



**CITY OF SUN VALLEY
REPORT TO THE CITY COUNCIL**

TO: Honorable Mayor and Council

FROM: Michael Parda, Interim Executive Assistant to the Mayor
Susan E. Robertson, City Administrator

SUBJECT: Proposed Amendments to City of Sun Valley Personnel Policy and
Fire Department Paid On-Call Compensation Plan

DATE: February 1, 2013

BACKGROUND

Historically, the City of Sun Valley has had a combination full-time and volunteer Fire Department. The recent City forensic audit revealed that the City had not been in compliance with the Fair Labor Standard Act (FLSA) with respect to how volunteer fire personnel were compensated. The forensic audit also found that the City's Fire Department was in violation of Idaho State law regarding the permitted use of public property including equipment, vehicle, and bay use.

The City corrected these deficiencies through financial payments to impacted volunteer Fire Department personnel and the adoption of a new Personnel Policy on October 2, 2012. The newly adopted Personnel Policy continued to recognize a combination full-time and volunteer Fire Department. In order to comply with Federal and State laws, the City was also required to create and adopt a Volunteer Fire Department Personnel Policy.

On November 1, 2012 a proposed Volunteer Fire Department Personnel Policy was presented to the City Council. Following the presentation of this document, the Council required that the Mayor and Administration meet with all Fire Department personnel to review and discuss the impacts of the new manual before proceeding further.

DISCUSSION

In November and December of 2012, three meetings were held with all Fire Department personnel attending drill nights to review and discuss the proposed Policy for Federal and Idaho State law compliance. The meetings focused on the term "volunteer", the compensation plan, vehicle use, equipment use, uniform use, and bay use.

After input from all Fire Department personnel attending the meetings and, by unanimous consent, the volunteer Fire Department personnel indicated that they wanted to comply with FLSA and be "paid on-call" personnel rather than continue as volunteers. As such, they would be paid an hourly wage and be subject to the City's Personnel Policy. Accordingly, a number of amendments need to be made to the

City's recently adopted Personnel Policy to comply with Idaho State Law, Title 18-1359, and address the major policy concerns identified above. These amendments include:

1. Deleting all references to "volunteer" as the term applies to Fire Department personnel in the current Personnel Policy and replacing them with "paid on-call";
2. Amending the Personnel Policy's Vehicle Use Policy to clarify vehicle use;
3. Amending the Personnel Policy to add a section addressing the use of Fire Department vehicle repair bays, tools, and equipment; and
4. Amending the Personnel Policy to add a section clarifying uniform use

These amendments are detailed in Exhibit 1 which is associated with Resolution 2013-02. In addition, it will be necessary to adopt a "paid on-call" compensation plan for the Sun Valley Fire Department detailing the hourly rates of each position. The compensation plan is detailed in Exhibit 1 which is associated with Resolution 2013-03.

The replacement of the term "volunteer" with "paid on-call" and the adoption of a "paid on-call" compensation plan will put the City in compliance with the FLSA. It is believed that compliance with Idaho State Law can be achieved by amending the Personnel Policy to clarify and limit how vehicles, vehicle repair bays, tools, equipment, and uniforms may be used. Additionally, these changes may facilitate organizational and service delivery stability as these proposed changes reflect the desires of Fire Department personnel.

There will be a fiscal impact as a result of changing from "volunteers" to "paid on-call" employees. It is currently estimated that an increase in funding in the Fire Department budget between \$30,000 and \$50,000 will be necessary. The majority of the financial impact is due to salary requirements, which are affected by incident frequency and duration, and the cost of training. The addition to the budget could be accomplished when a mid-year budget adjustment is considered in Spring 2013.

Alternatively, the Council could choose to retain the term "volunteer" in the City's Personnel Policy and revisit the Volunteer Fire Department Personnel Policy originally submitted on November 1, 2012. Compliance with the FLSA could be achieved with the adoption of a "stipend-based" compensation plan for Fire Department personnel as was proposed on November 1, 2012. The rules for the use of vehicles, vehicle repair bays, tools, equipment, and uniforms, which are compliant with Idaho State Law, would remain as they are currently outlined in the Personnel Policy. This means in essence that there would be no personal use of such items. This may result in more difficulty in recruiting and retaining "volunteers".

The fiscal impact of remaining "volunteers" rather than changing to "paid on-call" employees is estimated between \$13,000 and \$20,000 and a corresponding increase in the Fire Department budget will be necessary. This could be accomplished when a mid-year budget adjustment is considered in Spring 2013. The majority of the financial impact is affected by training and recruitment costs.

RECOMMENDATION

We recommend that Resolution 2013-02 be adopted. We also recommend that Resolution 2013-03 be adopted.