

**November 2,
2010**

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PLATTE CHAT

Omaha Needs to Assert its Authority Over Fire Department

As Ernest Hemingway once said, "The best way to find out if you can trust somebody is to trust them."

Taxpayers in Omaha have put a lot of trust and faith in the City of Omaha and the Omaha Fire Department over the years and, according to information released by Nebraska State Auditor Mike Foley, it has been unwarranted. A letter from Foley to Omaha Mayor Jim Suttle dated October 20, 2010, is filled with evidence of mismanagement, blatant disregard for public funds, and loads of misplaced trust. This untenable situation is made even worse because the Omaha Fire Department has been essentially running itself independent of the mayor and City Council for years.

There is a strong likelihood that none of these problems, which took place between January 1, 2007 and June 30, 2010, would have occurred if there had been greater transparency within Omaha's city government and the fire department. Clearly, management of the fire department acted in a deep, dark, black hole shielded from the public eye. Certainly, the current Omaha City Council, Mayor Suttle, former Mayor Mike Fahey, and the Omaha Fire Department need to be held accountable for this obvious lack of oversight and transparency. Omaha Mayor Suttle, in particular, had completely misjudged the situation within the Fire Department when he told the Lincoln Journal Star five months ago that he "didn't have any heartburn," about what Foley's audit might show.

How is it possible that accounting procedures within a government agency can be so bad that a complete audit cannot be performed? How long would this have continued if Foley had not followed an adage of former President Ronald Reagan: "trust, but verify?"

Among the findings outlined in the letter from Foley to Mayor Suttle are:

- Improper documentation of donations made to the Kloewer Fund (established as a charity for tax purposes in 1978 to honor former Paramedic Captain Robert J. Kloewer) made it impossible to determine whether disbursements from the

Editor

The Platte Institute strongly believes in the importance of citizens participating in the public dialogue on issues important to Nebraska. Writing a letter to the editor is an outstanding way to partake in the discussion and have your voice heard by thousands of people. To make the process easier, the Platte Institute has assembled a list of links which allow you to submit a letter to the editor to nearly all Nebraska newspapers. Simply [CLICK HERE](#) for a listing of the newspapers and follow the appropriate link to submit your letter.

Contact Us

If you would like to contact someone at the Platte Institute, you are always welcome to give us a call, drop us an email or stop by the office. Our telephone number is 402.452.3737. We are located at 10050 Regency Circle – Suite 120 – in Omaha. Below is a list of staff email address:

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Kloewer Fund were actually used as intended by the donor.

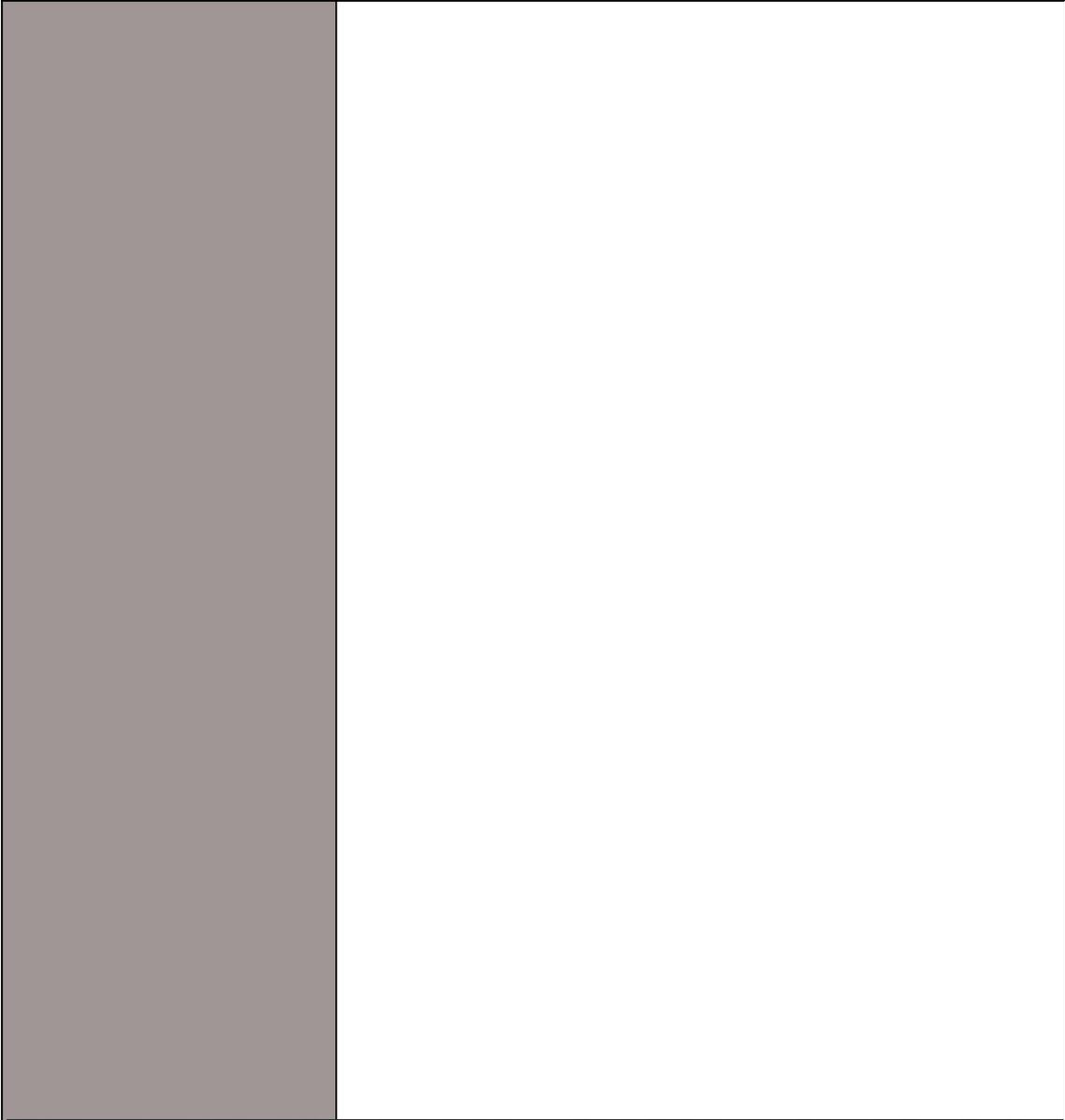
- The Kloewer Fund was so poorly handled that Foley's office was unable to tell whether the fund has been used as originally intended.
- In January of 2007, the Kloewer Fund received a donation of \$9,355. This check was subsequently misplaced and not discovered until sometime between September 2009 and January 2010. The donor subsequently declined to replace the donation.
- A lack of documentation for reimbursements issued through the Kloewer Fund for such things as airline tickets and hotels.
- A woeful documentation and accountability procedure for tracking payroll and hours worked. This resulted in Foley's office finding multiple examples of undocumented firefighters' leaves.
- Poor management of the 2008 SAFER Grant, which was ultimately cancelled and funds returned after Foley initiated his audit.

There is plenty of blame to be spread among those responsible for allowing this lack of transparency and misplaced trust. One large factor, however, has to be the autonomy given to the Omaha Fire Department. The Foley audit highlighted the most recent accounting issues, but the amount of overtime in the department over the last few years is another blatant example of poor management. And another multi-million dollar unfunded pension liability plan will likely rear its ugly head and put Omaha residents in a financial bind.

In Nebraska, public sector management's ability to control staffing levels and the option to subcontract services are two of the few tools available for beleaguered governments. Unfortunately, we've relinquished control of compensation to the Commission of Industrial Relations, which has proved repeatedly to not be a friend of the taxpayer. Omaha, through misguided negotiations, has given away multiple concessions in negotiations with the fire department. When the City of Omaha lacks control over both pay and staffing levels, it has bound itself to the limitless appetite of the union.

Our preliminary findings indicate no other comparable Midwest city has surrendered its ability to control staffing levels in the manner that Omaha has. Omaha needs to eliminate the minimum staffing levels currently in place in the union contract and then work with the state legislature to eliminate or reform the Commission of Industrial Relations. It's high time for the city to assert its authority over the Fire Department in order to reestablish accountability, transparency, and trust.

President Barack Obama said, "If the people cannot trust their government to do the job for which it exists - to protect them and to promote their common welfare - all else is lost." At this point, all hope is lost that the Omaha Fire Department deserves the trust of the citizens.



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