



Houston Fire Department

**FY2023 Proposed Budget
Workshop Presentation
May 11, 2022**

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Fire Chief



Functional Org Chart

General Fund
Houston Fire Department
Proposed Budget \$559,069,018
FTEs: 3,993.3

HFD Administration	Financial Services	Emergency Response	HFD Administration / Support	Prevention	Operational Services
\$3,578,191 FTEs: 25.1	\$1,024,336 FTEs: 0.0	\$448,107,818 FTEs: 3,641.6	\$25,880,807 FTEs: 124.5	\$29,019,959 FTEs: 202.1	\$51,457,907 FTEs: 0.0
<ul style="list-style-type: none"> • Fire Chief's Office • Public Information • Professional Standards • Internal Affairs 	<ul style="list-style-type: none"> • Finance Department Chargeback for accounting, budget, CIP and purchasing 	<ul style="list-style-type: none"> • Emergency Operations • Special Emergency Operations (ARFF, Hazmat, Rescue, Tactical Deployment) • Emergency Medical Services • EMS Quality Assurance • Training Academy • Operations Administration 	<ul style="list-style-type: none"> • Office of Emergency Communication • Warehouse/Station Supplies/EMS Supplies • GSD/FMD Liaison • AirPack • Contracts Management 	<ul style="list-style-type: none"> • Life Safety Bureau • Arson Bureau • HFD Permits & Revenues • Grants Management • Operational Data Analysis • Special Events Team • Strategic Planning and Initiatives • Planning Administration • Public Education 	<ul style="list-style-type: none"> • HITS Chargeback • EMS Billing Vendor • FMD Chargeback • Fire Station Furniture and Fixtures



Department Programming

- **Major Services**

The Houston Fire Department's (HFD) primary mission is to save lives, protect property, and serve our community with courage, commitment, and compassion. This mission is accomplished through fire prevention, inspections, code enforcement, public education, emergency medical services, fire response and investigation services. Additionally, the fire department provides emergency response to hazardous materials incidents, technical rescue incidents and aircraft rescue and firefighting incidents at our airports.



Department Programming

- **Statutory requirements of service delivery**
 - City of Houston, Code of Ordinances, Chapter 34 – Police and Fire Protection
 - City of Houston, Code of Ordinances, Chapter 4 - Ambulances
 - Texas Commission on Fire Protection
 - Texas Local Government Code
 - Houston Fire Code
- **Financial or societal impact of City service delivery**
 - Reliable, efficient and effective fire and medical service delivery impacts economic development and quality of life by reducing morbidity and mortality resulting from trauma and emergency medical incidents, and by
 - limiting property loss from incidence of fire
- **Anticipated growth in population served**
 - Continued city development, population growth, aging infrastructure and the impact of an aging population will increase emergency service demand and create additional stresses on existing fire department resources.



HFD Revenues

Category	FY21 Actual	FY22 Budget	FY22 Estimates	FY23 Proposed	Variance FY23 Proposed/ FY22 Estimates	% Change
General Fund						
Licenses and Permits	\$8,476,100	\$8,314,282	\$8,917,491	\$8,943,998	\$26,507	0.30%
Intergovernmental	\$19,424,130	\$6,000,000	\$25,063,551	\$15,582,609	-\$9,480,942	-37.83%
Charges for Services	\$48,977,847	\$51,917,894	\$55,343,488	\$55,578,103	\$234,615	0.42%
Direct Interfund Services	\$19,671,422	\$20,409,705	\$20,988,205	\$21,882,728	\$894,523	4.26%
Indirect Interfund Services	\$53,619	\$0	\$45,000	\$0	-\$45,000	-100.00%
Other Fines and Forfeits	\$516,914	\$432,000	\$506,469	\$527,000	\$20,531	4.05%
Miscellaneous and Others	\$2,469,756	\$2,481,790	\$4,532,519	\$4,060,000	-\$472,519	-10.43%
Other Resources	\$0	\$804,928	\$974,310	\$804,306	-\$170,004	-17.45%
Total	\$99,589,788	\$90,360,599	\$116,371,033	\$107,378,744	-\$8,992,289	-7.73%



FY2023 - Revenues Highlights

- Decrease in Intergovernmental Revenue associated with the Ambulance Supplemental Payment Program
 - Former model – Uncompensated Care Program under the 1115 Waiver – providers were paid for the shortfall between the costs to provide services to Medicaid and Uninsured populations and what providers were reimbursed by Medicaid
 - Revised model - eliminates reimbursement for the shortfall associated with Medicaid Fee For Service and Medicaid Managed Care Organizations; also limits reimbursement for the Uninsured to only uncompensated care associated with reported Charity Care
 - This is the second year under the revised model. We are expecting a higher number of providers to participate in the program with the same funding pool amount, which will result in a smaller percentage available for each participant.



FY2023 - Revenues Highlights

HFD Vehicle Lease Program

- Contracted with Enterprise to replace 105 vehicles across multiple HFD divisions
 - LSB, Training, OEC
 - Vehicles received in April 2021 (10 months of lease payments)
- Enterprise contract is at its first cycle of replacement.
 - Supply chain delays will limit wholesale replacement of all 105 lease vehicles
 - 49 of 105 vehicles will be replaced this year
 - Enterprise will buy-out 65% equity of remaining 56 lease vehicles and extend the lease term for 12 months
- In FY2023, we anticipate receiving a full equity payout for 49 vehicles and the balance of the equity payout due for the 56 vehicles.

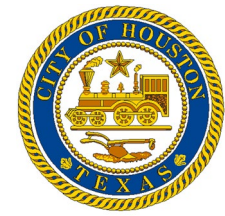
Lease Program Cost (105 Vehicles)	FY21 (3 months)	FY22	FY23
LSB Vehicle Outlay	(\$133,912)	(\$701,996)	(\$654,040)
2021 Sale of 84 of 105 old LSB	\$119,468	\$0	\$0
Sale of 49 lease vehicles replaced		\$539,000	\$563,500
Equity of 56 vehicle extended		\$554,598	\$240,806
Vehicle Sale + Equity Total		\$1,093,598	\$804,306
Net Cost	(\$14,444)	\$391,602	\$150,266



HFD Expenditures By Category

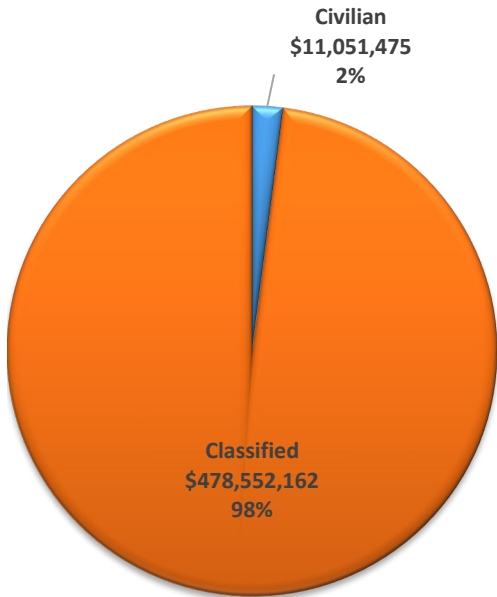
Category	FY21 Actual	FY22 Budget	FY22 Estimates	FY23 Proposed	Variance FY23 Prop/FY22 Budget	% Change
Personnel	\$444,250,641	\$475,559,556	\$475,514,463	\$489,603,637	\$14,044,081	2.95%
Supplies	\$7,983,229	\$7,321,966	\$7,662,626	\$8,123,223	\$801,257	10.94%
Restricted Accounts *	\$33,340,156	\$38,971,909	\$38,971,909	\$43,497,173	\$4,525,264	11.61%
Services	\$14,853,765	\$16,887,237	\$16,591,670	\$17,844,985	\$957,748	5.67%
Equipment	\$58,316	\$1,715	\$1,715	\$0	-\$1,715	-100.00%
Debt Service/Other Use:	\$53,004	\$0	\$0	\$0	\$0	N/A
Total	\$500,539,111	\$538,742,383	\$538,742,383	\$559,069,018	\$20,326,635	3.77%

*Restricted Accounts -Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, etc. See appendix for more details

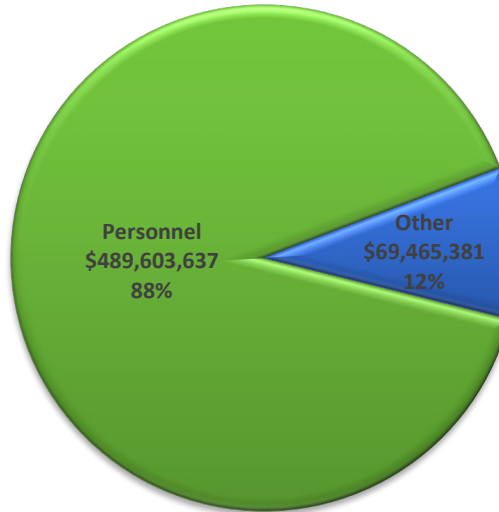


FY2023 Personnel vs Non-Personnel

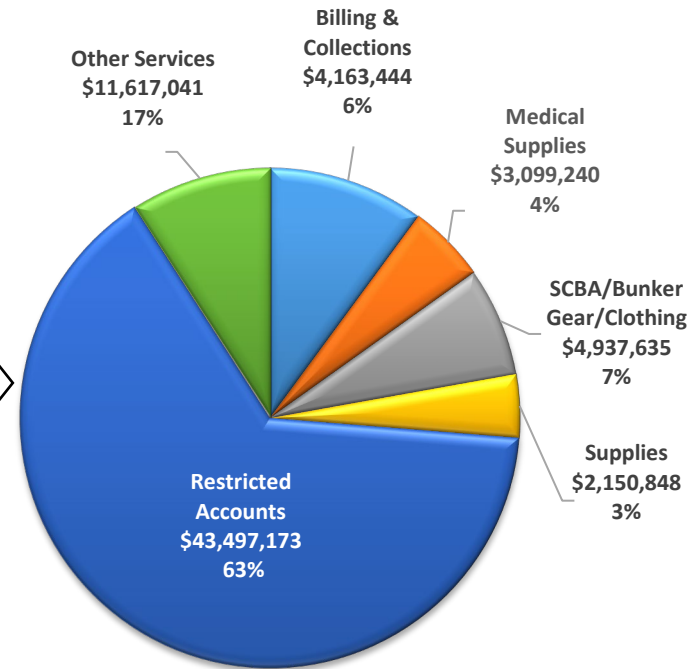
Personnel
\$489,603,637



FY2023
Proposed Budget
\$559,069,018



Other Services & Charges
\$69,465,381



FY2023 Budget Expenditures Net Change (in thousands)



Houston Fire Department (in Thousands)		
FY2023 General Fund Budget Expenditures Net Change to FY2023 Projected Current Budget		
FY2022 Current Budget		Notes
Operating Budget	\$ 498,665	
Restricted Budget	36,794	1
	\$ 535,459	
HOPE Adjustment	\$ 180	2
Restricted Accounts	\$ 2,208	
Health Benefits Return	\$ (3,827)	
City Council Surplus - One time adjustment	\$ 29	3
Operating/Contractual Adjustments	\$ 4,693	4
Total FY2022 Budget Adjustments	\$ 3,283	
FY2022 Current Budget + Adjustments	\$ 538,742	
Explanation of FY2023 Incremental Increase/(Decrease)		
Operating Budget Adjustments		
Approved FY2023 PBJs - 5th cadet class	2,756	
6% ACB Classified Pay Raise (including base, pension, and FICA)	19,214	
Other Classified Adjustments (Base Pay, Overtime)	2,454	
City Council Surplus - One time adjustment	(29)	
Operating Adjustments	(3,142)	
Total Operating Budget Changes	21,253	
% Change from FY2022 Operating Budget	4.26%	
Contractual or Mandated Adjustments:		
HOPE/Minimum Wage Adjustment	\$ 308	5
Benefits Active Civilian (Health, LTD)	\$ 117	
Benefits Active/Retired Classified (Health, LTD)	6,229	
Municipal Pension/FICA	(49)	
Classified Pension/FICA	(12,775)	
Restricted Accounts	4,525	
Contract Escalations	500	
Other Contractual Adjustments	219	
Subtotal Contractual/Mandated Increases	\$ (926)	
FY2020 Proposed Budget		
Operating and Contractual Adjustments	20,327	
FY2023 Proposed Budget	\$ 559,069	
% Change from FY2022 Current Budget	3.77%	
Notes:		
1. Restricted Budget includes service chargeback accounts for items such as fuel, electricity, IT accounts, etc		
2. FY2022 3% HOPE Pay Increases		
3. One time adjustment for City Council Surplus		
4. Includes one time adjustments for Classified WC Claims, vacancy savings, Classified Overtime, Billing and Collections		
5. FY2022 Annualized 3% Hope Pay Increases & FY2023 3% Hope Pay Increases.		



FY2023 - Expenditure Highlights

- 6% ACB Classified Pay Raise
- Funding for 5th cadet class
- Funding for HOPE Pay Raise
- Funding for health benefits and pension contribution
- Grant match funding for the AFG Grant to provide for physicals with cancer screening for firefighters
- Additional funding for drugs, medical and surgical supplies to keep pace with rising costs
- Continuing education and training for Inspectors and Investigators
- Continuing education and training for members of the HFD Rescue Team
- Funding for continuation of the light duty lease program



Questions



Appendix

Restricted Account Details



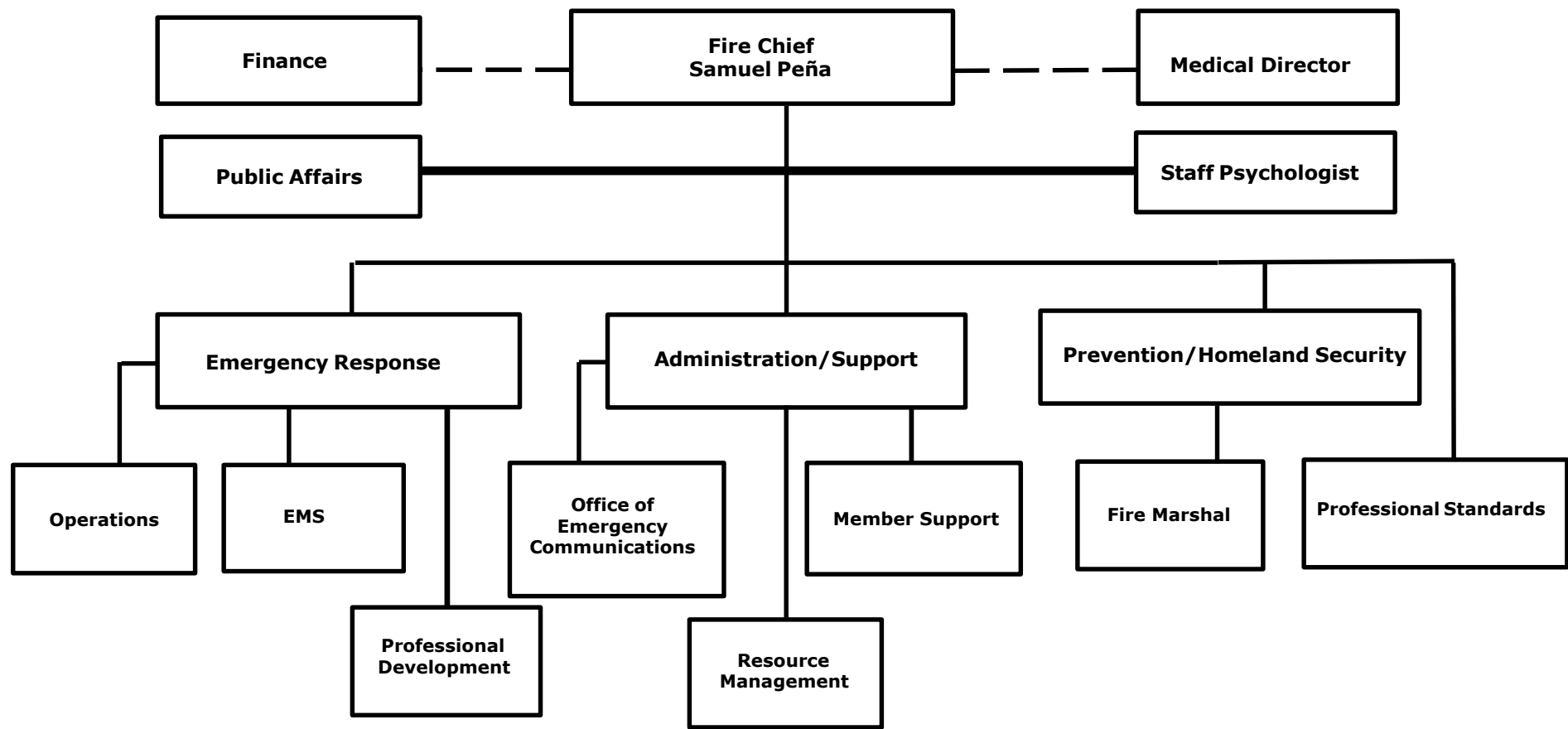
GL Description	Justification & Cost Drivers
Interfund Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Charge	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS).
Interfund Drainage Charge	Fee is based on impervious service.
Interfund Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature.
Interfund Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Interfund Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Interfund Wireless Services	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
Interfund Vehicle Accidents	Provides vehicle accidents repairs for all city departments' rolling stock equipment.
Interfund Permit Center Point of Sale	HPC Point of Sale chargeback.
Interfund Insurance Fees	Cost increase for property insurance premium.
Interfund GIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS).
Interfund Permit Center Rent Chargeback	HPC lease chargeback.
Interfund Vehicle Services - Tires	Tire purchases and services costs for City's rolling stock equipment.
Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
Interfund Vehicle Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing.
Interfund Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.

Appendix



- Department Org Chart
- Department demographic breakdown (gender & ethnicity)
- Unmet Program Needs
- HFD Accomplishments

HFD Organizational Chart



HFD Comparative Gender and Ethnicity Statistics



Houston Fire Department			
Category	Male	Female	Total Employees @ 3/31/2022
Classified	96.15%	3.85%	3,665
Civilians	38.78%	61.22%	98
Cadets	93.75%	6.25%	96
Total	94.64%	5.36%	3,895

Category	White	Black	Hispanic	A/O
Classified	52.88%	15.80%	28.54%	2.78%
Civilian	22.45%	38.78%	29.59%	9.18%
Cadet	39.58%	17.71%	39.58%	3.13%

Unmet Program Needs



Division	FY23 Budget Requested	Request Detail
EMS Administration	\$ 126,696	2 each - Administrative Associate (PG13) (QA/QI Data Run Record Compliance). Proactively review the quality of records to identify trends and opportunities for training, make sure all areas of the run record are complete for billing. Assist in risk management to ensure incidents are well documented to mitigate fines and lawsuits due to poor documentation. An aspect of clinical analysis of record review to assess clinical performance; documenting needs, ambulance transport and complying with requirements.
EMS Administration	\$ 178,104	Paramedic Medical Management - This 8-day training program will review trends to mitigate Department losses.
EMS Administration	\$ 112,176	EMT Medical Management BLS - Training for Engineer Operators and Firefighters. This 4-day training program will affect mass QA/QI functions as identified by processes such as record review, complaint review and clinical trends.
EMS Administration	\$ 116,604	EMT Medical Management Apparatus - Training provided from the rank of Firefighter to Senior Captain. This 4-day training program will provide updates and training on best practices and equipment.



Unmet Program Needs

Program	FY23 Budget Requested	Comments
Fire Investigations	\$ 6,005	Polygraph Equipment - One Time Purchase for replacement of old polygraph machine. Includes feet sensors, cable, software, photo plethysmograph
AirPack	\$ 127,000	Equipment and parts needed to support the HFD AirPack program. This includes equipment for cadet classes and replacement parts for half mask respirators. An additional factor is the need for fit testing.
EMS Administration	\$ 3,213,325	EMT Pre Hospital Trauma Life Support course. 1 week class. HFD would like to train 50% of the department's EMTs or about 1,400 members. Tuition is \$250 per person for a total cost of \$350,000. Members are put on training for the duration of the class and backfill overtime is needed to maintain minimum staffing. Overtime costs of 2,863,325
EMS Administration	\$ 1,114,009	2-week Program to include PARA Pre-Hospital Trauma Life Support (PHTLS) course with PARA AHA Pediatric Advanced Life Support (PALS) course with PARA AHA Advanced Cardiovascular Life Support (ACLS) course. Tuition Fees to train 235 members is 152,750. The associated overtime to backfill the members while they are in training is \$961,259.
EMS Administration	\$ 122,500	Train 3,500 members for American Heart Association CPR training certification card fee; no overtime on shift training at the Training Academy.
EMS Administration	\$ 2,750	Train 5 members in American Heart Association CPR Train-the-trainer course



HFD Accomplishments

- ISO Class 1 Designation- Insurance Services Office Public Protection Classification 1
- CFAI Accredited Agency Designation- Commission of Fire Accreditation International
- 18% salary increase over 3-FY for all ranks
- Created Department Health and Safety Chief position
- Continued Wildland Firefighter Team capability
- Adopted 2015 International Fire Code
- Lease Vehicle Program replaced 105 vehicles for the Life Safety Bureau, Training, OEC
- Plymovent (Diesel Exhaust Removal System)– install in 50 of 79 fire stations approved for grant funding
- Extractors (Commercial Gear Washers)- installed in 76 fire stations to date, including 21 District Houses



HFD Accomplishments

- Purchased Half-Mask Respirators for each member to use post fire extinguishment in non-IDLH
- Replaced SDI Fireground Accountability Program
- Operation Stocking Stuffer (6,500 Families/20,00 Kids)

Huge Thank you! sponsors and contributors

- Provided in-house psychology services to over 300+ active and retired duty firefighters
- Follow-up of 100% of cardiac arrest incidents