

Examples of Mismanagement of the City of Omaha Fire and Rescue Department

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Omaha Press Club

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Omaha Alliance for the Private Sector

STAFFING DECISIONS:

- 1) **The executive office of the department is severely over staffed costing taxpayers hundreds of thousands annually.**

The Fire Department is only supposed to have three assistant chiefs, and there are currently six. Current Fire Department management created special positions, titled “Operational Chiefs,” for select members of the department without any apparent true need for those positions. They did not exist in any annual budget of previous administrations. These positions have never been budgeted or approved by the unit of government required to do so: the City Council.

- 2) **A year ago, 18 firefighters were hired to staff a new Elkhorn suburban firehouse that has not even been built.**

Ground hasn’t been broken on this new facility yet, Fire Department management, during this difficult budget time, added 18 new positions with no facility to house them. This action is a direct cost to the city of \$1,350,000 assuming that these new firefighters plus benefits cost the city \$75,000 annually.

- 3) **Since the current management team has been in charge, staffing has significantly increased beyond the true needs of the department to maintain firefighter and public safety.** The Daily Leave Reports show that you only need 180 firefighters per day, that there are excess numbers of those on leave and that accountability has been totally lost as to the whereabouts of firefighters. Approximately, 15% of the daily workforce is not working. The Commission for Industrial Relations clearly stated that the department should reduce the number of those that are on Daily Leave and yet the numbers continue to be extremely high. In our opinion, this again shows that management is manipulating the payroll systems and employment of the fire department masking that the department is significantly over staffed. This mismanagement alone could account for \$6,000,000 a year in unnecessary costs.

- 4) **Specific individual firefighters are receiving “out of class” pay above what they are entitled to in the Omaha Fire Union contract, costing taxpayers countless dollars.**

We have been told repeatedly that there are individuals receiving this inflated pay today that were not under the management practices of the previous administration. The actual cost to the city cannot be determined without specific records of who today is getting out of class pay and compare those to the numbers under previous administrations. The Union Secretary admitted he was getting this “out of class” pay at the December 2009 meeting to the dismay of many in attendance at that meeting.

- 5) **The department allows a system that fosters poor accountability of a select group of firefighters’ through “detached duty status” making their whereabouts at any given time difficult to determine which causes confusion, overstaffing and bloated payroll costs.**

a. A “detached duty status” used by the management team takes firefighters off the recording books and does not allow supervisors or the payroll department to keep track of the employees, which positions them to be out of the realm of accountability. It moves the firefighter off of a truck and onto a 40 hour work week somewhere in the Fire Bureau.

b. When this occurs, it proves that you have more firefighters than you need to properly staff the department, and it again misuses the payroll of the city. Also, these individuals assigned to a “detached duty status” are receiving pay that does not exist in the union contract. During the month of January, emails were sent from Central Headquarters offering discretionary leave, due to excessive manning which allowed firefighters to burn “comp time” and “annual leave” time. During the previous administration, we have been told that there was virtually no “detached duty” activity.

- 6) **Lax management of firefighter status may result in firefighters getting paid as working while they are on vacation.** One example is the firefighter who was on vacation in Belize recently. He was originally marked as being at work for four of the days he was really in Belize. Either this kind of behavior is condoned by management, or there is such a lack of personnel controls that management didn’t know he was on vacation. Either of these instances shows that our firefighter personnel are not being managed effectively or efficiently for the taxpayers of Omaha.

- 7) **Recently, many lower-waged civilian staff members were fired and replaced by uniformed firefighters who are paid double the wages costing taxpayers hundreds of thousands of dollars.**

These firefighters are not trained as secretaries or administrative assistants, and yet these high-salaried personnel are being forced into those jobs. This is a good example of mismanaging the department. Why would you put the highest paid individuals you have into positions that warrant lower wages, at the same time losing the institutional intelligence of veteran civilian employees? This move is costing the city hundreds of thousands of dollars.

The method of terminating these employees is also disturbing. Current Fire Department Management “offered these employees up” for budget reductions to the City Council. Once the Council approved these staffing budget cuts, along with other cuts, Fire Management placed the blame on the Council and then encouraged the Union to file a lawsuit saying the Council is forcing firefighters to do civilian staffing activities. This is an example of how current Fire Management is setting the City up to fail by recommending action and once taken, sues the City for taking it. It makes for an impossible situation for the City to fiscally manage the department.

- 8) **Today, there is one captain for every three firefighters, and those assigned to positions above the rank-and-file firefighter represent 40% of the department costing taxpayers hundreds of thousands of dollars.**

This organizational structure makes the department grossly top heavy, and is a key reason the department is over budget. This is far removed from the typical model of managing a public safety department. A recent CIR decision identified this as not appropriate and stated that the city can change this if they want as it’s a “management prerogative”. Yet, nine months later, the Mayor’s office has not moved to correct this gross mismanagement.

POSSIBLE LEGAL ISSUES

- 9) **The department applied for and was awarded a federal grant based on staffing requirements that weren’t met, yet the city took monies from the grant reserve in violation of the federal laws governing that grant.**

We are referring to the Federal (SAFER) Grant totaling \$1,950,000 over five years. It was designated to pay for 18 new firefighters to staff the new Elkhorn Suburban Fire District house that has not been built. The grant specifically required staffing of the Omaha Fire Department to reach 684 employees in order to receive grant funds. The department never reached 684 employees, yet the city took \$200,000 from the grant reserve in December of 2009. This could be a serious violation of Federal grant rules and put the city in a position of misleading Federal Authorities. It could also put the

entire city in a position of losing other grants in the future? If that weren't bad enough, even though these firefighter's salaries are completely covered by the SAFER grant, the city is continuing to collect taxes from the citizens in the Elkhorn Suburban Rural Fire District for these new hires.

- 10) **The department has used a special fund called the Kloewer [pronounced: "KLAY-ver"} Memorial fund, a fund developed to cover training expenses in what we believe are inappropriate ways. Rather than going for just firefighter training, the fund has covered the costs of special trips, special dinners, non-training competitions and equipment purchases.** Accounting records on fund activities are inconsistent. The following is what OAPS has assembled regarding this fund:
- a. We have reason to believe the City has been overcharged by \$59,000 for heart monitor equipment purchased from Zoll Medical Corporation. The total bill for these Heart Monitors is \$423,117. The department raised \$299,000 from donors for this equipment leaving a balance due of \$124,117 and yet the city is being billed \$183,117 in four annual installments to pay the balance due. The question needs to be asked, where is the additional \$59,000? The City has already paid two payments totaling \$91,558.50. By omitting that they had raised far more than stated to the City and City Council, thereby causing the city to pay \$59,000 more for the equipment than needed, the Fire Department has misled the donors, the City and the City Council. These potentially deceptive actions – if proven true – are grounds for severe discipline and dismissal.
 - b. The department has billed local businesses for rental of City property, yet those funds have gone into the Kloewer Fund when they should have gone into the General Fund for the City of Omaha.
 - c. Donor checks to the Kloewer Fund for slightly under \$10,000 have been filed away rather being deposited in this or any account.
 - d. There has been \$34,225 donated to the fund for a new Water Rescue project that was not approved and subsequently rejected by the City Council and \$7,305 was spent for specialized training for Water Rescue before the program was approved by the City. A Mr. Greg Adams was the recipient of these funds.
 - e. A total of \$14,980.97 was spent on non-training-related social activities such as the Firefighters Ball and the On Target Challenge competitions between various Fire Departments. These Union sponsored activities should not be paid for out of the Kloewer fund since it is the property of the City of Omaha.

- f. The Kloewer fund appears to be controlled by the fire chief, at his sole discretion with little to no oversight from the city. This fund must be brought under strict City oversight now.

11) It appears that funds allocated for a fire suppression system within fire department headquarters were redirected to build an office for the Fire Chief which created an unbudgeted expense of over \$400,000.

To start with, the headquarters remodeling project was \$170,000 over budget. When the current Chief diverted funds to build his executive offices, it did not leave enough funds to install the fire sprinkler system. Recently, the State Fire Marshal has mandated that a sprinkler system be installed at an additional cost of \$250,000 to the taxpayers. Those two mistakes total \$420,000 to fix. We all need to ask, why would the FD, after performing over 5,400 inspections on other properties throughout the city – making sure sprinkler systems were properly installed in those locations – think it would not have to have a sprinkler system in its own city facilities, which houses fire fighter sleeping arrangements?

MISUSE OF CONTRACT AND CIR RULINGS

12) Over the past three years, Fire Department management has continued to “call back” firefighters at a cost to Omaha taxpayers of \$1.2 million in unnecessary wages. Fire Department management has brought back firefighters at time-and-a-half pay, even though the current contract states that once the department reaches 657 firefighters, callback is not required. This has cost the City \$1.2 million in unnecessary wages, not to mention benefits, and appears to be a clear violation of the current contract. (See page 145 of CBA) By ignoring the Collective Bargaining Agreement, these actions could be considered “theft by deception” and if proven true be grounds for severe discipline and dismissal.

13) Lax rules and mis-accounting of the “comp time” system has resulted in many receiving unnecessary time-and-a-half pay and allowing some firefighters to increase their pensions more than 30%.

We have been told that it is common knowledge within the department that the leadership team of the department has instructed firefighters on how to manipulate holiday and vacation time until their last year so their wages “spike” by 540 hours to boost their pension income. The total liability of these actions could reach more than \$11 million annually after accounting for the pension liability associated with the excessive pay. This

deceptive use of the contract to accumulate additional “comp” hours is another example of mismanagement and warrant severe discipline and dismissal.

14) There are now 45 captains on ambulances – even though the Commission of Industrial Relations (CIR) recently stated clearly that these captains are not needed on the ambulances – costing Omaha taxpayers up to \$1 million annually.

Fire Department management has unnecessarily kept captains on Fire Department medical units and continued to pay the higher wages of these captains, totaling approximately \$675,000 in annually. With pension costs included, the costs exceed \$1,000,000 annually. By doing this, Fire Department management is willfully disregarding the CIR’s ruling (See page 8, Final Order), and shows they are making little attempt to run a financially efficient department. This is another example of ignoring the authority of the CIR and ignoring the stewardship responsibility that department heads should have toward the citizens of Omaha.

Because of these findings, the Omaha Alliance for the Private Sector – on behalf of the taxpayers of Omaha – calls on City leaders to launch an independent financial audit of fire department operations by inviting the Nebraska State Auditor to review all activity within the Fire Department. In addition, we call on City Leaders to ask for a legal investigation with the City Attorney and the U.S. Attorney to study all of the activity within the department that may be in violation of city, state and federal laws.

Finally, we ask the citizens to engage in this process by calling the Mayor and the City Council and ask them to complete a thorough financial and legal investigation of the Fire Department and begin the process of making Fire Department management more responsible to the citizens of Omaha who have been forced to pay for the bloated Fire Department budget.