

**SYCAMORE CITY COUNCIL
AGENDA
June 16, 2008**

CITY COUNCIL COMMITTEE MEETINGS

No Meetings Are Scheduled

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INFORMAL OPEN HOUSE

The Mayor And Council Are Invited To A Brief Tour Of The New Fire Station On Frantum Road At 6:30 P.M. Local Media Representatives Are Invited To Join Us. A Community Open House Will Be Scheduled When The Exterior Improvements Are Complete.

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**Regular City Council Meeting
7:00 P.M.**

1. **CALL TO ORDER**
2. **INVOCATION**
3. **PLEDGE OF ALLEGIANCE**
4. **APPROVAL OF AGENDA**
5. **AUDIENCE TO VISITORS**
6. **CONSENT AGENDA**
 - A. Approval of the Minutes for the Regular City Council Meeting of June 2, 2008.
 - B. Payment of the Bills for June 16, 2008.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
8. **REPORTS OF OFFICERS**

9. REPORTS OF STANDING COMMITTEES

10. PUBLIC HEARINGS--None

11. ORDINANCES--None

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of an Administration Recommendation to Adopt New General Purchasing Guidelines

The City of Sycamore presently follows purchasing and accounting policies loosely compiled in a purchasing manual that has remained largely unchanged since its adoption in the late 1990s. The attached Purchasing Guidelines and Accounting Manual more thoroughly revises the City's policies in line with generally accepted accounting practices, and combines the City's Finance operations into one manual that outlines finance, purchasing, and accounting functions.

Among the more salient changes are the following:

- a) The purchasing limits set forth by the State of Illinois are adopted for local use. Under Illinois law any item over \$20,000 requires a formal sealed bid process. The present City limit is \$10,000. Because of the inflation in the cost of minor capital items and bulk purchases in recent years, the City departments have been obliged to go through an increasingly expensive process of public newspaper notices to purchase items that have relatively short working lives. Examples are evident in the annual capital plan, and include such items as air pack replacements, welding supplies purchased in bulk, etc. The proposed City guidelines for purchases under \$20,000 would still require an informal bid process soliciting quotes from two or more vendors to ensure that a competitive price is obtained, and any such capital purchases must be approved by the City Manager.
- b) The local bidder preference policy approved by the Council on May 5, 2008 is added.
- c) Finance office tasks and responsibilities are delineated. Over the past couple of years the City Treasurer has worked to implement new controls in the accounting system within staff limitations. Each Finance clerk was asked to prepare a written job manual to help create step-by-step procedures that a colleague could perform during vacations or other absences of the employee who is principally responsible for such functions. In addition, areas where additional controls could be put in place were identified. These daily routines are now formalized and generally referenced in the manual.
- d) New processes and procedures such as HIPAA (Health Insurance Portability and Accountability Act), on-line and electronic banking, and new investment options such as the CDARS (Certificate of Deposit Account Registry Service) program are outlined.

- e) An emphasis is placed on continuing to segregate duties. This is evident in bank reconciliations where the accounting supervisor clears bank checks and reviews journal entries before the City Treasurer makes the appropriate journal entries and completes the reconciliation. Given the many roles performed by the City Treasurer, the added layer of segregation and review strengthens the City's overall controls.

Each year the City's independent auditor makes suggestions regarding areas where changes in accounting policies and practices may be useful. The adoption of this manual will help the audit team appreciate the formal, updated processes which are now standard, and provide assurances of continuity within the City's financial and accounting operations.

City Council approval is recommended.

B. Consideration of an Administration Recommendation To Create a New (Seventh) Lieutenant Position.

The City Manager, City Treasurer, and Fire Chief will present an analysis supporting the promotion of a firefighter to the lieutenant rank, creating a seventh lieutenant position which will involve no changes to the Fire Department's FY09 operational budget.

Background

The opening of Fire Station #2 required an increase in the Sycamore Fire Department's minimum daily full-time paid staffing from five to six firefighters. Going forward, each station will be staffed by one lieutenant and two firefighters comprising a three-person engine company or ambulance crew. On paper, six lieutenants and twenty firefighters presently constitute the full-time paid ranks to staff the new two-station service.

As the Council is aware, vacations, injuries and illnesses complicate staffing plans. In actuality, every firefighter and lieutenant will not be available for every shift through the year. When a firefighter or lieutenant is unavailable to work their shift, a determination is made by the shift officer or department management (i.e. assistant chief or chief) as to whether the minimum required number of firefighters (6) and lieutenants (2) are available without that person. When an off-duty lieutenant is not available to fill in, a firefighter from the shift is assigned to serve as acting officer and is paid a base wage equal to the rate of the lieutenant. In addition, a firefighter can be assigned to replace the person who has "acted up," creating up to 24 hours of additional overtime, if the minimum (6) firefighters are not available in addition to the regular and/or acting lieutenants.

Over the past year, firefighters have worked more frequently as acting officers for several reasons. First, in anticipation of the opening of Station 2 (which occurred officially on June 2), the department trained and operated as if two response sectors existed for much of FY08. On a daily basis the department management assigned personnel to each "virtual station" and moved personnel, assigned equipment, and responded to calls for Station 1 and Station 2. This involved two lieutenants per shift and the cost of this transition was factored into the budget to a large extent. However, a long and extended injury to a regular shift lieutenant required an unanticipated number of occasions for the assignment of "acting" lieutenants

from the firefighter ranks. Over the past twelve months, a full-time lieutenant has led only 57.2% of the regularly-assigned shifts.

The department's overtime costs have thus spiked due to the commitment to keep a minimum staffing for each station. Aside from the inherent leave opportunities which may prompt overtime, another underlying cause has been the determination to open a second fire station as soon as the minimum threshold of firefighters and lieutenants could be reached. The opening of a second station has been a service priority since the Fire department's strategic plan was adopted in January 2001 because of a steady rise in EMS responses in areas of new population at the northeast corner of our community. In turn, financial prudence dictated that the City should aim for the two-station threshold with minimum staffing because the City's annual revenue growth has not supported more ambitious hiring goals, even in the more robust economic period of 2003-2005. In addition, budgetary restraint on the part of all departments, the City's union locals, and city management in recent years has been required to grow the City's operating fund reserve to build the new station. Such restraint has been the fiscal mantra at the collective bargaining table and in budget sessions for ten years, during which time the City has hired ten new firefighters and increased the full-time lieutenant ranks from 4 to 6 through internal promotions, along with numerous hires in the Police (10 FTE) and Public Works (6.5 FTE) departments. In this process, the partnership of IAFF Local 3046 has been very important.

However, when a service is expanded with the slimmest margin of personnel, any accident leading to lost time and almost any unexpected illness, family emergency, or even a regularly-scheduled vacation or training assignment can create overtime. Under the current structure involving the minimum six lieutenants--even if all are healthy--and averaging the accrued leave each lieutenant may use each year, it is estimated that only 68.15% of the shifts will be covered by a regular full-time lieutenant. That means that 31.85% of the other shifts will be covered by a firefighter in an acting position.

As noted above, when a firefighter acts as an officer, the firefighter gets paid the hourly difference between what he normally makes and that of the lieutenant. In such circumstances, it might appear that the cost to the City is the same as when a lieutenant is on duty. However, when a shift is at the minimum staffing level and a firefighter acts up, a replacement or "fill" firefighter is called into service, creating an overtime situation. Before the transition to the two-station approach, there was a "swing shift" lieutenant or fourth lieutenant to fill the lieutenant slot on such occasions. As the transition to two stations was made, that "swing" lieutenant became one of the minimum "6" in the staffing count and the swing option was lost, leading to more "acting" lieutenants and more "fill" situations at the firefighter rank.

Proposal: Hire a New "Swing" Lieutenant

If a seventh or "swing shift" lieutenant were promoted, the scheduling officer would recognize if one shift had only one lieutenant scheduled and would schedule the swing shift lieutenant in that spot. The swing shift lieutenant would diminish the need for lieutenant overtime and possible firefighter overtime for "short" occasions.

However, there will be some cases where the swing shift lieutenant has scheduled time off or where he is already scheduled to fill a shift the day before. There also may be cases where no officers are off-duty for a period of time and the swing shift lieutenant works on a shift that has three lieutenants. Fire Chief Riddle estimates that such circumstances would be relatively rare, barring a spate of injuries.

What are the financial impacts of adding the swing shift lieutenant? First, it is assumed that the new lieutenant position would be filled from the existing firefighter ranks, without hiring another firefighter. In effect, a swing shift roster of 1 lieutenant and 1 firefighter would be created, instead of 2 firefighters (given the present staffing of 20 firefighters and 6 lieutenants, there are 2 “swing” firefighters, assuming 6 firefighters assigned to each of the three shifts). There would be no additional costs in terms of regular pay, in that the potential acting pay liability would be offset by the new wage of the permanent lieutenant. Additionally, there will be a savings of approximately \$12,000 in overtime during the next three months as a result of “fill” assignments covering the shift opening created by an injured lieutenant.

This approach would bring the department’s officer coverage to 68.93% of all shifts, on average, and would make it much more likely that there is at least one officer on duty, lowering overtime costs. The attached spreadsheet illustrates this calculation.

Recommendation

The FY09 Budget lists a seventh lieutenant as a top, but unfunded budget priority. The departmental spending trends in the two months since the March budget hearings reveal a greater than anticipated overtime cost if some adjustment is not made. The attached numbers suggest that the cost to the City to have an acting officer or a lieutenant on a given shift is about the same, and that the promotion of a swing shift lieutenant is virtually cost neutral. When the injured lieutenant’s shifts are added to the mix, it certainly appears that the promotion of a swing shift lieutenant will lead to reduced overtime costs in FY 2008-2009, if action is taken early in the fiscal year. Of course, the cost savings are in addition to the added value of continuity that the swing shift lieutenant will have on the Fire department’s operations.

The City Manager, City Treasurer, and Fire Chief recommend the promotion of a swing shift lieutenant at the earliest opportunity. No revision of the Fire department budget is requested.

City Council approval is recommended.

C. Consideration of an Administration Request for a Closed Session to Discuss Collective Bargaining.

14. **OTHER NEW BUSINESS**
15. **APPOINTMENTS**
16. **ADJOURNMENT**