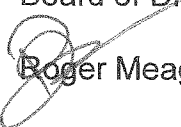


**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: February 13, 2013

To: Board of Directors
From:  Roger Meagor, Fire Chief
Subject: Mid-Year Budget Review

RECOMMENDATION:

Acknowledge and file report – Mid-year budget review.

DISCUSSION:

It has been customary for staff to present a mid-year financial report to the Board. The mid-year report gives a snapshot of the budget status halfway through the fiscal year.

In the first half of the fiscal year, the adopted budget has been impacted by a number of events. There have been multiple employee injuries and two retirements. The Ross Town Council modified the apprentice program. During the fire season, the Department provided personnel and equipment to help combat wildfires throughout the State. These and other events, and their impacts, are explained below. Additionally attached is a mid-year financial summary which includes income and expenses for the first six months of the 2012/13 fiscal year.

Income:

3043 – Ross Apprentice Program is currently at 34% of annual revenues or \$32,836 below original budget estimates. In June, after the budget was adopted, the Ross Town Council exercised their option to modify the apprentice program, reducing the number of Firefighter Apprentices from three to two. The reduced revenue is offset by reduced personnel related costs.

3056 – OES Reimbursement Out of County: It is estimated that we will receive \$173,065 from the State and Federal Government for the Department's responses to last summer's wildfires throughout northern California. As of December 31, we received \$57,587 in reimbursements. It is anticipated that we will receive the remainder of the funds in the next several months.

3058 – RVPA Reimbursement – Medic Program: Ross Valley Paramedic Authority reimburses the Department for costs associated with the engine company paramedic program. Reimbursements will be below original budget estimates by \$16,097 at year-end. When the budget was prepared we anticipated that we would expand the number

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of Paramedics from 9 to 10; the number of Paramedics will not be expanded in the current fiscal year. The reduced revenue is offset by reduced costs under the salary and benefits line items.

3995 – Plan Check Fees and 3096 – Resale Inspections are currently at 70% and 72% of annual revenues, respectively. Combined revenues are expected to exceed original budget estimates by at least \$15,000.

3101 – Workers Comp Reimbursement is at \$28,294. These funds are reimbursements from our workers compensation insurance pool for temporary disability payments paid by the Department as part of 5010-Regular salaries.

The remaining revenue accounts, at fiscal year-end, are expected to be consistent with original budget estimates.

Expenses:

5000-Salaries, 5019-Benefits, and 5039-Reimbursable costs: Multiple line items related to employee salary and benefits are currently and will remain below original budget estimates. The reduction in salary and benefits is the result of changes in the Apprentice Firefighter program, engine company paramedics, and the vacancies created by two retirements. These items have resulted in a reduction in salary and benefit related costs of approximately \$127,000.

5041- Education Reimbursement is at 64% of annual budget estimates. After the budget was adopted, several additional employees became eligible for the educational incentive which has resulted in increased costs. It is estimated that this line item will exceed original estimates by approximately \$15,000.

5050 – Regular/Standby Overtime is at 58% of annual budget estimates and is expected to exceed budget estimates by at least \$100,000. The excess overtime is the result of multiple industrial and non-industrial injuries. Currently there are two vacancies as a result of the two retirements, and two Fire Captains are currently on medical leave. The two vacancies will be filled with new hires in the coming months.

5053 – Shift Differential is currently at 85% of annual budget estimates; this is also the result of the multiple vacancies which have resulted in both Engineers and Captains working out of their normal grade. We expect Shift Differential to exceed budget estimates by \$12,000.

5055 – OT - OES Response: Overtime costs in the amount of \$135,841 is the result of the Department responses to last summer's wildfires throughout northern California. These expenditures are reimbursed through 3056 – OES Reimbursement - Out of County.

5056 – OT Training is currently at 127% of annual estimates as a result of Hazardous Material Technician training for two firefighters. Additional training related overtime for the remainder of the fiscal year will be limited.

6006 – Workers' Compensation Insurance, as a result of costs related to an industrial disability retirement is expected to exceed original estimates by \$21,314.

The remaining expense accounts, at fiscal year-end, are expected at or near original budget estimates.

Summary: The adopted budget has been impacted by multiple events. The multiple employee injuries and two retirements have resulted in an increase in overtime costs. These additional costs have been partially offset by reductions in salary and benefit costs. There are additional revenues from fire prevention services fees and temporary disability reimbursements. The Department will receive full reimbursement for overtime and other costs related to the Department's responses to the summer wildfires. The budget variances will require a budget revision, which staff will prepare for Board consideration at the March Board meeting. Barring additional adverse impacts on the budget, the anticipated budget revisions will result in maintaining a balanced budget.

FISCAL IMPACT:

Income and expenses, as of December 31, 2012, are at 51% and 47% of annual budget estimates respectively. The variances noted above are not expected to have significant impact on the overall budget.

Attachment: Mid-Year Review Financial Summary

ROSS VALLEY FIRE DEPARTMENT

Mid-Year Review

July 2012 through December 2012

	<u>Jul '12 - Jun 13</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
3010 · Member Contributions			
3030 · Fairfax	753,962	1,553,525	49%
3035 · Ross	778,736	1,557,525	50%
3040 · San Anselmo	1,311,825	2,703,000	49%
3042 · Sleepy Hollow	414,194	853,438	49%
3043 · Ross Apprentice Program	71,114	207,880	34%
3044 · Prior Authority Side Fund Pymnt	267,383	534,768	50%
3047 · Prior Authority Compensated Abs	25,000	50,000	50%
3048 · Prior Authority Retiree Health	75,384	150,768	50%
3049 · Prior Authority MERA Bond	19,097	38,194	50%
3054 · Debt Service Contributions	44,191	88,383	50%
Total 3010 · Member Contributions	<u>3,760,886</u>	<u>7,737,481</u>	<u>49%</u>
3050 · Outside Revenue			
3045 · County of Marin	127,043	127,043	100%
3056 · OES Reimbursement Out of County	57,587	0	100%
3058 · RVPA Reimbursement - Medic Prog	88,662	193,393	46%
3064 · RVPA Rental	25,486	25,500	100%
3070 · LAIF Interest	521	2,000	26%
3093 · RVPA EMS Training/Supply Reimb.	47,341	47,494	100%
3095 · Plan Checking Fees	47,560	68,000	70%
3096 · Re-Sale Inspection Fees	5,530	7,700	72%
3100 · Miscellaneous Income	588	2,500	24%
3101 · Workers Comp Reimbursement	28,294		
3115 · MLFT Reimbursement	1,000	5,000	20%
Total 3050 · Outside Revenue	<u>429,612</u>	<u>478,630</u>	<u>90%</u>
Total Income	<u>4,190,498</u>	<u>8,216,111</u>	<u>51%</u>
Expense			
5000 · SALARIES			
5010 · Regular salaries	1,607,300	3,307,707	49%
5011 · Holiday	74,875	155,169	48%
5012 · S/L Buy Back	14,269	19,500	73%
5013 · Retired S/L Compensation	55,840	50,340	111%
5016 · Temporary Hire	5,205	15,000	35%
Total 5000 · SALARIES	<u>1,757,489</u>	<u>3,547,716</u>	<u>50%</u>

ROSS VALLEY FIRE DEPARTMENT

Mid-Year Review

July 2012 through December 2012

	<u>Jul '12 - Jun 13</u>	<u>Budget</u>	<u>% of Budget</u>
5019 · BENEFITS			
5020 · Retirement	287,281	1,085,506	26%
5021 · Cafeteria Health Plan	300,167	646,041	46%
5022 · Housing Allowance	22,900	47,004	49%
5023 · Medicare	26,734	52,103	51%
5024 · PERS Administration Fee	1,205	2,500	48%
Total 5019 · BENEFITS	<u>638,287</u>	<u>1,833,154</u>	<u>35%</u>
5039 · REIMBURSABLE COSTS			
5040 · Uniform reimbursement	11,670	24,840	47%
5041 · Education reimbursement	39,251	61,539	64%
5043 · Board Member Stipend	2,900	8,000	36%
Total 5039 · REIMBURSABLE COSTS	<u>53,821</u>	<u>94,379</u>	<u>57%</u>
5049 · OVERTIME			
5050 · Regular/Standby OT	217,616	375,000	58%
5051 · FLSA O/T	39,325	81,577	48%
5052 · Hourly Overtime	26,970	49,000	55%
5053 · Shift Differential OT	20,859	24,500	85%
5054 · Reimbursed Overtime	2,708	20,000	14%
5055 · OT - OES Response	135,841		
5056 · OT Training	25,425	20,000	127%
Total 5049 · OVERTIME	<u>468,744</u>	<u>570,077</u>	<u>82%</u>
5059 · VOLUNTEERS			
5060 · Volunteer Response/Standby	1,610	4,000	40%
5061 · Volunteer CSFA Dues/Ins	2,075	4,100	51%
5062 · Volunteers Supplies	431	1,200	36%
5063 · Volunteers Drills	1,080	4,600	23%
5064 · Vol. Length of Service	0	5,600	0%
5065 · Explorer Post	397	4,400	9%
Total 5059 · VOLUNTEERS	<u>5,593</u>	<u>23,900</u>	<u>23%</u>
5069 · RETIREES			
5070 · Retirees' Health Insurance	107,198	452,110	24%
Total 5069 · RETIREES	<u>107,198</u>	<u>452,110</u>	<u>24%</u>
6004 · INSURANCE			
6005 · Workers Comp Claims	0	300	0%
6006 · Workers' Compensation Insurance	174,594	349,249	50%
6007 · Liability Insurance	23,400	25,600	91%
Total 6004 · INSURANCE	<u>197,994</u>	<u>375,149</u>	<u>53%</u>

ROSS VALLEY FIRE DEPARTMENT

Mid-Year Review

July 2012 through December 2012

	<u>Jul '12 - Jun 13</u>	<u>Budget</u>	<u>% of Budget</u>
6009 · VEHICLE MAINTENANCE			
6010 · Fuel	17,778	32,800	54%
6011 · Parts - Vehicle	1,827	3,200	57%
6012 · Repairs - Vehicle	32,840	80,000	41%
Total 6009 · VEHICLE MAINTENANCE	<u>52,445</u>	<u>116,000</u>	<u>45%</u>
6019 · MAINTENANCE			
6020 · Equipment Maintenance	1,135	4,275	27%
6026 · Building Maint. and Landscaping	1,213	4,000	30%
6028 · General Maintenance Supplies	331	2,600	13%
6029 · Hydrant Maintenance	588	6,000	10%
94040 · Burn Trailer Maintenance	34	4,000	1%
Total 6019 · MAINTENANCE	<u>3,301</u>	<u>20,875</u>	<u>16%</u>
6039 · CONTRACT SERVICES			
6040 · Dispatch	65,159	129,999	50%
6041 · Radio Repair	557	4,000	14%
6042 · Hazardous Material Removal	0	1,000	0%
6043 · Audit & Bookkeeping Services	14,854	19,000	78%
6044 · Payroll Service Fees	1,461	4,000	37%
6045 · Other Contract Services	13,046	25,593	51%
6046 · Executive Officer	1,500	3,600	42%
6047 · Attorney/Legal Fees	1,998	3,000	67%
6048 · Hazardous Material Contract	7,202	6,717	107%
6049 · MERA Membership Fee	38,236	38,194	100%
6050 · MERA Operating Expense	35,701	33,631	106%
Total 6039 · CONTRACT SERVICES	<u>179,714</u>	<u>268,734</u>	<u>67%</u>
6059 · UTILITIES			
6060 · Gas & Electric	6,975	22,750	31%
6061 · Telephone	11,437	19,000	60%
6062 · Water	2,736	3,850	71%
6063 · Sewer	1,276	1,540	83%
Total 6059 · UTILITIES	<u>22,424</u>	<u>47,140</u>	<u>48%</u>
6069 · OFFICE EXPENSES			
6070 · Publications & Dues	1,928	2,400	80%
6072 · Computer Software/Support	1,767	12,000	15%
6075 · Web Page Design and Maint.	1,511	3,100	49%
6080 · Office Supplies	1,466	4,500	33%
6081 · Postage	426	600	71%
Total 6069 · OFFICE EXPENSES	<u>7,098</u>	<u>22,600</u>	<u>31%</u>

ROSS VALLEY FIRE DEPARTMENT

Mid-Year Review

July 2012 through December 2012

	<u>Jul '12 - Jun 13</u>	<u>Budget</u>	<u>% of Budget</u>
6089 · OTHER SERVICES & SUPPLIES			
6090 · General Department Supplies	7,001	18,000	39%
6091 · Emergency Response Supplies	725	4,000	18%
6092 · Paramedic Response Supplies	7,039	12,000	59%
6093 · Physicals	2,035	4,500	45%
6094 · New Hire	401	3,350	12%
6100 · Emergency Medical Supplies	2,087	7,500	28%
6111 · Fire Prevention	1,368	4,500	30%
6112 · Training & Education	17,639	35,500	50%
6119 · Breathing Apparatus	336	5,800	6%
6121 · Breathing Apparatus-Contract	0	6,100	0%
6130 · Protective Clothing	2,118	6,500	33%
6150 · Tools/Equipment	2,743	6,500	42%
6180 · Community Education & Prep.	2,724	11,000	25%
Total 6089 · OTHER SERVICES & SUPPLIES	<u>46,216</u>	<u>125,250</u>	<u>37%</u>
6200 · CONTINGENCY			
6201 · Budget Contingency	0	30,000	0%
6210 · Retired S/L Comp Contingency	0	86,660	0%
Total 6200 · CONTINGENCY	<u>0</u>	<u>116,660</u>	<u>0%</u>
7000 · CAPITAL OUTLAY			
7012 · Appliances	845	2,000	42%
7013 · Furnishings	109	2,500	4%
7014 · Office Equipment	2,135	8,000	27%
7030 · Apparatus and Equipment	9,898	15,000	66%
7040 · Hydrants	4,514	13,600	33%
7050 · Communications Equipment	812	10,000	8%
7055 · Exercise Equipment	0	1,600	0%
7060 · Turnouts	5,761	15,726	37%
Total 7000 · CAPITAL OUTLAY	<u>24,074</u>	<u>68,426</u>	<u>35%</u>
8000 · DEBT SERVICE			
8010 · Principal Payments	78,166	78,166	100%
8011 · Prinicipal-Prior Auth. Pen. Bond	216,364	460,216	47%
8020 · Interest Expense	10,217	8,006	128%
8021 · Interest-Prior Auth. Pen. Bond	42,317	73,352	58%
8030 · Fees	0	1,200	0%
Total 8000 · DEBT SERVICE	<u>347,065</u>	<u>620,940</u>	<u>56%</u>
Total Expense	<u>3,911,463</u>	<u>8,303,110</u>	<u>47%</u>