

Performance and Fiscal Audit

County of Maui Department of Fire and Public Safety

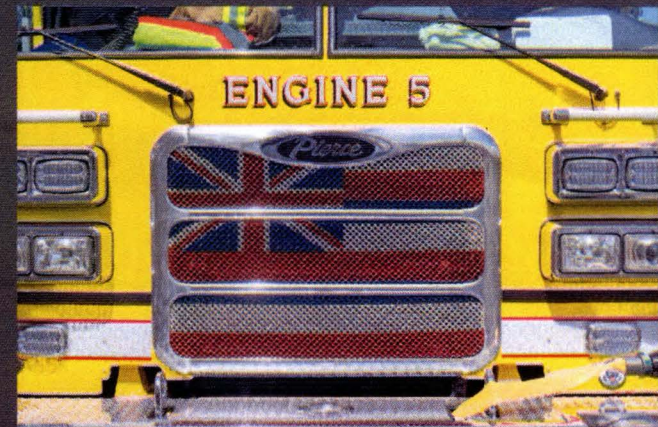
County Council Briefing

Presented on March 27, 2018



CITYGATE ASSOCIATES, LLC
FIRE & EMERGENCY SERVICES

The Business of Better Government



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RECEIVED AT BF MEETING ON 3-27-18 (BF-136) Submitted by Stewart Gary

Citygate's Overall Opinion

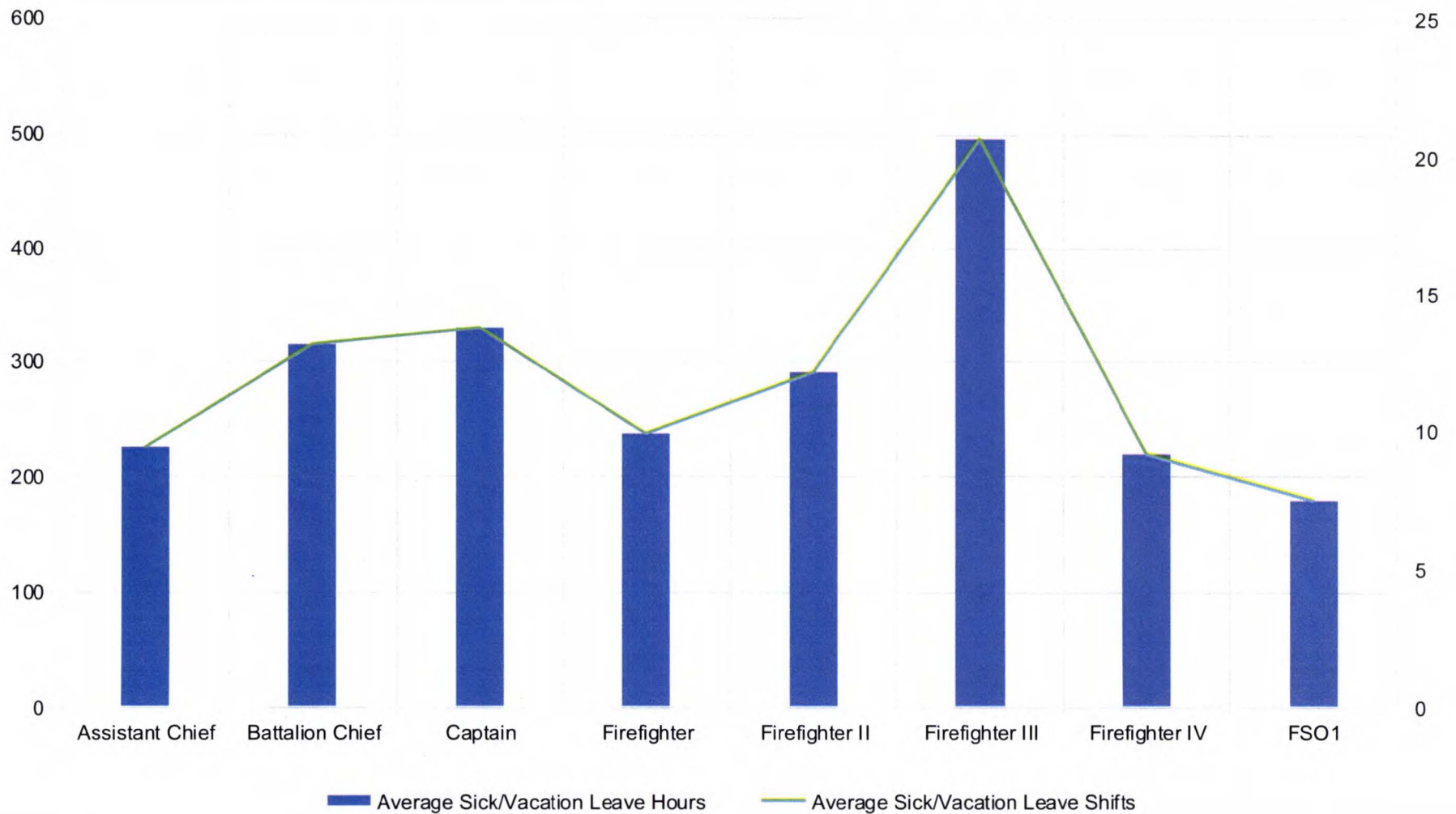
- Firefighters' Collective Bargaining Agreement (CBA) provisions clearly driving costs
- Cost of Fire Department (Fire) staff scheduling across many "one-station" districts across three islands also increases costs
- Fire using many operational best practices
- From Fire, to Mayor/Budget, to the Council, there is not a complete and predictive personnel cost model being used
- Budget meetings not effectively using data to drive policy
- Improved budget tools will tighten request-to-spending gaps
- Major CBA changes needed to significantly lower costs
- The Council has simply one cost tool—setting service levels



Review of Specific Personnel Costs



Vacation and Sick Leave Usage



Overtime (OT)

- Usage policies consistent with the Fair Labor Standards Act (FLSA), the CBA, and need
- Policies try to avoid compounded costs, such as travel and holdover at remote stations
- CBA is very restrictive and costly for last-minute station staff moves
- Delayed academies = vacancies = increased OT
- Must fill key technical assignments with certified personnel



Rank-for-Rank Backfill

- Existed in the CBA since 2003
 - Arbitrated on Oahu in 2009
 - Suspended during the recession
- Maui County policy tracks closely to other Hawaii fire departments (FDs)
- Policy voluntary regarding no forced hires
- Capped at 288 hours, 12 shifts, or one month per person
- Not all leave is covered by rank-for-rank; move-up, acting, or OT still used
- Costs are increasing due to base pay increases, not usage or *policy changes*
- Usage tied to leave, especially the Firefighter IIIs



Five-Firefighter Company Staffing

- Fifth position (fifth) is for overstaffing
- Minimum per unit per day is four
- No OT used to fill a fifth
- Excess fifths left on hazmat and rescue
- Other excess fifths moved to cover for vacancies at/below four, travel cost / location allowing
 - In FY 2015, a fifth was on duty only 15.3 percent
 - In FY 2016, a fifth was on duty only 11.5 percent
- The fifth position reduced the need for OT approximately 85 percent of the FTE's total time



Five-Firefighter Movement Constraints

- CBA requires reporting at assigned station
- Cannot easily get a fifth from Maui to Molokaʻi due to travel cost and lack of ferry
 - 25 of 39 Firefighters live on Molokaʻi
 - 2 of 18 Firefighters live on Lānaʻi
 - But there is a five-trip-per-day ferry to Lānaʻi
- Rescue boats rough and costly for transfers
- Due to the above, Molokaʻi, Lānaʻi, and Hana fire stations are not tasked to relocate their fifth person on duty to central Maui



Five-Firefighter Company Staffing Expense Savings

- The fifth position reduced the need for OT by 104,880 hours
- At average OT of \$39.64, there was an OT saving of \$4,157,443 equaling 12 regular staff at total compensation
- Average OT is \$39.64 per hour
- Average total compensation is \$38.40 per hour but does not include workers' compensation and retirement liability exposure, thus OT is less costly per hour



Review of the Fire Operations Unit's Staffing Plan and Cost Drivers



Overall Risks and Incident Demand Drivers

- Emergency Medical Services (EMS) most common event
- Structure fire rate very low
- Impressive number of wildland fires
 - Last three years averaged 79 fires per year
 - Last three years acreage averaged 4,836 per year
 - Community Wildfire Protection Plan current
- Significant technical rescues
- Significant delay for multiple-unit arrival times outside of the center of Maui (First Alarm)



Organization Design for Span of Control and for Needed Regulatory Oversight and Safety

- Administrative capacity constrained by three issues:
 - Sworn personnel willing to work 40-hour week
 - Lack of analysis and monitoring staff
 - Lack of software to track and alert key operating metrics
- For the distances to be covered, one duty Battalion Chief (BC) is not sufficient to provide more than rural response time leadership
- A job task analysis is needed for all support and middle-management functions



Audit the Method, Cost, and Need for Hazardous Materials Incident Responses

- Just under 300 Tier II facilities, most on Maui
- Testing and entry events require 8 to 16 team members per the Occupational Safety and Health Administration (OSHA)
- Staffing is four to five per day on unit + four more on other engines; strive for eight per day certified Countywide
- Hazmat and technical rescue units have small fire abilities and respond as first-due units and at first-alarm incidents across Maui County



Review of the Firefighting Apparatus Life Cycles, Costs, Procurement, and Replacement Policy

- The Department's vehicle maintenance shop is continually backlogged several months
 - Insufficient mechanic staff capacity
- Reserve apparatus are generally mechanically unreliable and should be replaced, particularly units more than 18 years of age
- Apparatus/Vehicle replacement plan considers local factors; should add a cost-per-mile metric



Fleet Recommendations

- An apparatus prefunding replacement plan requires annual investment of \$2.5 million
- Could consider lease/purchasing to catch up
- Recommend adding a “mobile” mechanic position as funding permits
- Reserve apparatus need full equipment inventories at a one time cost of \$135,000
- Review specifications for cost to life span



Budget Process Review



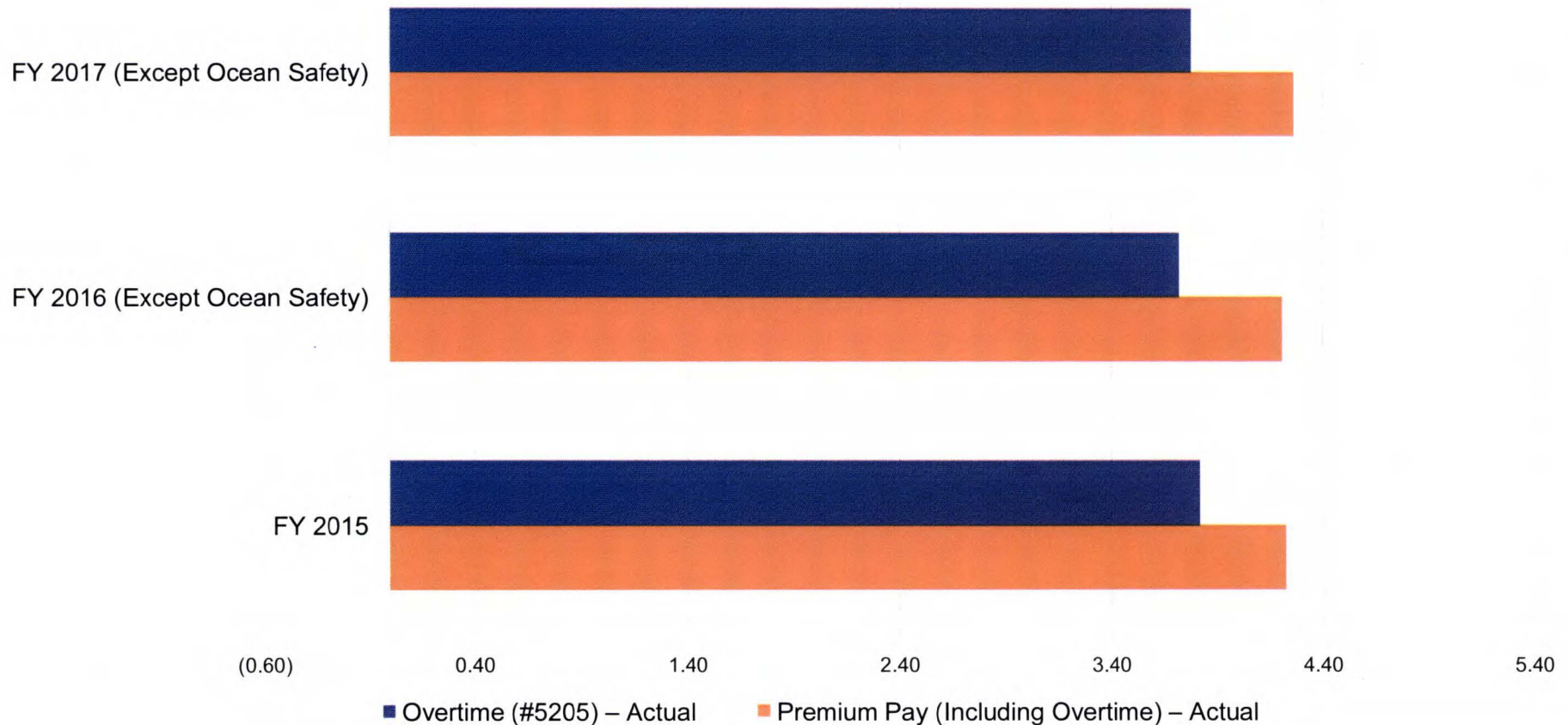
General Budgeting Practices

- Some good practices that follow Government Finance Officers Association (GFOA) best practices
 - Long-term financial plan
 - Budget and financial policies
- Some County practices that are not best practices
 - OT costs are not budgeted and tracked in a manner that provides an accounting of where and for what purpose the dollars are being spent
 - Fringe benefit costs are budgeted and recorded in a separate department and summarized by fund. Consequently, the various departmental budgets are understated



Overtime and Premium Pay Cost History – General Fund

Premium Pay (Including Overtime) versus Overtime Pay Actual – General Fund (Except Ocean Safety)



Premium Pays Adoption Path – General Fund

Year	Initial Fire Department Request	Budget Office / Mayor Request	Council Appropriation	Year End Actual Expense
FY 2018	\$4,513,554	\$3,171,496	\$3,131,496	-
FY 2017	\$4,699,579	\$4,816,579	\$2,243,496	\$4,588,704
FY 2016	\$5,620,526	\$4,445,016	\$2,154,144	\$4,443,044
FY 2015	\$3,132,900	\$4,975,574	\$2,379,526	\$4,469,282
FY 2014	\$2,325,000	\$2,954,600	\$2,638,200	\$2,844,346



Fire General Fund Proposed/Adopted/Actual History

Combined FY 2015–FY 2017 General Fund Proposed/Adopted/Actual Expenditure Comparison

	FY 15–FY 17 Totals					
	Mayor Proposed	Council Adopted	Actual	Council Adopted versus Mayor Proposed Difference	Mayor Proposed versus Actual Difference	Council Adopted versus Actual Difference
General Fund Total	116,975,598.00	97,621,847.00	100,778,465.00	(19,353,751.00)	16,197,133.00	(3,156,618.00)
Salaries and Wages	96,273,005.00	81,277,914.00	85,560,236.00	(14,995,091.00)	10,712,769.00	(4,282,322.00)
Operations	15,947,606.00	13,135,546.00	12,750,612.00	(2,812,060.00)	3,196,994.00	384,934.00
Countywide Expenditures	91,200.00	91,200.00	31,746.00	-	59,454.00	59,454.00
Equipment	4,663,787.00	3,117,187.00	2,435,871.00	(1,546,600.00)	2,227,916.00	681,316.00

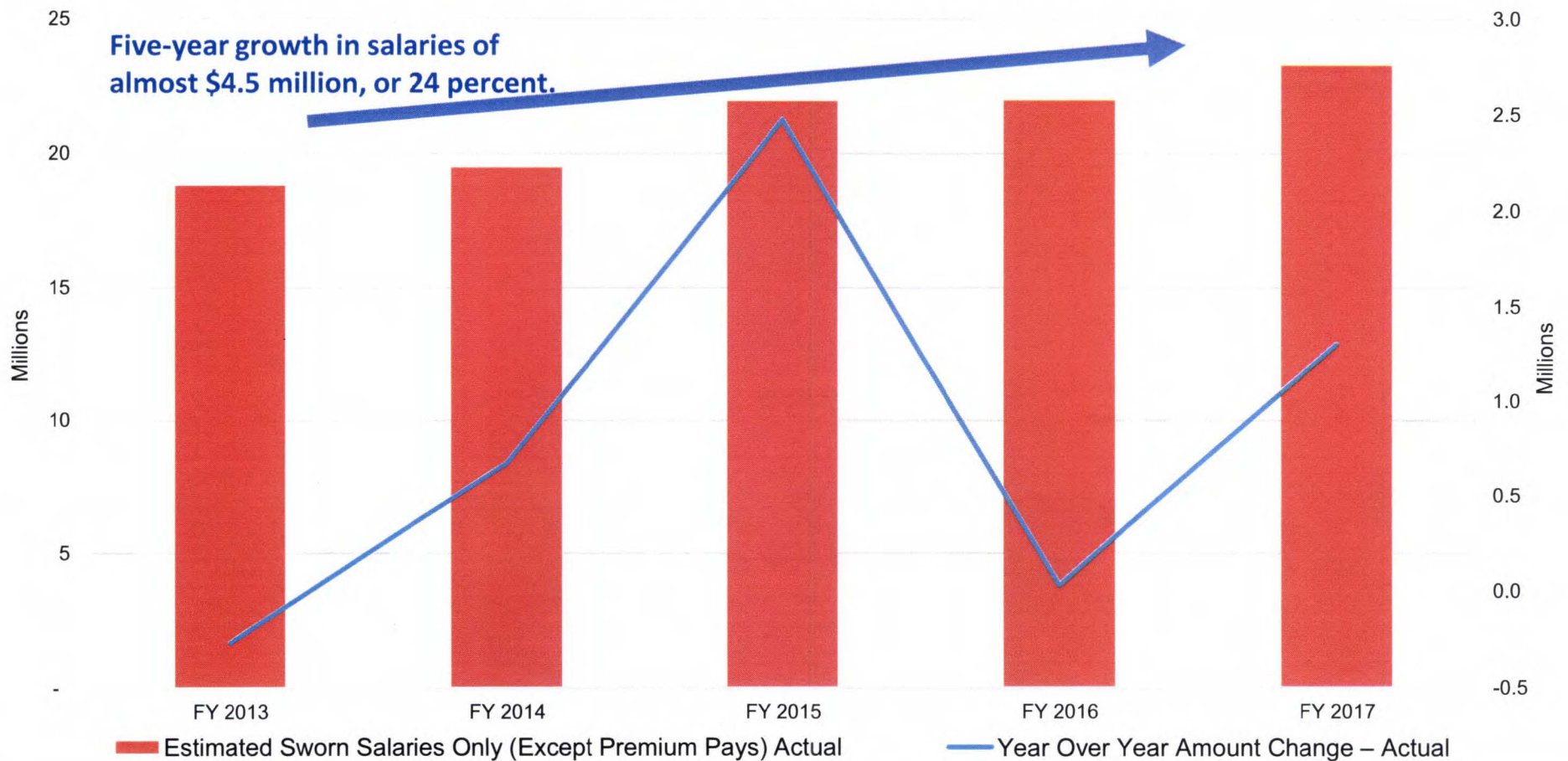
Wide swing between Mayor proposed versus actual and Council adopted versus actual indicates a need for better analysis during the budget process.

Table above does not reflect Council authorized cumulative net increases in the Fire and Public Safety originally adopted General Fund and grant funds budget of \$4,995,068 and \$1,093,196, respectively after additional justification mid-year.



Year-Over-Year CBA Changes Impact

Estimated Impact of Collective Bargaining Agreements on Sworn Salaries (Except Premium Pays and Salary Driven Fringe Benefits)



Alternative Strategies Review



24-Hour Line Fire Schedule vs. Other Variants Within State and Federal Wage and Hour Laws

- The three-platoon, 56-hour-per-week schedule is still the most cost effective (FTE count) for 24/7/365 operations
- Maui County's 24-hour plan meets federal FLSA rules
- A shorter work week would take more firefighters to provide the same level of service
- The Department does not have enough incidents at peak hours to justify staffing part-time units at the expense of 24-hour neighborhood coverage



Opportunities for Enhanced Shared Resources for Cost Control

- Can some fire headquarters (HQ) programs be shared with a centralized County effort?
 - Facility maintenance
 - Capital projects management
 - Fiscal oversight reporting
 - Information technology
 - Helicopter programs
- Increase the use of dedicated, non-sworn personnel



Helicopter Program Advice

- For the current expense, the helicopter is the minimum needed and cannot move 8 to 10 personnel rapidly to outer station areas
- A larger helicopter would increase safety, rescue capabilities, evacuate trapped people, and move the rescue and hazardous materials crews to outer station areas as a “rapid reaction force”
- Conduct a small aviation master plan and include the hospital and law enforcement functions



Recommendations



Budget/Financial Recommendations

- Build a *detailed*, predictive OT model between fire and budget office; also use it in Council presentations
- Create *additional* OT codes in payroll system and OT accounts in general ledger to improve tracking of where OT is used
- Adopt a *realistic* premium pay budget
- Budget fringe benefits in individual department budgets to reflect *true* cost of program
- Place estimated OT in the account in which actual expenditures will be recorded
- Budget changes to be *policy* changes, not “detail”



Operating Recommendations

- Use data to assess sick leave patterns
- Do not delay entry hiring again
- Increase Fire's HQ staff for oversight/planning
- Complete a future station location study for new developing areas
- Adopt a "Maui-County-centric" Standards of Coverage (SOC) plan; do not placate Accreditation's mainland-centric requirements



Operating Recommendations (Cont.)

- Continue fifth Firefighter overstaffing, minimum staff at four per crew
 - When hazmat or rescue are at five personnel, move the fifth as needed, if possible, for coverage at central Maui short stations
- Consider reducing dedicated tanker staffing at Stations 3, 10, and 14 in Maui areas and staff them occasionally with fifth positions or cross-staffed by their engine crew
- Research larger helicopter capacity to quickly move the eight rescue and hazmat Firefighters to remote station areas as the serious incident “rapid reaction force”



Questions

