

**COUNCIL OF THE COUNTY OF MAUI**

# **BUDGET AND FINANCE COMMITTEE**

April 20, 2018

**Committee  
Report No. \_\_\_\_\_**

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on March 27, 2018, makes reference to County Communication 18-88, from Councilmember Riki Hokama, relating to the final report for the performance and fiscal audit of the Department of Fire and Public Safety.

By correspondence dated March 20, 2018, Council Chair Mike White transmitted a report, entitled "PERFORMANCE AND FISCAL AUDIT OF THE DEPARTMENT OF FIRE AND PUBLIC SAFETY, MARCH 20, 2018," prepared by Citygate Associates, LLC.

Your Committee notes pursuant to Section 3-6 of the Revised Charter of the County of Maui (1983), as amended ("Charter"), the Council has the authority to conduct investigations of the operation of any department or function of the County and any subject upon which the Council may legislate.

Your Committee further notes Resolution 17-78, entitled "AUTHORIZING THE COUNCIL CHAIR TO CONTRACT FOR A PERFORMANCE AND FISCAL AUDIT OF THE DEPARTMENT OF FIRE AND PUBLIC SAFETY," was adopted on May 1, 2017.

As a result of Resolution 17-78, Citygate Associates, LLC ("Citygate") was selected through a competitive procurement process to conduct the audit. The audit scope included a review of personnel costs, staffing plan and cost drivers, budget process, and alternative strategies.

Your Committee received a summary of the audit through a presentation by Citygate. Citygate found the Department's policies are consistent with the Fair Labor Standards Act and the Department's collective bargaining agreement ("CBA"), and avoid compounded costs,

**COUNCIL OF THE COUNTY OF MAUI**

# **BUDGET AND FINANCE COMMITTEE**

Page 2

**Committee  
Report No. \_\_\_\_\_**

such as travel and holdover at remote fire stations. Your Committee noted a contributor to overtime costs is the delay of new recruit fire academies, which results in unfilled vacancies and increased overtime.

The Department's CBA implementation policies are similar to other counties in the state. Citygate said increased personnel costs are due primarily to base pay increases, not usage or policy changes. However, your Committee noted vacation and sick leave usage is unusually high for Fire Fighter IIIs.

Rank-for-rank backfill, as set forth in the CBA, requires that a fire fighter of similar rank be offered the opportunity to work an overtime shift when another fire fighter is on leave. This ensures personnel are properly trained and certified when they work an overtime shift. Rank-for-rank is voluntary in the sense that a fire fighter may refuse the offer of overtime work; however, the rank-for-rank process itself is required under the CBA.

Your Committee questioned the need for five fire fighters to work on each shift because only four fire fighters are required to fulfill the "two in, two out rule." Under the two in, two out rule, two fire fighters are required to enter a burning structure together and two additional fire fighters must remain on stand-by outside to assist the fire fighters in the burning structure, if needed. Citygate found the fifth firefighter position is used for overstaffing. Overstaffing is when a fifth fire fighter takes the place of another fire fighter who is out on leave, maintaining compliance with the two in, two out rule. Overstaffing reduced the need for overtime 85 percent of the time and saved \$4,157,443 in overtime costs.

Citygate confirmed the three-platoon, 56-hour-per-week schedule currently being used is the most cost effective for Department operations. Your Committee noted there may be opportunities for personnel cost control by sharing resources Countywide, such as facility maintenance, capital improvement projects management, fiscal oversight reporting, information technology, and helicopter programs. Citygate also recommended to your Committee the increased use of dedicated, non-sworn personnel in the Department (staff who are not fire fighters) as a cost-efficiency measure.

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

Page 3

**Committee**  
**Report No.** \_\_\_\_\_

Citygate found emergency medical services were the most common event for the Department, while the amount of structure fires was very low. Citygate also informed your Committee the County has more than an average number of wildland fires and the Department's Community Wildfire Protection Plan is current.

Regarding vehicles and equipment, Citygate found the Department's vehicle maintenance shop is continually backlogged several months because of insufficient mechanic staff capacity. Also, reserve apparatus is not fully stocked, requiring transfer of equipment in order for apparatus to be operational. Citygate recommended to your Committee that the Department establish an apparatus prefunding replacement plan and mobile mechanic to address vehicle and apparatus issues.

Citygate also found the Department's helicopter program in need of improvement. Citygate recommended the Department develop a helicopter program plan and upgrade its helicopter to one that can carry more fire fighters to move an entire platoon to and from a remote location, if necessary. Citygate also recommended the County consider partnering with other health and law enforcement agencies to share in the cost of a new helicopter program.

Citygate said some County budget practices meet best practices standards while others do not. For example, overtime costs are not budgeted and tracked in a manner that provides an accounting of where and for what purpose the dollars are being spent. Also, fringe-benefit costs are not budgeted and recorded in the Department budget. This means the Department budget is understated.

Your Committee noted the differences between the Mayor's proposed budget and the Department's actual budget, and the difference between the Council-adopted budget and the Department's actual budget, indicate a need for better analysis during the budget process. Citygate acknowledged your Committee needs sufficient information from the Department to make informed budget decisions. Citygate recommended to your Committee that a detailed, predictive overtime model between the

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

Page 4

**Committee**  
**Report No.** \_\_\_\_\_

Department and the Budget Office be built and used during the budget review process.

Citygate said the Department's CBA is the most lucrative agreement they have seen. CBA provisions are clearly driving Department costs upward, and changes to the CBA are needed to significantly lower costs. Your Committee noted the County has only one vote during CBA negotiations. Citygate concluded the Council has only one cost-cutting tool at this time, which is to adjust community service levels.

Your Committee voted 7-0 to recommend filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, King, and Sugimura voted "aye." Committee members Crivello and Guzman were excused.

Your Budget and Finance Committee RECOMMENDS that County Communication 18-88 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.

  
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RIKI HOKAMA, Chair

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