

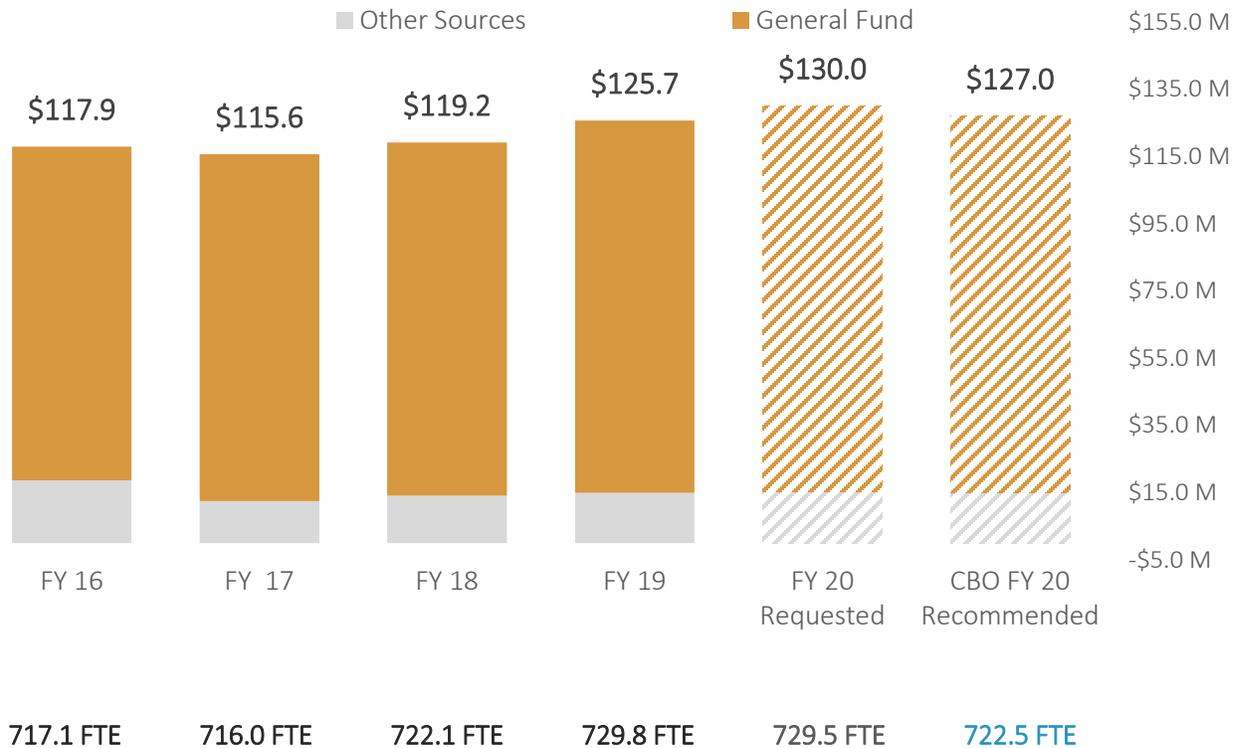


**City  
Budget  
Office**

# Portland Fire & Rescue

*Analysis by Robert Cheney*

**Adopted Budget Revenues - 5-Year Lookback**



## INTRODUCTION

Portland Fire & Rescue (PF&R) built its base budget for FY 2019-20 with a \$1.2 million reduction in General Fund revenue from the prior year, following Council’s guidance to reduce bureau General Fund base budgets by 1%. The bureau partially addressed this constraint by identifying internal efficiencies and adjusting service charges and fees to backfill cuts with increased revenues. However, due to the size of the reduction, the bureau also eliminated one Rapid Response Vehicle (RRV) unit, accounting for 63.2% (\$798,468 and 6.0 FTE) of their total reduction. The bureau received a Direction to Develop from their Commissioner-in-charge to restore the RRV team. In addition to restoring the RRV unit, the bureau also received a Direction to Develop a proposal to add a Health and Wellness Coordinator for its firefighters in response to a cultural assessment that daylighted PF&R employee concerns around personal health management.

# BASE BUDGET KEY ISSUES

In recent years, proactive response to incident workload has allowed the Fire Bureau to sustain service levels without increasing its sworn staff. The Fire bureau has laid out a road map for how to reduce incident workload and other claims on firefighter time going forward, increasing the likelihood of positive emergency response outcomes for the City in the face of population and emergency incident growth.

## Addressing Capacity and Call Volume

As noted in the FY 2017-18 CBO review, the Fire Bureau’s ability to sustain service levels is directly tied to refocusing the bureau’s role from emergency medical response and towards proactive medical response to reduce medical call volume over the long term.

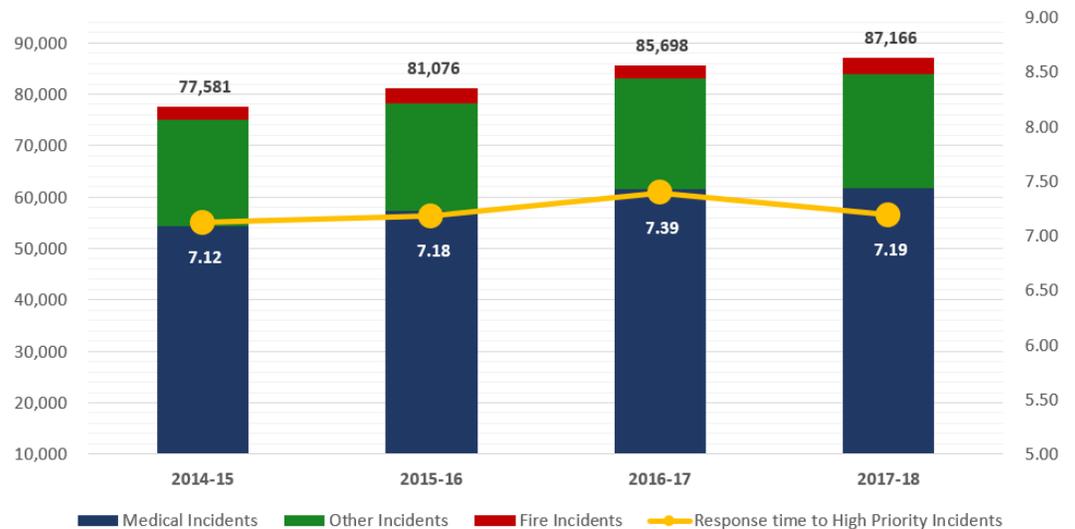
The FY 2018-19 CBO review noted that in order to continue to maintain service levels, the bureau would need to not only send RRVs *instead* of a full company response to certain low- and medium-acuity calls, but to cease going on certain calls altogether.<sup>1</sup> Following the leadership of former Chief Myers, the Fire Bureau targeted efforts towards this initiative, and has worked with the Bureau of Emergency Communications and Multnomah County to adjust dispatch protocol on low- and medium-

acuity calls. In the two years since, the bureau has compiled a substantial amount of data on the outcomes and service level impacts of these concerted efforts.

### Efforts to Reduce Incident Workload Outcomes Data

The City has experienced an 11% total population growth since 2010,

**Graph 1.** Fire response times have remained constant despite 12% growth in incidents since 2014-15



\* The strategic target for this measure is 7:15.

\*\* The spike in FY 2016-17 is likely attributable to the winter storm which caused delayed response times.

<sup>1</sup> An ambulance still responds to these calls, but dispatch protocol increased the threshold required to send a 4-person Fire company. “Multnomah County Services Contract Agreement for Exclusive Ambulance Contract.” Appoints the Emergency Medical Services Provider Medical Director to work with the Public Safety Answering Point (BOEC) to determine triage dispatch protocols. [http://multnomah.granicus.com/MetaViewer.php?view\\_id=3&clip\\_id=1795&meta\\_id=125998](http://multnomah.granicus.com/MetaViewer.php?view_id=3&clip_id=1795&meta_id=125998)

adding over 64,000 Portlanders.<sup>2</sup> During that time, the bureau has not substantially increased the size of its firefighter staff or the number of stations, only reopening Station 23 in the Clinton Triangle through the reassignment of an existing Rapid Response Vehicle.

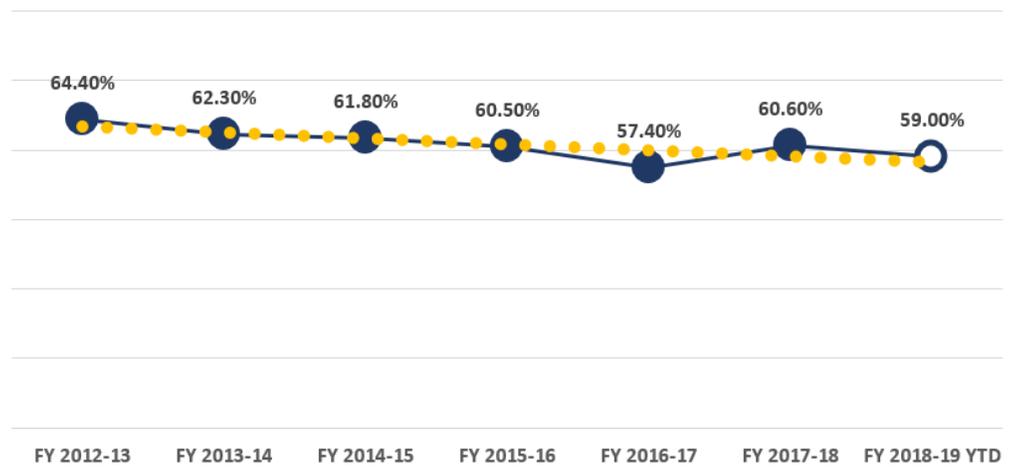
As demonstrated by data from two metrics: response time to high-priority incidents (Graph 1), and percentage of responses (turnout and travel) to Code 3 incidents within 5:20 (Graph 2), PF&R has retained relatively sustained services levels despite growth in population and growth in call volume. This is likely related to efforts to reduce the number of low- and medium acuity calls the bureau responds to, initiatives to train fire fighters in-station (as opposed to at the training facility) and using Automatic Vehicle Locator to dispatch the nearest fire company as opposed to the one assigned that Fire Management Area.

However, this service level remains beneath the Fire Bureau’s strategic target (and national standard) of 90%.<sup>3</sup> As cited in previous CBO reviews, time has compounding effects on fire emergency and medical patient outcomes, as fires double in size every minute and hypoxia from lack of oxygen in cardiac patients increases every minute. Therefore, decreases in this performance metric could have notable impacts on fire and patient outcomes.

The Fire Bureau’s ability to sustain service levels in the face of population and incident workload growth is likely based on its ability to adjust strategy and deployment tactics to divert calls that do not require a full company response (leaving them to be handled by an ambulance). It is projected that these efforts may reduce incident workload for 4-person companies by up to 10,000 calls annually—a 9.1% reduction of its projected 91,000 unit responses for FY 2018-19 (See Table 3).<sup>4</sup>

In a constrained budget environment, it is imperative that public safety bureaus adjust their long-term strategies and response tactics to sustain service levels in the face of increasing demands for service. The City is not in the financial position to add the cost-heavy inputs of additional fire fighters and fire stations. CBO recommends the Fire Bureau continue its efforts to reduce

**Graph 2.** Percentage of responses (turnout and travel) to Code 3 incidents within 5:20



**Note:** The strategic target for this performance measure (and national standard per NFPA 1710) is 90%. The roughly 30% gap between the Fire Bureau's performance and the national standard represents a baseline service level for the past 6 years.

<sup>2</sup> Census Bureau’s American Fact Finder. ACS Demographic and Housing Estimates.

<https://www.census.gov/quickfacts/fact/table/portlandcityoregon/IPE120217>

<sup>3</sup> National Fire Protection Agency (NFPA) Standard 1710 “Organization and Deployment of Fire Suppression Operations, EMS, and Special Operations in Career Fire Departments.” <https://services.prod.iaff.org/ContentFile/Get/30541>

<sup>4</sup> However, this impact will likely be reduced with the elimination of one RRV, as is budgeted in FY 2019-20.

**Table 3.** Call reduction efforts for 4-person companies, real and projected outcomes based on to-date data.

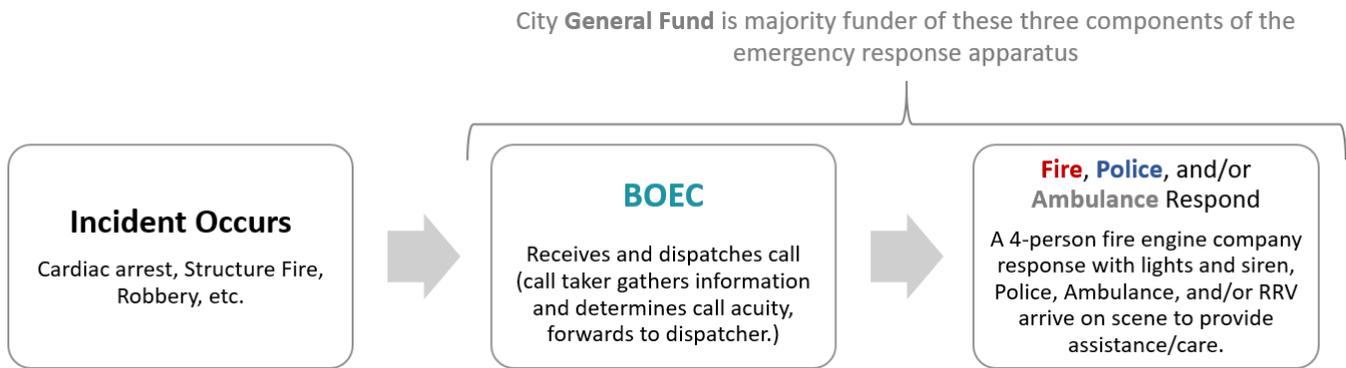
Community Health Assessment Team (CHAT)	AB3 Abdomen Calls	BK3 Back Calls	Lift Assist Fee	RRV Low-acuity responses	Changes in Alarm Response	Total
Annually (medium confidence estimate)	May 2018 to December 2018	May 2018 to December 2018	Starting FY 2019-20	Last 12 months	Average Annual Redcution	Annual reduction based on straight-line projection of all efforts
400-500	2,565	252	300-400 (proj.)	5,422*	600	> 10,000 (9.1% reduction)

\*This number represents calls that would have had a full company response should the RRV program not have been implemented. RRVs also respond to high-acuity calls (such as cardiac arrest) with other units, which improves patient outcomes but not incident workload.

medium- and low-acuity call loads by examining the patient outcomes of not responding to eye issue, animal bite, heat/cold, and general sick calls, which have an annual response workload total of 6,463 (a 7% share of its projected 91,000 incident workload).

CBO also recommends the Fire Bureau examine potential benefits for internally realigning a CHAT program expansion, which has demonstrated an ability to reduce incident workload by up to 500 per FTE, although actual outcomes may vary by demographics and geography (it is yet to be determined if scaling the project up would increase capacity based on economies of scale and scope). PF&R should identify sworn staff that would best fit a position like the CHAT position, the best geographical opportunities for maximizing the outcomes of this program, and the opportunity cost of repositioning a fire fighter from inside the organization.

**Making Service Level Trade-offs in the Emergency Response Arena**



The public safety component of the City’s essential service obligations require the City oversee every organization on the incident-to-response spectrum.<sup>5</sup> This raises the question of what strategy the City should adopt to manage growing incident workload, which outcomes it wants to achieve with that strategy, and which tactics it should deploy to realize those outcomes.

<sup>5</sup> Except for ambulance response which is managed by Multnomah County’s contract with American Medical Response. The Fire Bureau and BOEC consult on dispatch protocol decision-making.

Answering this difficult question will involve asking where on the “incident-to-response” spectrum the City can and should add budgetary inputs. Evaluating national and bureau-created metrics for emergency response will help Council understand how the City of Portland performs on these performance metrics and determine what service level will be acceptable going forward. Once acceptable service levels are determined, Council will need to determine which investments are most effective and efficient in providing emergency responses, particularly in a constrained budget environment.

## Facilities Maintenance and Capital Asset Management

### Facilities Maintenance

A budget note from FY 2016-17 directed the Fire Bureau to conduct a needs analysis of their Logistics, Prevention, and Training facilities. A consultant’s report found that the Prevention and Logistics Division in the SE Gideon site are “outdated, undersized, in fair to poor condition, and not seismically updated.”<sup>6</sup> Analysis conducted by the consultant and the bureau found the total replacement cost of a new Logistics, Training, and Prevention facilities, as well as the total cost of their facilities maintenance backlog was \$95 million.

As noted in their Logistics Program Offer, the Fire Bureau does not currently have a major facility maintenance reserve funding mechanism for future maintenance and replacement costs. With the exception of FY 2018-19 Capital Set-aside award of \$1.1 million for SCBA replacement, the Fire Bureau’s requests for Capital set-aside routinely rank in the bottom half of the projects scored.

Previous funding for facilities maintenance includes the \$53.8 million for the Bureau of Fire, Rescue and Emergency Services (BRFES) General Obligation Bond<sup>7</sup> to fund seismic and operational station upgrades, and the \$72.4 million Public Safety General Obligation bonds<sup>8</sup> to fund apparatus replacement, fire station construction, and an emergency radio system. A resolution was adopted to sequester the Fire Bureau’s ongoing apparatus maintenance allocation as a “Fire Apparatus Reserve” while Public Safety GO bond funding was issued in order to “prolong” the life of the bond. The current \$7.4 million balance is expected to fund Fire’s apparatus replacement for the next 12 years.<sup>9</sup>

This \$126.2 million in bond funding made available since 1998 has allowed the bureau to expand its facilities and replace its engines and trucks to sustain its service levels for the last 21 years. However, the Fire Bureau only budgets \$350,000 for facilities maintenance against an estimated need of \$1.13 million in annual major maintenance expenses—creating a \$780,000 facilities maintenance funding gap that compounds annually. While the bureau could internally realign its resources to make up that a portion of that gap, it is unlikely that it would accomplish this without substantial performance impacts to core City services.

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<sup>6</sup> “Needs Analysis for Portland Fire & Rescue Logistics, Prevention and Training and Scenario Planning for the Parkrose and Jerome F. Sears Sties. Needs Analysis and Location Studies Report.” Carleton Hart Architecture P.C. February 6, 2018

<sup>7</sup> <https://www.portlandoregon.gov/citycode/article/592129>

<sup>8</sup> <https://www.portlandoregon.gov/omf/54553>

<sup>9</sup> <https://www.portlandoregon.gov/cbo/article/694029>. Page 6.

In light of the facilities needs across the emergency response network, it is imperative that leadership from across the City work to determine desired current and future emergency response service levels and to identify and plan for facilities needs and costs to achieve those service levels, including the identification potential funding options to acquire those facilities, including bonding.

### **Equipment Maintenance**

Fire equipment includes Self-Contained Breathing Apparatus, turnouts, rescue tools, defibrillators, and thermal imaging cameras. The ongoing costs of all equipment repair/rehabilitation/replacement is \$900,000 annually. Fire currently budgets \$600,000 per year, creating a \$300,000 maintenance gap for equipment. Fire has received a Direction to Develop for this gap in equipment funding and has requested this amount in ongoing General Fund discretionary funds.

The service level impacts of funding this with an internal realignment are difficult to calculate. For example, \$300,000 could be quantified as half of an RRV unit, a line item that could feasibly be cut to fund this gap while sustaining other administrative and capital asset management practices. However, reducing the RRV program beyond what is proposed in the base budget would have impacts on service levels as they currently contribute to the reduction of upwards of 5,000 full-company responses per year—5.5% total incident workload. This is discussed further in the decision package analysis below. CBO continues to recommend that the bureau build a reserve with underspending to address this gap in equipment replacement reserves as guided by City financial policy.<sup>10</sup>

## **NOTABLE BASE BUDGET CHANGES**

### **FTE**

- 6.00 FTE have been reduced as part of the removal of one RRV program to meet the 1% efficiency reduction.

### **Revenues & Expenditures**

- \$1,199,191 million decrease in General Fund discretionary appropriation as part of 1% CAL adjustments.
- \$2 million increase in interagency revenues from Fire and Police Disability and Retirement for increases in PF&R's sworn workforce who are now members of OPSRP and increasing contribution rates for existing sworn staff.
- \$400,000 decrease in Licenses & Permits revenue from \$3.38 million to \$2.96 million due to a reduced forecast in permit revenue based on Fire Bureau estimates.
- \$1.6 million decrease in Beginning Fund Balance as the bureau expends the remaining resources in Capital Projects Funds 400 and 403.

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<sup>10</sup> FIN-2.03 – Financial Planning. <https://www.portlandoregon.gov/citycode/article/200789>

## Performance Metrics & Targets

- Two major metrics of public safety service levels, 90th percentile response time to Code 3 calls and percentage of calls responded to within 5 minutes and 20 seconds could experience significant declines with removal of one RRV, as 4-person engine companies will go on approximately 2,000 more calls per year. Increased response requirements could also have an impact on fire fighter wellness and apparatus wear-and-tear based on data from the Workplace Culture Assessment discussed in the RRV decision package analysis below.

## Five-year Forecast

- Fire is 88% General Fund Discretionary funded. Contractions in the local and national economy would affect the City's General Fund and the Fire Bureau's allocation therein.
- Fire License & Permit fee revenue is tied to the level of construction in Portland. Contractions in the national economy typically portend decreases in construction. Fire is already forecasting a 12% reduction in fee revenue for FY 2019-20 and fee revenue forecasts from the Bureau of Development Services also assumes declines in FY 2020-21.
- The PF&R 5-year financial forecast does not include potential cost increases from the impending PFFA contract agreements.
- The PF&R 5-year financial forecast does not include expenditure risks related to not funding an asset replacement reserve for personal and protective equipment and facilities.

## DIRECTIONS TO DEVELOP

### Restore Rapid Response Vehicle (RRV) Unit

*\$798,468, 6.00 FTE*

#### Direction Language

“Portland Fire and Rescue operates four two-person Rapid Response Vehicle (RRV) units 24/7 to respond to lower acuity healthcare or public assist 911 calls. By responding to these calls, RRVs free up critical four-person companies to respond to fire, rescue, and medical calls where time and resources are critical. They also are available to provide additional resources to critical calls when necessary. The RRVs are currently located at Stations 7 (Mill Park), 11 (Lents), 23 (SE Powell & Milwaukie), and 31 (Rockwood). Three are in East Portland and one in Southeast Portland. Because of the 1% reduction, one RRV would be eliminated starting July 1, 2019, if no additional resources are available. This elimination would negatively affect response times in East or Southeast Portland and reduce PF&R's overall on-duty staffing level or emergency response capability. In order to ensure that east Portland continues to receive current service levels from Portland Fire and Rescue, Commissioner Jo Ann Hardesty directs Portland Fire and Rescue to submit a decision package to restore this cut in service and loss of FTE.”

#### CBO Analysis

This package would increase ongoing General Fund resources by \$679,968 (with the remaining

118,510 being pension costs collected from FPD&R) to reinstate a Rapid Response Vehicle program. As stated in the Key Issues section, the RRV program has reduced the incident workload for company responses for the Fire Bureau, creating capacity for a 4-person engine company to respond to high-acuity calls. In the last 12 months, RRVs have been the unique responder on 5,422 calls (representing 5.95% of an expected annual incident workload of 91,100), and a joint responder (with a 4-person company) on an additional 2,828 calls (in cases of a cardiac arrest or other high-acuity incidents, both may be dispatched if an RRV can arrive faster to provide care, which can improve patient outcomes).

The reduction of one RRV would increase the low-acuity incident workload of a regular 4-person company by approximately 2,000 calls per year (not accounting for normal incident workload growth in-step with population growth). Not only would this impact the two aforementioned Fire performance metrics related to response to high-priority incidents, it would also increase apparatus wear-and-tear. A FY 2011-12 analysis by CBO found that the annual maintenance and repair costs break out as follow:

- Ladder Truck — \$32,000/year
- Engine — \$22,000/year
- Suburban Vehicle (RRV) — \$2,827/year

Depending on how the remaining RRVs are deployed, this could ostensibly affect how equitably the Fire Bureau provides service across the City, as two of the RRVs are currently located in Fire Management Areas where higher-than-average populations of color, individuals below the poverty line, and individuals of advanced age reside.

Additionally, a Workplace Culture Assessment conducted by Portland State found that high call volumes and repeated responses to low-acuity calls affects fire fighter morale. Fire fighter focus group participants noted that high call volume for low acuity is a contributor to stress and compassion fatigue.<sup>11</sup> Removing an RRV would increase the amount of low-acuity calls a 4-person company would have to go on, which may have the outcome of eroding staff morale. However, as mentioned in the Key Issues section, there are also other policies and interventions that the Fire Bureau may pursue to reduce the amount of low-acuity calls that 4-person companies go on.

Careful consideration has been given in requesting the resources in light of the fact that having all four RRV units allows the Fire Bureau to divert medium- and low-acuity calls, improving response times to high-acuity calls, reducing wear-and-tear on major apparatus, and improving patient outcomes for Portlanders experiencing a medical emergency. The outcomes of this program are supported by data collected by the bureau and positively impact key performance measures. Funding this package is likely to have a meaningful impact on sustaining core City Public Safety goals. Given limited available resources and several competing requests, CBO is only recommending in our reviews the allocation of resources for proposals that will result in significant and direct financial or legal consequences if not funded.

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<sup>11</sup> "Portland Fire & Rescue Workplace Culture Assessment" Center for Public Service at Portland State. Nishishiba, Masami; Manson, Paul; McReynolds, Charles; Spires, Sara; and Flanagan, Zoe. November 2018. P. 29. <https://www.portlandoregon.gov/Fire/article/711079>

## **CBO Recommendation: \$0 | 0.00 FTE**

### **Add one FTE Health and Wellness Coordinator**

*\$142,084 ongoing, 1.00 FTE*

#### **Direction Language**

“In order to help preserve the health and wellness of Portland Fire Fighters, Commissioner Jo Ann Hardesty directs Portland Fire and Rescue to develop a decision package for ongoing funding for one FTE Health and Wellness Coordinator.”<sup>12</sup>

#### **CBO Analysis**

Fire fighter wellness is a growing concern both at the City of Portland and nationally. A recent white paper found that fire fighters are now more likely to die from suicide than in the line of duty.<sup>13</sup> An analysis of mental health outcomes found that fire fighters’ rates of PTSD, depression, and alcohol abuse are more prevalent than the general population.<sup>14</sup> Moreover, a survey by the Journal of Emergency Medical Services found that suicide contemplation for EMS providers was 37% compared to the CDC national average of 3.7%, while the suicide attempt rate was 6.6% compared to the CDC national average of 0.5%.

The Fire Bureau recently contracted with Portland State to conduct a Workplace Culture Assessment that found similar results. Using focus groups, the report found that the high stress environment at PF&R lead to “mental health degradation.”<sup>15</sup> The research also found that PF&R wanted to have a better understanding of health concerns and managing personal health. The negative outcomes of mental health issues are difficult to quantify, but it is worth noting that sick leave use is up 15% over the last two years at the bureau.

As with other bureaus in the City, the Fire Bureau currently relies on centralized City resources for health and wellness support via the Bureau of Human Resources. The Medical Services and Training division has made efforts to bolster health and wellness support for fire fighters by providing support to those members exposed to “traumatic events.” The bureau recorded 44 “traumatic events” in FY 2017-18 and 26 to-date in FY 2018-19. Additionally, the bureau is working with the Bureau of Human Resources to expand the use of Employee Assistance Program counseling services to connect fire fighters with counselors specializing in first responders.

Apart from mental health wellness, the requested position would help coordinate physical health and wellness by coordinating National Fire Protection Association (NFPA) 1582 physicals.<sup>16</sup> It is costly to backfill time lost to service and occupational injuries. Fire uses a metric that tracks “time

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<sup>12</sup> For complete direction language, please see the Bureau’s requested budget.

<https://www.portlandoregon.gov/cbo/article/711607>

<sup>13</sup> “The Ruderman White Paper on Mental Health and Suicide of First Responders.” Heyman, Miriam; Dill, Jeff; Douglas, Robert. Ruderman Family Foundation. April 2018. [https://rudermanfoundation.org/white\\_papers/police-officers-and-firefighters-are-more-likely-to-die-by-suicide-than-in-line-of-duty/](https://rudermanfoundation.org/white_papers/police-officers-and-firefighters-are-more-likely-to-die-by-suicide-than-in-line-of-duty/)

<sup>14</sup> Ibid, p. 12

<sup>15</sup> “Portland Fire & Rescue Workplace Culture Assessment” Center for Public Service at Portland State. Nishishiba, Masami; Manson, Paul; McReynolds, Charles; Spires, Sara; and Flanagan, Zoe. November 2018. P. 29.

<https://www.portlandoregon.gov/Fire/article/711079>

<sup>16</sup> <https://www.worksitemed.com/breaking-down-nfpa-1582-requirements/>

lost to on-duty injury” quantified in units of full-time equivalents. The bureau lost the on-duty equivalent of 8.80 FTE in FY 2016-17, 7.70 in FY 2017-18, and 6.10 year to date in FY 2018-19 (a straight-line projection puts the total for FY 2018-19 at a 68% increase over the prior year). While the costs of service and occupational claims for fire fighters—which surpass \$2 million for the last two years—are largely funded by the Fire and Police Disability and Retirement Bureau, the cost to backfill the hours missed by that employee is incurred by the Fire Bureau. Backfilling these hours increases use of fire fighter overtime. The bureau estimates that the cost to backfill service injuries totaled at least \$770,000 in overtime costs for FY 2017-18.

CBO finds that there is clear need and financial benefit for additional mental and physical health support for firefighters. However, there may be opportunities to better provide this support with existing resources. Because of the potential of a position like this to create savings related to injury and sick leave, CBO recommends the bureau pilot the position with an internal realignment or through carryover of anticipated underspending and hire a limited-term employee to determine the effectiveness of the program. If the pilot is effective, CBO recommends the bureau propose funding the ongoing position in overtime savings. As a new program, if funding is approved by Council, CBO would recommend that the bureau evaluate the effectiveness of the proposal within three years of appropriation to see if initially intended results have transpired.

**CBO Recommendation: \$0 | 0.00 FTE**

## **Fund Self Contained Breathing Apparatus (SCBA) and Turnout Gear Replacement Reserves**

*\$300,000 ongoing, 0.00 FTE*

### **Direction Language**

“In order to ensure adequate lifecycle replacement funding for essential life safety gear, Commissioner Jo Ann Hardesty directs Portland Fire and Rescue to develop a decision package for ongoing funding for one FTE Health and Wellness Coordinator.”<sup>17</sup>

### **CBO Analysis**

The Fire Bureau received \$1.1 million in Capital Set-aside money in the FY 2018-19 Adopted Budget for the replacement of SCBAs and \$707,000 in one-time General Fund carryover resources. This amount supplemented the Fire Bureau’s contribution towards the cost of the replacement, which totaled \$2.5 million. The projected total cost of the project was \$3 million but remains to be determined as the bureau is still in the solicitation process to procure the equipment. During the current fiscal year, the bureau was awarded a \$2 million “Assistance for Firefighters” grant (AFG) from the Federal Emergency Management Agency, bringing their total allocation for the project to \$4.5 million. Fire currently has a \$300,000 budget allocation deficit to maintain their equipment capital assets, budgeting \$600,000 for \$900,000 in total need.

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<sup>17</sup> For complete direction language, please see the Bureau’s requested budget. <https://www.portlandoregon.gov/cbo/article/711607>

The Capital Set-aside appropriation was awarded under the presumption that the AFG had a low probability of being awarded. With the award from FEMA coupled with the Capital Set-aside, the bureau now has up to \$1.5 million in surplus for SCBAs, which would make up one-third of the total replacement cost and ‘buy’ between 4.3 and 7.5 years of replacement cost contributions.

Total SCBA Replacement Cost	Useful Life	Average Annual Set-Aside Needed	Available Resources			Surplus for Reserve	Number of Years
			GF	Grant	Total		
\$3,000,000	15 years	\$200,000	\$2,449,511	\$2,053,728	\$4,503,239	\$1,503,239	7.52
\$3,500,000	15 years	\$233,333	\$2,449,511	\$2,053,728	\$4,503,239	\$1,003,239	4.30

Due to limited ongoing General Fund resources, CBO recommends the Fire Bureau sequester its current SCBA funding surplus and retain and allocate its annual General Fund discretionary underspending into an Equipment Replacement Reserve subfund to build a more stable, ongoing replacement reserve.

**CBO Recommendation: \$0**

**Boathouse for Fireboat 17**

*\$500,000 one-time*

**Direction Language**

“Portland Fire and Rescue owns a \$2.7M fireboat located at Station 17 (Hayden Island), which is the critical response unit for incidents on the Columbia River. Unlike PF&R’s other fireboats, Fireboat 17 does not have a boathouse to protect it from the weather, leading to greater wear and tear on the apparatus, and higher maintenance costs. In order to preserve this vital asset, and reduce long-term maintenance costs...Commissioner Jo Ann Hardesty directs Portland Fire and Rescue to develop a decision package for one-time funding for the purchase and outfitting of a boathouse at Station 17.”

**CBO Analysis**

PF&R purchased the \$2.7 million Fireboat 17 in 2015 at the same time as Fireboat 21. Fireboat 21, which resides in a covered dock, has incurred 50% less maintenance costs to-date (\$17,726 for Fireboat 17 versus \$9,116 for Fireboat 21). The bureau also has concerns about the safety of the unhoused boat as it has over \$288,000 in removable equipment on it. Fireboat 17 patrols the Columbia River and is the only Fireboat without a Boathouse. Fireboat 17 responded to 41 incidents in FY 2017-18 and 27 incidents year-to-date in FY 2018-19.

Due to limited available General Fund resources, CBO does not recommend this request. CBO recognizes the importance this investment would have in defraying future maintenance costs. CBO recommend using any remaining resources in the BRFES GO Bond Fund 400 to contribute to the cost of this package. Furthermore, while there is \$7.4 million in General Reserve set-aside by council action for apparatus, those funds could be redirected by council action to pay for apparatus facilities as well. While not a common Council practice, these funds could be made available for a Boathouse for Fireboat 17. However, that comes with the opportunity cost of not

spending those resources on apparatus replacement in the future. CBO also recommends that this package and capital requests like it be included in discussions Council has when convening public safety bureaus to discuss bond funding options and capital asset management practices to rehabilitate and replace existing and needed public safety facilities and equipment assets.

**CBO Recommendation: \$0**

**Capital Set-aside Requests**

*\$1,300,000 one-time*

**Training Grounds Repaving — \$480,000**

The asphalt at PF&R’s training ground is over 40 years old and deteriorating. The pavement is constantly subject to the weight of PF&R’s heavy trucks, engines, and equipment. The crumbling and cracking asphalt poses a safety threat for the firefighters and trainees who undergo emergency response training on these grounds. The damaged pavement also creates an environmental pollution risk.

**Station Roof Replacement — \$400,000**

In order for the stations to continue functioning at existing levels, the roofs need to be replaced to prevent continued leakage, which is affecting the firefighter occupants, resulting in operational inefficiency and maintenance costs, and will eventually compromise other building elements. The project would install new roofs on Station 5 and Station 24. The new roofs will be covered by a water tight warranty for 20 years. Additionally, the construction price includes ten years of roof maintenance, reducing roof maintenance cost and allowing PF&R to address other maintenance needs.

**Replace Boathouse at Station 6 — \$250,000**

The current boathouse is failing; its pilings are sinking and clearance for the boat is only a few inches and dry rot threatens the structure. Fireboat-6 responded to 183 incidents along the NW Willamette industrial zone in FY 2016-17. This project was also requested for Capital Set-aside funds and ranked 28th out of 36 projects.

**Apparatus Bay Extensions at Stations 3 and 22 — \$120,000**

This project will replace six sets of failing doors and operators. This is necessary to remedy malfunctions that occur with current doors and operators.

**Replace Campbell Boathouse Door at Station 6 — \$50,000**

The boathouse door housing the historic Williams fireboat is failing and remains open, exposing the boat to the elements and requiring increased maintenance.

**CBO Analysis**

Major maintenance projects that are requested through the capital set-aside process are ranked based on the likelihood and consequences of asset failure in terms of health and safety, service impacts, and environmental impacts. Legal, regulatory and financial factors, as well as an equity

impact analysis by the bureau, are also given consideration. Scores are reviewed and validated by other City asset managers. In addition to asking about alternative funding sources, CBO analyzed whether the assets should be considered for divestment by identifying (1) the additional costs of maintaining the asset and the future major maintenance needs over the next 10 years and (2) expected remaining lifespan of the asset.

CBO recognizes the importance these investments would have in defraying future costs, but due to limited available General Fund resources does not recommend these requests. CBO recommends that the bureau create a major maintenance and replacement reserve to assist the bureau in dealing with its many capital and equipment needs. Furthermore, while there is \$7.4 million in General Reserve set-aside by council action for apparatus, those funds could be redirected by council action to pay for facilities as well. While not a common Council practice, these funds could be made available for other Fire capital needs. However, that comes with the opportunity cost of not spending those resources on apparatus replacements in the future; as such, CBO would only recommend allocating those resources if there was urgency around immediate needs and a plan to address future apparatus costs. CBO also recommends that this package and capital requests like it be included in discussions Council has when convening public safety bureaus to discuss bond funding options and capital asset management practices to rehabilitate and replace existing and needed public safety facilities and equipment assets.

**CBO Recommendation: \$0**

# SUMMARY OF REQUESTS AND RECOMMENDATIONS

Below is a summary of Portland Fire & Rescue’s total budget. PF&R’s base budget is decreasing by \$1,296,364, or 1.03%. Personnel expenditures drive the expenditure growth with a \$4.6 million increase. Increased retirement and disability costs are supported by increases in interagency revenue from the Fire and Police Disability and Retirement bureau, which is funded by an independent property tax levy.

	Adopted FY 2018-19	Request Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Revised (A+B+C)
<b>Resources</b>					
Budgeted Beginning Fund Balance	\$ 1,356,833	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	3,382,000	2,963,000	-	-	2,963,000
Charges for Services	1,515,000	1,738,800	-	-	1,738,800
Intergovernmental Revenues	682,000	638,500	-	-	638,500
Interagency Revenue	7,419,477	9,487,678	118,510	(118,510)	9,487,678
Fund Transfers - Revenue	490,000	-	-	-	-
Miscellaneous	116,000	235,000	-	-	235,000
General Fund Discretionary	110,665,681	111,864,872	2,922,042	(2,922,042)	111,864,872
General Fund Overhead	77,563	73,068	-	-	73,068
<b>Total Resources</b>	<b>\$125,704,554</b>	<b>\$127,000,918</b>	<b>\$3,040,552</b>		<b>\$127,000,918</b>
<b>Requirements</b>					
Personnel Services	\$103,679,185	\$108,322,457	\$ 885,052	\$ -	\$108,322,457
External Materials and Services	7,878,992	8,134,827	20,000	-	8,134,827
Internal Materials and Services	7,528,033	7,539,634	35,500	-	7,539,634
Capital Outlay	6,618,344	3,004,000	2,100,000	-	3,004,000
<b>Total Requirements</b>	<b>\$125,704,554</b>	<b>\$127,000,918</b>	<b>\$3,040,552</b>		<b>\$127,000,918</b>