

# Fire Fighter Pay and Overtime

An Independent Analysis Based on  
Accountability Data

# Background

- At the town council meeting of June 6, 2018, a presentation was given which presented negatively on the EG Firefighter's pay and overtime working practices using
  - Accountability Sheet data from 7/1/2017 to 5/24/2018

# The ensuing town council discussion left residents with the impression:

- Firefighters manipulate their schedules to maximize overtime ("gaming the system" or "abuse")
- Because of overtime, a number of firefighters will earn more than \$150,000, with one "on track" to earn \$215,000 in wages and benefits
- If firefighters were required to work a "full schedule" before earning overtime, costs would decrease significantly
- 2019 overtime costs are projected to be \$1.2 million

# During the Discussion...

- The presenter, Mr. Ken Block, suggested that a deeper analysis was called for
- Council President Cienki stated that the data was available to anyone who wanted to use it
- We decided to take them up on this invitation...

# This Analysis:

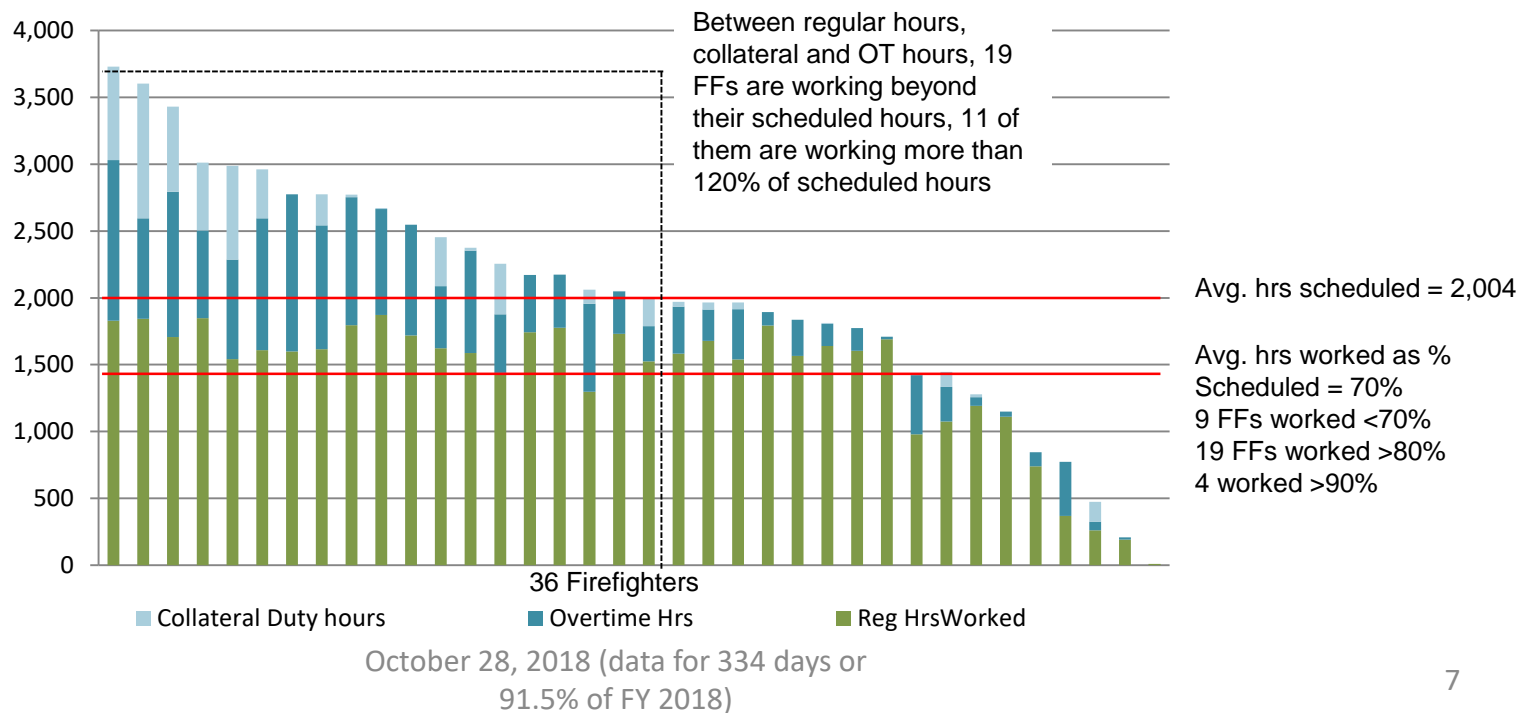
- Uses accountability data from 1/1/2017 to 5/24/2018 to construct a detailed history of fire department operations
- All scheduled hours worked and wages paid
  - All scheduled hours not worked, the reason they were not worked, and the wages paid
  - All overtime hours worked: who was scheduled, who worked the shift, and the overtime wages paid
  - All collateral duty and detail hours worked: who worked and what wages were paid
  - All shift swaps: who was scheduled and who worked
  - Which shifts were covered by floaters and what the cost savings were

# This Analysis..

- Reconstructed a history of fire department operations for 6/26/2017 through 5/24/2018, a total of 334 days or 91.5% of fiscal year 2018
  - Calculated FY2018 overtime wages
  - Simulated overtime wages for FY2019
  - Estimated the effect of eliminating floaters
  - Estimated the effect of an "hours above scheduled" overtime compensation policy

# So how many hours do the FF work?

- Firefighters were scheduled to work on average 2,004 hours during the period under review (annualized to 2,110)
  - Vacation, IOD, sick an other leave has to be covered from this total. Since there are no “spare” staff, it is covered by overtime
  - Additionally, many firefighters work “collateral duties” over and above scheduled hours



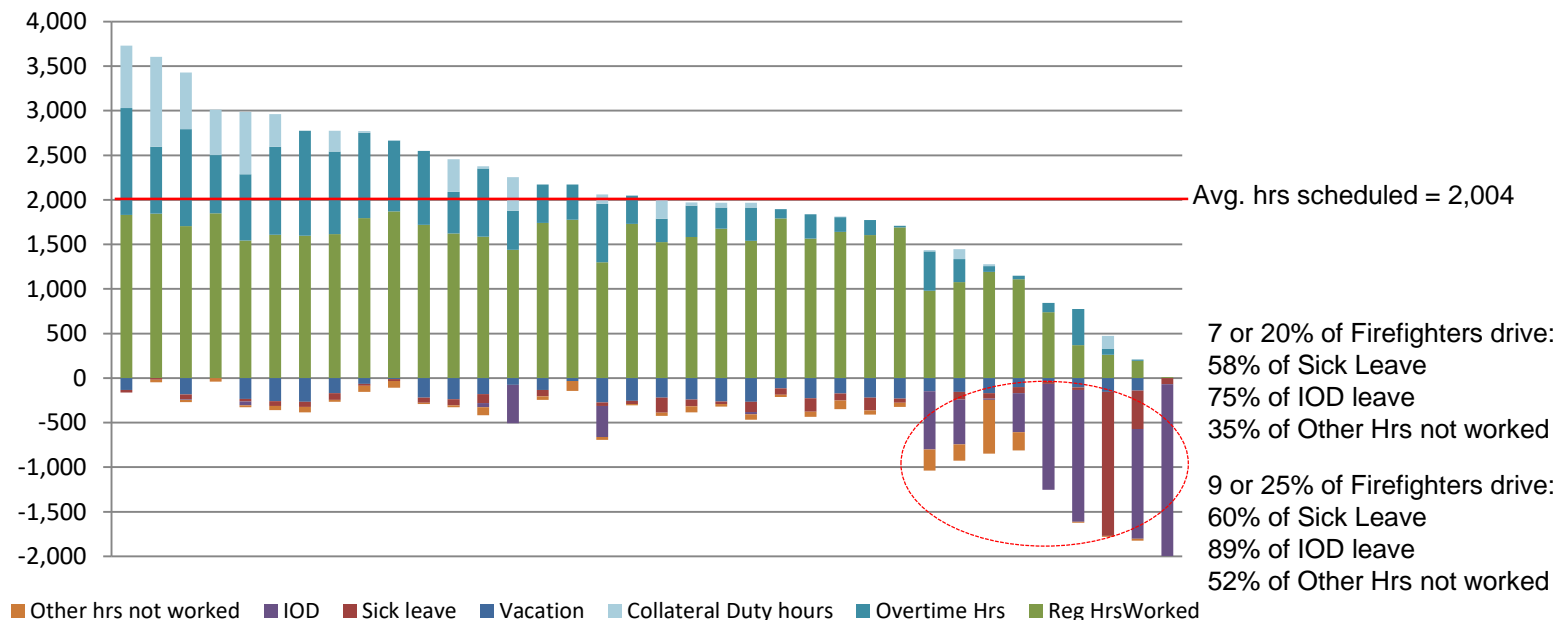
# Collateral Duties

- Collateral duties are paid at a reduced rate of ~\$22/hr for day, \$20 for night with no overtime and mainly are related to
  - Dispatch
  - EMS maintenance
  - Other duties such as fire prevention, training, scuba training, dive training, marine and building maintenance



# The vast majority of FF work above 80% of their scheduled hours

- Seven or 20% of firefighters account for nearly 60% of sick leave and 75% of IOD leave in fiscal in 2018
  - These 7 also account for over one third of other hours not worked due to other leave

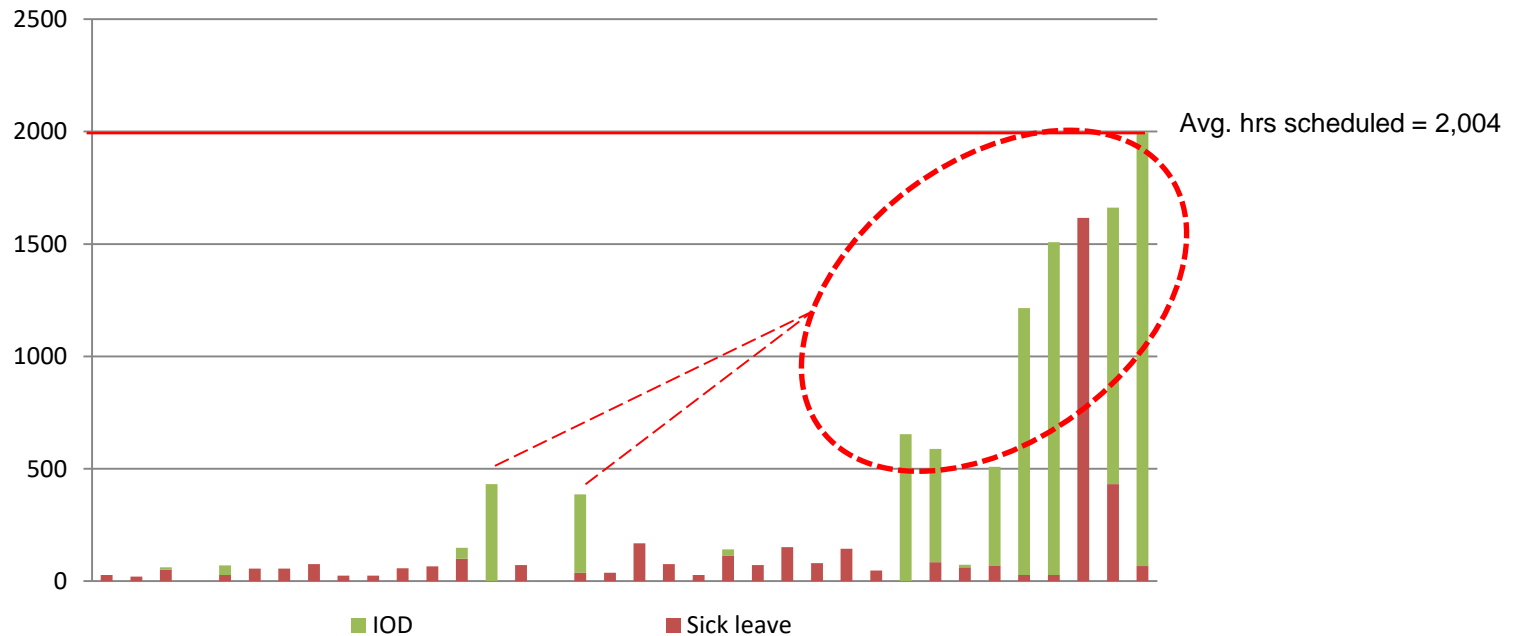


Same 36 Firefighters in sequence

October 28, 2018 (data for 334 days or 91.5% of FY 2018)

# How many hours were lost to IOD and sick leave in 2018?

- 5 firefighters lost more than 50% of their scheduled work hours due to IOD or sick leave in 2018
  - A further 5 are within a 20-25% range loss of scheduled hours
- A total of 12,347 hours were lost to IOD or sick leave during the period

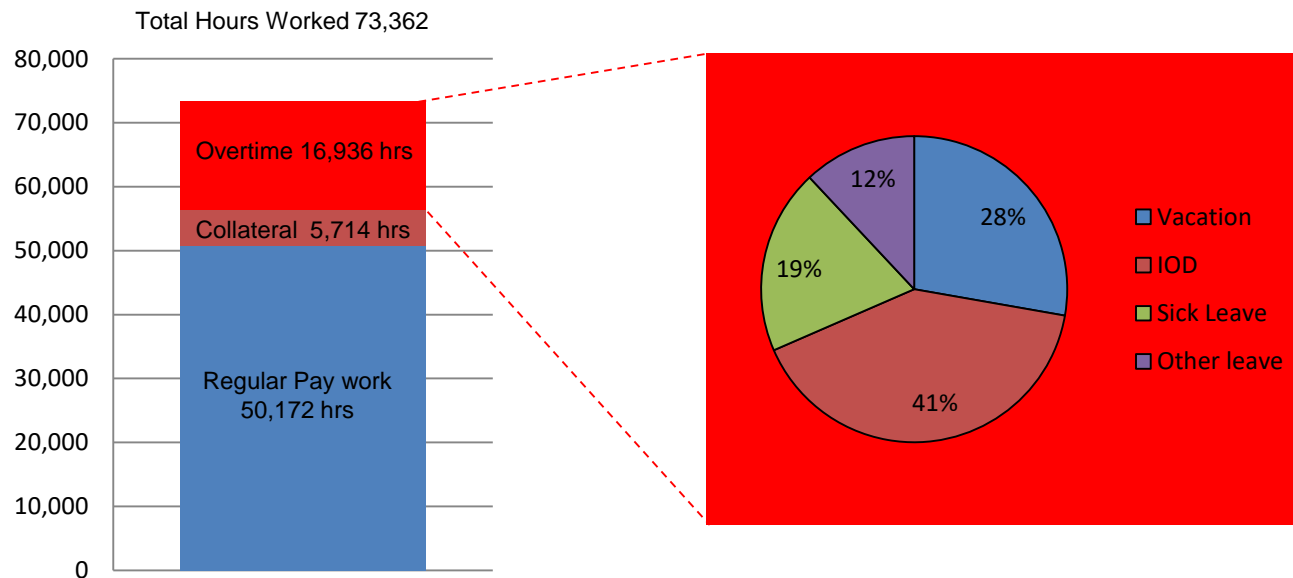


Same 36 Firefighters in sequence

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# What are the main drivers of overtime in 2018?

- With staffing levels set at 36 for minimum staffing requirements
  - IOD and sick leave account for nearly 60% of overtime
  - Vacation cover and other leave demands account for the remaining 40%

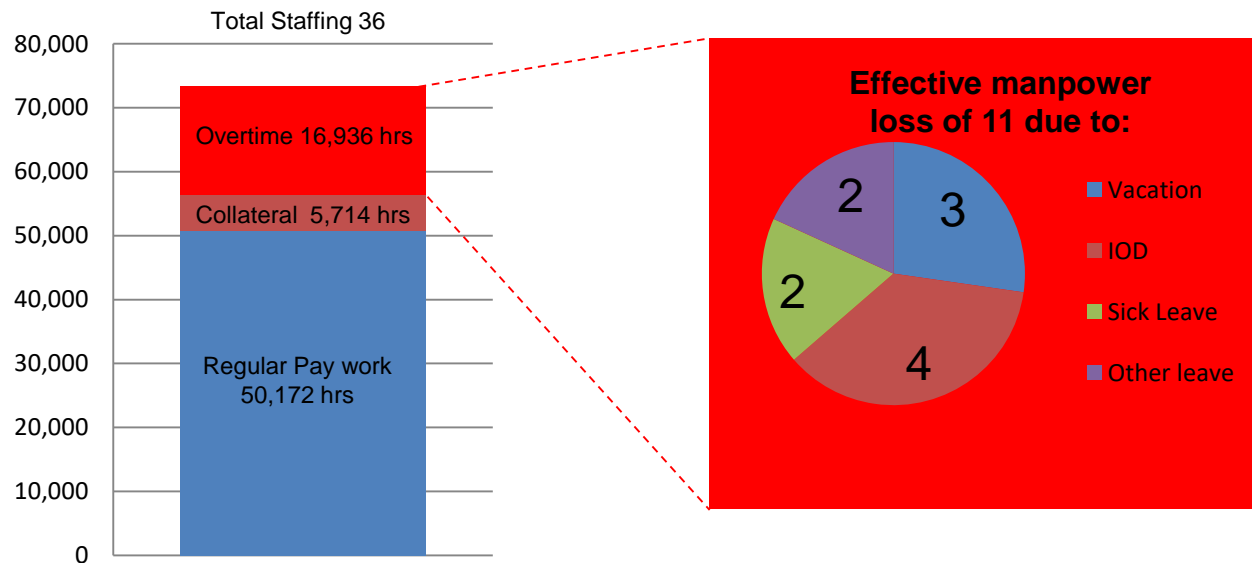


Note: Other Leave includes leave for bereavement, personal leave, school, admin, etc

October 28, 2018 (data for 334 days or 91.5% of FY 2018)

# In Effect, 25 of our working firefighters were doing the work of 36 for 2018

- With 2018 IOD and sick leave levels, the FD would have needed an additional 6 men to cover their scheduled hours
  - At year end, two IODs had been cleared by their doctor to return to work but were awaiting approval to return from the town manager



Note: Other Leave includes leave for bereavement, personal leave, school, admin, etc

# How much did the firemen earn in 2018?

- 15 firefighters earned above the average pay of \$80K, \$88K annualized
- 7 firefighters earned above \$100K
- Not surprisingly, the highest earning firefighter will earn \$128K or ~\$140K annualized in 2018

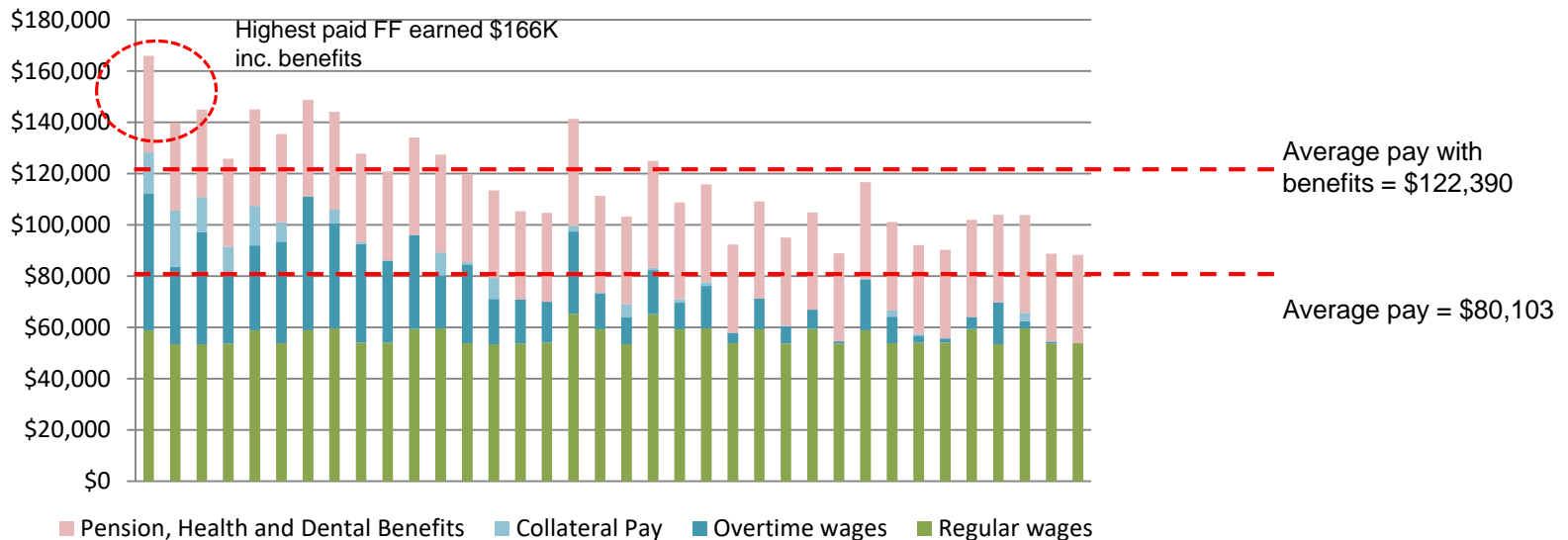


Same 36 Firefighters in sequence

October 28, 2018 (data for 334 days or  
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# The average firefighter earned \$122K when benefits are added to base pay

- Benefits on average add another \$40K to the average firefighter base salary
  - Firefighter pension calculated at 24% of base pay (exc. overtime)
  - Health and Dental Insurance is calculated at 27% of base pay
- The fully loaded cost of the highest earning firefighter is \$166K or ~\$181K annualized in 2018



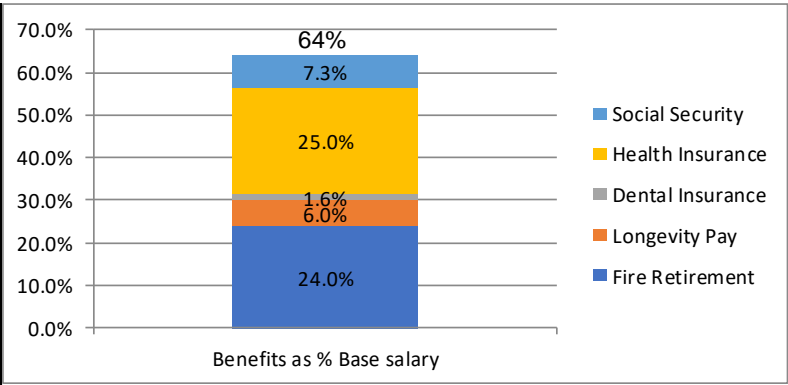
Same 36 Firefighters in sequence

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# Benefits are estimated from Budget 2019

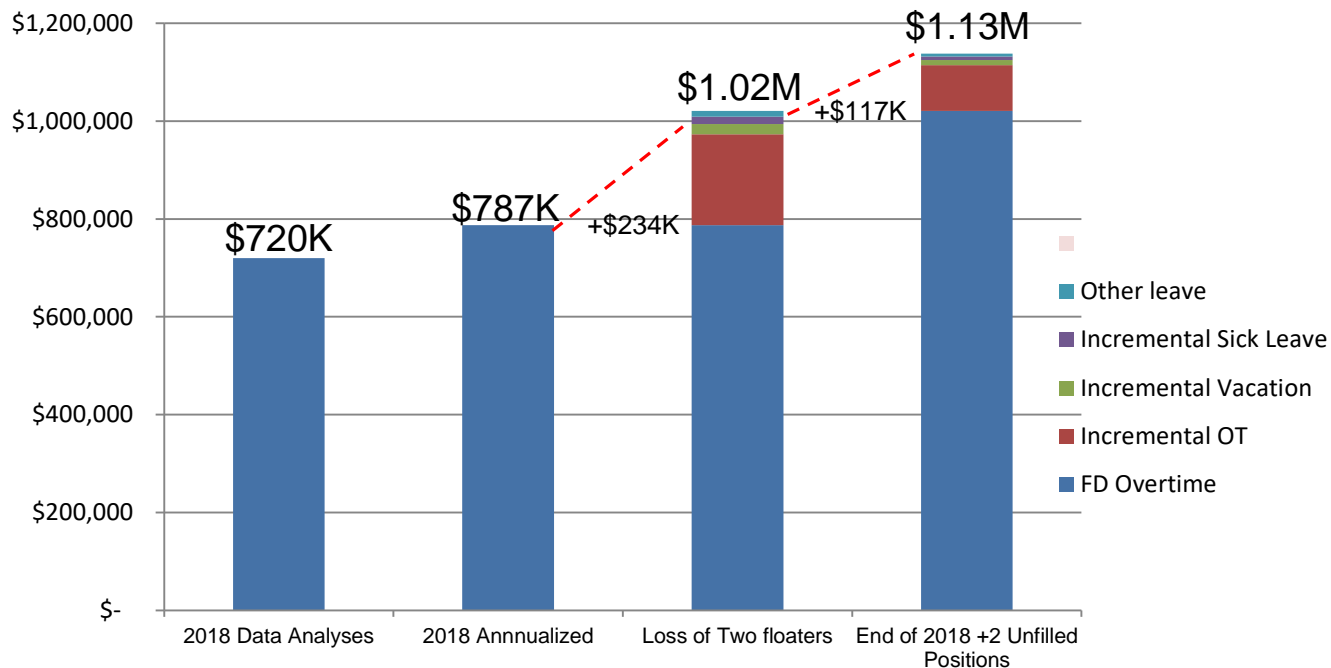
- Benefits were calculated from those reported directly in the Fire Department Budget for 2019
  - And from looking at the load factor to base pay for any benefits applicable to the FD that are captured in a “catch all” benefit department in the 2019 Budget

	Fire Dept. (2019 Budget)	Town (All other Depts) 2019 Budget	Benefits as % Base salary	FD Benefits Est. 2019
<b>Base Salary \$000</b>	\$ 2,409	\$ 8,223	\$ 10,632	\$ 2,409
<b>Benefits \$000</b>				
Fire Retirement	\$ 579		24.0%	\$ 579
Longevity Pay	\$ 145		6.0%	\$ 145
Dental Insurance		\$ 165	1.6%	\$ 37
Health Insurance		\$ 2,662	25.0%	\$ 603
Social Security		\$ 780	7.3%	\$ 177
<b>Total Benefits</b>			<b>64%</b>	<b>\$ 1,541</b>
<b>Total Base Pay and Benefits</b>				<b>\$ 3,950</b>



# Under **2018 conditions**, Overtime in 2019 would be ~\$1M (worst case)

- Losing two floaters in 2019 would add \$234K to 2018 overtime costs
- Not replacing the dismissed Fire Lieutenant should add another \$117K in overtime
  - (one other FF left and his position has not been filled)

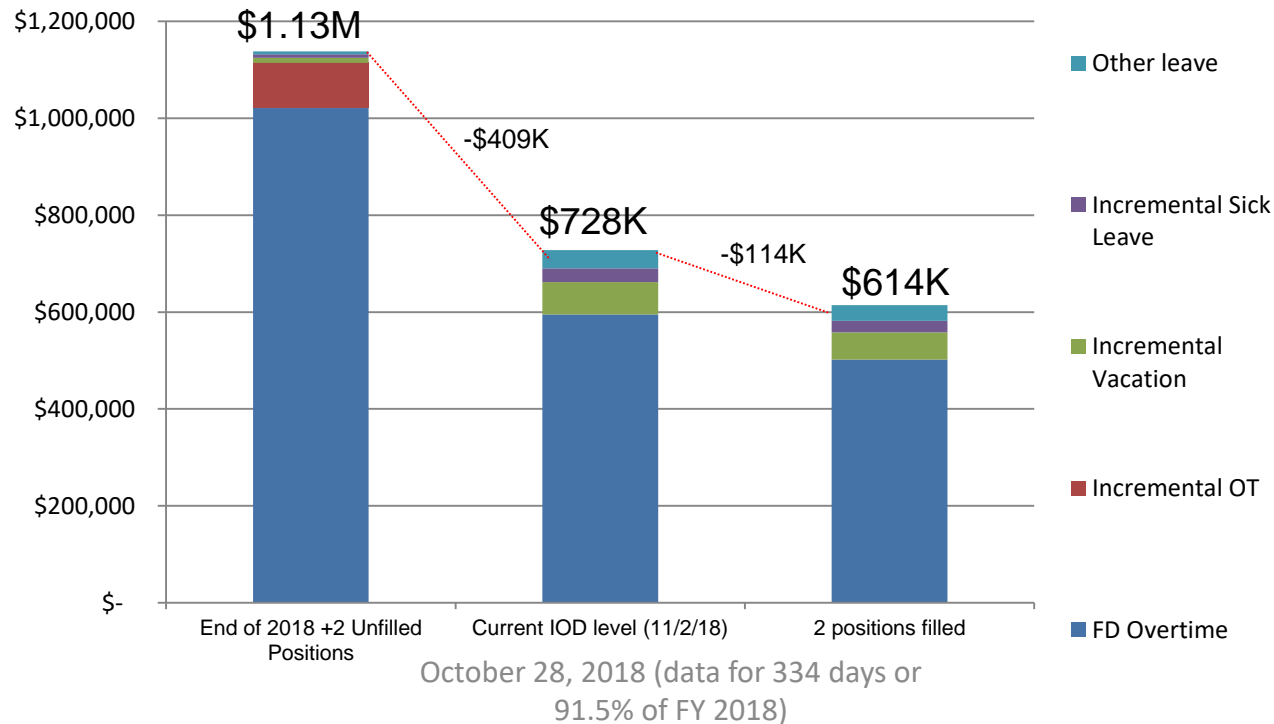


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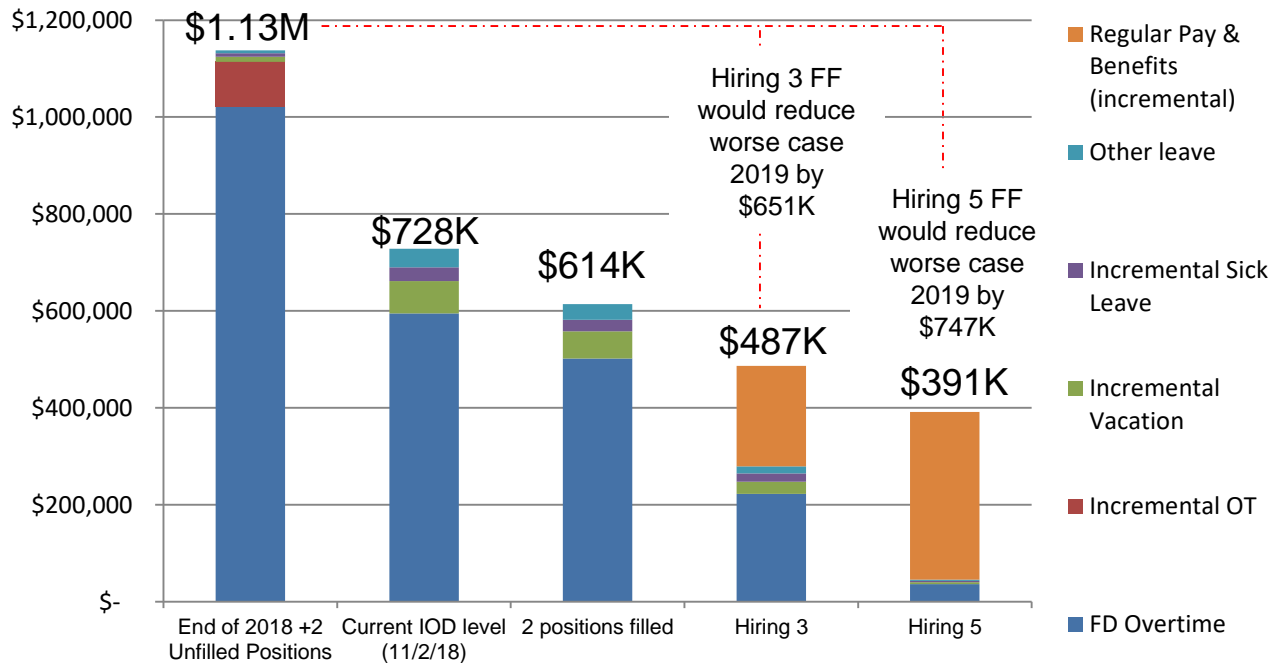
# But realistically, overtime is estimated to be much improved in 2019

- As of Nov 2, five IODs have returned to work, reducing OT by \$409K
  - With two still on IOD, one cleared since June and is awaiting town manager approval to return to work
- Filling the two open positions would further reduce OT by \$114K



# Hiring additional staff would greatly eliminate overtime

- There will always be some overtime to cover variability in sick and IOD leave as well as cover vacations and other allowed time off
- But even with added pension and benefit costs, hiring additional staff at regular pay to “float” Vs using overtime, would lower overall FD costs from current levels

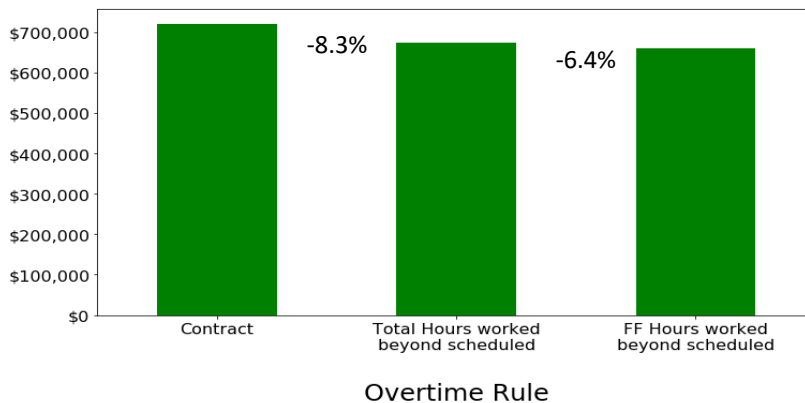


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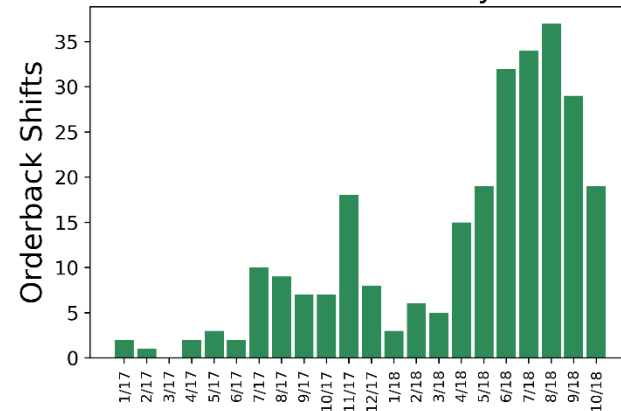
# Overtime abuse?

- The June 6 presentation implied Firefighters frequently don't show up for their regular shift and then work overtime shifts and this costs EG "hundreds and thousands of dollars
- The firefighter with the highest overtime earnings in the data worked all scheduled shifts in 78% of the FY2018 pay periods reviewed
  - There is a strict policy adhered to for allocating voluntary overtime shifts
- Many overtime shifts are mandatory, with over 35 shifts/month with order backs. Claims of abuse did not address this fact
- The effect of an overtime policy more in line with the private sector rules would not have dramatically reduced overtime costs despite sensational claims to the contrary

Overtime Wages Under Different Rules (6/25/2017-5/24/2018)



Total Orderback Shifts by Month



# Conclusion:One

## June 6 Discussion/ TC Allegation

- Firefighters manipulate their schedules to maximize overtime ("gaming the system" or "abuse")

## Our Findings

- **Completely unfounded!**
- The highest paid FF averaged 79 hours of work per pay period (scheduled, overtime, and collateral)
- Averaged 40.5 (out of max of 42) regular hours per week, and worked all scheduled shifts 78% of the time
- Averaged 24.4 hrs of OT and 14.2 hours of collateral duty per pay period
- Had only two sick days and one shift swap

# Conclusion:Two

## June 6 Discussion/ TC Allegation

- Because of overtime, a number of firefighters will earn more than \$150,000, with one "on track" to earn \$215,000 in wages and benefits

## Our Findings

- 11 firefighters earned \$100,000 or more in wages and overtime
- The highest earning firefighter earned \$128K in 334 days of 2018, annualized to \$140K, fully loaded costs the for the year are \$181K
- Average firefighter wages during the period was \$80,103, annualized to \$87K, fully loaded with benefits to \$122K

# Conclusion:Three

## June 6 Discussion/ TC Allegation

## Our Findings

➤ If firefighters were required to work a "full schedule" before earning overtime, wages would decrease significantly

- When you actually quantify the difference, it is not that large
- 92% of current overtime pay would still be paid under this policy
- 94% would qualify if collateral duty hours worked were counted

# Conclusion:Four

## June 6 Discussion/ TC Allegation

## Our Findings

➤ 2019 overtime wages are projected to be \$1.2 million

- If we assume end of year 2018 circumstances for worse case (as TM did), projected overtime is \$1M-1.2M for 2019 depending on IOD assumptions
- But actual 2019 operations are running with 5 of the 7 IODs back to work, albeit 2 positions still open
  - Reducing OT to \$728K, \$614K when positions are filled
- Hiring an additional 3 to 5 FF at standard pay (in a floater role) would reduce OT and decrease overall FD incremental costs to ~\$400K to \$500K

# Open Questions for 2019

- Will IOD continue to improve? What is driving IOD?
  - When will town allow remaining one FF cleared for work, back to work?
  - Do we have comprehensive guidelines and rules for IOD?
- Need to better understand trade-off in full costs between hiring additional staff and overtime
  - What are safe minimum staffing levels for rigs and are we meeting them?
- The Fire Department contributed \$765K to town revenues in 2017 (last audited accounts available)
  - Budgeted at \$775K for 2019
  - What drives this revenue and can it be increased?
    - What would that entail?