

Running head: STRATEGIC STAFFING: AN ANALYSIS OF ALTERNATIVE


Strategic Staffing: An analysis of alternative staffing strategies for the purpose of reducing
personnel costs

Cindy E. Dick

Tallahassee Fire Department, Tallahassee, Florida

CERTIFICATION STATEMENT

I hereby certify that this paper constitutes my own product, that where the language of others is set forth, quotation marks so indicate, and that appropriate credit is given where I have used the language, ideas, expressions, or writings of another.

Signed:  _____

Abstract

In fiscal year 2009, the Tallahassee Fire Department (TFD) was facing significant budget reductions and elimination of units had been proposed. The problem was the Tallahassee Fire Department was required to identify major reductions in overtime usage for fiscal year 2009 without compromising service delivery or firefighter safety. The purpose of the research was to analyze overtime costs and identify strategies for decreasing expenditures in the TFD without reducing current staffing and resource levels.

Historical research was utilized to answer the following research questions: (a) what contractual or legal requirements determine overtime practices? (b) what factors contribute to current overtime usage? (c) does the TFD have adequate staffing levels to staff current resources? (d) are current shift configuration and staffing levels the most efficient utilization of personnel? Action research was utilized to implement pilot programs and policy changes required to yield research results.

Procedures included: (a) an extensive literature review, (b) an initial trial program to determine the effects of additional staffing on overtime, (c) detailed analysis of departmental staffing data and, (d) the development and implementation of an alternative staffing strategy for the Tallahassee Fire Department.

The research resulted in: (a) identification of key contributors to overtime demand such as leave utilization and legal parameters, (b) identification of recommended staffing levels and configurations and, (c) the development of an alternative staffing strategy that generated a 50% reduction in overtime spending, equating to \$306, 667 of savings over six months.

Recommendations for future action include: (a) reclassification of 3-6 Firefighter positions to Engineer, (b) further research into methods of reducing unscheduled sick leave, (c) further research into the utilization of part time personnel and (d) further research into the identification of a break even point where the marginal cost of hiring additional personnel exceeds the cost of overtime hiring.

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Introduction

The national economy is currently reeling through the effects of a recession. Unemployment is climbing, consumer activity is waning and the decline is expected to last through 2009. (Hoffman, 2008) State and local governments are feeling the impact of the economic downturn as well, in fact, the National League of Cities reports that municipal revenue sources will continue to decline through 2010. (Pagano & Hoene, 2008) Consequently, the City of Tallahassee began the 2009 budget process with a projected deficit of \$4.2 Million and the Tallahassee Fire Department (TFD) was not immune to required reductions.(City of Tallahassee [COT], 2008)

TFD was required to identify major budget reductions and the utilization of overtime throughout the organization was being heavily scrutinized. In a recent City Auditor report, TFD was identified as incurring the “highest three-year total of overtime hours citywide.”(City of Tallahassee [COT], 2007, p. 1) As the Chief of the organization, the author is strongly compelled to identify reductions in overtime usage without compromising service delivery or firefighter safety. The problem is the Tallahassee Fire Department is required to identify major reductions in overtime usage for fiscal year 2009 without compromising service delivery or firefighter safety. The purpose of the research is to analyze overtime costs and identify strategies for decreasing expenditures in the TFD without reducing current staffing and resource levels.

Historical research will be utilized to answer the following research questions: a) what contractual or legal requirements determine overtime practices? b) what factors contribute to

current overtime usage? c) does the TFD have adequate staffing levels to staff current resources?
d) are current shift configuration and staffing levels the most efficient utilization of personnel?

Action research will be utilized to implement pilot programs or policy changes required to yield anticipated research results.

Background and Significance

The City of Tallahassee is the capital of Florida with a population close to 160,000. (US Census Bureau, 2008) Situated in the big bend area, Tallahassee is the county seat of Leon County and comprises over 100 square miles of the county's 670 square miles. Tallahassee is the only incorporated city in Leon County and provides much of the infrastructure, inclusive of utility generation, in the entire city and much of the unincorporated area. (City of Tallahassee [COT], 2008)

The Tallahassee Fire Department (TFD) is an entity of the City of Tallahassee, additionally; it is the contractual fire service provider for unincorporated Leon County. The department provides fire suppression, hazard mitigation, non-transport emergency medical response, prevention and public education from 15 station locations with a total of 264 personnel. The department also maintains a Hazardous Materials Team and an Urban Search and Rescue Team which have regional response jurisdiction. Front line apparatus, which remain in service at all times, consist of 10 Engine Companies, 5 Truck Companies, 5 Quick Response Mini-pumpers, 6 Tankers, 3 Aircraft Rescue firefighting (ARFF) apparatus, one medical supervision officer and 2 Battalion Chiefs. TFD currently operates with a minimum staffing of 3 personnel per engine and truck company, 1 per mini-pumper and tanker (which operate in

tandem), and 1 per ARFF vehicle. In order to maintain all front line apparatus in a ready condition, suppression minimum staffing levels are 62 personnel at all times.

The TFD has a mixed funding stream. The majority of the department is funded through the assessment of a fire services fee within the city limits and contractual fees for service to the unincorporated area. Although TFD is an enterprise fund, fees and contractual payments are not sufficient for current levels of spending. Therefore, the remaining departmental costs must be subsidized by the city's general fund. For example, a review of the 2008 budget demonstrates that combined sources of revenue for fire service were \$24,658,110 while expenditures were budgeted at \$27,192,166. The remaining \$2,534,056 was supplied by a transfer from the deficiencies fund. (City of Tallahassee [COT], 2007) This reliance on the general fund makes the department vulnerable to government wide reductions in spending.

When considering significant budget reductions, TFD is constrained by policy and funding allocations. The 2008 TFD total operating budget is \$27,192,000. (COT, 2007, p. 528) The funding is allocated into seven major categories only two of which are discretionary and eligible for department reduction: (a) personnel services and (b) operating funds. All other categories are related to debt service or to funding services provided by other general fund departments such as Human Resources, Information Systems and Fleet Management. Operating funds total \$1,133,650 or 4% of the total budget while personnel services account for 74% or \$20,064,779. (COT, p. 528) Once contractual obligations, supplies for personnel, stations and equipment and training costs are provided for, there is very little room for reduction in the operating accounts and not enough available funding to meet the required reduction expectations. Therefore, the funding for personnel services, which is greater than the funding in all other categories combined, is the only remaining area available for cutbacks.

The TFD personnel services budget category contains funding for salaries and benefits as well as overtime and incentive funding. Salaries and benefits are directly related to the funding of employees and are contractually agreed upon through September, 2011. (City of Tallahassee [COT], 2008, article 12) Therefore, they cannot be altered without a reduction in staff or a breach of contract. Overtime, however, is directly related to policy and practice and therefore is the most responsive to managerial decisions and the area best targeted for funding decreases. Overtime funding, however, has remained constant at \$903,907 since 2002 while salaries and benefits have increased at an average rate of 7.3% annually (see figure B1). Overtime utilization has remained stable at nearly 39,000 hours annually. Consequently, as salaries increase, overtime spending increases and TFD has been overspending the overtime line item since 2005 (see figure B2). (Tallahassee Fire Department [TFD], 2007)

Not only does TFD have a professional obligation to identify major budget reductions in fiscal year 2009 (FY09), it also has an ethical responsibility to respond to the general economic decline. TFD is committed to fiscal responsibility and values “creative and proactive leadership which seeks innovative solutions.” (Tallahassee Fire Department [TFD], 2006, p. 3) These organizational values personalize the ethical responsibility to the organization; however there is also an ethical responsibility inherent in the position of Fire Chief and the profession itself. The curriculum of the Executive Development course, offered by the National Fire Academy, contains an entire module on ethics and change and stresses the responsibilities of being a steward of the community’s resources.(Federal Emergency Management Agency [FEMA], 2006) Additionally, the International Association of Fire Chiefs (International Association of Fire Chiefs [IAFC], 1999-2008) lists responsibility to the public trust and judicious use of resources first in the ‘Fire Chief’s Code of Ethics’. Quick response to a changing economy is also

consistent with an objective of the United States Fire Administration (USFA) to “respond appropriately in a timely manner to emerging issues.” (Federal Emergency Management Agency [FEMA], 2008, p. II-2)

The timely completion of this research project and development of an overtime cost reduction strategy is crucial to the current and future stability of the Tallahassee Fire Department. Recommendations have already been made to eliminate two truck companies and one tanker from service in 2009 and personnel layoffs are anticipated in the future. (COT, 2008, p. XV) The successful identification of an alternative proposal prior to the implementation of the 2009 budget will ensure consistent fire department service levels for at least one additional year in Tallahassee.

Literature Review

The literature review focused on gathering information on industry best practices and alternative solutions, legal and contractual constraints, and resources and techniques available to address the identified research questions.

Techniques and Resources

When confronting a problem of this magnitude, Heifetz & Linsky (2002) urge the reader to step back from the problem and gain a broader perspective of the issue. The purpose is to identify the root cause and not be influenced by the previous practices or internal filters. Additionally, Osborne & Gaebler (1992) emphasize the importance of examining data and presenting objective measurable results. Regarding the determination of success versus failure,

Osborne & Gaebler state it simply. “If you don’t measure results, you can’t tell success from failure.”(Osborne & Gaebler, p. 147)

The National Fire Protection Association (NFPA) has issued a series of standards for fire service practices. These standards offer guides and resources for effective problem solving and benchmarking in the fire service. The NFPA (2004) has issued a standard for staffing fire apparatus for effective service delivery. This standard recommends staffing levels for engine and truck companies at 4 personnel at all times. (National Fire Protection Association [NFPA], 2004, chap. 5) The Tallahassee Fire Department wishes to comply with this standard and has requested staffing minimums to be increased to 4 per unit in previous budget years.(TFD, 2007) However the staffing increases were not approved.(COT, 2007) The International Association of Firefighters provides tools and methodology for calculating the numbers of required personnel to staff fire suppression apparatus on a continual basis at various staffing minimums.(International Association of Firefighters [IAFF], 2002) The calculation, which identifies the number of personnel required per position filled is referred to as the “staffing factor” and is a function of leave usage, scheduled hours per week and work patterns.(NFPA, p. 4-11) The IAFF (2002) includes a calculation worksheet in the implementation guide for use by fire service agencies in determination of department specific staffing factors. (see figure B3)

Legal and Contractual Restraints

The Fair Labor Standards Act of 1938 (FLSA) is the prevailing federal labor law pertaining to wage and hour issues for employees in the United States. Section 7, of the legislation, pertains to maximum hours and defines a work week as 40 hours for regular rates of pay.(U.S. Department of Labor, 2004, p. 8) The law goes on to state that compensation for hours

worked in excess of 40 must be paid at a minimum of one and one-half times the regular rate of pay. There is a provision, however, which creates an exception to the standard workweek for firefighters and law enforcement personnel. FLSA section 7(k), exempts firefighters from the 40 hour workweek provision and states that they need not be compensated at overtime rates until the work hours exceed 212 in a 28 day cycle, equating to a 53 hour workweek. Firefighters may work fewer than 28 days in a cycle and equivalencies are listed under the law. Firefighters working 19 day duty cycles, for example, may work 144 hours prior to overtime compensation regulations to apply. (U.S. Department of Labor, 1987) "Tallahassee Firefighters, assigned to the suppression division, currently work 24 hours on, 48 hours off, with one Kelly Day shift off every third 19 day duty cycle."(COT, 2008, p. 11)

A Kelly day is a scheduled day off required to adjust the shift pattern to the agreed upon workweek hours. For example, in the TFD every third 19 day duty cycle, one group of employees is scheduled to work 7 shifts. Completing seven 24 hour shifts would equate to 168 work hours, which exceeds the 144 hour threshold imposed by the FLSA. In order to avoid overtime, each of the effected employees is given one shift off during the cycle to reduce the work hours to 144. Each employee receives either 6 or 7 Kelly days in a calendar year. (COT, 2008)

Each Firefighter, Engineer, Lieutenant, Captain and Battalion Chief in the TFD is included in a bargaining unit and negotiates wages, benefits and conditions of employment. Firefighters, Engineers and Lieutenants operate under an agreement for those specific ranks while Captains and Battalion Chiefs operate under a supervisory agreement. (COT, 2008, p. 1) Work patterns (24 on 48 off), Kelly days, accrual and usage of other leave types and overtime and salary provisions are bargained for and included in the bargaining unit agreement. Article 6.3

of the collective bargaining agreement requires the payment of overtime at one and one-half times the regular wage rate for all time worked in excess of scheduled time and payment at 2 times the regular wage rate for all overtime which employees are made to work without option, “mandatory holdover”.(COT, 2008, p. 15)

In addition to the overtime wage provision, the bargaining agreement also stipulates the maximum number of personnel permitted to take a vacation or Kelly day on any given shift. Article 8.2, states that up to 13 personnel per shift may be off on a combination of vacation and Kelly day and further segments those numbers by rank. (COT, 2008, p. 19) Up to 7 Lieutenants, 9 Engineers and 8 Firefighters, not to exceed 13 total, may be off at a time for a combination of Kelly day and vacation. Additionally, members are permitted to be off for other leave types such as sick leave, bereavement leave, military and judicial leave that is not included in the count of 13. (COT)

TFD currently operates with minimum staffing of 3 personnel per engine and truck company, 1 per mini-pumper and tanker (which operate in tandem), and 1 per ARFF vehicle. In order to maintain all front line apparatus in a ready condition, suppression minimum staffing levels are 62 personnel at all times. Assigned staffing, however is 4 per company for a total assigned of 77 personnel. (Tallahassee Fire Department [TFD], 2004)

Staffing Strategies

The research identified many approaches to staffing for fire service delivery. Overall, however, the research identified two main schools of thought regarding the number of employees an organization should have on hand to staff effectively. Martin (2008) describes them as “constant staffing” and “overstaffing”. (Martin, 2008, ¶ 4) Constant staffing is a method whereby

an organization employs only enough personnel to cover minimum staffing levels when all are present. Martin goes on to state that under the constant staffing model, vacancies created by the use of leave are staffed exclusively through overtime hiring. The other methodology described by Martin is the overstaffing theory. Overstaffing is a practice of staffing enough personnel on a shift to accommodate anticipated employee leave usage without the use of overtime. (Martin) The Tallahassee Fire Department practices the overstaffing method. Of the 77 suppression personnel assigned daily, only 62 are required for minimum staffing. (TFD, 2004)

Martin (2008), states that it is more economical to utilize the constant staffing method thereby employing fewer personnel and utilizing overtime to accommodate leave usage. Additional researchers concurred, concluding that it is more economical to staff positions through the utilization of overtime at time and one-half wage rates than to hire additional personnel at regular wage rates plus benefits.(Earley, 2001) Both authors, however, caution about the non monetary impacts of too little or too much overtime usage. Martin (2008) states that too much overtime availability for non-managerial employees may lead to little incentive to advance in the organization. Employees that are earning significantly more than their supervisors, by way of overtime earnings, may feel it is more beneficial to remain in the non-managerial ranks.(Martin, 2008) Early (2001), however cautions that too little overtime, especially in an organization where personnel have become accustomed to additional wages, may lead to low employee morale.

There is also evidence that points to a combined system of overstaffing and overtime utilization. One author describes an economic “balance point” where the marginal costs associated with hiring an additional firefighter exceed the overtime dollars that would be required if additional vacancies are filled through overtime. (Dozier, 2001, p. 21) Another

author describes a similar concept as a financial “break even point.” (Selberg, 1992, p. 9) Like Dozier (2001), Selberg suggests that hiring additional personnel is cost effective to a point and overtime usage is more economical after that point. Fite (2002) cautions that overtime as a regular staffing method should be a short term solution and not a standard practice. (Fite, 2002)

Research indicates that there is an enormous variation of staffing patterns in the fire service. The most common and more traditional shift duration is 24 hours. (Adams, 2006) Rule’s study (as cited in Adams, 2006) recommends moving away from a traditional 24 hour shift to a more effective 10 hour day/14 hour night pattern. Rule concluded that leave usage is minimized in a shift of shorter duration. Another study emphasized the use of “extra board” or part time firefighters to fill staffing vacancies. (Riemar, 1998) One researcher implemented a fourth shift in a three shift system in order to reduce the workweek and overtime available to all personnel. (Cobb, 1999)

Overtime Factors

Many authors have examined, in detail, the factors contributing to the usage of overtime. The conclusions of all authors reviewed, were consistent regarding the predominate factor driving overtime usage. Whether the constant staffing or overstaffing method is utilized, employee leave usage was noted to be a primary driver of overtime costs. (Tomita, 2003)(Fite, 2002)(Hard, 2005) Hard goes on to state that call volume is not a factor in determining overtime requirements.

An extensive Literature Review provided the author with clear constraints to the research, given the legal and contractual obligations regarding overtime payment. It also provided a clear picture that overtime usage is a universal issue for the fire service. That staffing and leave

detailed data is the best source of information for determining the most cost effective utilization of personnel. It also pointed out that variations in staffing patterns and utilization of full and part time personnel is common in the fire service. There seems to be no “one size fits all” solution to staffing strategies. The literature review emphasized the need for detailed and specific research to determine the best solution for the Tallahassee Fire Department.

Procedures

The research was conducted utilizing a historical research methodology with a focus on the identified research questions: a) what contractual or legal requirements determine overtime practices? b) what factors contribute to current overtime usage? c) does the TFD have adequate staffing levels to staff current resources? d) are current shift configuration and staffing levels the most efficient utilization of personnel? Action research was employed to implement pilot programs or policy changes required to yield anticipated research results.

Definition of terms

Out of Classification: Assignments wherein personnel are asked to fill vacancies of higher ranking positions that they have demonstrated aptitude and qualification to fill.

TFD Kelly Day Cycle: A 19 day cycle, in which the employee is scheduled to work more than the FLSA overtime threshold of 144 hours. During this cycle, each involved employee is granted a scheduled shift off in order to reduce the hours worked to 144.

Constantly staffed unit: An apparatus that is assigned a minimum compliment of personnel at all times.

Tendered unit: An apparatus that has no assigned personnel. Tendered apparatus are dispatched on an as needed basis and are operated by personnel assigned to other apparatus.

Research methodology

The research began with an extensive literature review utilizing resources available from the Learning Resource Center at the National Fire Academy, Emmitsburg, MD. Additionally, the personal library of the author was searched for information on strategic thinking and results oriented problem solving as well as any relevant fire service periodical or journal articles pertaining to the subject. Extensive internet searches were conducted utilizing key terms including, but not limited to, firefighter overtime, staffing strategies, wage and hour laws, U.S. economy, city demographics and other relevant terms. All literature searches attempted to identify relevant and timely information on federal or state legislation regarding wage and hour requirements, staffing strategies, overtime factors, resource allocation and strategic thinking. Additionally, the standard operating procedures and inter-organizational communications of the Tallahassee Fire Department were thoroughly researched to identify contributing factors to the current condition.

An initial trial program was implemented to identify the impact of additional staffing and overtime restriction on TFD staffing expenditures. A three month trial period was initiated with the following conditions: a) overtime outside of that required to maintain minimum staffing or respond for suppression, investigation or command purposes was discontinued b) a temporary suspension of the cap on the numbers of personnel eligible to work out of class was enacted c) a single tanker unit was converted to a tendered unit as opposed to a constantly staffed unit d) a medical supervisory unit was taken out of service in deficient staffing situations and the medical

supervisor retained his/her duties but operated from an engine company e) 6 personnel from non suppression divisions were temporarily assigned to suppression f) remaining non suppression personnel were utilized in an as needed basis to staff suppression units in lieu of overtime. This program was communicated to personnel via memorandum which also addressed all budget reduction measures for the final quarter of fiscal year 2008. (see Appendix D for memorandum in its entirety)

The Telestaff® staffing software, utilized by the Tallahassee Fire Department, was examined to obtain detailed staffing data for 3 consecutive years, calendar year 2004, 2005, and 2006. Staffing data for 2007 was not included in the sample because the data had become corrupt during a Telestaff® software upgrade and was not reliable. All staffing data for those years was exported to a Microsoft Excel© spreadsheet and pivot tables were created to transform the data into meaningful information for the research. The data was analyzed to determine leave utilization by category and rank, overtime trends, impact of leave utilization on overtime, impact of Kelly day cycles on overtime. Additionally, weekly reports were generated from the Telestaff® staffing database on the results of the overtime restriction conditions implemented for the 3 month trial.

Leave usage results, obtained during the three year staffing analysis, were utilized with the methodology provided by the IAFF to determine appropriate staffing factors for the TFD. (IAFF, 2002, p. 4-11) Identified staffing levels through the staffing factor methodology were compared to current staffing levels and deficiencies or surpluses in personnel were noted.

At the conclusion of the three month trial period, all data was reviewed and an alternative staffing strategy was developed and proposed for inclusion in the fiscal year 2009 budget as a pilot program. (see Appendix E for presentation in its entirety) Upon approval, the pilot staffing

strategy was communicated via memorandum to all personnel and implemented. (see Appendix F) An additional shift was created to minimize the impact of overtime. Three positions were reclassified to Lieutenant and one Engineer was reassigned from each existing shift to create a D Shift. This shift works 24/48 for six shifts followed by 72 hours off in a repeating cycle. The assigned schedule insures that six additional employees are assigned to each shifts Kelly Day cycle. Weekly overtime utilization data reports were generated throughout the first quarter of fiscal year 2009 to determine program effectiveness.

Assumptions

The research was conducted under the assumption that information obtained during the literature review was a result of unbiased and objective research. Additionally, it was assumed that data contained in the TFD Telestaff® staffing software was accurate and reflective of current practices.

Limitations

The research was bound by the limitations of the collective bargaining agreement between the City of Tallahassee and the IAFF Local 2339 as well as federal requirements for hours of duty and overtime compensation. All pilot programs and recommended solutions were required to remain within the parameters of existing legal and contractual obligations.

Results

Research question one: What contractual or legal requirements determine overtime practices?

The contractual and legal parameters to overtime practices in the Tallahassee Fire Department were identified during the literature review. Federal wage and hour laws require

overtime wages, for firefighters, to be paid at a rate of no less than one and one half regular wage rates for hours in excess of the threshold for the work cycle. (U.S. Department of Labor, 1987)

The Collective Bargaining Agreement, between the City of Tallahassee and the IAFF Local 2339, defines a work cycle for suppression personnel in the TFD to be 19 days in duration and equivalent to a 53 hour work week. (COT, 2008) The FLSA work hour threshold for firefighters working 19 day duty cycles is 144 hours. (U.S. Department of Labor, 2004) Additionally, the collective bargaining agreement requires wages to be paid at two times regular wage rates for overtime hours which are required by the employer, referred to as mandatory overtime. (COT)

Research question Two: What factors contribute to current overtime usage?

Three major factors contribute to overtime usage in the Tallahassee Fire Department, leave utilization, out of classification assignments and staffing levels.

Leave utilization

The TFD staffs each 24 hour operational shift with 77 personnel, of which 13 may be on scheduled Kelly Day or personal leave. In situations where the maximum numbers of personnel are off on either vacation or Kelly Day, the remaining 64 personnel would be sufficient to maintain minimum staffing levels without the use of overtime. Utilization of leave in excess of 15 per shift would reduce staffing below minimum levels and require additional staffing to fill vacancies. Current practices in the TFD are to obtain additional staffing through overtime hiring. Average annual overtime during the study period was 32,139 hours in Suppression and 5400 hours in Training.

There are multiple categories of available leave in the Tallahassee Fire Department, (see Table C1) however only the utilization of Kelly day and vacation leaves are restricted, in number and rank, by contract. (COT, 2008) There is no limit to the numbers of personnel that may be off on other sources of leave. The average annual total leave usage during the study period was 124,295 hours, inclusive of scheduled Kelly Days. The vacation and Kelly Day categories accounted for 60.4% of all leave taken. Sick leave categories, which include sick and family sick, account for 22.7% of all leave taken and are the greatest contributors to non scheduled leave totals. Table 1 depicts total leave usage by rank for the study period fy04 – fy06.

Table 1

Leave Hours Utilized by the Tallahassee Fire Department by Category and Rank for Fiscal Years 2004 - 2006

	Engineer	FF	LT	Total	Annual Average	% of Total
AL	3780	6134	4477	14390	4797	3.9%
AWOL	2	24		26	9	0.0%
BL	972	696	528	2196	732	0.6%
S / FS	32596	27655	24515	84765	28255	22.7%
JL	121	42	44	207	69	0.1%
LD	4488	10128	4920	19536	6512	5.2%
LWOP	96	334		430	143	0.1%
ML	2040	11064		13104	4368	3.5%
STAFF	3024	2688	2148	7860	2620	2.1%
SUSP		96	72	168	56	0.0%
UL	9		27	36	12	0.0%
WC	865	2361	1465	4691	1564	1.3%
V	57558	33513	36995	128066	42689	34.3%
V ED	179	63	84	326	109	0.1%
V EV	1212	1054	1040	3305	1102	0.9%
V KD	36432	34032	23316	93780	31260	25.1%
Total	143373	129883	99630	372886	124295	100.0%
% of Total	38.4%	34.8%	26.7%			

The category of leave with the greatest individual impact on overtime is the Kelly day. Kelly days account for 25.1% of all leave taken, but are concentrated in 19 day cycles which require every member of the shift to take a Kelly day during the cycle. The compact leave requirement has a significant impact on overtime. Table 2, depicts the average hours of overtime utilized by the 2 shifts not in Kelly day cycle compared to the shift that is required to take a Kelly day during the same 19 day period throughout 2008. The average overtime per 19 day cycle was 325 hours for shifts not required to take a Kelly day and 842 hours for shifts required to take a Kelly day. Figure B4, graphically depicts the disparity and the average of 3.32 times more overtime required during Kelly day cycles.

Table 2

Comparison of Overtime Hours Utilized by Shifts Required to take a Kelly Day and Those Not Utilizing a Kelly Day by 19 Day Cycles in 2008 at the Tallahassee Fire Department

Cycle	Non Kday avg	Kday	Increase
1	364	748	205%
2	744	842	113%
3	722.5	1189	165%
4	272.5	624	229%
5	85.5	250	292%
6	73	269	368%
7	63	280	444%
8	298.5	1034	346%
9	292.5	967	331%
10	173	907	524%
11	420.5	998	237%
12	426	1140	268%
13	586	1083	185%
14	461.5	1118	242%
15	158.5	936	591%
16	288	735	255%
17	293	1066	364%
18	120	971	809%
AVG	325	842	332%

There is a distinct relationship between leave usage and overtime demands. Table 3 shows the ratio of overtime requirements to leave usage by month for the study period. The ratio varied only 11% among the months, with the minimum overtime requirement being 18% of total leave and the maximum being 29% of the total. Figure B5 demonstrates that the trend lines of leave and overtime usage are nearly parallel showing a distinct relationship between the two.

Table 3

Leave and Overtime Hours Utilized by the Tallahassee Fire Department by Month for Fiscal Years 2004 – 2006

	Leave	Overtime	Ratio
Jan	29836	5906	20%
Feb	26453	5417	20%
Mar	34759	10150	29%
Apr	33427	9122	27%
May	35216	8664	25%
June	33531	6208	19%
July	39023	10007	26%
Aug	32549	5789	18%
Sept	30765	6487	21%
Oct	33797	7904	23%
Nov	34926	9920	28%
Dec	38400	10844	28%
Total	402682	96418	24%
Average	134227	32139	24%

Out of classification assignments

TFD personnel that meet the qualifications for promotion to a higher rank and are on the promotional eligibility lists for that rank may serve in an out of classification assignment.(COT, 2008) For example, Engineers that have completed the promotional eligibility process for the Lieutenant rank may serve as a Lieutenant in their absence. This out of classification assignment increases the number of vacancies in the rank below. According to contract and policy provisions, the maximum number of personnel that may serve in an out of

classification assignment is equal to the maximum number of personnel permitted off in that rank. For example a maximum of 7 Lieutenants are permitted off at any given time on a combination of vacation and Kelly Day. Therefore the maximum number of Engineers that may serve in an out of classification assignment for Lieutenant is 7. After the maximums are met, overtime must be hired for any additional vacancies.

Figure B6, shows that even when vacancies are within approved maximums, the limitation to out of classification assignments requires the hiring of overtime above the minimum staffing levels. For example a permitted 7 Lieutenants on vacation will require filling with 7 Engineers in an out of classification assignment. Those 7 Engineer vacancies, when combined with 6 Engineers permitted to be on vacation, yields 13 total Engineer vacancies. These vacancies may be filled with up to 9 Firefighters working out of classification, but the remaining 4 vacancies must be filled with overtime Engineers.

The Telestaff® staffing analysis showed that on average 11 personnel are eligible to work out of classification for Lieutenant per shift and an average of 10 personnel are eligible to work out of classification as an Engineer. These numbers are sufficient to cover maximum permitted scheduled vacancies per rank but are insufficient to cover unscheduled leave. Analysis of all leave and overtime per rank demonstrates that overtime requirements per hour of leave usage varied significantly among ranks. As a result of the Engineer rank being permitted to have 9 personnel on leave and 7 in out of classification assignments, for a total of 16 vacancies, it is the rank most susceptible to overtime usage. Data demonstrated that for every hour of Engineer leave .42 hours of overtime is required, whereas for every hour of Lieutenant and Firefighter leave used only .16 and .15 hours of overtime are required, respectively.(See Figure B7)

Staffing Levels

Leave usage is consistent among the ranks. Analysis by rank shows that the Engineer rank accounted for 38.4% of total leave, the Firefighter rank accounted for 34.8% of total leave and Lieutenants accounted for 26.7% of total leave (see Table 1). Examination of the Telestaff® personnel database indicates that those findings are representative of the staffing numbers. In the TFD Suppression division, Engineers account for 36% of staff while Lieutenants and Firefighters account for 35% and 29% respectively. There was not a disproportionate amount of leave taken by any one rank.

The trial staffing program utilized to evaluate the impact of additional staffing on overtime usage yielded substantial results. For the period of July through September 2008, 6 personnel from staff positions were reassigned to suppression shifts. One Captain and one Lieutenant were assigned to A Shift, two Lieutenants were assigned to B Shift and two Lieutenants were assigned to C Shift. Additionally, remaining non suppression staff, including the Fire Chief, were required to fill vacancies in the suppression division in lieu of overtime hiring when schedules permitted. During the month of July 2008, overtime dropped 30% as compared to July 2007. August and September yielded even more significant results with overtime dropping 77% and 51% respectively. (See Figure B8) Total overtime spending during the 3 month trial was \$150,642, a 44% reduction from the same period in 2007 of \$269,320. Total savings yield from the trial period was \$118,678.

Research Question Three: Does the TFD have adequate staffing levels to staff current resources?

The model presented by the IAFF (2002) for calculation of a staffing factor was utilized as a basis to determine appropriateness of staffing levels. Leave data over the fiscal year 2004

through 2006 was analyzed to determine total leave by rank for a three year period (see Figure B7) and averaged to obtain average leave utilization by rank. Table C2, depicts staffing factors for the TFD Lieutenants at 3.93, Engineer at 3.78 and Firefighter at 3.56.

Utilizing calculated staffing factors to predict the need of the TFD to staff current resources at minimum required levels indicates inadequate staffing levels and configuration to meet current need. According to the calculations, TFD is understaffed by 16.74 Lieutenants and 6.94 Engineers. The Firefighter rank, however, is overstaffed by 20.04 for current staffing levels. The total staff deficiency is 3.64 personnel. (See Table 4)

Table 4

Staffing Level Requirements for the Tallahassee Fire Department, 2008

Rank	Positions	Factor	Need	Have	Difference
Lt	18	3.93	70.74	54	-16.74
D/O	23	3.78	86.94	80	-6.94
FF	16	3.56	56.96	77	20.04
Total	57		214.64	211	-3.64

Research Question Four: Are current shift configuration and staffing levels the most efficient utilization of personnel?

Results of research questions 1 through 3 led to the development of a pilot program to determine a more efficient utilization of personnel. Research question 1 indicated that TFD Suppression personnel are contractually bound to a 24 on/48 off work schedule, consisting of 144 hours worked for each 19 day work cycle. (COT, 2008) Research question 2 indicated that the category of leave with the greatest impact on overtime is the Kelly Day. Question 2 also led to a trial period of increased staffing in suppression which yielded a savings in overtime of 44%

in three months. Research question 3 led to findings that TFD is currently understaffed in the Lieutenant and Engineer ranks.

The pilot program was designed to work within current work schedules, mitigate the impact of the Kelly day cycle on overtime, increase staffing levels during periods of highest demand and increase the number of Lieutenants in the organization. Appendix F describes the program in its entirety. The creation of a supplemental D Shift, which is assigned to work during each shifts Kelly Day cycle, yielded savings in overtime as well. For the first quarter of fiscal year 2009, overtime decreased a total of 51% as compared to the first quarter of fiscal year 2008 for a total savings of \$187,989. (see Figure B9)

Total savings generated as a result of research conducted July through December 2008 on the development of alternative staffing strategies for the reduction of overtime was \$306,667.

Discussion

Research findings were consistent with the literature review regarding legal and contractual obligations to overtime practices. The Fair Labor Standards Act is highly specific on hours of duty thresholds for firefighters in the United States. (U.S. Department of Labor, 1987) The Collective Bargaining Agreement between the City of Tallahassee and the IAFF Local 2339 is highly specific regarding cycle lengths for the Tallahassee Fire Department and overtime payment provisions. (COT, 2008) There is little room for subjectivity in interpretations of the two sources. Any variations in the 24 hour shift configuration, or the 19 day duty cycle, in the TFD would require impact bargaining with the union. Therefore, although the author was tempted to test the theory put forth by Rule, that shifts working 10 hour days and 14 hour nights

was more efficient, legal and contractual constraints prevented the analysis. (as cited in Adams, 2006)

With regard to factors contributing to overtime, the findings were again highly consistent with the literature review. Authors Tomita (2003), Fite (2002) and Hard (2005) each found employee leave usage to be the highest contributing factor to overtime. Research indicated consistent results for the TFD with Kelly Day, vacation and sick leave being the major contributors. This research, however, yielded a surprising result, which was that overtime could be significantly reduced without modifying current leave utilization or increasing current staff. The more efficient utilization of existing staff, through an alternative staffing strategy, proved to have a significant impact on the organization. It is clear, however, that detailed analysis of staffing data is the best predictor of future demand. (Riemar, 1998)

Utilization of the IAFF staffing factor calculation methodology, led to an unexpected result. (IAFF, 2002) Left to personal judgment alone, the author would not have concluded that the TFD was overstaffed in the Firefighter rank by 20. Although, the analysis demonstrated that staffing is still short, at a three staffing minimum, it was not readily apparent that such dramatic results could be obtained by the reclassification of existing staff. One author, Cobb (1999) did point to the utilization of a fourth shift to lower employee workweeks and reduce costs. Although the methodology between Cobb and this author differed, the premise was the same and the result significant.

Martin (2008) illustrated the concept of constant staffing versus overstaffing and identified constant staffing as the most immediately economical. Martin did caution however that constant staffing has hidden, non-economic, costs that should be considered. The TFD practices the overstaffing method and this author is not inclined to shift to the constant staffing model.

Although it may prove to be more economical, the TFD has been attempting to increase minimum staffing levels to 4 per company, and constant staffing at 3 would be counterproductive to that end. (TFD, 2007) It is the intention of the TFD to pursue staffing levels which meet or exceed those recommended by national standards. (NFPA, 2004)

With regard to shift configuration, the literature review indicated that the fire service utilizes multiple staffing strategies and there is no single best approach. Each organization will have legal and/or contractual parameters for staffing. It was clear, by the research that a small change in staffing configuration can yield dramatic results. Additional research to test the theory of a “balance point”, as theorized by Dozier (2001, p.21) and Selberg (1992) between the hiring of personnel and the utilization of overtime may yield even greater efficiency in staffing.

The implications of the research to the future of the TFD are staggering. To realize a greater than 50% reduction in overtime expenses without compromising staffing or service levels was significantly more than the researcher expected. The results of this research directly led to the retention of two Truck Companies that were scheduled to be removed from service through the fiscal year 2009 budget process. Expansion of the pilot program may lead to overtime spending short of budgeted levels and surplus dollars might be utilized for future infrastructure growth.

Recommendations

Additional research may lead to even greater efficiencies in the utilization of overtime dollars in the Tallahassee Fire Department. As a result of the research, four major recommendations for future research and implementation have been developed.

First, due to the disproportionate effect of Engineer leave on overtime requirements, nearly 3 times that of Firefighter or Lieutenant leave, the TFD should consider the reclassification of 3 to 6 Firefighter positions to Engineer. The impact of the staffing change should be reexamined monthly to quantify the effect on overtime demand.

Secondly, the utilization of sick leave should be thoroughly researched in the TFD. Sick leave is the greatest contributor of unscheduled leave to the overtime demand. The TFD should conduct research into the causes of sick leave usage, incentives to reduce sick leave and employee wellness programs. Research shows that leave has a direct relationship to overtime usage and the reduction of unscheduled leave should reduce overtime proportionately.

Thirdly, a greater depth of research should be performed in an effort to identify a “balance point” between staffing through hiring and staffing through overtime. (Dozier, 2001, p. 21) It would be counter productive to the organization to reduce overtime costs if it resulted in salary and benefit costs which exceeded the savings. The net impact to the organization should be less spending overall and if an appropriate mix of overtime versus hiring exists, it should be identified.

Lastly, research should be conducted to test the theory presented by Riemar (1998) that the utilization of part time employees is more efficient than the utilization of full time employees to supplement staffing. It may prove that the utilization of part time employees has a two-fold benefit. Part time employees may serve to reduce overtime costs as well as increase staffing levels closer to the NFPA targets.

It was clear during the literature review that many organizations still do not automate or maintain accurate staffing records. The depth of data available to this researcher via automated staffing tools directly impacted the accuracy and ease of research. In order to conduct accurate

research, of this nature, one must first begin to record, in detail, staffing patterns. The greater the specificity of leave categories, the easier it is to identify trends and root causes. Future researchers may not have the ability to implement pilot programs of this nature prior to documented results. In this case, the researcher may run hypothetical scenarios by recreating staffing demand under the proposed scenario. Such research would be much more tedious and should be measured by weeks rather than months. Any reductions evidenced by the hypotheticals, however, should be representative of actual results.

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Appendix A

Figure Captions

Figure B1. Five-year trend of overtime funding and salary & benefit funding in the Tallahassee Fire Department

Figure B2. Five-year trend of overtime funding versus overtime expenditures in the Tallahassee Fire Department

Figure B3. Staffing Factor Worksheet calculation worksheet. Reproduced from the IAFF NFA Implementation Guide (2002)

Figure B4. The impact of Kelly day cycles on overtime in the Tallahassee Fire Department in 2008

Figure B5. Leave and Overtime trend analysis for the Tallahassee Fire Department for fiscal years 2004-2006.

Figure B6. Effect of out of classification assignments on overtime in the Tallahassee Fire Department

Figure B7. Ratio of Leave to Overtime usage by rank in the Tallahassee Fire Department for FY2004-2006

Figure B8. Results of the Tallahassee Fire Department three month staffing trial

Figure B9. Results of the Alternative Staffing Pilot for the Tallahassee Fire Department during quarter one of fiscal year 2009

Figure B10. Total savings generated as a result of research conducted July through December 2008 on the development of alternative staffing strategies for the reduction of overtime

Appendix B

Figures

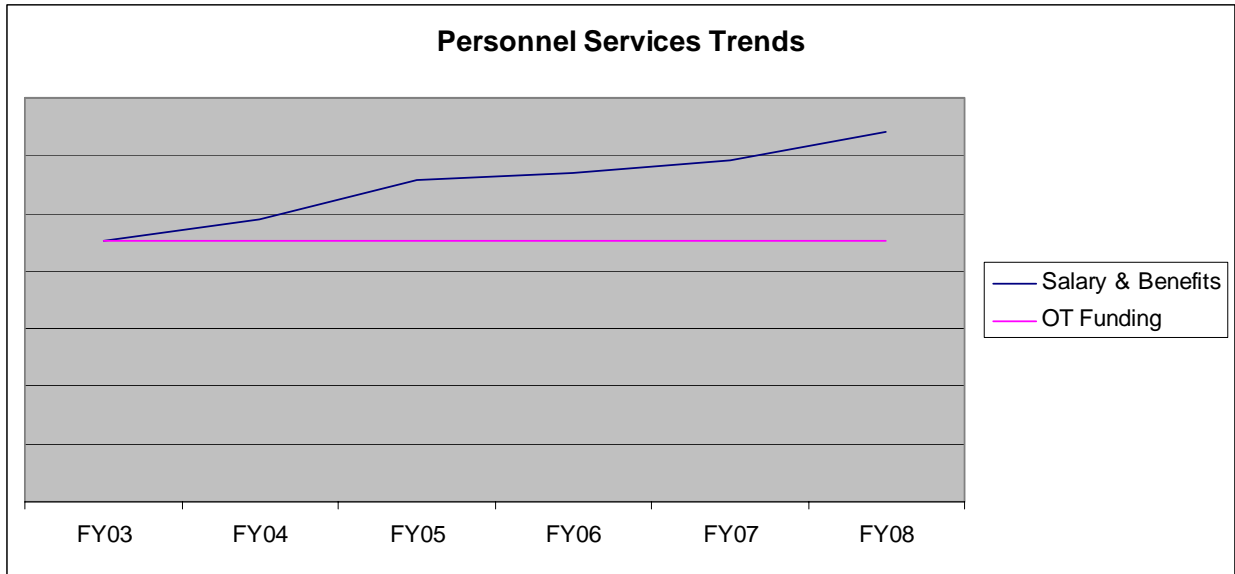


Figure B1. Five-year trend of overtime funding and salary & benefit funding in the Tallahassee Fire Department

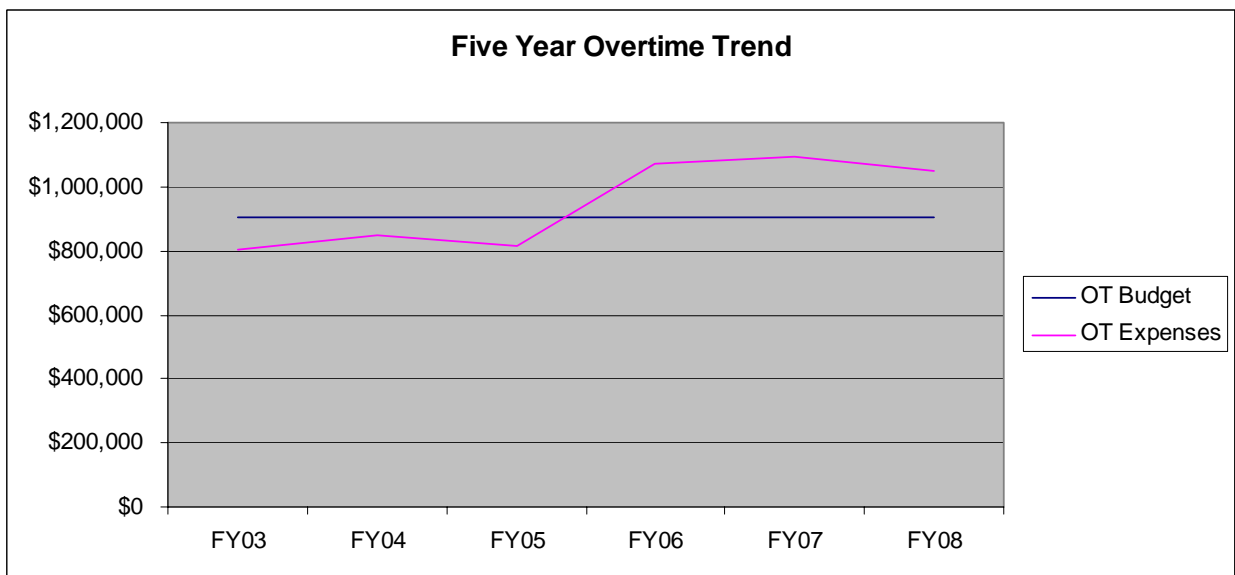


Figure B2. Five-year trend of overtime funding versus overtime expenditures in the Tallahassee Fire Department

Staffing Factor Calculation Worksheet	
<p>To ensure that adequate staff area available to cover necessary positions, including coverage for employees on various types of leave, a "Staffing Factor" should be calculated.</p>	
Hours of work to be covered in 1 year	
Days of work	<input style="width: 80px; height: 20px;" type="text"/>
Hours of work	<input style="width: 80px; height: 20px;" type="text"/>
Total annual hours of work	<input style="width: 80px; height: 20px;" type="text"/>
Number of Shifts/Platoons	
Hours worked per group	<input style="width: 80px; height: 20px;" type="text"/> (8760/number of shifts)
Workweek (Hours)	<input style="width: 80px; height: 20px;" type="text"/>
Average Leave Used Per Employee (Hours)	
Avg. Sick Leave	<input style="width: 80px; height: 20px;" type="text"/>
Avg. On-Duty Injury Leave	<input style="width: 80px; height: 20px;" type="text"/>
Avg. Vacation Leave	<input style="width: 80px; height: 20px;" type="text"/>
Avg. Training Leave	<input style="width: 80px; height: 20px;" type="text"/>
Avg. Holiday Leave	<input style="width: 80px; height: 20px;" type="text"/>
Avg. Bereavement Leave	<input style="width: 80px; height: 20px;" type="text"/>
Avg. Other Leave	<input style="width: 80px; height: 20px;" type="text"/>
Total Average Leave Per Employee	<input style="width: 80px; height: 20px;" type="text"/>
Hours Actually Worked by Average Employee	<input style="width: 80px; height: 20px;" type="text"/>
Staffing Factor Calculation	
Total annual hours of work	<input style="width: 80px; height: 20px;" type="text"/>
Hours actually worked by avg. employee	<input style="width: 80px; height: 20px;" type="text"/>
STAFFING FACTOR	<input style="width: 80px; height: 20px;" type="text"/>
<p>(The number of employees required to fill one position 24/7 within the department)</p>	

Figure B3. Staffing Factor Worksheet calculation worksheet. Reproduced from the IAFF NFPA

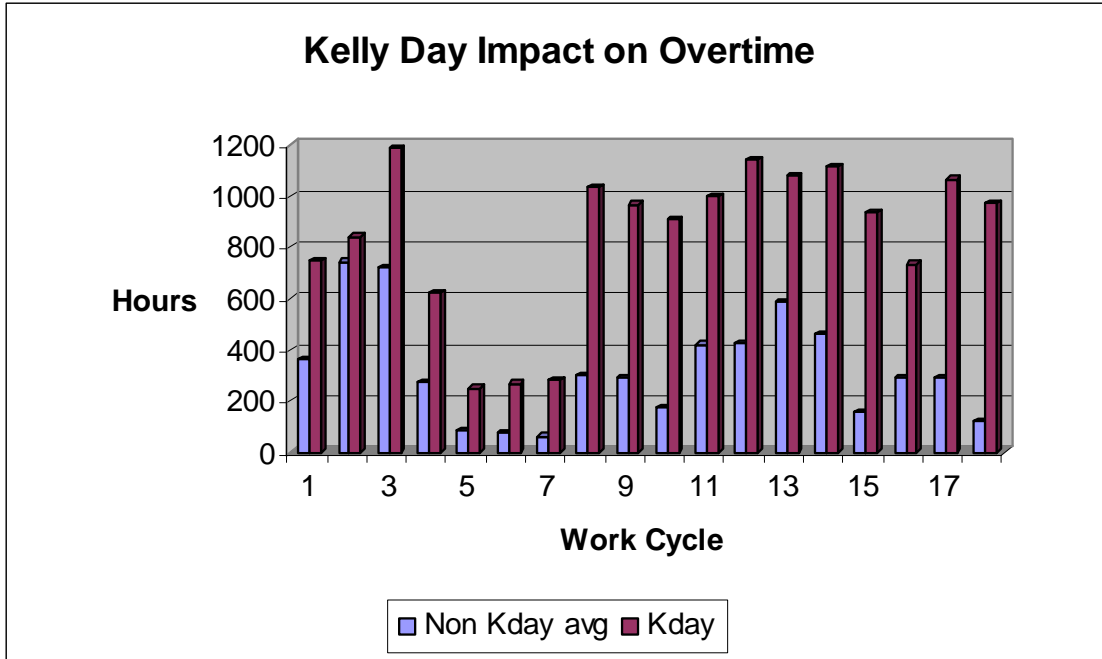


Figure B4. The impact of Kelly day cycles on overtime in the Tallahassee Fire Department in 2008

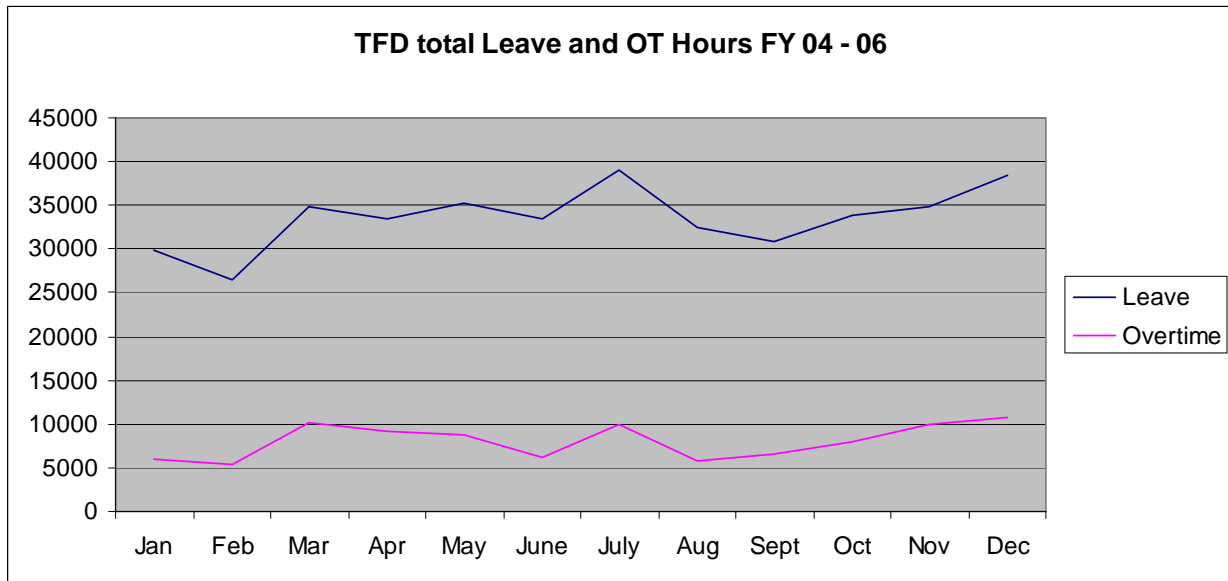


Figure B5. Leave and Overtime trend analysis for the Tallahassee Fire Department for fiscal years 2004-2006.

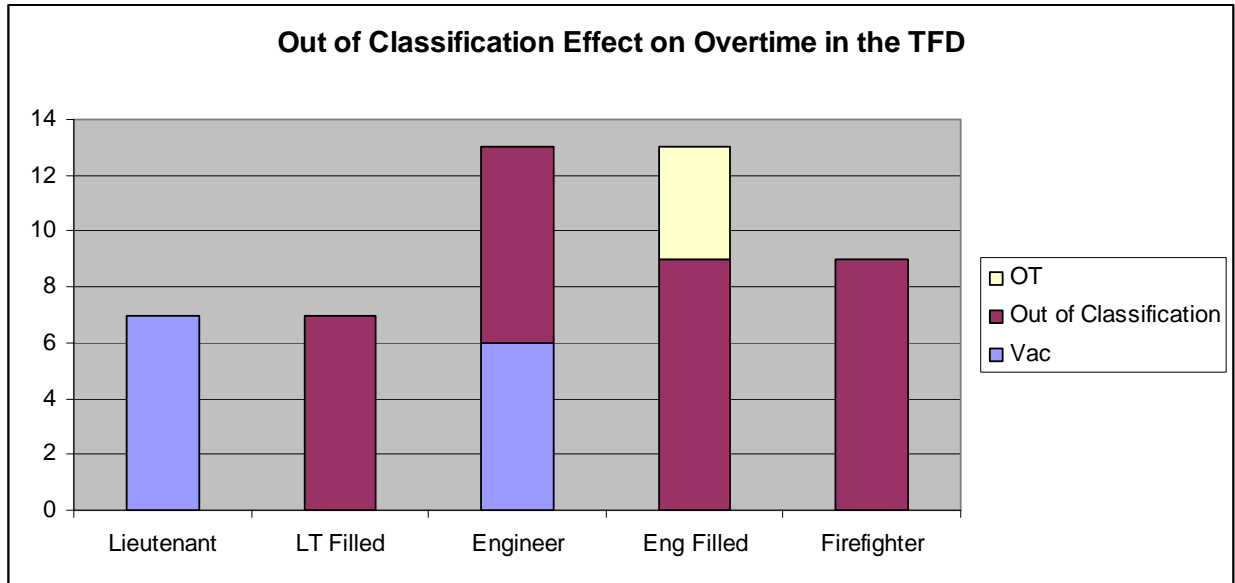


Figure B6. Effect of out of classification assignments on overtime in the Tallahassee Fire Department

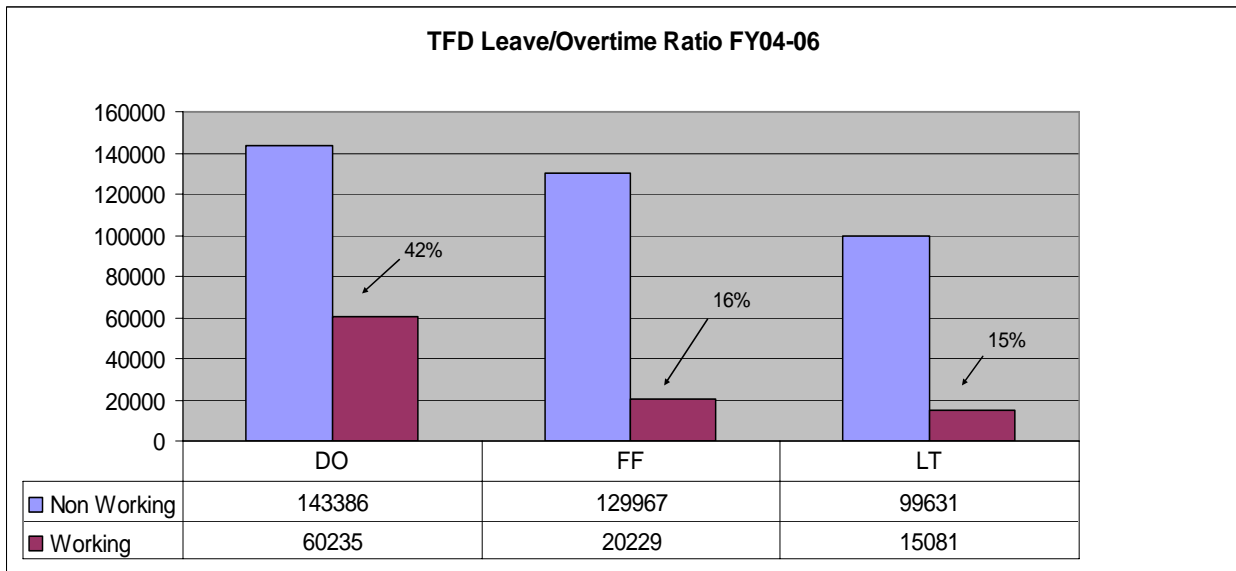


Figure B7. Ratio of Leave to Overtime usage by rank in the Tallahassee Fire Department for FY2004-2006

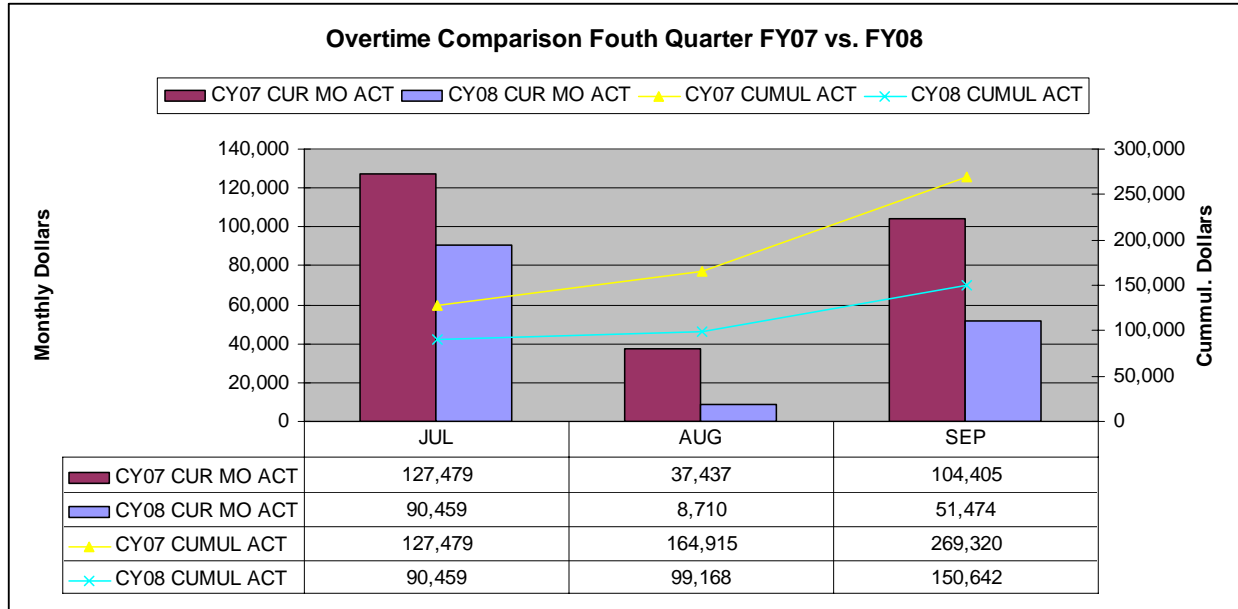


Figure B8. Results of the Tallahassee Fire Department three month staffing trial

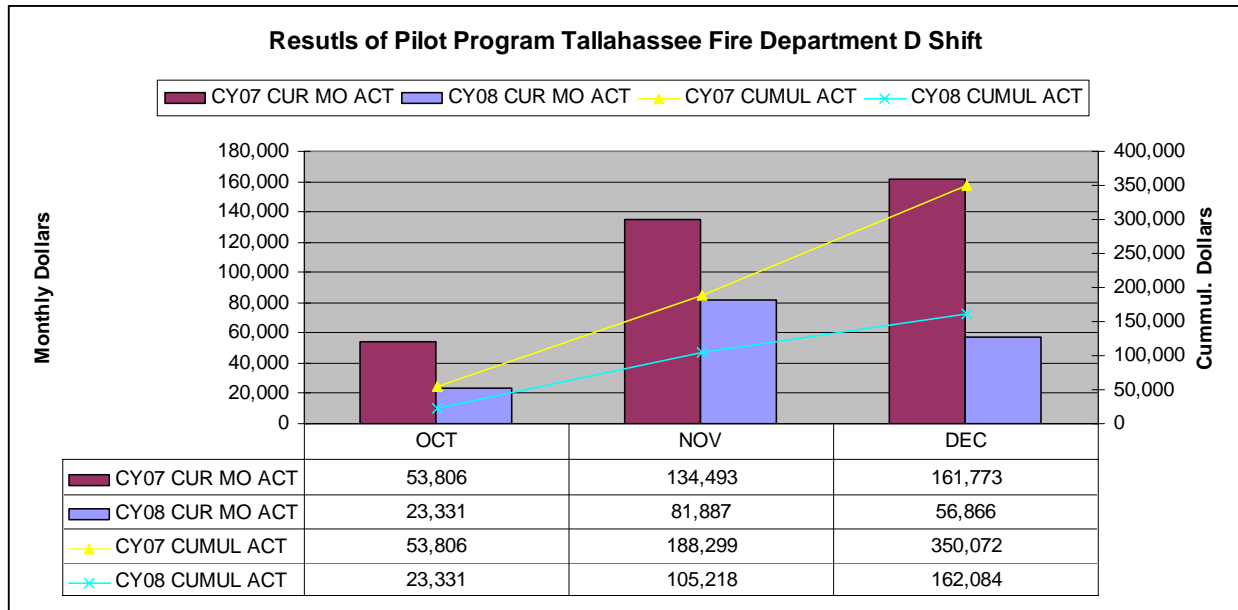


Figure B9. Results of the Alternative Staffing Pilot for the Tallahassee Fire Department during quarter one of fiscal year 2009

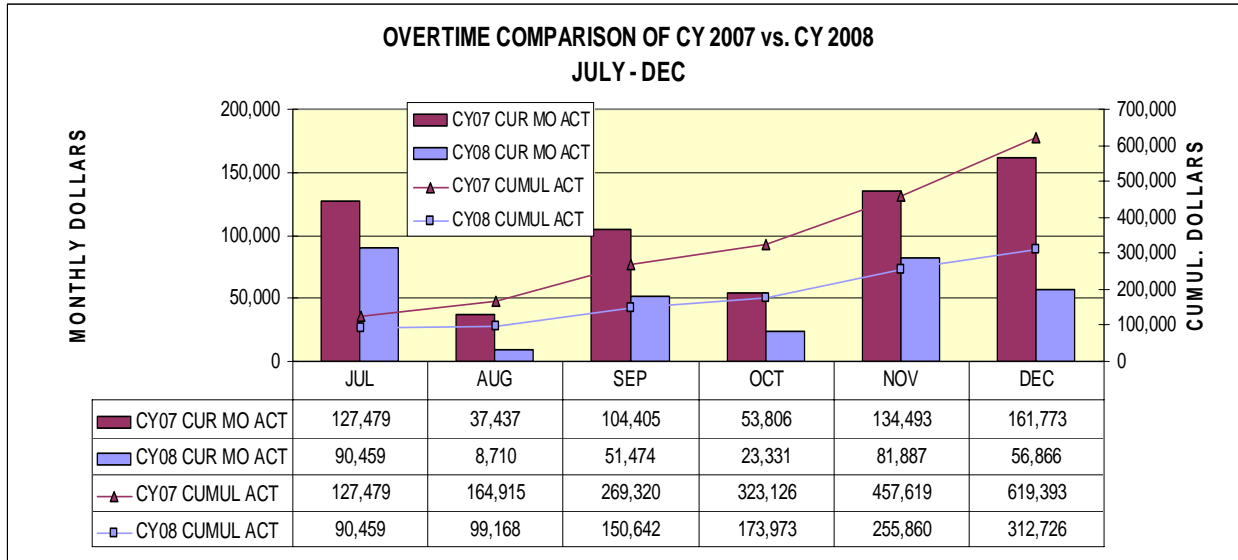


Figure B10. Total savings generated as a result of research conducted July through December 2008 on the development of alternative staffing strategies for the reduction of overtime

Appendix C

Table C1

Listing of Leave Usage Categories in the Tallahassee Fire Department

Abbreviation	Definition of Term
AL	Administrative Leave - Typically utilized for training purposes. Not charged against employee leave balances
AWOL	Absent Without Leave - Utilized when an employee is absent from work without authorization
BL	Bereavement Leave - Utilized when an employee has had a death in the family. Limited to one 24 hour shift per occasion
FS	Family Sick - Utilized when an employee is absent due to illness in their immediate family.
JL	Jury Leave - Utilized when employees are required to report to jury duty
KD	Kelly Day - A scheduled shift off in order to keep employees work hours within FLSA thresholds
LD	Light Duty - Employees that have been reassigned from Suppression while recovering from injury or illness
LWOP	Leave Without Pay - Utilized when employees are absent and have insufficient leave balances to cover the absence
ML	Military Leave - Utilized when employees are on active duty or exercise with a branch of the armed forces
S	Sick Leave - Utilized when an employee is absent due to illness or injury
STAFF	Staff Assignment - Utilized when employees are temporarily assigned away from Suppression for special projects
SUSP	Suspension - Utilized when employees have been suspended from duty due to disciplinary action
UL	Union Leave - Utilized by members of the union executive board for conducting union business
V	Vacation - Personal leave accrued on a monthly basis and utilized by employees when available
V ED	Educational Vacation - Utilized by employees to attend approved courses
WC	Workers Compensation - Utilized by employees that are injured in the line of duty and unable to work

Table C2

Staffing Factor Calculations for the Tallahassee Fire Department

Staffing Factor Calculation Worksheet TFD		
<p>To ensure that adequate staff area available to cover necessary positions, including coverage for employees on various types of leave, a "Staffing Factor" should be calculated.</p>		
Hours of work to be covered in 1 year		
Days of work	365	
Hours of work	24	
Total annual hours of work	8760	
Number of Shifts/Platoons		
	3	
Hours worked per group	2920	(8760/number of shifts)
Workweek (Hours)		
	53	
Average Leave Used Per Employee (Hours)		
Average Leave per Lieutenant	692	
Average Leave per Engineer	604	
Average Leave per Firefighter	457	
Hours Actually Worked by Average Employee		
Lieutenant	2228	
Engineer	2316	
Firefighter	2463	
Staffing Factor Calculation		
Total annual hours of work		
Hours actually worked by avg. employee		
STAFFING FACTOR		
Lieutenant	3.93	
Engineer	3.78	
Firefighter	3.56	
<p>(The number of employees required to fill one position 24/7 within the department)</p>		

Appendix D

**InterOffice Memorandum**

TO: All Personnel
FROM: Cindy E. Dick, Fire Chief
DATE: July 20, 2008
SUBJECT: 2008 Budget

As you all should be aware by now, the financial climate over the past year has brought many challenges to local government as well as many of us as individuals. We are in a budgetary climate that has not previously been experienced during most of our careers. I would encourage each of you to follow the recent actions of the Commission, read the City of Tallahassee Pager and the local papers to stay abreast of local economic challenges and governmental responses.

The impact of property tax reductions combined with the reduction in sales tax revenues, building fees and other miscellaneous governmental revenue has created deficits that must be addressed. Throughout the course of this year, governmental revenues to include the fire services fee have been decreasing. As a result citywide expenditures must decrease accordingly. Unfortunately, many of the City's costs are increasing rapidly. The cost of fuel (gasoline, diesel and natural gas) alone is over \$1 Million more than projected. The Commission met in April of this year and made mid-year adjustments to the FY08 budget. The mid year adjustments included the elimination of 34 vacant positions, freezing 5% of all operating budgets, reduction of travel and training funding, reduction of take home vehicles, reorganization, increase in city fees and many other strategies. Currently, this government is faced with two immediate challenges. First, the reduction in spending to address the immediate deficit of \$2.8M for FY08 and secondly, the preparation of the FY2009 budget under current economic conditions.

Each department has taken cuts in operating funds, eliminated programs and many have eliminated positions. To date, the City has maintained its position of "no layoffs" and no members of our City family have lost their jobs. Unfortunately, the probability of that continuing in our current climate is very slim. Consequently, we ALL must do our part to keep this organization functioning in an exemplary manner. This means pitching in and doing more, doing everything we can to reduce costs and making personal sacrifices for the benefit of us all.

Where are we financially and how can we help?

First, let me give you a snapshot of where we are. The Fire Department is funded from a fire services fee charged to City residents, fees for building inspections and plans review, and contractual services provided to Leon County. Our total projected revenue for FY2008 was 24 ½ Million and our total budgeted expenditures for 2008 are slightly over \$27M. As you can see, we start the year with a \$2 ½ Million dollar deficit that must be funded from a general government transfer. Additionally, our fire services fee revenue is currently less than projected. Given the fact that the general government fund (our back up funding source) is facing a \$2.8 Million dollar shortage as well, our obligation to reduce expenditures becomes clearer than ever.

Recently, we have been asked to reduce our FY2008 budget by an additional 3%. This equates to a \$300,000 reduction over the next three months. Combined with projected overtime expenditures through the end of the year we are faced with saving approximately \$600,000 over the next three months. Given the fact that our entire discretionary funding is 4% of our budget and there are only \$500,000 dollars remaining in those funds. We must look elsewhere for some of that funding. In short, we must cut where we can. We have to take a personal interest and personal responsibility for our contributions to costs.

All that being said, I am implementing some changes in the way we operate and providing some suggestions for things that you can do to help us reach our goal. The following adjustments are being made and shall be effective immediately.

Utilities – We currently spend 25 – 30 thousand dollars monthly on utilities. Each work site must reduce their utility consumption. Thermostats should be set at 78 degrees and staff must be conscious of all utility consumption, including water usage. Please conserve where you can, turn lights off, raise the temperature etc. Don't wash the trucks unless they really need it. In fact, once a week should be fine unless they are really bad. We will be holding officers accountable for the operation of the stations and reviewing utility bills to monitor compliance. I would like to see a 10% reduction in kilowatt and water usage but will consider any reduction trend a success. At the end of the quarter, the station with the greatest percentage drop in usage over previous years will be recognized and awarded.

Fuel – We currently spend \$30,000 monthly on fuel. This is a 50% increase over the same time period last year although we've actually reduced our usage. This should not come as a surprise as I'm sure you all are experiencing the same circumstance in your personal budgets. We must reduce our fuel usage. Effective immediately, all non-essential vehicle usage should be minimized. The following are some of the ways we will do this:

- The delivery of Meals on Wheels shall be discontinued
- Personnel should bring all items to work with them that they require for the shift (food, etc.) or utilize small vehicles to pick up shift necessities. Remember, there is a huge perception problem when the community sees our units idling in parking lots or running errands in the community.

- Delivery of items to stations shall be done by small vehicles, such as B/C cars, staff vehicles, brush trucks etc.
- Battalion Chiefs may utilize station landline calling and speaker phones in lieu of station visits where possible. This effort should not reduce the amount of personnel communication and stations should still be visited periodically.
- Units that are not actively engaged in pumping, scene lighting etc. shall be turned off on extended scenes. If in a situation where the emergency lights must run for safety reasons (traffic accidents, night safety etc) the unit may be left on. Please use your discretion, but cut where you can.
- Public apparatus displays, that have yet to be scheduled, shall be suspended for the remainder of the fiscal year.
- Staff shall rely more heavily on teleconferencing

Cell phones – The department currently has 33 cell phones, blackberries etc. Effective immediately, 9 blackberries will be converted to cell phones and an additional 17 cell phones are being discontinued. For those members that will no longer have an issued cell phone, they will have to rely more heavily on radio usage and support staff to relay messages etc.

Special teams training – City funds will not be expended on grant funded programs. To date, the department has been supplementing the special teams training, when necessary for additional training or equipment beyond what is minimally required. Both teams are now deployable and future spending will be limited to funds provided by the grants meant to support the teams. Additionally, funds will not be expended until the grant money has been received.

Operational budget - Each Division Chief has been issued a revised budget for the last quarter of this fiscal year. I have identified \$300,000 of our remaining \$500,000 operational dollars to be withheld. Each Division Chief will be responsible for operating within existing funds.

Overtime - Our overtime expenditures are approximately \$100,000 per month, more than 95% of which is for the purpose of maintaining minimum staffing. As deeply as I don't want to lay anyone off, I also don't want to compromise our core mission by taking units out of service. I am also unwilling to compromise our safety by reducing unit staffing or numbers of units assigned to incidents. However, overtime expenditures must be minimized, especially through the end of this year. In order to accomplish this, I am instituting the following changes.

- No overtime outside of that required to maintain minimum staffing or respond for suppression, investigation or command purposes shall be authorized.
- Out of Classification assignments: There will be a temporary suspension of the cap on the numbers of personnel eligible to work out of class. If necessary, the entire list of eligible candidates shall be utilized.
- Tanker 1: If in an overtime situation, Tanker one shall be staffed in the same manner as a brush truck. If required on a scene, the Tanker can be driven (in a non emergency mode) by a firefighter from another unit at Station 1. If that FF is eligible to work as an Engineer, the unit may respond code 3. If sufficient staffing is available, the Tanker shall be staffed as usual.

- Fire Med 1: If in an overtime situation, the Lieutenant assigned to Fire Med 1 shall be reassigned to an Engine, Truck or Rescue company. This Lt. shall keep a radio and cell phone with them and answer dry run calls as usual. If a call requires additional medics on scene, an additional ALS company can be requested.
- The Training Division shall be operated administratively only for the next three months. Chief Vickers and Randee Hammar shall maintain the operation of the division to include, records management, Fire Academy liaison, and future year planning. Remaining staff, Captain Barineau, Lt. Daniels and Lt. Hadden will be reassigned to operations until September 30, 2008.
- The Prevention Bureau will reassign 2 Lieutenants to Operations until September 30, 2008.
- If in an overtime situation, 40-hour staff shall be utilized to fill vacancies prior to the hiring of overtime. If a staff officer is utilized to fill a vacancy on line, they will flex their weekly schedule to stay within a 40 hour work week. ALL staff officers may be utilized for any line officer requirement. For example, a staff Captain may be required to work as a Lt., a staff Chief Officer may be utilized to fill a Lt, Captain, or B/C vacancy.
- All available resources shall be utilized prior to the hiring of overtime.
- For those of you that don't mind working EOTs, you might consider utilizing an EOT in lieu of taking a vacation shift when possible.

I expect every officer to ensure that we are doing everything we can to comply with these directives. There is a great deal of discretion here and I am counting on you all to take this message to heart. I also welcome any other ideas that you may have. I know that this is an awful lot of information to digest and a big change for many of us. I'm sure that you will review some of these changes and think that they won't amount to much and in some cases you will be right. However, if we concentrate on all of these changes and do what we can to help our department and other departments, the cumulative result will be substantial. I anticipate that we can make a \$500,000 difference if we try and it is our obligation to try. Additionally, we may begin to help other departments fulfill their missions. For example, we will assist in decorating for the Celebrate America event. The money we spend in fuel costs will be significantly lower than the cost of an overtime public works crew. We may continue to do this sort of thing when we can. We must remember that we are part of a bigger picture and if we are consistent and focus on the success of our city team we can all continue to be proud of our contribution.

Thank you for all that you do for this community, this government and this department. It is because of your passion and commitment that we are the best of the best. It is also through your actions that we may be able to make the difference in whether some of our family members stay or go. None of this will work without you, so thanks for doing your part. Stay Safe.

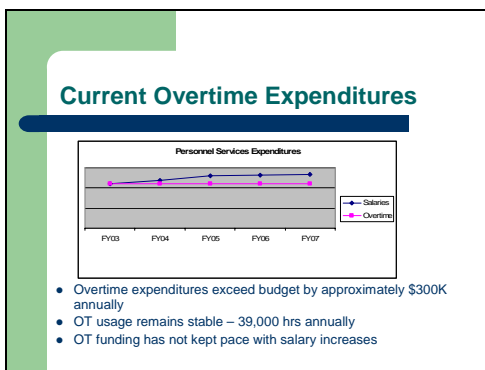
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Appendix E

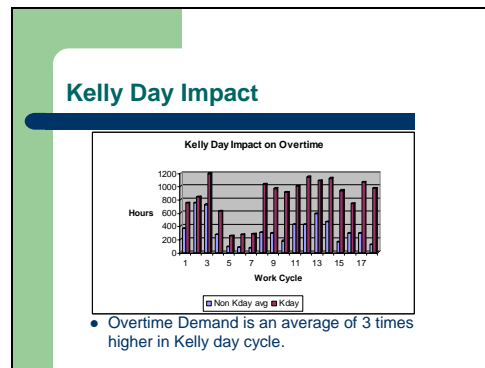
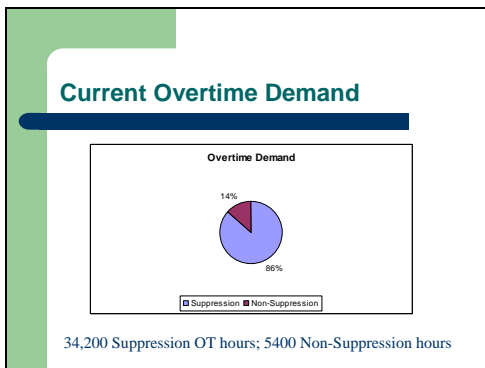
TFD Budget Alternative

Managing The Overtime Reduction

- ### Current Proposal Language
- Elimination of two Truck Units and one Tanker Unit from service
 - Expected savings: \$500,000
 - Increased demand on existing units. Reduction in service level. Delay in tactics
 - Reduction in minimum staffing by 7



- ### Anticipated OT Expenditures
- Savings generated will be from overtime demand and projected expenditures of \$1.2M
 - If TFD can realize a \$500K reduction, expenditures for 2009 are estimated at \$700K
 - Previous overages have been funded through the management of other personnel costs (vacant positions)
 - Total payroll expenses have remained within budget



- ### Alternative Budget Proposal
- Reduction of Overtime usage by \$500K
 - Implemented through strategic vacancy management, alternative staffing methods and procedural changes in training methods.

- ### The Plan
- Elimination of all non-suppression overtime
 - Seasonal staff reassignments
 - Creation of a floating shift to negate Kelly Day impact

Elimination of Non-Suppression OT

- Utilize flexible work scheduling by Training staff to accommodate night training.
- Distribute Live Fire Instructors across all shifts and certify key administrative staff to conduct live fire training
- Only train for special teams when grant funding is on hand to meet the need
- Anticipated impact 14% of expected expenditures of \$1.2M. Expected savings \$168K

Seasonal Staff Reassignments

- Reassignment of two Training Lieutenants to suppression July – September of 2009
- Utilized this method to respond to reductions for FY08 Quarter 4. Reassigned 4 staff.
- Realized a \$120K reduction in expected OT expenditures.
- Reassignment of 2 Lieutenants should reduce OT demand by approximately \$60K

Creation of a floating shift

- Creation of a floating shift to negate Kelly Day impact
- Engineers assigned to Tanker are utilized. Tanker stays in service, but is operated by personnel assigned to other units
- One Swing Engineer per shift is upgraded to Lieutenant and assigned to the floating shift

Creation of a floating shift

- 3 Lieutenants and 3 Engineers are assigned to work all Kelly Day cycles
- Floating shift personnel would work 24/48 for 6 shifts, followed by 72 hours off prior to beginning the next K-day cycle.
- This schedule is consistent with the 53 hour work week and current contract language.

Creation of a floating shift

- The additional personnel during Kelly Day cycle should negate the impacts of Kelly Days and result in a 35% net reduction in overtime demand.
- Anticipated savings \$420,000

Funding of Personnel Upgrades

- The cost of upgrading 3 Engineer positions to Lieutenant is \$10,000 annually (salary and benefits)
- Permanent Out of Classification pay reduction by having Lieutenants available is expected to be approximately \$10K. (Offsetting the cost of the reclass)
- Current vacancies held until Jan 09 will result in an additional \$88K
- Current personnel assigned to military operations are expected to save \$40K in FY09
- Total salary savings through personnel management \$138K. (\$10K utilized to fund reclass)

Total package impact

- Elimination of non-suppression OT \$168K savings
- Seasonal Staffing \$60K savings
- Floating Shift Creation - \$410K savings (420K overtime reduction less \$10K cost of reclass)
- Total impact - \$638K
- Allowance for error \$138K

Advantages

- Gets us to our goal \$500K reduction in OT
- All operational (not budgetary) changes from prior language
- Reversible – If anticipated results are not occurring we revert to taking units out of service
- No reduction in customer service. All units remain in service.
- Minimum staffing per shift drops by only 1 rather than 7

Let's Give it a Try



- "Great leaders are pragmatists who can deal with difficult realities but still have the optimism and courage to act." – Nitin Nohria

Appendix F

**InterOffice Memorandum**

TO: All Personnel

FROM: Cindy E. Dick, Fire Chief

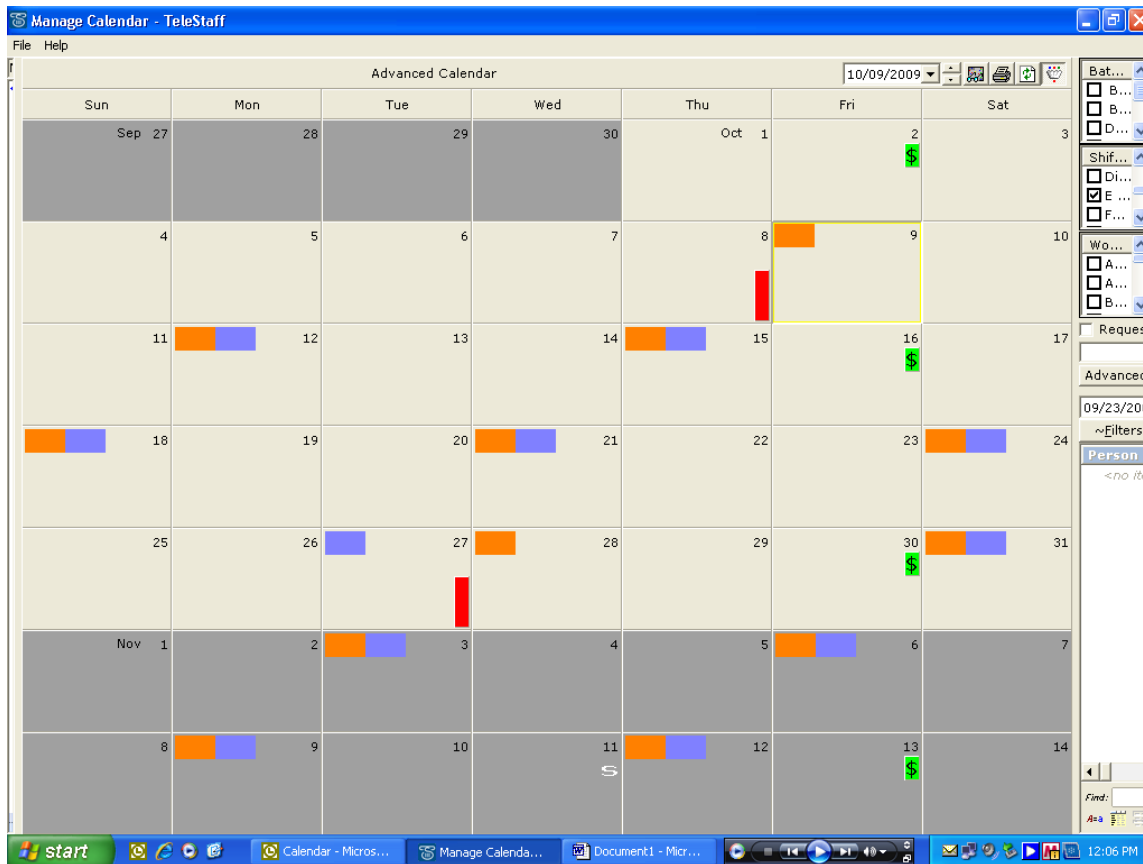
DATE: September 23, 2008

SUBJECT: New Staffing Pattern

As I'm sure you have heard by now, the FY09 budget includes a \$500,000 reduction to the TFD overtime account. One mechanism for managing that reduction is to remove two Truck Companies and one Tanker from service and utilize those assigned personnel to supplement staffing on the remaining units. Obviously, the reduction of units and service levels is not a solution that we want to implement and we have been working very hard to develop alternative solutions throughout the budget process.

I am very happy to report, that through the collaborative efforts of Union and Management, we have developed a solution that should provide the desired results while maintaining service levels. We will be creating an additional staffing schedule that will supplement staffing during Kelly Day Cycles. For the sake of identification we will refer to this new schedule as D and E shifts.

D and E shifts combined will consist of three Lieutenants and three Engineers, for a total of six personnel. These six personnel will work 5 cycles of 24/48 followed by one cycle of 24/72. They will be assigned to the shift that is currently in Kelly Day and will supplement other assigned staffing. One Lieutenant and two Engineers (D Shift) will work the first 6 shifts of the current Kelly Day cycle followed by 72 hours off. The remaining two Lieutenants and one Engineer (E Shift) will work the last six shifts of the current Kelly Day cycle followed by 72 hours off. The screen shot below demonstrates the schedule, D Shift is orange and E Shift is blue.



Personnel assigned to D or E shift will select vacation in the same manner as personnel assigned to A, B, or C shifts. There will be a maximum of two personnel allowed off on vacation for the combined D and E shifts. These vacation slots will not be included in the vacation/Kelly day count for the shift that they are supplementing.

In order to create the positions that will make up these shifts, one swing Engineer per shift will be utilized. Additionally, we will continue to tender Tanker One and three Engineer positions will be reclassified to Lieutenant and utilized for D/E shifts.

If you are interested in being assigned to D/E shift. Please notify Chief Andrea Jones, via email, by close of business September 30, 2008. Personnel will be selected according to departmental operational needs. We would like to have people on D/E shift that are versatile in their assignment (medics, airport, eligible for out of class etc.). We hope to implement this new staffing pattern by mid October.

Again, I am very pleased that we are able to implement a solution that avoids reducing the number of in-service units. If this concept is successful, perhaps we can expand on it in the future and create more supplemental positions. Thanks for all that you do.

CED