

Overtime Audit Report

CITY OF VACAVILLE, CALIFORNIA

FINAL REPORT



1050 Winter Street, Suite 1000
Waltham, Massachusetts 02451
v.781.839.7393 f.650.858.0509

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TABLE OF CONTENTS

Section		Page
<hr/>		
1.	INTRODUCTION AND EXECUTIVE SUMMARY	1
<hr/>		
PART I		
2.	OVERTIME FRAMING ELEMENTS	8
3.	BEST MANAGEMENT PRACTICES ASSESSMENT	19
PART II		
4.	POLICE DEPARTMENT OVERTIME REVIEW	29
5.	FIRE DEPARTMENT OVERTIME REVIEW	53
6.	UTILITIES DEPARTMENT OVERTIME REVIEW	72
7.	PUBLIC WORKS DEPARTMENT OVERTIME REVIEW	91
	APPENDIX: DEPARTMENT PROFILES	A-1

1. INTRODUCTION AND EXECUTIVE SUMMARY

This chapter provides an introduction to our study, an executive summary and table of recommendations.

1. INTRODUCTION

An evaluation of overtime is an exercise that goes beyond an analysis of budgets and expenses. Overtime is a key method to efficiently and effectively manage the completion of work. It is critical to recognize that the underpinnings of overtime usage are ultimately an exercise in risk management and fiscal prudence. Balancing employee, department, City, and community needs through the use of overtime as opposed to other work-related options is ultimately an effort in judging risk. Overtime should not be considered a line item expense that has an ability to be calculated and measured simply. It is actually a complex representation of the ability to complete core business at the greatest productivity with the least amount of risk. As such, creation of an overtime budget should be considered an annual “project effort” and afforded significant due diligence and attention in its annual development.

This report discussed overtime with the underpinning of risk management as described in chapter 2, “Overtime Framing Elements.” It is followed by a best management practices chapter then an overtime review for the police department, fire department, utilities department and public works department. This work is followed by a profile attachment that served as a (corrected) interim deliverables and serves to augment information in this report.

2. EXECUTIVE SUMMARY

This section of the report summarizes the results of the project team's assessment and analysis.

(2.1) Comparative Survey Findings

As part of the evaluation of Vacaville's overtime practices, the project team surveyed six comparable cities (Fairfield, Roseville, Napa, Petaluma, Santa Rosa, and Concord) provided by City Management to obtain information regarding salary and overtime expenses and overtime policies. The following table highlights the overall results of the survey focusing on overtime expenditures as a percentage of salary expenditures for each of the departments included in the study:

	Police	Fire	Utilities	Public Works
Average	11%	23%	6%	5%
Median	11%	22%	6%	4%
Vacaville	8%	16%	5%	2%

As the table above shows Vacaville is generally below both the average and median overtime expenditures as a percentage of overall salary expenditures. In the case of Police, Fire, and Public Works they are significantly below their neighbors and other comparable jurisdictions, and with Utilities they are on par with their neighbors. This suggests that overall Vacaville is managing its overtime expenditures as a proportion of salary expenditures better than many of its neighboring cities.

(2.2) Key Findings

The following key findings reflect information discussed within this report.

- The largest proportion of overtime expenditures in VPD is related to the categories of staffing shortage coverage, extended shift coverage, and court. Managing overtime related to extended shifts requires a more in-depth operational study. There is nothing particularly alarming about the data in extended shift coverage other than potential sick time coverage that should be further explored as a sick time review project. Reduction of court overtime is typically not desired but can be impacted through improved inter-agency administrative processes.

- The largest proportion of overtime expenditure for the fire department is related to minimum staffing coverage. Indeed this overtime category in the fire department represents the single largest overtime use category in the City.
- Current overtime use is overall “cost effective” but given the totality of circumstances a staffing study of the fire and police department should be considered a high priority.
- Despite overall overtime use being “cost effective,” present use leads to more fundamental issues deserving City discussion surrounding risk.
- Overtime budgets should be based on a prior three-year expenditure history for warranted overtime, and new overtime budgets developed on a defensible zero-based budgeting approach.
- Overall, the Utilities Department is able to effectively control its overtime, as the costs have declined significantly, 86% over the last seven fiscal years. Additionally, the Department has a variety of different types of internal tracking mechanisms in place and has experimented with alternative work schedules to better control its overtime usage. However, the Department does need to work on developing additional overtime controls such as tracking overtime drivers related to vacancies. This would enable the Department to accurately state that hiring additional staff will help mitigate much of its overtime controls and also reduce its overall overtime budget.
- Overall, the overtime expenditures for the Public Works Department have decreased over the past several years consistently. Additionally, the overtime associated with Public Works is primarily scheduled / standby services and would not be affected by filling vacancies. However, filling these vacancies could enable the department to produce more work output, which has been limited due to informal practices discouraging accrual of overtime for completing department-specific projects. The Department should continue to monitor its current overtime practices and track overtime through the use of purpose codes to effectively manage its overtime.

3. SUMMARY OF RECOMMENDATIONS

The following exhibit provides a list of the recommendations in this report as presented in order. The chapters within this report should be reviewed for a detailed discussion and analysis of each issue and the background behind each recommendation.

Recommendation: The Police Department has limited opportunity to alter MOU language to significantly change overtime expenditures. However, there are some best practice approaches and other opportunities noted in the report that could prove marginally beneficial to the City if implemented.

Recommendation: Perform staffing/operational studies of field services and dispatch either internally, through volunteer efforts, or through additional consulting services, to definitively determine staffing needs based on such metrics as proactive time, response time, Erlang-C modeling, etc. This will help determine opportunities to control staffing shortage overtime costs.

Recommendation: Based on the overtime analysis, determine if there are sick leave usage issues in Dispatch—a possible symptom of overtime use.

Recommendation: Review Investigative Services operational protocols for late calls to ensure this approach is consistent with best practice in police investigations.

Recommendation: Continue to coordinate with the courts, DA Office, City Attorney and Public Defender to determine administrative processes that can be explored to reduce the number of officers and time required in court, much of which occurs on overtime.

Recommendation: Continue staffing one-time events requiring police services with overtime.

Recommendation: Continue to use minimal overtime, as necessary, for meeting critical internal/City deadlines.

Recommendation: To ensure cost-effective as well as efficient and healthful uses of overtime, the maximum overtime allowed per person should be 10 hours weekly with no more than 5 hours per shift with consecutive overtime shifts disallowed (excluding the fire department).

Recommendation: Based on the City's own risk assessment, devise a city-wide policy on maximum overtime allowed per person, per week, framing the decision on the prior recommendation being the maximum allowable limits.

Recommendation: It is considered a best management practice to project budgets, based on operational and other data, within 5% of actual costs. The Departments should revise projections and budgets to meet this benchmark.

Recommendation: Begin overtime budget projections based on the prior three years' overtime expenditure history. Develop a zero-based budget approach to justifying an overtime budget.

Recommendation: The Fire Department has limited opportunity to alter MOU language to significantly change overtime expenditures. However, there are some best practice approaches and other opportunities noted in the report that could prove marginally beneficial to the City if implemented.

Recommendation: Perform a line staffing and station location study of the fire department either internally, through volunteer efforts, or through additional consulting services, to definitively determine staffing needs based on a variety of variables identified in this report. This will help determine opportunities to control minimum staffing overtime costs.

Recommendation: The fire department may be experiencing sick time leave issues that are impacting overtime payment requirements. The Human Resources Department should further explore sick time utilization and patterns in VFD.

Recommendation: Report to the City Manager's Office on an annual basis the use of overtime classified as "Special Projects."

Recommendation: The Utilities Department should continue to monitor the provisions related to overtime and compensatory time described in the labor agreements. Additionally, the Department should specify a cash-out policy for CTO in its agreements, which is similar to other cash out agreements citywide.

Recommendation: Develop departmental policies specifying overtime usage and coverage, "fair share" of overtime hours, employee eligibility for overtime, and limiting the total number of hours that can be worked in a day by employees.

Recommendation: The Utilities Department should consider developing specific weekly overtime goals and requiring managers and supervisors to frequently (quarterly) evaluate overtime usage to ensure that it does not exceed the budgeted overtime.

Recommendation: Develop purpose and activity codes that clearly identify the reasons for overtime, along with producing monthly reports indicating overtime drivers, and continue to monitor overtime actual expenses compared to overtime budgeted expenditures.

Recommendation: The Utilities Department should consider filling its current vacancies to reduce overtime costs.

Recommendation: The Public Works Department should re-evaluate its standby and callback provisions and also consider shift schedule modifications to make better use of its current resources.

Recommendation: The Public Works Department should develop a policy addressing cash-out provisions for CTO in MOU agreements.

Recommendation: The Department should review and revise their current policies in order to ensure that overtime is fairly allocated and that holiday overtime is accrued appropriately.

Recommendation: The Public Works department does not currently need to reassess their overtime controls; however, developing guidelines pertaining to overtime approval would benefit the Department in the long run.

Recommendation: While the Department is currently able to project overtime usage and costs, developing a mechanism by which they report hours and costs on a monthly or seasonal basis could allow the Department to better control its unscheduled overtime.

Recommendation: The Public Works department is effectively utilizing its overtime budget, and does not need to add additional staff to compensate for overtime expenses.

Details regarding these recommendations can be found in the body of this report.

I. OVERTIME REPORT – PART I

This Vacaville Overtime Report is developed in two parts with a concluding appendix. The first part, following, provides information that help frame the study within a broader context of overtime as a tool that can be an organizational solution to various operational issues or as a symptomatic reflection of broader organizational problems. As such, a discussion of the key causes and positive and negative aspects of overtime are discussed, as well as overtime best practices that should be adopted by any agency, where practical.

2. OVERTIME FRAMING ELEMENTS

With respect to the specific tasks required and addressed in this report, the City of Vacaville wished the following overtime features to be examined with the Police, Fire, Public Works, and Utilities Departments with associated findings, conclusions and recommendations.

- Perform a review of historical levels of overtime.
- Conduct an evaluation of the causes of overtime, including the impacts of policies, bargaining unit MOU's, shift configurations, and resource allocation.
- Determine potential avenues that could lead to greater efficiencies and minimize overtime costs.
- Provide a recommendation as to the cost effectiveness of hiring additional personnel vs. working existing personnel on overtime.
- Determine the appropriate level of budget for overtime in the departments specified.
- Survey other cities of similar size/services to compare the City of Vacaville's current levels of overtime to that of peer agencies.

While answers to these questions are important, it is necessary to frame them in a broader context. It is equally important to understand that overtime usage in an agency can reflect symptoms or solutions to more fundamental issues or operating protocols within an industry. As such, the following foundational information and framing elements are offered to place this study into a broader context with respect to Vacaville's overtime use in key operating departments.

1. THE KEY CAUSES OF OVERTIME.

In nearly every industry, the primary causes of overtime have common characteristics irrespective of the kind of industry in which overtime occurs. As overtime

is studied, it is helpful to keep these key causes in mind as they have short and long term effects when implemented. These key causes are noted in the sub-sections below.

(1) To Provide Baseline Staff to Meet Work Demands.

In every industry a certain minimum staffing level is formally or informally identified to meet work demands. These work demands can vary widely, from developing a product within recurring deadlines, to meeting specific customer service goals, to ensuring safe practices. If the industry/agency does not have sufficient initial staff resources to meet these baseline (minimum) staffing requirements, overtime will be required unless the agency chooses to allow work demand outputs and outcomes to decline/suffer. In general, overtime dedicated consistently to this category will result in long-term negative consequences.

(2) To Address Variations and Fluctuations in Baseline Staff.

An agency that has hired employees to a baseline minimum standard (or above) will require overtime for planned and unplanned absenteeism that can be the result of numerous factors such as scheduled and unscheduled leave (e.g. vacation and sick time), turnover, military leave, injury, etc. Unless overtime is used to meet the minimum staffing levels as a consequence of these variations, work demand outputs and outcomes will also decline/suffer.

(3) To Address Actual or Potential Fluctuating Workload.

In many industries, workload can fluctuate in both a planned and unplanned fashion. Unexpected events (natural disasters) can lead to significant overtime in numerous agencies. Conversely, infrequently occurring events such as annual

inventory counts, once-per-year special events, or seasonal spikes in work are opportunities to use overtime effectively. Stand-by pay is provided in a variety of industries to provide coverage for potential fluctuating workloads. Overtime use for meeting the demands of fluctuating workload that is not “long-term” is considered a best practice.

(4) To Address Short-term but Recurring Tasks.

While a sub-set of fluctuating workload, overtime is used to provide coverage for tasks that are persistent but of generally “short duration.” These usually include weekly, bi-weekly or monthly activities that must be performed, but these tasks have special characteristics that do not allow them to be accomplished during regular work time. Examples include financial reconciliations, inventory counts, etc.

(5) To Complete Work that has a Deadline.

While it can be argued that this can actually be traced to one of the other key causes noted above, it is of sufficient magnitude to be noted. Overtime is used to complete projects or tasks that have a definitive and unalterable deadline. These include a huge variety of possibilities from building an asset to developing a product.

* * * * *

With little exception, overtime can be broadly categorized into one of these key five causes which will address various work demand issues. Moreover, “excessive” overtime use in these categories can reflect broader symptoms of organizational difficulties that should be addressed. Overtime is an industry management tool and can be a benefit to workers if effectively used. However, overtime has the potential to be overused or inappropriately used at all organizational levels, resulting in unintended

consequences and additional costs and / or risks to be discussed in the following sections.

2. THE KEY POSITIVE AND NEGATIVE CHARACTERISTICS OF OVERTIME.

The use of overtime has significant potential benefits as well as disadvantages, and balancing these requires close management, best practice protocols and thoughtful consideration of a variety of other factors related to staff and operations. There are key positive and negative characteristics of overtime, as discussed in the following sub-sections.

(1) The Primary Benefit to an Organization for Overtime Use is the Ability to Flexibly Use Staff Resources Without the Cost of Hiring Additional Personnel.

As is well known, the primary benefit an organization derives from using overtime is the cost avoidance of hiring additional personnel. Indeed, proper management of overtime can avoid many undesirable outcomes such as missed deadlines, poorer customer service, cost overruns, staff lay-offs, and a variety of other consequences detrimental to both the organization and employee. Furthermore, overtime to a certain degree is perceived by most to be a desirable benefit, thereby allowing an organization to attract and retain personnel if a moderate amount of overtime is a regular part of the operational culture.

While overtime is fiscally advantageous to an organization based on the avoidance of paying for additional fixed costs such as insurance, sick leave earning, vacation earning, etc., it is only beneficial to a point. There is a “break-even” point where the variable costs (time and-one-half payment, retirement costs, employment taxes, etc.) do not compensate for fixed cost savings. While every single agency would

be different dependent upon their unique compensation structures, a general rule of thumb that should be used when considering the fiscal elements of overtime usage compared to the use of new staff positions is:

As a guideline, 54 work hours per employee per week represents the fiscal benchmark break-even point for paying (14-hours weekly) overtime.¹

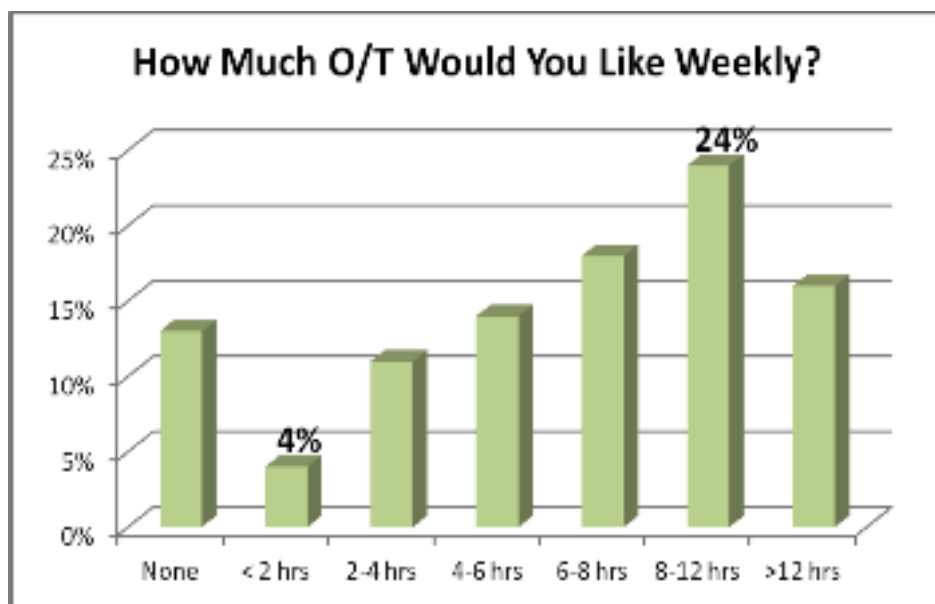
It needs to be recognized that the above benchmark is a guideline only. Every unique position in any different agency will have its own “fiscal benchmark outcome” based on the salary, benefit, retirement, and taxing structure that influences overtime costs. The noted benchmark provides guidance that once overtime approaches this benchmark “ceiling,” from a fiscal standpoint exclusively a new position should be hired in the vast majority of instances. As discussed subsequently, the fiscal reasons to hire personnel instead of use overtime should be considered of secondary importance.

(2) Many Organizational Employees Look Positively on the Opportunity to Earn a Moderate Amount of Overtime.

Research data suggest that many employees appreciate the opportunity to earn a moderate amount of overtime over the course of a year. According to Shiftwork Solutions LLC, “Employers that offer modest amounts of overtime will not only satisfy a majority of their employees, but also will improve their competitive position in the local market.” This is reflected by the results of their shift work surveying as shown in the graph below which demonstrates that the majority of employees would like some level

¹ Municipal Solid Waste Professionals article:
http://www.mswmanagement.com/MSW/Articles/Overtime_The_Effect_on_Cost_4174.aspx

of weekly overtime (averaging 7.3 hours per week), but with more than 4-in-10 desiring less than 6 hours per week²:



When juxtaposing the desired level of weekly overtime by employee against the fiscal benchmark break-even point for overtime, a clear difference emerges. On average employees would desire approximately one-half the fiscal benchmark with only one-in-six employees having a willingness to work that much overtime on a weekly basis. This differential helps frame the potential negative characteristics of overtime, as discussed further below.

(3) Research Suggests There are Negative Mental, Physical and Productivity Impacts Associated With Working Longer-term Overtime.

A wealth of research data suggests there are various negative consequences for working extended hours over the longer-term. These include:

- A 2008 study by the *American Journal of Epidemiology* demonstrated that a work week of 50 hours and above had a negative cognitive effect on productivity, reasoning and vocabulary.³

² Why Overtime? *Shift Schedule Design*: www.shift-schedule-design.com

- The work of J. Nevison of *Oak Associates* brings together scientific, business, and government data to demonstrate that little productive work takes place over and above 50 hours per week. Two other studies, also examined in his white paper, show that productive hours drop by an additional 10 hours when the number of consecutive long workweeks increases from four (4) to twelve (12), highlighting the cumulative effects that overtime can have.⁴
- According to a 2005 article by *Occupational and Environmental Medicine*, working in jobs with overtime schedules was associated with a 61% higher injury hazard rate compared to jobs without overtime. Working at least 12 hours per day was associated with a 37% increased hazard rate and working at least 60 hours per week was associated with a 23% increased hazard rate.⁵

While there are a few reports/studies that indicate the facts portrayed above are inadequate to describe all workers, the evidence is clear with respect to the long term effects of working extensive weekly hours as a consequence of overtime or other requirements mandating long hours over a period of time.

(4) Research Suggests There are Negative Impacts Associated With Working Longer Shifts Resulting from Overtime or Other Shift Design Factors.

In addition to the negative impacts of working long hours over consecutive days and weeks, research suggests there are important negative consequences as working long hours in a single uninterrupted period. This includes:

- A recent German study found that workers experienced a significant rise in accidents and traumatic incidents after nine to 10 hours on a shift.⁶
- A recent study performed by the *Finnish Institute of Occupational Health and University College London* as reported in the journal *PLoS ONE* shows that

³ TimeForce:
http://www.mytimeforce.com/news/articles/Overtime/When_working_overtime_is_too_much#.VLFZBK05BhE

⁴ <http://www.circadian.com/blog/item/22-5-negative-effects-of-high-overtime-levels.html?tmpl=component&print=1#.VLFbrK05BhE>

⁵ <http://oem.bmj.com/content/62/9/588.full>

⁶ <http://consumer.healthday.com/encyclopedia/work-and-health-41/occupational-health-news-507/mandatory-overtime-647119.html>

people who work 11 or more hours a day have a more-than-doubled risk of a major depressive episode, compared with people who work the more-standard seven to eight hours a day.⁷ With respect to the public sector this is particularly important as according to *Health.com* Maintenance and Ground Workers are one of the ten careers noted with high rates of depression.

- A large amount of research has been accomplished in the nursing field, which was one of the earliest adopters of extended shifts that also required subsequent overtime. According to studies, "Working overtime, whether at the end of a regularly scheduled shift (even an 8-hour shift) or working more than 40 hours in a week, was associated with a statistically significant increase in the risk of making an error. The most significant elevations in the risk of making an error occurred when nurses worked (daily) 12.5 hours or longer; the risk was unaffected by whether the nurse was scheduled to work 12.5 hours or more, volunteered to work longer than scheduled, or was mandated to work overtime. Nurses working 12.5 hours or longer were significantly more likely to report difficulties remaining alert than nurses working fewer hours per day, and they obtained on average 30 minutes less sleep."⁸
- The following abstract, regarding extended work shifts is from the *Texas Law Enforcement Management and Administrative Statistics Program*.

Work fatigue has become so great a concern that the federal government now controls the amount of work hours for locomotive engineers, truckers, commercial pilots, and nuclear power plant operators, for example. Police officers, however, are not on this list (Vila, 2000). With lawsuits increasingly prevalent, it is important that police administrators provide pertinent information to their officers about coping with fatigue. To illustrate, Vila, Morrison & Kenney (2002) cite three tragic incidents occurring in 1999 alone that were attributed to fatigue. In June 1999, an exhausted Margate, Florida officer ran a red light and crashed her patrol car into a sheriff's van, seriously injuring a deputy, and in August 1999, a Muskegon, Michigan officer who had been working nearly 24 hours straight was critically injured after crashing his cruiser into a tree while pursuing a fleeing motorist. In November 1999, a Cincinnati police officer fell asleep at the wheel while travelling home, ran off the road, and hit and killed a jogger. Two studies (Dawson & Reid, 1997; Williamson & Feyer, 2000) further concluded that approximately 17 to 19 hours of non-sleep can impair an individual's performance, the same as having a .05% blood alcohol count (BAC), and remaining awake 24 consecutive hours is

⁷ http://www.huffingtonpost.com/2012/01/26/overtime-work-depression_n_1234025.html

⁸ US Department of Health and Human Services, "Patient Safety and Quality: An Evidence-Based Handbook for Nurses" Chapter 40, page 3-4.

approximately the same as having a .10% BAC (legally intoxicated). With evidence that sleep deprivation has the same capability to impair an individual as alcohol, it is vital that departments acknowledge and implement policies that do not overload its officers. Surprisingly, according to Vila et al, (2002) officers who worked shifts consisting of fewer but longer workdays tended to be somewhat less fatigued than officers who worked the traditional 5-day, 8-hour schedule⁹.

In sum, the evidence for long hours worked in short daily periods or over an extended period of time is overwhelming with respect to the negative possible outcomes with such work behaviors. In effect, management of overtime is a serious risk management endeavor, and as such, should be approached with the greatest due diligence.

3. THE CORE RESPONSIBILITY OF EFFECTIVELY AND EFFICIENTLY MANAGING OVERTIME IS MANAGING RISK.

While any overtime study with specific task requirements is both informative and important, it is critical to recognize that the underpinnings of overtime usage are an exercise in risk management. Balancing employee, department, City, and community needs through the use of overtime as opposed to other work-related options is ultimately an effort in judging risk. This framing element should be a core management principle as recognizing the symptoms of poorly used overtime as well as solutions that overtime use can bring is tantamount to efficient and effective agency operations. A March 2013 study entitled 'Management of Overtime' by the *Amtrak Office of Inspector General* went into detail to discuss overtime (and related issues) in the context of managing risk.¹⁰

⁹ Telemasp Bulletin, Volume 15, No. 2, March/April 2008.

¹⁰ Management of Overtime Report OIG-A-2013-009, March 26, 2013 pgs 14-16

In conclusion, our project team will be evaluating and analyzing the various work requirement tasks of this engagement in the broader context of risk. As a result, the following chapter is dedicated to overtime best management practice followed by Part II discussing each of the four departments identified in the Scope of Services.

4. THE OVERTIME “BREAK-EVEN” POINT FOR VACAVILLE.

As noted throughout this chapter, there are competing variables with respect to the “best” use of overtime. While the fiscal benefits of overtime can result in a work period approximately 30% longer than standard straight-time, consistently working these hours can have both short and long-term consequences that increase the City’s risk due to unwanted performance impacts on the employee. Indeed, many organizations with alternative (lengthier) shift schedules are already purported to be at increased risk compared to those working the previous “U.S. standard” eight-hour shift.

There is really no one right answer with respect to identifying the “break-even” point for overtime use versus hiring a new position. The answer that is fiscally beneficial is also one that increases (according to research) organizational risk, and as such is a solution that should never be approached because of these potential risks. Given the totality of information, selecting a break-even point should be somewhere below 728 hours per person per year.

Given the various research provided herein, our project team believes that 416 hours per employee per annum average should be considered the overtime break-even point for any agency within the City, after which additional personnel hiring will occur. This benchmark can be further sub-divided into major work groups (e.g. a department’s divisions), instead of department-wide, if deemed practical. While this is notably less

than the fiscal break-even guideline, our team believes it reflects the best balance between risk and reward.

3. BEST MANAGEMENT PRACTICES ASSESSMENT

While the Vacaville overtime audit report is designed to provide a comprehensive analysis of overtime utilization in four key departments, this chapter represents an important step for the project team to identify issues associated with current practices as well as performance targets for the future. In conjunction with the framing elements discussed in the last chapter, this chapter helps further refine overtime areas for more detailed exploration. To accomplish this, the project team developed a set of measures which we call “Best Management Practices” against which to evaluate overtime utilization and administration. The best practices developed have been derived from the project team's collective experience in the municipal service industry as well as independent research sourcing government, education and private sector entities, and represent the following key points developed for each best practice shown in the following pages.

- Individual statements of "effective approaches" or “best practice standards.”
- Identification of whether and how the City meets the best practice target defined as its “strength.”
- Opportunities for improvement, generally indicating what the City is not accomplishing with respect to the best practice to which many of these areas will be further detailed in the overtime report.

This assessment of overtime groups the discussion in four major best practice areas, including:

OVERTIME BEST PRACTICE AREAS
Overtime Policies
Overtime Controls
Overtime Budgeting and Reporting
Personnel Practices

In order to conduct business effectively, all organizations should implement Best Management Practices as practical. These go beyond what is considered common practice. It should be noted, however, that agencies may not be able (or are unwilling) to completely implement a best practice for a variety of reasons that include:

- Insufficient resources, whether personnel or fiscal, to adopt a best practice.
- Inadequate available time to emphasize and proactively implement new practices as a consequence of focus on managing critical day-to-day issues (core business).
- Insufficient support from political, executive, or managerial personnel to adopt a best practice.
- Inadequate buy-in from line staff to implement a best practice and/or some that may be contrary to bargaining group (union) agreements.
- Disagreement that the best practice, although successfully implemented in other agencies, would be successful in the agency under BMP review (for various cultural, organizational, or local/regional issues), and therefore is not a “best practice” from said agency’s perspective.

Although there are relevant reasons, as noted above, to not implement an identified best practice, the ultimate intent should be to strive for implementing as many practices as feasible within the capabilities of the organization.

The following matrix is not only used to discuss best practices, but also as a diagnostic assessment tool to key on particular core thematic issues to be further discussed in later chapters. The data below presents the Best Management Practices listing with the noted information.

Best Management Practices Matrix

Best Management Practice	Strengths	Opportunities for Improvement
OVERTIME POLICIES		
A citywide policy has been adopted covering overtime usage and procedures. This policy is supplemented by SOP's at the departmental level for larger departments.	<p>Each collective bargaining agreement and MOU outlines overtime usage and procedures. There are also a few references in the city's Employee Handbook and a few documented HR Administrative Procedures. Section 3.120 regarding compensatory time is the only citywide policy and procedure reference.</p> <p>Some departments have developed specific overtime operating procedures.</p>	Adopt a detailed and coordinated citywide overtime policy that appropriately addresses all labor agreements.
Training on the overtime policies is part of periodic supervisory training.	OT can be a component of Supervisory training; in the PD it is part of the Supervisor Training Checklist. Interviews suggest key supervisory staff understand primary components of overtime approval and management.	Adopt a written policy to ensure that OT is formally and consistently a component of supervisory training in all Departments.
Overtime policies are designed to ensure that all employees carry their "fair share" of overtime hours.	In some department operations supervisors set the OT schedules by rotation (e.g. standby duties), which are meant to evenly distribute the hours among staff members at a departmental level. MOU provisions restrict other departments such as the PD which has a "fair process" versus "fair share" approach.	Evaluate OT scheduling practices by department, such as seniority or voluntary based assignments to ensure that it is scheduled fairly within the provisions of MOUs and operational needs.

Best Management Practice	Strengths	Opportunities for Improvement
Overtime policies are designed to provide access to all qualified employees for overtime opportunities.	Departmental policies dictate employee eligibility for overtime. Typically, any non-mandatory overtime is available on a voluntary basis, ensuring that qualified employees have access to overtime opportunities. Some mandatory overtime is used in department such as PD based upon work demands.	Ensure that OT scheduling practices address assignment of qualified individuals for OT opportunities.
City policy provides penalties (i.e., disciplinary action) for individuals who work overtime without proper authorization.	Current practices provide oversight of overtime use and approval.	The City should develop and document specific disciplinary actions for overtime abuses taking into account current MOU agreements.
A City policy has been adopted outlining procedures for utilizing temporary and/or part-time employees to cover absences caused by extended employee leaves of absence where overtime may otherwise be required.	This is not applicable to all departments. Certain departments will utilize current staff or modify schedules or hire temporary staff to mitigate absences caused by extended employee leaves of absences.	The City should define extended absence and develop a citywide policy regarding use of temporary or part-time employees to cover extended employee absences.
Employees are not allowed (except in emergency situation) to work more than 16 hours per day.	The fire department provides some restrictive language with respect to hours worked. The PD's General Orders indicate work over 18 consecutive hours requires command staff approval.	The City should develop and document hourly restrictions in MOUs, departmental policies and procedures, or HR Administrative Procedures.
Employees are not allowed (except in emergency situations) to work more than two double shifts on two consecutive days or for Fire, two consecutive shifts.	The fire department provides some restrictive language.	The City should develop and document shift restrictions in MOUs, departmental policies and procedures, or HR Administrative Procedures.
Policies limit the total number of overtime hours that may be worked in an individual workweek by employees.	Citywide policy dictates that employees should only work 37.5 hours per week, with Community Service Officers working 40 hours per week. Other policies restrict hours for safety reasons.	The City should develop a specific policy stating the maximum or limiting the total number of overtime hours that may be worked in an individual workweek.

Best Management Practice	Strengths	Opportunities for Improvement
City policy and/or collective bargaining agreements require the utilization of compensatory balances prior to use of other accrued leave such as vacation.		While some MOUs specifically indicate that CTO can be taken prior to vacation, a consistent citywide policy should be developed that specifies the use of compensatory balances.
A City policy has been adopted on Compensatory Time and addresses when it is appropriate, the amount that may be accrued, the amount that may be carried forward, and the circumstances under which comp time may be paid out.	Collective bargaining agreements dictate the accrual of Compensatory Time Off, and the circumstances under which comp time can be paid out.	Where practical, limiting the amount of CTO earned will help management better control overtime, staffing and backfill.
OVERTIME CONTROLS		
All overtime worked by employees is pre-approved by a managerial/supervisory employee in advance with documentation regarding the need for overtime.	Supervisors are responsible for approving time cards, which records all overtime hours coded for certain purposes. In the PD approval for some types of overtime is predetermined.	The City should develop a formal written policy that outlines supervisory approval in relation to providing documentation for the need or reasons for overtime.
All overtime hours worked are reviewed and receive sign-off by a supervisor as accurate prior to payment.	Supervisors approve and sign off on all overtime.	Management should review monthly overtime expenditures to identify trends, abuses or inaccuracies and make adjustments accordingly.
Overtime in excess of predetermined limits per week mandates secondary approval beyond the level of the immediate supervisor.	Overtime work in the PD beyond 18 consecutive hours requires command staff approval.	The City should develop a citywide policy, which outlines approval of overtime earned in excess of any level.
Overtime earned in excess of a pre-agreed upon level, appropriate for a specific type of OT or function, requires prior approval from the City's Human Resources Department or City Manager.	This approval process is implemented in some departments at the department level.	The City should establish pre-determined levels by function, and the relevant chain of approvals required.
All supervisory and management employees are evaluated, as part of an annual performance evaluation program, their effectiveness in managing and controlling overtime usage.		The City should include OT management as an element in annual performance evaluations when it is within the employee's control.

Best Management Practice	Strengths	Opportunities for Improvement
The City authorizes overtime for only vital service demands; otherwise alternative approaches to performing the service are used.	Overtime is authorized for such areas as minimum staffing coverage, emergency call-outs, mandated coverage, etc. Vital services are based on the City's interpreted service philosophy yet there is no formal consensus on vital versus non-vital areas for the City.	The City should evaluate the types of non-vital OT being used and consider potential changes in current practices.
OVERTIME BUDGETING & REPORTING		
Activity codes are assigned to all overtime hours worked enabling analysis of the reason for the overtime. Codes are consistent citywide and are at a level of detail for meaningful analysis to occur.	There is citywide activity codes associated with overtime costs in departmental budgets.	The City should develop activity codes detailing OT reasons / purposes that integrate into payroll systems, and which aren't onerous on staff, but that can be utilized citywide consistently across all departments.
Overtime budgets are developed at the departmental program level.	Overtime budgets are currently developed annually at the program level within Departments. Current policies dictate that budgets are centrally managed and increased by a percentage factor yearly.	Departments do not develop an overtime budget based on operational protocols. Line item budgets are used. A predetermined number is generally provided and then plugged in at the operating level. This is discussed further in the report.
Overtime amounts are budgeted seasonally to enable accurate comparisons throughout the year of actual to projected overtime.	Overtime budgets are developed annually, but are analyzed on a quarterly or monthly basis depending on the department.	The City should review OT expenditures quarterly, and evaluate the need / benefit of moving to a seasonal budgeting process.
Reimbursable overtime is charged to a separate line item enabling easy comparison of paid overtime versus reimbursed overtime.	Reimbursable overtime is charged and displayed as a separate line item, however, dependent upon when OT occurs, and the timing of the payment, offsets may appear in separate fiscal years.	
Billing and collection of reimbursable overtime is reconciled quarterly to reimbursements received.	Tracking reimbursable overtime is a source of additional revenue for the Fire Department.	It is presently unknown if this is done City-wide.

Best Management Practice	Strengths	Opportunities for Improvement
Monthly reports are prepared and reviewed regarding actual to budgeted overtime usage at the program level.	Overtime by various program categories is available at the monthly level. The PD uses Telestaff for monthly reports.	Further refinement of programmatic levels would prove beneficial.
Monthly reports highlight at least the top 5 overtime drivers per department and the top 10 employees earning overtime.	Annual overtime reports by the Police Department highlight the top overtime drivers for the department.	The City should develop a mechanism to evaluate the top drivers of OT by department.
Quarterly reports of overtime expenditures are compared to budget, with justifications for significant deviation provided to the City Council for informational purposes.	Data is available monthly or quarterly on request.	Significant deviations on a quarterly basis do not automatically trigger a City Council or Executive information report. This should be rectified.
Authorization is documented and kept current for all compensatory time approved for exempt employees. Authorization is reviewed no less than quarterly for continued need and compliance with conditions of approval.	MOU agreements dictate that there should be documentation for all compensatory time that is approved for exempt employees. Overtime must be approved in advance by the City Manager.	
PERSONNEL PRACTICES		
Flex time is utilized, where appropriate, to address staffing needs outside of normal work hours to limit the amount of overtime expended.	Where available and beneficial, flexible scheduling is utilized (e.g. minimum staffing at treatment plants is on a modified work schedule to limit the amount of overtime needed to maintain minimum staffing levels). However, flex time is an MOU issue.	
Authorization for exempt employees earning overtime (or compensatory time) is limited to those individuals that are either: <ul style="list-style-type: none"> Fully assuming the duties of a non-exempt position on a temporary basis; Performing special projects that require significant hours in excess of what would be reasonable for a short, defined period of time. 	Authorization for exempt employees earning overtime must be approved by the City Manager. There are currently no limitations specified regarding the reasons or purpose for that overtime.	

Best Management Practice	Strengths	Opportunities for Improvement
Compensatory Time Off (CTO) accrued must be utilized in some fashion within a reasonable time period (e.g., one year). It may not remain "on the books" for unlimited time periods.	Examples exist at department-level of CTO must be cashed out once a year in November for Police department employees. Citywide employees are allowed (as opposed to directed) to cash out up to 50% of accrued Comp Time off annually. Restrictions exist with regard to CTO banks.	The City should establish consistent restrictions regarding compensatory time off that must either be used or cashed out within a reasonable/specified period of time, along with taking into account current MOU agreements. This should take into consideration maximum accruals and maximum caps.
City policies regarding the accrual of compensatory time retain the right of the City to pay out compensatory time at any point.	The current City policy has outlined that the City may pay out compensatory time once a year on the November 15 th paycheck up to one-half of the compensatory time that is accrued by the employee.	
Compensatory time balances are reviewed annually for all employees.	Departmental managers periodically informally review compensatory time balances, especially if there are significant deviations from budgeted time balances.	The City should establish citywide policies addressing compensatory balance monitoring that ensures departmental managers and division supervisors monitor balances on an annual basis.
Time absent from work due to scheduled or unscheduled leave is not counted as hours worked for calculation of overtime payments due that week in accordance with FLSA provisions.	Time absent from work counted as hours worked has been an established practice for years in almost all California governmental agencies.	The City should review departmental policies concerning how time absent from work is counted as hours worked for calculation of overtime and ensure compliance with FLSA provisions.

Based on the preceding comparison of Vacaville's current overtime and related compensatory time usage and controls to the Best Management Practices, principal issue areas that help frame further department analysis include:

- The need for consistent citywide policies relating to the use and control of overtime and compensatory time.
- The need for better information and reports about the amounts and causes of overtime by Department.

- The need to universally reconcile overtime budgets with actual overtime expenditures on a more frequent basis to better manage overtime expenses and costs.
- The need to develop standardized activity codes to better track different types of overtime throughout the City.

These issues, and others, are explored subsequently together with recommendations for improvement now (where policy development and management controls can have impacts) and in the future (through negotiations of collective bargaining agreements).

II. OVERTIME REPORT – PART II

The second part of the report, following, provides information for each of the four departments relative to overtime findings, conclusions and recommendations. These departments are Police, Fire, Utilities, and Public Works. Because the overall magnitude of expenditures of overtime is different in the departments, particularly with respect to public safety versus their department counterparts, different emphasis is placed within the chapters and different analysis focused upon various types of findings. Not only does this avoid redundancy of information throughout all chapters (making for a more interesting read) but it demonstrates a commitment to explore different overtime characteristics based upon a variety of analytical techniques that can be adopted by the City to replicate this study in the future.

4. POLICE DEPARTMENT OVERTIME REVIEW

The Vacaville Police Department (VPD) provides a wide-range of public safety services to the community framed by a set of six core principles¹¹. These services include: A Field Operation Bureau consisting of two divisions of Patrol deployed in teams on three shifts to include augmenting services within the Traffic Section, Crime Free Housing, Crime Prevention, and Youth Services Section; and one division of Support Services including Communications (dispatch) for Police and Fire, Records, and the Volunteer / Crossing Guard Programs. One Investigative Services Division composed of six (6) units/sections including Investigative Services, Narcotics Enforcement, Property and Evidence, Crime Suppression, Crime Analysis, and the FIRST (Family Investigative Response and Services Team) Special Victims operation. The following chapter explores the utilization of overtime, a review of current policies and operational issues, and outlines recommendations for improvement. This includes various chapter sections consistent with the task requirements described in the project's Scope of Work.

1. HISTORICAL TRENDS IN POLICE DEPARTMENT OVERTIME.

Overtime within the VPD has both grown and exceeded the overtime budget historically for the past decade. Since FY 2004/05 the overtime expenditures trend for VPD have exceeded the budget by an average of 88.6% per year¹²; this has included

¹¹ As noted in the Chief's Message on the VPD website: Fidelity to the Public Trust, Honesty, Integrity, Fairness, Humility, Respect for Individual Dignity.

¹² This percentage slightly adjusted based on excluding one-time several million dollar family services budget in the PD in FY 2013/14. This Family Services exclusion is carried forward in all data analysis in this chapter as it represents a data outlier.

the offset from any reimbursements. Exceedances have been trending upward since FY 2008/09.

Actual and budgeted expenditures relating to overtime costs were collected in order to analyze historical use of overtime. The project team utilized budgeted and actual expenditure information from the past six fiscal years. The following table details the budgeted and actual expenditures for VPD as well as the overtime components that take into account any reimbursement offset.

Fiscal Year	Department		Overtime	
	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>
08/09	\$27,560,937	\$27,885,197	\$611,113	\$853,196
09/10	\$27,240,156	\$27,228,253	\$515,801	\$793,774
10/11	\$26,633,539	\$26,766,067	\$533,853	\$980,718
11/12	\$25,589,790	\$26,539,060	\$533,853	\$1,055,927
12/13	\$26,974,085	\$25,981,908	\$533,853	\$1,136,108
13/14	\$24,153,202	\$24,783,121	\$541,861	\$1,400,724

The table above shows that VPD suffered a sporadic but overall decline in approved budget from FY 2008/09 to FY 2013/14 representing an approximate 12% reduction in six years. Additionally, the overtime budget decreased significantly reflecting an 11% decrease over the past six years. These budgetary and line item decreases were a direct outcome of the serious national economic recession experienced during this period of time, and as such the City and bargaining groups were required to make various concessions to address declining revenues while maintaining customer service.

A review of the overtime budget in the table illustrates two curiosities that become clearer in the context of further details: 1) In an agency with a declining budget that operates a large portion of their staff on minimum staffing level requirements (e.g. public safety, factory assembly lines, etc.), one would expect budgeted overtime to

actually rise as opposed to remain stagnant or decline; 2) The overtime budget in FY 2010/11 to FY 2012/13 is exactly the same reflecting an inability, largely due to budgetary constraints, to develop an overtime budget predominantly influenced by actual usage patterns or other core operational considerations.

The alternative to increasing the overtime budget, however, particularly during economically lean times, was to make budgetary cuts elsewhere, whether in staffing levels or other means. The City's philosophical approach has been to manage to a department's "bottom-line" budget. As such, each budgetary line item's savings or expenses should not be over-emphasized, including the overtime line item.

As noted, overtime budgets/and expenses typically trend upward in an environment of minimum staffing level requirements. Beyond the reasons noted above for overtime remaining fixed, other factors contributed to this. During the negotiation process concessions were made in various areas, one of which was overtime. By example, in the 6/1/09-6/30/11 period the Vacaville Police Officers Association (VPOA) and City agreed to various reductions-- such as staffing and overtime-- in exchange for other conditions such as a wage increase and additional floating days off. The agreed upon overtime reduction of \$120,000 never materialized¹³ as a consequence of various operational experiences discussed subsequently.

The actual overtime expended, as noted earlier, reflects significant and upward trending overages ranging from an approximate 40% overage in FY 2008/09 to a 180% overage in FY 2013/14. Despite these substantial overages, VPD was able to

¹³ Overtime remained over budget in both FY 2010 and FY 2011 although actual overtime expenditures declined from \$853K to \$794K in FY 2010 then rebounding to \$981K in FY 2011.

remain within budget three of six years with an average overall budget exceedance for the three overage years of 2.5%.

In FY 2009/10 the actual overtime expended over the previous year was less, although not within the budgeted amount. This was achieved through careful examination of staffing shortages and shifting schedules in order to reduce overtime. Detectives in specialized investigative Units were temporarily reassigned to Patrol. In the years that followed, staffing levels were reduced even further, causing actual overtime expenditures to climb as the Department avoided disbanding the specialized investigative Units that provided critical support to the community. Additionally, The City of Vacaville was fortunate in that there were no critical events in calendar 2009 which generally require a significant amount of overtime as seen in other years.

With respect to more detailed analysis, the project team analyzed overtime costs over the most recent three years in the context of salary expenditures. The following table presents a comparison of salary costs and overtime expenditures for VPD.

Fiscal Year	Actual Expenditures		% of Overtime to Salary Costs
	Salary	Overtime*	
11/12	\$14,426,390	\$1,054,306	7.31%
12/13	\$14,301,526	\$1,136,108	7.94%
13/14	\$15,556,121	\$1,400,724	9.00%

*Actual Overtime Expenditures include Offset Expenditures.

The VPD's salary expenditures increased by approximately 8% from FY 2011/12 to FY 2013/14 while overtime expenditures increased by over 33% during the same time period. This is an interesting outcome that points to various causes for police overtime than just a direct nexus to changes in salary/positions. As such, there may be opportunities for different methods to manage overtime as discussed in the following sections.

The average proportion of overtime use compared to salaries over the last three fiscal years is approximately 8%. When juxtaposed against comparative survey respondents, as discussed in the following section of this chapter, this ranks favorably as those agencies reporting overtime information averaged 11% of total salary expenditures. Indeed, in the broader context of public safety overtime nationally, VPD's overall overtime expenditures are not particularly alarming. According to 1998 report by the *National Institute of Justice*, less than 6% of state and local police forces' total department budgets were composed of overtime¹⁴. Over 15 years later, proportional overtime expenses in public safety continue to rise, yet VPD's overtime-to-total budget of 4.4% over the last three years compared to NIJ's aged figure remains favorable. Moreover, and anecdotally, based on our firm's experience, the VPD overtime proportions, in total, are not a startling figure regardless of overtime expense trends, which do illustrate consistent increases.

2. COMPARATIVE SURVEY ANALYSIS.

The Matrix Consulting Group conducted a comparative survey of overtime practice for Police Departments in similar local government agencies. The cities chosen for the survey were selected by City Management and Department heads for their similar to Vacaville, taking into account size, organization and location within Northern California. The group includes: Santa Rosa, Petaluma, Napa, Fairfield, Concord, and Roseville. The information for the comparative survey has been developed by a combination of contacts made within these outside agencies, as well as through online research conducted by the project team. The following sections outline the results of this process for the Police Department.

¹⁴ USDOJ National Institute of Justice Research in Brief, May 1998 pg. 1

(2.1) Expenditures and Staffing

The following table presents an overview of the expenditures for salary and overtime and the full-time and part-time or vacant staffing for Police Departments for the jurisdictions surveyed:

City	FY 12-13 Salary Expenditures	FY 12-13 Overtime Expenditures	OT as % of Salary	FY 12-13 Staffing	FY 12-13 Part-time	FY 12-13 Vacant Positions
Santa Rosa	\$24,344,814	\$3,851,625	16%	246.75	0.75	16.50
Petaluma	\$9,054,887	\$588,746	7%	81.5	N / A	25
Napa	\$12,443,934	\$1,452,590	12%	128.53	8.53	15
Fairfield	\$16,353,000	\$1,793,316	11%	188.3	13	2
Concord	\$19,006,976	\$1,601,459	8%	205	10	5
Roseville	\$25,847,152 (Includes Benefits)	\$1,337,279	N / A	204.73	3	9
Vacaville	\$14,301,526	\$1,211,558 ¹⁵	8%	167	7	10

- Among the cities surveyed (excluding Vacaville and Concord) on average overtime expenditures comprised approximately 11% of total salary expenditures. Additionally, the median for jurisdictions surveyed is also 11%. Currently, Vacaville's Police Department overtime to salary expenses at 8% is below the average and the median.
- Vacaville is slightly below the average of overtime expenses for the total police departments.
- Vacaville is slightly below staffing and number of vacant positions compared to the other cities surveyed.

The comparative survey indicates that while overtime expenses account for nearly 8% of total salary expenses, this is far below the average for Police Departments in other jurisdictions. Some of this overtime can be connected to police vacancies, as

¹⁵ Because other municipalities were unclear with respect to reporting offset reimbursements, the total overtime cost is used.

the table indicates that cities with larger number of vacancies have proportionately higher overtime costs.

(2) Policies

The following table discusses some of the policies related to overtime such as types of overtime, accrual of overtime benefits, and compensatory time off (CTO) limits for the cities surveyed:

City	Types of Overtime	Accrual of OT Benefits	CTO Cap (Hrs)
Santa Rosa	Callback, Standby	Paid Overtime, CTO	100
Petaluma	Off-duty Training, Education, Callback, Standby	Paid Overtime, CTO	240
Napa	Callbacks	Paid Overtime, CTO, Cash out 2x a year	100
Fairfield	Canine Off duty Work, Callbacks	Paid Overtime, CTO	240
Concord	Callbacks	Paid Overtime, CTO	170
Roseville	Callbacks, Standby, Education & Training	Paid Overtime, CTO, Cash out of CTO when leaving the City.	480 hrs for Sworn and 240hrs for Non-Sworn employees
Vacaville	Callbacks, Standby, Education & Training	Paid Overtime, CTO, Cash out once a year	100

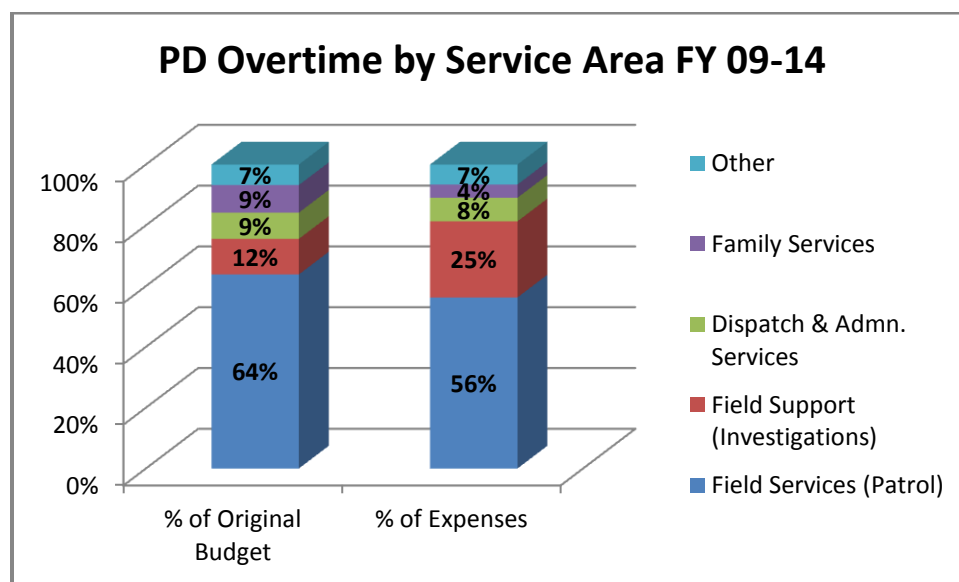
- Other than Vacaville, only two other jurisdictions allow the cashing out of compensatory Time. However, of those two other cities, one of those cities only allows the cash out option when the employee leaves the City.
- While similar to Napa and Santa Rosa in its limitation of compensatory time accrued, Vacaville is below the average limit, which is approximately 204 hours.
- The majority of jurisdictions utilize the same types of overtime – callbacks, standby responses; however certain jurisdictions similar to Vacaville, such as Petaluma and Roseville also allow accrual of compensatory time for off duty training.

As the table above indicates, the cities have similar policies governing the accrual of overtime benefits and the limitations to the compensatory hours. Cities have

tried to use a variety of strategies to help limit overtime. For example, Petaluma used realigned patrol shift schedules in an effort to meet both service demands of the city but also reduce overtime costs. In regards to callback hours, Vacaville is similar to other jurisdictions in setting the callback minimum for Police employees at 2 hours, with the average being 2.75 hours.

3. CAUSES AND IMPACTS OF OVERTIME IN THE POLICE DEPARTMENT.

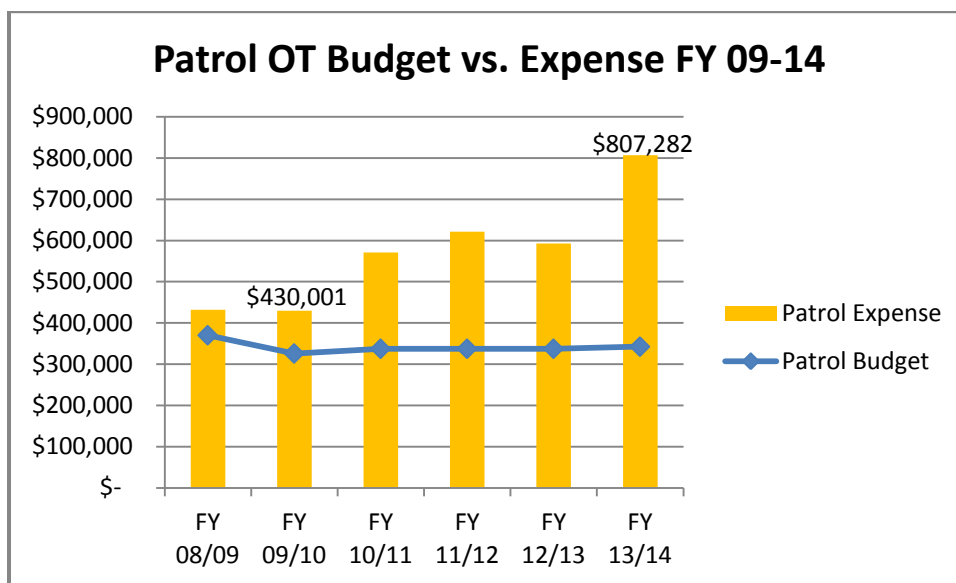
In order to evaluate the causes of overtime in the Vacaville Police Department, an analysis of different data sets related to overtime can prove enlightening. The VPD has budgeted and expended overtime by different operational areas. The following stacked bar graph shows the proportion of overtime budgeted and expended over the past six years by these police operational areas¹⁶.



The chart demonstrates that relative to budgeting, actual expenditures in VPD operational areas were somewhat different, particularly with respect to field support service that is largely composed of Investigations.

¹⁶ Operational areas for all departments are described in greater detail in the profile section of the appendix.

A further refining of the data by key VPD operational areas shows the order of magnitude for overtime budgetary overages.

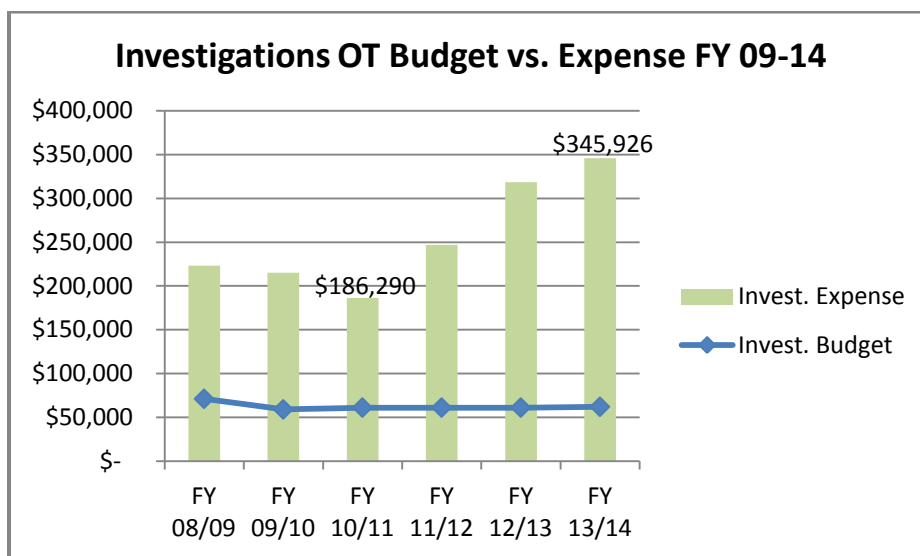


As shown by the graph above, overtime expenses in patrol showed a definitive increase over the past six years, nearly doubling in expenditures despite a “flat” overtime budget year-over-year. In fact, in FY 2013/14 the overtime expenditure was more than twice the budgeted amount. As discussed later in this chapter, overtime expense was influence in no small part from changes in staffing ranging from frozen positions to a reduction in patrol staffing of approximately 10 positions during the last three year period.

As shown, despite historical trends showing overtime expenses increasing, the actual budget did not reflect a similar pattern. As noted earlier in the chapter there are clear reasons for a relatively “flat” overtime budget in VPD; nevertheless overtime becomes an increasingly important management tool in a resource-restricted environment and as such requires particularly due diligence with respect to both initial budgeting and expense management. If overtime budgets and expenses do not trend

similarly (assuming a department's management, supervisory and analytical staff are performing due diligence with respect to budgetary controls at both the line item detail and overall), then this impacts the ability of department staff to manage that overtime line item.

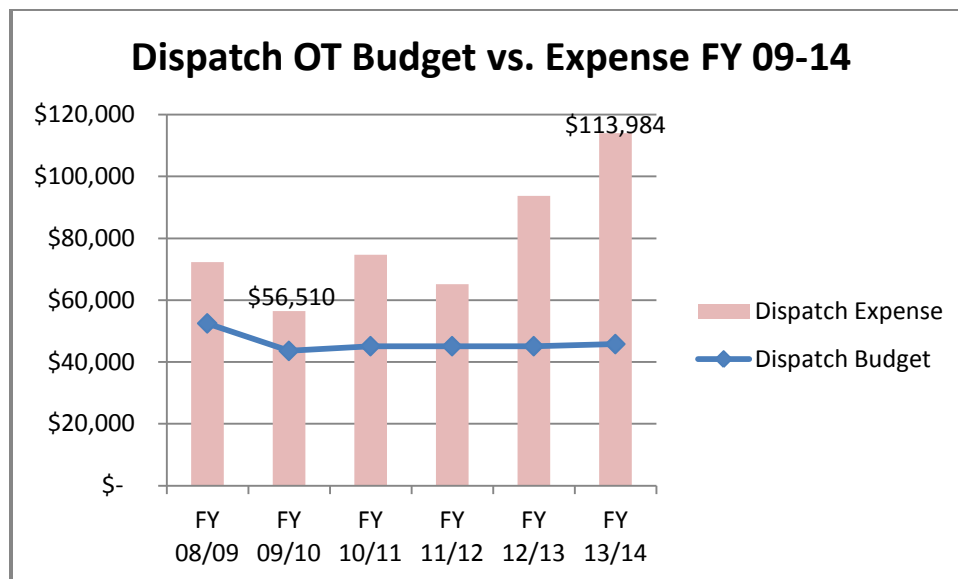
The graph, below, shows VPD data for field support (investigations) operations for the six year period.



As shown by the graph above, overtime expenses in investigations also showed a definitive increase over the past six years with a “flat” overtime budget year-over-year. Beyond this, the difference between the budget and the expenses continued to increase with the order of magnitude actually exceeding patrol overtime. This potentially indicates even more difficulty controlling overtime in this VPD operation relative to patrol and an area deserving some scrutiny. A few key elements of the way overtime is used in VPD overall provides some further explanation. Overtime is not budgeted for at the operational Unit level. It is proportionally allocated based upon the amount of funds received generally irrespective of overtime use experience. Secondly, overtime tracking and coding continues to undergo revision and improvement. By example, investigations

personnel working Patrol would still be charged to the Investigations overtime budget. Thirdly, reorganization of VPD from five divisions to three divisions had some impact on where overtime was actually captured.

The graph, which follows, shows VPD data for administrative services which is largely composed of dispatch operations overtime.



The graph shows similar characteristics to the patrol graphic with respect to increasing overtime expenses relative to budget and proportions above the original overtime budget. Dispatch overtime costs, however, are appreciably below patrol and meaningfully below investigations.

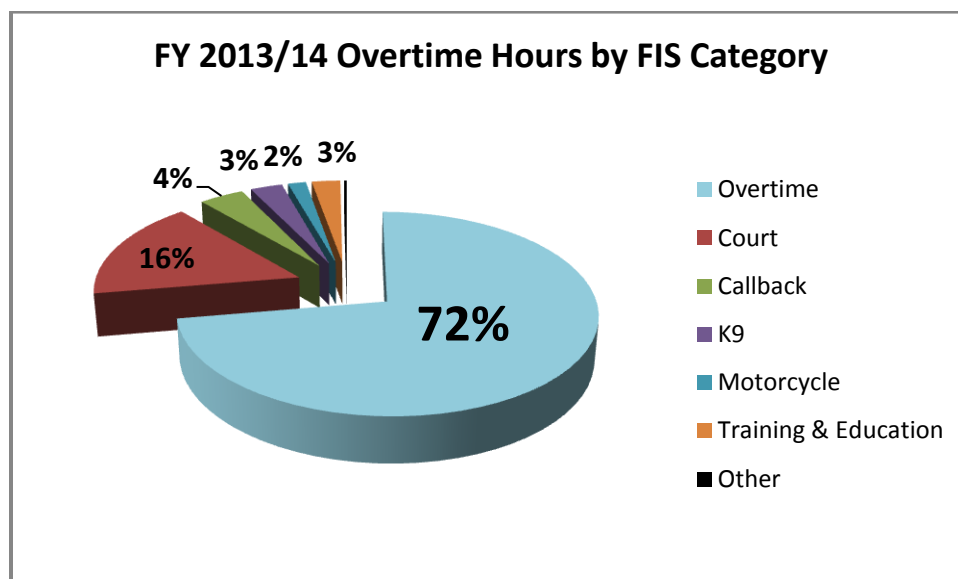
These three operational service areas in VPD represent almost 90% of the overtime expenditure budget for the police department over the last six years. As such, these areas will be the focus of additional attention.

(3.1) Major Overtime Categories

The VPD has access to overtime data from two different sources—the City’s financial information system (FIS) and their internal Telestaff system. City staff

(excluding VPD personnel) does not have real-time access to the latter Telestaff information that provides more refined overtime data. This data must be specifically requested in reports if they wish more refined information.

The following pie chart reflects overtime information for FY 2013/14 based on overtime categories (coding) accomplished in the City's FIS.



The categories used have some consistency throughout all City departments and are unique to VPD in some instances. The categories as shown in the pie above include:

- **Overtime:** Represents time worked in excess of an employee's regular workday or workweek; typically an extension of a shift, staffing shortage coverage, or various events coverage.
- **Court:** Represents time called into court "off-shift" for testifying or other similar service. Given there is a minimum amount of overtime pay to be available for court, this may not reflect actual attendance.
- **Callback:** Represents time associated with an employee being called back to work after the employee's regular work hours, or on a day when the employee is not scheduled to work.

- **K9:** Police dog care amounts to twenty minutes per day seven days a week. This amount is a good faith estimate, intended to be comprehensive, accurate and inclusive of all pertinent facts and is paid at time-and-one-half.
- **Motorcycle:** Off-duty compensable working time attributable to all ordinary aspects of motorcycle care (including without limitation minor maintenance and inspection, monthly washing and waxing, daily cleaning, storage, and delivery to service and repair facilities) by employees assigned to duty as motorcycle officers amounts to twenty minutes per day four days in a seven day week. This is paid at time-and-one-half.
- **Training & Education:** Represents time associated with employee education or training which takes place outside of or in excess of an employee's regular workday or workweek.
- **Other:** Represents an infinitesimal amount of time attributed to a handful of sub-categories.

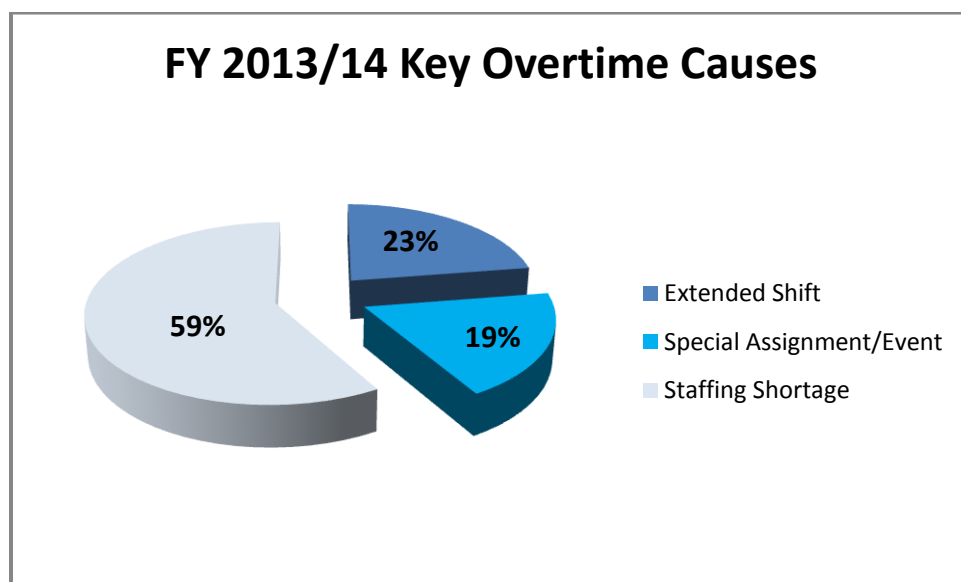
The above categories are partially informative as the noted details are relatively descriptive. However, with regard to the category "overtime" there is very little information in FIS to understand what causes this overtime for nearly three-quarters of overtime hours usage. As such, details would need to be provided through the Telestaff information from VPD, as further discussed below.

(3.2) Primary Causes of Overtime

In FY 2013/14 the City's FIS recorded 20,850 hours of overtime for VPD as broken down by the previous pie chart. Some of these categories cannot be relevantly impacted without changes in MOU agreements or key operational protocols such as Court, K9 or motorcycle pay, or changes in training and education approaches. The latter three categories represent only 8% of overtime expenditures while court represents double this proportion at 16%. In the project team's experience very few public safety agencies wish to reduce court time as it potentially reflects a decrease in public safety as court appearances reflect infractions and arrests executed by the law

enforcement agency. Having said this, there are potential reduction opportunities in law enforcement court time through revised court administrative processes which requires coordination with the courts, judges, and various attorney offices. In effect, this reduces the requirement of an officer(s) to be at court through changes in protocol. Studying these administrative approaches, however, is beyond the scope of this report.

The core issue for VPD overtime is reaching an understanding of what the FIS “overtime” category represents (72% of all overtime hours). This requires an examination of Telestaff and other information provided directly from VPD. Based on this information, the vast majority of the “overtime” category is composed of three sub-categories defined as **Extended Shift**, **Special Assignments/Events**, and **Staffing Shortages**. These three areas are proportionally shown in the pie chart below.

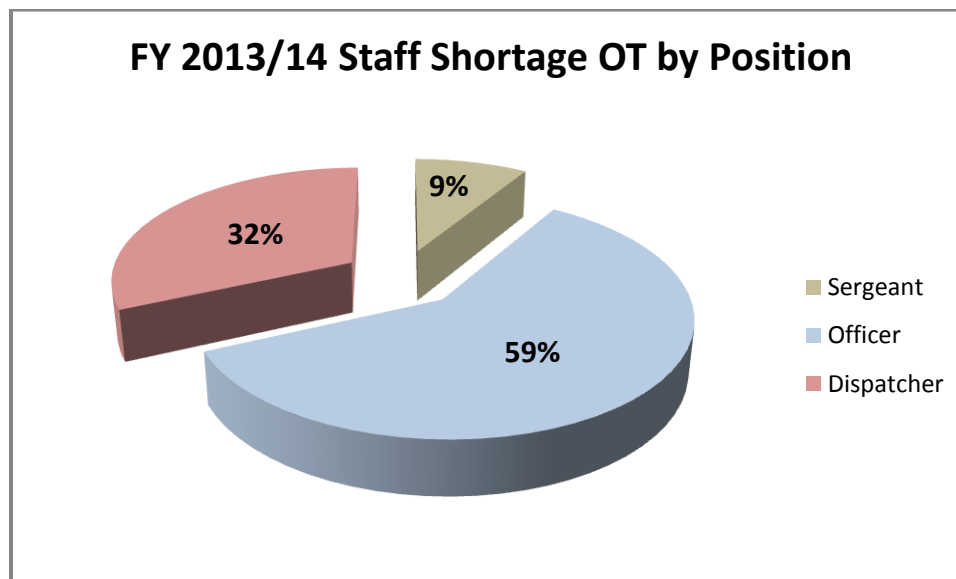


As shown in the pie chart above, these three causes are very important for understanding overtime expenditures in VPD. Further details with regard to these areas include:

- **Extended Shift:** This category represents VPD staff staying beyond their normal shift for a variety of reasons. This can include providing coverage due to

unplanned absence call-ins (e.g. covering a sick call-in), and performing additional required work beyond the shift period (e.g. report writing). By example, in FY 2013/14 over 800 overtime hours were dedicated to report writing beyond shift.¹⁷ What is potentially problematic about extended shift overtime is the possible impact on health and safety of staff. Given nearly all staff, excluding some administrative assignments, works 10 and 12-hour shifts, as discussed in the first chapter, extended shifts carry additional risk and opportunity for error.

- **Special Assignment/Event:** Special assignments and events can cover a variety of possibilities ranging from overtime deployment to such events as Creekwalk and Fiesta Days¹⁸ to special assignments such as targeted proactive patrol, narcotics buy-busts, etc. Some special assignments/events are reimbursed for costs, although the pie chart reflects actual hours expended in these areas.
- **Staffing Shortage:** The largest cause of overtime in VPD is related to staffing shortages. Essentially these are personnel back-fills to meet minimum staffing requirements in patrol (which presently range from 5-11 officers dependent upon time of day), dispatch, etc. By example, officer overtime hours expended in this category were equivalent to the salary of over six full-time positions. Coverage was required by the following position types as shown in the pie chart below.



The chart shows that staffing shortages, primarily in (patrol) officers and dispatchers is a key overtime component and have significantly impacted the patrol and dispatcher bar charts shown earlier in this chapter (the latter more so than the former). Furthermore, this reflects even periodic minimum staffing level shortages at the supervisory level.

¹⁷ This excludes 247 hours of compensatory time earned instead of overtime pay which will not be included in any of the noted graphs/tables but will be discussed throughout the chapter.

¹⁸ These two events accounted for \$83,766 in FY 2013/14—over 6% of the overtime budget.

A fourth cause of overtime worth mentioning that does not easily reconcile with prior categories given the variety of data sources used, is ***Investigative Late Calls***. These are calls to detectives to come in the field beyond normal working hours to support the investigations of major crimes. These reflected over 1,563 overtime hours earned in FY 2013/14 and 261 hours of compensatory time earned. As such, this category has a notable impact on the investigations overtime expenses as noted in the previous bar graph, exceeding \$130,000 for this category alone.

(3.3) Review Of MOU Provisions Impacting Overtime Controls.

In the non public-safety chapters discussed later in this report, several details with respect to MOU information are provided. Furthermore, best practices related to overtime in MOUs, etc. have been detailed in an earlier chapter. While the project team performed a review of MOUs in public safety, providing the same level of informational detail is deemphasized in our public safety chapters to avoid redundancy and focus on other overtime elements.

Nevertheless, the following areas are highlighted for consideration relative to particular strengths and potential opportunities for exploration in the *Police Officers Association* and *Police Managers Group* MOUs related to specific categories. Many of these observations are based on our firm's decades of experience with hundreds of law enforcement agencies.

- With regard to motorcycle and K9 overtime payments, the latter is common practice throughout the nation while the former is significantly less so (MOU Section 15.1; 15.2).
- Capping of Compensatory Time off (CTO) level at 100 hours should be considered a progressive practice (MOU Section 4)

- Conversely, not requiring staff to take CTO prior to vacation is not considered a best practice despite its relatively widespread negotiated agreement by public safety agencies in California (MOU Section 4).
- Consideration should be given to disallowing CTO as an overtime payment option. The existing MOU states, “Nothing in this MOU precludes the right of the Chief to designate any and all overtime opportunities as “cash only” opportunities. By example, VPD officers earned 1,553 compensatory time hours in FY 2013/14. As is common knowledge, earnings and use of CTO by one staff member can lead to the overtime earnings of another staff member, despite intended internal controls to the contrary (MOU Section 6).
- Court overtime of a minimum of four (4) hours irrespective of the actual time spent is at the higher end of the national scale for such minimums and could be revisited (MOU Section 6).

In sum, there is nothing particularly remarkable in VPD’s MOU language that allows for dramatic changes in overtime usage if MOU terms and conditions were adjusted.

Recommendation: The Police Department has limited opportunity to alter MOU language to significantly change overtime expenditures. However, there are some best practice approaches and other opportunities noted in the report that could prove marginally beneficial to the City if implemented.

4. OPPORTUNITIES FOR IMPROVEMENT IN THE POLICE DEPARTMENT.

Given the relatively marginal overtime expenses of non-public safety departments compared to their police and fire counterparts, the opportunities for improvement in the Public Works and Utilities areas is focused on improved policies, internal controls, budgeting and reporting. While these areas are important in police services (and in many instances recommendations in those chapters can be applied to public safety) they do not reflect the core areas for possible improvement opportunities.

As introduced in this report, there are key elements that drive overtime use. The project team’s analysis demonstrates that a large portion of VPD overtime falls in key areas. These are summarized below in the context of the first chapter’s information.

(1) To Provide Baseline Staff to Meet Work Demands.

As noted previously, the largest single overtime expenditure is related to what VPD classifies as staffing shortages. These shortages were noted in officer, dispatcher and supervisory ranks. In public safety, particularly law enforcement, these staffing shortages are related to predetermined minimum staffing levels in various operational sections of the police department (e.g. patrol).

Determining the full nature of overtime requirements related to purported staffing shortages would require a staffing study of those functions that have minimum staffing requirements that overtime is used to meet. This includes field services (patrol) and dispatch operations. An internal patrol staffing study was conducted in 2012 and dispatch services are currently under review. While a comprehensive staffing study is beyond the scope of this engagement, accomplishing such a study brings several benefits beyond determining overtime and better managing this cost area. Such a study could help identify minimum staffing needs based on proactive time requirements, response time requirements, etc. Some of these lend themselves well to internal staff studies, such as the Association of *Public Safety Communications Officials (APCO)* Project RETAINS which provides information on determining dispatcher staffing needs. Other staff modeling, such as for patrol, requires more in-depth analysis and consideration of multiple variables that would take City staff an extended period of time or could be accomplished through other means (University volunteerism, Blue Ribbon Committee, etc.).

In light of this information, improvement opportunities related to overtime staffing shortage expenses is not practical in the absence of additional data.

Recommendation: Perform staffing/operational studies of field services and dispatch either internally, through volunteer efforts, or through additional consulting services, to definitively determine staffing needs based on such metrics as proactive time, response time, Erlang-C modeling, etc. This will help determine opportunities to control staffing shortage overtime costs.

(2) To Address Variations and Fluctuations in Baseline Staff.

This overtime area largely reflective of the “Extended Shift” category is for coverage of absenteeism, etc. Our review of such overtime coverage does not identify anything particularly disquieting, but there is one area of note. By example, in FY 2013/14 approximately 1050 hours of overtime were expended in sick leave coverage. Interestingly, the proportion of sick leave coverage in dispatch was approximately equal to that of officers, which is a much larger staff contingent in VPD. As such, overtime may be a symptom of possible sick leave issues in dispatch that are worthy of further consideration and internal study.

Recommendation: Based on the overtime analysis, determine if there are sick leave usage issues in Dispatch—a possible symptom of overtime use.

(3) To Address Actual or Potential Fluctuating Workload.

This area reflects overtime in VPD such as court, investigative late calls or certain kinds of report writing. A reduction in court overtime has been discussed previously and is generally not practical without considerable effort based upon cooperation of multiple entities. Furthermore, as noted earlier in the chapter, the 4-hour court minimum overtime payment is generous relative to national ranges and will not change unless renegotiated. Investigative late calls at 1,563 hours is relatively significant for a police department the size of Vacaville, but in the absence of an operational study of investigative services, can only be highlighted though not judged. Most report writing is done because of deadlines (suspect in custody) and only a very

small percentage (128 overtime hours and 12 hours CTO in FY 2013/14) was approved because workload exceeded capacity. In sum, fluctuating workloads that impact VPD overtime are marginal, but could be further explored through additional operational assessments to determine if there are overtime reduction opportunities through modifications in current business practices.

Recommendation: Review Investigative Services operational protocols for late calls to ensure this approach is consistent with best practice in police investigations.

Recommendation: Continue to coordinate with the courts, DA Office, City Attorney and Public Defender to determine administrative processes that can be explored to reduce the number of officers and time required in court, much of which occurs on overtime.

(4) To Address Short-term but Recurring Tasks.

VPD uses this appropriately for special annual events such as the aforementioned Creekwalk and Fiesta Days. The overtime expenditure just for these two events approximated 6% of the FY 2013/14 budget. It is not practical to eliminate overtime for these efforts unless the City wishes to forego such annual events.

Recommendation: Continue staffing one-time events requiring police services with overtime.

(5) To Complete Work that has a Deadline.

Only a small proportion of work at VPD has a deadline that requires overtime work. These include such things as report writing for critical reports or those reports with a suspect in custody. Overtime and compensatory hours dedicated to these kinds of efforts represented just over 800 hours in overtime and CTO in FY 2013/14. This is an average of slightly more than two hours per 24-hour day for these kinds of tasks and is reflective of nothing deserving additional scrutiny.

Recommendation: Continue to use minimal overtime, as necessary, for meeting critical internal/City deadlines.

5. COST EFFECTIVENESS OF POLICE OVERTIME.

The issue of cost effectiveness of police overtime in the context of prior information is straightforward—with an average of 54 hours per week per person or 728 hours of overtime per person per annum considered a “break-even” benchmark prior to hiring more staff based exclusively on cost, VPD has a very long way to go before overtime is no longer considered a “cost effective” alternative. With 56 officers (at the time of this report) deployed in the Patrol Divisions alone, the existing department-wide overtime budget still remains well below the fiscal “break-even” point.

The real issues surround what is the proper level of overtime expenditure given the numerous variables that impact public safety. This risk assessment which incorporates health considerations, field safety, customer service, efficiency and effectiveness is driven by policy decisions, culture of an agency, operational considerations, and (should include) employee desires. By example, in FY 2013/14 one officer earned 662 hours of overtime (this was not a motorcycle or K9 assignment with automatic overtime payment) while a dispatcher position acquired 480 hours. Both of these overtime hours fall under the “cost effective” annual benchmark for overtime but at issue is what is the risk these staff are incurring for themselves and the department? As a reminder, scientific evidence suggests that accidents, traumatic incidents, alertness and sleep patterns are impacted after 10 hours in a single shift with a 37% increase in hazard events after 12 hours work per day. Furthermore, working 50 hours per week or above has a negative cognitive effect on productivity and reasoning. With

each of these exemplified staff members normally deployed to 10 and 12-hour shifts exclusive of any overtime, what is the risk an organization is willing to incur?

Given the numerous variables involved in determining overtime benefits and disadvantages, there is no one right answer. An optimal guiding principle however, that is recommended is no more than 50 hours per week total work (10 hours of overtime) per person and no more than 15 hours per day with no consecutive overtime days. This guideline should be further refined internally at the City, with a policy decision facilitated among key department executives, the Human Resources Department, City Manager's Office and Council. A maximum overtime use per person guideline should be considered a vital few priority.

Recommendation: To ensure cost-effective as well as efficient and healthful uses of overtime, the maximum overtime allowed per person should be 10 hours weekly with no more than 5 hours per shift with consecutive overtime shifts disallowed (excluding the fire department).

Recommendation: Based on the City's own risk assessment, devise a city-wide policy on maximum overtime allowed per person, per week, framing the decision on the prior recommendation being the maximum allowable limits.

6. APPROPRIATE BUDGET LEVELS IN THE POLICE DEPARTMENT.

As shown previously, the VPD has been unable to meet its overtime budget estimates for over a decade. This problem continues to be further exacerbated nearly every year. A fundamental issue, however, as noted earlier in this report on several occasions, is that there is no relevance to the overtime amount budgeted in comparison to operational needs. For three years the overtime budget was the same. And, the overtime budget has not changed dramatically over the last several years. It is not possible to effectively manage a budget line item if it is not predicated on any operational realities.

Given the data, and in the absence of further study as recommended in this report, the appropriate overtime budget should generally mirror historical expenditure patterns based on the prior three years. This, however, serves as a baseline for estimate. The overtime budget should be proposed based upon a zero-base budgeting exercise whereby overtime is requested and rolled-up based on the aforementioned categories. This will ensure justification for the overtime budget and allow executives and political leadership to hold department-heads accountable for their overtime budget. Basing an overtime budget on the reality of warranted overtime expenses as opposed to “plug-numbers” should be considered a best practice.

Recommendation: It is considered a best management practice to project budgets, based on operational and other data, within 5% of actual costs. The Police Department should revise projections and budgets to meet this benchmark.

Recommendation: Begin overtime budget projections based on the prior three years’ overtime expenditure history. Develop a zero-based budget approach to justifying an overtime budget.

7. CONCLUSION

A variety of data has been presented in this chapter. However, key findings and conclusions of importance include, but are not limited to:

- Based on comparative data from peer agencies the VPD compares favorably. The average proportion of overtime use compared to salaries over the last three fiscal years in VPD is approximately 8%. When juxtaposed against comparative survey respondents, as discussed in the chapter, this ranks favorably as those agencies reporting overtime averaged 11% of total salary expenditures. Of perhaps additional interest, in 2006 a similar study performed for an eastern seaboard community indicated that in their comparative survey of 8 municipalities the average overtime-to-salary ratio was also 11%.
- The largest proportion of overtime expenditures is related to the categories of staffing shortage coverage, extended shift coverage, and court. Managing overtime related to extended shifts requires a more in-depth operational study. There is nothing particularly alarming about the data in extended shift coverage

other than potential sick time coverage that should be further explored as a sick time review project. Reduction of court overtime is typically not desired but can be impacted through improved inter-agency administrative processes.

- Current overtime use is overall “cost effective” but leads to more fundamental issues deserving City discussion surrounding risk.
- Overtime budgets should be based on prior expenditure history for warranted overtime, and new overtime budgets developed on a defensible zero-based budgeting approach.

The following chapter discusses the Fire Department analysis.

5. FIRE DEPARTMENT OVERTIME REVIEW

The Vacaville Fire Department's (VFD) mission is reducing the impact of emergencies on people's lives in a competent and caring way. The VFD provides a wide-range of public safety services to the community to include: A Field Operations Division, deployed in Fire Stations 71-74¹⁹, that provides both fire suppression and emergency medical services comprised of ambulances and paramedic responders. A Support Services Division that incorporates the Fire Prevention Bureau providing public education services, inspection services, plans checking, post-incident fire investigation, and a juvenile fire-setter diversion program; as well as an administrative services section performing data analysis, clerical support and public education services. The following chapter explores the utilization of overtime, a review of current policies and operational issues, and outlines recommendations for improvement. This includes various chapter sections consistent with the task requirements described in the project's Scope of Work.

1. HISTORICAL TRENDS IN FIRE DEPARTMENT OVERTIME.

Overtime within the VFD has fluctuated dramatically over the past decade, both from a budget and expense standpoint. Since FY 2004/05 overtime expenditures for VFD have exceeded the budget by an average of 97% per year; this has included the offset from any reimbursements. Exceedances have fluctuated over that time period with some budgetary exceedance over 375% and some under budget years where expenses were 21%-32% under budget. Nevertheless, overtime expense compared to budget has averaged nearly 143% the prior two fiscal years.

¹⁹ Fire Station 75 is planned for addition in 2015.

Actual and budgeted expenditures relating to overtime costs were collected in order to analyze historical use of overtime. The project team utilized budgeted and actual expenditure information from the past six fiscal years. The following table details the budgeted and actual expenditures for VFD as well as the overtime components that take into account any reimbursement offset.

Fiscal Year	Department		Overtime	
	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>
08/09	\$17,815,208	\$17,998,742	\$805,345	\$545,215
09/10	\$16,987,994	\$17,159,726	\$443,532	\$359,696
10/11	\$16,170,422	\$16,340,064	\$459,056	\$764,981
11/12	\$16,232,467	\$17,124,974	\$459,056	\$881,136
12/13	\$17,261,418	\$17,611,445	\$459,056	\$1,233,011
13/14	\$17,725,659	\$18,491,461	\$465,942	\$1,037,761

The table above shows that VFD experienced sporadic budgetary changes but suffered only a small overall decrease from FY 2008/09 to FY 2013/14 representing an approximate 0.5% reduction in six years. Additionally, the overtime budget decreased drastically reflecting a 42% reduction in the six years. A review of the overtime budget in the table illustrates three interesting elements: 1) Unlike the police department and public works department which both experienced reasonable budgetary decreases over the six years, the fire department's budget was comparatively unaffected; 2) In an agency with a stagnant budget that operates a large portion of their staff on fixed staff based upon deploying to assigned apparatus, one would expect overtime budgets to stay largely the same as opposed to experiencing a significant decline; 3) As noted in the police chapter, the overtime budget in FY 2010/11 to FY 2012/13 is exactly the same. A review of the overtime budget in the table illustrates two curiosities that become clearer in the context of further details: 1) In an agency with a declining budget that operates a large portion of their staff on minimum staffing level requirements (e.g.

public safety, factory assembly lines, etc.), one would expect budgeted overtime to actually rise as opposed to remain stagnant or decline; 2) The overtime budget in FY 2010/11 to FY 2012/13 is exactly the same reflecting an inability, largely due to budgetary constraints, to develop an overtime budget predominantly influenced by actual usage patterns or other core operational considerations. In sum, decision-making ability is impacted with respect to the overtime line item. But as discussed in the police chapter, if overtime costs were not limited as such, other budgetary cuts would likely have been made elsewhere.

As discussed later in this chapter there are a variety of reasons for the overtime expenses exceeding budget. A portion of the contribution is overtime budgets were relatively fixed over long periods due to very difficult economic times during the national recessionary period. Furthermore, as with the police department, during the negotiation process concessions were made in various areas, one of which was overtime. The City, in exchange for certain conditions such as freezing positions, expected a \$300,000 minimum staffing savings in overtime that was, based on budget overages, never realized.

The actual overtime expended, as noted earlier, reflects a sporadic but upward trending for the six year period, first experiencing savings in FY 2009/10 and FY 2010/11 to a 123% overage in FY 2013/14. These overages were a component of the VFD being unable to meet their overall budget, exceeding their planned budget for the six year period each year.

With respect to more detailed analysis, the project team analyzed overtime costs over the most recent three years in the context of salary expenditures. The following table presents a comparison of salary costs and overtime expenditures for VFD.

Fiscal Year	Actual Expenditures		% of Overtime to Salary Costs
	Salary	Overtime*	
11/12	\$10,010,279	\$881,136	8.80%
12/13	\$10,969,250	\$1,233,011	11.24%
13/14	\$10,920,247	\$1,037,761	9.50%

*Actual Overtime Expenditures include Offset Expenditures.

The VFD's salary expenditures increased by approximately 9% from FY 2011/12 to FY 2013/14 while overtime expenditures increased by over 18% during the same time period. While there is a correlation between increases in salary and overtime it is not substantial and as such there are other reasons for changes in overtime relative to salary/positions. Consequently, there may be opportunities for different methods to manage overtime as discussed in the following sections.

Because comparative survey information for the fire department did not incorporate overtime offset revenues, an examination of overtime expense versus salary was warranted. The average proportion of overtime expense in FY 2012/13 compared to salaries was approximately 16% (unlike the table's % which includes offsets). When comparing this from data gained from the comparative survey respondents, as discussed in the following section, this ranks somewhat better as those agencies that reported overtime averaged 19% of total salary expenditures. Of potential further interest (though based on other regionalized data), overtime information acquired in a similar report performed in 2006 for an eastern seaboard community showed overtime varied widely from community to community when compared to salary. This ranged from 5% of salary to overtime representing 25% of salary costs. This

indicates that overtime, a portion of which can be reimbursed dependent upon the situation, is based on a number of operational variables consistent with response to mutual aid situations, longer term fire suppression activities (strike team²⁰), etc.

2. COMPARATIVE SURVEY ANALYSIS

The Matrix Consulting Group conducted a comparative survey of overtime practice for Fire Departments in similar local government agencies. The cities chosen for the survey were selected by City Management and Department heads for their similarity to Vacaville, taking into account size, organization and location within Northern California. The group includes: Santa Rosa, Petaluma, Napa, Fairfield, Concord, and Roseville. The information for the comparative survey has been developed by a combination of contacts made within these outside agencies, as well as through online research conducted by the project team. The following sections outline the results of this process for the Fire Department.

(2.1) Expenditures and Staffing

The table located on the following page presents an overview of the expenditures for salary and overtime and the full-time and part-time or vacant staffing for Fire Departments for the jurisdictions surveyed. It is important to note that Concord was excluded from this table as the City of Concord contracts with the Contra Costa County Fire Protection District for its services.

²⁰ Per CalFire terminology this is five engines plus a lead (Battalion) vehicle.

CITY OF VACAVILLE, CALIFORNIA
Overtime Audit Report

City	FY 12-13 Salary Expenditures	FY 12-13 Overtime Expenditures	Overtime as % of Salary	FY 12-13 Staffing	FY 12-13 Part-time	FY 12-13 Vacant Positions
Santa Rosa	\$13,841,728	\$3,833,287	28%	137.75	1.5	9.25
Petaluma	\$4,850,524	\$833,083	17%	57	NR	2
Napa	\$7,804,658	\$1,330,313	17%	65.6	2.51	NR
Fairfield	\$5,572,046	\$1,573,185	28%	63	NR	0
Roseville	\$22,555,992 (including benefits)	\$3,407,052	N / A	119.86	NR	5
Vacaville	\$10,969,250	\$1,739,872	16%	89	N / A	1

- Among the cities surveyed on average (excluding Roseville and Vacaville) overtime expenditures comprised approximately 23% of total salary expenditures. The median for overtime expenditures as a percentage of salary was 22%. Currently, Vacaville's Fire Department overtime to salary expenses at 16% (excluding offsets) is below the average and the median.
- Vacaville is significantly below the average of overtime expenses of \$2,007,997 for the fire departments surveyed.
- Vacaville's total fire staffing is at the average staffing levels for the jurisdictions surveyed.

The results of the survey indicate that while Vacaville is only slightly below in terms of overtime to salary expenditures, the total dollar value of overtime expenditures for Vacaville is significantly lower than the average dollar value of overtime. While high overtime expenditures could be correlated to the number of vacancies, as Santa Rosa has the highest number of vacancies and the largest overtime, this does not hold true for Fairfield, which has 0 vacancies, but the same proportion of overtime. This suggests that policy decisions, shift schedules, and other internal and external factors influence overtime much more than the number of vacancies.

(2.2) Policies

The table on the following page discusses some of the policies related to overtime such as types of overtime, accrual of overtime benefits, and compensatory time off (CTO) limits for the cities surveyed:

City	Types of Overtime	Accrual of OT Benefits	CTO Cap (Hrs)
Santa Rosa	Continuing Education, Callbacks,	Paid Overtime, CTO	72-100 hrs depending upon classification
Petaluma	Callback, Certification Training,	Paid Overtime, CTO	60 hrs
Napa	Callbacks, continuing education	Paid Overtime, CTO, Cashed out the end of the year	48hrs – 100hrs depending upon classification
Fairfield	Callback, Continuing Education	Paid Overtime, CTO	171hrs – 480hrs depending upon classification
Roseville	Callbacks, continuing education	Paid Overtime, CTO, cash out when leave the City	480
Vacaville	Callbacks, continuing education	Paid Overtime, CTO, cash out once a year	36hrs to 60 hrs depending upon classification

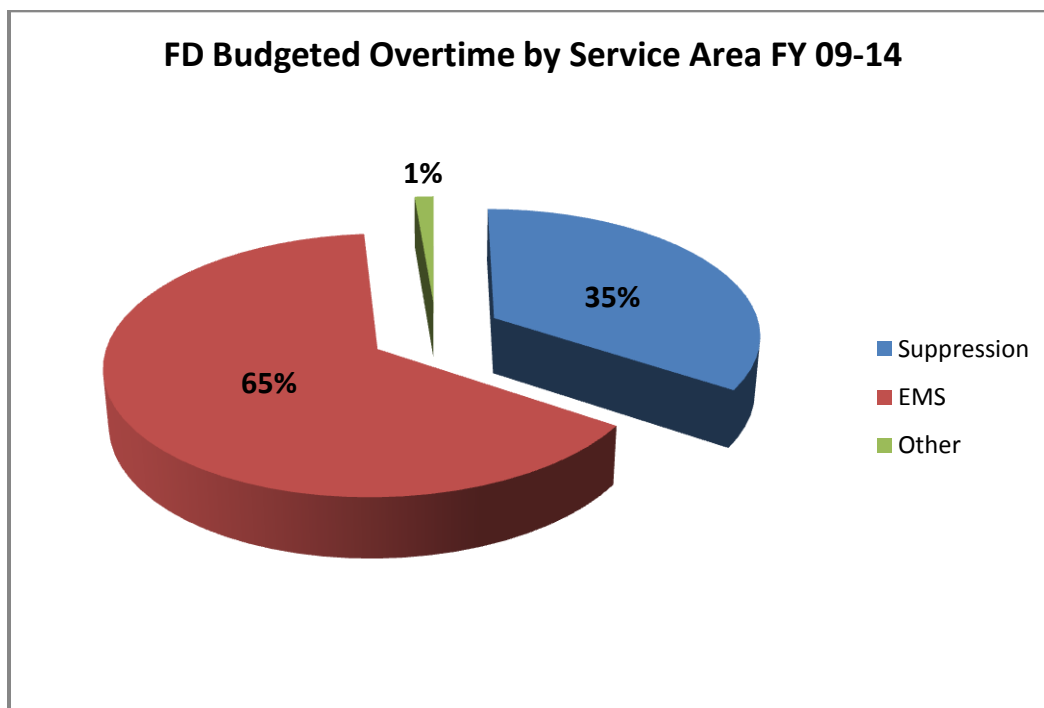
- Similar to the Police Department, only two other jurisdictions other than Vacaville allow the cashing out of compensatory Time. However, of those two other cities, one of those cities only allows the cash out when the employee leaves the City.
- There is a huge variety in the number of total compensatory time that can be accrued not just between the jurisdictions but also within the cities, as different classifications within the Fire Department have different limits. Vacaville is significantly below the average of 213 compensatory hours.
- The majority of jurisdictions utilize the same types of overtime – callbacks, and mandatory certifications. However, cities have different policies concerning the hours that can be used to calculate overtime and how overtime can be used. For example, the city of Santa Rosa's Fire Department used to have a policy that stated that individuals in Prevention had to use compensatory time in lieu of overtime. Now that policy has been reversed and the employees are allowed to either accrue compensatory time or receive paid overtime.

For the cities surveyed there was huge variation in policies in relation to the Fire Department. While all departments allow for overtime for continuing education, the number of hours that can be accrued for that certification can vary from City to City.

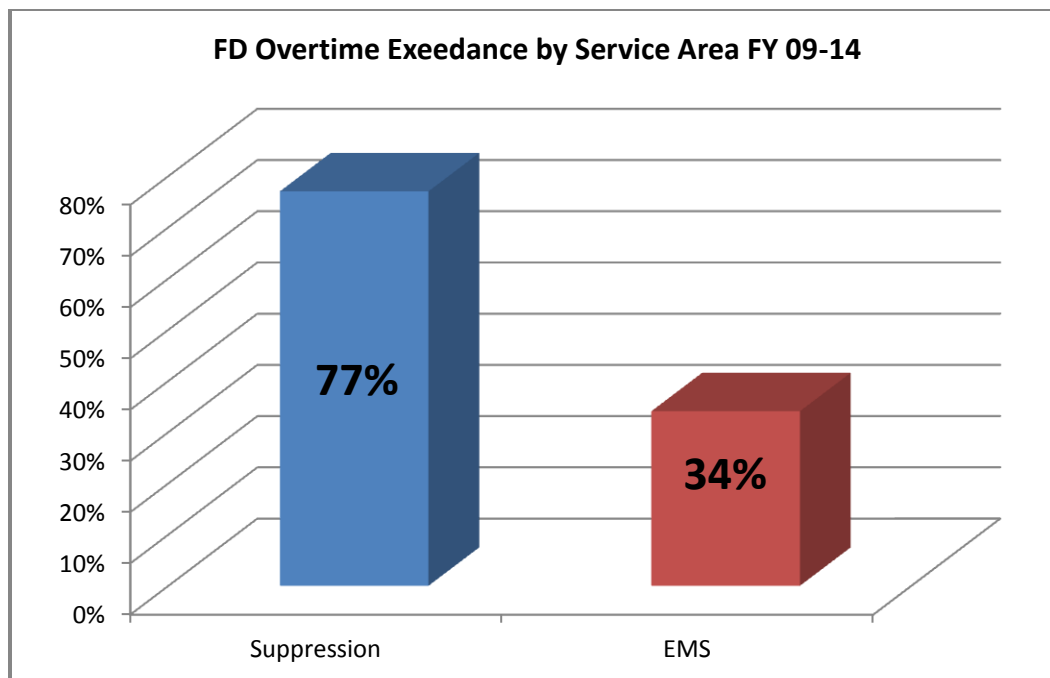
Additionally, callback minimum overtime hours also can vary by agreement. For the city of Vacaville, the callback hours are in line with the other cities surveyed.

3. CAUSES AND IMPACTS OF OVERTIME IN THE FIRE DEPARTMENT.

In order to evaluate the causes of overtime in the fire department, an analysis of different data sets related to overtime can prove enlightening. The VFD has budgeted and expended overtime within two major fire department operational areas—Suppression and Emergency Medical Services (EMS). And while overtime exists in some other categories, such as training and dispatch, the vast majority of overtime budget and expense remains in these two categories as shown in the pie chart below.



The following bar graph compares the budgeted overtime information versus the actual expenses for the six-year period, including the subtraction of offsets, for the two key service areas, reflecting the overall overage of overtime expense to overtime budget.



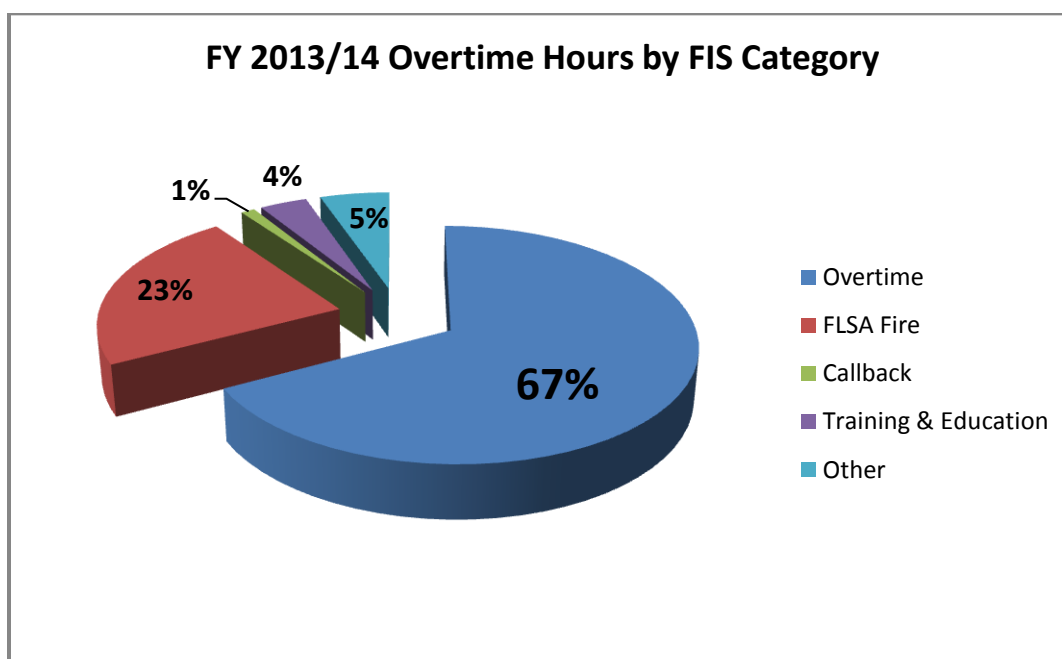
The bar chart demonstrates that relative to approved budgets over the past six years in Suppression and EMS areas, VFD exceeded their overtime budget substantively over that period of time. For Suppression the six-year overage was close to \$820K while EMS approximated \$680K. Nevertheless, despite the near \$1.5M in overtime exceedance over the six-year period (particularly the last two fiscal years FY 13 to FY 14), when averaging the overages on a year to year basis, the exceedances equaled less than \$250K per annum, with an average of \$136K overage for Suppression and \$113K for EMS.

These two operational service areas in VFD represent almost 99% of the overtime expenditure budget and 95% of the overtime expenses for the fire department over the last six years. As such, EMS and Suppression will be the focus of additional attention.

(3.1) Major Overtime Categories

The VFD has access to overtime data from different sources that include the City's Eden financial information system (FIS), their internal Telestaff system, and spreadsheets that they create relative to overtime tracking. City staff (excluding VFD personnel) does not have real-time access to the latter Telestaff information that provides more refined overtime data. This data must be specifically requested in reports if they wish more refined information.

The following pie chart reflects overtime information for FY 2013/14 based on overtime categories (coding) accomplished in the City's FIS.²¹



The categories used have some consistency throughout all City departments and are unique to VFD in some instances. The categories as shown in the pie above include:

- **Overtime:** Represents time worked in excess of an employee's regular shift or

²¹ Percentages equate to: 16,372 OT hours; 5,542, FLSA Fire; 258 hours Call-back; 884 training and education; and 1,292 hours "Other".

workweek.

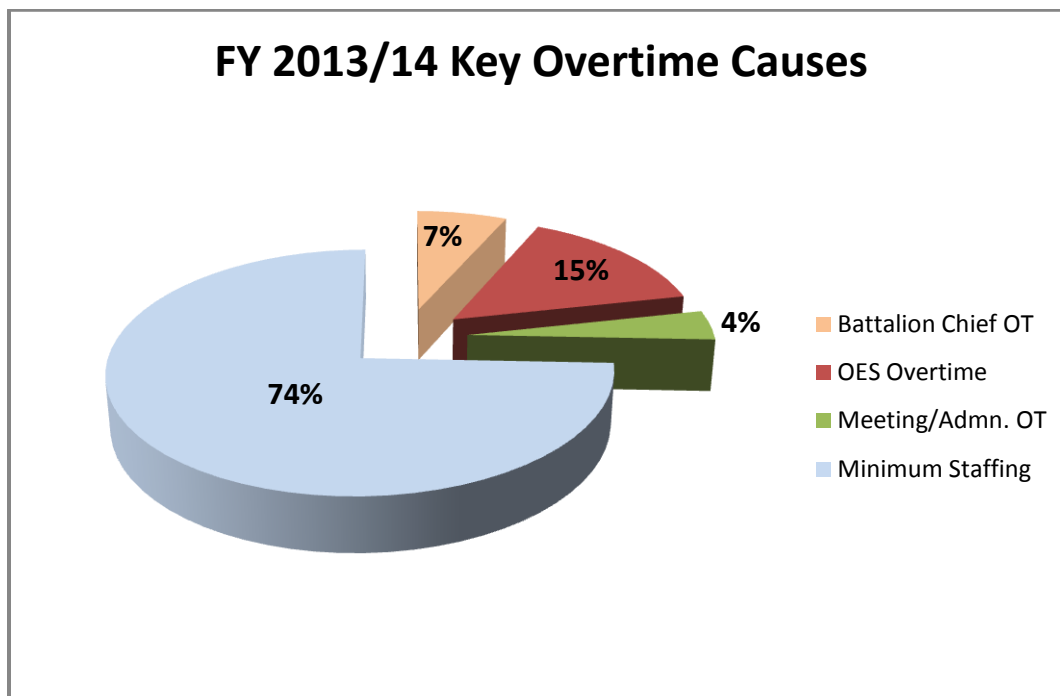
- **FLSA Fire:** Represents the automatic overtime earned based on the FLSA 207(k) calculation for a 24 consecutive day work period and the overtime earned above 198 hours related thereto.
- **Callback:** Represents time associated with an employee being called back to work after the employee's regular work hours, or on a day when the employee is not scheduled to work.
- **Training & Education:** Represents time associated with employee education or training which takes place outside of or in excess of an employee's regular shift or workweek.
- **Other:** Largely represents overtime for additional pay for acting in a Chief Officer capacity by Battalion Chief job classifications.

The above categories are partially informative as the noted details are relatively descriptive. However, with regard to the largest pie slice entitled "overtime" there is very little information in FIS to understand what causes this overtime for two-thirds of overtime expenditures. As such, details would need to be provided through the Telestaff information from VFD, as further discussed below.

(3.2) Primary Causes of Overtime

In FY 2013/14 the City's FIS recorded 24,337 hours of overtime for VFD as broken down by the previous pie chart. Some of these categories cannot be impacted, such as FLSA pay which is federally mandated and represents nearly one-quarter of the fire department's overtime. In FY 2013/2014 this FLSA pay represented approximately \$108K in overtime expense. A fundamental issue in understanding VFD overtime is determining the characteristics of the FIS "overtime" category which represents 67% of all overtime hours. This requires an examination of Telestaff and other information provided directly from VFD. Based on this information, the vast majority of the "overtime" category is composed of four sub-categories defined as ***Battalion Chief***

Overtime, Office of Emergency Services Overtime, Meeting/Administration Overtime and **Minimum Staffing**. These four areas are proportionally shown in the pie chart below.²²



As shown in the pie chart above, these four causes are very important for understanding overtime expenditures in VFD. Further details with regard to these areas include:

- **Battalion Chief Overtime:** This is overtime paid to the BC positions in the fire department for a variety of reasons other than acting in a Chief Officer Capacity.
- **OES Overtime:** Office of Emergency Services overtime is expenses related to providing mutual aid based on requests for service from other departments to conduct major fire suppression efforts (e.g. huge wildfire). VFD sends strike team apparatus and personnel to these locales on an overtime basis. These expenditures are eventually reimbursed by the State of California Office of Emergency Services.
- **Meeting/Administration Overtime:** Unlike many departments which can conduct important meetings and administration during the course of the normal

²² Percentages equate to: 1,071 BC overtime hours; 2,390 OES hours; 640 hours of Meeting/Administration; and 11,910 minimum staffing hours.

business day, in a fire department organization typically two-thirds of staff is off-shift given fire department schedules which have consecutive work days and days off. As such, some overtime would be expected in this area.

- **Minimum Staffing:** The largest cause of overtime in VFD, similar to the police department, is related to staffing shortages. Essentially these are personnel back-fills to meet minimum staffing requirements at the various fire station locales. Overtime hours expended in this category in FY 2013/14 was nearly 12,000 hours and reflects the largest single overtime expenditure category in any City department.

(3.3) Review Of MOU Provisions Impacting Overtime Controls

In the non public-safety chapters discussed later in this report, several details with respect to MOU information are provided. Furthermore, best practices related to overtime in MOUs, etc. have been detailed in an earlier chapter. While the project team performed a review of MOUs in public safety, providing the same level of informational detail is deemphasized in our public safety chapters to avoid redundancy and focus on other overtime elements.

Nevertheless, the following areas are highlighted for consideration relative to particular strengths and potential opportunities for exploration in the *Firefighters Association* and *Fire Managers Group* MOUs related to specific categories. Many of these observations are based on our firm's decades of experience with scores of Fire/EMS agencies.

- Two hour minimum overtime payment for call-backs is very typical in fire service nationally (MOU Section 5.2).
- Capping of Compensatory Time off (CTO) level at 60 hours should be considered a progressive practice (MOU Section 5.4)
- Conversely, per the MOU, staff are not required to take CTO prior to vacation; this is not considered a best practice despite its relatively widespread negotiated agreement by public safety agencies in California (MOU Section 4).

- Section 5.1 and 5.5 of the Fire Fighters Group has language that appears to be somewhat convoluted. In 5.5 the language acknowledges the City Declaration of the 27 day work cycle covering 204 hours, yet according to 5.1 staff get paid overtime based on any hours worked in excess of 24 hours, which includes paid time off counting as hours worked. Why is the FLSA exemption claimed if it is not used to determine when overtime is paid? This may be a misinterpretation on the project team's part but it is worth review.
- The City may wish to revisit the specific vacation language in 6.2 that states, "Effective July 1, 2007, in addition to the guarantees provided in the preceding language, the Department will guarantee that on days that three (3) vacation spots were not secured in the annual vacation pick process, at least two (2) members could utilize vacation leave per shift, regardless if the need for overtime coverage is generated." (Emphasis added).

In sum, there is nothing particularly remarkable in VFD's MOU language that allows for dramatic changes in overtime usage if MOU terms and conditions were adjusted.

Recommendation: The Fire Department has limited opportunity to alter MOU language to significantly change overtime expenditures. However, there are some best practice approaches and other opportunities noted in the report that could prove marginally beneficial to the City if implemented.

4. OPPORTUNITIES FOR IMPROVEMENT IN THE FIRE DEPARTMENT.

Given the relatively marginal overtime expenses of non-public safety departments compared to their police and fire counterparts, the opportunities for improvement in the Public Works and Utilities areas is focused on improved policies, internal controls, budgeting and reporting. While these areas are important in fire and EMS services (and in many instances recommendations in those chapters can be applied to public safety) they do not reflect the core areas for possible improvement opportunities.

As introduced in this report, there are key elements that drive overtime use. The project team's analysis demonstrates that a large portion of VFD overtime falls in key areas. These are summarized below in the context of the first chapter's information.

(1) To Provide Baseline Staff to Meet Work Demands.

As noted previously, the largest single overtime expenditure is related to what VFD classifies as minimum staffing. These staffing shortages are a consequence of frozen personnel positions, sick leave, injured on duty, and losing what is known as "buffer" positions creating minimum staffing issues at any of the fire stations in the network.

Similar to the police department, to determine the full nature of overtime requirements related to professed staffing shortages would require a staffing study to determine the minimum staffing requirements that overtime is used to meet. In some respects this is more complicated than a police patrol staffing study as staff levels can be impacted by the types of apparatus deployed, the number of stations, response protocols and preferred staffing levels on each response vehicle. As noted earlier in the report a staffing study is beyond the scope of this particular project, but accomplishing such a study brings several benefits beyond determining overtime and better managing this cost area. Such a study involving a staff review and station location assessment could resolve some long-standing issues relative to VFD staffing level needs. In light of this information, improvement opportunities related to overtime minimum staffing level expenses is not practical in the absence of additional data.

Recommendation: Perform a line staffing and station location study of the fire department either internally, through volunteer efforts, or through additional consulting services, to definitively determine staffing needs based on a variety of

variables identified in this report. This will help determine opportunities to control minimum staffing overtime costs.

(2) To Address Variations and Fluctuations in Baseline Staff.

This overtime area is designed to cover absenteeism issues. Somewhat dramatically, over 6,900 hours of overtime was categorized as sick-time relief in FY 2013/14. This is over six-times that amount categorized in this fashion in the police department which has a larger staff contingent. While there may be differences in coding that explain a portion of the sick time between these two departments, and in consideration that sick time for fire personnel would be expended at over twice the rate of police personnel, this overtime usage to cover sick time in the fire department is curious and deserving of further exploration relative to sick time utilization in VFD, despite potential protected leave requirements and other factors that may contribute to sick usage.

Recommendation: The fire department may be experiencing sick time leave issues that are impacting overtime payment requirements. The Human Resources Department should further explore sick time utilization and patterns in VFD.

(3) To Address Actual or Potential Fluctuating Workload.

Fluctuating workload in fire/EMS service that results in overtime is generally based on work performed outside of the boundaries of VFD and performed in a mutual aid capacity. In the large majority of instances when this occurs and overtime is generated, this overtime is reimbursed. In FY 2013/14 close to \$266K of overtime expenses were reimbursed for fire suppression services performed by VFD.

(4) To Address Short-term but Recurring Tasks.

It is very infrequent that recurring tasks occur that must be performed on an overtime basis. Given the 24/7 and 48-hour shift nature of fire/EMS, and staff's ability to

respond from any location in the field which doesn't require a constant presence, short term recurring tasks are usually done on regular time. Approximately 310 hours was expended in overtime in FY 2013/14 for Special Events and other activities reflective of a very small proportion of overtime.

(5) To Complete Work that has a Deadline.

Approximately 540 hours was expended in overtime in FY 2013/14 in a "Special Projects" category. While this represents a proportionally small percentage of fire department overtime, it does reflect several weeks' worth of activity performed beyond regular work hours. Special projects work—in the fashion this is currently coded by the City—that requires over 16-hours of overtime effort should be reported upon to the City Manager's office on an annual basis.

Recommendation: Report to the City Manager's Office on an annual basis the use of overtime classified as "Special Projects."

5. COST EFFECTIVENESS OF FIRE OVERTIME.

The issue of cost effectiveness of fire overtime can be partially replicated from the police department chapter. With over 2,800 hours per person per year available in regular and overtime to reach a "break-even" point before hiring additional staff, the VFD has not yet approached this type of benchmark.

While the issue of risk assessment (as discussed in the police chapter) to determine the proper level of overtime expenditure is also applicable in the fire department, it is not the same risk assessment given the shift deployment and "alarm-response" nature of fire services. Fire/EMS personnel are often deployed over a few days, are housed in an environment where they can "relax" between alarm calls, and thus are not subject to suffer from the same kinds of circumstances associated with

shorter term but consistently stressful shift work. Because of this, and reiterating from a prior section in this chapter, determining the appropriate line staffing levels required as a baseline in the fire department, to include “buffer” positions, should be undertaken in the near term. While overtime dollars can continue to be expended in VFD to meet staffing needs, at issue is the impact on staff and the willingness of staff to work extended shifts and overtime hours. Initial evidence suggests (such as sick time usage) that overtime may be at or beyond the point of staff desirability.

6. APPROPRIATE BUDGET LEVELS IN THE FIRE DEPARTMENT.

As shown previously, the VFD has been unable to meet its overtime budget estimates for several years. A recurring issue, however, as noted earlier in this report on several occasions, is that there is no relevance to the overtime amount budgeted in comparison to operational needs. For three years the overtime budget was the same. Reiterating, it is not possible to effectively manage a budget line item if it is not predicated on any operational realities.

As noted earlier, the appropriate overtime budget should generally mirror historical expenditure patterns based on the prior three years. The overtime budget should be proposed based upon a zero-base budgeting exercise whereby overtime is requested and rolled-up based on the aforementioned categories. This will ensure justification for the overtime budget and allow executives and political leadership to hold department-heads accountable for their overtime budget. Basing an overtime budget on the reality of warranted overtime expenses should be considered a best practice.

Recommendation: It is considered a best management practice to project budgets, based on operational and other data, within 5% of actual costs. The Fire Department should revise projections to meet this benchmark.

7. CONCLUSION

A variety of data has been presented in this chapter. However, key findings and conclusions of importance include, but are not limited to:

- Based on comparative data from peer agencies the VFD compares favorably. The average proportion of overtime use compared to salaries over the last three fiscal years in VFD is approximately 16%. When evaluated against comparative survey respondents, as discussed in the chapter, this ranks favorably as those agencies reporting overtime averaged 19% of total salary expenditures.
- The largest proportion of overtime expenditure is related to minimum staffing coverage. Indeed this overtime category in the fire department represents the single largest overtime use category in the City.
- Current overtime use is overall “cost effective” but given the totality of circumstances a staffing study of the fire department should be considered a high priority.
- Overtime budgets should be based on prior expenditure history for warranted overtime, and new overtime budgets developed on a defensible zero-based budgeting approach.

The following chapters discuss the Utilities and Public Works departments.

6. UTILITIES DEPARTMENT OVERTIME REVIEW

The Utilities Department primarily serves to provide citizens of Vacaville with clean drinking water and to treat wastewater to protect the public health and the environment. The Department ensures that drinking water and treated wastewater meet all of the state and federal water quality regulations. The Department's primary use of overtime relates to standby services and scheduled overtime associated with minimum staffing regulations and holiday overtime. The following chapter explores overtime utilization, reviews current policies and operational issues, and outlines recommendations for improvement.

1. HISTORICAL TRENDS IN PUBLIC UTILITIES OVERTIME.

Actual and budgeted expenditures relating to overtime costs were collected in order to analyze historical use of overtime. The project team utilized budgeted and actual expenditure information from the past six fiscal years. The following table details the budgeted and actual expenditures for the department as whole (wastewater and water), as well as the overtime component.

Fiscal Year	Department		Overtime	
	Budget	Actual	Budget	Actual
08/09	\$25,955,013	\$26,006,553	\$275,256	\$633,093
09/10	\$27,167,347	\$26,637,679	\$536,514	\$545,348
10/11	\$29,976,120	\$27,410,604	\$574,539	\$319,126
11/12	\$29,285,623	\$28,105,972	\$415,395	\$372,404
12/13	\$35,200,053	\$36,391,413	\$417,395	\$378,256
13/14	\$36,336,401	\$36,363,920	\$413,013	\$396,557

The table above shows that overall the budgeted expenditures for Utilities has increased by approximately 36% over the past six years, and overtime budgeted expenditures have increased by nearly 74%. However, actual overtime expenditures have declined by 32% during that same time period. The largest decline in overtime

expenditures occurred between fiscal years 08/09-09/10 and 09/10-10/11, since then overtime expenditures have remained in the \$300,000 range. The table also indicates that the department is able to fairly accurately predict its overtime expenditures, with one exception in fiscal year 08/09. Overall, overtime represents on average 2% of the department's total costs.

With respect to more detailed analysis, the project team analyzed overtime costs over the most recent three years in the context of salary expenditures. The following table presents a comparison of salary costs and overtime expenditures for Utilities.

Fiscal Year	Actual Expenditures		% of Overtime to Salary Costs
	Salary	Overtime	
11/12	\$8,528,162	\$372,404	4.37%
12/13	\$8,090,285	\$378,256	4.58%
13/14	\$8,657,629	\$396,557	4.58%

The Utilities Department's salary expenditures increased by approximately 2% from Fiscal Year 2011/12 to Fiscal Year 2013/14 and overtime expenditures increased by 9% over the same time period. The increase in salary expenditures of nearly \$567,000 between Fiscal Year 2012/13 and FY 13/14 can be correlated to the two additional positions that were added. However, the increase in overtime dollars suggests that those additional positions were not able to provide the coverage necessary to mitigate overtime costs. As the table shows, despite the increase in overtime costs over the past several years, it only accounts for approximately 5% of salary expenditures, which is on par with other comparable jurisdictions that average approximately 6% as shown in the comparative survey results discussed in the following section.

2. COMPARATIVE SURVEY

The Matrix Consulting Group conducted a comparative survey of overtime practice for Utilities in similar local government agencies. The cities chosen for the survey were selected by City Management and Department heads for their similar to Vacaville, taking into account size, organization and location within Northern California. The group includes: Santa Rosa, Petaluma, Napa, Fairfield, Concord, and Roseville. The information for the comparative survey has been developed by a combination of contacts made within these outside agencies, as well as through online research conducted by the project team. The following sections outline the results of this process for the Utilities Department.

(2.1) Expenditures and Staffing

The following table presents an overview of the expenditures for salary and overtime and the full-time and part-time or vacant staffing for Utilities for the jurisdictions surveyed:

City	FY 12-13 Salary Expenditures	FY 12-13 Overtime Expenditures	Overtime as % of Salary	FY 12-13 Staffing	FY 12-13 Part- time	FY 12-13 Vacant Positions
Santa Rosa	\$15,916,432	\$596,678	4%	218	2.5	21.5
Petaluma	\$4,653,078	\$87,532	2%	59.5	NR	1
Napa	\$4,246,678	\$252,328	6%	49	5.16	NR
Fairfield	\$3,910,000	\$467,726	12%	188.6 (includes Public Works)	NR	NR
Concord	\$702,264	\$44,360	6%	16.60	1.14	NR
Roseville	\$24,815,674 (includes benefits)	\$557,125	N / A	219.14	NR	NR
Vacaville	\$7,433,512	\$378,256	5%	63	N / A	16

- Among the cities surveyed on average (excluding Roseville & Vacaville) overtime expenditures comprised approximately 6% of total salary expenditures, which is also the median value. Currently, Vacaville's Utilities Department overtime to salary expenses at 5%, which is only slightly below the average and median.
- Vacaville is fairly on par with its overtime expenditures compared to the overall average of overtime expenditures (\$338,679).
- The Utilities Department staffing in Vacaville is significantly less than the average staffing levels for the cities surveyed.

The cities surveyed show that utilities vary greatly city from city as different types of utilities can be considered utilities such as electricity, water, and wastewater. Therefore, staffing and expenditures also vary greatly.

(2.2) Policies

The following table discusses some of the policies related to overtime such as types of overtime, accrual of overtime benefits, and compensatory time off (CTO) limits for the cities surveyed:

City	Types of Overtime	Accrual of OT Benefits	CTO Cap (Hrs)
Santa Rosa	Callback, Standby	Paid Overtime, CTO	100 hrs
Petaluma	Overtime Meals, Callbacks, Standby, Telephone / Electric Standby	Paid overtime, CTO, Cash out 1x a year	240 hrs (80 hrs can be cashed out during each fiscal year)
Napa	Standby (only overtime if beyond standard standby hours), Callback	Paid Overtime, CTO, Cash out	100 hrs
Fairfield	Standby, Callback, Holiday standby	Paid Overtime, CTO, 25% of CTO cashed out 2x a year	100 hrs
Concord	Standby, Callbacks, Overtime Meal Allowance	Paid Overtime, CTO, PTO (in lieu of CTO)	160 hrs
Roseville	Callbacks, Standby, Overtime Meal allowance	Paid Overtime, CTO, PTO (in lieu of CTO)	240 hrs
Vacaville	Callbacks, Standby, Holiday Overtime, Telephone Consultation	Paid Overtime, CTO, Cash out CTO 1x a year	70 hrs & 90 hrs for Wastewater Operators

- Except for the City of Vacaville, there are no changes for other cities in regards to overtime policies between Public Works and Utilities Department. Therefore similar policies are used for accruing overtime benefits.
- The limit to compensatory hours to be accrued is fairly consistent across most jurisdictions at 100 hours. While Vacaville is similar with 90 hrs for Wastewater Plant Operators, they are still fairly below the average with 70 hrs for all other Utility employees.

As the table on the previous page indicates the city of Vacaville has fairly similar policies in place for Utility employees comparative to other jurisdictions. Additionally, the overtime costs incurred by the Department are on par with other departments and below the average ratio of overtime to salary expenditures.

3. CAUSES AND IMPACTS OF OVERTIME IN THE UTILITIES DEPARTMENT.

As part of this overtime audit, the Matrix Consulting Group, collected information concerning the different types and typical sources of overtime in the Utilities Department. This information was used in conjunction with the guidelines imposed by MOU / bargaining agreements and city policies to assess the major drivers of overtime along with staffing and resource allocations within the department.

(3.1) Major Overtime Categories

The Utilities Department currently collects and tracks overtime by eight major categories: overtime, callback, callback telephone consultation, standby coverage, standby response, straight time, time education & training, and out of rate (OOR). The points, which follow, present a brief description of each of the major categories.

- **Overtime:** Represents time worked in excess of an employee's regular workday or workweek.
- **Callback:** Represents time associated with an employee being called back to work after the employee's regular work hours, or on a day when the employee is not scheduled to work.

- **Callback Telephone Consultation:** Represents time associated with an employee responding to a callback situation over the telephone.
- **Standby Coverage:** Represents after hours time whereby an employee is responsible for answering any emergency calls received.
- **Standby Response:** Represents time associated with an employee responding to emergency calls received outside of regular work hours.
- **Straight Time:** Represents time worked in excess of an employee's regular workday or workweek, but is accrued at the straight hourly rate rather than the overtime pay rate.
- **Education & Training:** Represents time associated with employee education or training which takes place outside of or in excess of an employee's regular workday or workweek.
- **OOR:** Represents time worked in excess of an employee's regular workday or workweek, where the duties required are performed at a rate outside the employee's regular pay rate.

As the above points indicate overtime information is categorized at a level of detail that provides a moderate amount of information as to reasons for overtime. The notes section in timesheets allows employees to provide detailed explanations concerning overtime usage. Divisional supervisors also use internal spreadsheets to track overtime usage in Utilities Maintenance.

(3.2) Primary Causes of Overtime

The project team obtained information regarding the total hours associated with overtime. The following table details overtime hours (paid overtime), compensatory time (comp), and the total hours accrued in Fiscal Years 13/14 broken out by the eight major categories listed in the previous section.

Overtime Category	Comp	Overtime	Total Hrs
Overtime	897.23	2,209.26	3,106.49
Callback	20.00	143.55	163.55
Callback Telephone Consultation	0.50	14.00	14.50
Standby Coverage	429.75	410.25	840.00
Standby Response	43.15	79.00	122.15

Overtime Category	Comp	Overtime	Total Hrs
Straight Time	159.75	427.30	587.05
Education & Training	39.30	-	39.30
OOR	3.00	-	3.00
TOTAL	897.23	3,283.36	4,876.04

Utilities employees catalogued approximately 3,106 hours in Fiscal Year 13/14, with the majority of those hours (67%) being associated with paid overtime hours. The following points discuss some of the major drivers of overtime in Utilities:

- **Overtime:** This category represents nearly 64% of total overtime hours for FY 13/14. It incorporates scheduled overtime such as lab testing overtime and public outreach at special events. Additionally, it can include unscheduled overtime such as meeting deadlines, special projects, CIP projects, in-house repairs, covering for departmental vacancies, vacation coverage for staff.
- **Standby Coverage & Response:** Together these categories comprise approximately 20% of total overtime hours. While standby coverage is typically scheduled overtime, standby response can both be scheduled and unscheduled. As discussed on the previous page, standby coverage is for staff to be available to respond to maintenance issues / problems outside of normal business hours such as pump station maintenance or cleaning. Unscheduled standby coverage is typically related to employees responding to those emergencies such as equipment / system failures or system alerts. Standby hours vary depending upon the employee, as there are different types of coverage for plant operators and maintenance workers.
- **All Other:** The remaining types of overtime categories account for only 16% of total overtime. Among those remaining categories, the main source of overtime is straight overtime (12%), which is related to holiday overtime.

Overall, as the data indicates the major sources of overtime in the Utilities Department is related to scheduled overtime such as facilities maintenance, laboratory analyses, public outreach, standby coverage and response, and holiday overtime. This suggests that the Utilities Department is aware of its overtime patterns, hence reinforcing their ability to accurately project overtime costs as discussed at the beginning of the chapter.

(3.3) Review Of MOU Provisions Impacting Overtime Controls.

Overtime is typically dictated by citywide policies along with MOU / collective bargaining agreements. The Utilities Department is governed by several different MOU agreements that directly impact its ability to accrue overtime by defining standby coverage, limiting compensatory time accruals, and defining shift schedules.

Currently, all Citywide policies simply describe the standard pay rate for overtime as one and one half (1.5) times the regular rate of pay and that compensatory time off can be earned in lieu of overtime pay. Additionally, the policy states that except for certain MOU restrictions, paid time off (PTO) cannot be used for calculating overtime. These policies are applicable to non-management employees. However, the policies also dictate that for specific provisions and regulations related to overtime employees should consult the most relevant MOU agreement for them.

The project team reviewed the two bargaining agreements that are associated with staff in the Utilities Department – Vacaville Managers Organization (VMO) and Local 39 agreements. The Vacaville Managers Organization Agreement is valid from July 1, 2013 through June 30, 2015. The Local 39 Agreement was approved by resolution on September 30, 2014 and covers the term from July 1, 2013 through June 30, 2016. The Vacaville Managers Association Agreement includes the chief plant operators, utilities supervisors, and utilities managers. The Local 39 Agreement includes the plant operators, maintenance staff, lab analysts, environmental inspectors, and water quality and service coordinators. The following table outlines the major provision of these agreements that relate to or directly impact the use of overtime or compensatory time.

CITY OF VACAVILLE, CALIFORNIA
Overtime Audit Report

Article #	Subject Area	Major Provisions	Impact
Vacaville Managers Organization Agreement			
9.1	Regular Workweek and Regular Workday	Regular workweek consists of 40 hours a week or 37.5 hours based on classification.	Anything beyond those hours / week would be considered overtime.
9.3	Modified and Reduced Work Schedules	<p>Modified work schedules can be implemented and continued at the discretion of the Dept Head. These schedules take the form of “flextime”, changing the standard workday hours but the total hours worked in the work period remain the same.</p> <p>Limited Term Reduced Work schedules can be requested by regular full-time non-probationary employees.</p>	Flexibility introduced into workweek scheduling, which can help mitigate overtime costs.
10.1	Authorization of Overtime	Overtime worked by employees who are <i>not</i> exempt from FLSA must be approved in advance by the City Manager or City Manager representative.	Supervisors and managers must receive approval for overtime from City Management, limiting their ability to incur overtime expenditures.
10.2	Definition	Time and one-half paid for all hours in excess of normal workday / workweek.	No allowance for un-worked hours during workweek to offset extra hours.
10.3	Compensatory Time	<p>Comp time off (CTO) may be granted in lieu of pay at the employee’s request and with approval of supervisor. (Non-FLSA exempt employees are eligible for comp time).</p> <p>Comp time max balance is 75 hours for 7.5 hrs / day employees and 80 hrs for 8 hrs / day employees. Maximum accumulation is measured at the end of each pay period.</p> <p>Cash out 50% of Comp time once a year (in November).</p> <p>Use of CTO prior to use of vacation is not required by the City.</p>	<p>Limits the use of compensatory time that can be used in lieu of overtime.</p> <p>This directly impacts overtime costs, as employees can only accrue certain amount of compensatory time.</p>
10.5	Call Back	Non-exempt employee called back to work or subpoenaed to appear in court on unscheduled day of work the employee shall receive minimum 2 hours of work or 2 hours pay at OT Rate. (Does not apply to call backs prior to employee’s starting regular time.	Impacts the overtime associated with callback and states that any callbacks shall be paid at minimum 2 hours of overtime.

Article #	Subject Area	Major Provisions	Impact
International Union of Operating Engineers Stationary Local 39, AFL-CIO			
9.1	Regular Workweek and Regular Workday	Regular workweek consists of 40 hours a week, at either 8 hours a day for five days a week, 10 hours a day for four-days a week, or 12 hours a day with varying days per week. Open to discussing 9/80 schedules as possible options.	Flexibility introduced into workweek scheduling, which can help mitigate overtime costs.
9.3	Notice of Change in Regular Workweek	Supervisor may reschedule an employee's normal work hours (w/out using overtime) up to two hours earlier or later than normal work hours once a week, if a day's notice is given. Except for emergency situations.	Enables supervisors to fill in gaps that could potentially cause overtime without having to pay overtime. Can reduce overtime costs.
9.6	Utility Plant Workweek	Utility Plant Operators assigned shifts based on the operational needs of the Plant – including 8, 10, and 12-hour straight-time pay shifts. Rotating shift schedule shall be implemented. Duration of the shift schedule will be ten or twelve hour shifts. 12-hour shifts would be used only during 24-hour plant operation. The effectiveness of the 10 and 12 hours shifts would be subjected to period review to monitor employee work errors, work performance, attendance, sick leave usage, and workers' compensation claims.	Flexibility in scheduling allows departmental supervisors and managers to effectively manage costs by filling in gaps in coverage by using either 10 hours shifts or 12-hour shifts.
9.7	Water Plant Operations Schedule	Water Plant operators continue to be assigned 12 hour shifts. Employees will work 2 36-hour workweeks followed by 1 48-hour workweek over a 3-week period. Overtime shall be based on the fluctuating workweek method and the actual hours worked. Water Service Reps and other classifications may be assigned to a 9/80 work schedule. Relief operators can be flexed from a 9/80 work schedule to a 12 hour shift on an as-needed basis.	Prior to implementation of 12 hour shift schedules at the Water Plant the Utilities Department was incurring high overtime costs. Overtime costs have significantly declined as a result of modified shift schedules. Ability to flex relief operators on an as-needed basis allows departmental management to reduce overtime costs by covering gaps through variety of scheduling mechanisms.

CITY OF VACAVILLE, CALIFORNIA
Overtime Audit Report

Article #	Subject Area	Major Provisions	Impact
10.1	Authorization of Overtime	Overtime worked by employees who are <i>not</i> exempt from FLSA must be approved by in advance by the City Manager or City Manager representative, typically the Department head.	Limits overtime usage as they must receive approval for overtime from City Manager or their representative.
10.2	Definition	Time and one-half paid for all hours in excess of normal workday / workweek. Supervisor can choose to pay overtime through CTO.	No allowance for un-worked hours during workweek to offset extra hours. Department head may limit use of CTO to meet funding source availability.
10.3	Call Back	If employee called back to work or subpoenaed to appear in court on unscheduled day of work then the employee shall receive minimum 2 hours of work or 2 hours pay at OT Rate. (Does not apply to call backs prior to employee's starting regular time.	Impacts the overtime associated with callback and states that any callbacks shall be paid at minimum 2 hours of overtime.
10.4	Standby Time	Standby time may be scheduled by Dept Head. Standby shall be paid 3 hours at the time and a half per twenty-four hour period for standby time. Minimum callback time should be one hour for standby personnel. One work assignment may be delegated once the call-out has been enacted. More than one work assignment may be delegated once the call-out has been enacted.	Impacts overtime as suggests that standby coverage shall be paid at typically 4.5 hours per 24 hour period. As scheduled overtime it is typically budgeted in overtime and cannot be reduced as standby coverage is mandatory. Standby coverage has been minimized due to alternative shift schedules in water plants, but this provision still impacts other employees in the Department.
10.5	Compensatory Time	Comp time off (CTO) may be granted in lieu of pay at the employee's request and with approval of supervisor. Comp time max balance is 70 hours for all employees, except Wastewater operators (90 hours). Use of CTO prior to use of vacation is not required by the City. CTO considered as a separate accrual bank from vacations' balances.	Capping CTO makes it so that employees have to incur remaining overtime hours as overtime cost, thereby increasing the overtime.

Article #	Subject Area	Major Provisions	Impact
10.6	Shift Differential	<p>Water Plant Operators & Wastewater Plant Operators are eligible for Shift Differential pay of \$1.75 / hour. Shift differential paid on shift hours between 6pm and 6am.</p> <p>Employees working overtime during those hours are not eligible for shift differential.</p>	N / A
10.7	Telephone Consultation	<p>Telephone consultation applies to employees available to work, who are called at home during non-work hours by senior, supervisor, department head, or his / her designee. The hours being once the employee is called and responds with assistance in mechanical, electrical, structural, or operational support or provide information to resolve an urgent and critical facility or process problem.</p> <p>Thirty minutes at OT rate. More than one telephone call can be taken once consultation time has started. If problem can't be solved via telephone, then call back provision will be applied.</p> <p>Only applies to telephone consultations for required technical assistance – not related to staffing availability, shift assignments, or shift coverage.</p> <p>Must use alternate resources (e.g. manuals, supervisors, log entries, etc.) prior to consultation.</p> <p>Effectiveness of consultation is subject to monthly review.</p>	<p>Telephone consultation is a minimal component of overtime in terms of hours (cost) and comp time hours.</p> <p>Provision very strictly limits the overtime that can be accrued and has minimal impact on overtime costs.</p>

The following points summarize the major unique issues that should be noted from these contractual terms:

- Specific provisions dictating modified work schedules and flexible schedules allow the department to reduce overtime costs by filling in gaps in shift coverage through the straight pay rates rather than overtime coverage.
- Capping of CTO levels also directly impacts overtime costs, as employees can only accrue a maximum number of CTO hours before it automatically shifts to overtime payments. For these agreements the caps are between 70-90 hours per employee. However, there is no discussion of cashing out options for Local 39 employees.

Overall, the agreements discussed in this section suggest that the Utilities Department has very clearly laid out its provisions related to overtime including the definition of overtime, and the processing of accruing overtime hours or compensatory time (CTO). While limitations of compensatory time directly impact the Department's ability to reduce its costs, it can also eliminate any dramatic fluctuations associated with paying out / cashing out CTO in a fiscal year other than the year in which the CTO was earned. Additionally, these provisions also specify that the Department will continue to monitor the effectiveness of these overtime policies, especially their impact on output and staff productivity. This allows the Department some flexibility in further modifying work schedules without having to go through another contractual agreement process.

Recommendation: The Utilities Department should continue to monitor the provisions related to overtime and compensatory time described in the labor agreements. Additionally, the Department should specify a cash-out policy for CTO in its agreements, which is similar to other cash out agreements citywide.

4. OPPORTUNITIES FOR IMPROVEMENT IN THE UTILITIES DEPARTMENT.

In order to effectively evaluate the Department's overtime utilization and administration, the project team compared current practices and policies to Best Management Practices (BMPs). While many BMPs specifically address City policies and procedures, there are many practices, which can be implemented at the departmental level. The Utilities Department does currently have in place some policies and procedures that meet these best practice areas such as verbal or written warnings for overtime worked without proper authorization or the use of part-time, interns, or consultants to handle excess workloads. The following subsections identify the opportunities for improvement for the Utilities Department for the three main types of overtime best practice areas.

(4.1) Overtime Policies

The Best Management Practices associated with overtime policies cover usage, supervisory training, allocation of opportunities, penalties for abuse, and limits of accrual. The majority of these best practices relate to City policies or MOUs, the Department has documented overtime policies and guidelines associated with the Utilities Maintenance Sections. The following points highlight the policy areas that may need to be strengthened within the Department:

- **Overtime Usage & Procedures:** The Department has specific policies defining the different types of overtime and the usage of overtime. These policies identify the policies associated with standby, call back, and holiday overtime. Additionally, the policies specify the process of signing up for overtime or trading overtime with other employees. However, this policy is only currently in place for the Maintenance Sections within the Operations Division of Utilities. There should be a set of policies for all of the Divisions if there is differing types of overtime in the units or develop a formal departmental policy.
- **Overtime Policy Guidelines:** Currently, the rotational processes of assigning overtime in the Operations and Lab sections provide “equal opportunity” models. The Maintenance Sections have an overtime opportunity list, which is rotated as the hours worked in overtime vary and is also separated by skill disciplines ensuring that qualified employees participate in overtime. Overtime policy guidelines dictating eligibility and specifying equal opportunity for overtime should be developed department-wide.
- **Overtime Hours:** The Department has no specification in place that limits employees on the number of total hours that can be worked in a day. However, the Department should develop a policy for limiting hours worked in a day, especially for employees working the 12-hour shifts. This can help eliminate the risk associated with over-working employees.

The Maintenance Sections within the Operations Division of the Department have clearly defined overtime policies and procedures. However, this does not hold true for the remainder of the Department. The Department should expand upon the overtime policies set by the City and the MOU agreements to incorporate the areas discussed in these sections. The Utilities Department could utilize the guidelines developed for the

Maintenance Sections as the template for developing these department-specific policies, with language allowing for exceptions for emergencies or unusual situations. These policies should be monitored on an on-going basis to ensure that they are effectively managing overtime and not conflicting with any citywide policies or MOU agreements.

Recommendation: Develop departmental policies specifying overtime usage and coverage, “fair share” of overtime hours, employee eligibility for overtime, and limiting the total number of hours that can be worked in a day by employees.

(4.2) Overtime Controls

Overtime controls should be managed at both the City and Departmental level. Typically overtime is managed through supervisory approval of overtime activities, including controlling the number of overtime hours that are accrued. Limits on overtime usage should be outlined in City policies and MOUs, but enforced by departmental management and supervisors. The Department does currently require that all employees receive approval for overtime, except for situations such as standby coverage, which have been scheduled in advance by the supervisors. The following points detail some of the areas in overtime controls that can be addressed to ensure that the Department meets industry standards:

- **Excess Overtime:** The Department has no policy in place that limits the number of overtime hours that can be accrued in a week and that if there is excess overtime it requires secondary approval. The Department should consider establishing weekly overtime usage goals, and anything exceeding those weekly goals should require secondary approval. As previously discussed, emergencies or unusual situations could require exceptions.
- **Control of Overtime Usage:** Supervisory and management employees within Utilities are evaluated during their annual performance evaluation for their ability to stay within the Department’s budget. However, this discussion does not include the ability of the supervisor or the manager to effectively control or manage overtime hours or budget. Managers and supervisors should keep

departmental and city management apprised of any situations that can lead to significant increases in overtime budget. Additionally, managers and supervisors should discuss and evaluate the overtime budget with departmental management more than once a year and prior to the annual performance evaluation.

- **Vital Overtime:** While the Utilities Department does typically authorize overtime for “mission critical” services within the city, it also generates overtime for discretionary activities and as a result of vacancies within the Department. The Department should consider filling these positions to reduce some of its overtime.

The Department is able to effectively control its overtime by requiring supervisory approval for most overtime situations. However, the Department needs to not only augment its current approval processes for overtime but also may need to fill vacancies or bring in additional resources to better manage overtime control.

Recommendation: The Utilities Department should consider developing specific weekly overtime goals and requiring managers and supervisors to frequently (quarterly) evaluate overtime usage to ensure that it does not exceed the budgeted overtime.

(4.3) Overtime Budgeting and Reporting

Effective budgeting and reporting of overtime hours and costs can help Departments and the City as a whole manage overtime issues, including drivers of overtime and staff and resource allocations. The majority of these controls should be monitored at the Departmental level, as overtime usage can vary so greatly from Department to Department. The Utilities Department currently accesses monthly reports from the City’s financial software system to review actual overtime usage to the budgeted overtime usage at the program level within the Department. The following points highlight areas where the Department could improve their budgeting and reporting controls:

- **Activity Codes:** While the department uses the Citywide system for tracking overtime, these codes should be expanded upon for the Department to enable clearer tracking of overtime usage. For example, the current citywide codes do

not separate overtime and standby coverage; however compensatory codes make this distinction. Therefore, the Department should try to consistently track this information across the systems. Additionally, internally, the Department could designate activity / purpose codes to track overtime hours associated with vacation coverage and special projects so that it could determine how filling those positions could mitigate overtime costs.

- **Monthly Reporting:** The best practice is to develop monthly reports that highlight the top 5 overtime drivers for the Department and the top 10 employees earning overtime. This control helps departments track not only the major sources of overtime in the department (whether scheduled or unscheduled) but to see that overtime is distributed fairly among qualified staff. This report should be generated for internal department oversight and as the drivers in Utilities are typically scheduled (standby, call back, etc.) they should be evaluated on a quarterly rather than monthly basis. However, they should still be evaluated in the context of determining overtime associated with vacancies.
- **Significant Deviations Justified to City Council:** Currently, the Department informally evaluates quarterly its overtime expenditures compared to its budgeted overtime costs. However, deviations from this budget are not typically shared with City Management or City Council. If the budgets were to vary significantly (for e.g. actual expenditures for overtime in quarter 1 exceeded the total budgeted overtime expenditures for the year), then that information along with the reason for such significant variance should be shared with City Council. This should not be a major issue for the Department as it currently remains (86%) within its overtime budget.

The Utilities Department is able to budget overtime for its Divisions on a program level annually, collecting seasonal and monthly reports related to overtime costs, and developing internal tracking spreadsheets for overtime usage. Additionally, the Department documents and keeps track of all compensatory time approved for exempt employees. However, there are areas in which the Department should improve such as developing detailed activity codes, generating monthly overtime reports, and reporting overtime budget deviations to City Management.

Recommendation: Develop purpose and activity codes that clearly identify the reasons for overtime, along with producing monthly reports indicating overtime drivers, and continue to monitor overtime actual expenses compared to overtime budgeted expenditures.

5. COST EFFECTIVENESS OF UTILITIES DEPARTMENT OVERTIME.

Due to the Utilities Department's low percentage of overtime costs compared to salary costs, it would appear that hiring additional staff to offset overtime costs would not be an effective measure. Over the past three years overtime costs have ranged from a low of approximately \$447,000 to a high of \$510,000, or the equivalent of roughly 5 mid-level FTEs. The major sources of overtime seen in Utilities are either scheduled, or relate to special projects or covering for departmental vacancies.

In the last several years, the Department has implemented a 12-hour shift schedule as well as other shift schedules in order to reduce overtime expenditures. This resulted in overtime costs being reduced by an average of nearly 45%, suggesting that the move to 12-hour shifts proved to be successful in its efforts. The success of modified shift schedules has led the Utilities department to look into how it can utilize various shift types in order to mitigate future overtime costs in its various divisions.

The Utilities Department currently has 16 vacant positions, which could directly impact overtime expenditures. For example, the largest number of vacancies is in the Operations Division, which is responsible for wastewater and water plant operations and maintenance activities. These employees are typically on a flexible schedule, with each shift being minimally staffed. If these vacancies were filled, it would allow for more staff per shift, enabling the Department to reduce overtime costs associated with employee absences and extended leaves. Additionally, it would bolster shift coverage, and allow staff to complete routine maintenance more effectively and efficiently.

Recommendation: The Utilities Department should consider filling its current vacancies to reduce overtime costs.

6. APPROPRIATE BUDGET LEVELS IN THE UTILITIES DEPARTMENT.

The Utilities department consistently over-budgets its overtime costs. The table on the following page outlines the budgeted and actual overtime costs for the Utilities department over the last three fiscal years.

Fiscal Year	Budget	Actual	Projected Accuracy %
11/12	\$415,395	\$372,404	90%
12/13	\$417,395	\$378,256	91%
13/14	\$413,013	\$396,557	96%
Average	\$415,268	\$382,406	92%

Over the last three fiscal years, the Department has budgeted an average of \$415,000 of overtime, but only needed roughly \$382,000. The Department comes within an average of 92% of their projected budget resulting in a budgeted buffer of approximately \$33,000 annually.

Recommendation: It is considered a best management practice to project budgets, based on operational and other data, within 5% of actual costs. The Utilities Department should revise projections to meet this benchmark.

7. CONCLUSION

Overall, the Utilities Department is able to effectively control its overtime, as the costs have declined significantly, 86% over the last seven fiscal years. Additionally, the Department has a variety of different types of internal tracking mechanisms in place and has experimented with alternative work schedules to better control its overtime usage. However, the Department does need to work on developing additional overtime controls such as tracking overtime drivers related to vacancies. This would enable the Department to accurately state that hiring additional staff will help mitigate much of its overtime controls and also reduce its overall overtime budget.

7. PUBLIC WORKS DEPARTMENT OVERTIME REVIEW

The Public Works Department provides a wide-range of services for the City and its residents. Some examples of services include maintenance of streets, parks, water and sewer systems, as well as City buildings and vehicles. The Department's primary use of overtime relates to standby services, parks maintenance, and field utilities. The following chapter explores the utilization of overtime, a review of current policies and operational issues, and outlines recommendations for improvement.

1. HISTORICAL TRENDS IN PUBLIC WORKS OVERTIME.

Actual and budgeted expenditures relating to overtime costs were collected in order to analyze historical use of overtime. The project team utilized budgeted and actual expenditure information from the past six fiscal years. The following table details the budgeted and actual general fund expenditures for certain select group of programs within the department, which generate overtime, as well as the overtime component for the last six years.

Fiscal Year	Department (General Fund)		Overtime (General Fund)	
	Budget	Actual	Budget	Actual*
08/09	\$7,814,882	\$7,039,426	\$106,181	\$41,715
09/10	\$6,715,821	\$5,811,172	\$109,895	\$37,246
10/11	\$6,015,602	\$6,187,618	\$113,743	\$73,457
11/12	\$6,105,183	\$6,330,410	\$74,896	\$49,084
12/13	\$6,514,641	\$6,226,103	\$80,396	\$61,304
13/14	\$6,610,460	\$6,506,101	\$62,009	\$54,330

*Actual Overtime Expenditures include Offset Expenditures.

Over the past six years the department's general fund budget, along with the overtime component has decreased. The fluctuation between budgeted and actual expenditures for the department has differed from between 87% and 104%, providing an average rate of 96% accuracy. Conversely, the fluctuation between budget and

actual overtime expenditures ranges from a low of 34%, to a high of 88%, providing an average rate of 61% accuracy. Overall, overtime represents approximately 1% of the department's budget as a whole.

With respect to more detailed analysis, the project team analyzed overtime costs over the most recent three years in the context of salary expenditures. The following table presents a comparison of salary costs and overtime expenditures for general fund programs within the Public Works Department.

Fiscal Year	Actual Expenditures		% of Overtime to Salary Costs
	Salary	Overtime*	
11/12	\$2,641,386	\$49,084	1.86%
12/13	\$2,669,922	\$61,304	2.30%
13/14	\$2,447,309	\$54,330	2.22%

*Actual Overtime Expenditures include Offset Expenditures.

The Public Works department's general fund salary expenditures decreased by approximately 7% from Fiscal Year 11/12 to Fiscal Year 13/14. General Fund overtime expenditures for the department increased approximately 11% over the same time period, however this only accounts for an increase in roughly \$5,000. Overall, overtime only accounts for approximately 2% of the Public Works salary expenditures for the program expenditures included. When this information is viewed in the context of comparable jurisdictions based on the survey discussed in the following section, the City is below the average of 5%. In FY 12/13 the Department's salary and overtime expenditures rose by approximately \$29,000 and \$12,000 respectively, indicating minimal increases in employee salary and benefit costs. However, in fiscal year 13/14 salary expenditures decreased by \$223,000 due to currently filled positions being vacated and the Department's inability to fill vacant position(s) during the year. As overtime expenditures also decreased in fiscal year 13/14, vacancies did not negatively

impact the Department's ability to perform basic work functions or respond / provide emergency services. Although, the department's conscious decision to delay work in lieu of filling vacancies or utilizing overtime could create issues with the City's infrastructure.

2. COMPARATIVE SURVEY

The Matrix Consulting Group conducted a comparative survey of overtime practice for Public Works Departments (including Park Maintenance) in similar local government agencies. The cities chosen for the survey were selected by City Management and Department heads for their similar to Vacaville, taking into account size, organization and location within Northern California. The group includes: Santa Rosa, Petaluma, Napa, Fairfield, Concord, and Roseville. The information for the comparative survey has been developed by a combination of contacts made within these outside agencies, as well as through online research conducted by the project team. The following sections outline the results of this process for the Public Works Department.

(2.1) Expenditures and Staffing

The table on the following page presents an overview of the expenditures for salary and overtime and the full-time and part-time or vacant staffing for Public Works for the jurisdictions surveyed. It is important to note that there a variety of services included in Public Works Department across the various jurisdictions, including Utilities, Field Utilities (e.g. Fairfield). Where possible, the survey identified and tried to remove these costs to ensure the most accurate comparison across jurisdictions.

City	FY 12-13 Salary Expenditures	FY 12-13 Overtime Expenditures	Overtime as % of Salary	FY 12-13 Staffing	FY 12-13 Part-time	FY 12-13 Vacant Positions
Santa Rosa	\$10,473,834	\$358,183	3%	188.3	1.65	7.35
Petaluma	\$2,626,913	\$64,719	2%	59.5	NR	1
Napa	\$3,726,828	\$318,340	9%	140	14.57	NR
Fairfield	\$2,610,000	\$129,079	5%	188.6 (includes utilities)	NR	NR
Concord	\$3,197,535	\$132,380	4%	78.65	33.98	3
Roseville	\$12,566,372 (includes benefits)	\$126,945	N / A	141.78	NR	NR
Vacaville	\$2,669,922	\$61,304	2%	88	N / A	9

- Among the cities surveyed on average (excluding Roseville & Vacaville) overtime expenditures comprised approximately 5% of total salary expenditures and the median value is 4%. Currently, Vacaville's Public Works Department overtime to salary expenses at 2% is half of the median of 4% for all of the cities surveyed.
- Vacaville is significantly below the average of overtime expenses of \$174,518 for the public works departments surveyed.
- Vacaville's total public works staffing is at far below the average staffing levels of the cities surveyed (excluding Fairfield, which includes utilities).

The results of the table suggest that Vacaville is fairly below the average overtime levels for the cities surveyed. The city to which it is most similar is Petaluma in terms of salaries and overtime expenditures. Therefore, it will be interesting to evaluate the differences / similarities in overtime policies between the two jurisdictions.

(2.2) Policies

The table on the following page discusses some of the policies related to overtime such as types of overtime, accrual of overtime benefits, and compensatory time off (CTO) limits for the cities surveyed:

City	Types of Overtime	Accrual of OT Benefits	CTO Cap (Hrs)
Santa Rosa	Callback, Standby	Paid Overtime, CTO	100 hrs
Petaluma	Overtime Meals, Callbacks, Standby, Telephone / Electric Standby	Paid overtime, CTO, Cash out 1x a year	240 hrs (80 hrs can be cashed out during each fiscal year)
Napa	Standby (only overtime if beyond standard standby hours), Callback	Paid Overtime, CTO, Cash out	100 hrs
Fairfield	Standby, Callback, Holiday standby	Paid Overtime, CTO, 25% of CTO cashed out 2x a year	100 hrs
Concord	Standby, Callbacks, Overtime Meal Allowance	Paid Overtime, CTO, PTO (in lieu of CTO)	160 hrs
Roseville	Callbacks, Standby, Overtime Meal allowance	Paid Overtime, CTO, PTO (in lieu of CTO)	240 hrs
Vacaville	Callbacks, Standby, Holiday Overtime	Paid Overtime, CTO, Cash out CTO 1x a year	70

- Unlike Police and Fire, several different cities afford Public Works and parks maintenance employees with the option to cash out their overtime. Additionally, these cities also allow individuals to accrue paid time off in lieu of compensatory time off.
- The limit to compensatory hours to be accrued is fairly consistent across most jurisdictions at 100 hours. Vacaville is significantly below the average of 144 compensatory hours.
- There are standard types of overtime utilized by the different types of cities such as callback, standby, overtime meal allowance, etc. However, the various limitations for these types of overtime vary greatly between the cities.

As the table on the previous page indicates the Public Works Department is significantly lower in terms of overtime compared to other cities. While cities such as Petaluma and Concord utilize variable workweeks or alternative weekly schedules, the current informal policy of limiting overtime usage in Public Works department helps discourage overtime accrual. Similar to the expenditures and staffing level, the policies of Petaluma also closely mirror the practices of Public Works Department within Vacaville.

3. CAUSES AND IMPACTS OF OVERTIME IN THE PUBLIC WORKS DEPARTMENT.

As part of this analysis, an evaluation of overtime categories and governing policies and procedures were reviewed. These factors were evaluated in the context of major causes or drivers of overtime as well as impacts on staffing and resource allocation.

(3.1) Major Overtime Categories

The Public Works department currently collects and tracks overtime by six major categories: overtime, callback, standby coverage, standby response, time education & training, and OOR. The points, which follow, present a brief description of each of the major categories.

- **Overtime:** Represents time worked in excess of an employee's regular workday or workweek.
- **Callback:** Represents time associated with an employee being called back to work after the employee's regular work hours, or on a day when the employee is not scheduled to work.
- **Standby Coverage:** Represents after hours time whereby an employee is responsible for answering any emergency calls received.
- **Standby Response:** Represents time associated with an employee responding to emergency calls received outside of regular work hours.
- **Education & Training:** Represents time associated with employee education or training which takes place outside of or in excess of an employee's regular workday or workweek.
- **OOR:** Represents time worked in excess of an employee's regular workday or workweek, where the duties required are performed at a rate outside the employee's regular pay rate.

As the above points indicate overtime information is categorized at a level of detail that provides a moderate amount of information as to reasons for overtime. Along

with tracking overtime by specific categories, timesheets provide staff with the ability to comment on the reasons for overtime, providing the Department with additional information for analysis.

(3.2) Primary Causes of Overtime

The project team obtained information regarding the total hours associated with overtime accrued broken down by compensatory time and (paid) overtime. The table on the following page details the total overtime hours accrued in the six major categories noted above for FY 13/14, broken out by compensatory and overtime.

Category	Comp	Overtime	Total
Overtime	424.6	744.65	1,390.15
Callback	37.0	321.00	358.00
Standby Coverage	220.9	1,642.50	1,642.50
Standby Response	192.1	1,223.50	1,415.60
Education & Training	0.0	1.70	1.70
OOR	24.0	12.00	36.00
TOTAL	898.6	3,945.35	4,843.95

Public Works employees accrued a total of 4,844 hours of overtime in FY 13/14, with 81% of those hours being accrued as overtime. Approximately 92% of hours accrued relate to overtime, standby coverage, and standby response categories. The following points discuss some of the major drivers of overtime in Public Works:

- **Overtime:** This category represents nearly 29% of total overtime hours for FY 13/14. It includes scheduled overtime such as opening and closing park gates, park restroom maintenance, special events, and emergency responses.
- **Standby Coverage & Response:** These two categories together represent 63% of the department's total overtime hours. Standby coverage hours are from 3:30 pm to 7 am Monday through Friday, and all day Saturday and Sunday. During this time, employees are responsible for answering and dispatching emergency calls relating to Public Works issues. Standby Response hours relate to staff who are dispatched to respond to Public Works related issues.
- **Callback:** Hours accrued in this category represent staff time associated with turning on water meters for residents after Finance Department staff have left for

the day. This category represents approximately 7% of the department's overall overtime.

Over half of Public Works overtime is known and scheduled, including park maintenance and standby coverage. However, nearly 30% of overtime is responding to Department emergencies, or providing water meter services during call back hours. While the department can't predict or prevent emergencies, it can work to mitigate the overtime hours associated with callbacks.

(3.3) Review Of MOU Provisions Impacting Overtime Controls

Overtime is typically dictated by citywide policies along with MOU / collective bargaining agreements. The Public Works Department is governed by several different MOU agreements that directly impact its ability to accrue overtime by defining standby coverage, limiting compensatory time accruals, and defining shift schedules.

Currently, all Citywide policies simply describe the standard pay rate for overtime as one and one half (1.5) times the regular rate of pay and that compensatory time off can be earned in lieu of overtime pay. Additionally, the policy states that except for certain MOU restrictions, paid time off (PTO) cannot be used for calculating overtime. These policies are applicable to non-management employees. However, the policies also dictate that for specific provisions and regulations related to overtime employees should consult the most relevant MOU agreement for them.

The project team reviewed the three bargaining agreements that are associated with staff in Public Works Department – Vacaville Managers Organization, Vacaville City Employees Association, and Local 39 agreements. The Vacaville Managers Association and City Employee Association Agreements are valid from July 1, 2013 through June 30, 2015. The Local 39 agreement was approved by resolution on September 30, 2014

and covers the term from July 1, 2013 through June 30, 2016. The Vacaville Managers Organization Agreement includes the Public Works Supervisors, Senior Engineers, and Fleet and Facilities Manager. The City Employees Association Agreement includes engineering specialists and technicians. The Local 39 Agreement includes field, parks, streets, and facilities maintenance workers. The following table outlines the major provision of these agreements that relate to or directly impact the use of overtime or compensatory time.

Article #	Subject Area	Major Provisions	Impact
Vacaville Managers Organization Agreement			
9.1	Regular Workweek and Regular Workday	Regular workweek consists of 40 hours a week or 37.5 hours based on classification.	Anything beyond those hours / week would be considered overtime.
9.3	Modified and Reduced Work Schedules	Modified work schedules can be implemented and continued at the discretion of the Dept Head. These schedules take the form of "flextime", changing the standard workday hours but the total hours worked in the work period remain the same. Limited Term Reduced Work schedules can be requested by regular full-time non-probationary employees.	Flexibility introduced into workweek scheduling, which can help mitigate overtime costs.
10.1	Authorization of Overtime	Overtime worked by employees who are <i>not</i> exempt from FLSA must be approved by in advance by the City Manager or City Manager representative.	Supervisors and managers must receive approval for overtime from City Management, limiting their ability to incur overtime expenditures.
10.2	Definition	Time and one-half paid for all hours in excess of normal workday / workweek.	No allowance for un-worked hours during workweek to offset extra hours.

Article #	Subject Area	Major Provisions	Impact
10.3	Compensatory Time	<p>Comp time off (CTO) may be granted in lieu of pay at the employee's request and with approval of supervisor. (Non-FLSA exempt employees are eligible for comp time).</p> <p>Comp time max balance is 75 hours for 7.5 hrs / day employees and 80 hrs for 8 hrs / day employees. Maximum accumulation is measured at the end of each pay period.</p> <p>Cash out 50% of Comp time once a year (in November).</p> <p>Use of CTO prior to use of vacation is not required by the City.</p>	<p>Limits the use of compensatory time that can be used in lieu of overtime.</p> <p>This directly impacts overtime costs, as employees can only accrue certain amount of compensatory time.</p>
10.5	Call Back	<p>Non-exempt employee called back to work or subpoenaed to appear in court on unscheduled day of work the employee shall receive minimum 2 hours of work or 2 hours pay at OT Rate. (Does not apply to call backs prior to employee's starting regular time).</p>	<p>Impacts the overtime associated with callback and states that any callbacks shall be paid at minimum 2 hours of overtime.</p>
Vacaville City Employees Association Agreement			
4	Hours of Work	<p>Workweek will be 37.5 hours per week except CSOs. Emergency overtime will be granted at 1.5x the pay rate.</p> <p>Comp Time not to exceed 40 hrs. Vacation time accrued in separate accounts. Employees designate use of appropriate accounts.</p>	<p>Anything beyond those hours / week would be considered overtime.</p>
4.	Modified Work Schedules	<p>Modified schedules can be implemented and continued at the discretion of Dept Head with concurrence of City Manager.</p> <p>Flextime or alternate work schedules means different hours per work day but same total hours (37.5) in workweek.</p>	<p>Flexibility introduced into workweek scheduling, which can help mitigate overtime costs.</p>

Article #	Subject Area	Major Provisions	Impact
5.4	Call Back / Court Overtime	<p>Called back to work after employee's regular work hours or called back on a day when the employee is not scheduled.</p> <p>Receive minimum of 2 hrs work if there is work to be done or min of 2 hrs of overtime if no work is necessary.</p> <p>Court appearances shall be compensated for minimum of 30 minutes.</p> <p>If provide support via electronic means then shall be compensated for 30 minutes.</p> <p>To qualify for minimums identified the employee must have completed their duty for the day and left City property.</p> <p>Maximum pay rate cannot exceed overtime rate (1.5x).</p>	Impacts overtime only if there is no work that needs to be completed resulting in overtime accrual.
10	Compensatory Time	<p>Emergency Overtime will be granted at time-and-a-half. Comp time can be granted in lieu of overtime.</p> <p>Comp Time is not to exceed 40 hours. Employees may cash out up to 50% of Comp Time accrual in November.</p>	Limiting comp time directly impacts the amount of overtime, as any amount exceeding 40 hours must then be coded to overtime.
International Union of Operating Engineers Stationary Local 39, AFL-CIO Agreement			
9.1	Regular Workweek and Regular Workday	<p>Regular workweek consists of 40 hours a week, at either 8 hours a day for five days a week or 10 hours a day for four-days a week.</p> <p>Open to discussing 9/80 schedules as possible options.</p>	Flexibility introduced into workweek scheduling, which can help mitigate overtime costs.
9.3	Notice of Change in Regular Workweek	Supervisor may reschedule an employee's normal work hours (w/out using overtime) up to two hours earlier or later than normal work hours once a week, if a day's notice is given. Except for emergency situations.	Enables supervisors to fill in gaps that could potentially cause overtime without having to pay overtime. Can reduce overtime costs.
10.1	Authorization of Overtime	Overtime worked by employees who are <i>not</i> exempt from FLSA must be approved by in advance by the City Manager or City Manager representative.	Limits overtime usage as they must receive approval for overtime from City Manager or their representative.

Article #	Subject Area	Major Provisions	Impact
10.2	Definition	Time and one-half paid for all hours in excess of normal workday / workweek. Supervisor can choose to pay overtime through CTO.	No allowance for un-worked hours during workweek to offset extra hours.
10.3	Call Back	If employee called back to work or subpoenaed to appear in court on unscheduled day of work then the employee shall receive minimum 2 hours of work or 2 hours pay at OT Rate. (Does not apply to call backs prior to employee's starting regular time.	Impacts the overtime associated with callback and states that any callbacks shall be paid at minimum 2 hours of overtime. This is the primary source of unscheduled overtime in the Department and therefore this provision must be evaluated carefully to ensure that additional overtime costs are not being incurred.
10.4	Standby Time	Standby time may be scheduled by Dept head. Standby shall be paid 3 hours at the time and a half per twenty-four hour period for standby time. Minimum callback time should be one hour for standby personnel. One work assignment may be delegated once the call-out has been enacted. More than one work assignment may be delegated once the call-out has been enacted.	Standby coverage is the primary source of overtime in public works. The 4.5 hours per 24-hour period directly impacts overtime coverage and hours as the shift schedule in public work for overtime is from 3:30pm to 7am.
10.5	Compensatory Time	Comp time off (CTO) may be granted in lieu of pay at the employee's request and with approval of supervisor. Comp time max balance is 70 hours for all employees, except Wastewater operators (90 hours). Use of CTO prior to use of vacation is not required by the City. CTO considered as a separate accrual bank from vacations' balances.	Capping CTO makes it so that employees have to incur remaining overtime hours as overtime cost, thereby increasing the overtime.

Article #	Subject Area	Major Provisions	Impact
10.7	Telephone Consultation	<p>Telephone consultation applies to employees available to work, who are called at home during non-work hours by senior, supervisor, department head, or his / her designee. The hours being once the employee is called and responds with assistance in mechanical, electrical, structural, or operational support or provide information to resolve an urgent and critical facility or process problem.</p> <p>Thirty minutes at OT rate. More than one telephone call can be taken once consultation time has started. If problem can't be solved via telephone, then call back provision will be applied.</p> <p>Only applies to telephone consultations for required technical assistance – not related to staffing availability, shift assignments, or shift coverage.</p> <p>Must use alternate resources (e.g. manuals, supervisors, log entries, etc.) prior to consultation.</p> <p>Effectiveness of consultation is subject to monthly review.</p>	<p>Telephone consultation is a minimal component of overtime in terms of hours (cost) and comp time hours.</p> <p>Provision very strictly limits the overtime that can be accrued and has minimal impact on overtime costs.</p> <p>Employees typically do not participate in telephone consultation.</p>

The following points summarize the major unique issues that should be noted from these contractual terms:

- Specific provisions affecting standby and callback should be closely examined to ensure that current standby coverage allowances of 4.5 hours of overtime or CTO accrual are accurate and appropriate.
- Capping of CTO levels also directly impacts overtime costs, as employees can only accrue a maximum number of CTO hours before it automatically shifts to overtime payments. For these agreements the caps are between 70-90 hours per employee. However, there is no discussion of cashing out options for Local 39 employees, which is atypical for other standard MOU agreements throughout the City and other local jurisdictions.

Overall, the agreements discussed in this section suggest that the Public Works Department has very clearly laid out its provisions related to overtime including the

definition of overtime, and the processing of accruing overtime hours or compensatory time (CTO). Limitations of compensatory time directly impact the Department's ability to reduce its costs. The provisions associated with Standby and Callbacks should be modified to allow the department greater flexibility in coverage for all types of shifts, including crew-based overtime activities.

Recommendation: The Public Works Department should re-evaluate its standby and callback provisions to make better use of its current resources.

Recommendation: The Public Works Department should develop a policy addressing cash-out provisions for CTO in MOU agreements.

4. OPPORTUNITIES FOR IMPROVEMENT IN THE PUBLIC WORKS DEPARTMENT.

In order to effectively evaluate Public Works Department overtime utilization and administration, the project team compared current practices and policies to Best Management Practices (BMP). While many BMPs address City policies and procedures, there are many practices, which can be applied to departments and divisions. The following subsections outline how the Department compares to three main types of overtime best practice areas.

(4.1) Policies

Best Management Practices for overtime policies should cover usage, management training, allocation of opportunities, penalties for abuse, and limits of accrual. While many of these best practices relate to City policies or MOUs, the Public Works department has two documented overtime policies relating to Field Utilities and Parks. The following points highlight where the Department's policies are lacking, and how they could be strengthened.

- **Overtime Usage & Procedures:** The department currently has policies relating to Park Maintenance projects, as well as Field Utilities standby duties. However, the department should develop policies for all divisions, or create a universal departmental policy, which can be applied to everyone equally.
- **Overtime Policy Guidelines:** The department's current policies outline the responsibilities of staff who participate in the standby program, however, there is no specific language outlining employee eligibility for overtime. Current policies for Park overtime specify seniority basis for worker selection. The Department should refrain from restricting or providing preference in overtime opportunities to employees based on seniority, and should revise their current policies to include specific language dictating employee eligibility for overtime.

A majority of the best management practices that relate to policies are covered by City policies or bargaining MOUs. While the Department has augmented some of these policies and guidelines, it could augment City guidelines by developing department specific operating procedures. Along with the above points, the Department has highlighted mandatory overtime on holidays as an additional area that needs to be addressed in its current policies. The current policy states that an employee does not get overtime for holidays worked, but rather can trade the holiday for another day worked. Overall, the Department meets most of the best practice standards for overtime.

Recommendation: The Department should review and revise their current policies in order to ensure that overtime is fairly allocated and that holiday overtime is accrued appropriately.

(4.2) Controls

Overtime controls should be managed at both the City and Departmental level, through identified supervisory channels. Limits on overtime usage should be outlined in City policies and MOUs, and enforced by departmental management and supervisors.

The majority of overtime accrued in Public Works relates to pre-determined services including opening and closing of parks, and standby coverage. The Department currently schedules its standby coverage three months in advance, ensuring staff has ample notice, and mitigating the need for supervisory pre-approval. The current policy of the Department to minimize overtime effectively eliminates any issues relating to excessive overtime being accrued.

Recommendation: The Public Works department does not currently need to reassess their overtime controls; however, developing guidelines pertaining to overtime approval would benefit the Department in the long run.

(4.3) Budgeting and Reporting

Effective budgeting and reporting of overtime hours and costs can help departments and the City as a whole manage overtime issues, including staffing and resource allocations. The majority of these controls should be monitored at the departmental level, providing departments with the tools necessary to schedule staff and budget costs effectively.

The Public Works department currently utilizes purpose codes to track overtime usage by its employees, enabling analysis of overtime causes and costs. Departmental forms for documenting overtime hours provide reasons for the overtime, supervisory approval, and are also utilized for tracking costs that can be reimbursed versus those which will need to be paid out. As part of the overtime tracking process, Public Works reconciles billing and receivables quarterly as it relates to overtime.

Budgeting and review of overtime is typically most accurate when reviewed seasonally or quarterly. However, the majority of overtime seen in Public Works relates

to scheduled services, which are easily projected on an annual basis, somewhat mitigating the Departments need to budget or create reports monthly or seasonally.

Recommendation: While the Department is currently able to project overtime usage and costs, developing a mechanism by which they report hours and costs on a monthly or seasonal basis could allow the Department to better control its unscheduled overtime.

5. COST EFFECTIVENESS OF PUBLIC WORKS OVERTIME.

Due to the Public Work's department's low percentage of overtime costs compared to salary costs, it would appear that hiring additional staff to offset overtime costs would not be an effective measure. Over the past three years overtime costs have ranged from a low of approximately \$62,000 to a high of \$73,000, or the equivalent of roughly 1 mid-level FTE. The major types of overtime seen in Public Works are scheduled, and therefore would not be mitigated by adding additional staff.

While the Department currently has 9 vacant positions, these vacancies do not affect overtime usage. The Department currently adjusts their work output in order to limit the use of overtime by staff. This unwritten policy results in fewer projects being taken on in order to ensure that overtime levels do not increase dramatically as a result of employee absences or extended leaves. However, this policy does impact the ability of the Department to keep up with the City's infrastructure needs. If Public Works were to fill the current vacancies, overtime costs would not go up proportionately, as the majority of the Department's overtime is mandatory.

Recommendation: The Public Works department is effectively utilizing its overtime budget, and does not need to add additional staff to compensate for overtime expenses.

6. APPROPRIATE BUDGET LEVELS IN THE PUBLIC WORKS DEPARTMENT.

The Public Works department consistently over-budgets its overtime costs. While this discrepancy has decreased in recent years, it serves to reinforce the internal policy of limiting overtime. The following table outlines the budgeted and actual overtime costs for certain general fund programs within Public Works over the last three fiscal years.

Fiscal Year	Budget	Actual	Projected Accuracy %
11/12	\$74,896	\$57,281	76%
12/13	\$80,396	\$60,915	76%
13/14	\$62,009	\$61,087	99%
Average	\$72,434	\$59,761	84%

Over the last three fiscal years, the department has budgeted an average of \$72,000 of overtime, but only needed roughly \$60,000. The Department comes within an average of 84% of their projected budget resulting in a budgeted buffer of approximately \$12,000 annually.

Recommendation: It is considered a best management practice to project budgets, based on operational and other data, within 5% of actual costs. The Public Works Department should revise projections to meet this benchmark.

7. CONCLUSION

Overall, the overtime expenditures for the Public Works Department have decreased over the past several years consistently. Additionally, the overtime associated with Public Works is primarily scheduled – standby services and would not be affected by filling vacancies. However, filling these vacancies could enable the department to produce more work output, which has been limited due to informal practices discouraging accrual of overtime for completing department-specific projects. The Department should continue to monitor its current overtime practices and track overtime through the use of purpose codes to effectively manage its overtime.



POLICE DEPARTMENT

Generalized Scope of Services – The purpose of this department profile is to document the project team’s fundamental understanding of the organizational structure, allocation of staff by unit and function, and principal programs and services provided by the Police Department.

The Police Department provides a wide-range of public safety services to the community framed by a set of six core principles. These services include: A Field Operation Bureau consisting of two divisions of Patrol deployed in teams on three shifts to include augmenting services within the Traffic Section, Crime Free Housing, Crime Prevention, and Youth Services Section; and one division of Support Services including Communications (dispatch) for Police and Fire, Records, and the Volunteer Crossing Guard. One Investigative Services Division composed of six (6) units/sections including Investigative Services, Narcotics Enforcement, Property and Evidence, Crime Suppression, Crime Analysis, and the FIRST (Family Investigative Response and Services Team) Special Victims operation.

Following this overview matrix is an organizational chart depicting the department’s structure by division.

Program Area	Description of Services
Chief’s Office	<ul style="list-style-type: none"> Provides executive level oversight of department operations. Provides key budgetary, administrative and training support to the department. Responsible for department-wide Professional Standards. Interfaces regularly with the community and city’s executive management and council.
Patrol Divisions	<ul style="list-style-type: none"> Two Patrol Divisions providing patrol services on a three 4-day/10-hour shift schedules. Operates on a Sun-Wed and Wed-Sat schedule with Wednesday “training” overlap. Fields two (2) K9 Teams on each side of week.

	<ul style="list-style-type: none"> Provides Youth Services support to school aged children and their parents and exists to help youth succeed at home, at school, at work, and with friends. Provides Crime Prevention programs to provide usable information on risk and fear reduction to improve Vacaville's quality of life. Provides direct Traffic Section enforcement services and traffic accident investigation. Facilitates a Crime Free Multi Housing partnership between law enforcement, rental property management, owners, and residents.
Investigative Services Division	<ul style="list-style-type: none"> The Investigative Services Section provides a variety of criminal investigative services focusing on crimes that are committed against people and property. Provides independent and specialized field narcotics enforcement. Working closely with Crime Analysis, the Crime Suppression Team (CST) focuses on calls for service reduction through identifying crime trends, addressing problem locations or persons (probation/parole searches), and performing follow-up investigations on gang-related crimes. FIRST serves families and works with domestic violence and elder-abuse victims and is a collaboration of VPD law enforcement and clinical staff. Services are focused on addressing the needs of families, senior citizens, and children in response to family violence. Property and Evidence houses physical evidentiary items as well as investigates crime scenes.
Support Services Division	<ul style="list-style-type: none"> Provides a variety of support services to assist internal and external police customers. Provides dispatch services for Vacaville police and fire departments. The Records Section provides: the lawful distribution, accuracy, security and completeness of all records; fingerprinting services; copies of reports and citations; special events permits and local records check information. Provides oversight of the volunteer and crossing guard program.

FY 14-15 Operating Budget		
Category	FY 15 Budget Amount	<ul style="list-style-type: none"> Salaries & Benefits, along with overtime, comprise approximately 90% of the overall budget for the Department. Approved overtime budget is approximately 2.2% of the overall salaries and benefits budget. Indirect costs account for approximately 4.5% of the overall budget.
Salaries & Benefits	\$25,117,166	
Overtime	\$555,409	
Services & Supplies	\$1,151,078	
Indirect Costs	\$1,286,053	
Technology Costs	\$549,239	
TOTAL	\$28,658,945	

FY 14-15 Authorized FTEs & Personnel Shift Deployment

Division	Act. Sworn FTEs ²³	Auth. Sworn FTEs	Act. Total FTEs ²⁴	Auth. Total FTEs	Total Vacancy	<ul style="list-style-type: none"> • Sworn staff comprise 63% of the VPD organization. • In large part, the department deploys on a variety of shift schedules to include the 10-hour shift in patrol; the 10 & 12-hours shift in dispatch; the 10-hour shift in investigations; and the 37.5 hour weekly schedule for several support positions. These FTEs do not include an unfunded and vacant Lt. position that would oversee the Support Services Division.
Chief's Office	0 + 2	0 + 2	2 + 5	7	0	
Patrol Divisions (Team 1 & 2)	56 + 11	61 + 11	66 + 13	84	5-S	
Investigative Services	16 + 5	17 + 5	21 + 10	33	1-S 1-C	
Support Services	0 + 0	0 + 0	1 + 23	27	3 - C	
TOTAL	72 + 18	78 + 18	90 + 51	151	10	

Key Overtime Characteristics

- Since FY 2004/05 overtime expenditures for VPD have exceeded the budget by an average of 88.6% per year; this has included the offset from any reimbursements. Exceedances have been trending upward since FY 2008/09.
- Field services (acct# 62102) and field support (acct# 62103) averaged approximately 74% of the overall overtime expenditures since FY 2004/05. This excludes offsets for these service types and illustrates where the large portion of overtime originates.
- Similar to the above, administrative services (acct# 62104) to include the Communications Center has averaged approximately 11% of the overtime expenditures since FY 2004/05.
- Overtime budgets are impacted by many different factors, including recently bargaining unit concessions and maintaining frozen and vacant positions. These will be discussed further in the draft report.

²³ Shows Officers and (+#) Supervisors

²⁴ Shows Sworn staff and (+#) Civilian staff



FIRE DEPARTMENT

Generalized Scope of Services – The purpose of this department profile is to document the project team’s fundamental understanding of the organizational structure, allocation of staff by unit and function, and principal programs and services provided by the Fire Department.

The Fire Department’s mission is reducing the impact of emergencies on people’s lives in a competent and caring way. The VFD provides a wide-range of public safety services to the community to include: A Field Operations Division, deployed in Fire Stations 71-74²⁵, that provides both fire suppression and emergency medical services comprised of ambulances and paramedic responders. A Support Services Division that incorporates the Fire Prevention Bureau providing public education services, inspection services, plans checking, post-incident fire investigation, and a juvenile fire-setter diversion program; as well as an administrative services section performing data analysis, clerical support and public education services.

Following this overview matrix is an organizational chart depicting the department’s structure by division.

Program Area	Description of Services
Chief’s Office	<ul style="list-style-type: none"> Provides executive level oversight of department operations. Provides key budgetary and administrative support to include human resources for recruitment and hiring; computer reporting and records management; and analysis. Currently directly supervises the Support Services Division and the Field Operations Division Chief. Interfaces regularly with the community and city’s executive management and council.

²⁵ Fire Station 75 is planned for addition in 2015.

Field Operations Division	<ul style="list-style-type: none"> • Delivers all of the department's emergency response services related to fire suppression, hazardous materials, rescue, alarm response, and Emergency Medical Services (EMS). • Provides fire inspection services, smoke alarm program, tours, and fire & life safety education. • Operates in a three-shift structure (Ops A, Ops B, and Ops C) deployed presently over a four station network (with a fifth station pending). • Division overseen by the Deputy Chief with each Ops Shift overseen by a Battalion Chief. • Minimum daily shift staffing is presently 19 positions. • Has a response time target of seven minutes from E911 call receipt to on-scene 90% of time for medical and critical fire events. • Provides medical services to portions of Solano County.
Support Services Division	<ul style="list-style-type: none"> • Provides a variety of support services to assist internal and external Fire customers. • Division overseen by a Fire Prevention Bureau Manager. • Provides code enforcement and maintenance inspection services. • Provides Fire Prevention services responsible for plans examination, fire investigation, fire prevention, and fire and life safety education. • Provides Vacaville Community Emergency Response Team (VCERT) training and coordination.

FY 14-15 Operating Budget – Fire & EMS		
Category	FY 15 Budget Amount	
Salaries & Benefits	\$17,151,606	<ul style="list-style-type: none"> • Salaries & Benefits, along with overtime, comprise approximately 89% of the overall budget for the Department. • Approved overtime budget is approximately 2.8% of overall salaries and benefits budget. • Indirect costs account for approximately 5.0% of the overall budget.
Overtime	\$477,590	
Services & Supplies	\$585,438	
Indirect Costs	\$974,144	
Technology Costs	\$120,076	
TOTAL	\$19,308,854	

FY 14-15 Authorized FTEs & Personnel Shift Deployment²⁶						
Division	Act. Sworn FTEs²⁷	Auth. Sworn FTEs	Act. Total FTEs²⁸	Auth. Total FTEs	Total Vacancy	
Chief's Office	0 + 2	0 + 2	2 + 2	4	0	<ul style="list-style-type: none"> Sworn staff comprise approximately 90% of the VFD organization and will incorporate a greater percentage when the new station comes on-line. With the exception of the Operations Division, VFD staff deploy on an 8-hour schedule. Ops A-C deploy on a 48/96 schedule whereby one Shift works 48 consecutive hours for coverage, with a subsequent 4-days off.
Field Operations Division	53 + 16	53 + 16	69 + 0	69	0	
Support Services Division	0 + 0	0 + 0	0 + 5	6	1 - C	
TOTAL (see footnote #2)	53 + 18	53 + 18	71 + 7	79	1	

Key Overtime Characteristics
<ul style="list-style-type: none"> Since FY 2004/05 overtime expenditures for VFD have exceeded the budget by an average of 96.8% per year; this has included the offset from any reimbursements. Exceedances have fluctuated over the time period but have averaged nearly 143% the prior two fiscal years. Since FY 2004/05 VFD has been reimbursed an average of 40% of their overtime expenditures per year through labor offsets associated with Strike Team deployments, etc. Overtime budgets are impacted by many different factors, including recently bargaining unit concessions and maintaining frozen and vacant positions to include the loss of fire buffer positions. These will be discussed further in the draft report.

²⁶ For purposes of this study we do not include additional authorized staff pending station 75 deployment in 2015. If included would be 89 authorized staff for 2014/15 increasing FF/PM from 38 to 45 and Captains from 13 to 16.

²⁷ Shows Line staff and (+#) Supervisors (Captains and above).

²⁸ Shows Sworn staff and (+#) Civilian staff.



UTILITIES DEPARTMENT

Generalized Scope of Services – The purpose of this department profile is to document the project team’s understanding of the organizational structure, allocation of staff by unit and function, and principal programs and services provided by the Utilities Department.

The Department acquires, treats, and delivers clean drinking water to the citizens of Vacaville. The Department collects, treats, and disposes of wastewater and biosolids in accordance with state and federal environmental regulations. Operation of the water and wastewater facilities (treatment plants, wells, reservoirs, pumping stations, lift stations, etc.) are governed through the State Water Resources Control Board – Division of Drinking Water and the California Central Valley Regional Water Quality Control Board. The standards developed by these agencies are used to monitor compliance through frequent sampling, water quality testing, reporting and on-site inspections.

Following this overview matrix is an organizational chart depicting the department’s current structure.

Program Area	Description of Services
Administration	<ul style="list-style-type: none"> • Provide Administrative support to the Department. • Develop and oversee department and division budgets. • Develop departmental policies and procedures. • Management-level participant in regional water and wastewater organizations. • Administer water conservation programs and reporting. • Interactions with regulatory agencies. • Oversee employee relations and personnel issues.

Operations	<ul style="list-style-type: none"> • 24/7 management and oversight of the City's Water and Wastewater treatment plants, wells, reservoirs, booster pump stations, and wastewater lift stations. • Handle all routine maintenance, repair, replacement, and upgrades relating to water and wastewater equipment and facilities. • Develop, maintain, and execute preventative maintenance measures and programs. • Assist and participate in implementation of capital improvement plans and projects.
Water Quality	<ul style="list-style-type: none"> • Collect and test wastewater treatment plant influent, and process effluent samples to ensure treatment meets state and federal standards. • Performs water quality collection and testing to ensure safe drinking water is served to consumers, including sampling and testing at the City's wells, reservoirs, booster pump stations and two water treatment plants. • Apply for and maintain all state-mandated permits required to operate water and wastewater facilities. • Produce weekly, monthly, and annual reports for submission state and regional boards to support compliance for water, wastewater, and stormwater programs. • Manage and implement wastewater pre-treatment program for industrial users. • Manage and implement drinking water system cross-connection program. • Plan public outreach events such as: Creek Cleanup, etc.
Engineering Services	<ul style="list-style-type: none"> • Develop plans and budgets for short and long term utilities and maintenance projects, and capital improvements. • Design and administer projects to improve and maintain the water and sewer system's infrastructure. • Maintain all facility, project, and systems drawings, plans and maps. • Review, comment, and approve plans, proposals, and maps for projects related to water and wastewater. • Work in partnership with outside agencies, boards, companies, contractors, and other utilities on department projects.

FY 14-15 Authorized FTEs & Shift Schedules				
Division	Actual FTE	Authorized FTE	Total Vacancies	<ul style="list-style-type: none">Approximately 61% of authorized FTEs are budgeted in Operations.Lab Analysts (II & Sr.), Control System Technicians, Electricians, and Mechanics typically work 4 days a week for 10 hour shifts.Wastewater Plant Operators typically work 4 days a week for 10 hours a day, 3 days a week for 12 hours a day, or 4 days a week for 12 hours a day. There is usually some alternation that occurs on this 3-4-3 shift. Additionally, several of the Wastewater Plant Operators can also work 5 days a week for 8 hours or 4 days a week for 10 hours.Water Plant Operators typically work 9/80 shifts with every other Tuesday, Thursday, or Friday off. Certain Water Plant Operators also operate on the 3-4-3 12-hour shift used by Wastewater Plant Operators, but do not work night shift schedules.Department policy requires there be a minimum of 2 Wastewater Treatment Plant Operators on every shift for health and safety reasons.Maintenance staff rotate responsibility weekly for Standby / On Call coverage in order to quickly and effectively respond to issues / problems outside of normal business hours related to compliance and equipment and systems.
Administration	7	9	2	
Operations	42	48	6	
Water Quality	11	15	4	
Engineering Services	3	7	4	
TOTAL	63	79	16	
Key Overtime Characteristics				
<ul style="list-style-type: none">Scheduled Overtime is related to staff working on holidays, lab testing work, public outreach efforts such as Coastal Creek Cleanup Day, and Pharmaceutical Take-Back, and maintenance standby shifts.Standby shifts are typically the largest proportion of scheduled overtime hours / costs, and typically average approximately 825-840 hours per year.There is a certain amount of unscheduled overtime that is related to: completion of projects, handling emergencies, completing in-house repairs (as opposed to contracting out), vacation coverage, performing the work of vacant positions, and paying for non-utilities departmental staff overtime costs.				



PUBLIC WORKS DEPARTMENT

Generalized Scope of Services – The purpose of this department profile is to document the project team’s understanding of the organizational structure, allocation of staff by unit and function, and principal programs and services provided by the Public Works Department.

The Public Works Department provides a wide-range of services to city residents to improve the quality of life, by designing, constructing, maintaining and improving the City’s infrastructure. These internal services include design, construction, and maintenance of: streets, parks, water transmission and distribution systems, sewer and storm drainage collection systems, building and facilities. It also includes: maintenance of fleet, public transit, recycling and solid waste franchise, ADA office, management of CIP program, development engineering for private land developments and managing all traffic operations for the City.

Following this overview matrix is an organizational chart depicting the department’s structure by division.

Program Area	Description of Services
Maintenance General Services	<ul style="list-style-type: none"> • This division includes: Corporation Yard Administration, Central Stores, Facilities, Recycling / Solid Waste, ADA Office, Transit, and Fleet Maintenance. • Provide Administrative support to the Department. • Manages, maintains, and operates Central Stores for city departments. • Handles building and facilities maintenance for more than 500,000 square feet of City Buildings. • Handles citywide fleet and equipment maintenance. • Operates the City Coach Transit Systems. • Manages the Recycling Program and Solid Waste Franchise. • Manages the Americans with Disabilities Act Program.

Program Area	Description of Services
Maintenance Operations	<ul style="list-style-type: none"> • This division includes: Parks Maintenance, Field Utilities, Traffic Safety, and Street Maintenance. • Performs weekly, monthly, and annual maintenance for all streets, street lighting / traffic signals, parks, and setback and median landscaping. • Field Utilities staff maintains water distribution and sewer collection systems. • Field Utilities staff respond to water services turn on / off requests by City Residents. • Park Maintenance staff prune trees, fertilize turf, mow grass in parks, perform litter removal, and graffiti abatement. • Street Maintenance staff repairs sidewalk, performs base failure repairs to streets, repair potholes, repairs streetlights, maintains traffic signal systems, and replaces road signs as needed.
Traffic Services Division	<ul style="list-style-type: none"> • Oversees design and operation of traffic signalization, traffic signing, roadway striping. • Provides transportation planning services including traffic forecasting & circulation planning • Assists Development Engineering with long range planning related to traffic impacts associated with development projects.
Engineering Services	<ul style="list-style-type: none"> • Designs, inspects, and administers contracts for all Capital Improvement Program (CIP) Projects. • Administers the City's Capital Improvement Program (CIP). • Inspects all public right-of-way construction for private developments. • Reviews and approves subdivision maps, improvement plans, and preparation of benefit / assessment districts. • Develops and maintains the City Standard Specifications, mapping for GIS, FEMA floodplain management.

FY 14-15 Operating Budget				
Category	Lighting & Landscape Fund	Public Works General Fund	FY 15 Total Budget Amount	<ul style="list-style-type: none"> • Salaries & Benefits, along with overtime, comprise approximately 52% of the overall budget for the Department. Note: Field Utilities employees' salaries & benefits and overtime costs are budgeted in Utilities. • Overtime cost is only 1% of overall salaries and benefits budget. • Indirect costs account for nearly 17% of the overall budget. • Non- General Fund budgets for Engineering Services, Gas Tax, and Transit & Fleet maintenance are not included.
Salaries & Benefits	\$1,551,356	\$4,186,115	\$5,737,471	
Overtime		\$62,063	\$62,063	
Services & Supplies	\$1,301,260	\$2,091,467	\$3,392,727	
Indirect Costs	\$332,990	\$1,543,930	\$1,876,920	
Technology Costs	\$66,024	\$115,629	\$181,653	
TOTAL	\$3,251,630	\$7,999,204	\$11,250,834	

FY 14-15 Authorized FTEs & Personnel Shift Deployment

Division	Actual FTEs	Authorized FTEs	Total Vacancies	<ul style="list-style-type: none"> • Administration reflects the Public Works Director position. • Approximately 56% of authorized FTEs are budgeted in the Maintenance Operations Division. • Maintenance Workers are on a shift schedule of 7am – 3:30pm M-F; • Staff rotate to cover standby shifts (3:30pm – 7am Friday - Friday).
Administration	1	1	0	
Maintenance General Services	15	17	2	
Maintenance Operations	47	53	6	
Traffic Services Division	3	4	1	
Engineering Division	20	20	0	
TOTAL	86	95	9	

Key Overtime Characteristics

- Overtime in Parks Maintenance is primarily associated with Restroom Maintenance including locking and unlocking park gates.
- The primary source of Overtime in Public Works relates to standby services to respond to any after-hours maintenance, facility, infrastructure, or equipment issues / needs, which is rotated on a weekly basis.
- Another source of overtime for Field Utilities is related to turning on water meters for City Residents that have requested meters to be turned on after Finance Department staff has left for the day.