

MEMORANDUM

Office of the City Manager



DATE: March 17, 2023

TO: Mayor and Council

THROUGH: Steve McHarris, City Manager

FROM: Ashwini Kantak, Assistant City Manager
Brian Stelling, Interim Fire Chief

SUBJECT: **Fire Department Overtime**

This Information Memorandum responds to the request for information by members of the Council at the January 31, 2023, Budget Study Session.

Background

With the deployment of the ambulance (Rescue Medic 86) in August 2022, the Fire Department has a total of six (6) apparatus.

In accordance with the Fire Staffing Policies 4-2 and 506 and the current Memorandum of Understanding (MOU) with the International Association of Fire Fighters (IAFF), each apparatus requires a minimum number of staff to provide a timely, consistent, and effective emergency response while ensuring the safety of the staff. Thus, for every shift, the minimum staffing, including the Battalion Chief is nineteen (19) personnel and is as follows: two (2) personnel for the ambulance or Rescue Medic 86, three (3) personnel each for Engines 86, 87, 88, and 89, and four personnel for the Tiller Truck T86.

In order to maintain minimum staffing when there are vacancies or unplanned and planned absences, the Fire Department needs to utilize various strategies including the use of overtime. Unplanned absences include time off due to work-related injuries and illnesses which are covered by Worker's Compensation and sick leave, which can be used when the employee or a qualifying family member is ill. Planned absences include scheduled vacations and Compensated Time Off (CTO).

Analysis

As stated above, the Fire Department uses a variety of strategies to meet the minimum staffing requirements while managing the need for and allocation of overtime assignments. The Fire Department believes the current approach is not only more cost effective, but it also allows the department to manage minimum staffing to provide the community a high level of consistent service while ensuring a fair process for staffing and assigning overtime.

The strategies used include: ongoing efforts to fill vacancies; the use of long-term acting assignments; an approval process that limits concurrent planned absences and minimizes overtime; and the use of health and wellness programs to reduce work related injuries and absences.

In the past three fiscal years, due to the direct and indirect impacts of COVID-19, the overtime costs incurred were significantly higher than FY 18-19 and are expected to decrease in future years. However, this expected trend will also be partly offset with the recent addition of one apparatus and thus, an increase in minimum staffing numbers.

Managing Minimum Staffing

Fire Staffing Policy 4-2 outlines the core priorities to be considered when staffing any Fire apparatus. These include: Bid Positions; Advanced Life Support (ALS) Staffing (minimum of one paramedic assigned to each apparatus); Tiller Operations; Hazmat; and Long-Term Acting Assignments.

ALS staffing is defined as a minimum of one paramedic per apparatus. ALS staffing is required on Engines 86, 87, 88, and 89, Truck T86. Additionally, in accordance with Fire Staffing Policy 506, the Milpitas Fire Department transport capable ALS unit shall use the radio designator "Rescue Medic 86" and shall be staffed with a minimum of one paramedic and one EMT.

Paramedics on units with more than one paramedic may be moved to fill vacancies on another primary apparatus. TDA (Tractor Drawn Arial)/Tiller Driver qualified personnel cannot be moved unless a qualified employee can assume the TDA position. ALS vacancies created on primary apparatus are filled with qualified personnel from the appropriate overtime classification. If ALS minimum staffing has been satisfied, vacancies can be filled by a non-ALS personnel in the appropriate classification. Personnel assigned to units with more than one ALS person remain in their assigned bid position; however, a dual unit paramedic may be moved out of their bid assignments to fill an ALS vacancy to avoid overtime.

Approval Process for Absences and Overtime

In order to ensure that overtime dollars are being prudently expended, the current Fire Staffing Policies and MOU provide a framework and approval process for planned absences as well as for assignment of overtime. Excerpts from Fire Staffing Policy 4-2 related to the approval process for planned time off are included below:

Section 10.04.2: There may not be more than two (2) members on vacation on any scheduled work shift. Even with the increase in staffing with the addition of the ambulance, this rule has not been modified.

Section 10.04.3: No vacation selection shall be approved when such selection will cause shift staffing to drop below the established minimums and which will thereby create a need for overtime coverage. This standard shall be applied at the time the vacation shift is requested. No additional vacations will be allowed if minimum staffing drops below 19.

Section 10.09: Compensated Time Off (CTO) shall not be scheduled or allowed when implementation of CTO will create a need for overtime to maintain minimum staffing levels at the time of the request.

Section 19.05.3 Educational release time or educational leave shall only be granted for line personnel when staffing levels are above normal and may be canceled at any time as a result of an unanticipated drop in staffing below normal.

If overtime is required to meet minimum staffing requirements, the vacant position will first be offered to the corresponding overtime list.

Recent Trends for Absences and Overtime Hours

The City uses a technology system called Telestaff to schedule personnel. A summary of absences and overtime data from Fiscal Year 2018-19 to date is included in Table 1.

Table 1: Budgeted and Actual Overtime Costs from FY 18-19 through FY 21-22

	FY 21-22	FY 20-21	FY 19-20	FY 18-19
Adopted Budget Amounts*	\$1,285,257	\$1,285,257	\$1,519,512	\$1,000,000
Overtime Hours (Non-Reimbursable)	28,750	19,101	15,828	15,072
Actual Overtime Costs	\$3,490,253	\$3,057,555	\$1,683,559	\$1,920,585
Non-Reimbursable Overtime Costs	\$2,737,821	\$1,959,502	\$1,637,830	\$1,388,206
Reimbursable Overtime Costs	\$752,432	\$1,098,053	\$45,729	\$532,379
Total Net Overtime Costs	\$2,737,821	\$1,959,502	\$1,637,830	\$1,388,206

- Adopted Budget Amounts represent budget for Fire Operation function only.

There were several factors that contributed to the high overtime hours in Fiscal Years 19-20, 20-21, and 21-22. In November 2019 one additional Engineer/Tiller Operator was added to T86, thus increasing minimum staffing from 16 to 17 per shift. In 2020, the City responded to the devastating pandemic and as testing services were not readily available yet, a COVID mobile testing unit was placed in service with two overtime personnel. In 2021, mobile vaccination services were provided to community members who were immobile and could not access vaccination site and these were staffed by overtime personnel.

Furthermore, the Fire Department is unique due to the nature of living and working in communal quarters. Compliance with strict State, County, and local policies related to exposure and transmission, designed to limit the spread of COVID-19, required many personnel to be away from work and resulted in the need for increased overtime hours.

Another key component for an increase in overtime was the high number of vacancies resulting from retirements and potentially COVID-19 vaccination policies. Although at this time there is only one vacancy, the City had ten vacancies in the recent past. Milpitas Fire was competing with other fire departments in the region for an unprecedented small pool of qualified candidates and it was challenging to fill the vacancies in an expeditious manner.

Although, the need for overtime hours related to COVID-19 has decreased and all but one vacancy has been filled at this time, there will continue to be a need for ongoing overtime in the future due to other planned and unplanned absences and future vacancies. Additionally, in August 2022, the ambulance (RM 86) was added, and the minimum staffing number was increased to 19 for each shift, to include the staffing need of one EMT/firefighter and one paramedic/firefighter. Thus, the increased minimum staffing number is also anticipated to contribute to the need for additional overtime hours.

In the current fiscal year, between July 1 and December 31, 2022, the number of total absentee hours were 14,040 with the breakdown as follows: 5,237 hours due to work related injuries, 4,284 hours due to vacation, 4,183 hours due to sick leave, and 336 hours due to FMLA/family sick leave. These absentee hours needed to be covered through overtime and resulted in \$993,123 in overtime costs.

A large portion of absentee hours are due to sick leave and work-related injuries. The Fire Department has taken a proactive approach to Health and Wellness including the award of a new Employee Medical Evaluation contract with Kaiser in 2020 that includes up to 12 physical therapy sessions. While Workers Compensation illness usage in 2022 was the highest it has ever been, it was mainly due to COVID-19 and mandated leave required when Covid positive. With a decrease in COVID-19 positivity levels, sick leave usage is expected to decrease. Staff believes Worker's Compensation illness usage will subside as we transition from pandemic to endemic experiencing less COVID-19 related mandatory Workers Compensation leaves that affected staffing levels over the past three years.

The other main reason for unplanned absences is work related injuries. These are handled through the City's Worker's Compensation program, run by Sedgwick, the City's third-party administrator. Quarterly Meetings are scheduled to review open and closed Workers Compensation Claims with Sedgwick for all Fire Personnel.

The Worker's Compensation claims process is complex and time-consuming. Although it is important for the third-party administrator to thoroughly vet the claims, at times, the lengthy process results in personnel being out for several months. These absences then have to be covered through overtime costs. Worker's compensation timelines are dictated by the California Department of Industrial Relations; however, staff will look for any efficiencies that can be created within City controlled portions of the process.

Alternate Staffing Model

If the City wanted to reduce the number of overtime hours, it would need to add nine (9) additional positions to allow redundancy and meet the minimum staffing requirements. This number is based on annual number of average absentee hours per shift.

A mid-range firefighter with salary and benefits costs approximately \$250,000 per year. If the City were to add nine additional positions, additional funding in the amount of \$2,250,000 would have been needed in FY 2022-23. In comparison, it is estimated that approximately \$1,630,000 (Overtime budget for Fire Operation only) will be needed in overtime costs.

Conclusion

Although the amount of Fire overtime hours and associated costs are high, the current staffing approach is more cost-effective. Hiring additional personnel will decrease overtime but will also generate an increase in City costs as 100% of the added position does not reduce overtime since each FTE also uses earned leave. Additionally, overtime costs may still be incurred due to vacancies, work related injuries, and sick leave.

The City's current staffing model not only takes cost into consideration, but also includes the additional benefits of scheduling flexibility, reduction of employee burnout from excess overtime in a constant staffing model, and results in fewer overworked personnel that can further increase the number of personnel on Workers Comp.