



Office of the City Manager

ACTION CALENDAR
November 28, 2017

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Dave Brannigan, Interim Fire Chief

Subject: Companion Report: Recommendation for Audit and Legal Review of Measure GG Expenditures with Attention to Allocation of Measure GG Funds for Fire Department Overtime

RECOMMENDATION

The City Manager agrees to have the City Attorney conduct a legal review of appropriate use of Measure GG funds. Also, refer to the budget process the allocation of General Fund and Measure GG funds to Fire Department overtime costs.

FISCAL IMPACTS OF RECOMMENDATION

None. The current budget process allows Council to consider recommendations from staff and feedback from the public in adopting a budget that reflects the financial needs of the City.

CURRENT SITUATION AND ITS EFFECTS

At the September 27, 2017 regular meeting of the Disaster and Fire Safety Commission, the Commission moved to recommend that City Council request from the City Auditor an audit of Measure GG expenditures specifically regarding the allocation of Measure GG funds for Fire Department overtime pay and to suggest a legal review by the City Attorney to determine if the decreasing budget for Fire Department overtime in the General Fund and the coordinated increase of Measure GG funds allocated to overtime pay is in compliance with Measure GG and State and Federal laws: Vote: (7 Ayes: Grimes, Legg, Flasher, Stein, Degenkolb, Couzin, Bailey; 0 Noe; 2 Absent: Golomb, Griffin; 0 Abstain)

In recognition of the request by the Disaster and Fire Safety Commission for legal review of the allocation of General Fund and Measure GG overtime pay, the City Attorney will work with the Fire Department and Budget Office to produce a written review.

Council adopted the FY2019 budget on June 27, 2017 following extensive review by staff and the public. The FY2018/2019 budget increase improves service delivery by the Fire Department through increased staffing of a fourth ambulance, adding a Fire Life

Safety Plans Examiner, and increasing the number of Paramedic Supervisors in the department.

This increase in the General Fund budget for the Fire Department is consistent with the trend since Measure GG was adopted. Since FY2009, the Fire Department General Fund budget has grown from \$24.6 million to \$29.4 million for a total increase of 19%.

In FY 2017, the Fire Department experienced higher than usual vacancy rates which led to higher than usual overtime costs. This can be attributed to above average time lost for worker's comp related injuries, two firefighters being deployed as military reservists, and a high number of parental leaves. However these trends are cyclical as seen in Chart 2. In December 2016, the Fire Department had fourteen people off work due to injuries. As of October 2017 that number is down to four people off work due to injuries. In addition, the department committed General Fund expenditures to over hire two positions in the current entry-level academy so that after graduation we will have full staffing. This increased General Fund commitment should result in a reduction of minimum staffing overtime in FY2019, thereby relieving the Measure GG expenditure toward overtime.

BACKGROUND

In November 2008, the citizens of Berkeley supported the passage of Measure GG, Fire Protection and Emergency Response and Preparedness Tax. Measure GG provides funding in multiple service/program areas:

- 1) Eliminate rotating station closures
- 2) Implementation of the First Responder Advanced Life Support (FRALS) program
- 3) Fire/EMS Training officer
- 4) Enhancement Berkeley's disaster preparedness through
 - a. Office of Emergency Services staffing, resources, and programs
 - b. Public Health Emergency Preparedness staffing, resources, and programs
- 5) Radio Interoperability

The tax raises approximately \$4.7 million annually and is subject to a 4-year GANN limit requiring renewal every 4 years (a re-authorization of previously approved special taxes).

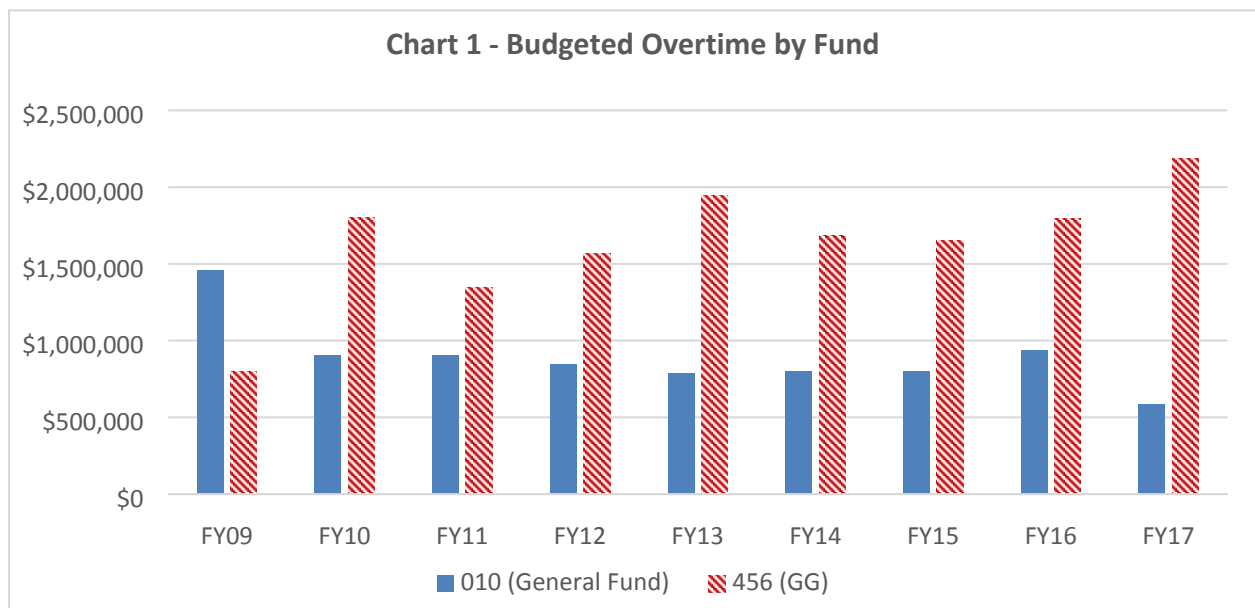
The Disaster and Fire Safety Commission function as the citizens' oversight committee for expenditure of the tax proceeds.

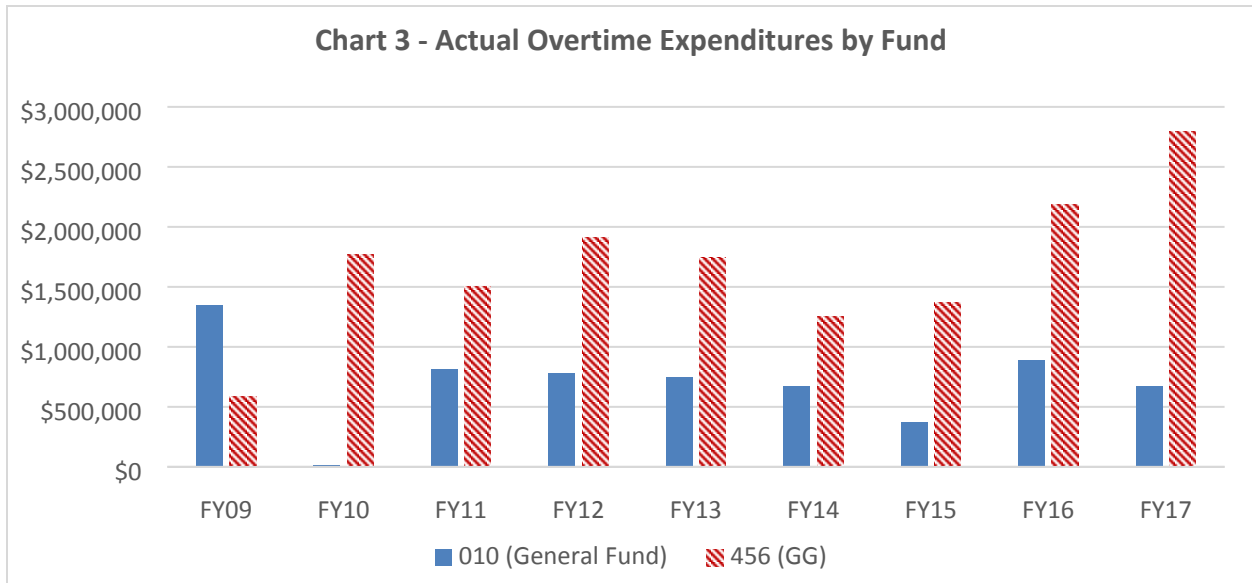
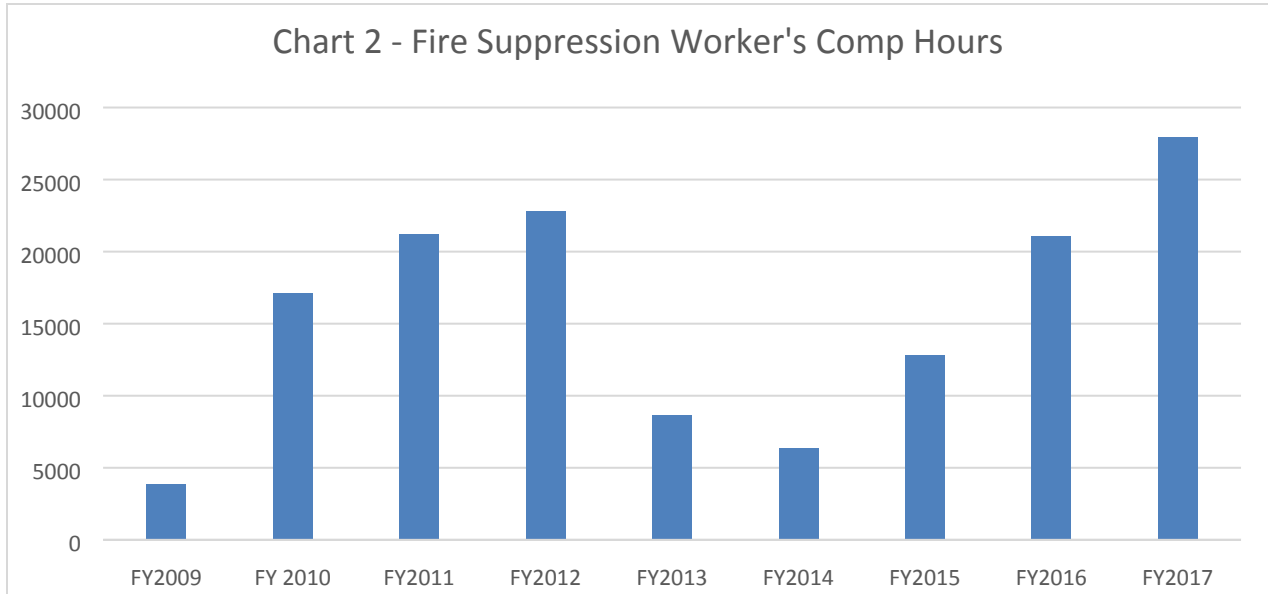
Before Measure GG passed in 2008, the General Fund was the only source of funding to pay firefighters overtime to cover vacancies due to vacations, sick leave, family medical leave, injuries, and other authorized leaves. As a result of the financial crisis at that time, General Fund expenditures had to be cut. The Fire Department shut down

one engine company when there were 3 or more vacancies on a given day. A schedule was followed that rotated the closure amongst the seven fire districts to equitably distribute the impact of the reduced services throughout the City. The passage of Measure GG allowed the Fire Department to restore the minimum staffing required to respond throughout the City.

Since Measure GG passed, Fire Department services have increased to meet growing demands. In FY 2017, the Berkeley Fire Department responded to 15,481 calls. This is a 30.2% increase over the 11,889 calls we responded to in FY 2009. The added services such as a 4th ambulance have been funded largely by the General Fund and other revenue sources. But as minimum staffing overtime is cyclical, the budgeted overtime in the General Fund and Measure GG fluctuate to meet service needs (Chart 1) as do actual expenditures when unanticipated vacancies occur such as work related injuries (Charts 2 and 3).

Recognizing concerns about funding disaster preparedness, in 2013, in response to recommendations by the Disaster and Fire Safety Commission, Council approved additional disaster preparedness programs funded by Measure GG including two (2) additional FTE, increased funding for classes and the disaster cache program, the Roll-Off Dumpster Program, the Automatic Gas Shutoff Program and establishing a \$300,000 reserve. Separate from the reserve, enacting these programs secured \$495,405 annually from Measure GG for disaster preparedness above already funded programs. This accounts for approximately 11% of the Measure GG annual budget.





ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

The budget process incorporates a comprehensive analysis and assessment of the City's financial position across all funds and liabilities. In addition, a legal review of the use of Measure GG funds will ensure proper use of those funds.

Companion Report: Recommendation for Audit and Legal Review of
Measure GG Expenditures with Attention to Allocation of Measure GG
Funds for Fire Department Overtime

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ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

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