

PS COMMITTEE #1
April 26, 2010

Worksession

*Please bring your packet from the April 12 Public Safety Committee worksession on the FY11 MCFRS operating budget to the April 26 worksession. The packet is available at:
http://www.montgomerycountymd.gov/content/council/pdf/agenda/cm/2010/100412/20100412_PSI.pdf*

MEMORANDUM

April 23, 2010

TO: Public Safety Committee

FROM: *MKD*
Minna K. Davidson, Legislative Analyst

SUBJECT: **Worksession: FY11 Operating Budget
Montgomery County Fire and Rescue Service (MCFRS)
(continued)**

Those expected for this worksession:

Richard Bowers, Fire Chief, Montgomery County Fire and Rescue Service (MCFRS)
Steve Lohr, Division Chief, Administrative Services, MCFRS
Dominic Del Pozzo, Manager III, Budget Section, MCFRS
Blaise DeFazio, Management and Budget Specialist, OMB

PS Committee April 12 Review

The Public Safety Committee began its review of the FY11 MCFRS operating budget on April 12. At that time, the Committee completed a preliminary review of Issues 1-5 (through memo page 13) and Issue #19, Risk Management Adjustment, on page 21. **The Committee will need to continue its review beginning with Issue #6 on page 13.**

Committee Follow-up Requests

During its review, the Committee discussed with the Fire Chief and the Chief of the Risk Management Division the reasons for the \$3.7 million increase in the MCFRS

contribution to the Risk Management Fund. The Committee requested that Executive staff provide written responses to several follow up questions.

In the context of the Executive’s proposed service reductions, the Committee also discussed the County’s agreement to provide non-emergency transports between the Germantown Emergency Center and Shady Grove Hospital. The Committee requested additional information related to those transports as well. The Committee’s follow-up questions are attached on © 1-2. Council staff had not received responses from Executive staff at the time this packet went to print. Council staff will distribute the responses as soon as they are available.

The Committee asked that the Fire and Emergency Services Commission be invited to comment on the Executive’s recommended MCFRS budget. The Commission has scheduled a special meeting to discuss the budget on April 28, and should be able to provide comments before the Committee’s final review of the MCFRS budget on May 3.

At the Committee Chair’s request, Council staff also offered the MCVFRA and the IAFF an opportunity to provide comments on the MCFRS budget. Council staff has not received comments from either organization to date.

Executive’s April 22 Budget Adjustments

On April 22, the Executive provided several budget adjustments to address an additional shortfall in the FY10 and FY11 budgets. The adjustments for MCFRS, totaling almost -\$2 million, are listed in the table below. Brief descriptions from the Executive’s transmittal are attached on © 3.

Item	\$
Delay Master Lease Payments for Ambulances and Tanker	-371,530
Defer MCVFRA contract increases	-389,910
Abolish Community Risk Reduction Division Chief position	-193,160
Lapse Apparatus Manager and Lieutenant positions	-237,370
Furlough Public Safety Managers	-98,840
Delay May 2011 Recruit Class until FY12	-671,150
Total	-1,961,960

Given the short time to review these changes, Council staff suggests that the Committee discuss them on a preliminary basis and identify any additional information that may be needed before the Committee makes its final recommendations on the MCFRS budget on May 3.

Additional Information on Overtime and Personnel Costs

Personnel Costs: MCFRS staff has provided the following table to indicate how budgeted and actual overtime relate to overall Personnel Costs for MCFRS.

	FY07 Budget	FY07 Actual	FY08 Budget	FY08 Actual	FY09 Budget	FY09 Actual	FY10 Budget	FY10 Estimated	FY11 CE Rec
Salaries & Wages	89,795	80,491	88,465	87,643	93,855	92,166	93,989	92,980	89,310
Overtime	5,899	15,277	11,743	15,245	9,515	12,613	10,890	13,000	9,494
Holiday Pay	4,642	3,334	4,853	3,274	5,245	4,125	3,800	3,350	3,580
Social Security	7,110	6,781	7,669	7,225	8,053	7,517	8,112	7,700	7,649
Group Insurance	12,104	12,017	11,923	13,163	14,923	13,182	15,103	13,400	14,938
Retirement	34,719	31,997	36,698	33,387	33,360	31,056	31,919	31,500	31,328
Total	154,269	149,897	161,351	159,937	164,951	160,659	163,813	161,930	156,299

For several years, MCFRS had overages in overtime, but did not exceed their overall Personnel Costs because there were surpluses in other categories. Over the past few years, MCFRS has tried to adjust the funding in the categories to more accurately reflect actual expenditure patterns. Last year, MCFRS decreased the Holiday Pay and Retirement categories and increased overtime to more accurately reflect actual spending patterns. **The Committee may want to ask MCFRS staff whether any further adjustments should be made to any of the Personnel Cost categories.**

Overtime: While MCFRS has made significant efforts to reduce the both the amount and cost of overtime, the table above indicates that MCFRS has exceeded its overtime budget in each prior year. MCFRS is projected to exceed its overtime budget by about \$2.1 million, or 19%, for FY10.

A table comparing overtime use from FY08 to FY10 year to date is attached on © 4. Although there is a significant decline in overtime hours and costs between FY08 and FY09, the hours and costs appear to be going back up in FY10. Some of the additional cost for FY10 is due to the February snowstorm response, but that does not account for all of the increase. **The Committee may want to ask MCFRS staff to discuss the measures that have been taken to reduce overtime costs, and the reasons why MCFRS is projected to exceed its overtime budget in FY10.**

FY11 MCFRS Operating Budget

Follow up Questions

Please provide responses by close of business on Tuesday, April 20.

Risk Management

(To be completed by Risk Management with input from MCFRS.)

1. What are the reasons for the \$3.7 million increase in the MCFRS Risk Management contribution for FY11?
2. To what extent is this increase related to changes in County policies (for example, expanding the presumptions for fire/rescue disability), and how much is it related to policies or practices by others?
3. Are the factors that are causing the MCFRS Risk Management contribution to increase one-time events or a trend?
4. What is the overall increase for the County's Risk Management contribution in FY11? What percentage of the overall increase is attributable to MCFRS?
5. How much does MCFRS pay into the Risk Management Fund, and how much is paid out for MCFRS claims?
6. What would happen if the County does not fund the full amount of the MCFRS Risk Management contribution in FY11?
7. Please provide a breakout of MCFRS workplace injuries and other causes for claims (illness) over the past five years. Please provide actual numbers of incidents and the rate of increase for each type. Please include a breakout of operational vs. non-operational injuries. Committee members want to understand the nature of accidents and illnesses that result in claims, and the trend line.
8. How does the information in the question above compare with similar information from other jurisdictions?
9. What steps are being taken to reduce the number of injuries in MCFRS?

GEC Transports

(To be completed by MCFRS.)

1. Does Shady Grove Adventist Hospital charge for non-emergency transports between the Germantown Emergency Center (GEC) and the hospital? If so, how much do they charge?
2. Could the hospital hire its own staff and buy its own ambulances to provide non-emergency transports between the GEC and the hospital?
3. What was the basis for determining that the reimbursement for MCFRS non-emergency transports should be \$360,000 per year?
4. What is the reimbursement rate per transport?
5. How does this amount compare with market rates for private ambulance non-emergency transports?

DOT-Transit Services

REDUCE: RIDE ON SERVICE	-756,000
The additional \$671,000 in Ride On service reductions is comprised primarily of reductions to service frequency: 16 weekday routes and 3 Saturday routes. In addition, on the route 30 (Medical Center to Bethesda via Pooks Hill) midday service would be eliminated, leaving only peak period service. On the route 33 (Glenmont to Bethesda), the southern portion of the route (Medical Center to Bethesda) would be eliminated.	
INCREASE COST: ENERGY TAX INCREASE	6,980
DECREASE COST: ABOLISH TRANSIT SUPERVISOR	-100,040
Abolish vacant supervisor in Silver Spring.	
DECREASE COST: STAFF FRIENDSHIP HEIGHTS FARE MEDIA STORE WITH TRANSIT AIDES	-50,000
The two Public Administration Aides Transit has for media sales, complaint management and walk ups will move to the Friendship Heights store and respond from there and replace the temporary staff (\$50K).	
DECREASE COST: INCREASE LAPSE	-190,190
Hold position vacancies open for a longer period of time	
ELIMINATE: SILVER SPRING SUPER FARE SHARE	-155,000
Eliminate employer based fare subsidy program in Silver Spring	

Fire and Rescue Service

DECREASE COST: DELAY MASTER LEASE PAYMENTS FOR AMBULANCES AND A TANKER	-371,530
Master lease payments for the tanker will not be needed until FY12 (savings of \$121,530) and only one payment will be needed for 14 replacement ambulances in FY11 (savings of \$588,103).	
DECREASE COST: MONTGOMERY COUNTY VOLUNTEER FIRE AND RESCUE ASSOCIATION CONTRACT INCREASES	-389,910
The Executive recommends deferring funding for increases in the contract with the MCVFRA including the following: \$40,000 for a new vehicle for Association business; \$233,350 for leather turn-out boots for active members on the IECS (874); \$39,330 for gear bags for active members on the IECS (874); and \$77,230 for an increase in the nominal fee.	
ELIMINATE: ABOLISH THE COMMUNITY RISK REDUCTION SERVICES DIVISION CHIEF	-193,160
MCFRS will now operate with four divisions and the sections under Community Risk Reduction Services will be moved to other divisions within the department.	
DECREASE COST: LAPSE THE APPARATUS MANAGER POSITION AND A LIEUTENANT POSITION	-237,370
DECREASE COST: FURLOUGH PUBLIC SAFETY MANAGERS	-98,840
The Executive recommends expanding the 80 hour furlough to public safety managers including the Fire Chief, Division Chiefs, and Assistant Chiefs.	
DECREASE COST: DELAY MAY 2011 RECRUIT CLASS UNTIL FY12	-671,150
The Executive recommends delaying the May 2011 recruit class until July 2011.	

Health and Human Services

Comparison of Overtime Use by Category FY08-FY10

Overtime Category	FY08 Year-End		FY09 Year-End		FY10 YTD*	
	Hours	\$	Hours	\$	Hours	\$
Field Operations	179,611	8,041,106	139,046	6,513,005	125,866	5,899,614
PSTA	47,197	2,294,147	51,639	2,596,220	32,035	1,678,720
Emergency Communications Center	14,182	773,181	15,484	862,525	13,859	797,793
Code Enforcement	10,380	598,310	11,197	668,770	8,191	512,237
Unreported or Grant funded	0	0	8,863	388,081	9,116	421,983
General - <i>Snowstorms 2010</i>	0	0	0	0	7,290	357,432
Fire and Explosive Investigations	9,899	622,350	6,762	427,443	3,997	263,420
Program	7,073	303,710	5,607	252,275	2,826	123,535
Wellness, Safety, Training	7,130	383,921	3,741	218,849	2,785	161,254
Administrative Services	9,871	431,482	4,421	197,494	2,639	116,546
Electronic Timesheet Reporting	0	0	623	38,217	1,174	71,043
General	2,356	131,177	1,185	66,190	1,140	67,197
Apparatus	3,472	165,966	3,168	167,999	1,119	59,535
Special Detail or Event	4,919	230,764	487	25,407	632	34,920
Special Operations	3,696	183,857	915	49,536	619	34,010
Volunteer Services	461	22,268	522	26,949	186	10,248
Community Outreach	1,882	101,709	534	35,971	151	10,444
Office of the Fire Chief	610	29,579	225	13,272	121	5,843
Recruiting	2,191	97,213	199	9,416	53	2,002
Inauguration 2009	0	0	935	55,038	0	0
Total	304,930	14,410,740	255,553	12,612,657	213,799	10,627,776
*FY10 Overtime through March 27, 2010						

ADDENDUM
PS COMMITTEE #1
April 26, 2010

MEMORANDUM

April 23, 2010

TO: Public Safety Committee
FROM: Minna K. Davidson, Legislative Analyst *MKD*
SUBJECT: **Worksession: FY11 Operating Budget**
Montgomery County Fire and Rescue Service (MCFRS)
(continued)

The following materials are attached:

	<u>circle #</u>
Executive staff responses to the PS Committee's follow up questions	1
Comments on the MCFRS budget from IAFF Local 1664	8

MEMORANDUM

April 20, 2010

Listed below in the order asked, are responses to the public Safety Committee questions from the budget review session for Fire and Rescue Services held on Monday, April 12, 2010.

1. What are the reasons for the \$3.7 million increase in the MCFRS Risk Management contribution for FY11? [Risk Management]

There are two reasons for the increase in contributions for MCFRS for FY11 – adverse claims experience and to share in the cost of restoring fund balance of the Self Insurance Fund (SIF) to policy level.

The contribution for claims is established by an annual actuarial study. Since FY06, the pure loss contribution for MCFRS has increased by 27%. Of the \$3.7 million increase in FY11, \$2.0 million is due to claims experience. The balance of \$1.7 is the contribution for the first year of a 3-year restoration of fund balance.

2. To what extent is this increase related to changes in County policies (for example, expanding the presumption for fire/rescue disability), and how much is it related to policies or practices by others? [Fire/Rescue]

The increase is not related to the presumptive illnesses listed in the County's disability retirement law. Those presumptions are for disability retirement, not workers' compensation. Similarly, the policies and practices of others do not affect the increase.

3 Are the factors that are causing the MCFRS Risk Management contribution to increase one-time events or a trend? [Risk Management]

The number of workers' compensation claims resulting in lost time from work (the most expensive claims), are trending higher due to an increase in incident activity and increasing number of career employees and volunteer members.

<u>Year</u>	<u># LT Claims</u>
FY06	180
FY07	221
FY08	188
FY09	233
FY10 (projected)	216

4. What is the overall increase for the County's Risk Management contribution in FY11? What percentage of the overall increase is attributable to MCFRS? [Risk Management]

The County's portion of the \$14.2 million recommended increase in the contribution to the SIF is \$9.5 million. MCFRS' share of the \$9.5 million is \$3.7 million, or 39%.

5. How much does MCFRS pay into the Risk Management Fund, and how much is paid out for MCFRS claims? [Risk Management]

The Risk Management program is funded by contributions of all participating agencies. All costs are allocated to departments and agencies based on their claims experience. In addition to actual claims payments, allocated costs include contract services, taxes and fees assessed by the State, operating expenses of the Division of Risk Management including payroll, and a chargeback for County Attorney litigation support.

Projections of claims costs are set through an actuarial study. Costs for each fiscal year must be projected on an accrual basis in compliance with GASB Statement 10.

For example, in FY08, the MCFRS portion of the SIF budget was \$8.7 million. \$5.6 million was paid out in claims in that one year (for all claims, all years). The Actuarial study projected \$7.2 million for claims in FY08. The \$1.6 million difference (\$7.2M less \$5.6M) was set aside in the SIF reserves to pay the future exposure for claims incurred in FY08. By the time all claims are closed for FY08, it will cost \$7.2 million.

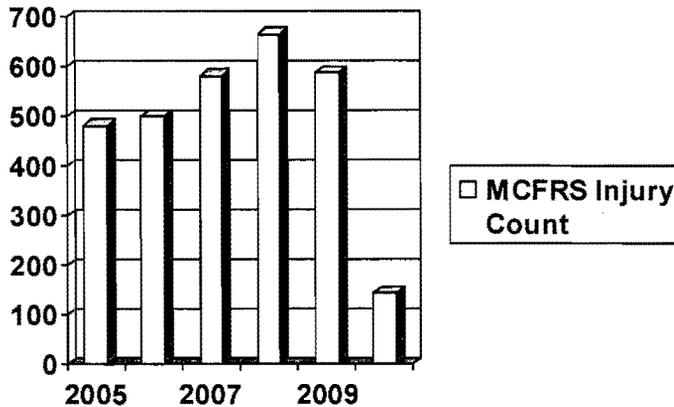
6. What would happen if the County does not fund the full amount of the MCFRS Risk Management Contribution in FY11? [Risk Management]

It is projected that at the end of FY10, the SIF fund balance will be (\$6.8 million). MCFRS represents about 20 percent of the entire program. Reserves attributable to MCFRS will be (\$1.36 million). Since the actuary uses a 50 percent confidence level, it means that there is less than a 50 percent chance that the SIF will have sufficient reserves to pay claims that come due.

7. Please provide a breakout of MCFRS workplace injuries and other causes for claims (illness) over the past five years. Please provide actual numbers of incidents and the rate of increase for each type. Please include a breakout of operational vs. non-operational injuries. Committee members want to understand the nature of accidents and illness that result in claims, and the trend line.

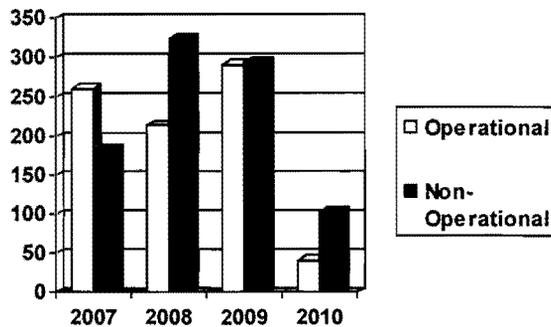
MCFRS Injuries 2005 - 2010

2005 – 482 Injuries 17% decrease
2006 – 501 Injuries 4% increase
2007 – 582 Injuries 16% increase
2008 – 538 Injuries 13% increase
2009 – 587 Injuries 10% decrease
2010 – 144 Injuries as of 3/31/2010



MCFRS Operational vs. Non-operational Injuries

- 2007 – 262 operational injuries & 184 non-operational injuries
- 2008 – 215 operational injuries & 323 non-operational injuries
- 2009 – 292 operational injuries & 295 non-operational injuries
- 2010 – 41 operational injuries & 103 non-operational injuries



***Data prior to 2007 was not captured.**

**MCFRS Frequently Occurring Injuries By Nature and Rate of Increase/Decrease
2005 -2010 (all injuries are listed with the rate for each in the attached documents)**

Sprain Strains

<u>Year</u>	<u>Total</u>	<u>% Increase/Decrease</u>
2005	173	
2006	242	39% increase
2007	228	5% decrease
2008	235	3% increase
2009	210	10% decrease
2010	63*	

*Data as of 3/31/2010

Contagious/Infectious Disease

<u>Year</u>	<u>Total</u>	<u>% Increase/Decrease</u>
2005	60	
2006	43	28% decrease
2007	24	44% decrease
2008	71	66% increase
2009	38	46% decrease
2010	4*	

*Data as of 3/31/2010

Bruise/Contusions

<u>Year</u>	<u>Total</u>	<u>% Increase/Decrease</u>
2005	43	
2006	46	6% increase
2007	65	29% increase
2008	66	1% increase
2009	72	8% decrease
2010	14*	

*Data as of 3/31/2010

Cuts/scratches/lacerations

<u>Year</u>	<u>Total</u>	<u>% Increase/Decrease</u>
2005	39	
2006	27	30% decrease
2007	44	38% increase
2008	35	20% decrease
2009	41	17% increase
2010	6*	

*Data as of 3/31/2010

Other

<u>Year</u>	<u>Total</u>	<u>% Increase/Decrease</u>
2005	60	
2006	72	16% increase
2007	39	45% decrease
2008	14	64% decrease
2009	13	7% decrease
2010	3*	

*Data as of 3/31/2010

+ Above data is from MCFRS Risk Map Program and only reflects career personnel.

8. How does the information in the question above compare with similar information from other jurisdictions?

MCFRS has requested this information from similar fire departments in Maryland.

Jurisdiction	Employee Number	L/T Cases	% of Emp.
Montgomery County, Md.	1274	232	18.21%
Prince George's, Md.	704	119	16.90%

9. What steps are being taken to reduce the number of injuries in MCFRS?

MCFRS met with County Risk Management and a safety consultant from Loss Control Innovations (LCI) to discuss and update the Safety and Health Program Assessment that was conducted in 2006.

The MCFRS Joint Health & Safety Committee (MCFRS Management & IAFF Local 1664) meets on a quarterly basis or more frequently as required, and has discussed the injury situation.

The MCFRS Safety Section has reached out to other fire departments in the National Capital Region for injury statistics and information on sprain/strain reduction programs and overall injury reduction programs.

The MCFRS Safety Section is in the planning stages for an annual injury reduction program (IAFF/IAFC Health, Safety and Survival Week). We will be working with the Fire Rescue Occupational Medical Section (FROMS), Training Section and Joint Health and Safety Committee to develop and implement sprain/strain injury reduction training based on the IAFF Guide to Injury Prevention, specifically as it relates to injuries incurred during EMS activities. Injury prevention training will be infused into the current EMT training program focusing on areas such as proper lifting techniques. The same training on lifting techniques will be given throughout the remaining MCFRS as well.

All career staff injuries are investigated and reported by the on-duty Battalion Chief where the employee is working or by the on-duty Safety Officer.

The MCFRS Safety Section does quality assurance and data analysis reviews of injuries and trends. FROMS provides injury case management for injured employees.

GEC Transports

- 1. Does Shady Grove Adventist Hospital charge for non-emergency transports between the Germantown Emergency Center (GEC) and the hospital? If so, how much do they charge?**

No, they are not allowed to charge for an inter-facility transport as the facilities are considered to be the same. This was agreed upon when the GEC first opened.

- 2. Could the hospital hire its own staff and buy its own ambulances to provide non-emergency transports between the GEC and the hospital?**

The GEC attempted to contract with a private company to handle the transports when they first went on line. It was reported to the MCFRS that they had difficulty finding a company that could meet the time constraints terms and conditions placed on them by the Department of Health and Mental Hygiene (DHMH).

- 3. What was the basis for determining that the reimbursement for MCFRS non-emergency transports should be \$360,000 per year?**

The original negotiation price was based on the cost of running a BLS unit 24/7 with overtime dollars. Chief Carr desired to provide an overall increase in EMS transport capacity for the area. The money was used to place a flex unit in service in the Germantown-Gaithersburg corridor where EMS demand is unusually high.

4. What is the reimbursement rate per transport?

The GEC pays \$360,000 per year, which equals \$90,000 per quarter. During the first quarter of CY10, MCFRS completed 507 transports. This equaled \$177.50 per transport. This amount approximates the per transport cost last year as the number of transports have not significantly changed over time. The recently negotiated Adventist MOU requires additional compensation equal to the one time cost of a new BLS transport ambulance. This amount should be considered when calculating the per transport rate in the future.

5. How does this amount compare with market rates for private ambulance non-emergency transports?

The MCFRS was unable to determine the answer to this question within the established timelines for completion. Staff will gather that information this week and forward it when available.



LOCAL 1664

Montgomery County Career Fire Fighters Ass'n., Inc.

Councilmember Phil Andrews
Chair, Public Safety Committee
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

April 23, 2010

Dear Councilmember Andrews,

At the request of the Chair of the Public Safety Committee, we are providing to you our organizations comments on the County Executive's recommended FY11 operating budget for the Montgomery County Fire and Rescue Service.

Outside of our contractual agreements with the County Executive, which currently he discards with disdain, even our "concessions" seem to be viewed as an "airborne disease" a year after the County Executive and the County Council gave their approval, our most important issue is, the continued funding of four person staffing.

As you know, four person staffing provides for increased safety to fire fighters as well as to the citizens of Montgomery County.

Research shows that with four person crews you can complete the same number of fire-ground tasks, on average, 5.1 minutes faster than with three person crews. That's a 25% reduction in time. You can get water on the fire quicker, you can complete laddering and ventilation of the structure quicker and you can complete a primary search and rescue for trapped occupants quicker.

The smaller the crews the more dangerous the job is. This is due to the increase in workload. The stress of fire fighting keeps heart rates elevated beyond the maximum heart rate for the duration of a fire response, and so the higher heart rates are maintained longer for smaller work crews thereby subjecting these fire fighters to a greater risk of sudden cardiac events such as heart attacks.

Four person staffing is essential to the safety and health of our fire fighters. It is more important to staff the units properly than it is to have more units. Quality over quantity!

Councilmember Phil Andrews
Four Person Staffing
Page 2

We are opposed to the County Executive's recommendation to reduce field overtime by "capping" overtime when leave use exceeds the daily threshold. If implemented the citizens of Montgomery County would be subject to "rolling brown out's". This means that on a rotating basis EMS or fire units would not be dispatched to an emergency call because of a lack of staffing. This in Montgomery County! Baltimore City maybe, but Montgomery County!

The County Council keeps canceling recruit classes and continues to reduce the Department's overtime budget. That's like hitting yourself in the head with a hammer and complaining that it hurts. It just doesn't make any sense.

In closing, we would like to state we are against de-staffing Hyattstown A709 and Hillandale Truck 12. However, as we mentioned earlier, if by staffing these units you would reduce four person staffing elsewhere, then we would rather see A709 and Truck 12 de-staffed.

Additionally, we support the Medical Transport Fee and note that the objections to the fee that its naysayers proclaim are baseless and full of fiction. The County Council has let \$80 million dollars of revenue slip through your hands over the last 6 years. Even in these darkest of times you still debate on whether or not to approve the fee. Shame on you.

Thank you for the opportunity to submit our comments.

Best regards,



John J. Sparks,
President

cc: County Councilmembers
File