

Managerial Summary

A. Introduction, Background, Scope

We have completed our review of the City of Chesapeake (City) Fire Department (CFD) for the period July 1, 2014 to June 30, 2015. Our review was conducted for the purpose of evaluating whether CFD was providing services in an economical, efficient, and effective manner, whether their goals and objectives were being achieved, and whether they were complying with applicable City policies and procedures. The audit included review and evaluation of procedures, practices, and controls of the various divisions of the CFD on a selective basis. All divisions of the Fire Department, including Suppression and Emergency Medical Services (EMS), Training, Prevention, Hazardous materials, and Emergency Preparedness, were subject to evaluation. With the assistance of CFD, we identified performance information that was relevant to the department's operations. We also identified and addressed any additional problem areas as requested by the CFD or determined from the audit itself.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

For FY2015, the CFD had an overall budget in excess of \$45.7 million and a budgeted workforce of approximately 426 full-time sworn positions and 19 full-time civilian positions FY2015. The CFD served more than 231,000 citizens within the City's 353 square miles.

To conduct this audit, we reviewed and evaluated City and Department policies and procedures, and operational documents and reports both internal and external. We evaluated personnel data related to staffing. We accessed PeopleSoft expenditures to determine overtime. We conducted site visits of all 15 fire stations, the training and recruit facilities, warehouse facilities and participated in "ride-a-longs" with EMS medic and fire inspection operations. We conducted in-depth interviews with the Chief of the 1st Battalion/Acting Chief of Support Services, Fire and Emergency Medical Services Operations management, Support Services, Fire Prevention Management and Inspectors, the Account Supervisor, and various other fire and EMS personnel. We analyzed work order information from the Central Fleet Management regarding the heavy vehicle Fire Fleet as well as the City's 20 year vehicle replacement plan. We also analyzed EMS

Ambulance fees over a five-year timeframe and compared the fees with other localities.

Major Observations and Conclusions

Based on our review, we determined the Fire Department had accomplished its overall mission of providing rapid response to fires, medical emergencies, rescues, hazardous material incidents, natural and man-made disasters, as well as fire department support services. However, we did identify several significant issues that needed to be addressed. These issues were personnel staffing challenges, EMS coverage and support challenges, training facility and faculty limitations, Telestaff Scheduling and KRONOS Timekeeping issues, aging of the fire fleet, segregation of federal grant functions and fiscal administration, fire inspections staffing challenges, and EMS ambulance fees.

This report, in draft, was provided to Fire Department officials for review and response. Their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. Fire and EMS Department management, supervisors, and staffs were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

B. Performance Information

The core mission of the CFD was to improve the quality of life by providing responsive and caring service. According to the CFD 2014 Annual Report, the CFD was a complex, multi-faceted, service delivery machine, with many moving parts and gears. In 2014, the CFD responded to more than 28,000 calls for emergency service, plus thousands more customer contacts through business inspections, fire code compliance and public education programs. The department was responsible for managing a 430 person department and a 45 million dollar budget, strategic planning, conducting criminal investigations, training firefighters and paramedic personnel, preparing the City for weather events and disasters, and many other aspects of protective services. The CFD roles and responsibilities included fire prevention and suppression, emergency medical services, hazardous materials, technical rescue, the training division, fire building code enforcement for both commercial and residential structures, and emergency management.

1. Citizen Satisfaction

The CFD provided essential services for the City and continued to deliver effective fire and emergency services to the citizens of Chesapeake. A research firm, Continental Research Associates, Inc., conducted 323 interviews from October 1st through October 29th 2014 to learn how Chesapeake residents felt about their community and the services provided by the City. In this survey, released in October 2014, the CFD had the highest

score for the level of satisfaction of any City department or service ranked in the survey. Specifically, the survey showed that 43% and 56.7% of the survey respondents were “very satisfied” and “satisfied” with CFD services, respectively, indicating an overall 99.7% satisfaction rating. The CFD also scored the highest average mean rate of 3.43 (out of a possible 4.0) in 2014. This was an increase from the CFD’s average mean rate of 3.34 in 2006.

2. CFD Call Volume Trends from 2010 to 2014

From FY 2010 to FY 2014, the CFD averaged over 26,000 emergency calls a year. The call volume grew from 24,825 in 2010 to 28,154 in 2014, a 13.41% growth increase. This increase was primarily due to increases in EMS Calls, False Calls, and other general calls addressed by the Fire Department.

3. History

The CFD was formed in 1963 with the merger of the City of South Norfolk and Norfolk County. The Department melded together several independent fire companies that had been providing service to the local communities since 1892. The Department has grown to 15 fire stations since that beginning and boasts over 400 well trained firefighters divided into three battalions, three shifts, and an administrative section.

4. Initiatives

There were also many innovative initiatives taking place within the CFD. Four of those initiatives were:

- ***Tri-City Automatic Aid Plan***
- ***Mobile Integrated Health Care***
- ***ACCELA City-wide Initiative***
- ***New World City-wide Program Initiative***

Details are provided in the report.

5. Grants

Over the years, CFD had been aggressive in obtaining Federal and State grants through the efforts of its firefighters and paramedics. To their credit, firefighters had become the grant writers and administrators of Federal and State grants awarded to the City totaling in excess of \$13 million.

6. Fire Prevention

The Fire Prevention Division streamlined its processes by implementing the MobileEyes Inspections System. MobileEyes will work with ACCELA by updating the status of permits issued as a result of a fire inspections plans review, annual inspections, and re-inspections. Fire Inspectors would continue to use the MobileEyes software to manage their daily schedules and to assist with documenting code compliance and non-compliance based on the Statewide Fire Prevention Code (SFPC) requirements for commercial businesses.

7. Upward trend in EMS calls, the recession, and departmental changes

Since the mid-1990's the City's population has continued to grow. The Fire Department's EMS calls was expected to increase with the rise of the aging population. Beginning in 2013, the City transitioned to a new three-year budget cycle. During that time, CFD completed a long-range replacement schedule for fire stations and capital facilities. Also in 2013, all Advanced Life Support (ALS) personnel were reassigned to Engine Companies. Medic Units would be staffed with EMT-Basics or Enhanced Firefighters to address the high volume of less serious EMS calls. Due to the shortage of ALS personnel, ALS paramedic/firefighters would be reassigned to Fire Engines to address more serious calls along with fire calls. The goal was to save wear and tear on the engines and keep them more readily available. CFD made further adjustments by hiring civilian, part-time EMT-Basics to staff two additional medic units to only be used during peak demand hours to address less serious calls.

C. Operational Issues

CFD was experiencing significant staffing, coverage and budgetary challenges. These challenges included CFD personnel staffing challenges based on NFPA and OSHA safety standards, EMS coverage and support challenges, CFD's training facility and faculty, Telestaff scheduling and KRONOS timekeeping system issues, aging of the Fire Fleet, Segregation of Federal grant functions and fiscal administration, Fire Inspections, and EMS ambulance fees.

1. Personnel Staffing Challenges

Finding - CFD was experiencing a chronic shortage of firefighter and paramedic personnel resulting in (1) engines being staffed at less than the four-person crew required by NFPA 1710 5.2.3, and (2) overtime expenses in excess of \$3.7 million for the period FY 2012 through FY 2014.

Recommendation - The City should prioritize making changes to expedite the Human Resources – Fire Entrance Process, on-going advertisements for firefighter EMTs and paramedic/firefighter I positions, and create hiring incentives for new firefighters and paramedics.

Response - Level of Agreement: CFD agrees with this finding, but with consideration given to some additional factors noted below.

The staffing challenges the Fire Department faces are connected with a number of factors identified in the Audit report. National studies have shown the increased safety, efficiency and effectiveness that a 4-member company provides over a 3-member crew. While there is certainly agreement with the results of those studies, only firefighting operations were considered. With the Chesapeake Fire Department being a Fire-based EMS delivery system there is an added value of a fourth person on each company, especially when one of those firefighters is also cross-trained as a paramedic. This will insure Advance Life Support (ALS) care is available to our patients, in cases such as sudden cardiac arrest, when an engine company arrives on the scene prior to arrival of the medical transport unit. The Department's long-term goal is to staff all Engines and Ladders with 4 members, with each Engine staffed and equipped with ALS capabilities. There is also an anticipated need to increase the capabilities of transport Medic Units to meet the service demands of both the increasing population of the City, as well as the healthcare and medical emergencies of an aging customer base as the baby boomer generation reaches senior citizen status. The audit report recommends increasing the number of ambulances and converting our part-time units to full time status. While there will certainly come a point in time where additional ambulances will be needed, we have been successful in maximizing current staffing resources by targeting peak-time demand call load. Given the City's current financial situation, we see this as a much less expensive and more effective use of staffing than a wholesale increase in the complement for around the clock coverage. The four-person, Advance Life Support (ALS) engine companies noted in this report will provide a viable safety backstop for EMS delivery. (Note: The full text of the Fire Department response is included in the body of the audit report.)

2. EMS Coverage and Support Challenges

Finding - The EMS Division did not have enough funded positions to support all of the critical functions required of Chesapeake's EMS services.

Recommendation - As more paramedics become available through the new hire process, the CFD should consider reactivating supervisory paramedic coverage in EMS 2.

Response - **Level of Agreement: CFD agrees with this finding.**

The Department agrees with the assessment findings that the Field Medical Officer positions (3) for the Second Battalion should be reinstated as additional paramedic staffing becomes available. In an effort to manage a growing EMS system administratively, the decision was made to temporarily defer filling these positions in order to address other system-wide needs. As vacancies are being filled, there is a greater need for clinical supervision in the field to insure quality patient care is being provided. The Field Medical Officer position also delivers clinical back-up and support to these new providers. (Note: The full text of the Fire Department response is included in the body of the audit report.)

3. CFD Training Facility and Faculty

Finding - The lack of a modern training facility, faculty, and a permanent training location, significantly contributed to a cycle of firefighter shortages. Frontline staff were temporarily reassigned to the training facility from field operations in order to staff the recruit schools as well as conduct needed repairs to classroom facilities. Recruit schools had also been postponed due to CFD's need to reassign personnel to address staffing shortages in field operations.

Recommendation - The CFD should work with the City to consider development alternatives for a Joint Public Safety Training Facility which addresses the CFD's need for a permanent location and upgraded facility, with space and props needed to train firefighters and paramedic firefighters.

Response - **Level of Agreement: CFD strongly agrees with this finding.**

The Training Division is responsible for all of the training needs, requirements and maintenance of training records for all 400 sworn personnel positions. This includes training new recruits as well as maintaining the knowledge, skills and abilities of our incumbent members. In addition to training our department, we also coordinate CPR education for a number of other City Departments. As indicated in the audit report, this is accomplished with only 3 budgeted positions. To conduct recruit schools and accomplish a minimal amount of in-service training, firefighters are taken out of the

field and assigned to the Training Division. Reassigning these firefighters creates vacancies in field operations, which results in either an increase in overtime to cover those vacancies or a reduction below the minimum staffing requirements and/ or service delivery capabilities.

The Department lacks a dedicated training facility, which has been identified as a critical Public Safety need for many years. The current arrangement with the U.S. Navy has helped us over the years; however, it does not meet the needs or expectations of a modern training facility. The quality and frequency of the training that can be conducted has suffered due to these restrictions. While this agreement does provide a space to use and the accessibility of some props associated with the facility, we must abide by the Navy's policies and procedures. This has hampered our Department on many occasions. (Note: The full text of the Fire Department response is included in the body of the audit report.)

4. Telestaff Scheduling and KRONOS Timekeeping Issues

Finding - The City's implementation of Workforce Central (WFC) KRONOS caused another layer of cumbersome, labor intensive activity for the CFD. The lack of an interface between the KRONOS timekeeping system and the CFD's Telestaff Scheduling system created inefficiencies in the CFD's scheduling process.

Recommendation - The City's IT Department recommended (and Audit Services concurred) that the new Kronos/Telestaff integration processes should be revisited and tested to determine if the new features meet the CFD's scheduling and timekeeping synchronization needs.

Response - **Level of Agreement: CFD agrees with this finding.**

It is the goal of the Fire Department to obtain this interface for efficiency with employee data sharing, roster actions, and timecard management. The recent updates to the Kronos Telestaff interface with WFC Kronos appear to bring improved functionality between the two systems. With system integration, the Fire Department will likely reduce the workload for manual entries, in turn reducing the possibilities of inconsistencies within the data. Coincidentally, the Fire Department, Police Department, and Department of Information Technology are currently working on a Telestaff interface within the Computer Automated Dispatch (CAD) and Records Management System (RMS) project; this interface delivers Telestaff roster information directly to run reports.

The Fire Department, in conjunction with the Department of Information Technology, will work to identify functional requirements and funding alternatives for

implementation and sustainment of maintenance costs while being vigilant in verifying the end result will provide a true return on investment (ROI). (Note: The full text of the Fire Department response is included in the body of the audit report.)

5. Aging of the Fire Fleet

Finding - The CFD experienced excessive heavy equipment downtime and continued to rely upon an older, less reliable, and rapidly deteriorating reserve fleet to provide city-wide operational coverage, resulting in lost opportunity costs in excess of \$2.6 million.

Recommendation - The CFD should work with the City to develop a vehicle replacement plan that takes advantage of resale values of Fire vehicles, and forgoes future repair costs to maintain older, rapidly deteriorating fire equipment.

Response - **Level of Agreement: CFD strongly agrees with this finding.**

The Fire Department works closely with Central Fleet to maintain, repair and replace apparatus. Funding for new/replacement apparatus comes from the Central Fleet budget and is not included in the Fire Department's expenditures. The Fire Department submits annual requests for vehicle replacement to Central Fleet and they determine what units (throughout the City) will be funded for replacement. Their budget must serve the needs for all of the City's vehicle purchases. Over the years the Central Fleet's budget has not been adequate to replace the Fire apparatus at a consistent and acceptable rate to avoid the high repair costs, excessive out of service time, and lost opportunity costs. (Note: The full text of the Fire Department response is included in the body of the audit report.)

6. Segregation of Federal Grant Functions and Fiscal Administration

Finding – The CFD lacked a Fiscal Administrator. In addition, at the onset of this audit, CFD had unreconciled differences netting approximately \$521,695 between the City's financial expenditure records and Grant reimbursements to the City.

Recommendation - The CFD should focus on improving its fiscal and grants administration by renewing its request for a Fiscal Administrator. This action would improve fiscal and grants reporting and reconciliation processes for the CFD.

Response - **Level of Agreement: CFD agrees with this finding.**

As mentioned in the report, the Fire Department has been very aggressive in competing for, and being awarded, over \$13 million in grants over the past several years. This funding has greatly enhanced Fire, EMS and Emergency Management capabilities at both the City and regional levels. In 2014, unreconciled differences of

\$521,695 between financial expenditures and grant reimbursements were discovered. The Department contracted the services of an independent CPA to review the differences and assist with reconciling all of the balances. The consultant completed the work in early 2015; accounting for and reconciling nearly all of the differences in grant expenditures. Working together, the Fire Department and Finance Department completed the work and reconciled 100% of the remaining differences accounting for all the funds. This entire process greatly improved the daily working partnerships between Finance and the Fire Department, which continues today as normal business operations. (Note: The full text of the Fire Department response is included in the body of the audit report.)

7. Fire Inspections

Finding - The Fire Prevention Division did not have adequate staffing levels to complete its goal of performing 100% of annual inspections for commercial businesses in FY 2014. Instead, the CFD completed only 3,865 of 6,668 (or 57%) of the commercial business inspections.

Recommendation - Since dollar losses due to fire remains elevated, the CFD and the City should review program staffing needs for the Fire Prevention Division to reduce safety risks to firefighters, paramedics, and citizens as well as fire losses.

Response - **Level of Agreement: CFD agrees with this finding.**

Staffing

Over the past 6 years, there has been an intentional and focused direction to enhance the efficiency and effectiveness of Fire Prevention site inspections throughout the City. In terms of life safety and property conservation, this has been both to prevent fires from occurring, and to minimize the impact when they do occur.

This report indicates that the Fire Department has been successful toward that goal. Thousands of serious fire and building code violations have been discovered and corrected during this timeframe.

Inspections – Percentage Completed

In the Fall 2010, the Fire Prevention Office began using our current inspection records management system, MobileEyes. Prior to MobileEyes, inspection records were entered and maintained in the inspection section of our fire records management system, FirePoint. Initially, all inspection data was transferred from FirePoint to MobileEyes. It was later found that inaccurate data, such as duplicate occupancies and incorrect occupant use groups, were included in the data transfer. Some of the percentage of completed inspection data contained in Table 11 is a

result of the inaccurate data currently in MobileEyes. Training will be conducted regarding updating the occupant information during each inspection and verifying that duplicate entries are deleted. This training will occur in early Fall of 2015. Once this is implemented the accuracy of the data in MobileEyes will improve. (Note: The full text of the Fire Department response is included in the body of the audit report.)

8. EMS Ambulance Fees

Finding – Chesapeake’s EMS Ambulance Fees were well below that of other Virginia cities and counties. In FY 2014, the total amount of ambulance fees collected by the City was approximately \$4.6 million and only subsidized 16% of the cost of EMS Services valued at approximately \$28 million.

Recommendation – Once EMS Ambulance fees are increased, the City should designate the revenues to address system operational and personnel needs in response to increasing demand for firefighter/paramedic services.

Response - **Level of Agreement: CFD agrees with this finding.**

In 2015, the City Council approved the increase to EMS Transport Fees as listed previously to bring CFD to the median of the 13 City/County report published by the Budget Office. This suggestion was made by CFD to bring the agency in line with the local market value and the Center for Medicare Services (CMS) Ambulance Fee Schedule. EMS Transport Fees are billed though the City Treasurer’s Office and all funds collected go to the General Fund. The Department is currently working with City Administration and local healthcare systems to insure the increase does not place an undue burden on City residents that do not have the financial means to pay their EMS Transport Fee through debt forgiveness for charity care. (Note: The full text of the Fire Department response is included in the body of the audit report.)