

DATE ISSUED: December 4, 2003 REPORT NO. 03-252

ATTENTION: Public Safety and Neighborhood Services Committee  
Agenda of December 10, 2003

SUBJECT: Fire-Rescue Department Funding Needs

REFERENCE: City Manager's Report 03-121, dated June 11, 2003  
City Manager's Report 03-158, dated July 23, 2003  
City Manager's Report 03-181, dated September 5, 2003  
City Manager's Report 03-191, dated September 17, 2003

#### SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE OR THE CITY COUNCIL.

#### BACKGROUND

During the City Council meeting of June 9, 2003, regarding the Fiscal Year 2004 proposed budget, San Diego Fire-Rescue Department (SDFD) was directed to return to the Public Safety and Neighborhood Services Committee (PS&NS) regarding unmet funding needs. In addition, at the September 24<sup>th</sup> PS&NS meeting, SDFD was directed to return within 60 days with additional information identifying annual facilities repair and maintenance needs, and corresponding funding increases to the base budget, for fire and lifeguard facilities, as well as CIP items.

#### INTRODUCTION

During the last several years, the City Council and the City Manager have taken a number of substantive actions to support Fire-Rescue operations and programs. Bonds were approved to support a major public safety infrastructure improvement program, approvals

were given to purchase much needed emergency response apparatus, and grant matching funds were authorized which allowed the purchase of \$1.9 million in safety equipment.

However, SDFD has also shared in the funding challenges confronting the city, with budget reductions and inadequate budget increases in several areas. The appropriation for special pay has not kept up with increases in salaries and benefits negotiated with the labor organizations. Overtime funding has been reduced. Supplies and services funding has been cut to an unsustainable level. And, due to years of under funding and spending restrictions, there is a backlog of equipment purchase needs. Although, the Fire and Lifeguard Facility Improvements project addressed \$9.2 million in deferred maintenance needs, the Department continues to struggle to maintain 44 fire stations, 12 training buildings and 6 other support structures within budgeted funding allocations. Taken together these factors have created a significant gap between allocated funding and the level of funding needed to sustain current service levels. For FY 2004, SDFD estimates this gap is about \$9.4 million.

## DISCUSSION

### **Special Pay**

“Special pay” is given to employees with specified qualifications or assignments based on provisions in the Memorandums of Understanding (MOUs) with the labor organizations representing employees in SDFD. Last year, SDFD expenditures for special pay totaled over \$8 million.

Examples of the almost thirty categories of special pay include: Emergency Medical Technician (EMT); Paramedic; bilingual; Hazardous Materials Team (HIRT); Metro Arson Strike Team (MAST); river, cliff and heavy rescue; dive team; equipment repair; and mechanic certifications. EMT pay and paramedic pay make up over 80% of the total.

Most special pay is based on a percentage of salary. For example: Hazardous Materials Team and Explosive Ordnance Disposal squads pay are both 10% of salary, EMT pay is 7%, bilingual pay for firefighters is 3.5%, and most other special pays are 5%. A small amount is based on hourly rates such as bilingual pay for Municipal Employee Association (MEA) represented employees which is \$0.70 per hour.

Attachment 1 shows the history of SDFD’s special pay budget and actual expenses. As shown, although special pay obligations have increased due to negotiated improvements in salaries and special pay rates, increases in budget allocations have not kept pace. As a result, for FY 2004 it is anticipated that the deficit in special pay funding will be about \$1.8 million. And, because these are MOU mandated expenditures, there is no way that the department can unilaterally reduce or offset them.

## **Overtime**

Over 82% of Fire-Rescue overtime is used to keep emergency response positions (e.g. fire engines, fire trucks, ambulances, lifeguard stations) fully staffed at all times. The remainder is primarily used for direct support such as: emergency dispatch center staffing, MAST, HIRT, critical apparatus repair, night detail inspections, special event monitoring (some reimbursable), out of city strike team and single resource deployments (reimbursable), and training (recruit academies and in-service training).

In FY 2002, SDFD had an overtime budget of \$6.7 million which the department believes was an appropriate funding level at the time. Since then the budget has been reduced to \$6.0 million for FY 2004.

In response to general fiscal pressures, the department took, and is taking, a number of steps to reduce overtime needs. The department eliminated all “supplemental” positions, reduced the availability of “compensatory” overtime, held a “lateral” academy to increase the number of Fire Fighter/Paramedic employees, and is still working toward more timely hiring and promotions.

However, two years of salary increases have offset some of the gains made, and the department still feels that there is a funding shortfall in overtime of about \$500,000. This would still put the department’s overtime budget below FY 2002 levels. For the future, in order to maintain the appropriate funding level, the department’s overtime budget should be adjusted to reflect salary increases.

## **Supplies and Services**

SDFD’s supplies and services budget is used to:

1. Support the maintenance and repair of facilities.
2. Support the maintenance and repair of equipment and apparatus.
3. Cover MOU mandated expenses, such as for firefighter uniform reimbursements and tool allowances.
4. Support field operations through the purchase of safety supplies and paramedic liability insurance.
5. Provide for general administrative expenses, such as those for office supplies, copier supplies and inter-office mail delivery.

Attachment 2 shows how the supplies and service budget is allocated among the various categories.

Attachment 3 shows a four-year history of supplies and services funding. In FY 2003, the department worked hard to reduce expenditures to absolute minimum levels, and there is now little room to reduce expenditures any further. With \$700,000 less funding in FY 2004, at current service levels, it is anticipated that the department will exceed its current allocation early in calendar year 2004. Furthermore, this does not include

expenses deferred from prior years due to funding shortages. If these are included, the current year supplies and services budget shortfall is over \$2.6 million.

Budget reductions have already had the following direct impacts:

1. Funding for training outside of the department was eliminated.
2. Funding for firefighter health management programs was eliminated. (Includes: Hepatitis B shots, Hepatitis C testing, TB testing, flu vaccinations, respiratory fitness testing, and hazardous materials physicals.)
3. The fire simulator at the Naval Training Center was closed.
4. Funding for facilities maintenance was reduced by 30%.
5. Funding for safety supplies was reduced by 40%.
6. Equipment and vehicle maintenance continues to be under funded by over \$200,000.

### **Deferred Maintenance**

Staff conducted a complete inspection of all SDFD facilities. The cost of current repair and maintenance needs, outside of the Fire and Lifeguard Facility Improvements Project, are outlined in Attachment 4. In addition, the information requested at the September 24<sup>th</sup> PS&NS meeting is provided in Attachment 5 in 5-year increments. This table shows the Fire-Rescue facilities maintenance expenditures/budgets over the past 20 years in comparison with San Diego's population and corresponding square footage of facilities maintained during each 5-year period. The existing base budget for repair and maintenance of Lifeguard and Fire facilities would need to be increased by \$722,423 to begin to address this ongoing deferred maintenance situation. This amount is included in the \$2.6 million shortfall for supplies and services.

### **Equipment Outlay**

Examples of equipment items that need to be purchased by SDFD include:

1. Operations support equipment: ladders, hose, breathing apparatus, protective suits, chain saws and blowers.
2. Rescue equipment: jaws of life, rescue boards for lifeguards, inflatable boats and rescue saws.
3. Emergency Medical Services equipment: suction units, defibrillators, etc.
3. Support vehicles: Battalion Chief Incident command vehicles, sedans and vans.
4. Motors and pumps for lifeguard vessels.
5. MOU required fire station habitability items: stoves, refrigerators, washers and dryers.
6. Communications equipment: radios and computer aided dispatch support equipment.
7. Repair facility equipment: hydraulic lifts, tire changers and metal working machines.

Attachment 6 shows a four-year history of equipment outlay budgets and expenses. It does not include funding for new emergency response apparatus which was covered in a previous report to this committee. As shown, the FY 2004 equipment outlay budget is only \$777,000, a significant reduction from the prior three years.

It should be noted that even though the department does not feel that it has ever had satisfactory equipment funding, in each of the previous three fiscal years, expenditures were significantly less than budget. This apparent inconsistency occurred because, in those years, the department was given mid-year direction to curtail equipment purchases in order to help the City meet year-end expenditure goals. Due to the chronic under funding and the recent inability to spend up to budgeted levels, a significant backlog of equipment needs evolved. In its most recent review, SDFD concluded that current equipment purchase needs were now about \$5.3 million, which means the current year shortfall is \$4.5 million.

**Other Unfunded Needs**

At the June 9, 2003 budget review meeting, several other major unmet funding needs were identified. These included:

1. Replacing 13 year old, obsolete mobile data terminals (MDTs) with mobile data computers (MDCs) at a cost of \$4.5 million spread over two years.
2. Implementing a year-round helicopter program at a total annual cost of \$3.4 million. These costs could possibly be shared with other agencies and/or private sponsors since the goal of this program is a regional approach.
3. Replacing the lifeguard boat dock at Quivira Basin which is in danger of sinking at a cost of \$1.0 million.
4. Apparatus Replacement Program

CONCLUSIONS

Severe funding problems faced by the City have resulted in the accumulation of significant budget shortfalls for SDFD. The department cannot contain its expenditures within current allocations and maintain the current level of service. It is estimated that in FY 2004, the department needs about \$9.4 million in additional funding, allocated as follows:

Category	Budget Need
Special Pay	\$1.8 million
Overtime	.5 million
Supplies and Services	2.6 million
Equipment Outlay	4.5 million

In addition, there are other major unfunded needs which the City must address or face significant consequences, such as the replacement of MDTs, the further deterioration of the lifeguard headquarters dock at Quivira Basin, and the ongoing need to fund an

apparatus replacement program. Finally, additional funding is needed to support a year-round fire/rescue helicopter program, although the focus would be to regionalize this program with other County agencies, San Diego would still be responsible for a portion of the funding.

Unfortunately, due to the ongoing fiscal uncertainties faced by San Diego, and other cities throughout the state, it is not clear how these additional funding needs can be met at this time. However, San Diego Fire-Rescue will continue to work closely with the City Manager to develop and/or identify new options and opportunities to close the funding gap.

Respectfully submitted,

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Jeff Bowman  
Fire Chief

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P. Lamont Ewell  
Assistant City Manager

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- Attachment(s):
1. [Special Pay Budget/Expense History](#)
  2. [Allocation of Supplies and Services Budget](#)
  3. [Supplies and Services Budget/Expense History](#)
  4. [Facilities Deferred Maintenance Costs \(11/03\)](#)
  5. [Twenty Year Comparison of Population, Facilities Square Footage and Expenditures/Budget](#)
  6. [Equipment Outlay Budget/Expense History](#)