



CITY OF MILPITAS

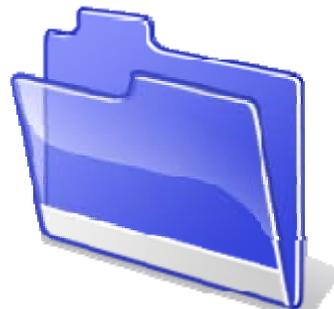
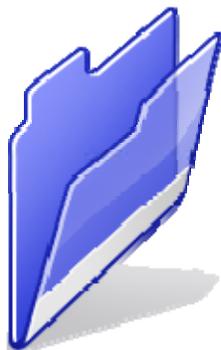
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03/06/2012

Agenda Item No. 2

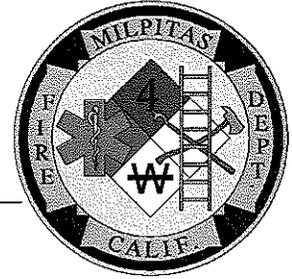


ATTACHMENTS AND/OR ADDITIONAL MATERIALS RELATED TO AGENDA ITEM AFTER AGENDA PACKET DISTRIBUTION



MEMORANDUM

Office of the Fire Chief



DATE: March 6, 2012
TO: Honorable Mayor and City Council
FROM: Brian Sturdivant, Fire Chief *BJS*
THROUGH: Tom Williams, City Manager
SUBJECT: Fire Department Cost Reduction Options

In lieu of recent decisions regarding the dissolution of RDA and the financial impacts to the City, the following are proposals for reducing fire department daily staffing and some associated cost while ensuring adequate service delivery for our community. These proposals are presented as recommendations for "rightsizing" the organization operationally and administratively. These options and considerations will be included within the Fire Budget presentation at the March 6 City Council meeting.

OPTION A:

Maintain status quo of the current operational model which maintains minimum staffing of 15 firefighters per platoon. Option A also includes:

- Elimination of 4 funded vacancies (\$720,000 savings)
- Elimination of 6 unfunded vacancies
- OT cost equal approximately 85K per vacancy or \$340,000. Department OT cost from July 1, 2011 – Jan. 31, 2012 was \$938,548. This OT cost includes 10% "working out of class" pay for Acting BC's, Captains, and Engineers, vacation, sick, FMLA and Workers Compensation coverage.

\$938,548 total OT - \$340,000 vacancy OT = \$598,548 OT (10%, vacation, sick, etc...)

\$720,000 (4 funded vacancies) - \$340,000 (vacancy OT) = **\$380,000 Savings**

OPTION B:

Daily minimum staffing would reduce from 15 and a Battalion Chief to 12 and a Battalion Chief. This level of staffing would require a "brownout" of a Milpitas Fire apparatus, but with the caveat that all Milpitas fire stations would maintain an apparatus presence to enhance geographical coverage.

This staffing model could be implemented until economic recovery factors are firmly reflected within the City of Milpitas organization. The following matrix indicates how the reduced staffing model would be managed within MFD stations:

Staffing at 12 + BC

BC 19	ENGINE 1 ALS (1)	TRUCK 1 ALS (4)	USAR 1 BLS (4)	ENGINE 2 ALS (2)	TRUCK 3 ALS (3)
BC	Captain Engineer Firefighter	Captain Engineer	Firefighter	Captain Engineer Firefighter	Captain Engineer Firefighter

This level of staffing would require a redeployment of Truck 4 as Truck 3 and Truck 1/USAR 1 as Truck 4/USAR 4. Engine 1 and Engine 2 would remain within their respective stations. Engine 3 would be browned out with Station 3 maintaining an apparatus (T3). This model would also require Truck 4 and USAR 4 to operate in tandem from Station 4, but not independently on separate calls for service. Maintaining two truck companies and our Haz Mat and advanced life support capability would remain the priority within this staffing model.

This option would involve the layoff of 3 firefighters with 6 afforded seniority based "bumping" rights and elimination of the 6 unfunded firefighter positions. City HR Rules and Regulations regarding seniority based "bumping rights" would be implemented i.e.... 3 Captains would bump back to Engineer, 3 Engineers would bump back to Firefighter, 3 Firefighters would be slated for layoff saving \$504,000. The layoff salary savings (\$504,000) and elimination of 4 funded positions (\$720,000) would account for approximately **\$1.224 mil in projected salary savings.**

Option B brownout plan could also be utilized to minimize system wide OT impacts with the redeployment of staff to address daily OT caused by accrued leave, FMLA or Workers Comp. This plan could possible realize savings upward of 250,000 annually.

Administrative Pilot Program

Additionally, the MFD "Administrative Pilot Program" has been researched and will continue to be evaluated for possible implementation. This program is based on the premise that the current fire department workload is primarily administrative in nature (70% - 80%). A 3 year trending of research reflects there are 10-12 BC calls for service per month after 5 pm, weekends and holidays (4.5% - 6.8%). This volume can be managed effectively with the Duty Chief rotation. The Fire Chief, Training Chief and Fire Marshal will assist as Command Officers/Senior Advisors when necessary within this rotation. Santa Clara County Fire Mutual and Automatic Aid agreements are also in place as response resources. This program includes the following advantages:

- Full business week staffing of Chief Officers with all Fire Battalion Chiefs assigned to a 4-10 work schedule (Monday – Thursday, or Tuesday – Friday).
- Duty Chief Rotation for coverage (After 5 PM and on weekends/holidays).
- Increased continuity and efficiency with administrative workload and processes.
- Consistent Milpitas representation at County and Regional fire service meetings (Safety, Operations, Haz Mat, FROGG, FEMA USAR TF III, etc...)
- Increased consistency with representation at City/Fire Department meetings.

Transitioning to **this administrative model would recognize approximately \$40,000 in BC backfill OT savings**. This 90-day "pilot program" will be evaluated every 30 days to determine efficacy of the program. Determinations will be made after the 90-day pilot to determine if all objectives have been met and if continuance of the program is warranted and beneficial.

Milpitas Fire Department Recommendations

Option A: \$720K (4 vacancies) - \$340K (vacancy OT) = **\$380,000 savings**

And/Or:

- Implement "brownout" of rig to eliminate daily OT cost to meet current minimum staffing mandate. **(upwards of \$250,000 savings)**
- Implement Administrative Pilot Program **(projected \$40,000 savings)**
- Seek additional savings during upcoming IAFF Local 1699 contract negotiations.

Please review the options listed above as reference material for fire department cost reduction recommendations. Feel free to contact the Office of the Fire Chief with any questions. Thank You