



CHIEF'S FILE CABINET

Ronny J. Coleman

Being Double Crossed

Is the fire service being double crossed? The concept of the double cross is based on the idea that you can somehow be betrayed by someone that you have previously trusted. Or, have we double crossed ourselves? That concept is based upon the idea that perhaps we have engaged in behaviors in the past that we now regret in the present. Can you ever uncross a double cross? Can trust between two parties that has been devastated be restored? Does it ever stand the chance of coming back as it once was?

These are pretty tough questions to ask and answer. That is until we can put that all into a specific context. The double cross I am talking about is not one of betrayal. It is one of reality. I am talking about the two lines on every financial chart that have a relationship to one another. One of these lines is the revenue stream. In general, we have anticipated in the past that the number is always going to go up for this resource. It has for most of the lifetimes of most of the individuals who are reading this column.

There is another line and that line is the cost of doing business. It too, has almost always gone up. In the recent past, say for the last 30 years, almost all departments have developed their budgets philosophy by taking last year's budget and determining what new revenue streams are going to accrue so that human resources can be purchased, capital improvements can be made and in general the organization has sufficient funds to do its job.

Now, what about that double cross? The one I am referring to is not necessarily true for everybody who reads this column. But it certainly is true for the fire service in general. Revenue streams are going down and our costs are going up and these two lines are crossing over. This raises an entirely new issue of economic consideration by chief fire officials. That term is sustainability. Can we afford everything that is on our plate to date?

This is not some foolish lab assessment exercise where you are arbitrarily told to cut your budget by ten percent. We have all played that game at least one time in our careers. I recall a point in my career just prior to Proposition 13, where we were required to put in a 5, 10 & 15 percent reduction just to scare the City Council about what was going to happen.

This is no longer a drill. It is reality. There are multiple reasons why revenue streams are declining. One, we certainly don't have enough time in a column that fits on one page at the back of a magazine to identify all of those factors but I have a very straight forward question for you personally. What factors are at play in your own community that have an effect on these two lines?

I have long been an advocate that a fire chief needs to be somewhat of an economist in terms of their own local jurisdiction in order to properly be able to manage their resources. If the line is beginning to approach a nexus where revenues are declining faster than expenditures are increasing you need to be looking at the economics of your community, not just the consequences of what it is going to mean to you or your staff or your budget.



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Realistically most budget reductions these days are staff reductions. Granted, in the past we have been able to avoid some of these staff reductions in the past by deferring apparatus replacement or the rebuilding of fire stations. But a careful analysis of most budgets will clearly reveal that most fire departments are expending up to 90 – 95 percent of their resources on human resources. We can't hold our breath forever

So let's go back to the word "sustainability". Just exactly what does that mean? It means doing everything we possibly can to keep those two lines on the budget page either parallel or in some cases with a little bit of revenue left over at the end of the year as a reserve contingency. Most fire chiefs do not consider that to be their job. They consider that to be someone else's job. I would submit that the longer that we accept that feeling, the more likely we are going to be at the budget table with a red pen in our hand.

We should be doing everything we can to protect jobs in our community. We should be doing everything we can to protect the tax base in our community. We should not be allowing anything to go on in our budgetary process that is an unnecessary expenditure of funds with no direct benefit to the community or to the department. We should not be shrinking from conversations about so called cost versus benefit. Instead we should be placing as much emphasis as we can on benefit by doing a much better job of measuring and demonstrating what benefits we bring to the community.

I would be willing to bet that none of you reading this column out there enjoys a budget reduction drill. I certainly have participated in a sufficient number of them to realize that they are painful. But, we can only look to other industries to gain an understanding that if we fail to do a good job of dealing with this issue we may go the way of buggy whip manufacturers. They might have made the best buggy whips in the world, but when we stopped using horses for transportation obsolescence was not far behind.

We are in a watershed era right now whether anybody realizes it or not. This is not about building bigger budgets. This is not about destroying existing budgets. This is about developing a decision making process that sustains the core values of our occupation.

And in order to wrap up this column, I am expressing the idea that this current set of affairs is not about being winners or losers in the budget process. It is about being survivors. The term survivor is a lot closer to the word sustainability than you might think. Be sustainable, be a survivor.