

REPORT FROM


OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Council District: ALL

To: The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Motion from the Council dated February 3, 2010

Subject: **FIRE AND POLICE EFFICIENCY WORKING GROUP**

SUMMARY

The City Charter requires the adopted City budget to be balanced. In Fiscal Year (FY) 2010-11 this will require reductions in the General Fund of \$485 million to balance the City's expenditures against forecasted revenues. Reductions will impact the City's ability to provide customer services at the existing levels expected by the community for public safety, including Police, Fire, Recreation and Parks, and Libraries. The lack of resources to fund all public safety priorities presents the City leadership with the challenge of determining which of these vital services will be reduced. As long as revenue options continue to be limited, any funding added to the Police or Fire Department budgets must be taken from a different General Fund department. This is exactly what is occurring now to ensure continued operations in both the Police and Fire Departments.

Council established a Fire and Police Working Group consisting of the Chief of Police, the Fire Chief, the City Administrative Officer, the Chief Legislative Analyst, and organized labor representatives. The Working Group is chaired by Councilman Greig Smith and was tasked with identifying efficiencies within the Fire and Police Departments which equate to budgetary savings. If adopted, the collaborative recommendations formed through the Fire and Police Working Group will reduce the existing General Fund deficit by \$3.5 million in FY 2009 and the projected deficit in FY 2010 by \$23 million.

At the request of the Council, this Office has also included additional information regarding items for which the Working Group has not made any formal recommendations. These items will be discussed in greater detail at future Working Group meetings. These items, if implemented, could reduce General Fund expenditures while maintaining public safety services. Future Working Group recommendations could structurally reduce the City's long-term salary and pension obligations without implementing sworn layoffs and without sacrificing the Council's commitment to public safety. Recognizing the need to control costs, including the wages and salaries of sworn personnel, future Working Group recommendations will be developed based on a model that evaluates the operational utility assigned to employees that perform public safety functions. The model will partition the differential cost of functions into portions that are attributable to the relative utility of sworn personnel, rates of compensation, and the efficiency of sworn personnel. It is estimated that these recommendations could save the General Fund \$53 million over the next two fiscal years.

DISCUSSION

FIRE DEPARTMENT

Revenue Enhancements:

- **Ambulance Billing**
Two contracts to outsource ambulance field data capture and emergency medical services billing and collection are being finalized with the City Attorney's Office. Revenues are conservatively projected to increase by \$10.8 million over the next six years. The outsourcing eliminated 22 civilian positions in 2009-10 and will eliminate an additional 27 civilian positions in 2010-11.
- **Ambulance Treat/Non-Transport Fee**
An ambulance Treat/Non-Transport Fee is currently being evaluated by this Office and the Fire Department. Through the adoption of this fee, additional revenue can be generated for the basic services provided at the scene of rescue ambulance responses that do not include patient transportation.
- **Emergency Medical Services (EMS) Voluntary Fee**
This Office and the Department are in the preliminary discussion phase. This initiative is based upon a program similar to that of the City of Huntington Beach *FireMed* program which generates additional revenue to support EMS services through a monthly fee added to a local utility bill. Membership in this voluntary program would protect medically insured participants against out-of-pocket emergency medical services provided by the LAFD and would provide a discount for services provided to uninsured participants. Conservative estimates based upon the number of residents and a 10-15 percent rate of participation project approximately \$5-10 million in additional revenue.
- **Special Fire Assessment Parcel Tax**
A Fire Assessment Parcel Tax similar to the County of Los Angeles has been considered. For 2009-10, the annual County assessment for a single family residential property is \$56.17. This could generate over \$50 million annually to the City to supplement fire protection services. The current local economic condition may make it difficult to obtain voter approval of an additional property tax assessment.
- **Fee Ordinance Status**
The Aboveground Storage Tank, Asbestos and Film Spot-Check fee ordinances are currently being drafted by the City Attorney's Office. Brush Clearance Fee collection is on schedule to generate a projected \$2.0 million in revenue this fiscal year. Drafting of the Industrial Inspection Fee ordinance has been deferred by the Department due to a reprioritization of other fee ordinances and consequently the \$1.0 million revenue projected this fiscal year will not be recognized.

Business Practices/Expenses:

- **Impact of Municipal Improvement Corporation of Los Angeles (MICLA) Fleet Deferral:**
Approximately 80% of the Fire Department responses consist of Emergency Medical Service calls. The Department's initial 2009-10 MICLA fleet replacement package totaled over \$26

million for various fire apparatus, emergency Suburbans, emergency and non-emergency sedans and ambulances. The Department was requested to reduce this package by 30%, resulting in a revised \$18 million package. The 24 ambulances included in that request cost \$3,492,480. This is the Department's most critical need of the 2009-10 MICLA program. Should the ambulance units not be replaced, the Department will incur increased maintenance and repair costs for the older existing vehicles. In addition, the Fire Department's Maintenance and Supply Division staff vacancy rate will exceed 25% when the Early Retirement Incentive Program processing is complete. The Department has undertaken measures including fleet rotation to mitigate the impact of deferred vehicle replacement. The 2008-09 MICLA program provided the Fire Department with sufficient funding to replace 24 ambulances.

Current Inventory of LAFD ambulances

Year	Qty	Average Mileage
2001	7	114,327
2003	87	93,923
2005	34	76,391
2006	31	53,718
2006	15	42,750
2008	35	26,450

Work Schedules:

• **Constant Staffing Overtime Models:**

This Office is currently working with the Department on the feasibility of exploring additional options that can build upon the efficiencies achieved by the 2009-10 Modified Coverage Plan which is generating savings of approximately \$39 million.

Sworn Hiring:

• **Sworn Hiring/Redeployment Option:**

1. Redeploy 60 Firefighters within the field by closing 10 Basic Life Support (BLS) Rescue Ambulance resources

BLS Rescue Ambulance	Average No. Responses Per Day
FS 40	1.58
FS 24	2.26
FS 42	2.96
FS 49	3.04
FS 108	3.39
FS 16	3.59
FS 8	3.79
FS 18	4.22
FS 76	4.25
FS 106	7.04

Source LAFD

2. Postpone the first two Recruit Training classes in 2010-11

By redeploying 60 Firefighter III position authorities and sending the Firefighters within the field to backfill platoon duty vacancies thereby reducing overtime will result in a three month total savings of \$4,074,251 for the balance of this fiscal year (Attachment). These Firefighters currently staff ten BLS rescue ambulances at the lowest response-per-day fire stations. The average number of responses for these ten ambulances is less than 3.5 calls per day. To reduce the impact of this service reduction, ten 12-hour Variably Staffed Ambulances on overtime (during peak hours) will replace each of the 24-hour BLS rescue ambulances at a three month cost of \$985,500. A 24-hour Advanced Life Support (ALS) ambulance and a 12-hour Variably Staffed Ambulance will still be stationed at each of the affected fire stations. By redeploying the 60 firefighters to the field to reduce overtime, the Department can postpone two recruit training classes in 2010-11 and keep 20 recruit training personnel in the field for seven additional months thereby reducing overtime expenditures.

Net three month savings in 2009-10:	\$ 3,088,751
Net full year savings for 2010-11:	\$20,991,159

Civilianization:

- **Fire/Building and Safety Inspections**

The Fire Department has submitted detailed information on the Fire Prevention Bureau. Discussions with both departments are underway to explore potential efficiencies between both departmental inspection units.

- **Operations Dispatch Control Staffing**

Preliminary discussions have been held to explore various alternative staffing plans for the Operations Dispatch Control (OCD) that could include a combination of platoon duty (24 hr) and special duty (9 hr) staffing to cover the peak 18 hours of the day at a reduced cost. Other staffing options include a mix between sworn and civilian staff.

POLICE DEPARTMENT

Injured-on-Duty (IOD) and Work Restrictions:

- The Department indicates that there are 428 sworn officers with permanent work restrictions. Of these, approximately 38 are able to perform patrol duties, the most basic function of a police officer. Since August, 2006, LAPD Special Order 7 has governed how permanent work restrictions are handled, allowing the Department to transition newly-restricted officers into civilian classifications with duties they can perform, while still contributing to law enforcement and public safety with LAPD. Special Order No. 7 also grandfathered those officers with restrictions prior to August 2006 and ensured that they would be allowed to remain in the Department as sworn officers.
- The Department also stated that there are approximately 600 officers with temporary work restrictions. This figure varies significantly and is very difficult to predict and manage, as these restrictions can be as short as a few days or indefinite, eventually becoming permanent.
- As officers with permanent work restrictions retire from the Department, the LAPD should be allowed to evaluate the positions on a case-by-case basis to determine whether the duties performed by that person were sworn duties or civilian duties, and backfill the position appropriately.

- The City Attorney was also requested to research the City's legal options regarding officers with work restrictions and report their findings to the Executive Employee Relations Committee (EERC).

Revenue Enhancements:

- The LAPD has been working with the City Attorney to determine what is required to allow the Department to charge market rate for the provision of training classes and services to outside agencies. Currently, LAPD can only charge enough for cost recovery, limiting the amount of revenue available.
- Police Commission staff discussed false alarm fees and penalties. The fee and penalty amounts were last updated in 2009, and will be updated again as part of the 2010-11 budget process. Commission staff reported that the number of false alarm responses has dropped noticeably due to implementation of the CryWolf System, which notifies dispatchers of chronic false alarm offenders and downgrades the priority of those calls. Staff also noted that the City's new collection agency seemed to be producing very strong results in this area.

Outsourcing:

- On the question of outsourcing background checks, the Personnel Department reported that some level of contracting is already done. They also noted that past experience with using contractors to perform comprehensive background checks resulted in poor quality results.
- On the question of outsourcing records and reports requests, the Police Department stated that, due to lack of sufficient staffing, it has become almost impossible to deliver documents in a timely manner. Inasmuch as many agencies already contract out for this type of function, and the Department's timeliness was not exceptional even when fully staffed. Further study of this issue is recommended.

Jail Division Issues/Opportunities:

- The Police Department has undertaken the drafting of a report that reviews all options for funding and opening the new Metropolitan Detention Center. While this report has not yet been released, it will discuss and evaluate options such as: leasing pods and/or beds to other agencies such as Los Angeles County and the Federal Government; utilizing only three of the four pods on a regular basis while keeping the fourth available for dangerous or high profile prisoners; and any other options for opening the facility.
- Parallel to this study, the Department has decided to close some of their current area jails and consolidate detention into a smaller number of facilities. While this will result in some loss of officer time due to transportation, it will reduce or eliminate the Department's need to fill Detention Officer positions just to maintain their current facilities.

Business Practices/Expenses:

- In their Proposed Budget for 2010-11, the Department proposed an LAPD budget almost \$45 million less than 2009-10 projected expenditures.

- The Department is in the process of a comprehensive review of all of its practices and expense accounts. So far, the Department has identified more than \$5 million in expense cuts from their 2010-11 Budget Request. This effort will continue in the months to come, and will hopefully result in further savings.
- The Department has negotiated and instituted a reduction in the frequency of firearms qualification for officers. Under the new requirements, each year officers will be required to qualify once with the shotgun (twice previously), once on the Force Option Simulator (twice previously), and three times with the standard issue handgun (six times previously). This is anticipated to result in savings of as much as \$175,000 annually.
- The Working Group also discussed the cost effectiveness of contracting out with the County for prisoner transportation (as is currently done) versus providing transportation in-house. While LAPD estimated that they could do these duties at approximately the same cost as the County, the startup cost of purchasing busses (approximately \$3 million) makes this financially infeasible at this time.
- In an effort to be more efficient and increase sworn staffing in the geographic areas, the Department has already transferred 119 positions from specialized and/or administrative functions out into the 21 geographic divisions. On top of this, the Department is currently working on the transfer of approximately 200 additional positions into area stations. This transfer is scheduled for the end of March, the beginning of Deployment Period Four. While this movement does not increase the overall deployment numbers, it does increase the availability of sworn staff in the area stations, contributing to public safety and general officer visibility.

Work Schedules:

- Our Office analyzed the cost data for a five-year period before and after the 10-month implementation period of the Flexible Work Schedule (FWS). This analysis indicated that after FWS was implemented, the LAPD experienced annual average cost increases of \$1.1 million attributed to court overtime and annual average cost savings of \$1.2 million attributed to the reduction of holiday hours, resulting in a net savings of \$0.1 million.
- Under the FWS, the amount of holiday hours an officer can accrue and the number of hours worked per year is as follows:

Work Schedule	Hours Accrued Per Year	Hours Worked Per Year
5/40	104	1,976
3/12	52	2,028

As illustrated above, an officer on the 3/12 schedule works more total hours per year than an officer on a 5/40 schedule.

- Prior to FWS, all units were deployed based on an eight-hour schedule, if LAPD wanted to ensure that there was at least one unit on patrol in a neighborhood during a 24-hour time period, the Department would have to deploy three units that day. Under FWS, however, if units were deployed on 12-hour watches, only two units are needed to ensure that the

neighborhood is covered in a 24-hour time period. Although this represents a one-third decrease in watches worked, the fewer units provide the same amount of coverage as was provided in the 24-hour time period before FWS because each unit is on a longer watch.

The following action items will be discussed in an upcoming Fire and Police Working Group meeting:

Sworn Hiring:

- The LAPD hired a class of 20 recruits in January 2010 and a class of 25 recruits will start the Academy on March 1, 2010. These hires will give the LAPD a pool of POST certified able-bodied officers to deploy into the field at the beginning of FY 2010.
- The LAPD's filled positions at the start of the fiscal year and their recent filled positions are as follows:

FY 2009-10			Type
6/21/2009	1/16/2010	2/14/2010	
9,105	9,374	9,405	Total able-bodied POST Certified Workforce
518	455	429	General Funded POST certified officers with Permanent Work Restrictions (PWR)
340	122	93	Academy Recruits - Not POST Certified
9,963	9,951	9,927	Total Number of Paychecks Issued Payroll Obligation

- In adopting the 2009-10 Budget, the Council authorized a sworn hiring plan with the intention of maintaining Police services at a constant level. However, this discussion was framed around a number which has very little to do with the actual number of deployable officers serving the City. If the Council's goal is to maintain the level of Policing services provided at the beginning of this year, the sworn hiring plan should be designed to ensure that LAPD maintains their July 1, 2009 able-bodied POST certified workforce.

Deployment:

- The current model for hiring is formula driven. The formula is based on the number of paychecks issued in the final pay period of last fiscal year. Since the formula does not speak to the number of officers in the field or the marginal utility of the officers on payroll, efficiencies and savings can be realized by redefining our hiring criteria.
- Changing when we hire and the size of the class hired will structurally reduce the Department's salary obligations without impacting deployment. Additionally, moving from a monthly hiring model to a quarterly model will free up able-bodied officers currently assigned to the Academy and allow for the Police Chief to redeploy these resources into the field. This action will enhance public safety services without the adding to the City's General Fund deficit.

- Academy recruits should not be considered part of the Department's deployable base since they do not add any public safety value to the Department until they graduate from the Academy. 22% of the recruits who enter the Academy do not graduate from the Academy; Academy attrition represents 33% of the Department's overall attrition.

Civilianization:

- The Department is currently carrying 428 sworn officers with permanent work restrictions. Of these, approximately 38 are able to perform patrol duties, the most basic function of a police officer.
- Civilianization is designed to increase the number of police officers in the LAPD assigned to sworn responsibilities. The City's current budget constraints and the City's inability to expeditiously attrit officers with permanent work restrictions hinders the LAPD's ability to immediately implement prior civilianization plans set forth in prior Controller audits.
- Civilianization is long-term goal designed to help ensure the department maximizes the use of sworn personnel for sworn duties. Deploying more officers in the streets to protect our City's neighborhoods is the Chief's primary public safety goal.
- Due to Special Order No. 7 (discussed above) the Department has limited options in proactively civilianizing officers whose work restrictions became permanent prior to August 1, 2006. As we move forward and as these officers move on, the Department will look at the officer's job responsibilities and replace the function with the appropriate classification, sworn or civilian. Replacing staff with the appropriate classification will ensure that the City's public safety needs are addressed and met in the most cost efficient manner possible.

Salary Obligations:

- The LAPD's salary obligations will be increased by approximately \$7 million next fiscal year due to STEP increases.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor, instruct the Fire Chief to implement the citywide redeployment initiative of ten Rescue Ambulance resources for the remainder of the fiscal year.

FISCAL IMPACT STATEMENT

Adoption of the above recommendations will reduce the City's existing General Fund deficit by \$3.5 million in FY 2009 and will reduce the projected deficit in FY 2010 by \$23 million. The recommendations contained in this report comply with the City's Financial Policies.

MAS:EFR:MCD/MC/JLK:04100102c

ATTACHMENT

Reassignment of 60 BLS Firefighter EMT Positions - Projected Savings

Class Code	Title/No. of Positions		Full Year Cost	Three Month Cost
2112-3	Firefighter III/60		\$92,849	
Acct. No.	Account Name			
1012	Salaries - Sworn		\$5,570,940	\$1,392,735
1030	Salaries - Bonus		\$54,780	\$13,695
1093	Overtime - Constant Staffing		\$1,671,282	\$417,821
4430	Uniforms @ \$5,600 ea		\$336,000	
		Subtotal	\$7,633,002	
1098	Overtime - Variable Staffing		(\$3,942,000)	(\$985,500)
		Total	\$3,691,002	
1093	Reassign 60 FF positions to reduce Constant Staffing OT		\$9,000,000	\$2,250,000
	<u>Training Cadre in Field</u>			
1093	20 Trainers in field for 7-months		\$1,750,000	
1098	Reduce 2/3 of Training V-Hrs.		\$1,158,540	
	<u>Postponement of two Recruit Classes</u>			
1012	50 Firefighter I (18 wks) (Class 1)	\$53,768	\$930,600	
1012	50 Firefighter I (18 wks) (Class 2)	\$53,768	\$930,600	
1012	50 Firefighter (Probationary Period #1)	\$65,491	\$2,015,108	32 wks
1012	50 Firefighter (Probationary Period #2)	\$65,491	\$881,610	14 wks
1030	100 Salaries Bonus	\$737	\$73,700	
4430	100 Uniform Allowance	\$5,600	\$560,000	
		Total Savings for 2009-10		\$3,088,751
		Total Savings for 2010-11	\$20,991,159	
	<u>Total by Account 2010-11</u>			
1012	Salaries Sworn		\$10,328,857	
1030	Salaries Bonus		\$128,480	
1093	Constant Staffing Overtime		\$12,421,282	
1098	Variable Staffing		(\$2,783,460)	
4430	Uniform Allowance		\$896,000	
		Total Savings for 2010-11	\$20,991,159	
		Total 15 Month Savings	\$24,079,910	
		Sworn Pension and Benefit Savings	\$2,217,170	

Source: CAO; LAFD