

FIRE DEPARTMENT

MISSION

The Minneapolis Fire Department is a customer service organization committed to providing professional emergency and non-emergency services to protect lives, property and the environment of our community and the region we serve.

BUSINESS LINES

The Minneapolis Fire Department is organized into the following two primary business lines:

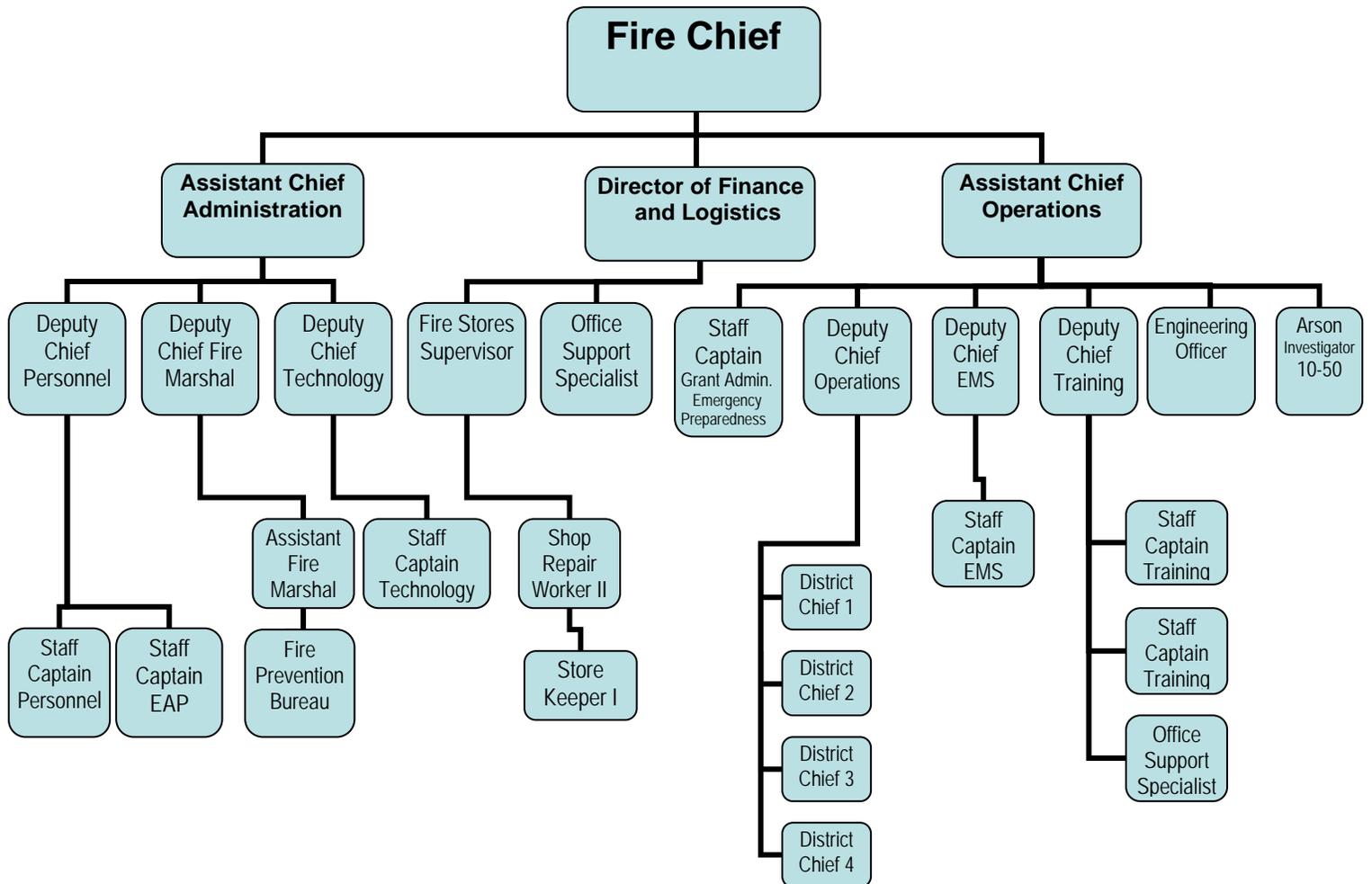
Response Business Line: Safely minimize the loss of life and property during emergency events is accomplished through:

- Fire Response—providing superior response to fires.
- Emergency Medical Services (EMS)—providing emergency medical services.
- Hazardous Material (Haz-mat) & Specialized Rescue—providing emergency response and mitigation services to Haz-mat and specialized rescues.
- Regional Emergency Service Support—active participation on the regional All Hazard Incident Management Team (AHIMT) and Minnesota Task Force One (MNTF1—a State asset of specially trained personnel in technical rescue). Additionally, we participate in regional joint mutual aid and auto aid agreements for the cooperative use of fire personnel and equipment.

Prevention Business Line: Reduction in loss of life and reduced property losses caused by fire can be significantly minimized through:

- Fire Inspections and Code Enforcement—providing fire prevention inspections and enforcing the fire code.
- Fire Education—providing fire and Emergency Medical Services (EMS) education programs and community risk reduction information to the public.

ORGANIZATION CHART



What two or three key trends and challenges does the department face and how will each be addressed?

- 1. Funding for Adequate Staffing Levels.** Adequate staffing levels continue to be the most significant challenge for the Fire Department. ***The department does not have enough funding for current levels of FTEs to provide current levels of service.*** The projected budget and five-year financial direction will necessitate FTE reductions.

Standard of Coverage. The Council adopted Standard of Coverage mandates a minimum daily staffing level of 96. Unless funding is provided to pay for overtime costs associated with hiring enough personnel to meet the standard, this directive will need to be revisited as staffing levels are reduced.

Consequences of not being able to meet the standard of coverage would include sporadic rig closures, reassignment of staff to provide optimal city-wide coverage and negatively impact the response time measure of 14 firefighters on scene in nine minutes or less.

Response Times. There are two response time measurements the Fire Department utilizes to evaluate performance. The first measure is percent of time response to an ***emergency event*** is five minutes or less. Year to date, the Department is meeting this target 84% of the time. The impacts of eliminating positions would be minimal on this particular measurement. However, there would be no progress toward meeting the National Fire Protection Association (NFPA) recommended 90% target.

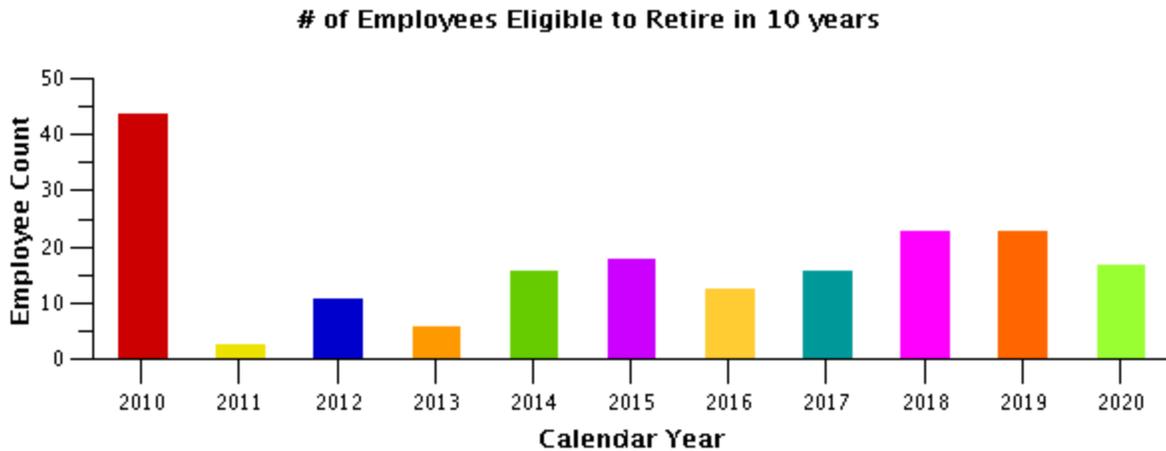
The second response time measurement is the percentage of time 14 firefighters are on the scene at ***structure fires*** in nine minutes or less. This standard has a NFPA recommended target of 90% and the Department's year-to-date performance is 83.3%. Staffing levels are critical to meeting and exceeding this standard. Any substantial position reductions would have a corresponding impact on this measurement. Station closures and/or apparatus closures would directly influence the Department's performance.

SAFER Grant. One tool available to the Department to assist in raising the staffing levels may be to seek Council approval to apply for a SAFER grant. The grant has been modified to allow for the re-hiring of laid-off firefighters and used for the retention of current firefighters. Also, the matching fund requirements and the maintenance of effort provisions have been adjusted to allow for greater flexibility and eligibility.

- 2. Departmental Attrition.** Over the last ten years, the Fire Department has averaged 28 employment separations per year. For 2008, 2009 and thus far into 2010, the retirements and other separations were significantly lower. In 2008, 27 employees were eligible for retirement; however, only 12 separations occurred by the end of the year; for 2009, 39 were eligible for retirement, with only 9 separations occurring. The number of employees eligible for retirement in 2010 has risen to 44.

Over the next decade, a projected 192 employees will be eligible for retirement – 44 for 2010 and an additional 148 through the year 2020. As large numbers of staff turnovers loom on the horizon, the department faces a challenge in having cadets available to restore

staff levels. Budget stability will be the major factor determining the ability to hire future cadet classes.



- 3. Apparatus and Equipment Replacement.** Another challenge facing the Fire Department is apparatus replacement. Between now and 2014, at least 19 apparatus are scheduled for necessary replacement; 11 are currently past their recommended 15 year life expectancy. The impact shows up in rig downtime for repeated repairs, increased costs for those repairs, and an aging fleet which frequently is not in use as either a frontline or spare apparatus. In an effort to restore the department's apparatus replacement schedule, CDBG funding will be used to purchase one new fire engine; two additional engines will be obtained through the standard fleet purchasing process. Three new fire engines were purchased in 2008; two went into service in 2008 and the third went into service in May of 2009.

Even with the recent purchases, the Department remains behind in the replacement schedule and the fleet continues to deteriorate. The Department will seek to continue the use of CDBG funds for apparatus acquisition and will also explore other alternative funding sources such as federal grant opportunities.

The City of Minneapolis has received millions of dollars in grant-funded equipment over the past five to seven years. As all of this equipment reaches the end of its useful life, it will need to be replaced. None of the grants included maintenance or replacement funding. This issue will have to be addressed in the next five to ten years. The Department will continue to apply for federal funding through the Assistance to Firefighters Grant program and will work with the Intergovernmental Relations Office for direct federal funding.

In the past several years, when the department exceeded budgeted amounts it was in the non-salary categories of contractual services, supplies (equipment) and capital outlay. The overall budget deficit was reduced by applying any savings realized from the personnel category. As personnel costs rise, there is no longer a cushion to cover increases in non-salary expenses – thus decisions will have to be made regarding the prioritization of personnel and equipment.

The Department received CDBG funding to help fill the gap for equipment purchases. This funding can be used for the purchase of fire protection equipment within eligible areas and

can also be used to help relieve the financial pressures between salary and non-salary expenditure categories. The Department continues to seek this funding.

- 4. Training Facility/EOC.** Another key challenge for the Fire Department will be costs associated with the new training facility/emergency operations center. Lease agreements with other fire departments for use of the training facility were a projected source of revenue to help off-set operational costs. The economic conditions will likely reduce the amount of training dollars other municipalities are able to allocate, thus reducing the number of revenue generating lease agreements.

The Department continues to work with the Public Works/Property Management Division and BIS to reduce annual operational costs.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

The Department has over 40 mutual aid agreements in place and is a partner in the North Suburban Mutual Aid Association and the Southwest Mutual Aid Association. There are specific partners who have specialized Hazardous Materials training, technical rescue resources or water rescue resources. Under mutual aid, services are provided across jurisdictional boundaries upon request. The service may include directly responding to an incident or may involve “back filling” at stations and responding to other incidents within a jurisdiction. The Department has one automatic aid agreement with the City of Richfield. Automatic aid differs from mutual aid in that response is continual and based upon the closest resource available.

Internal Partnerships:

- MECC – 911 calls and Computer Aided Dispatch
- MPD – fitness contract; scene security and investigation
- Regulatory Services – Multi-Unit Housing Inspections
- Regulatory Services/MPD – New Training Facility/EOC
- Regulatory Services – inspection and regulation of hazardous material sites
- Human Resources – development of a tailor-made training module for supervisors and managers; workforce planning and management
- 311 – requests for apparatus visits, station visits and complaints from citizens
- Emergency Preparedness – coordinated response for natural and man-made disasters

External Partnerships:

- Participant in specialized regional urban search and rescue team.
- Metro Fire Chief
- Hennepin County Fire Chief
- Metropolitan Medical Response System participant
- AHIMT (All Hazard Incident Management Team participant)
- HCMC and North Memorial ambulance service and transport

How is the department evaluating programs or services for cost effectiveness?

- Two position vacancies at the deputy chief level are under filled with staff captains. This resulted in salary savings and prevented the removal of additional personnel from apparatus assignment.
- Successfully applied for federal grants for the replacement of two aging air compressor systems providing the opportunity for funds to be used in other spending areas.
- With federal grant supported funding, the Department is undertaking a campaign to address 3,500 high fire risk households. The households will be supplied with a free, installed smoke detector equipped with a 10-year battery.
- Increase fees for service to match increasing costs to provide related services to the public.
- Use of COMPASS Accounts Receivable Module for streamlined Hazmat permit billing and other one-time permitting payments.
- Explore additional opportunities to “charge for services” such as response to gas leaks.
- The Department continues to promote an employee health and wellness initiative to decrease the number of workdays lost due to injury and reduce workers’ compensation claims and premiums. Several years of data are now available and will allow for comparative and trend analysis.
- The Department continues to refine its use of the Computer Aided Dispatch (CAD) System. Automatic Vehicle Locator (AVL) technology is used to send the nearest available units to emergency calls. This replaces the old way of dispatching using static “running cards” to dispatch units. A “Live Move Up” module allows dispatchers to see strengths and weaknesses in current coverage in real time. This allows them to offer move up recommendations, allowing the Department to keep coverage balanced throughout the City.
- FireView software provides the Fire Department with mapping tools to help review existing deployment policies and develop new strategies. FireView integrates fire and EMS data with GIS, allowing the Department to map and analyze data. By identifying patterns and trends, resources can then be redeployed to maximize effectiveness.
- The Mobile Command vehicle was staged at Fire Station 1 and a light fleet vehicle is used to conduct non-emergency, routine departmental duties.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

1. Current Service Level Reductions

The expected CSL reduction for the Fire Department is \$3,069,518. \$800,000 is estimated to be available at the end of 2010 from a two-year contingency fund appropriation. This “carry-forward” balance will reduce the CSL reduction to \$2,269,518. The department’s planned reduction to growth for 2011 is \$641,000. The remaining \$1.6 million is due to spending, outside available resources. Fire received a \$2 million one time appropriation for use in 2010 and 2011 contingent upon a plan to reduce this spending. The department will implement the plan and spending levels will be within resources by year end 2011.

The table below summarizes the CSL calculations.

2011 Current Service Budget Appropriation	\$53,661,000
Projected 2011 Expenditures	- \$56,730,518
Difference	(\$3,069,518)
Expected 2010 Carry-over	+ \$800,000
Total Reduction Needed	(\$2,269,518)

When calculating how to address the reduction, the Department took into consideration the fact that there are no vacant positions to eliminate; there were only 3 mandatory retirements for 2011 and, the possible effect the retirement incentive may have. The model that has the least immediate impact on public safety is:

- The elimination of 1 Deputy Chief position
- The elimination of 3 administrative staff captain positions
- The redeployment of existing suppression personnel by unstaffing specialty resource apparatus. Rescue 1 and Mobile Command would be unstaffed and the personnel reallocated to the 3 shifts to balance staffing levels
- A reduction to baseline staffing of 30 firefighter positions

The significance of this action would be:

- A reduction in administrative staffing
- No station closures
- No additional apparatus closure

- Maintained response time performances
- No noticeable reductions to service delivery for fire and emergency services

The detrimental impacts of this action would be:

- Specialized apparatus available only on a special call basis
- Average daily staffing reduced to 92; does not meet the Standard of Coverage
- Injury levels and workers' compensation costs increase (See Charts 3 & 4)
- Both large scale incidents and multiple alarms fires would require the use of overtime to re-hire or call back enough staff to adequately respond with the proper number and ratio of personnel
- The number of multiple alarm fires may increase as fewer resources are available limiting the ability to effectively confine fires to the room of origin, resulting in increased property losses
- Increased apparatus "unavailable" when personnel are needed for non-emergency activities, *i.e.* boarding vacant buildings, firewatch

SAFER Grant – Options and Flexibility

Modifications made to the SAFER grant requirements would provide the Department the flexibility to explore an option for the maintenance of staffing levels. An application could be submitted for a portion of the firefighters identified for layoff instead of applying to retain all positions. Any vacant positions created through attrition would be filled by "recalling" laid-off firefighters. This option has the potential to reduce the total number of positions eliminated and it allows the Department to maintain a staffing level without jeopardizing federal funding.

Retirement Incentive and Departmental Attrition. This factor is a large variable in the Department's budget projections and operational considerations. Once a better picture of the participation in the incentive is known, additional decisions regarding the staffing levels and operational deployment models can be made. For example, the retirement of a veteran deputy chief has many more operational repercussions than the loss of a veteran firefighter. Any retirements from the incentive or other departmental attrition will directly off-set the number of lay-offs required.

Transfer of Fire Prevention Bureau. Although the Council has approved the transfer of the Fire Prevention Bureau to Regulatory Services, there are 4 sworn personnel who will remain with the department. Details regarding functional areas of responsibility need to be finalized. This is another variable in budget planning and operational considerations.

Chart 1

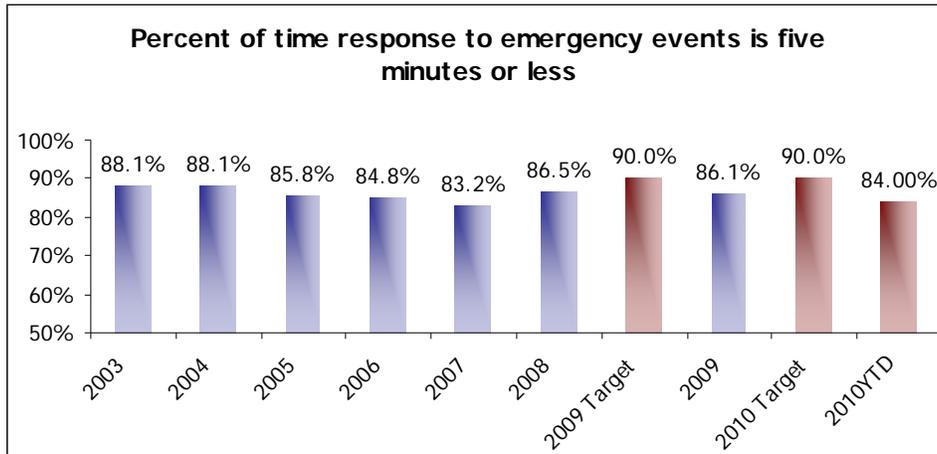


Chart 2

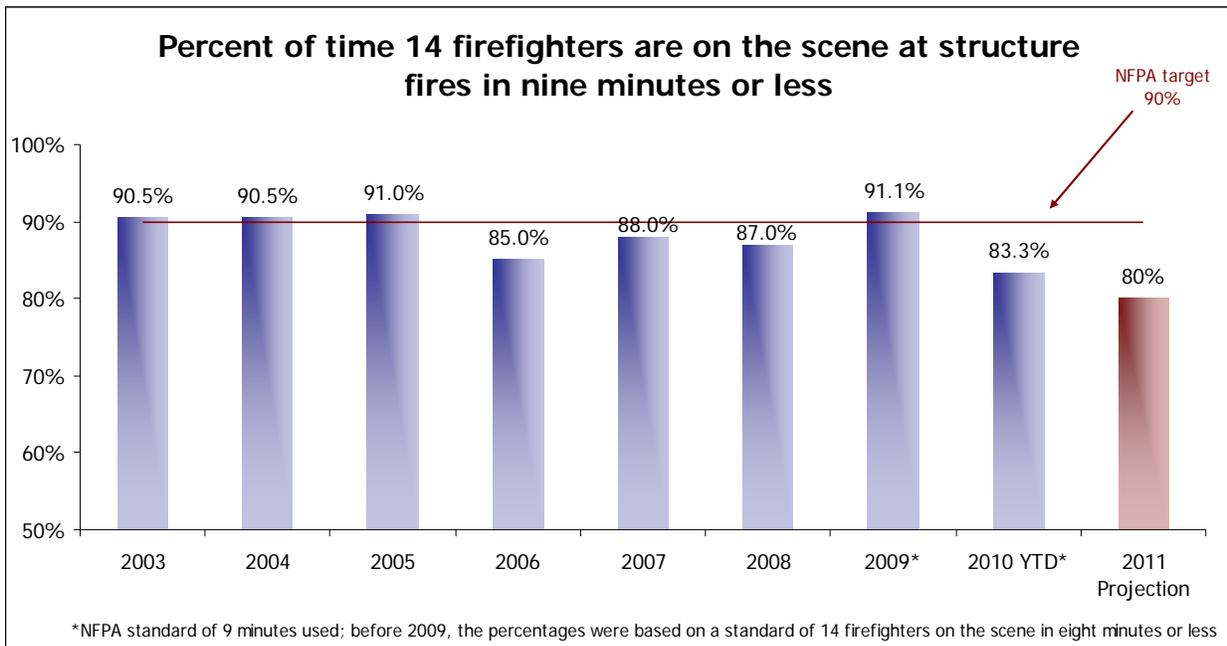


Chart 3

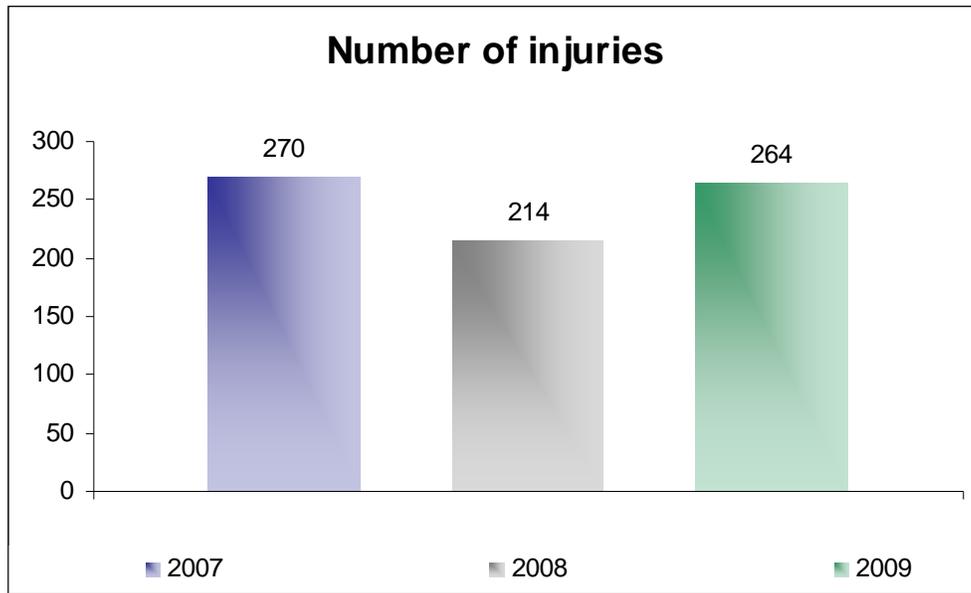
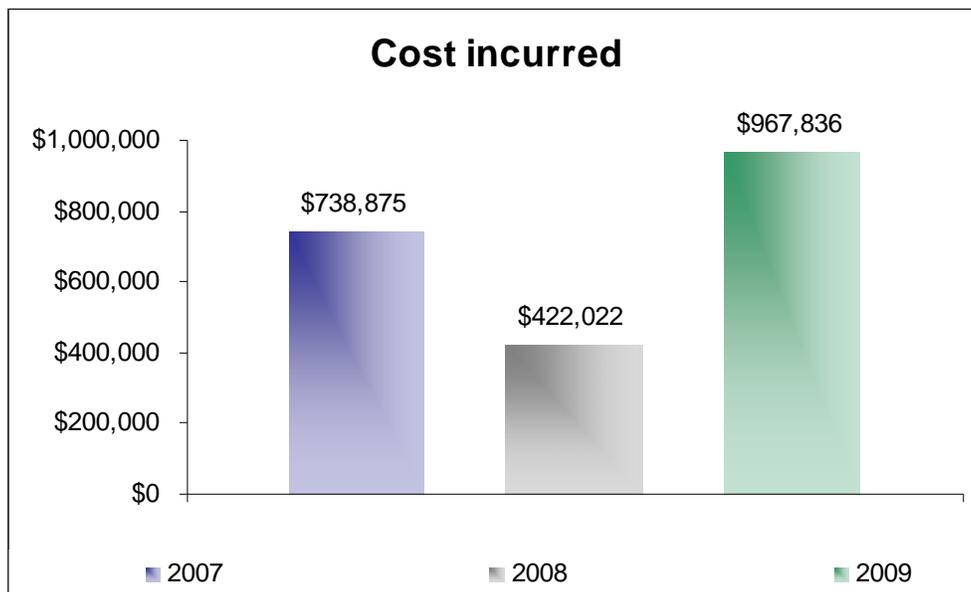


Chart 4



FINANCIAL ANALYSIS

EXPENDITURE

The Fire Department's 2011 expense budget for all funds of \$52.9 million represents a 2.8% decrease from the 2010 Revised Budget. Personnel expenses make up 85% of the total budget. Salaries are 60% and benefits are 25%. The total FTE is 406.

Non-personnel expenses make up 16% of the total budget.

REVENUE

The Department anticipates \$4.0 million in revenue in 2011 compared to \$4.9 million in 2010, a 19.8% decrease. This includes \$400,000 in revenue from Regulatory Services for providing the vacant and boarded building services. Fire's total revenue appropriations' reflects the transfer of Fire Inspection activities and associated revenue from the Fire Department to Regulatory Services. The Department also receives \$1.8 million in state government funds accounted for in the general fund that is allocated to offset some of the pension costs for active firefighters since 1980.

FUND ALLOCATION

The Fire Department expense budget is 99% funded through the general fund and 1% is funded through special revenue funds, specifically CDBG, other local grants, and donations.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$847,000, and 32 FTE. A portion of this reduction to growth will be offset by health care savings for the department. Additionally, the Mayor recommended a one-time appropriation of \$1.1 million to allow the department to reduce positions through attrition.

COUNCIL ADOPTED BUDGET

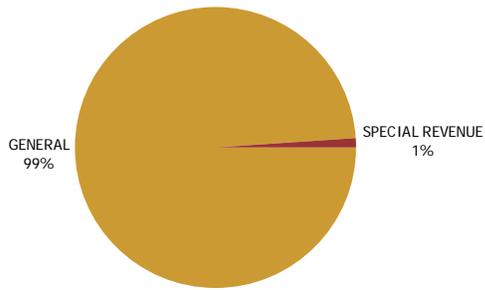
Council approved the Mayor's recommendations. Additionally, Fire is directed to evaluate the current Council policy related to the Standard of Coverage in the context of 2011 budget resources for the department and report back to the Public Safety and Health and Ways & Means/Budget committees no later than February 15, 2011, with recommendations for any changes to that policy.

Fire's expense and revenue appropriations' reflects the transfer to Fire Inspection activities from the Fire Department to Regulatory Services. 13 FTE moved from Fire to Regulatory Services as part of this transfer. Additionally, the Fire Department's rent charge has been reduced by \$79,000. The changes are reflected in the five-year financial direction.

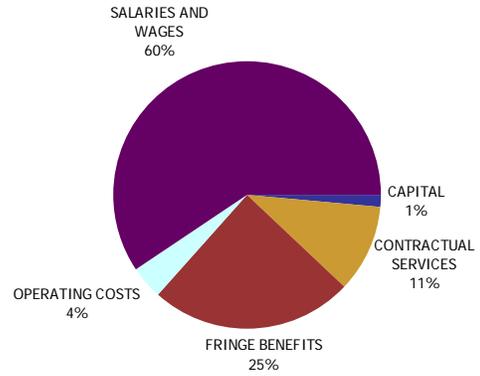
FIRE EXPENSE AND REVENUE INFORMATION

EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS		(4,971,961)			0.0%	0
TOTAL AGENCY		(4,971,961)				0
GENERAL						
SALARIES AND WAGES	32,115,885	32,133,255	33,175,099	31,494,805	-5.1%	(1,680,294)
FRINGE BENEFITS	10,897,010	12,345,758	12,839,181	13,040,368	1.6%	201,186
CONTRACTUAL SERVICES	6,257,643	5,984,681	5,695,326	5,590,927	-1.8%	(104,399)
OPERATING COSTS	2,245,969	1,822,672	1,841,519	2,004,045	8.8%	162,526
CAPITAL			135,386	136,739	1.0%	1,353
TOTAL GENERAL	51,516,507	52,286,367	53,686,511	52,266,883	-2.6%	(1,419,628)
SPECIAL REVENUE						
SALARIES AND WAGES	77,189	6,816			0.0%	0
FRINGE BENEFITS	10,338	6,603			0.0%	0
CONTRACTUAL SERVICES	2,747	33,537	7,000	7,000	0.0%	0
OPERATING COSTS	298,392	410,945			0.0%	0
CAPITAL	166,364	45,044	697,000	587,000	-15.8%	(110,000)
TOTAL SPECIAL REVENUE	555,030	502,945	704,000	594,000	-15.6%	(110,000)
TOTAL EXPENSE	52,071,537	47,817,352	54,390,511	52,860,883	-2.8%	(1,529,628)
REVENUE						
	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
LICENSE AND PERMITS	1,388,314	2,005,885	2,576,103	1,419,796	-44.9%	(1,156,307)
STATE GOVERNMENT	1,568,310	1,580,300	1,863,000	1,863,000	0.0%	0
CHARGES FOR SERVICES	84,394	317,637	121,000	121,000	0.0%	0
CHARGES FOR SALES	290	332	250	250	0.0%	0
SPECIAL ASSESSMENTS			200,000	400,000	100.0%	200,000
OTHER MISC REVENUES	245,710	258,437	184,330	160,000	-13.2%	(24,330)
TOTAL GENERAL	3,287,019	4,162,590	4,944,683	3,964,046	-19.8%	(980,637)
SPECIAL REVENUE						
FEDERAL GOVERNMENT	672,513	479,476			0.0%	0
STATE GOVERNMENT		2,039			0.0%	0
CONTRIBUTIONS	82,131	15,721	10,000	10,000	0.0%	0
TOTAL SPECIAL REVENUE	754,645	497,235	10,000	10,000	0.0%	0
TOTAL REVENUE	4,041,663	4,659,826	4,954,683	3,974,046	-19.8%	(980,637)

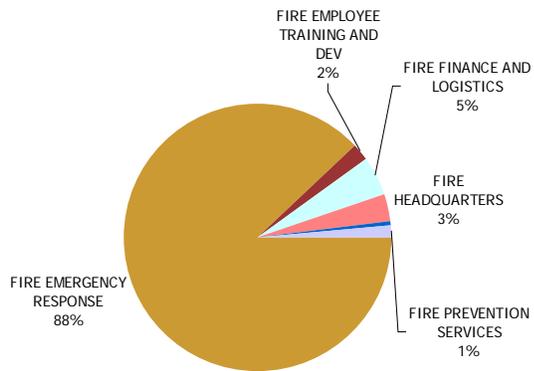
Expense by Fund



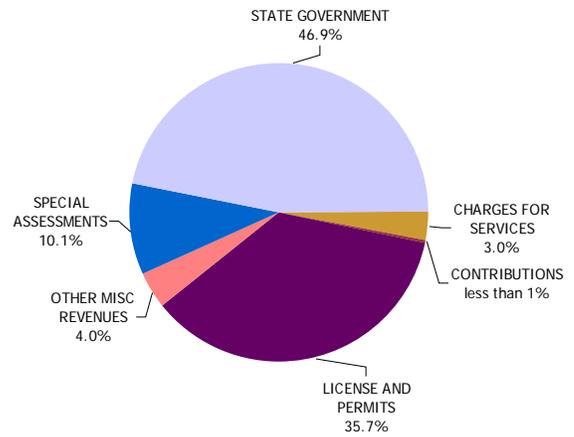
Expense by Category



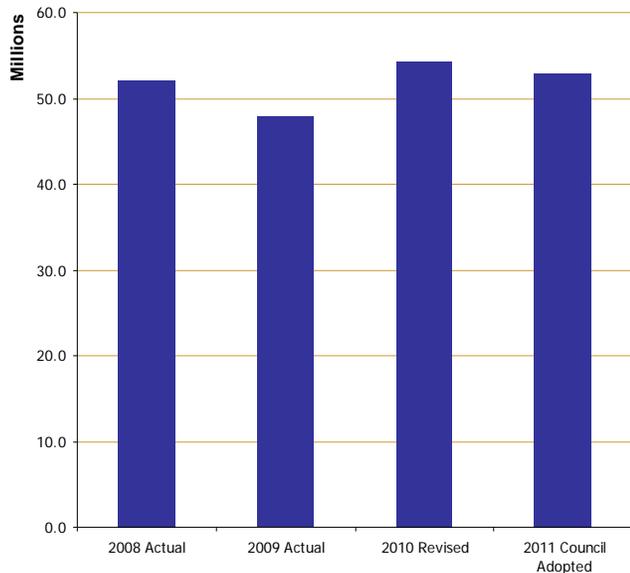
Expense by Division



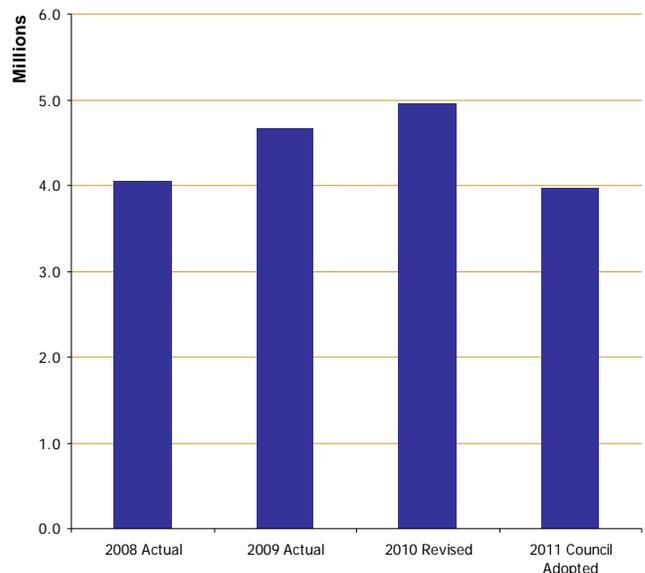
Direct Revenue by Type



Expense 2008 - 2011



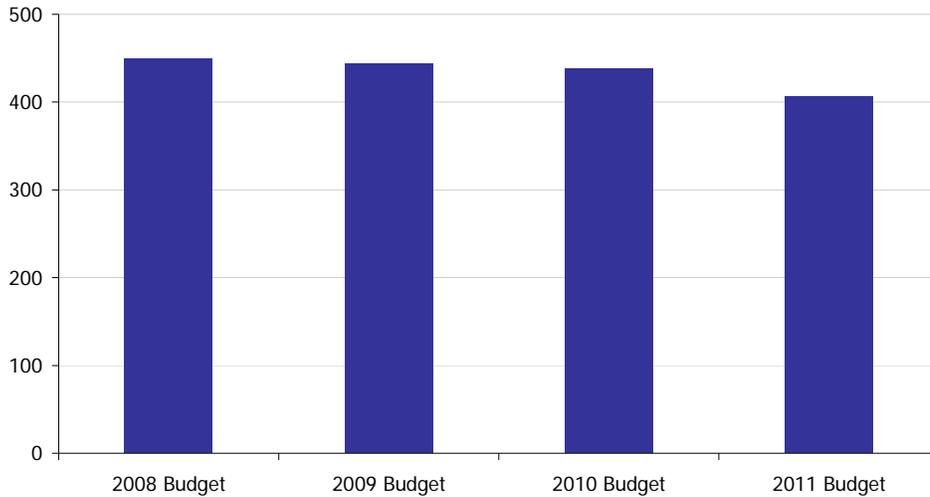
Revenue 2008 - 2011



Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
FIRE EMPLOYEE TRAINING AND DEV		6.00	6.00	8.00	33.3%	2.00
FIRE EMERGENCY RESPONSE	405.00	406.00	400.00	379.00	-5.3%	(21.00)
FIRE FINANCE AND LOGISTICS		5.00	5.00	5.00	0.0%	
FIRE INFORMATION SERVICES		2.00	2.00	2.00	0.0%	
FIRE PREVENTION SERVICES	22.00	17.00	17.00	4.00	-76.5%	(13.00)
FIRE HEADQUARTERS	22.00	8.00	8.00	8.00	0.0%	
TOTAL	449.00	444.00	438.00	406.00	-7.3%	(32.00)

Positions 2008-2011



Positions by Divison

