



San Jose Fire Fighters • Local 230

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February 14, 2018

Honorable Raul Peralez, Chair
Honorable Chappie Jones, Vice Chair
Honorable Vice-Mayor Magdalena Carrasco
Honorable Sylvia Arenas
Honorable Sergio Jimenez
City of San José, PSFSS Committee
200 East Santa Clara Street
San José, CA 95113

RE: Firefighter Work Schedule Pilot Program Full Year Report (3/15 Agenda Item 2)

Dear Committee Members,

On February 15th, the latest Fire Department "48/96" Work Schedule Pilot Program Quarterly Report will be heard by your committee. This report will capture results from one full year of 48/96 implementation.

We agreed to this schedule with the commitment that there would be no negative impact to the department, the city, firefighters or the public directly related to the implementation of the new schedule. The pilot program tracked eighteen (18) metrics, established by the city, to determine if there were any such negative impacts.

Pilot Program First Year Results

The Fire Department's most recent report indicates NO IMPACT or POSSIBLY FAVORABLE IMPACTS in these metrics since the implementation of the new schedule one year ago:

Sick Leave – **reduced** 6%, 4,137 fewer hours "POSSIBLY FAVORABLE"

Disability Costs – **reduced** 9%, \$428,477 savings "POSSIBLY FAVORABLE"

Absence Rates – **reduced** 1% (less sick/vacation/other leave) "POSSIBLY FAVORABLE"

Injuries – **reduced** 63%, 91 fewer injuries resulting in lost time "POSSIBLY FAVORABLE"

Turnout Time – **improved** 3% "POSSIBLY FAVORABLE"

Training Compliance – **improved** 18% "POSSIBLY FAVORABLE"

Inspections – **improved** across categories of inspections completed "POSSIBLY FAVORABLE"

Vehicle Accidents – **improved** 33%, 17 fewer accidents "NO IMPACT"

Medical Call Reviews – **improved** 26% "NO IMPACT"

Reports Completed – **improved** 18 points "NO IMPACT"

Relief Personnel – unchanged, 100% placement "NO IMPACT"

Station Maintenance – unchanged, 100% compliance "NO IMPACT"

Annual Performance Reports – 3% decrease unrelated to schedule “NO IMPACT”
Near Miss Incidents – unchanged, 0 incidents “NO IMPACT”
Employee Removal for Fatigue – unchanged, 0 incidents “NO IMPACT”

In 8 metrics– the department has concluded that the schedule has had “no impact.” This does not mean that there have not been significant improvements in these metrics, there have; 33% fewer vehicle accidents, 26% fewer medical call reviews, and 18% improvement in PCR completion rates. The department is reporting “no impact” because its analysis of those metrics does not directly attribute the improvements to the new work schedule. Yet it is important to note that the only significant operational change has been the implementation of the new schedule. We believe it has had a positive impact on several of the metrics currently labeled “no impact”.

In 7 metrics, the schedule has had a “possibly favorable” impact. The changes are “possibly” associated with the work schedule. While correlation does not imply causation, the department has reason to believe that the work schedule was a contributing factor to these improvements. These changes were both significant and beneficial to the public, the department and the city.

If anyone were to implement a change that is supported by over 97% of your employees (your firefighters) and is associated with a 6% decrease in sick leave, a 9% reduction in disability costs, 3% improvement in turnout times, 1% reduction in overall absence rates, 63% reduction in injuries that result in lost time, 18% improvement in training compliance and an improvement in inspection compliance – would we not all call this a resounding success and agree that it should immediately be a permanent change?

Overtime and FLSA Overtime

The Fire Department’s report indicates that Overtime Costs and FLSA Overtime costs have increased by \$2.5 million a year and are “possibly unfavorable” outcomes of the new schedule.

As shepherds of taxpayer funds, it is important to have a full understanding of this metric in order to evaluate the factors that are causing this increase.

The Fire Department’s report correctly identifies several factors that are known to be driving the increase in overtime (page 4 of the report). Below are additional details to help highlight that these factors are the driving factors in overtime increase, and the schedule change – if anything – has been helpful in preventing overtime costs from being even higher.

Individual firefighters have a limited impact on the creation of overtime. A firefighter creates the need for department overtime when he/she is absent on sick leave or vacation leave. Some may even argue that injuries and disability leave could be related – so let’s factor that in as well. This new work schedule has tracked those metrics in detail, and we now know that sick leave is DOWN 6% (saving 4,137 hours in overtime), vacation leave is unchanged, overall absence rates (sick + vacation + other) are DOWN 1%, injuries resulting in lost time are DOWN 63% (91 fewer injuries), disability leave is DOWN 13% (15,115 fewer hours, saving \$428,477). **Firefighter actions are not resulting in increased overtime, and the schedule change impact on firefighter behavior is not resulting in increased overtime.**

Causes of Increased Department Overtime in CY2017 (the Pilot Program Period)

1) Additional Overtime Approved to Reduce Brownouts

City Council's Adopted Operating Budget provided \$2.4M in additional overtime in order to maintain Fire Department minimum staffing levels and prevent the "browning out" of any fire companies when there are staff absences. The additional \$2.4M in approved additional overtime must be considered against the actual \$2.5M that is now being experienced.

Although authorized to start in July 2016, there was a lag in implementing the actual use of those funds to keep apparatus in service, with the program fully taking effect in late October 2017. Therefore, only 3 months of the increase was experienced in the base year, while the full \$2.4M overtime increase was available for use during the pilot program of CY2017. In total, 4,397 hours were associated with this approved increase in overtime in CY2016, while 15,718 were associated with it in CY2017 – a 257% increase in overtime costs.

Council Approved Overtime Hours to Reduce Brownouts

<u>2016</u>	<u>2017</u>	<u>Change</u>	<u>Impact</u>
4,397	15,718	+11,321	Significantly increased overtime costs

This increase is not in any way associated with the work schedule pilot program. The schedule helped lessen the impact due to increased relief firefighter availability due to less firefighter-controlled leave.

2. Improve Response Times to Fire and Medical Emergencies - Minimum Staffing Overtime Restoration	2,400,000	2,400,000
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Public Safety CSA Emergency Response

As described in the Manager's Budget Addenda #14 Sales Tax Ballot Measure: 2016-2017 Provisional Budget and Ongoing Spending Priorities Plan, as directed in the Mayor's June Budget Message for Fiscal Year 2016-2017, as approved by City Council, this action restores ongoing overtime funding to maintain Fire Department sworn minimum staffing levels, which will prevent the "browning out" (placing out of service) of any fire companies when there are staff absences. With these additional front-line resources, response times for fire and medical emergencies will improve and provide more operational stability. (Ongoing costs: \$2,400,000)

2) Department Vacancies

Firefighters are resigning, retiring, or promoting out of the suppression ranks faster than the department is able to replace them. The table on Page 6 of the Fire Department report discloses that the department currently has 56 vacancies, and has had an average of 54 vacancies throughout the 2017 pilot period. Those vacancies are filled using overtime.

In 2016, the base year used for comparison, the department had an average of only 39 vacancies. During the pilot period of CY2017, the department had 54 vacancies, an extra 15 FTEs. Each of

those had to be filled using overtime. The cost of filling 15 vacancies for an entire year results in significant additional overtime.

This increase is not in any way associated with the work schedule pilot program. The schedule helped lessen the impact due to delayed retirements and increased relief firefighter availability due to less firefighter-controlled leave.

Department Vacancies – Full Time Equivalents (FTE)

<u>2016</u>	<u>2017</u>	<u>Change</u>	<u>Impact</u>
39	54	+15 FTE	Significantly increased overtime costs

It must be noted that these vacancies result in significant savings in personnel and benefit costs. In its mid-year report, the department reports has \$5.3M in salary and benefit savings – more than double the \$2.5M in overtime costs being discussed in this report.

3) Fire Strike Team Deployments

San José participates in a mutual aid agreement to assist with major fire events throughout the state. The department receives reimbursement for these significant events, but the initial cost for responding is still reflected in the “overtime” costs being measured by this metric.

In mid-summer of 2017, during the pilot program, multiple engines and overhead personnel were deployed to assist with fires in Napa and Sonoma Counties. In early winter, similar resources were deployed to Ventura and Santa Barbara counties.

This level of activity was a significant increase from CY2016, the base year against which the pilot program is measured. Overtime hours associated with Strike Team deployment increased to 14,173 hours in CY2017, a 49% increase against the base year.

This increase is not in any way associated with the work schedule pilot program.

Strike Team Deployment Overtime Hours

<u>2016</u>	<u>2017</u>	<u>Change</u>	<u>Impact</u>
9,500	14,173	+4,673	Significantly increased overtime costs

The department has estimated the cost for these Strike Team deployments to be \$698,000, and there are likely additional overtime costs that cannot be directly tracked to the deployments.

4) Urban Search & Rescue Deployments

Members of the San José Fire Department participate in a federal task force that responds to major emergencies (FEMA TF3). The department receives reimbursement for these deployments, but the initial cost is still reflected in the “overtime” being measure by this metric.

In the fall, Fire Department members of TF3 were deployed to Hurricane Harvey in Texas and Hurricane Irma in Florida.

This level of activity was a significant increase from CY2016, the base year against which the pilot program is measured. TF3 deployment hours increased to 5,300 in CY2017, a 521% increase against the base.

This increase is not in any way associated with the work schedule pilot program.

FEMA Task Force 3 Deployment Overtime Hours

<u>2016</u>	<u>2017</u>	<u>Change</u>	<u>Impact</u>
853	5,300	+4,447	Significantly increased overtime costs

The department has estimated the cost for these Task Force deployments to be \$436,500, and there are likely additional overtime costs that cannot be directly tracked to the deployments.

5) General Wages

In July 2017, all members of the fire department received a three percent (3%) general wage increase. With no change in behavior or hours or staffing, this factor alone would be expected to result in a three percent (3%) increase in overtime costs.

This increase is not in any way associated with the work schedule pilot program.

6) Reduced Absences

It has been noted that sick leave and overall absences have decreased. When a firefighter works his or her full 56-hour workweek for two consecutive pay periods (a 28 day FLSA period), they will receive FLSA mandated overtime pay for all hours above 212 hours in that 28 days.

By having improved attendance, it should be expected that FLSA overtime will increase slightly. And we do so that slight increase – a total of \$137,390 for the year. This amount is far less than would be required to pay overtime to backfill for a full 24-hour shift of sick or other leave.

Reduced absence rates are a beneficial impact of the new work schedule.

5) Volatility

Fire Department overtime is generally volatile – varying by millions from one year to the next based upon approved headcount, vacancies, brownouts, squad deployments, apparatus opening/closing, special events, red flag days, minimum staffing, strike team deployments, task force deployments, sickness (bad flu season), and many other factors.

"Actual" Overtime (Full Department) per Annual Budget

Fiscal Year	Actual Overtime	Difference
2015-2016	\$ 11,665,529	\$ 3,389,699
2014-2015	\$ 8,275,830	\$ 1,799,262
2013-2014	\$ 6,476,568	\$ (454,322)
2012-2013	\$ 6,930,890	\$ 2,225,458
2011-2012	\$ 4,705,432	\$ (5,287,981)
2010-2011	\$ 9,993,413	

This normal volatility is not in any way associated with the work schedule pilot program.

Conclusion

The 48/96 pilot program has concluded a full year during which time 18 metrics were tracked.

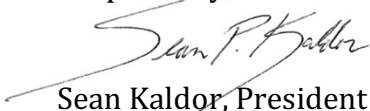
There have been resoundingly positive improvements on many metrics, and the schedule has been determined to have no impact on other metrics.

Any concerns about the change in overtime costs are fully addressed by the fact that the change in overtime is in line with the normal volatility seen from one year to the next and can be more than explained by extremely specific, directly casual factors – Council \$2.4M approved overtime increase to prevent apparatus brownouts, an increase in the vacancy rate (+15 FTE), increased fire strike team deployments, increased US&R Task Force deployments, and increased base wages among other factors. It must be noted that, in the fourth quarter (when several factors are more on par with Q4 2016), overtime hours were DOWN 1,305 from the prior year. Even with 15 FTE vacancies, firefighter reductions in absences (sick/vacation/other) helped make more effective use of the relief pool and REDUCE overtime from 2016 levels.

Given that these factors add up to more than the experienced overtime increase, the schedule (with decreased sick/vacation/other absences, reduced injuries, reduced disability leaves) is likely helping keep overtime costs from being even higher. The \$2.5 million in increased overtime must be measured against the extra 15 vacancies being carried by firefighter overtime and the \$5.3M savings currently being experienced in associated salary and benefit costs.

In short, the new fire department work schedule is not only living up to our commitment ("no negative impacts"), but it is also providing strong beneficial impacts that should be permanently embraced by the city.

Respectfully,



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