

# City Council Task Force Fire Department Overtime

Objective:

- Provide solutions working together to avoid layoffs while improving the cost effectiveness & fiscal position of the Fire Department.

# Milpitas Fire Department Budget & Cost Overrun Status Update

FY 12-13 Mid-Year Budget Exceeds Overtime  
Budget by 192% or \$483,311.

Overtime expended through December 31, 2012 =  
\$1,006,785 or \$18,999 per firefighter.

Projected Overtime to exceed \$2 million or \$37,992 per  
firefighter FY 12-13.

Core problem is result of minimum staffing mandate  
compounded by absenteeism.

# Milpitas Fire Department Budget & Cost Overrun Service Demands

	<u>Citywide</u>
<b>Total calls/year</b>	<b>1438</b>
<b>Less:</b>	
<b>Non-Emergency</b>	<b>474</b>
<b>Less Elmwood</b>	<b>140</b>
<b>Emergency Calls</b>	<b><u>824</u></b>
<b>Total Emergency Calls Day</b>	<b><u>2.3</u></b>
<b>Total Calls/Day per Station</b>	<b><u>0.6</u></b>

# Milpitas Fire Department

## Budget & Cost Overrun

### Firefighter Cost

Fire	FY 12-13	
	Total Salary	Salary/Comp. Per Emp.
Base Salary	\$ 6,493,612	\$ 122,521
Add In:		
Persable allowances	\$ 681,439	\$ 12,857
Fixed Allowances	\$ 89,600	\$ 1,691
<b>Sub-Total</b>	<b>\$ 7,264,651</b>	<b>\$ 137,069</b>
<b>Add in: OT YTD (6 mo.)</b>	<b>\$ 1,006,785</b>	<b>\$ 18,996</b>
Sub Total	\$ 8,271,436	\$ 156,065
<b>Add In: 2nd half yr. OT</b>	<b>\$ 1,006,785</b>	<b>\$ 18,996</b>
<i>* Does not incl. Med/ Dental/Vision/Life/Pers etc.</i>		
<b>Grand Total Salary</b>	<b>\$ 9,278,221</b>	<b>\$ 175,061</b>
Add In: Med/Dental/Vis/PERS	\$ 3,926,448	\$ 74,084
<b>Grand Total/Total Comp</b>	<b>\$ 13,204,669</b>	<b>\$ 249,145</b>

# Milpitas Fire Department Budget & Cost Overrun Proposal for Consideration

- City Council Task Force formed – find solutions to curb overtime cost.
- Held two public meetings - Friday 1/18/13 & Tuesday 1/29/13.
- Significant progress with four items recommended for consideration.
- IAFF Local 1699 E Board Agreement

# Apparatus Minimum Staffing Levels (Management Flexibility)

## 15 Firefighters (no overtime)

In service: All Apparatus Staffed

Deployment: E1, E2, E3, T4, T1, USAR1

## 14 Firefighters (1 FF on overtime)

In service: E1, E2, E3, Truck 4 – (Three firefighters' per rig.  
Four Firefighters for Truck Company Operations)

USAR1 – (One Driver/Firefighter to ensure Air Supply and  
Lighting)

Truck 1 Out of Service

# Apparatus Minimum Staffing Levels (Management Flexibility)

## 13 Firefighters (2 FF's on overtime)

E1, E2, E3, Truck 4 – (three firefighters per rig)

USAR1 – (One Driver/Firefighter to ensure Air Supply and Lighting)

Truck 1 Out of Service

## 12 Firefighters (3 FF's on overtime)

E1, E2, E3, Truck 4 – (three firefighters per rig)

Truck 1 and USAR1 Out of Service

# Milpitas Fire Department Budget & Cost Overrun Proposal for Consideration

- Solutions to Curb Overtime and Control Cost
  - No Impact to Health & Safety of Community or Employees.
  - Four Part Proposal
    1. Accept \$2.1 million grant from FEMA (Staffing for Adequate Fire and Emergency Response/SAFER)
      - Hire six firefighters for 2 years. Staffing to 59
    2. Use \$600,000 of reserves for FY 12-13. Credit OT Budget for vacant funded position - \$182,000.
    3. Allocate \$30,000/month to Overtime. IAFF Local 1699 agrees to eliminate minimum staffing mandate.
    4. Repay reserves through fire department budget reductions over 6 years.

# City Council Task Force

## Summary of Recommendations

### FY 12-13

<b>Total Overtime Projected</b>	\$	<b>1,421,789</b>
Less Budgeted OT	\$	523,484
AMT. Over Budget	\$	898,305
Reserves	\$	600,000
<b>Sub-Total</b>	\$	<b>298,305</b>
Salary Savings/Funded vacant pos	\$	182,000
<b>Sub-Total</b>	\$	<b>116,305</b>
Addl OT Savings- elim. min. staff mand. (\$30,000/mo. OT 3.5 months/\$105,000)	\$	105,000
<b>Total</b>	\$	<b>11,305</b>

# Recommendations

- Accept SAFER Grant only if IAFF Local 1699 agrees to eliminate mandatory minimum staffing provisions.
- Transfer \$600,000 from Reserves to Fire Department Budget. Recoup over six years.
- Delay Layoffs to March 19, 2013 City Council Meeting.  
(Union bylaws to ratify require 30 days)
- If IAFF Local 1699 agrees to eliminate minimum staffing provision from contract & SAFER Grant Accepted – layoffs rescinded.

- Staffing Levels
- 3 per app.
- 3 shifts ABC Platoon @ 24 hour shifts
- 5 app totals 15 per day total 45
- 53 paid personnel to cover 45 personnel
- Absenteeism totals 25% per shift
- Call in 2 to 5 personnel for OT every shift

# FY 12-13

## Original Projected General Fund Budget Shortfall (in millions)

Projected Budget Shortfall \$ 9.2

### Budget Solutions

Reorganization of Services

Outsourcing Services

Layoff Non Public Safety

Public Safety cost reduction

Program Restructuring

Use Equipment Replacement Reserve

# Unemployment Rates

	<u>Dec. 12</u>	<u>Dec 11</u>
• U.S.	7.8%	8.5%
• California	9.8%	10.9%
• Milpitas	7.7%	9.0%

Source: Bureau of Labor Statistics and CA EDD

**FY 12-13 General Fund Revenues  
Revised Projection  
December 31, 2012 (in millions)**

	<u>Budget</u>	<u>Revised Projection</u>	<u>Variance</u>
Property Tax	\$ 17.66	\$ 16.30	\$ (1.36)
Sales Tax	19.23	19.81	0.58
TOT	5.58	6.07	0.49
Franchise Fees	3.12	3.22	0.10
Bldg & Fire Permits	4.05	4.78	0.73
Charges for Svcs	5.49	5.23	(0.26)
Other Revenues	<u>2.46</u>	<u>2.66</u>	<u>0.20</u>
<b>Total</b>	<u><u>\$ 57.59</u></u>	<u><u>\$ 58.07</u></u>	<u><u>\$ 0.48</u></u>

# General Fund Expenditures December 31, 2012 Compared to Budget (in millions)

	<u>Budget</u>	<u>YTD Expenditures</u>	<u>% of Budget</u>
Salaries & Wages	\$ 49.55	\$ 25.93	52.3%
Contractual Svces Supplies, & Cap Outlay	<u>13.46</u>	<u>5.41</u>	40.2%
<b>Total</b>	<u><u>\$ 63.01</u></u>	<u><u>\$ 31.34</u></u>	49.7%

# **FY 12-13 Revised General Fund Budget Shortfall (in millions)**

<b>Projected Revenues</b>	<b>\$ 58.1</b>
<b>Other Financing Sources</b>	<b>3.7</b>
<b>Less: Projected Expenditures</b>	<b><u>(63.0)</u></b>
<b>Shortfall before Use of Equipment Replacement Reserve</b>	<b>\$ (1.2)</b>
<b>Council authorized Use of Equipment Replacement Reserve</b>	<b>\$ 1.3</b>

# Utility Revenues

## December 31, 2012

- **Water Service charges**
  - received \$11.42 million,
  - revised the whole year to be \$18.98 million,
  - \$241,000 above budget
- **Sewer Service charges**
  - received \$6.36 million,
  - projected to be \$12.2 million, right on target

# FY 13-14 Budget Key Dates

- **TBD (4/2/13)**      **Budget Study Session**
- **4/16/13**      **Review Draft CIP**
- **5/14/13**      **Budget Hearing**