

PS COMMITTEE #3
January 26, 2012
Worksession

MEMORANDUM

January 24, 2012

TO: Public Safety Committee

FROM: Essie McGuire, Senior Legislative Analyst 

SUBJECT: **Worksession – Staffing Issues in the Montgomery County Fire and Rescue Service**

Today the Public Safety Committee will discuss structural and budgetary staffing issues in the Montgomery County Fire and Rescue Service (MCFRS). The following individuals are expected to participate in today's discussion:

- Fire Chief Richard Bowers
- Division Chief Alan Hinde, Division of Volunteer Services, MCFRS
- Division Chief Steve Lohr, Division of Operations, MCFRS
- Dominic Del Pozzo, Budget Manager, MCFRS
- Blaise DeFazio, Office of Management and Budget

MCFRS staffing and overtime expenditures have been the subject of much review in recent months. In its operating budget discussions last spring, the Committee expressed its intent to further review staffing issues and their impact on overtime and the operating budget. CountyStat has conducted several reviews this fiscal year examining MCFRS overtime (along with other County departments' overtime), and the Public Safety Committee met jointly with the Government Operations and Fiscal Policy Committee in October to discuss overtime as a cross-departmental issue.

Today's discussion will focus on some of the key factors that affect MCFRS staffing and overtime as background and context for upcoming FY13 operating budget discussions.

STAFFING ASSUMPTIONS

The staffing analyses in this packet relate primarily to uniformed first responder positions and work within the currently approved minimum service structure. The approved minimum staffing level of emergency first response for MCFRS is 270 "seats", which is the number of field operations positions that must be filled 24/7 to provide the currently approved level of

service. The number of career personnel required to fill this minimum decreases to 238 on nights and weekends as the other 32 seats are filled with volunteer staffing.

The 270 total has remained relatively steady in the last few years, and reflects both increases in staffing (such as for new FS #22 in FY09 and FS #34 in FY10) and service reductions taken for budget savings (such as destaffing T712 and A709 in FY10). Other recent staffing increases include the initiative to add four-person staffing which was begun in phases in FY07-09. This initiative used Federal SAFER grant funding to add ALS (paramedic) engine capacity in FY07-09. Since then, no existing engines have been increased to ALS capacity. New services (such as the two new fire stations in FY09-10) are staffed with the ALS engine model of service. Council staff understands that approximately 70% of the County's engines are staffed as ALS engines.

OVERVIEW OF OVERTIME/PERSONNEL BUDGET TRENDS

For its December worksession, CountyStat prepared an overview of MCFRS personnel expenditures from FY08-FY12, attached at circles 1-5. Council staff highlights the following:

- The overtime budget has fluctuated between \$9-12 million in this time period, while overtime expenditures have ranged from \$12-15 million.
- The lapse target has increased from \$2.8 million in FY08 to \$5.3 million in FY12.
- MCFRS exceeded its overtime budget in each of these years, and exceeded its overall personnel budget in FY10 and FY11.
- Circle 2 shows some of the personnel related budget reductions taken in FY10 and 11. To meet budget savings goals MCFRS has taken specific reductions, such as reducing the EMS flex units and EMS duty officer coverage, and general reductions in overtime and lapse. Since the core service has remained at the 270 total identified above, field operations remains a major driver of overtime spending even with efforts to reduce service related overtime.
- Circle 3 illustrates that while overtime is a significant cost element, it is a very small percent (approximately 7%) of the total personnel expenditures in the MCFRS operating budget.
- MCFRS is likely to exceed its overtime budget again in FY12, for some of the reasons outlined by CountyStat on circle 4. As circle 1 shows, the FY12 budget for overtime increased by \$1 million between FY11 and FY12, but still remains lower at \$10 million than the least amount spent in the last four fiscal years.
- CountyStat has monitored over time the percent of salary any given employee earns through overtime pay and a goal to make it more likely that higher numbers of overtime hours are earned by lower paid employees. Circle 5 shows that MCFRS has met these goals, showing overall low numbers of employees earning high percents of their salaries, and filling overtime with lower paid employees to the extent possible.
- In some cases, it may be unavoidable to have individuals earning a high percent of salary on overtime. Examples include employees with several skill sets or certifications that can fill multiple staffing needs, as well as employees who volunteer for overtime. As a rule, MCFRS prefers to avoid forced overtime if volunteers are available.

COLLECTIVE BARGAINING AGREEMENT

The Collective Bargaining Agreement with the IAFF contains a number of provisions related to scheduling and overtime assignments. While MCFRS does work to contain overtime costs where possible, the agreement requires overtime decisions to be based on several factors. These include seniority, location of overtime in a station or battalion, relationship to Kelly days and other shifts, and what ranks are eligible to fill certain slots. The agreement also specifies that a certain number of vacation and casual leave slots must be available for approval on a daily basis even before other kinds of unexpected leave, primarily sick leave, are factored in.

In response to Council staff's request, MCFRS identified recent changes to the agreement that affect leave and overtime. These include:

- In 2010:
 - personnel were granted two personal days (48 hours) annually;
 - those at the top of their grade were given a one-time credit of 72 hours of compensatory time;
 - unused sick leave of separated personnel could be credited to the sick leave donation bank; and
 - personnel were allowed to earn compensatory time in lieu of overtime.
- In 2011:
 - personnel received a one-time credit of 48 hours of compensatory time;
 - personnel were allowed to incur four incidents of sick leave without medical documentation (an increase from three);
 - additional training was mandated for Critical Incident Stress Team members;
 - leave was granted for organ donors; and
 - administrative leave was granted for those returning from a military deployment.

While it is difficult to quantify the total impact on overtime of the scheduling provisions and the additional leave, it is important to note that scheduling and overtime decisions take place within this context.

STRUCTURAL STAFFING ISSUES

1. Net Annual Work Hours Analysis

In 2007, the Office of Legislative Oversight (OLO) conducted a Net Annual Work Hours Analysis for MCFRS (Report 2007-8). Since a single fire and rescue staffing slot requires coverage 24 hours a day, 365 days a year, multiple personnel are required to cover each first responder slot. The purpose of the OLO report was to quantify the number of personnel needed to provide this coverage.

OLO identified that each first responder slot requires on average 4.58 personnel workyears. Three individuals fill the three scheduled shifts, with a relief factor of 1.5 workyears to cover leave and other hours that an individual is not available for work. Available work hours and thus the required relief factor vary somewhat according to rank and whether a slot requires a paramedic.

On circle 6, MCFRS prepared a chart that displays by rank the number of required 24/7 slots, the personnel complement that would be required with a full relief factor, and the actual FY12 authorized (not filled) personnel complement. **This analysis shows that MCFRS is short a total of 108 positions to fully cover all 24/7 slots.**

It is not practical to fund enough personnel to fully cover all slots and a full relief factor. This is the practical benefit of overtime, which in general is less costly than hiring a new employee, largely due to the cost of employee benefits (particularly in public safety). The difference between the full relief staffing and the authorized personnel complement points to a significant driver of overtime, namely that existing employees will have to fill in on overtime when other employees are unavailable to work for leave, training, or other reasons.

Council staff notes that this identified relief shortage is based on a full authorized complement. As such, it does not take into account how many authorized positions may be vacant at any given time, which in turn is another factor that affects overtime.

There are many intersecting factors that affect staffing patterns, and as a result this position shortage is not a one-to-one correlation with the overtime budget. **However, the number of positions short of ideal staffing does yield a picture of the structural gaps in MCFRS staffing relative to its authorized first response positions. It also begins to point to the order of magnitude of personnel costs, regular or overtime, needed to provide the authorized level of service.**

2. Deferred Retirement Option Plan (DROP)

Another structural factor affecting MCFRS staffing in the near future is the impact of the DROP program. Firefighters can participate in a DROP plan for up to three years before they retire. Once in the program, an employee can leave at any time during the three years but cannot stay past the three year exit date. During DROP participation, a firefighter’s pension benefit is paid into an individual account while the firefighter continues to work for MCFRS. When the firefighter retires and leaves the DROP plan, the firefighter receives the account balance, either as a lump sum payment or rolled over into a tax-deferred retirement account.

The table below shows the numbers of personnel exiting by rank over the next three calendar years, for a total of 112 planned DROP retirements by the end of calendar year 2014.

Rank	(remaining)		
	CY12	CY13	CY14
Firefighter	8	6	8
Master FF	6	11	23
Lieutenant		4	4
Captain	3	10	15
Battalion Chief		3	4
Assistant Chief	1	2	2
Division Chief	1		1
Totals	19	36	57

Council staff notes that the ranks with the highest DROP participants are also the ranks with some of the highest position shortages according to the relief factor comparison (circle 6), specifically the ranks of Master Firefighter and Captain.

These retirements raise the issue of succession planning and internal growth within the service to train and promote personnel to fill the needed ranks. Given that the Master Firefighter and Captain ranks are already short and projected to see even further position vacancies, the Committee may want to discuss with the Chief what options he sees to address these internal needs.

3. Attrition Chart

MCFRS provided the latest attrition chart on circle 7 showing the current and projected vacancies compared to the authorized complement. This chart shows that MCFRS is currently operating well below complement. The projected shortages in FY13 and FY14 reflect normal attrition combined with the DROP numbers above and the anticipated service increase of new Fire Station #32 in FY14.

The last fully funded recruit class was funded in FY09, which provided one 45 person recruit class at a total cost of \$3 million. (A 12 person recruit class associated with the 2009 SAFER grant was conducted in FY10.) Both the FY10 and FY11 budgets included funds for recruit classes which were reduced for savings and not implemented.

For FY12, the Council approved two abbreviated 30-person recruit classes which rely on candidates with certain pre-existing certifications. The attrition chart shows the impact of these classes which will bring new personnel to the field toward the end of FY12 and the very beginning of FY13. Even with these two classes, MCFRS will still have vacancies within its approved positions.

It will be important to begin to resume regular recruit classes both to catch up with existing vacancies and service reductions and to meet the upcoming attrition, the impact of the DROP, and the opening of FS #32.

COUNCIL STAFF COMMENTS

The past few years of fiscal difficulties have required many difficult decisions and personnel budget reductions across all County departments. Rebalancing the resulting structural gaps will take time, particularly given the persistence of constrained resources. These problems are exacerbated in a public safety environment where 24/7 emergency response has to be sustained.

As the Executive and Council work through upcoming operating budget deliberations, some threshold questions will have to be addressed regarding what resources can be available to provide what level of fire and rescue services.

In addition to the imminent budget decisions, it may be useful to identify what measures would be necessary in the next few years to address MCFRS' structural staffing issues. These include how many recruit classes will be necessary to maintain the complement, internal succession and promotion needs, and how volunteers can continue to support and augment emergency service delivery.

The OLO report recommended that the net annual work hours analysis be conducted every three years. It may be useful to see whether the analysis could be completed in the upcoming year to refine the relief factor and determine whether available work hours have changed significantly since 2007.

f:\mcguire\2012\frs staffing comm pckt 112.doc

Overview of FRS Personnel Costs

Total personnel costs include salaries, benefit, retirement, and social security costs.

Personnel Lapse	Total Personnel					Overtime (Within Total Personnel)			
	Budget	Actual	Difference	% Difference	Budget	Actual	Difference	% Difference	
FY2008	(\$2,845)	\$161,351	\$159,937	-\$1,414	-0.88%	\$12,092	\$15,244	\$3,152	26%
FY2009	(\$2,845)	\$164,950	\$160,658	-\$4,292	-2.60%	\$9,925	\$12,612	\$2,687	27%
FY2010	(\$3,405)	\$163,812	\$164,295	\$483	0.29%	\$11,254	\$13,795	\$2,541	23%
FY2011*	(\$3,475)	\$151,455*	\$157,971	\$6,516	4.30%	\$9,392	\$14,444	\$5,052	53%
FY2012	(\$5,285)	\$150,351				\$10,399			

	FY08	FY09	FY10	FY11	FY12
MCFRS Workyears	1,334.70	1,353.00	1,351.20	1,235.00	1,243.00
Increase/Decrease		18.30	-1.80	-116.20	8.00

In FY08 and FY09, FRS was exceeded their overtime budget, but met their total personnel budget. In FY10 and FY11, FRS exceeded their personnel and overtime budgets.

*FRS budgeted in a revised manner than in prior year.

Personnel Lapse: Negative amount budgeted for assumed savings resulting from turnover in staff.

Figures are shown in thousands, Shown: \$2,845, Actual : \$2,845,000. Data from OMB.



①

FRS Personnel Budget Reductions

To reduce expenditures, FRS approved the following major cost reduction tasks from FY10 to FY12. CountyStat asked OMB and FRS to for an update on the status of each task.

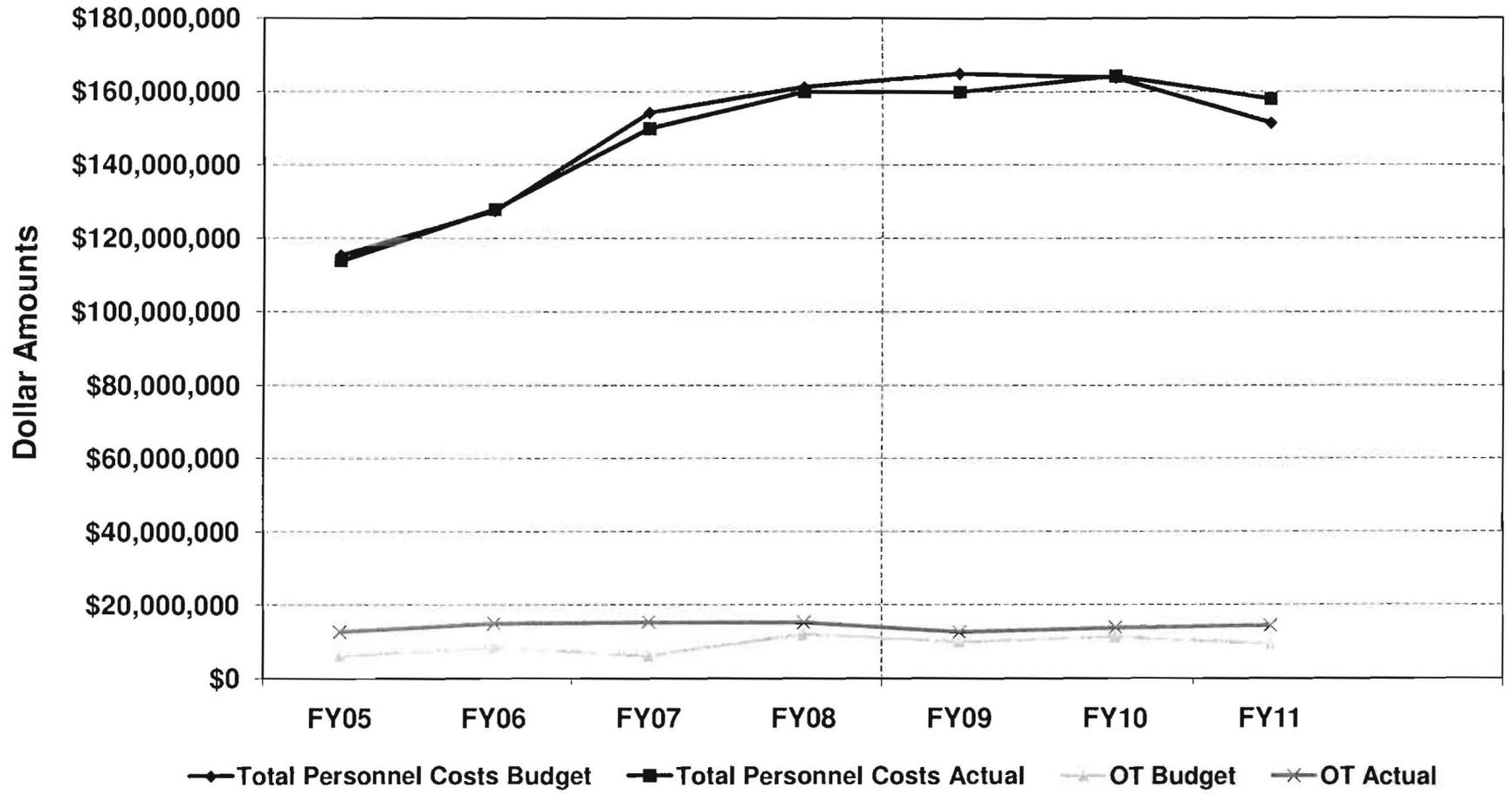
Budget Year/ Description of Changes	Amount	Status (12/02/11)
FY10 Approved PC Budget	163,812,000	
Reduce: Overtime (monitor OT station by station; reduce service)	(1,307,650)	Complete
Reduce: Station Staffing at Hyattstown and Hillandale	(2,389,070)	Complete
Decrease Cost: Lapse Positions (Civilian and Uniform)	(1,349,020)	Complete
Decrease Cost: Expedited Bill 16-10 - Imputed Compensation Limit	(1,976,680)	Complete
Decrease Cost: Furlough Days	(2,115,550)	Complete
Decrease Cost: Lapse Positions from Administrative Retirements	(2,607,090)	Complete
Decrease Cost: Delay the Recruit Class of 30 Recruits Until FY12*	(2,686,140)	Complete
FY11 Approved PC Budget	151,455,000	
Decrease Cost: 20 LFRD Admin Staff; Create 5 County Admin Staff	(1,143,520)	Complete
FY12 Approved PC Budget	150,351,000	

Despite having completed the above reduction tasks, FRS exceeded their personnel budget in FY10 and FY11.



26

Overtime Budget/Actual in Context with Total Personnel Budget/Actual



Overtime is just one component of total personnel budget. FRS overtime is budgeted at, on average, 7% of the total budget.



Data from OMB

Personnel Budget and Overtime

#13

9

12/2/2011

CountyStat

3

CountyStat Analysis

CountyStat is concerned that MCFRS will exceed their 2012 personnel budget, potentially by a significant amount.

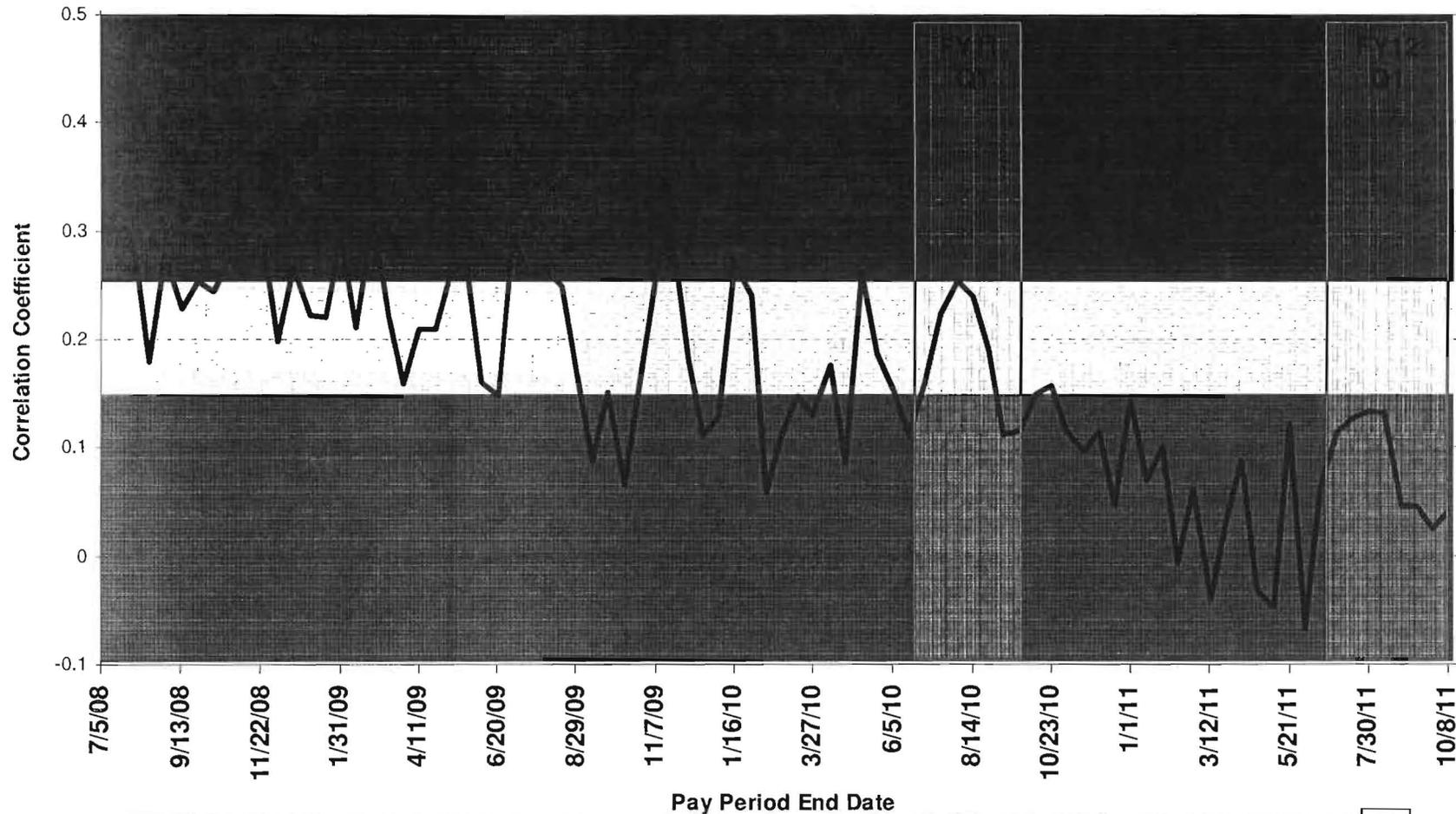
The following observations lead to the concern that FRS will not meet the FY12 personnel budget.

- In FY11 MCFRS overspent its personnel budget by more than \$6 million dollars.
 - Actual salary expenditures alone exceeded the budgeted amount by \$8.1 million dollars.
 - \$1.65 million in FY11 savings are not likely to be repeated in FY12. (Savings occurred in retirement (\$1.1 million), insurance (\$385 thousand), and social security (\$155 thousand).
 - FY11 included more than \$1.7 million dollars in furlough savings which will not be realized in FY12.
- The FY12 budgeted lapse amount is \$1.8 million higher than the previous year.
- The FY12 personnel budget was \$1 million less than previous year.
- FY12 staffing will be at or slightly higher than FY11 levels, while the personnel budget is \$7 million lower than FY11 expenditures.
- Overtime use already exceeds the budgeted amount through the early part of FY12.



Overtime Update: MCFRS

Correlation Between Hourly Wage and Number of OT Hours



In the long run it is always cheaper to fill positions with available staff through overtime, this assumes equivalent pay bands of personnel. The slide shows that MCFRS has been filling overtime with similar or cheaper personnel.

- > 0.25
- 0.15 – 0.25
- < 0.15



5

MCFRS
Comparison of
OLO Recommended Staffing to FY12 Authorized Daily Operational Staffing

Staffing Calculations by Rank and Specialty

	Staffing Required		Required Personnel Complement					Authorized Personnel Complement			DELTA
	24/7	Days	SR	24/7	SR	Days	Total	24/7	Days	Total	
CT (ECC)	2	1	6.00	12	2	4	16	6	2	8	(8.00)
FF	87	18	4.53	394.11	1.4	25.2	419.31	444.5	18	462.5	43.19
FF (ECC)	4	0	4.53	18.12	1.4	0	18.12	23.5	0	23.5	5.38
FF/PM	27	0	4.79	129.33	1.4	0	129.33	98	4	102	(27.33)
MFF	46	4	4.53	208.38	1.4	5.6	213.98	138	6	144	(69.98)
MFF (ECC)	1	0	4.53	4.53	1.4	0	4.53	6	0	6	1.47
MFF/PM	15	3	4.79	71.85	1.4	4.2	76.05	45	3	48	(28.05)
MFF (SCHED)	1	0	4.53	4.53	1.4	0	4.53	3	0	3	(1.53)
LT	12	3	4.53	54.36	1.4	4.2	58.56	78	3	81	22.44
LT (ECC)	1	0	4.53	4.53	1.4	0	4.53	6	0	6	1.47
LT/PM	0	1	4.79	0	1.4	1.4	1.4	0	1	1	(0.40)
LT (FEI)	2	0	4.79	9.58	1.4	0	9.58	8	0	8	(1.58)
CA	33	2	4.53	149.49	1.4	2.8	152.29	114	2	116	(36.29)
CA (ECC)	1	0	4.53	4.53	1.4	0	4.53	4	0	4	(0.53)
CA (EMSDO)	1	0	4.79	4.79	1.4	0	4.79	3.5	0	3.5	(1.29)
CA (SAFETY)	1	0	4.53	4.53	1.4	0	4.53	3.5	0	3.5	(1.03)
BC	5	0	4.53	22.65	1.4	0	22.65	17.5	0	17.5	(5.15)
AC (DOC)	1	0	4.53	4.53	1.4	0	4.53	3.5	0	3.5	(1.03)
	240	32		1101.84		47.4	1149.24	1002	39	1041	(108.24)

Staffing Calculations by Rank Only

CT	12	4	16	6	2	8	(8.00)
FF	541.56	25.2	566.76	566	22	588	21.24
MFF	289.29	9.8	299.09	192	9	201	(98.09)
LT	68.47	5.6	74.07	92	4	96	21.93
CAPT	163.34	2.8	166.14	125	2	127	(39.14)
BC	22.65	0	22.65	17.5	0	17.5	(5.15)
AC	4.53	0	4.53	3.5	0	3.5	(1.03)
	1101.84	47.4	1149.24	1002	39	1041	(108.24)

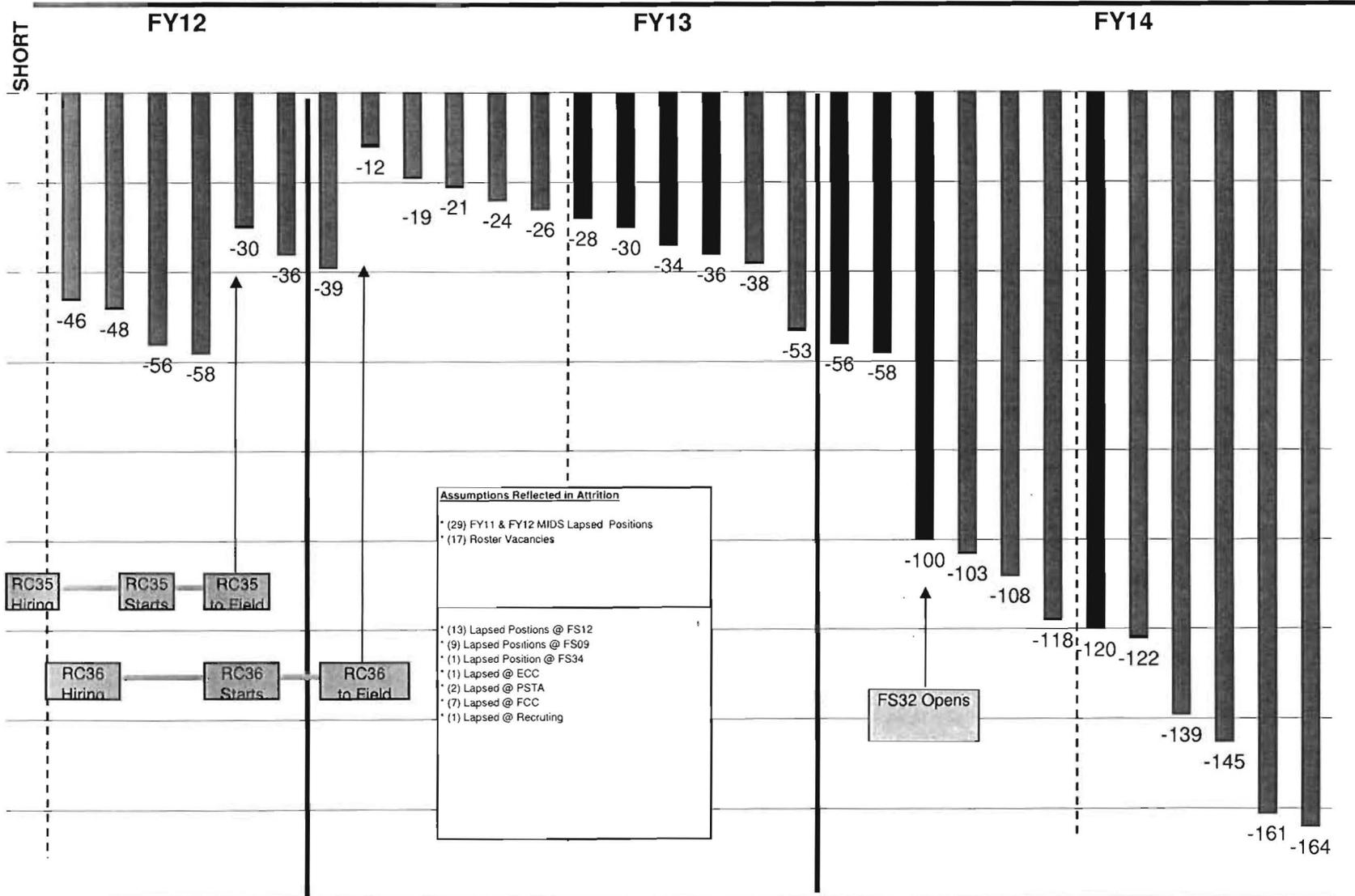
Assumptions:

- 1) OLO Staffing Ratio does not consider effect of FY11 Furloughs, additional Comp Leave, Personal Days or additional Sick Leave Allowed Usage
- 2) OLO Staffing Ratio does not consider effects of FMLA or PRL
- 3) Authorized Personnel Complement does not include the 23 positions lapsed in FY11 for T712 & A709
- 5) Call Taker Staffing Ratio based on Montgomery County Police ECC formulas
- 6) Considers effect of the 29 MIDS Lapsed positions in FY11 & FY12

Montgomery County Fire Rescue FY12 - FY14 Attrition Graph Authorized Uniform Positions

OVER

SHORT



Monthly Attrition Totals Include:

- 1) Authorized uniformed positions, regardless of funding levels
- 2) Recruit Class Overages and Roster Vacancies
- 3) Projected Monthly Retirement (DROP, MIDS-Lapsed, Normal)

7