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## OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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**IBA Report Number:** 08-51

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# Fire-Rescue Business Process Reengineering (BPR)

## OVERVIEW

On May 19, 2008, the Fire-Rescue Department is requesting City Council approval of the recommendations to improve efficiency and effectiveness identified in their Business Process Reengineering (BPR) study.

The Fire-Rescue BPR was an operationally focused review which differs from a traditional BPR, which focuses on process (i.e. performing fire-fighting duties). The BPR also reviewed previous management decisions to determine if they were still in the best interest of the City. These decisions included the use of four-person minimum crew staffing, a 56-hour work schedule, a 28-day FLSA work cycle, constant staffing, and EMT cross-training of all firefighters. Many of these issues have been repeatedly discussed by the public and City Council in the past.

## FISCAL/POLICY DISCUSSION

The Fire-Rescue BPR is a detailed analysis that thoroughly reviews various scenarios, and utilizes data obtained from benchmarking and national standards to determine the most cost effective options for the City.

Significant cost savings were not intended as a result of this study; however, as part of their review the department estimated a net savings of nearly \$100,000 in Fiscal Year 2009. The savings of \$163,665 associated with the discontinued use of overtime staffing for the Light and Air Unit is offset by an increase of \$65,260 for additional bomb squad training hours.

It should be noted that these cost impacts are not reflected in the Mayor's Proposed Fiscal Year 2009 Budget because the BPR had yet to be approved by Council. The IBA recommends these adjustments be included in the budget as part of final deliberations, if approved by the City Council on Monday. Staff has expressed concern about reducing overtime by the full \$163,665 (an annualized cost) due to the timing of installation of the compressors that enables the discontinuation of the Light/Air unit and subsequent decrease in overtime. The IBA believes it is important to include the additional funding needed to increase training hours. The City Council could consider budgeting only a portion of the reduced overtime expense (-\$65,260) to support the increased training hour costs (+\$65,260). This would result in a net zero impact on the City's general fund budget.

### Constant Staffing

An area of extensive discussion has been the utilization of overtime hours to ensure appropriate staffing levels, commonly referred to as constant staffing. The BPR study illustrates that significant fringe savings is achieved by paying overtime to an existing position, versus hiring an additional full-time firefighter. The same conclusions were just recently reached by the City of Poway, in which a consultant concluded that Poway's current use of overtime was "most economical".

Constant staffing is a common, operational strategy used by Fire Departments throughout the nation. It would be beneficial if in the future the budgeting of overtime expenses associated with constant staffing be accounted for separately.

## CONCLUSION

The IBA is supportive of the Fire-Rescue Department's Business Process Reengineering study and recommends Council approval. The IBA also recommends that the Council consider including a portion of the cost impacts anticipated as a result of this BPR in the Fiscal Year 2009 Budget, as discussed in this report.

**[SIGNED]**

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