Overview and Initial Issues Identification
Seattle Fire Department / General Fund

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Expenditures

	2014 Endorsed Budget	2014 Proposed Budget	% Change Endorsed to Proposed
Expenditures by BCL			
Administration	$7,607,000	$7,585,000	-0.3%
Fire Prevention	$7,419,000	$7,429,000	0.1%
Grants & Reimbursables	$412,000	$440,000	6.8%
Operations	$146,794,000	$147,495,000	0.5%
Resource Management	$11,231,000	$11,791,000	5.0%
Total Expenditures	$173,463,000	$174,739,000	0.7%
Total FTEs	1,150.55	1,150.55	0%

Introduction:

The Seattle Fire Department (SFD) provides fire protection and prevention, technical rescue, and emergency medical services for the City of Seattle. It deploys engine companies, ladder companies, aid and medic units, and fireboats to mitigate the loss of life and property resulting from fires, medical emergencies, and other disasters. SFD maintains 33 fire stations that are strategically located within six battalions to provide optimal response times to emergencies. Each battalion serves specific geographic areas in the City: the Downtown/Central Area, North and Northeast Seattle, Northwest Seattle, South and Southeast Seattle, and West Seattle.

The 2014 Proposed Budget is largely status quo from the 2014 Endorsed. Several internal service cost adjustments result in a modest 0.7% increase to the department budget over the Endorsed. The largest of these is an approximately $866,000 increase to cover higher workers' compensation claims.

Identified Issues:

1. **The 2014 Proposed Budget assumes voter passage of the County-wide Medic One – EMS Levy on November 5. Should the levy fail to get a 60% "yes" vote, the General Fund would need to implement a mixture of cuts and use of reserves to respond to the loss of $42.3 million for EMS services.**

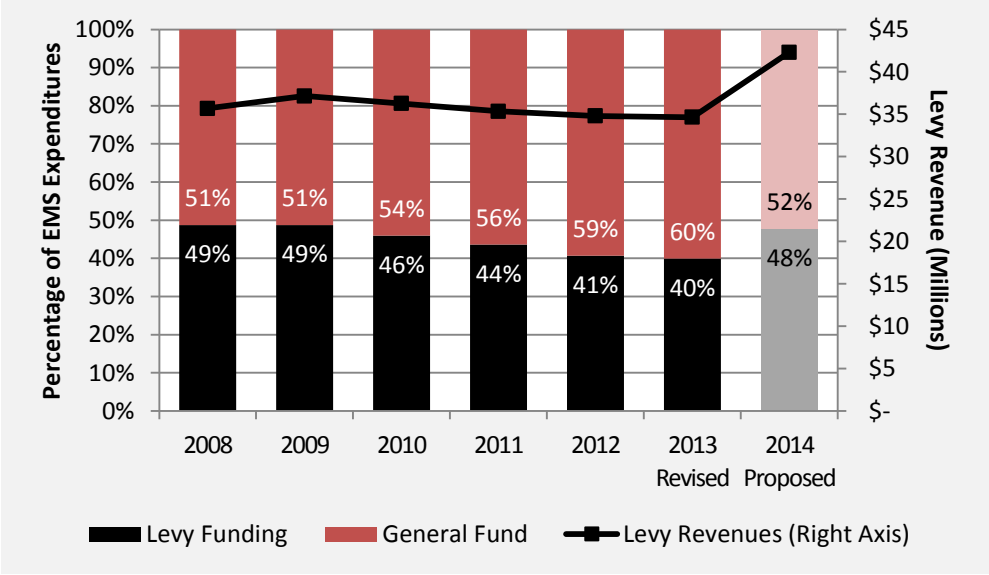
   The 2014 Proposed budget relies on $42.3 million in property tax revenue from the renewal of the Medic One levy for Emergency Medical Services. The 6-year levy would impose a property tax of 33.5 cents per $1,000 assessed value costing the average homeowner $107 per year. This is an increase from the current levy of 30 cents per

$1,000. Passage requires at least 234,736 "yes" votes totaling at least 60% of the votes cast. Under the terms of the Levy, Seattle receives all the revenue collected within the City limits, with the remainder going to the County-wide EMS system.

Voters last downed the levy in 1997 with a 56% "yes" vote that, although a majority, failed to clear the state-mandated threshold for passage. The City Council that year was required to find $12.75 million in cuts and revenues in its November deliberations to make up the shortfall for 1998. King County placed the levy back on the ballot that February, and voters approved it for 1999.

Passage of the levy at the new rate would return EMS funding to levels the City experienced prior to the housing crash of 2008. The General Fund previously subsidized about 50% of EMS services, but the subsidy has grown to 60% this year as assessed value declined and levy funds brought in less money.

Figure 1 – Medic One Levy Funding in Dollars and as a Percentage of Seattle Emergency Medical Expenditures 2008-2014 (Proposed)



SOURCE: City Budget Office / Finance & Administrative Services

2. The Levy and the 2014 Proposed Budget provide for status quo service levels for Emergency Medical Services, but the Budget also contains a $1 million reserve to possibly fund an additional aid car in 2014.

The County-wide EMS planning process structured the levy to fund the system at status quo service levels, in the rest of the County as well as in Seattle. The City, however, has discretion to decide its own service levels, with any increment supported by General Fund. The 2014 Proposed Budget contains a $1 million Finance General Reserve to potentially add an additional aid car next year, most likely downtown or in Northgate. The Budget proposes analyzing this service need in 2014. One major issue in that decision will be

whether the extra aid car requires additional staffing or is implemented as a re-deployment of current staffing.

Potential Issues Under Assessment:

- The Budget proposes adding 1.0 FTE Senior Management Systems Analyst in the Fire Marshal's Office to upgrade the FMO's internal financial controls and migrate their various unconnected data systems to an updated, common platform. The position would also participate in Citywide data system initiatives, such as the FinMAP process for financial management and the Hansen system replacement for building permitting. This work partially stems from a December 2012 State Auditor Report, which called out the FMO's cash handling procedures as a fraud risk and recommended both strengthening the office's internal controls and instituting electronic payments. The FMO would also like to move its procedures away from paper-driven manual processes in most cases over to electronic forms and archives.

  Council may wish to apply a sunset date to this position two to three years out to provide an end point for this systems upgrade work, revisiting the need for this position at that time. The FMO has already begun work with existing staff to strengthen the office's cash handling procedures per the State Auditor's recommendations. The department expects the main phase of the Hansen system replacement to be completed by late 2015. Migrating and integrating other data systems may or may not be able to happen concurrently with the Hansen replacement. Having a sunset date for this position may encourage the department to prioritize and consolidate the tasks envisioned while integrating the results into current staff practice, rather than rely on additional staffing.

Other Changes that Do Not Warrant Analysis as "Issues":

- The Budget proposes eliminating 1.0 FTE Fire Lieutenant in the Fire Marshal's office, and related Budget Legislation (C.B. 117945) eliminates a $10 filing fee for confidence testing reports, which eliminates the body of work associated with this activity. This change, too, is called for in the 2012 State Auditor findings, which found that the FMO "does not have a business need for collecting confidence test reports." Confidence testing of fire alarms and sprinklers will continue to be required, and fire prevention inspectors will continue to review the testing paperwork in their annual on-site inspections. This change is largely neutral to the General Fund, as it eliminates both cost and revenue associated with this body of work. This cut would be subject to bargaining and would not generate a layoff.