




## MEMORANDUM

**TO:** Mayor and Council Members

**FROM:** Joel G. Baker, Fire Chief 

**DATE:** June 12, 2023

**SUBJECT:** 2023 Fire Department Overtime Audit – Detailed Response and Action Plan

The attached document is in response to Council Member questions from the April 26, 2023, Audit and Finance Committee briefing on the Austin Fire Department (AFD) Overtime Audit. The audit found that “AFD’s overtime decisions flow from CBA (Collective Bargaining Agreement) rules and AFD’s overtime police, and they appear cost-effective.”

AFD’s overtime expenditures continue to fluctuate year-to-year despite sound decision-making practices, the department has prepared a detailed explanation of the factors influencing overtime spending in recent years. AFD has also provided an action plan describing the need to increase the Operations overtime budget and baseline staffing levels in Operations to ensure enough firefighters are available each shift. The action plan is aimed at stabilizing overtime expenditures to avoid future budget overruns.

Should you have questions or need more information please contact me.

cc: Jesús Garza, Interim Assistant City Manager  
Ed Van Eenoo, Chief Financial Officer  
Carrie Lang, Budget Director  
Chief Joel Baker, Austin Fire Department

Attachment

# Austin Fire Department Overtime Audit

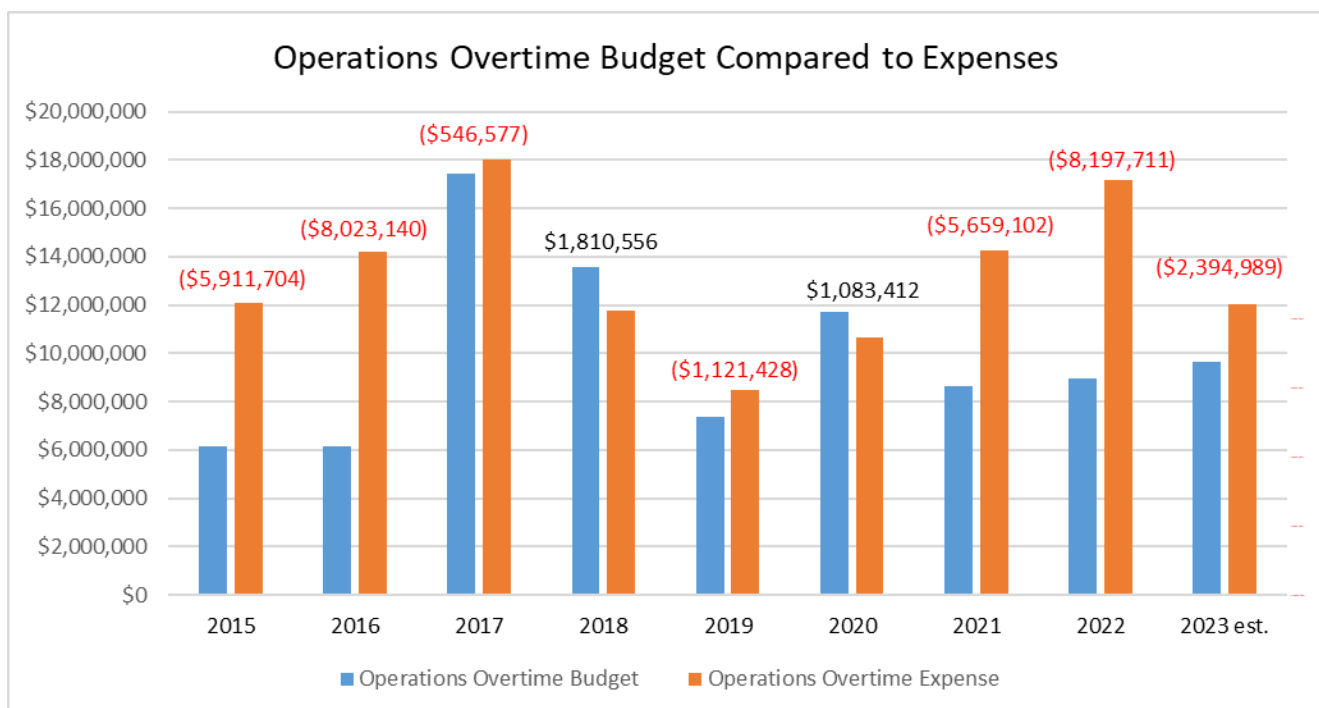
## Detailed Department Response – June 2023

The purpose of this document is two-fold: to provide a more detailed response to the 2023 Audit of Fire Department Overtime expenditures and to describe a plan for stabilizing overtime expenditures in the future. The primary factor driving Austin Fire Department (AFD) overtime spending is the need to backfill for long- or short-term firefighter absences from Operations positions. Fire Operations are organized around set numbers of personnel being at-the-ready to perform specific duties at a fire. In Austin, Fire Operations crews are mandated by City Ordinance to be staffed at specific levels. Every apparatus must have two firefighters, a fire specialist and a lieutenant or captain, every shift, every day of the year. When AFD has a long-term vacancy in Operations due to vacant firefighter positions or no-duty injuries, the vacancy must be backfilled with someone on overtime. When AFD has a short-term vacancy due to illness, vacation, training, or special assignment on risk management initiatives (e.g., downtown task force; wildfire, flooding, or other severe weather risks; sheltering operations), the vacancy must be backfilled with someone on overtime.

Other factors like the overtime rate paid, the efficiency of the software application that coordinates who is picked for overtime assignments, and delays in reimbursement for task force deployments can also contribute to fluctuations in overtime expenditures. AFD is requesting additional ongoing overtime funding to mitigate the fluctuations in spending and additional firefighter positions to address changes to patterns in leave use, unfunded initiatives, and increased call volume. Overtime funding has not kept up with department growth and AFD authorized strength has not increased at a rate that reflects the growing needs of a growing City.

### BUDGET BACKGROUND

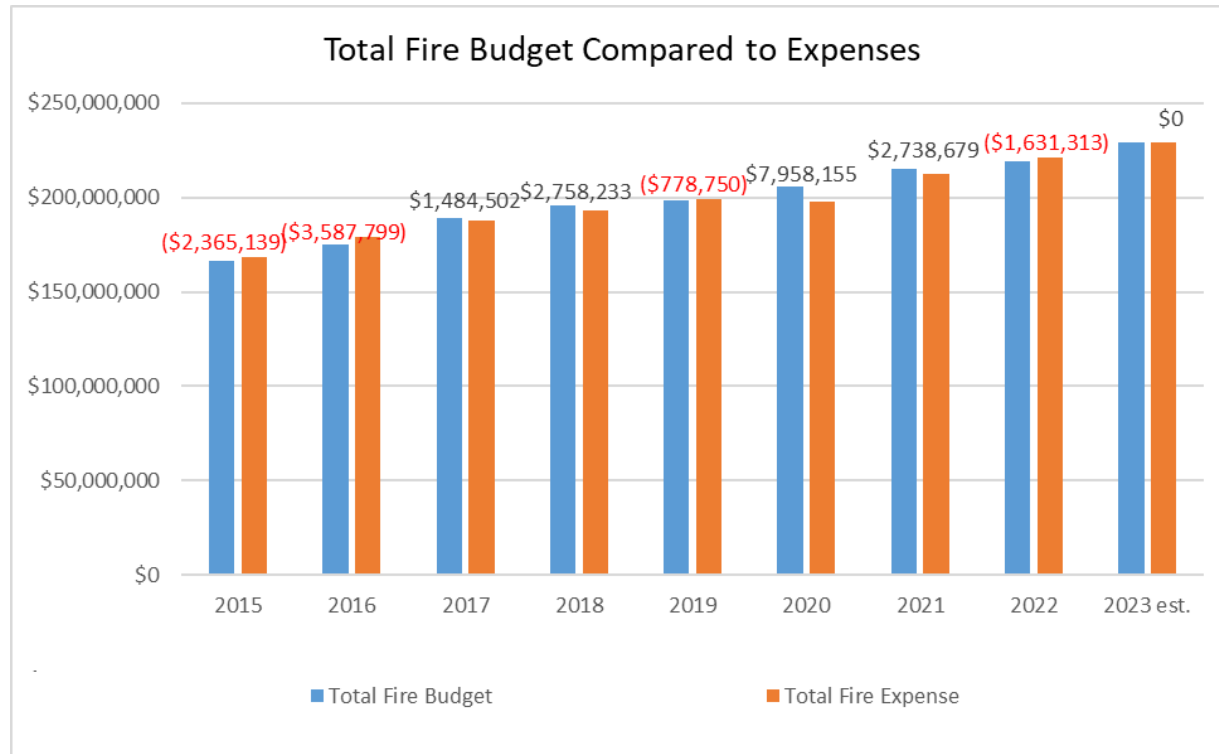
The AFD Operations overtime budget, and Operations overtime expenses have fluctuated significantly year-to-year, making it difficult to estimate the true cost of doing business. This is of critical importance because the budgeted salaries and benefits for Operations firefighters are approximately 60% of AFD's total department budget.



# Austin Fire Department Overtime Audit

## Detailed Department Response – June 2023

Spending reductions in other areas of the department have been necessary to mitigate the broad fluctuations in Operations' overtime spending. The following chart shows that with careful monitoring of the overall department budget, and sporadic implementation of spending reductions to accommodate increased overtime in Operations, annual department expenses hovered within 0.10% over and under the department's annual budget.<sup>1</sup>



AFD is required to stay under or at budget every year and the practice of pulling funding from other areas of the department to accomplish this is not sustainable. Whenever estimates indicated that Operations overtime was going over budget, it results in cuts to sworn and civilian training, delays in the purchase of replacement equipment and uniforms, and reductions in outreach and recruiting efforts. In FY2023, AFD again swept funding from these areas when the May Current Year Estimate (CYE) came in over budget. Estimating the size of an appropriate Operations' overtime budget requires more detailed information about the impact of mandatory staffing.

### OPERATIONS OVERTIME BUDGET AND MANDATORY STAFFING

The passage of City of Austin Ordinance No. 20181213-045 (mandated four-person staffing on fire apparatus) plays a key role in escalating the need for overtime funding. Prior to 2018, AFD followed the national standard of staffing apparatus with four firefighters. The standard recommends for every two people inside a burning structure, there should be two people working outside the structure to execute a rescue if needed. Other calls for assistance also require four people, such as CPR for life support or extricating a patient from a damaged vehicle. In 2012, AFD began consistently adhering to the standard after the department received a grant to add positions and achieve four-person staffing on most apparatus. However, between 2012 and 2018, it was not a

<sup>1</sup> Although FY2022 year-end was balanced, \$1.6M in reimbursements for wildfire deployments during the fourth quarter were not received by the October/November budget close deadline. When reimbursements come in after budget close, they are credited to the General Fund and not to the department.

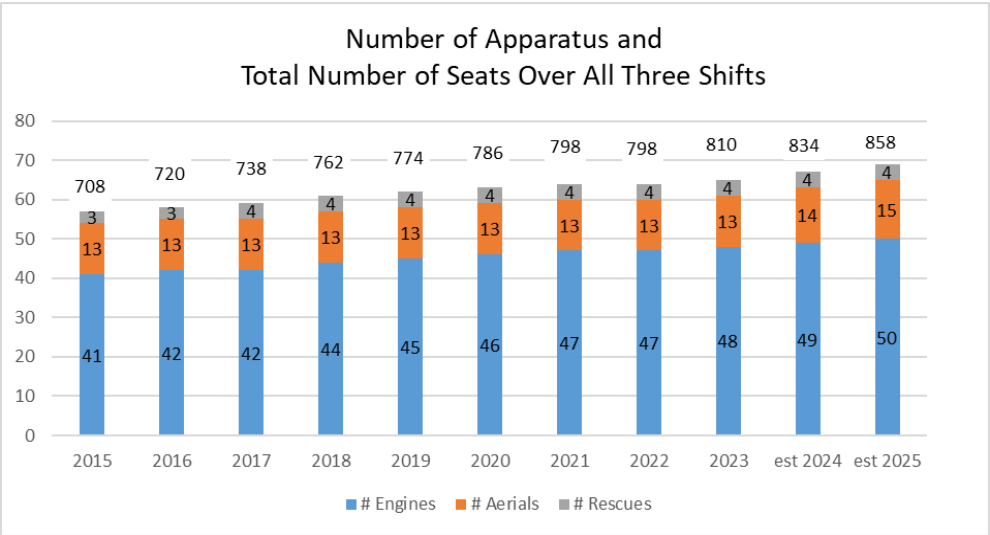
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violation of a City Ordinance to relax the standard during staffing shortages. Apprehension about the potential to relax the standard motivated the Austin Firefighters Association to lobby Council to adopt an ordinance making the staffing mandatory. Unfortunately, the financial impact of implementing the ordinance was not thoroughly vetted when it was adopted on December 13, 2018, because 1) it had been the standard for several years, 2) it was adopted three days after Fire Chief Baker took office, and 3) Council’s effective date of December 24, 2018, did not allow for further investigation of the costs.

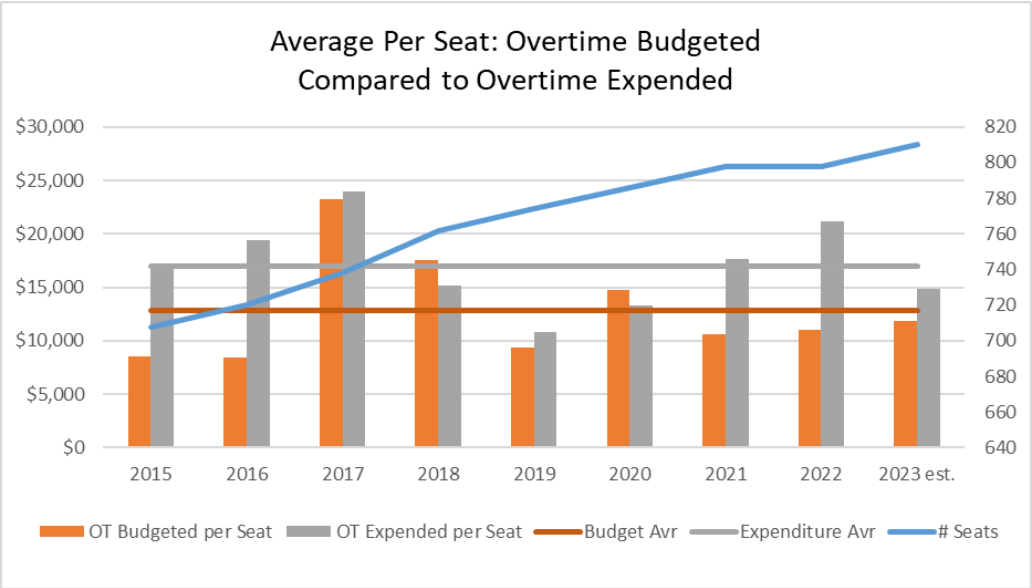
Specifically, the Ordinance requires that “engine, ladder, quint, or rescue companies may be staffed with three firefighters for a period normally not to exceed three hours in the event of unforeseen staffing shortages.” Operations shifts schedule firefighters to be on duty for 24 hours and off duty for 48 hours, year round. This

chart shows the total number of units and seats needed in Operations.<sup>2</sup> Staffing in FY2024 is estimated to increase by one engine at Goodnight Ranch and one ladder in Del Valle.<sup>3</sup> Staffing in FY2025 is estimated to increase by one engine in Canyon Creek and one ladder at the Loop 360 station.



The following chart shows that while the number of seats has steadily increased since 2015 (blue line), the

average overtime budgeted per seat and average overtime expended per seat has bounced around. It is clear that the \$23,273 budgeted per seat in 2017 is too high<sup>4</sup> compared to 2023 overtime needs, but the current \$11,883 budgeted per seat budget is clearly too low. The



<sup>2</sup> Throughout this summary, all charts and data are based on Fiscal Years. Total seats do not include the Airport Rescue and Fire Fighting Unit. Total seats includes Battalion Chiefs, Safety Chiefs and Shift Commanders.

<sup>3</sup> Adding an apparatus increases the number of seats by 12 even though 16 positions are added to the budget.

<sup>4</sup> In FY2017, AFD received a \$3.5 million mid-year budget adjustment to cover overtime expenditures from vacancies related to delays in cadet hiring as a result of the Department of Justice consent decree.

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overtime expended per seat between 2015 and 2023 averages \$17, 015 (gray line). That is \$4,188 more per seat than the \$12,827 overtime budgeted (burnt orange line). The FY2023 Operations' overtime budget is \$9,625,378 (below the average budgeted and the average expended).

Projections based on the “per seat” average expenditures (\$17,015) suggests that \$13.8 million might be a more appropriate Operations overtime budget compared to the \$9.6 million that was funded in FY2023. Therefore, AFD is requesting to increase the overtime budget in FY2024, but not to the magnitude suggested (\$13.8M - \$9.6M = \$4.2M increase). This document outlines two additional recommendations that call for an increase in baseline staffing to reduce the need for overtime. The three recommendations work in tandem to close the \$4.2 million gap.

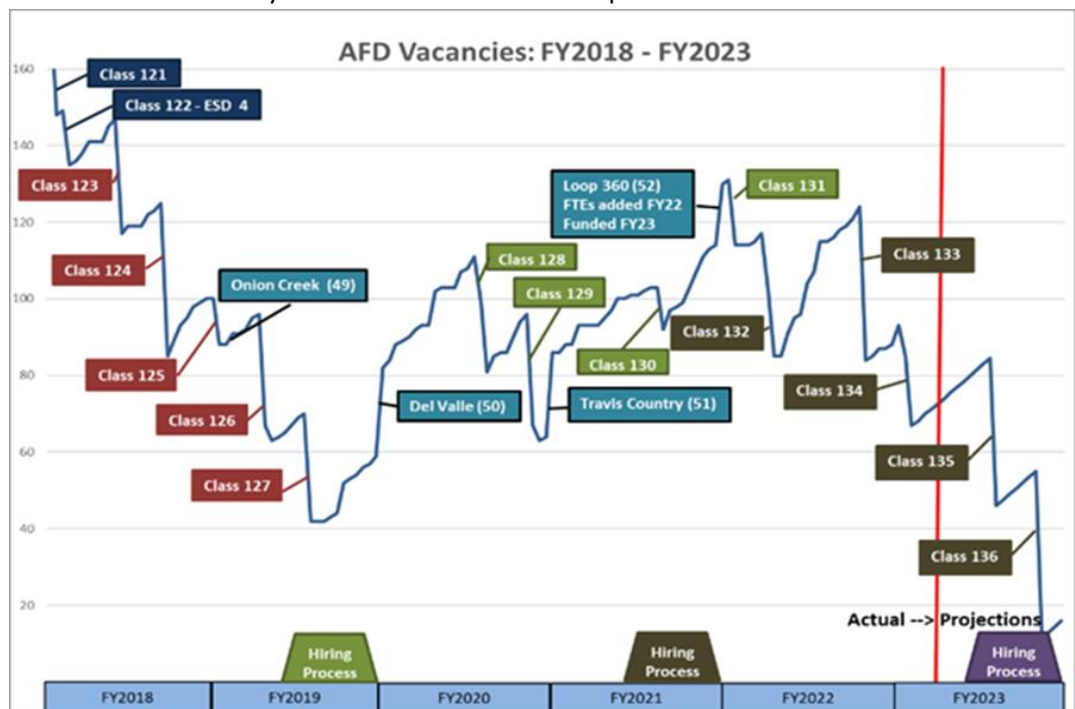
**RECOMMENDATION 1: AFD's initial request is for \$2 million in ongoing overtime funding to be added to the Operations' budget, and the opportunity to adjust that amount as evidence is collected regarding the efficacy of strategically adding firefighter positions in Operations.**

### ADDING FIREFIGHTER POSITIONS TO REDUCE BACKFILL

The audit also describes how AFD should increase the number of available firefighters by increasing baseline staffing: reducing vacancies by improving the cadet graduation rate, holding Academies more often, and increasing Academy class sizes. AFD is constantly aware of these mechanisms to reduce vacancies related to hiring and has demonstrated that they are effective. Currently, department vacancies are low (1.6% of the sworn workforce) and will fall below 20 at the end of FY2023 (also see the vacancy chart below).

AFD sees three historical factors that explain changes in Operations backfill since 2015: 1) increased vacancies due to delayed cadet hiring; 2) backfill for firefighters off because of COVID-19; and 3) changes to patterns in Leave usage.

The Department of Justice consent decree was in effect between 2014 and 2018. Negotiating revisions to the cadet hiring process created delays and resulted in the number of vacant firefighter positions accumulating over time. Vacancies peaked in FY2017 and steadily declined until FY2020. The previous chart shows that the number of vacancies between FY2020 and FY2022 hovered around 100 due to adding 48 firefighter positions for three new fire stations. The relatively stable number of vacant positions after FY2020 suggests that the need for overtime to fill those vacancies should have been relatively stable, yet overtime expenditures increased again.



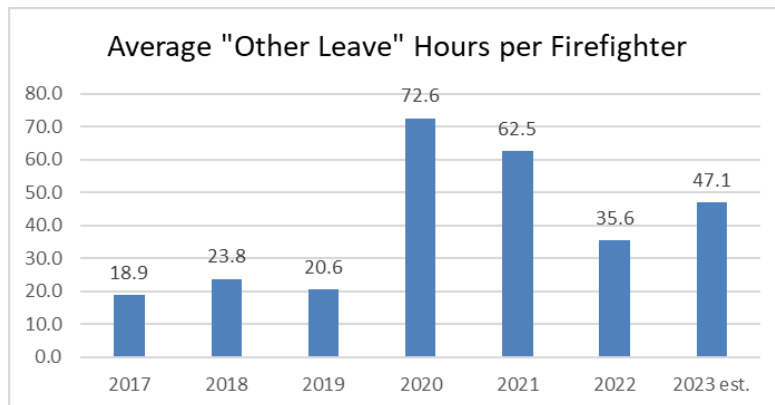
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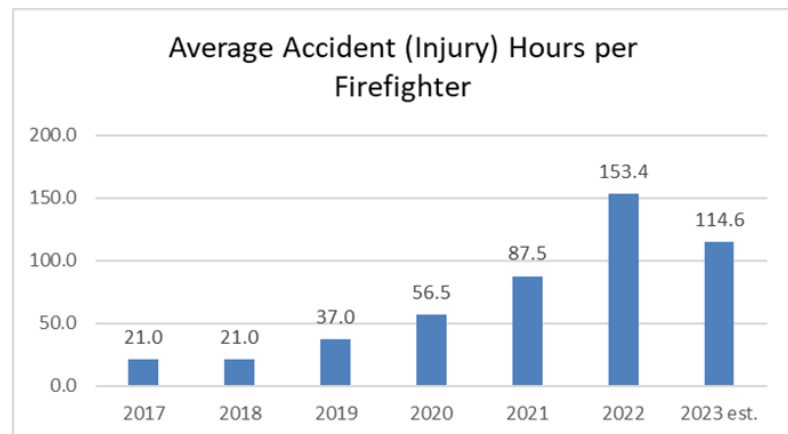
The COVID-19 pandemic between 2020 and 2022 resulted in changes to protocol that increased the need for backfill of Operations positions. Early on, firefighters who contracted or experienced a high-risk exposure to COVID were declared “Injured on the Job (IOJ) no-duty” and ordered to quarantine for two weeks. Other firefighters used leave to care for family members who were sick or children who were at home due to closed schools and child care centers. For a time, the crews in Special Operations and at the airport were “isolated” meaning they were not allowed to work overtime shifts in other stations and vice versa. Isolation reduced exposure to the virus among firefighters with special certifications, but it also limited the pool of firefighters who could fill mandatory staffing requirements. During this time, anyone who wasn’t quarantined was expected to work as many shifts as they could. This protocol continued until a significant number of firefighters were vaccinated and community spread declined in the summer of 2021. *The low number of vacant positions in FY2023 suggests the need for overtime to fill those vacancies should have dropped, yet overtime expenditures continue at a high rate.*

Changes in patterns of leave usage have also occurred since 2020. Between early 2020 and mid-year 2021, firefighters did not need to use sick leave when they were quarantined, caring for a sick family member, caring for children during closures, or when they were sick themselves. During this time, a temporary Emergency Paid

Sick Leave (EPSL) benefit was funded by the Federal “Family First Coronavirus Response Act”. The EPSL was labeled “Other Paid Leave” in reports covering the time firefighters spent caring for family members. “Other” leave, including EPSL, Administrative, Emergency (death of a family member), Military leave and Paid Parental Leave (PPL), spiked in 2020 and has slowly declined since then. PPL hours are driving the increased number of “Other” leave hours used into 2023.



Early on, it was presumed that all firefighters contracted COVID from an on-the-job exposure. Therefore, firefighter COVID cases and quarantines were covered by workers’ compensation and were categorized as “Accident” leave. The average “Accident” hours used by Operations firefighters increased threefold between 2020 and 2022, even though COVID cases declined and were categorized as “Other” leave.



AFD has been, and continues to be, actively investigating why more firefighters are experiencing injuries that require them to be on “no-duty” status. For example, the Wellness Center has four fitness personnel who provide guidance on how to avoid injuries and engage in strength training. AFD also looks for ways to reduce the time to process injury paperwork and get firefighters back to work. For example, our workers’ compensation team includes a nurse who can provide private physicians with guidance on occupational health standards and act as a liaison with Sedgewick, the City’s workers’ compensation administrator.

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We suspect we are seeing a change in how the workforce approaches injuries. Similar to employees utilizing sick leave more frequently to avoid spreading infectious disease and to care for mental health needs, firefighters seem to be addressing a broader spectrum of injuries sooner and more aggressively by utilizing Accident leave.

**RECOMMENDATION 2:** Currently, AFD hires 16 positions for every new fire apparatus: four per unit over three shifts (12) and four to cover leave usage and vacant positions. ***From this point forward AFD wants to increase the number of positions assigned to each unit to seventeen positions on one-out-of-four units to cover increased leave usage.*** During the next several years, if the leave hours used per firefighter decrease to the levels seen in 2019, it would be appropriate to repurpose the requested positions. If leave hours used per firefighter continues to climb, adding 17 positions on one-out-of-three units would be requested in the future.

***To catch-up, AFD is asking for an increase of 17 positions during the next two years – one-quarter of the 67 units in place in 2023. AFD’s initial funding request is for 9 FTEs (3 FTEs per shift) and equipment at a cost of \$700K.***

Finally, AFD has experienced an influx of special assignments to address risk management in recent years. Examples include:

- Downtown Rescue Task Force (RTF) staffing on weekends/holidays to reduce response times to critical incidents
- Staffing brush trucks on “red flag warning” days to address wildfire risks
- Staffing boats and rescue units to address flooding risks
- Overstaffing for response during severe weather (tornados, ice and snow)
- Individual assignments to assist with shelter operations, emergency management, water distribution coordination, vaccination hubs, etc.

The number of special assignments and volume of events requiring overstaffing is not easing up. While AFD is committed to assisting during these unanticipated events, the participation is unbudgeted. Other department needs suffer in order to fund being at-the-ready to address community emergencies.

Resolving emergency staffing needs can be combined with a recent proposal on how AFD can address increased call volume in high-density areas by adding two-person units or “squads”. The squads can be the flexible workforce assigned to address risk management issues. They would be moved to many of the special assignments when needed.

For example, the crews at Station 1 downtown averaged 12 to 13 calls in a 24-hour shift in 2022. This area is also requires RTF staffing to respond to the increased risk of critical incidents when large crowds gather. Finding relief for this level of service delivery will not be provided by adding more fire stations and traditional apparatus in the central core of the city. In general, there is no affordable property, or property large enough to place a fire station. Further, the nature of the increased call load focuses on medical and other assistance requests rather than large structure fires. AFD believes two-person squads in a pick-up truck would be a more efficient method to address this need in high-density areas. Additionally, the two-person squads would be available to staff the above listed special assignments on regular time, rather than requiring overtime.

**RECOMMENDATION 3:** AFD is requesting 16 sworn FTEs to support emergency task force and two-person squad staffing – two squads per shift – in order to reduce overtime usage.

***The initial funding request is for 8 FTEs and equipment (one squad per shift – AFD already has a truck) at a cost of \$850K.***

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Adding squads at this time is aimed at reducing overtime. However, this application of the new response protocol would also provide a solid testing ground for adding squads in the future when density and call loads require additional resources.

### **CONCLUSION**

The overtime audit was helpful in explaining the issues and narrowing the options to resolve AFD's overtime fluctuations. However, the audit did not provide recommendations or a clear path to address the ongoing problems. This response document is intended to generate discussion about the options and resources necessary for AFD to move forward with stabilizing overtime expenditures.

#### ***Initial resource requests:***

1. \$2 million increase to Operations overtime budget (ongoing) to reflect the growing workforce.
2. \$700K for 9 Firefighter FTEs and equipment embedded in Operations to cover leave usage.
3. \$850K for 8 Firefighter FTEs and equipment on two-person squads to cover special assignments and increased call load in specific neighborhoods.

The initial resource request would be followed by a second phase that includes:

- Analysis to determine if the level of overtime expenditures, leave usage, and emergency assignments have stabilized;
- 8 FTEs and equipment added to Operations staffing to cover increased leave usage;
- 8 FTEs, equipment and a pick-up truck for a second squad on each shift to cover emergency assignments.

AFD submits this plan of action as a response to the 2023 overtime audit. Given that unexpected cost drivers emerged over the past ten years, it is only logical to assume that unanticipated cost drivers could emerge in the future. The complex nature of overtime usage in the fire service calls for some level of flexibility in budgeting as we move forward.