Pay, by Rank

	Fire Captain	Fire Fighter III	Fire Fighter II	Fire Fighter I
Average Pay \$	91,921.33	\$ 78,572.00	\$ 72,642.67	\$ 67,161.33
Premium Pay by Rank \$	25,103.84	\$ 19,723.53	\$ 16,257.73	\$ 12,920.04
TOTAL AVERAGE PAY \$	117,025.17	\$ 98,295.53	\$ 88,900.39	\$ 80,081.37

Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

In addition to being more costly, Rank-for-Rank Recall also negatively impacts the career ladder of lower-ranked fire fighters by greatly reducing their ability to gain critical on-the-job experience through temporary assignments (covering the shift of an absent higher-ranking fire fighter).

In short, a rule change created a situation where MFD is now overstaffed in Fire Fighter I positions. As a result, MFD’s current staffing levels are obsolete, more costly, and detrimental to lower-ranked fire fighters; Management within MFD needs to adjust accordingly.

We recommend that MFD reorganize its existing staffing by adjusting the mix of fire fighters in each Platoon (shift) to more closely match historical absences (i.e., sick and vacation leaves). The staffing reorganization would involve the creation of a Relief Pool which would enable the MFD to assign and place appropriately ranked fire fighters who are already on shift to fill absences at less costly straight time instead of more costly time-and-a-half overtime.

If properly executed and managed, the Relief Pool could achieve Premium Pay/Overtime Pay savings to the County of **approximately \$1.9 million to \$3.2 million per year**. In addition, the Relief Pool would enable MFD to promote 20 of its existing fire fighters, retain the majority--if not all—existing fire fighters, and increase opportunities for cross-training. A full discussion of the components of the Relief Pool and its benefits can be found on Page 15 of this report.

To better manage the Relief Pool, we also recommend Rank-for-Rank Recall hours be tracked in the County’s payroll system rather than depending on manual data entry and calculations.

Change is never easy--especially when competing interests push and pull at each other:

- The public wants increased service, but is sensitive to tax increases;
- The union wants to protect fire fighter jobs, but continually advocates for wage increases that the County may not be able to pay;
- The Battalion Chiefs are tasked with filing vacancies and ensuring stations are adequately staffed, but they also receive Rank-for-Rank Recall benefits; and
- The Fire Chief is tasked with controlling overtime by standing up to a union, a union that previously stood up for him.

All the while, the fire fighters want to serve the public and be fairly compensated for the services they provide to the community.

Implementation of the Relief Pool will not happen overnight--but where there's a will, there's a way. If the Fire Chief is unable to reign in controllable overtime costs, answering "What is a life worth?" will occur sooner rather than later.

Management's Response

The Office of the County Auditor solicited comments from Management within MFD ("Management") on our initial draft audit findings and our final draft audit report. Management provided responses on the draft findings but did not respond to the draft report. In the absence of a response to the final draft audit report, the Office of the County Auditor published this audit report and included Management's responses to the initial draft audit findings transmitted on October 4, 2017.

In their response to the draft findings, Management expressed concerns regarding our staffing recommendations. However, after careful review of those concerns against a large body of evidence collected throughout the course of our audit, we conclude that substantive changes to our report are not warranted. Therefore, **we stand by our findings and recommendations.**

It is unfortunate that Management submitted pages of criticism of our audit findings and recommendations, but did not address how they plan to deal with skyrocketing Premium Pay/Overtime costs. Their commitment to the status quo is disappointing, taxpayers deserve better.

A more detailed review of the Office of the County Auditor's comments to Management's response is found on page 19. Our response also addresses a correspondence received on October 20, 2017 from the Fire Chief, essentially claiming the Office of the County Auditor has no right to audit the MFD.

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Chapter 1

Introduction

This audit was initiated by the Office of the County Auditor pursuant to Section 3-9.1 of the Revised Charter of the County of Maui (1983), as amended, and the Plan of Audits for Fiscal Year (“FY”) 2015 issued by the Office of the County Auditor on June 30, 2014. At that time, the audit was described as an audit of the County’s payroll. However, during preliminary review we noted rapidly increasing Premium Pay/Overtime Pay within the Department of Fire and Public Safety (“MFD”). The audit was then narrowed to focus on Premium Pay/Overtime within the MFD. Public interests and prior audit findings were also considered.

BACKGROUND

The County of Maui provides a range of services to its residents and visitors, such as road repair and maintenance, sewer and water, and parks maintenance. Two of the most visible are the services provided by the police and fire departments.

Salaries and wages make up a large portion of all costs needed for County employees to provide those services. Managing employee compensation is essential to ensure taxpayer dollars are appropriately spent.

Therefore, whenever Premium Pay/Overtime Pay is earned managers should carefully monitor and control costs through diligent analysis, governance, and actions by management.

Premium Pay

“Premium Pay” is the term for payment of extra hours worked (e.g., overtime, temporary assignment, standby, etc.).

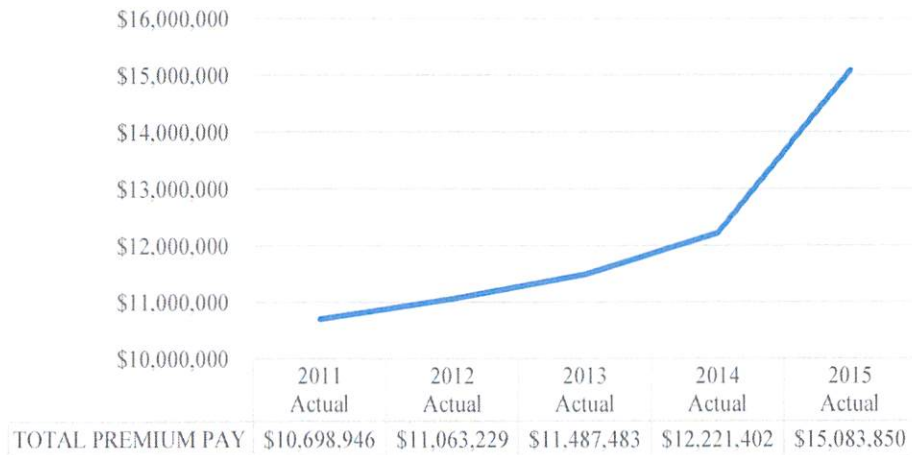
In FY 2011, the County’s total Premium Pay was \$10,698,946.

By FY 2015, it had ballooned to \$15,083,850, an increase of approximately 41 percent. The majority of the increase--65 percent or \$2,862,448--occurred between FY 2014 and FY 2015.

The rapid acceleration of Premium Pay costs between FY 2014 and FY 2015 is shown in Exhibit 1-1.

Exhibit 1-1

COUNTY OF MAUI - TOTAL PREMIUM PAY (\$) FY 2011 - 2015



Source: Office of the County Auditor data from the Budget Office

Which department is driving up Premium Pay costs?

The FY 2015 Premium Pay costs for each County department were analyzed. The analysis revealed that departmental Premium Pay ranged from a low of \$1,605 at the Office of the Mayor, to a high of \$5,860,188 at the Department of Police.

Of the County’s 20 departments, the Department of Police and MFD comprised over 67 percent or \$10,087,371 of the County’s total Premium Pay.

Although the Department of Police had the highest amount of Premium Pay, the increase was only 17 percent in FY 2015. In contrast, Premium Pay for MFD increased 50 percent in that same period. MFD also had the highest amount of Premium Pay paid per employee--an average of \$13,293 each.

MFD had the highest amount of Premium Pay per employee of all County departments.

The MFD’s average Premium Pay earnings by rank are shown in Exhibit 1-2.

Exhibit 1-2

Average Base Pay Plus Average Premium Pay, by Rank

	Fire Captain	Fire Fighter III	Fire Fighter II	Fire Fighter I
Average Pay \$	91,921.33	\$ 78,572.00	\$ 72,642.67	\$ 67,161.33
Premium Pay by Rank \$	25,103.84	\$ 19,723.53	\$ 16,257.73	\$ 12,920.04
TOTAL AVERAGE PAY \$	117,025.17	\$ 98,295.53	\$ 88,900.39	\$ 80,081.37

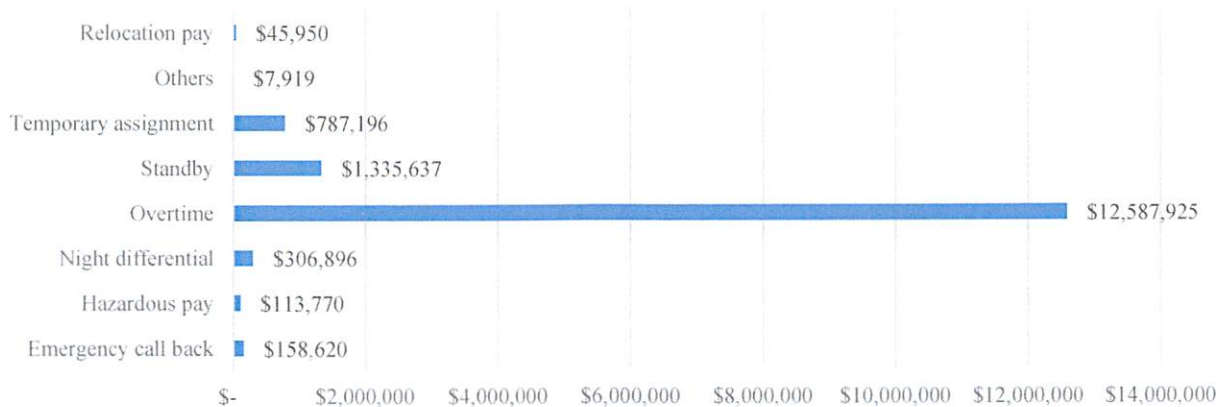
Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

In some instances, ranked fire fighters earned, on average, between \$16,200 to \$25,100 each in Premium Pay/Overtime Pay--with some fire fighters exceeding that average and individually taking home between \$30,000 and \$40,000. Again, Premium Pay earnings are in addition to base salary.

In FY 2015, the County’s total Premium Pay was \$15,083,850. Of that, over 83 percent or \$12,587,925 was caused by overtime.

Exhibit 1-3

**Breakdown of Premium Pay Categories (\$)
FY 2015**



Source: Office of the County Auditor data from the Budget Office

Overtime can be used to manage temporary fluctuations in workload. If not effectively managed, overtime will lead to excessive costs, employee burnout, and low morale. Managing overtime should be a priority for the County.

After preliminary analysis of Premium Pay, we determined that our audit would focus on the cause of the rapid acceleration of overtime pay in the Fire/Rescue Operations Program.

AUDIT OBJECTIVES

Primary Objectives:

1. Identify the department/division with the greatest opportunity to save money with minimal impact on operations; and
2. Make recommendations as appropriate.

Secondary Objectives:

1. Assess Premium Pay costs across all County departments;
2. Identify the categories of Premium Pay;
3. Analyze the potential causes for the increase in Premium Pay/Overtime Pay within the Fire/Rescue Operations Program;
4. Analyze Rank-for-Rank Recall; and
5. Analyze current MFD staffing.

AUDIT SCOPE AND METHODOLOGY

The scope of our audit initially covered five fiscal years: FY 2011 through FY 2015. However, we discovered significant increases in Premium Pay from FY 2014 through FY 2015. Therefore, we narrowed the scope of our audit to determine the cause of the rapid acceleration of Premium Pay/Overtime Pay within the Fire/Rescue Operations Program.

This audit does not include a review of MFD's Administration, Training, Fire Prevention, and Ocean Safety Programs, nor items such as its personnel, procurement, and budgetary matters.

The majority of our detailed testing covered FY 2014 through FY 2015. For the purposes of comparison and quantification of recommendations, information from adjacent periods were utilized when appropriate.

The evidence gathering and analysis techniques used to meet our audit objectives included, but were not limited to:

Interviews and Correspondence

- Fire Chief, and other MFD personnel, including Battalion Chief, Assistant Chief, and administrative staff;
- Miscellaneous County personnel, including the Budget Director, Budget Specialist, and Payroll Manager; and
- External auditors retained by the Office of the County Auditor.

Document Review and Analysis

- County of Maui Fiscal Year Budget Ordinances from FY 2011 through FY 2015, including meeting minutes and presentation materials;
- County of Maui Budget Actual and Encumbrance by Subobject, Program, Subfund and Department for FY 2011 through FY 2015 from the Budget Office;
- City and County of Honolulu Budget Ordinances;
- County of Hawaii Operating Budgets;
- County of Kauai Approved Budgets;
- Earnings Report - Detail Reports for FY 2011 through FY 2015 from County of Maui Payroll Division;
- Extracts from the ADP eTime system of Employee Hours by Labor Account for all MFD employees for FY 2011 through FY 2015;
- Collective Bargaining Agreement (Hawaii Fire Fighters Association – IAFF Local 1463) for the period July 1, 2011 to June 30, 2017);
- County of Maui Department of Fire and Public Safety, Rank-for-Rank Recall Program (versions dated February 8, 2017 and April 1, 2017);
- Fire Master Strategic Plan 2016 – 2020;
- MFD’s personnel listing, dated April 16, 2016;
- MFD Records Management System (“RMS”) files;
- Rank-for-Rank –Budget documents prepared by MFD and presented to the Budget and Finance Committee during budget deliberations;
- Professional literature, best practices, and guidance reports, including the National Fire Protection Association (“NFPA”) 1710;
- Fire-related audit reports issued by the following municipalities: Portland, Miami, San Diego, Sacramento, Pittsburg, Cincinnati, and El Paso;
- Overtime-related audit reports issued by the State of Hawaii, USPS, and municipalities of Sioux Falls, Chicago, San Diego, Austin, and San Francisco; and
- Departmental communications, reports, and other related documents.

Our audit was performed from December 2015 through August 2017 and was conducted in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our audit findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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Chapter 2

Audit Findings

MFD Staffing

MFD operates under a "Rank" system. Within the Fire/Rescue Operations Program, the chain of command is as follows:

- Battalion Chief
- Fire Captain
- Fire Fighter III
- Fire Fighter II
- Fire Fighter I

Fire fighters assigned to the Fire/Rescue Operations Program work 24-hour shifts. Fire Captains and lower-ranked fire fighters are placed in crews assigned to fire apparatus and are known as "Companies" (e.g., Ladder 14, Engine 10, etc.).

There are 18 Companies within MFD. Each Company is organized into three Platoons (shifts) which essentially represent different 24-hour shifts. Each Platoon works a 24-hour schedule based on a rotation of working one day on, one day off, one day on, one day off, one day on, and then four days off.

Generally, fire fighters are scheduled to work approximately 10 days per month, which equates to an average of 2,920 hours of work per year.

Although there are deviations, generally each apparatus is assigned five fire fighters: one Fire Captain, one Fire Fighter III (the driver of the apparatus) and three Fire Fighter I. In cases where there are two vehicles (e.g., an engine and a tanker), there is an additional Fire Fighter III (driver).

Causes of Overtime

Generally, the potential causes of overtime in the Fire/Rescue Operations Program were identified as:

- Sickness
- Vacation
- Family and Medical Leave Act ("FMLA")
- Workers' Compensation
- Incidents
- Rank-for-Rank Recall

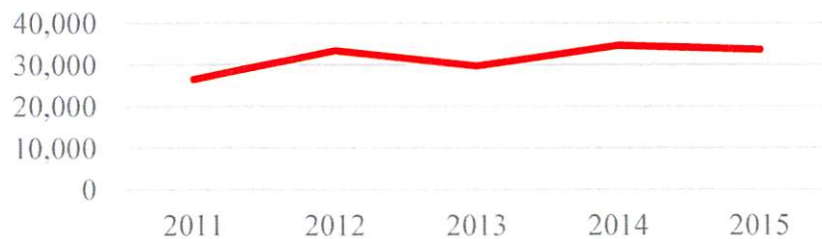
We analyzed the County’s ADP eTime system (payroll) data for all fire fighters within the Fire/Rescue Operations Program, and drew the following conclusions:

Sickness

We noted no significant increase in the number of sick hours from FY 2011 through FY 2015, and concluded that sickness was not the cause for the increase in overtime.

Exhibit 2-1

Fire/Rescue Operations Program
Total Sick Taken (Hours)
FY 2011 - 2015



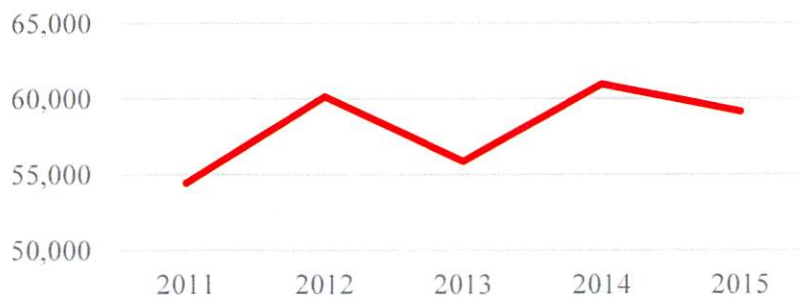
Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

Vacation

We noted no significant increase in the number of vacation hours from FY 2011 through FY 2015, and concluded that vacation was not the cause for the increase in overtime.

Exhibit 2-2

Fire/Rescue Operations Program
Total Vacation Taken (Hours)
FY 2011 - 2015



Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

Family Medical Leave Act (“FMLA”)

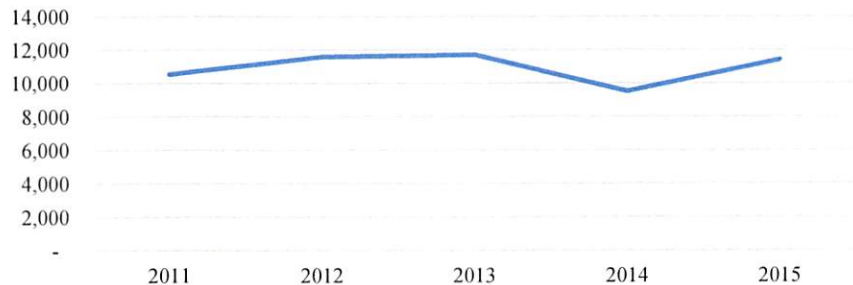
FMLA was initiated in FY 2013. Although FMLA absences have continued to increase since FY 2013, the combined increase was only about 2,000 hours from FY 2014 and FY 2015. We concluded this increase was not significant enough to be the cause for the increase in overtime.

Workers’ Compensation

In FY 2015, there was a slight increase in workers’ compensation hours. However, this increase was only 2,000 hours, therefore, we concluded it was not significant enough to be the cause for the increase in overtime.

Exhibit 2-3

**Fire/Rescue Operations Program
Total Workers Compensation Taken (Hours)
FY 2011 - 2015**



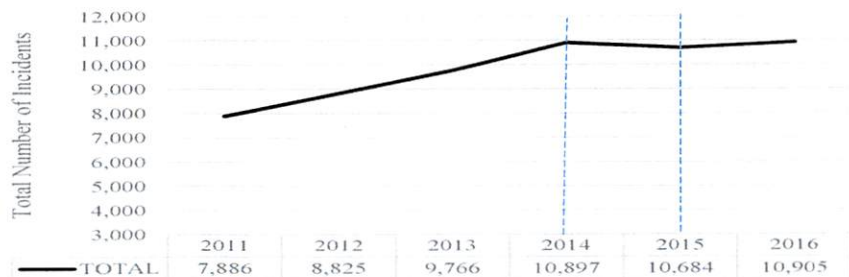
Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

Incidents

The number of incidents or calls responded to by MFD could lead to an increase in overtime. Analysis of MFD’s RMS data showed a steady increase in the number of incidents from FY 2011 to FY 2014 and a slight decline in FY 2015.

Exhibit 2-4

**Fire/Rescue Operations Program
Incident Summary - Total Calls
FY 2011 - 2016**

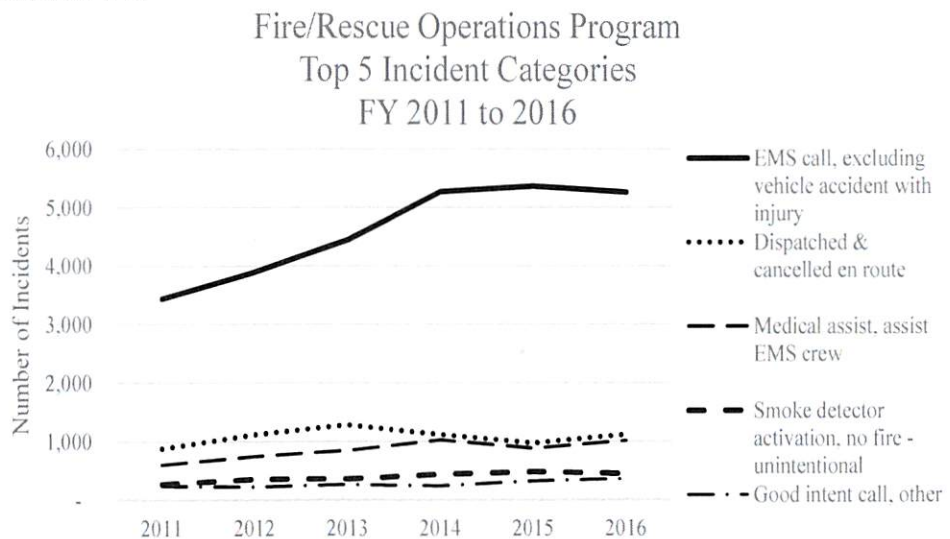


Source: Office of the County Auditor data from MFD

The rapid acceleration in overtime was thought to be due to increased fire-related incidents. However, while the number of fire-related incidents increased, the total number of incidents dropped. The fire-related incidents only accounted for 7 percent of all incidents handled by MFD. In that period, 63 percent calls were EMS calls and other/medical-related incidents.

Exhibit 2-5 shows the top five incident categories from FY 2011 through FY 2016.

Exhibit 2-5



Source: Office of the County Auditor data from MFD

Based on the above analysis, we concluded an increase in incidents was not the cause for the increase in overtime.

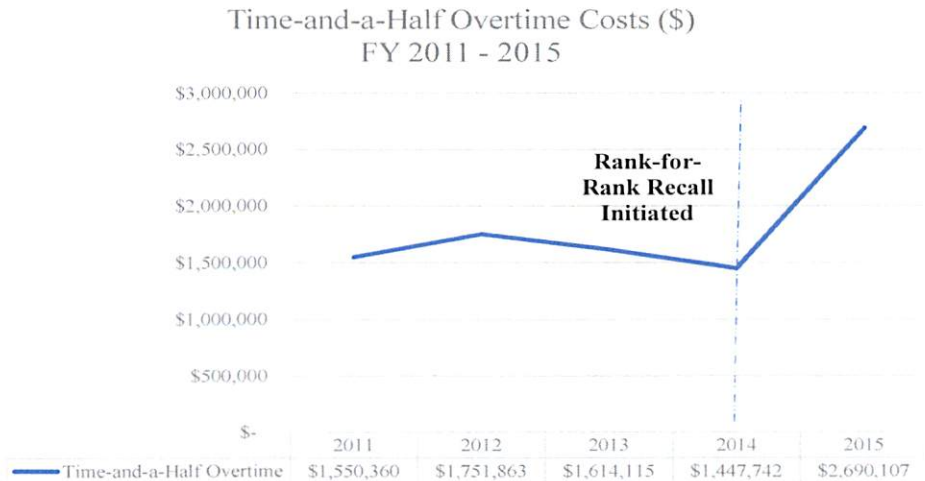
During FY 2015, there was no notable increase in absences or emergency incidents.

Rank-for-Rank Recall

Rank-for-Rank Recall is a condition in the Collective Bargaining Agreement with the Hawaii Fire Fighters Association – IAFF Local 1463 that took effect on July 1, 2014 (FY 2015). When there is a **need to recall** a ranked fire fighter due to an absence, Rank-for-Rank Recall stipulates that an equally ranked fire fighter be recalled to fill that absence. For example, only a Fire Fighter III can be recalled to cover the absence of a Fire Fighter III. This recall results in time-and-a-half overtime.

Exhibit 2-6 illustrates the sudden acceleration of time-and-a-half overtime costs after the implementation of Rank-for-Rank Recall.

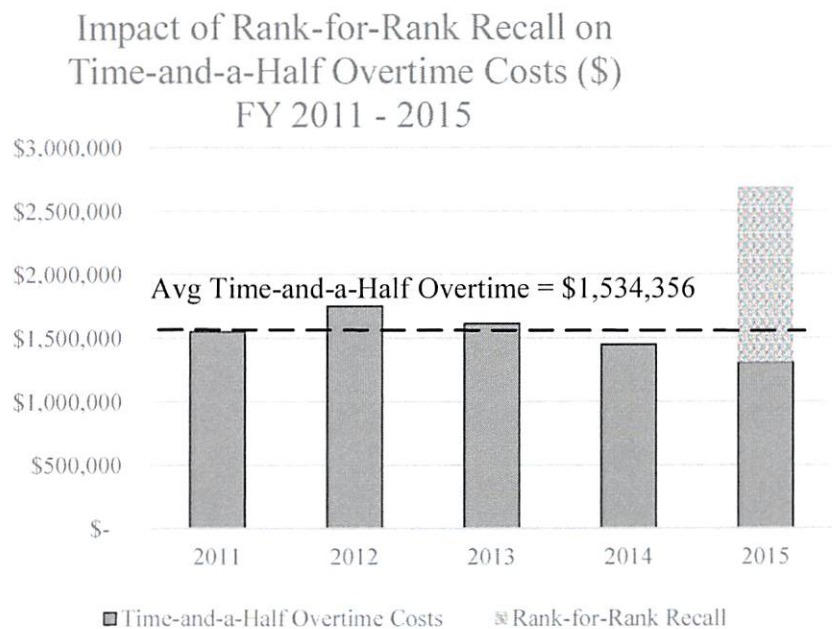
Exhibit 2-6



Source: Office of the County Auditor data from Department of Finance Payroll Division

Exhibit 2-7 illustrates the year-by-year effect of Rank-for-Rank Recall on time-and-a half overtime. Time-and-a-half overtime (represented by the dark-colored bars) stayed essentially flat, while Rank-for-Rank Recall time-and-a-half overtime (represented by the light-colored bar) skyrocketed. Thus, total time-and-a-half overtime costs more than doubled in FY 2015.

Exhibit 2-7



Source: Office of the County Auditor data from Department of Finance Payroll Division

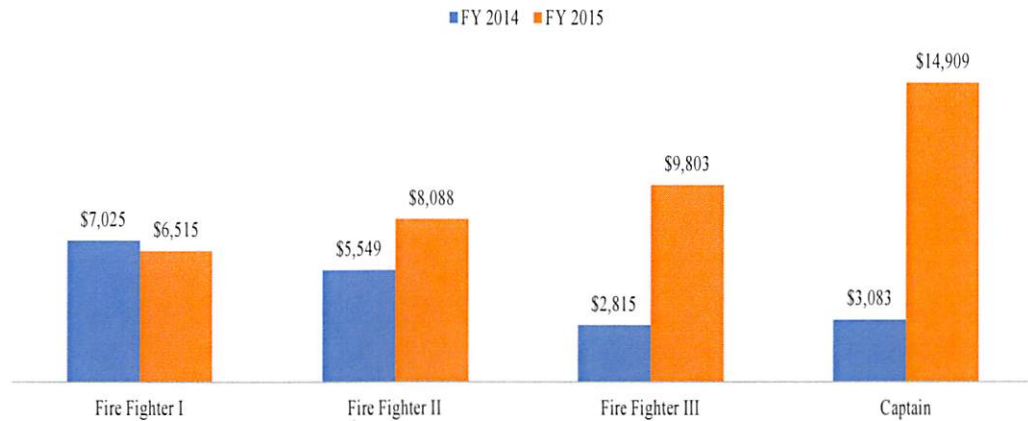
Fire Captain and Fire Fighter III time-and-a-half overtime more than tripled.

MFD’s Rank-for-Rank Recall program favored higher-ranked fire fighters. Under Rank-for-Rank Recall, time-and-a-half overtime pay for more costly Fire Captain and Fire Fighter III more than tripled, while time-and-a-half overtime pay for less costly lower-ranked Fire Fighter I actually declined.

This disparity is illustrated in Exhibit 2-8.

Exhibit 2-8

Time-and-a-half overtime pay increases from FY 2014 to FY 2015, by rank - per person



Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

Temporary Assignment (“TA”)

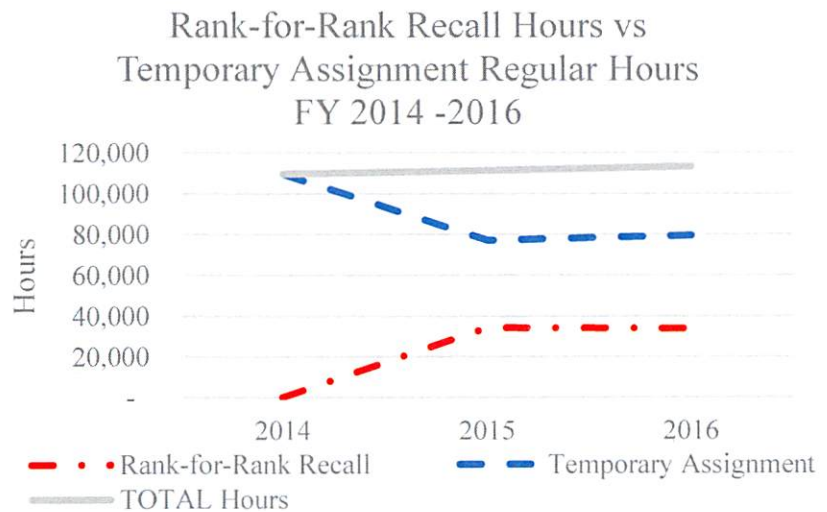
Prior to Rank-for-Rank Recall, absences of ranked fire fighters were filled through Temporary Assignment (“TA”). TA allows a qualified lower-ranked fire fighter to cover the absence of a higher-ranked fire fighter. Not only was utilizing TA to cover absences less costly, it also provides lower-ranked fire fighters an opportunity to gain valuable hands-on experience working as a higher-ranked fire fighter. Those opportunities inherently improve MFD’s operational flexibility.

Our audit also looked at the impact Rank-for-Rank Recall had on the amount of TA that occurred from FY 2014 through FY 2016.

Again, when there is a **need to recall** a ranked fire fighter due to an absence, the first priority under Rank-for-Rank Recall is to replace an absent ranked fire fighter with a fire fighter of equal rank. This replacement results in time-and-a-half overtime before TA is considered. As a result TA hours declined after Rank-for-Rank took effect.

Exhibit 2-9 shows the simultaneous decline of TA hours and increase of Rank-for-Rank Recall hours in FY 2015 and FY 2016.

Exhibit 2-9



Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

Even with that decline, it is interesting to note that there is still a substantial amount of TA hours (approximately 80,000 hours in FY 2015 and 2016), indicating that qualified lower ranking fire fighters continue to fill the boots of higher ranking fire fighters.

Exhibits 2-10 through Exhibits 2-13 illustrate how Rank-for-Rank Recall has drastically decreased the amount of TA hours for each rank. Decreases in the TA hours of Fire Captain, Fire Fighter III, and Fire Fighter II were offset by increases in Rank-for-Rank Recall overtime hours. Fire Fighter I, on the other hand, are not eligible for Rank-for-Rank Recall overtime and, therefore, is the only group of fire fighters to be negatively affected.

The implementation of Rank-for-Rank Recall took TA hours away from Fire Fighter I and gave overtime hours to higher-ranked fire fighters. Essentially, Rank-for-Rank Recall robbed Peter to pay Paul.

Rank-for-Rank Recall robbed Peter to pay Paul.

Exhibit 2-10

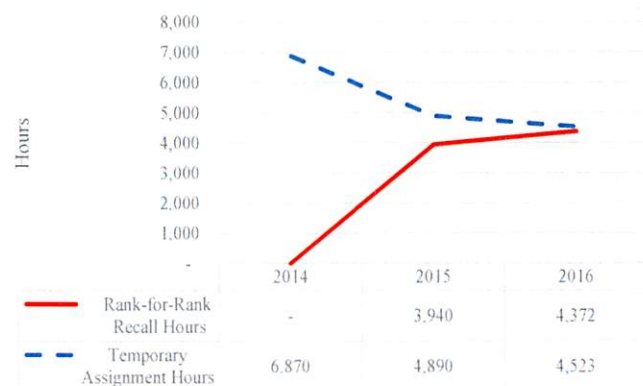
Rank-for-Rank Recall and Temporary Assignment
Fire Fighter I Hours
FY 2014 - 2016



Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

Exhibit 2-11

Rank-for-Rank Recall and Temporary Assignment
Fire Fighter II Hours
FY 2014 - 2016



Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

Exhibit 2-12

Rank-for-Rank Recall and Temporary Assignment
Fire Fighter III Hours
FY 2014 - 2016



Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

Exhibit 2-13

Rank-for-Rank Recall and Temporary Assignment
Fire Captain Hours
FY 2014 - 2016



Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

Based on the above analysis, we concluded the implementation of Rank-for-Rank Recall is the cause of the rapid acceleration in the Fire/Rescue Operations Program’s overtime costs between FY 2014 and FY 2015. During that same time, Rank-for-Rank Recall resulted in a 60 percent or \$1.4 million increase in overtime costs for the same level of service, while simultaneously restricting the career paths and overtime opportunities to Fire Fighter I. Rank-for-Rank Recall appears to have made Fire Fighter I the biggest losers.

Rank-for-Rank Recall is the cause of the rapid acceleration in overtime costs.

MFD needs to adjust for change in rules.

FINDING 1

Since its inception in Fiscal Year 2015, Rank-for-Rank Recall has resulted in an increase of 60 percent--or \$1.4 million--in overtime pay without a notable increase in emergency incidents, staffing levels, or absences.

Rank-for-Rank Recall has changed the rules that the Fire Chief follows to manage his resources. The Fire Chief can no longer utilize TA as the first option to fill the absence of a ranked fire fighter. Therefore, MFD's historical staffing mix and past practice of overstaffing Fire Fighter I to cover absences is now more costly and obsolete.

MFD needs to reevaluate how Platoons are staffed and ensure the right mix of on-duty fire fighters to better manage overtime costs.

It is our opinion that the authority to place, assign, and transfer fire fighters rests with the Fire Chief. Pursuant to the Revised Charter of the County of Maui (1983) as revised, the Fire Chief is the administrative head of the MFD.

Further, the Collective Bargaining Agreement with the Hawaii Fire Fighters Association - IAFF Local 1463 recognizes the Fire Chief's authority in the following sections:

“Section 10. PLACEMENT AND TRANSFER.

A. Placement of Employees.

The placement of Employees within each Fire Department shall be the responsibility of the respective Fire Chiefs or designees...”

“Section 20. HOURS OF WORK.

...The Fire Chief in each jurisdiction shall assign fire fighting Employees to their respective work groups and platoons.”

We recommend the MFD should reorganize its existing staff by adjusting the mix of fire fighters in each Platoon (shift) to more closely match their historical absences (i.e., sick and vacation leaves). The staffing reorganization would involve the creation of a Relief Pool.

The Relief Pool would provide the proper mix of staff, excess capacity, and enable the Fire Chief to assign and place appropriately ranked fire fighters who are already on shift to fill absences at less costly straight time instead of time-and-a-half overtime.

The fundamental principle of the Relief Pool is that planned excess capacity of ranked fire fighters avoids the **need to recall** an off-duty fire fighter any time a ranked fire fighter is absent. Instead, the excess capacity provided by the Relief Pool would enable the Fire Chief to cover absences of ranked fire fighters by **transferring** equally ranked fire fighters (already on shift) from the Relief Pool. The Relief Pool is intended to provide the Fire Chief with increased flexibility while minimizing costs by not "**triggering**" Rank-for-Rank Recall.

The reorganization of the Fire/Rescue Operations Program would:

- a. **Reduce** all Platoons (shifts) for each Company by one Fire Fighter I (45 total) to better align with staffing levels recommended by NFPA 1710. Incorporate 35 Fire Fighter I into the Relief Pool. The remaining 10 Fire Fighter I could be maintained to provide the MFD with operational flexibility, albeit at reduced savings to the County.
- b. **Promote** 20 existing fire fighters to ranked positions (based on historical absences) to create excess capacity as follows:
 - 7 Fire Captain,
 - 10 Fire Fighter III, and
 - 3 Fire Fighter II.
- c. **Assign** the 20 newly promoted ranked fire fighters along with 15 Fire Fighter I to staff the Relief Pool of 35 fire fighters. The Relief Pool would be split across all three Platoons (shifts).

See Appendix A for an expansion on Relief Pool Concepts.

Relief Pool Benefits

If properly executed and managed, the Relief Pool could achieve Premium Pay/Overtime Pay savings to the County of approximately \$1.9 million to \$3.2 million per year.

***The Relief Pool could save the County approximately
\$1.9 million to \$3.2 million per year.***

Other benefits of the Relief Pool include:

- promotion of 20 existing lower-ranked fire fighters;
- retention of the majority--if not all--existing fire fighters in the Fire/Rescue Operations Program;

- opportunity for additional cross-training;
- opportunity to work in various stations before permanent assignment; and
- improvement of fire fighters' health and welfare due to a reduction of fatigue and stress.

FINDING 2

Rank-for-Rank Recall costs are not tracked in the County's payroll system and are, therefore, dependent on external manual data entry and calculations.

The County's payroll system does not currently have a "Rank-for-Rank" paycode category. Rank-for-Rank Recall hours recorded in the MFD's RMS system needs to be manually entered into the general overtime paycode category (i.e., Fire 1.5xOT) in the County's payroll system. That general overtime paycode also includes other non-related overtime items such as regular overtime, callback overtime, holder over overtime, etc.

Because there is no "Rank-for-Rank" paycode category in the County's payroll system to separately track and report Rank-for-Rank Recall costs, the costs reported by the MFD may be different from information in the County's payroll system. Further, this could also result in slowed/delayed reporting of Rank-for-Rank Recall costs and could result in poor financial decision making.

We recommend creating a paycode category within the County's payroll system to separately track and report Rank-for-Rank Recall costs.

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OFFICE OF THE COUNTY AUDITOR'S COMMENTS ON MANAGEMENT'S RESPONSE

October 4, 2017

Management's Response

The Office of the County Auditor solicited comments from Management within MFD ("Management") on our initial draft audit findings on August 28, 2017, and our final draft audit report on September 29, 2017. On October 4, 2017, Management provided responses on the draft findings but no response to the draft report.

Management was provided additional time (from October 6, 2017 through October 20, 2017) to provide written comments on the draft report. On October 20, 2017, Management informed the Office of the County Auditor that they have "responded appropriately" in their October 4, 2017 correspondence.

As a result, the Office of the County Auditor published this audit report and included Management's October 4, 2017 responses to the draft findings.

Our response below addresses the areas we believe require clarification on some of Management's comments. The absence of a response from the Office of the County Auditor to Management's remaining comments does not reflect an opinion by the Office of the County Auditor towards the merits or accuracy of Management's comments.

While Management is entitled to its own opinion, their responses are confusing and inconsistent with their actual staffing practices. Ironically, the recommendations that Management now opposes are **based on current MFD practice**--staffing Companies with four fire fighters instead of five, temporarily assigning qualified lower-ranked fire fighters to higher positions, transferring fire fighters to different apparatuses/stations.

For example, Management criticizes our recommendation to staff Companies with four fire fighters instead of five in order to allow for the creation of a Relief Pool. Management states that Companies need to have five fire fighters "...because each and every member of a company has a job to do". If every Company needs five fire fighters, why did MFD staff Companies with four fire fighters 91 percent of the time in FY 2015 and 86 percent of the time in FY 2016?

Staffing Companies with four fire fighters is acceptable because it is MFD's current practice. Their claims that five fire fighters are needed per Company are just rhetoric and political maneuvering designed to distract from having to reign in Premium Pay/Overtime costs.

Further, our recommendation of staffing Companies with four fire fighters rather than five is supported by:

1. National Fire Prevention Association guidance;
2. MFD staffing policies and records obtained by the Office of the County Auditor;
3. Field observations of Companies actually staffed with four fire fighters;
4. MFD's Accreditation Report prepared by the Commission on Fire Accreditation International, dated February 27, 2017;
5. MFD's Master Strategic Plan 2016-2020;
6. Verbal statements and representations made by Management; and
7. County's budget session documents.

It is our opinion that we obtained sufficient and appropriate evidence to provide a reasonable basis for our findings and recommendations. Therefore, we stand by all our findings and recommendations.

Finally, it is unfortunate that Management submitted pages of criticism of our audit findings and recommendations, but did not address how they plan to deal with skyrocketing Premium Pay/Overtime costs. Their commitment to the status quo is disappointing, taxpayers deserve better.

A copy of Management's October 4, 2017 letter¹ is attached as Attachment 1.

October 20, 2017

Fire Chief's claim we have no right to audit

We received an additional correspondence dated October 20, 2017 from the Fire Chief. This one-page correspondence does not contain any material or constructive comments regarding our audit findings and recommendations. The aggressive and political tone of his letter is a clear attempt to discredit and intimidate, and therefore warrants a response from the Office of the County Auditor.

¹ Management's letter is attached in its entirety, the "enclosed map" referenced on Page 4 was not included in the MFD's transmittal to the Office of the County Auditor.

The specific statements made by the Fire Chief that concerns us are as follows:

"I believe it is not in your right to dictate to the Fire Department that you have no experience or inclination on how to operate or manage. By doing so, you greatly disregard firefighters and compromise the safety of a [sic] community."

What the Fire Chief really means is: "you cannot tell me what to do." That stance is both arrogant and unfortunate.

That stance also conflicts with the 2012 General Election results where voters overwhelmingly supported the creation of the Office of the County Auditor to promote economy, efficiency, and transparency in County government. In order to achieve those goals, the voters empowered the County Auditor with "...the duty and power to conduct or cause to be conducted:...Performance or financial audits of the funds, programs, or activities of any agency or function of the county, as the county auditor deems warranted..."² [emphasis added] Clearly, conducting an audit of MFD is authorized, appropriate, and well within the authority vested to the County Auditor by the Charter.

Regarding the Fire Chief's statement that "...you have no experience or inclination on how to operate or manage", we admit we do not have any experience managing a fire department. However, this audit is heavily based on financial analysis and financial management of resources, or "numbers". We KNOW numbers. And those numbers say the Fire Chief has a very big problem on his hands.

Regarding the Fire Chief's statement that "...you greatly disregard firefighters and compromise the safety of the community", again, we are not firefighters and we must point out we never claimed to be. We believe one does not need to be a firefighter to recognize that the Fire Chief's statements conflict with what the MFD is actually doing. Seeing our audit results mischaracterized--particularly when the findings and recommendations are based on the MFD's current practice--makes us lose confidence in the Fire Chief.

Contrary to the Fire Chief's claim, our audit reports do not "dictate" to departments. After all, the Fire Chief is responsible for the operations of the MFD. The Office of the County Auditor is here to provide an independent evaluation of County departments to reduce waste and recommend improvements.

² Section 3-9.2 of the Revised Charter of the County of Maui (1983), as amended.

Our recommendation provides the Fire Chief with a way to get out of an annual \$1.4 million financial burden that is being imposed on taxpayers. The Fire Chief has to make a choice: stay in denial or move towards improvement. We hope, for taxpayers' sake, he chooses the latter.

A copy of Management's October 20, 2017 letter is attached as Attachment 2.

Appendix A

Relief Pool Concepts

The information in this Appendix is intended to serve as an expansion on how the concepts within the Recommendations of Finding 1 (relating to “Reduce”, “Promote”, and “Assign”) were derived. The following assumptions were made:

1. Fire/Rescue Operations Program is staffed at full attendance;
2. NFPA 1710 minimum staffing guidelines are followed;
3. Future anticipated absences are based on the average number of actual sickness and vacation absences that occurred between FY 2011 through 2015 (“historical absence assumption”);
4. Qualified existing staff are promoted to a Relief Pool; and
5. MFD Management is willing to change and adapt.

While details in this Appendix illustrate how Premium Pay/Overtime Pay savings could be achieved through the establishment of a Relief Pool, the Fire Chief is responsible for managing fire fighters. As such, it is essential that MFD management performs detailed reviews and consider the individual operational needs of each fire station when adapting and implementing these concepts.

It is important to note that deviations may affect the potential Premium Pay/Overtime Pay savings identified in this report. However, even if only **50 percent** of the Premium Pay/Overtime Pay savings were to be achieved, the County would still benefit from an **annual savings of \$1.0 million to \$1.6 million.**

REDUCTION OF PLATOON SIZE

According to NFPA 1710, the minimum number of fire fighters assigned to an engine and ladder Company is four.

As noted previously, MFD currently assigns a five-person crew to each engine and ladder Company: one Fire Captain, one Fire Fighter III (the driver of the apparatus), and three Fire Fighter I.

A review of MFD’s personnel listing, dated April 16, 2016, identified the following positions:

- 51 Fire Captain,
- 69 Fire Fighter III,
- 18 Fire Fighter II, and
- 138 Fire Fighter I.

If NFPA 1710 was applied to all of the companies in the Fire/Rescue Operations Program, there would be 51 Fire Captain, 69 Fire Fighter III, 12 Fire Fighter II, and 93 Fire Fighter I.

Exhibit A-1

Comparison of Current Staffing at Full Attendance vs. Minimum Staffing per NFPA 1710

Company	CURRENT STAFFING IF FULL ATTENDANCE					MINIMUM STAFFING per NFPA 1710				
	Fire Captain	Fire Fighter III	Fire Fighter II	Fire Fighter I	Total per Company	Fire Captain	Fire Fighter III	Fire Fighter II	Fire Fighter I	Total per Company
Wailuku	1	1		3	5	1	1		2	4
Paia	1	1		3	5	1	1		2	4
Lahaina Ladder	1	1		3	5	1	1		2	4
Makawao	1	1		3	5	1	1		2	4
Kihei	1	1		3	5	1	1		2	4
Hana	1	1		3	5	1	1		2	4
Ho'olehua	1	1		3	5	1	1		2	4
Napili	1	1		3	5	1	1		2	4
Kula	1	1		3	5	1	1		2	4
Wailea Engine	1	1		3	5	1	1		2	4
Lahaina Engine	1	2		3	6	1	2		2	5
Kaunakakai	1	2		3	6	1	2		2	5
Lanai	1	2		3	6	1	2		2	5
Kahului Engine	1	2		3	6	1	2		2	5
Wailea Ladder	1	2		3	6	1	2		2	5
Kahului Hazmat	1	1	3		5	1	1	2		4
Kahului Rescue	1	1	3		5	1	1	2		4
Puko'o		1		1	2		1		1	2
	17	23	6	46	92	17	23	4	31	75
3 Shifts	x 3	x 3	x 3	x 3	x 3	x 3	x 3	x 3	x 3	x 3
Total # of Staff	51	69	18	138	276	51	69	12	93	225

Source: Office of the County Auditor data from MFD and NFPA 1710

As can be seen from the above chart, 45 Fire Fighter I would be freed up to allow MFD to create a Relief Pool. We note the number of Fire Fighter II (the rank that specializes in Hazmat and Rescue) would be reduced by 6. However, NFPA guidance is not directed at those specialized companies and, therefore, should not be reduced.

Where are the absences?

While sickness and vacation was not the cause of the increase in overtime in the Fire/Rescue Operations Program, understanding the historical absences within each rank is necessary to determine proper staffing levels. For example, MFD currently has 69 Fire Fighter III. However, applying historical absences for that position, 10 additional Fire Fighter III is needed, for a total of 79.

Applying the five-year historical absence assumption to the NFPA 1710 minimum staffing level of four crew members, the number of fire fighters needed to fill the future anticipated absences are:

Exhibit A-2

Fire Fighters Needed To Cover Historical Absences

Position	Avg Hours absent ¹	Current Number of positions	Avg. Hours absent per person	% of time available	Additional staff needed to fill absences	NFPA 1710 staffing	Total staff needed to fill absences
Fire Captain	16,909	51	331.55	88.65%	7	51	58
Fire Fighter I	37,337	138	270.56	90.73%	15	93	108
Fire Fighter II	6,432	18	357.33	87.76%	3	18 ²	21
Fire Fighter III	25,407	69	368.22	87.39%	10	69	79
		276			35	231	266

¹ Actual sick and vacation taken between FY 2011 and FY 2015

² Staffing levels of Hazmat and Rescue NOT reduced to NFPA 1710 levels

Source: Office of the County Auditor data extracted from Department of Finance Payroll Division

PROMOTION OF 20 EXISTING FIRE FIGHTERS

Based on the future anticipated absences listed above, MFD needs to adjust staffing levels within each rank.

The following table compares the current staffing based on full attendance and proposed staffing of the Relief Pool (which considers historical absences).

Exhibit A-3

Comparison of Current Staffing at Full Attendance vs. Proposed Staffing with Relief Pool

CURRENT STAFFING IF FULL ATTENDANCE					PROPOSED STAFFING WITH RELIEF POOL				
Fire Captain	Fire Fighter III	Fire Fighter II	Fire Fighter I	Total	Fire Captain	Fire Fighter III	Fire Fighter II	Fire Fighter I	Total
51	69	18	138	276	58	79	21	108	266

Source: Office of the County Auditor data from MFD

As illustrated above, it is clear that additional ranked fire fighters are necessary to cover anticipated future absences. The following promotions are needed:

- 7 Fire Captain (58 vs. 51)
- 10 Fire Fighter III (79 vs. 69)
- 3 Fire Fighter II (15 vs. 12)

The 35-member Relief Pool will be comprised of these 20 newly promoted ranked fire fighters and 15 Fire Fighter I. The remaining 10 Fire Fighter I could be maintained to provide MFD with operational flexibility, albeit at a reduced savings to the County. In the end, this “mix” helps MFD better manage its 270 fire fighters and reduce Rank-for-Rank Recall overtime costs.

ASSIGNMENT TO THE RELIEF POOL

As stated in Chapter 2, any time a ranked fire fighter in the Fire/Rescue Operation program is absent, overtime is incurred. Establishment of a Relief Pool would mitigate this because it would enable the Fire Chief to assign and place appropriately ranked fire fighters who are already on shift to fill absences at less costly straight time instead of time-and-a-half overtime.

The fundamental principle of the Relief Pool is that planned excess capacity of ranked fire fighters avoids the need to recall an off-duty fire fighter any time a ranked fire fighter is absent. Instead, the excess capacity provided by the Relief Pool would enable the Fire Chief to cover absences of ranked fire fighters by transferring equally ranked fire fighters (already on shift) from the Relief Pool. The Relief Pool is intended to provide the Fire Chief with increased flexibility and minimizing costs without "triggering" Rank-for-Rank Recall.

Because fire fighters in the Fire/Rescue Operations Program work 24-hour shifts covered by three Platoons, the Relief Pool would be divided accordingly. To ensure maximum coverage, an extra Fire Captain and Fire Fighter III could be assigned to a shift that historically experiences the highest number of absences.

To be clear, fire fighters assigned to the Relief Pool represent planned excess capacity. As such, when those fire fighters are absent (i.e., sick, vacation, or transfer from the Relief Pool to a station with a shortage) MFD should not fill their position. Filling the absences of fire fighters assigned to the Relief Pool to maintain planned excess capacity will defeat the purpose of the Relief Pool and forego its savings.

Exhibit A-4 is a simplified illustration of the savings to be gained through implementation of a Relief Pool.

Exhibit A-4

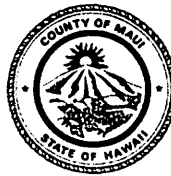
**DEPARTMENT OF FIRE AND PUBLIC SAFETY
CALCULATION OF RELIEF POOL SAVINGS**

	<u>Cost per Fire Fighter</u>	<u>Total costs per rank</u>	<u>Rank for Rank Recall 1.5 Overtime</u>	<u>Total Costs</u>
<u>CURRENT STAFFING</u>				
			Rank-for-Rank Recall costs	\$1,459,521
			Adjustment for fringes @ 69.8%%	\$1,018,746
(45) Fire Fighter I	\$126,700	<u>\$5,701,493</u>	Total Rank-for-Rank Recall costs	<u>\$2,478,267</u>
				\$8,179,760
<u>RELIEF POOL</u>				
15 Fire Fighter I	\$126,700	\$1,900,498		
3 Fire Fighter II	\$137,040	\$411,121		
10 Fire Fighter III	\$148,226	\$1,482,261		
7 Fire Captains	\$173,410	\$1,213,867		
		<u>\$5,007,747</u>	Total Rank-for-Rank Recall costs	<u>None</u>
				\$5,007,747
			<u>MAXIMUM POTENTIAL SAVINGS</u>	<u>\$3,172,013</u>
Retain all Existing Fire Fighter I (10)	\$126,700	\$1,266,999		(\$1,266,999)
			<u>POTENTIAL SAVINGS RETAINING ALL CURRENT FIRE FIGHTERS</u>	<u>\$1,905,015</u>

Source: Office of the County Auditor data from MFD, Department of Finance, and the Collective Bargaining Agreement (Hawaii Fire Fighters Association - IAFF Local 1463)

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ALAN M. ARAKAWA
MAYOR



JEFFREY MURRAY
FIRE CHIEF

LIONEL MONTALVO
DEPUTY FIRE CHIEF

COUNTY OF MAUI
DEPARTMENT OF FIRE & PUBLIC SAFETY

200 DAIRY ROAD
KAHULUI, HI 96732
(808) 270-7561
Fax (808) 270-7919

October 4, 2017

Mr. Lance T. Taguchi, County Auditor
Office of the County Auditor
County of Maui
2145 Wells Street, Suite 106
Wailuku, HI 96793

RECEIVED
17 OCT -6 PM 2:09
OFFICE OF THE
COUNTY AUDITOR

Dear Mr. Taguchi:

**SUBJECT: AUDIT OF PREMIUM PAY/ OVERTIME OF THE
DEPARTMENT OF FIRE AND PUBLIC SAFETY (Project 15-02)**

The following shall serve as the initial response by the County of Maui, Department of Fire & Public Safety to your letter dated August 28, 2017. On August 31, 2017 the County of Maui, Department of Fire & Public Safety requested a time extension to appropriately respond to your audit findings, however, our time extension was denied by the Office of the County Auditor in a letter dated September 5, 2017. Due to the time extension denial, the County of Maui, Department of Fire & Public Safety reserves the right to revise any and all responses made below.

Finding 1: Since its inception in Fiscal Year 2015, Rank-for-Rank Recall (the Collective Bargaining Agreement condition which dictates how absences are staffed), has a resulted in an increase of 60 percent—or \$1.4 million—in overtime pay without a notable increase in emergency incidents, staffing levels, or absences.

Condition: The Department of Fire and Public Safety’s practice of staffing an extra Fire Fighter I at all stations appears to have been appropriate in the past. However, the implementation of Rank-for-Rank Recall in Fiscal Year (FY) 2015 has made that staffing practice obsolete and costly. Rank-for-Rank Recall drastically reduces the Department’s ability to utilize Temporary Assignment (at straight time) to fill absences of a higher-ranked fire fighter with a qualified lower-ranked fire fighter. As a results, the Department fills absences with an equally ranked fire fighter at time-and-a-half overtime.

Response: While the current Occupational Safety and Health Administration (OSHA) minimum staffing of each company is four (4), five (5) at stations with an assigned Tanker position, there are never any “extra” Fire Fighters. The nature of our job requires us to be ready at all times for the worst possible circumstances, as we can never predict what type of or how many alarms will happen during the 24-hour work shift. Each and every fire fighter who responds to an alarm has a specific responsibility.

In Fiscal Year (FY) 2017, the Department of Fire & Public Safety, Fire Division responded to over 12,000 alarms varying from vehicle accidents to structure fires. At each of these alarms, the members of the initial response company would have the following basic assignments:

EXAMPLE # 1: VEHICLE ACCIDENT (CODE-1)

Captain

1. Primary decision maker
2. Controls traffic
3. Requests information from patient(s)
4. Relays information to additional responding Fire crews, Dispatch, AMR personnel, etc.
5. Possible assist with extrication* of victim(s)

Fire Fighter III (Driver)

1. Remains with apparatus at all times
2. Ensures a hose line is charged
3. Provides equipment to Fire Fighter Is
4. Assist with traffic control

Fire Fighter I

1. Ensures patient(s) doesn't move his/her head by going into the vehicle to provide manual stabilization
2. Keeps patient(s) calm to ensure no further injury occurs

Fire Fighter I

1. Takes patient(s) vitals
2. Assess patient injuries
3. Assists with extrication of victim(s)*

Fire Fighter I

1. Attends to other victim(s) in multi-victim accidents
2. Assists with extrication of victim(s)*
3. Cleans debris on roadway
4. Assist with traffic control
5. Assist medics with hospital transport

**Extrication requires a minimum of two (2) personnel*

EXAMPLE # 2: STRUCTURE FIRE**Captain**

1. Primary decision maker
2. Takes command of incident
3. Search and rescue
4. Fire Attack

Fire Fighter III (Driver)

1. Remains with apparatus to distribute water (operates pump)
2. Provides equipment
3. Rapid Intervention Crew (RIC)**
4. Exposure protection

Fire Fighter I

1. Connects hose(s) to water hydrant
2. Search and rescue
3. Assists with fire attack**
4. Patient Care (if applicable)
5. Rapid Intervention Crew (RIC)**

Fire Fighter I

1. Pulls hoses
2. Search and Rescue
3. Assists with fire attack**
4. Patient care (if applicable)
5. Rapid Intervention Crew (RIC)**

Fire Fighter I

1. Assists with fire attack**
2. Search and Rescue
3. Patient care (if necessary)
4. Rapid Intervention Crew (RIC)**

***Fire attack includes ventilation, making entry, forcible entry, salvage and overhaul, checking for fire extension in adjacent buildings, attacks, etc., positioning and raising ladders, shut down all utilities (including electricity), etc.*

****Rapid Intervention Crew (RIC) is used in compliance with Occupational Safety and Health Administration (OSHA) policy 29 CFR 1910.134, commonly referred to the "two-in/two-out" rule.*

As described in the above examples, there are no "extra" fire fighters because each and every member of a company has a job to do.

Temporary Assignment is not a management right. It is merely an additional tool for management to use to offset Rank-for-Rank Recall. Under the Contract Bargaining Agreement, employees are not mandated to participate in a Temporary Assignment.

In addition, the Condition described in the audit findings states “...utilize Temporary Assignment (at straight time) to fill absences of a higher-ranked fire fighter with a qualified lower-ranked fire fighter...” this information is incorrect. There are no minimum qualifications associated with Temporary Assignment which means in many cases the lower-ranked fire fighter is not qualified for the higher-ranked fire fighter position.

Criteria: National Fire Protection Association (NFPA) 1710, 2010 Edition states: “These companies shall be staffed with a minimum of four on-duty personnel.”

Response: While the above statement is included in the National Fire Protection Association (NFPA) 1710, there are additional guidelines that should have been addressed as well.

National Fire Protection Association (NFPA) 1710, Chapter 5. Fire Department Services, Section 5.2.3.1.2 reads:

In jurisdictions with high number of incidents or geographical restrictions, as identified by the AHJ, these companies shall be staffed with a minimum of five on-duty members.

Geographical restrictions are determined using several different components, including but not limited to, district environment, response ability in reference to resource availability and ability to respond in a timely manner as described in the National Fire Protection Association (NFPA) 1710, Annex A, Section A.5.2.2.2.1.

Maui County is comprised of many geographical restrictions in due to the large and often times, remote districts assigned to each fire station. The enclosed map shows the district size for each fire station. As you can see, the following fire stations are identified with geographical restrictions:

MAUI	Molokai	Lanai
Wailuku	Hoolehua	Lanai
Paia	Kaunakakai	
Hana	Pukoo	
Napili		
Kula		

As listed, 9 of 14 fire stations in Maui County are considered to be identified with geographical restrictions in reference to the surrounding environment. This means by following the NFPA Section 5.2.3.1.2, we should be staffing the companies listed with a minimum of five (5) personnel.

The aspect of geographical response as it relates to resource availability and incident response times would require all companies to be staffed with a minimum of five (5) personnel on a daily basis. As shown in the National Fire Protection Association (NFPA) 1710, Annex A, Section A.5.2.2.2.1, *“... given the progression of a structure fire to the point of flashover (i.e. the very rapid spreading of the fire due to superheating of room and contents and other combustibles) generally occur in less than 10 minutes, two of the most important elements of limiting fire spread are the quick arrival of sufficient personnel and equipment to attack and extinguish the fire as close to the point of its origin as possible.”*

As provided in the Maui Fire Department, Standards of Cover, Performance Objectives and Performance Measures, Page 130, the 2016 Baseline (actual) response times for a structure fire in a suburban area shows an average response time of 19 minutes and 45 seconds by the initial response unit staffed with a minimum of four (4) personnel. In comparing, the National Fire Protection Association (NFPA) 1710, Annex A, Figure 5.2.2.2.1, Fire Propagation Curve, which shows the Property Destruction (%) in association with the Response Time (Minutes) to the data provided in the Maui Fire Department, Standards of Cover (as shown above), our current response times are not meeting the standards and are therefore, providing insufficient service to the community.

In addition, the following National Fire Protection Association (NFPA) 1710 guideline should have also been addressed.

National Fire Protection Association (NFPA) 1710, Chapter 5. Fire Department Services, Section 5.2.3.1.2.1 reads:

In jurisdictions with tactical hazards, high-hazards occupancies, or dense urban areas, as identified by the AHJ, these fire companies shall be staffed with a minimum of six on-duty members.

National Fire Protection Association (NFPA) 1710, Annex A. Explanatory Material, Section A.3.3.28 High Hazard Occupancy. These occupancies includes schools, hospitals, and other special medical facilities, nursing homes, high-risk residential occupancies, neighborhoods with structures in close proximity to one another, high-rise buildings,

explosive plants, refineries, and hazardous materials occupancies.

Maui County recognizes all districts are categorized to meet the High Hazard Occupancy as described. In addition, Maui County recognizes the following fire companies as tactical hazards and/or having a dense urban area.

<u>MAUI</u>	<u>Molokai</u>	<u>Lanai</u>
Hana	Kauankakai	Lanai
Hazmat		
Rescue		
Lahaina Ladder		
Wailea Ladder		

As shown above, 18 of 18 companies qualify under NFPA Section 5.2.3.1.2.1 to be staffed with a minimum of six (6) personnel.

If we are to follow the National Fire Protection Association (NFPA) guidelines as they would apply to us, our staffing minimums would be as shown below.

<u>Company</u>	<u>Minimum per NFPA Guidelines</u>
Wailuku	6
Paia	6
Lahaina Engine	7 *including Tanker
Lahaina Ladder	6
Kaunakakai	7 *including Tanker
Makawao	6
Kihei	6
Hana	6
Lanai	6
Ho'olehua	6
Kahului Engine	7 *including Tanker
Hazmat	6
Rescue	6
Napili	6
Pukoo	6
Kula	6
Wailea Engine	7 *including Tanker
Wailea Ladder	6
TOTAL	112 minimum personnel per day

If we ensure compliance with the National Fire Protection Association (NFPA) guidelines as you have suggested in the audit findings, it will cost the County of Maui an average annual base salary of \$22,791,909.00.

For many years, the Department of Fire & Public Safety has tried to assist the County of Maui with saving monies by keeping minimum staffing to four (4) personnel, or five (5) at stations with an assigned Tanker position, which has cost an average annual base salary of \$19,249,173.00.

By following the National Fire Protection Association (NFPA) guidelines as suggested by the Office of the County Auditor as it correctly applies to the County of Maui, Department of Fire & Public Safety, we will be spending an additional annual average of \$3,542,736.00 on base salary.

Recommendation: The Department should reorganize by adjusting the mix of fire fighters in each Platoon/shift to more closely match their historical absences (i.e. sick and vacation leaves). The staffing reorganization would involve the creation of a Relief Pool.

The Relief Pool would provide the proper mix of staff and enable the Department to assign and place appropriately ranked fire fighters who are already on shift to fill absences at less costly straight time instead of time-and-a-half overtime.

The staffing reorganization would:

- a. Reduce all Platoon/shifts for each Company by one Fire Fighter I (45 total) to better align with staffing levels recommended by NFPA 1710. Incorporate 35 Fire Fighter I into the Relief Pool. The remaining 10 Fire Fighter I could be maintained to provide the Department with operational flexibility, albeit at a reduced savings to the County.
- b. Promote 20 existing fire fighters to ranked positions as follows:
 - 7 Captains,
 - 10 Fire Fighter III, and
 - 3 Fire Fighter II.
- c. Assign the 20 newly promoted ranked fire fighters along with 15 Fire Fighter I to staff Relief Pool of 35 fire fighters. This Relief Pool would be split across all three Platoon/shifts.

If properly executed and managed, the Relief Pool could achieve an annual savings to the County of approximately \$1.9 million to \$3.2 million per year.

Response: While the idea of utilizing a Relief Pool would not be completely impractical, there are several major detrimental components that would not only put our employees at risk, but also put the community at risk.

The contributing risk factors, include but are not limited to, personnel assigned to the Relief Pool are unfamiliar with the apparatus, district and personnel he/she is assigned to for a 24-hour work shift.

It is imperative that personnel working on an apparatus be familiar with the different types of equipment used by each company. An example would be if a Fire Fighter III from the Relief Pool is assigned to a Ladder company for a 24-hour shift, he/she would not be familiar with operating an aerial apparatus which jeopardizes the safety of his/her co-workers as well as the community in which we are trying to protect. Another example would be if a Captain from the Relief Pool is assigned to a tactical hazards crew, for instance Rescue, he/she would not be familiar with the water rescue or helicopter procedures.

The strength of a company lies within the consistency of training and working with the same personnel on a daily basis and developing cohesive relationships. By reorganizing our current staff to include a Relief Pool, the following is inevitable:

- Inconsistent training with company members
- Captains working with unfamiliar personnel
- Fire Fighters will not meet Captain expectations due to lack of ample opportunity
- Ineffective service during incidents
- Unexperienced personnel being placed into demanding, high-stress situations
- Personnel unable to achieve mastery in his/her position due to varying and inconsistent assignments
- High turn-over due to undesirable assignments

The safety of our employees and the community has always been our number one priority. A major part of ensuring safety is to be familiar with assigned districts. Each district faces different obstacles on a daily basis, including but not limited to, varying occupancies (i.e. high rise, residential, apartment complexes, etc.), differences in surrounding environments (i.e. oceans, mountains, etc.), ineffective use of pre-incident planning, and special knowledge of districts (i.e. access points, weather patterns, historical knowledge of prior events, etc.)

Training is the most important aspect of Fire Fighting next to emergency response. If Training is not carried out consistently it endangers our Fire Fighters and the effectiveness in which we work. Captains are responsible to ensure that his/her Fire Fighter is properly trained and over a period of time develops the skills necessary to be proficient at the firefighting profession.

Quarterly trainings are conducted by Captains with his/her crew as assigned by our Training Bureau. Members of the Relief Pool would not be afforded the same opportunities to participate in Quarterly Training because he/she has no assigned Captain.

While Training is the most important aspect of Fire Fighting, a major part of an individual's growth comes from mentoring by higher-ranked personnel. One of the Captain's primary roles is to see to the development and maturity of his/her Fire Fighter. It is the Captain's role to identify both the weaknesses and strengths, and see to it that the Fire Fighter receives proper assistance in overcoming said weaknesses, as well as, positively reinforcing his/her strengths.

In addition, the logistics of creating a Relief Pool causes many issues including but not limited to the following:

- 1. Living Quarters. Fire Fighters work a 24-hour shift from 0730-0730. Employees assigned to the Relief Pool would need to be provided living quarters when there are no available assignments. Living quarters must include beds, bathrooms, etc. The County of Maui would need to provide adequate housing for Relief Pool members.**
- 2. Storage for Personal Protective Equipment (PPE). In conjunction with the statement above, Fire Fighters respond to a variety of incidents and use different types of Personal Protective Equipment (PPE) depending on the type of incident. Items that would need to be stored include but are not limited to the following:**
 - Uniforms**
 - Turnout Gear**
 - Brush Gear**
 - Ocean Gear (i.e. masks, fins, etc.)**
- 3. Parking. Most stations are already facing challenges in this area. The County of Maui, Department of Fire & Public Safety cannot provide a safe place for**

ATTACHMENT 1

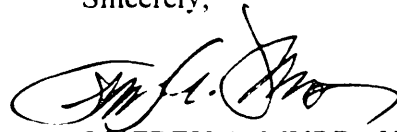
Page 10 of 10

employees to park their personal vehicles while on-duty without incurring additional costs.

As mentioned on page 1 of this response, the County of Maui, Department of Fire & Public Safety reserves the right to revise any and all responses thus far. In addition, it is advised that the Office of the County Auditor consult with the Hawaii Fire Fighters Association (HFFA) on any matters which involve changing the application of the Collective Bargaining Agreement, as it could result in a prohibited practice suit.

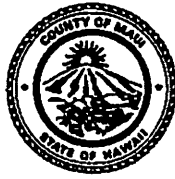
Any further questions or concerns should be addressed in writing within 10 business days from the date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey A. Murray", written in a cursive style.

JEFFREY A. MURRAY
Fire Chief

**ALAN M ARAKAWA
MAYOR**



**JEFFREY MURRAY
FIRE CHIEF**

**LIONEL MONTALVO
DEPUTY FIRE CHIEF**

**COUNTY OF MAUI
DEPARTMENT OF FIRE & PUBLIC SAFETY**

200 DAIRY ROAD
KAHULUI, HI 96732
(808) 270-7561
Fax (808) 270-7919

October 20, 2017

Mr. Lance T. Taguchi, County Auditor
Office of the County Auditor
County of Maui
2145 Wells Street, Suite 106
Wailuku, HI 96793

Dear Mr. Taniguchi:

**Subject: AUDIT OF PREMIUM PAY/OVERTIME OF THE DEPARTMENT OF FIRE
AND PUBLIC SAFETY (Project 15-02)**

In response to your letter dated October 6, 2017, I feel we have responded appropriately and there were no misinterpretations of your recommendations.

We have informed you that NFPA 1710 has much more that pertains to the guideline than you quoted and we also provided research and cost analysis for your information. As with any guideline or code, it shall be interpreted in its entirety and not arbitrarily picked to suit your needs or perceived subjective outcomes.

I believe that it is not in your right to dictate to the Fire Department that you have no experience or inclination on how to operate or manage. By doing so, you greatly disregard firefighters and compromise the safety of a community.

Again, I reiterate that this type of action without consultation with our employee's bargaining unit, is not in good faith and could end up in a prohibitive practice complaint with the State of Hawaii Labor Relations Board. Furthermore, it would be remiss of me not inform you and your staff that these recommendations are not in conformance with the National Standards and Best Practices.

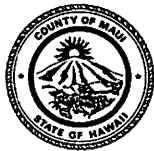
Please feel free to contact me in writing if further information is needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey A. Murray".

**JEFFREY A. MURRAY
Fire Chief**

xc: Alan Arakawa, Mayor
Hawaii Fire Fighters Association, Robert Lee
Department of Personnel Services, David Underwood
Corporation Council, Pat Wong



Lance T. Taguchi, CPA
County Auditor

Office of the County Auditor
County of Maui
2145 Wells Street, Suite 106
Wailuku, Hawaii 96793
(808) 463-3192

*Audit of Premium Pay/Overtime of the
Department of Fire and Public Safety*

Report No. 15-02, October 2017

The Office of the County Auditor is tasked with promoting economy, efficiency, and improved service in the transaction of public business in the legislative and executive branches of the County. Copies of this audit report can be obtained by contacting the Office of the County Auditor or visiting our website:

<http://www.mauicounty.gov/2032/Audit-Reports-Projects>.