



Office of the City Manager

INFORMATION CALENDAR  
September 18, 2007

To: Honorable Mayor and  
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: Debra Pryor, Fire Chief

Subject: Audit: Fire-Overtime and Lost Time

INTRODUCTION

In the Fire Department Audit—Lost Time and Overtime report that was presented to the City Council on May 22, 2007, the Auditor made six recommendations. The Auditor asked that a status report on these recommendations be made to Council on September 18, 2007. The following is a list of the Auditor's recommendations, and the status of each.

CURRENT SITUATION AND ITS EFFECTS

To date, five of the six recommendations made by the Auditor's Office have been implemented. The sixth recommendation is in the stages of development for implementation in FY 2009.

Since there will be no new updates until FY 2009, the next report to Council on this item will be in September 2008.

Many of the recommendations involve other City departments. These departments have provided status updates to the Fire Department, and the updates are included in this report.

**Recommendation 1: Fire and Human Resources**

Management should continue to monitor and to improve systems for analyzing lost time and increasing oversight over sick leave. We recommend Human Resources provide Fire Department management, as well the City Manager, and other Department Directors, the analytical reports needed to identify specific areas and types of injuries which are contributing to lost time due to sick leave and workers' compensation. A similar recommendation was made in our 2002 "Police Staffing Audit" report.

Status: Implemented. The Fire Department implemented the use of project codes to monitor and analyze lost time and overtime. This system has been in place for several years and is periodically evaluated. This system continues to be an effective management tool. Even with future improvements, the lost time report provides limited

information, which is why the Fire Department established and maintains a system of tracking overtime via project codes. The Fire Department will continue to monitor oversight of sick leave use. The Fire Department regularly meets with Human Resources and receives analytical information regarding injuries. Improvements to the monitoring process will continue to be made as they are identified.

**Recommendation 2: Fire, Human Resources, and Budget**

Consider enhancing the employee wellness program. Evaluate the current program to determine whether it effectively meets the needs of Fire staff. Consider performing an assessment of the costs and benefits of a more comprehensive program.

Status: Implemented. On August 7, 2007, a tentative bargaining agreement between the City and the Berkeley Fire Fighters Association was reached. The implementation of a fitness and wellness program is included in this agreement based on City funding being made available. A Labor Management committee will assess the effectiveness of the program at the end of contract.

**Recommendation 3: Fire**

With the restoration of the Fire Department's overtime budget, overtime levels may revert to previous levels. Continue to monitor overtime and assess its impact on personal sick leave, injuries, and accidents. Costs versus benefits should be weighed in determining whether to cover vacancies with overtime or new hires.

Status: Implemented. The Fire Department will continue to monitor and assess impacts on all types of leave as it has done in the past. The Fire Department will continue to fill vacant positions as quickly as practical. The Fire Department recognizes the use of overtime to fill vacancies is less expensive only up to a certain point and increases the potential for fatigue and injury. A Fire Academy began on May 17, 2007, and graduated five new recruits on August 31, 2007. The Fire Department currently has one Firefighter/Paramedic vacancy, and anticipates several retirements by the end of the year. Fire and Human Resources are working collaboratively to administer a new recruitment and testing process.

**Recommendation 4: Payroll Audit and Information Technology**

We recommended that Information Technology should correct the errors in the Citywide Lost Time Report that were identified by the auditors. Payroll Audit should verify with Information Technology that all changes to lost time codes are captured in the Lost Time Report.

Status: Implemented. Payroll Audit has designed a form, "Authorization to Add Codes to the Payroll System," to create new absence-related payroll codes, and will notify Information Technology when the new codes are established. In order to ensure that new payroll codes are added to the relevant reports, every six months a report of all payroll codes will be printed. Payroll Audit will then verify that the form "Authorization to

Add Codes to the Payroll System' has been completed and submitted to IT for all new codes.

**Recommendation 5: Fire and Human Resources**

Continue moving forward with a change of service provider for pre-placement and annual physical examinations. Execute a legal contract with each service provider providing occupational health services, exams, and employee wellness data or services. Consider including service related performance measures as part of the providers' contracts with the City. When new contracts are in place, actively monitor the effectiveness of the services provided.

In addition, communicate to Fire staff the type of services provided by the new occupational health provider or providers (formally U.S. Health Works) versus the services provided by Innovative Claim Solutions, Inc.

Status: Implemented. A new health services provider contract with Kaiser Permanente Medical Group is in place for pre-placement and annual physical examinations.

**Recommendation 6: Finance**

Finance should develop a plan to prevent payments for services which are not supported by executed contract, and/or which are in excess of amounts approved by Council.

Status: Work in progress. Finance will have a plan to track service purchase orders that should be on contracts by June 30, 2008 for phased implementation in FY 2009.

**BACKGROUND**

As part of the City's Standard Audit Procedures, the Berkeley Fire Department has been undergoing a general audit. The Auditor has been studying lost time and overtime, the Department's ambulance billing, and emergency medical personal protective equipment. Reports on these audits have been made to the City Council on May 22, June 12 and June 26, 2007, respectively.

**POSSIBLE FUTURE ACTION**

Since there will be no new updates until FY 2009, the next report to Council on the Fire Lost Time audit will be by September 2008.

**FISCAL IMPACTS OF POSSIBLE FUTURE ACTION**

None at this time.

**CONTACT PERSON**

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