

Staffing of the Stillwater Fire Department

Brief History

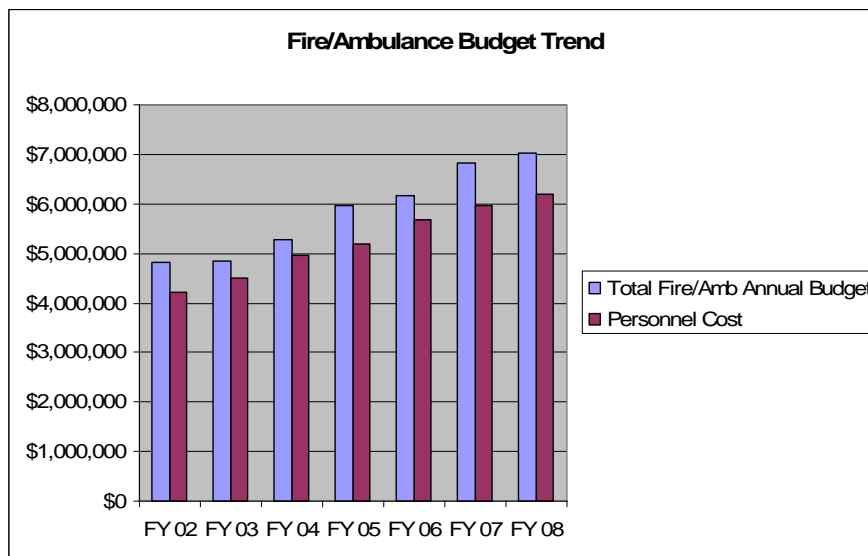
- City of Stillwater began a Fire Department with paid firefighters shortly after the turn of the century and has been responding to fires, accidents, rescues, and emergencies with paid, part-paid and volunteer firefighters for over 105 years.
- In the early days “ambulance service” was provided as an added service of funeral homes in Stillwater and most communities throughout the country. In 1920 Dr. Whittenberg began operating a Hospital in Stillwater and his ambulance was a Model-T Ford operated by his maintenance man. (Early years “cross-staffing”?) As demand for ambulance service grew, private ambulance companies began to operate. In smaller communities this often became less than profitable and private companies went out of business leaving the community with no ambulance service. This happened in Stillwater in about 1971 and the City government was looked to for help. Rather than leave the community without service the City decided to begin operating a limited ambulance service. Seeing ambulance service as a limited or temporary service it was decided not to create an “ambulance department” but to have an existing department operate the ambulance as a secondary service. The fire department was chosen as the department to run the ambulance. As recently stated by representative of the Union’s PAC, Bill Burk, “The staffing problems began when the City took on the ambulance.” Records show that the staffing issue related to the ambulance was addressed by the City Council in the mid 1970’s, again around 1982, and again in 1992. Records from 1992 show firefighter Ray Barnard addressed the City Council and said the problem was that the “City has never staffed the ambulances.” He said other cities in Oklahoma had designated separate staff for fire and for ambulance. He stated. “It doesn’t matter if the ambulance staff is in the hospital or in the fire department.” as long as there are separate staff. Although the City now has well over 100 years in the Fire Protection business, it has only been in the ambulance business a little over 30 years.
- A few years later the uniformed members of the Fire Department requested to be represented by a local chapter of the International Association of Fire Fighters which is an organized labor union associated with the AFL-CIO. The labor contract governs much of the operation of the Fire Department. (A copy of the current contract is provided in the addendices)

- In the mid 1980's the Federal Fair Labor Standards Act (FLSA) for the first time became required regulations for public employees of municipalities including Police and Firefighters. This is mentioned due to the fact the regulations significantly restrict the flexibility of shift schedule management in police and fire departments. Many people are not aware of these special FLSA limitations and often suggest solutions to police and fire staffing problems which are not workable.
- Prior to the early '90's OSU students in fire service training were housed on the second floor of Station 2. As they attained certain levels of training some served as "part-paid" firefighters in the Fire Department. Although their schedules were not as regular as full-time firefighters they were an added staffing resource.
- **In summary, many changes have occurred in how the Fire Department is staffed and managed as a result of OSU student staffing, labor contracts, and FLSA changes. These changes make it necessary to look for different answers than those that seemed to work 30 years ago.**

Addressing Staffing Needs in Recent Years

- As reiterated by Bill Burk, Ray Barnard, Gary Stanton and other union representatives, the ambulance staffing problem has persisted since the early '70's. Increasing call volume brought the problem to the forefront in 1992. The employees of the Stillwater Fire Department were cross-trained for both firefighting and emergency medical services. They were also "cross-staffed" on the equipment, which simply means two people were in a station and they would staff an ambulance if a call came in or they would staff a fire engine if a fire call came in. Whichever equipment they left the station on, the other type was left with no one to use it. That was very similar to the problem we are facing today. At that time the Fire Chief requested the phasing in of 18 new firefighter/emt staff. Although there were significant budget constraints the City did manage to add six firefighters with some increases in fees and rates. The addition of the six eased the problem for a few years
- In 1998 a Deputy Fire Marshall was added and in 2002 three firefighters were added to fill the Medic officer position. Although these firefighters were not assigned to first run apparatus they did help ease staffing problems. Medic 1 takes the position of Safety Officer on a fire scene when he is not on a medical call. This is one of the assigned NFPA 1710 positions at a fire ground and assists with fire ground manning.

- But by 2004 the same problem was back again as calls for service increased. In 2005 former Fire Chief Larry Mullikin requested the City add 36 firefighter/emt staff over a period of four to six years. At that point in time City revenues were being stretched to maintain service in all departments to meet the growing needs of a fast growing population. For many years the City had been withdrawing from its only reserves which were in the “Fund Balance” to balance budget needs. From 1998 to 2004 the reserves had gone from over \$26 million to under \$20 million. Prior to 1998 the reserves had been as high as \$40 million. The City has been trying to identify increased revenue for firefighter/emt staff since 2005. However, personnel costs for the current Union firefighters have increased annually from \$300,000 to nearly \$500,000 to simply maintain existing staffing levels. The City is spending approximately \$1,000,000 per year more for fire department staff than in 2005 with no increase in personnel.



- **Today’s situation is nearly a mirror image of the situation in 1972, 1982, and 1992. Each time the decision has been to keep doing business the same way but simply add more staff. We are at a crossroads where we must decide if that is the best way to respond again, or if there is an alternate way to staff the two different services.**

Current Status

- The City of Stillwater currently has four Fire Stations. Each station has at least one unit of fire apparatus (fire engine, ladder truck, quint, or similar) and one ambulance. Most stations also have what are called “brush rigs” which are smaller fire trucks used for rural grass fires and

- to access locations which can not be reached by large engines. An Emergency Rescue Truck is also stationed at Fire Station No. 1 on South Main. The City also has administrative Fire vehicles, Hazardous Materials trailer, boat, and other specialty equipment.
- The City currently employs 74 persons in the Fire Department. Three are non union and include the Chief, Administrative Assistant and Mechanic. The 71 Union Firefighters are comprised of five administrative positions which normally work Monday thru Friday from 8:00 am to 5:00 pm. These include two Assistant Chiefs, Fire Marshall, Deputy Fire Marshall, and Training Officer. The remaining 66 employees are the uniformed firefighters. Firefighters are also trained as Emergency Medical Technicians (EMT) or Paramedics to qualify them to operate ambulances and provide medical services.
 - The 66 firefighters work a schedule of on-duty for 24 hours and off-duty for 48 hours in a repeating cycle. Therefore, at any one time one third of the staff (22 persons) is scheduled to be on duty in the four stations. Due to vacation, sick leave, injuries, and out of station training there are frequently less than 22 actually on duty. The scheduling goal is to maintain a minimum of 18 personnel on duty. Whenever actual on duty personnel falls below 18, a request is made of some of the 44 firefighters who are currently off duty. The Union contract provides that off duty personnel may choose to respond and come back to work to keep total staffing at 18. If so, they are compensated at one and one-half their normal hourly rate.
 - **In summary, the current situation appears to be a result of insufficient staffing to continue to maintain the expected level of emergency fire/rescue response and still be able to respond to all ambulance calls.**

Constraints To Management of Staffing

- Several years ago provisions of the IAFF contract (current contract in Appendix) which required firefighters to live within a certain response distance to their Station or to Stillwater were removed. Enforcing a requirement that Union members be required to respond in 20 minutes or less to a major fire was discontinued ten or fifteen years ago. As a result, only 16 of the 66 firefighters live within the City of Stillwater. Having 76% of the firefighters living outside Stillwater adds to the difficulty of calling off duty firefighters to help fill shifts as the commute time is greater. It also affects response time in the event of a major disaster. Three reside in the Tulsa metro area and four in the OKC metro area. We have Stillwater firefighters living as far away as Purcell, Kingfisher, and Claremore. (See Residency Exhibit in the Appendices)

- For various reasons not all firefighters accept call-back opportunities for overtime work equally. Some may live too far away, some may place a high value on time off, and some may have a second job. But for whatever reason the overtime worked varies greatly. In looking at the gross salary from the 2007 W-2 forms for the fire department the average total gross wages is approximately \$62,000. On the extreme ends we find a few had total salary slightly below \$40,000, which indicates very little if any overtime, and at the other extreme one firefighter had a total gross wages in 2007 of over \$114,000. (See Appendix for all gross wages for 2007) From a management standpoint this creates some concerns that the imbalance may be causing undue stress and early burnout for those working large numbers of extra hours, and at the same time concerns that some employees either do not have the opportunity to work extra hours, circumstances make it difficult for them to come back to work when needed or they simply choose not to work overtime.
- As in any business, one of the major constraints in managing staff levels is cost. Although starting salaries for Firefighters are in the upper \$30,000 range, the average firefighter annual gross earnings in Stillwater is approximately \$58,000 (2007 actual average \$62,000). It is difficult to identify a typical or average salary due to multiple compensation variables in the union contract. Various “specialty pays”, education incentive pay, longevity pay, working out of class pay, etc are different for each firefighter. The following table is a summary of the items. More detail is provided in the Appendices.

Salary and Wages Components	Annual
Base rate	\$XXXXX
Bonus Amount	Varies
Allowance Pay Amount	Varies
Call Back Amount	Varies
Call-Back Acting Foreman	Varies
Comp Time Payoff	Varies
Emt Basic	\$1,200.00
Emt Intermediate	\$2,700.00
Emt Paramedic	\$5,400.00
Emt Instructor	\$900.00
Premium Hours Amount	Varies
Fire 25 Hours Education	\$300.00
Fire 60 Hours Education	\$600.00
Fire Bachelor's Degree	\$900.00
Fire Master's Degree	\$1,200.00
Fire Instructor	\$900.00
Fire Transfer Allowance	Varies
Flsa 3%	Varies
Haz Mat Team Member	\$600.00
Haz Mat Instructor	\$900.00

Haz Mat Team Leader	\$900.00
Longevity Amount	\$600 to \$2400
Physical Fitness Coord	\$1,200.00
Physical Fitness Inst	\$900.00
Meal Allow. Ambulance	Varies
Meal Allowance Fire Training	Varies
Meal Allowance Amount	Varies
Military Leave Paid	Varies
Out Of Step (110%)	Varies
Special Op Instructor	\$900.00
Special Op Response T	\$600.00
Special Op Response L	\$900.00
Swat Team Member	\$600.00
Clothing Allowance	\$500.00
Medical Testing	\$400.00
REAP (in-kind, not cash)	\$500.00

- To fully illustrate the range of impacts these variable wage components have on “average salary” the actual variations from one staff member to another are illustrated in the table of 2007 gross earnings for each position in the Appendices. With indirect costs and benefits the actual average annual cost for a firefighter is about \$86,000.
- In Oklahoma ambulance services (private, government operated, and hospital operated) have average EMT intermediate salaries of around \$35,000 per year and paramedics average around \$45,000 per year. With indirect and overhead the total actual cost for intermediate EMT is about \$51,600 and actual average annual for a Paramedic is about \$65,200.
- **With “cross-staffing” we have employees who at any given time can function as a firefighter or as an ambulance EMT or paramedic, but one person can not physically be out on an ambulance and a fire engine at the same time. When they are on a fire engine they are being paid as a firefighter, but they are also receiving the bonus pay for being an EMT at the same time. When they are on an ambulance they are not being paid an ambulance employee wage but are receiving a firefighter pay plus EMT bonus, which by comparison is well over 25% more than an employee of a private or hospital operated ambulance.**

City Government Finance and Funding Capabilities

- In order to understand the financial impacts of staffing services it is necessary to examine some basic parameters of municipal government finances in Oklahoma. There are some common “myths” and misunderstood facts about where the money comes from and how it can and/or can’t be used.

- One of the most popular misunderstandings is about property tax. The majority of people probably believe that a part of their annual property tax check to the County Treasurer helps run City services. Myth! In Oklahoma State law prohibits any City from collecting ad valorem tax (or property tax) for operating expenses of City services. Property taxes in Oklahoma are reserved for Counties, school districts, vo-tech schools, and special districts such as library districts, ambulance districts, and a few others.
- There are also some misunderstandings about utility bills. Utility services of electricity, water, sewer, storm water, and sanitation are financially separated from general City funds and are operated in the Stillwater Utility Authority. The SUA is a public trust of which the City is the beneficiary. The SUA is an enterprise fund, which in essence means it is financed like a business. The total cost of operation is collected in utility bills. Since the SUA is a non-profit public service it should (in theory) charge rates equal to the cost of the service. In reality rates are increased so that extra collections can be transferred to the beneficiary (City General Fund) to make up what sales tax can not fund alone.
- City government tax revenue consists almost solely in the form of local sales tax. They can also collect "Use Tax" which is a variation of sales tax on goods purchased out of state and delivered to Stillwater for use.
- If one looks at the City budget document you will find that the City has a total Sales Tax rate of 3.5%, and last year that generated about \$21.3 million. Government accounting requires all sales tax be shown as General Fund Revenue, however in Stillwater's case \$9.1 million is immediately taken out of the General Fund as it is received since it was clearly restricted in the ballot approved by voters. 1% sales tax is required to go the SUA for capital improvement debts and other system expenses. And, 0.5% is restricted to the special transportation fund and only be used for streets and transportation projects. So the General Fund in reality only has \$12.2 million in sales tax to actually use for City budget needs.
- Added to other smaller taxes, charges for service, fines, interest and miscellaneous the General Fund has a total of \$19 million total available income. The total expenditure to maintain the current City services is \$30.9 million.
- Where does the other \$11.9 million come from? \$19.5 million comes from the SUA surplus. \$1.4 million comes from the beginning balance.
- Another common misconception is that the City must have some additional funds somewhere that they aren't willing to use. The City has several special funds which all have restrictions. For example the ½ penny transportation fund accumulates the dedicated sales tax restricted to transportation projects. The Debt Service Fund is where funds are kept to be only be used for payments on existing debts. The only unappropriated or available funds are the balances in the General

Fund and SUA fund that have not been appropriated. These balances represent the only funds the City has available for emergency purposes such as response to a tornado, ice storm, flood, or other unforeseen circumstance. It is much like a personal savings account set aside for a rainy day. As mentioned earlier this fund balance was nearly \$40 million several years ago and has dwindled to near \$13 million. \$13 million is about what it costs the City to operate for six weeks. The City Council set a policy last year to maintain this emergency reserve balance at \$13 million. This represents the only unbudgeted funds the City has.

- The Fire Department annual expenditure represents over 22% of all money budgeted in the General Fund. Public Safety (Fire and Police combined) alone requires more expenditures than the total 2% Sales Tax in the General Fund.
- For the past two budget years the City of Stillwater total revenues have not been sufficient to provide for needed operating expenses and identified capital expenditure needs. Citywide staffing totals have remained relatively unchanged, nearly \$8,000,000 in identified capital equipment and project needs in last years budget proposals were “cut” from the budget.
- The finance appendix of this report provides additional graphic information of the City budget.
- **In summary, any significant staffing increases in any department of the City will require a new source of revenue, or the reduction in other services provided by the City.**

Funding Sources

- The City government of Stillwater provides all services to the citizens by using two primary sources of money. The first is City sales tax on retail goods which is collected by the State along with State sales tax and then sent back to the City. The second is from charges for utility services (water, sewer, electricity, and trash service). To balance the cost of operations the City charges more for these services than the actual cost of their operation. The additional collections help pay for police, fire, parks and recreation, street maintenance and all other City services. In order to add significant number of employees one of those sources of revenue has to be increased.
- ½ of one percent sales tax generates about \$2,800,000 per year. This would be enough for some of the alternatives presented, but not necessarily enough for all alternatives. When considering sales tax as an option we need to consider the overall impact to the citizens and businesses of Stillwater. Current total sales tax level is relatively high today. The City of Norman recently published some comparative sales tax rates for similar cities in a presentation for funding public safety. Stillwater

currently has the highest combined sales tax rate. A copy of a chart from their presentation is shown below for your information.

CITY	City Tax	Total Tax	P.S. Ddc'n
Brkn Arrow	3.00%	7.50%	0.00%
Edmond	3.25%	7.75%	0.375%
Lawton	3.50%	8.00%	0.00%
Moore	3.50%	8.00%	0.50% (Temp.)
Okla. City	3.875%	8.375%	0.75%
Stillwater	3.50%	8.75%	0.00%
Tulsa	3.00%	7.50%	0.00%
Waco, Tx.	1.50%	8.25%	0.00%
NORMAN	3.00%	7.50%	0.00%

- To generate \$3,000,000 per year in new revenue from utility bills about \$215 would have to be added to each water bill inside the City.
- If a county or regional 522 ambulance district were to be created funds could be voted by the people of the district thru an increase in property tax not to exceed 3 mils. The boundaries of such a district can be set in several ways. Until an area is set it is not possible to estimate revenues. Therefore, a cost study for this has not been done at this point.
- Added revenue could possibly be contributed by areas served by SFD for fire and ambulance which are not subject to City taxes and all utility fees. For example, rural areas and university areas. However, it is not anticipated that these sources alone would provide total funding of the alternative, but they could be of some undetermined assistance. Similar sized cities around the country with universities similar in size to OSU receive anywhere from \$0 to \$1.3 million dollars per year from the university as a fee-in-lieu of taxes.

Alternative Staffing Arrangements To Help Resolve Problem

- One alternative is to address the staffing problem in a way similar to what was done in 1992 (i.e. allow history to repeat itself). That is to hire additional staff and continue to cross train and cross staff the employees on ambulances and fire trucks like we have been doing. Using the salary information we have examined, this appears to be the most costly way to solve the problem. That is primarily due to paying ambulance personnel “market” firefighter salaries rather than “market”

EMT and Paramedic salaries, which would be over 25 percent less. Secondly, if history is a teacher we can expect the same issue as we face today to reappear to a future Fire Department, City Council, Administration and public. It is not a question of if we might have “cross-staffing” problems again, but is a question of when we will have the problem again.

- A second alternative would be to begin adding employees to the department that are trained and hired solely for operating our ambulance service. They would receive salaries and benefits competitive to those in public and private ambulance services. Over a period of time 28 dedicated ambulance personnel could guarantee four ambulances staffed and available 24-7. The 66 current positions could similarly staff all six first run fire/rescue apparatus 24-7. We would have two divisions within the Fire Department. An ambulance division and a Fire/Rescue division. The problem of “cross-staffing” would be eliminated.
- A third alternative is to make way for another ambulance operator in Stillwater. This alternative would eliminate the “cross staffing issue and guarantee proper staffing of all emergency apparatus in Stillwater. It is certainly the most fiscally responsible option. The City could provide complete fire and emergency service to the community, full staffing all first response fire and rescue apparatus, without additional personnel. This option would, of course, require another entity to provide ambulance service to the community. However, it is clear that ambulance service is medical service.

Costs Associated With Alternatives

- First and second year costs vary widely depending on how aggressively the plan reached full implementation. If full staffing is to be complete in two years, the cost is much different that if the goal is to complete staffing in four or five years. It is much more realistic to compare the long term average annual costs since this will be the basis for new revenue needs for the foreseeable future. We are not comparing projects with a “one time” investment, but are comparing programs which will have a ongoing annual cost. We therefore have to identify a recurring permanent revenue stream to cover the cost.
- Since the alternatives focus on the addition of staff, average annual staff costs are used for the comparisons. Baseline data: Average annual cost of one SFD cross-staffed Firefighter/EMT = \$86,100; Average annual cost of one non-firefighter EMT-Intermediate = \$51,600; Average annual cost of one non-firefighter Paramedic = \$65,200. (Data based on City of Stillwater payroll records and information collected from several major non-fire department ambulance services in Oklahoma)
- **The alternative of simply adding enough Union firefighters to better staff the ambulances** and reduce the frequency of cross-staffing is

outlined in former Fire Chief Larry Mullikin's 2005 recommendation of adding a total of 36 cross-trained personnel to the department over a four period adding 9 per year. When fully implemented the average annual cost of the thirty six personnel by the fourth year is \$3,100,000. It is noted that is in terms of "2008 dollars". Based on recent labor cost increases that is projected to be nearly \$4,000,000 in five years.

- **The second alternative of adding 28 personnel dedicated to run ambulance service only** (not cross-staff fire equipment) would have an average annual cost of \$1,636,000 (2008 dollars) and would project to be \$2,065,000 by year five. In this alternative the existing 66 positions could all be dedicated to fire and rescue equipment. This could be done within the Fire Department or by establishing a separate EMS Department.
- **In the third alternative, a separate entity such as SMC, a regional ambulance district, or an independent ambulance operator**, there would be no additional cost directly to the City budget. Existing personnel would simply be dedicated to staff fire and rescue equipment in the four Stations on a 24 hour basis. The cost for the other entity to operate the ambulance service is unknown as it would be based on the personnel benefits costs, salary schedule, and indirect cost of the entity. However, the CEO of the Stillwater Medical Center has provided to the City a preliminary operating estimate that they have developed in their consideration of operating a complete ambulance operation comparable to current City service. A copy of the spreadsheet they provided is presented in the Appendix and shows an operating loss of approximately \$330,000 per year.
- The cost of operating a 522 regional ambulance district is not presented in this report, due to unknown factors. State statutes for this type district provide for several different methods to delineate a district whether in one county, multiple counties, or only a portion of a county. Each possible configuration would have different tax bases and would also have different operating cost. Such a district would need to be evaluated before realistic comparative costs can be developed.

Summary

- **In summary, any alternative solution to the staffing problem will include additional personnel providing the two services of fire/rescue and ambulance. Two options include the City adding staff. The difference is to add cross-staffed firefighters at \$86,000 per year each or dedicated ambulance personnel at \$52,000 to \$65,000 per year each. Total cost to City budget would range from \$1,635,000 to \$3,200,000 per year. This translates to increasing the current \$146 per citizen expenditure to \$181 or \$215 per citizen expenditure. That translates to an annual average additional collection per household of \$115 to \$210. The third alternative of a**

- separate agency operating ambulance service would add no additional costs to the City budget, but it is recognized that another agency would have to develop an operating budget.**
- **The bottom line in terms of service is that each alternative is designed and intended to provide every citizen of Stillwater continuing fire/rescue and ambulance services with the quality and level of care equal to or better than we have come to enjoy today. With careful planning and implementation of a chosen alternative this can be accomplished.**