


**ROSS VALLEY FIRE DEPARTMENT  
STAFF REPORT**

For the meeting of: March 13, 2013

To: Board of Directors  
From:  Roger Meagor, Fire Chief  
Subject: Budget Revision to FY 2012-2013 Operating Budget

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**RECOMMENDATION:**

To approve Resolution 13-02, a resolution of the Ross Valley Fire Department Board of Directors, adopting the proposed line item budget revisions to the Fiscal Year 2012-2013 Operating Budget.

**DISCUSSION:**

On June 13, 2012, the Board adopted the proposed FY 2012-2013 Operating Budget for the Ross Valley Fire Department.

At each Board meeting, staff provides a financial report which tracks the monthly revenue and expenditures for the Department. As part of the presentation of the financial report, staff explains the variances between the adopted budget and the actual revenues and expenses. In addition to the monthly financial reports, staff provides a midyear budget review in February of each year.

In the first half of this 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, and the Department provided personnel and equipment to help combat wildfires throughout the State. These and other impacts were explained in detail as part of the Mid-Year Budget Review presented at the February Board meeting.

In order to address the changes in both revenues and expenses, staff has prepared a line item budget revision for Board consideration and approval. The summary that follows describes, in general terms, these changes. A line by line accounting for the proposed changes is included as part of the budget revision resolution.

**Beginning Fund Balance:** The beginning fund balance, as a result of the final audited FY 2011/12 financial statements, has increased by \$94,744. In that the fund balance change represents increased funds from the Prior Authority, the \$94,744 has been placed in the San Anselmo, Fairfax, and Sleepy Hollow reserve funds.

**Revenues:** Projected increases in revenue projections include: Plan Checking and Resale Fees, Worker Compensation Reimbursement, and OES Reimbursements. Revenue projections were decreased, due to program modifications, for the Ross Apprentice Firefighter program and engine company paramedics. Minor adjustments were also made to Prior Authority Side Fund Payment and Prior Authority Retiree Healthcare.

The revenue line item changes have resulted in \$124,255 increase in revenues..

**Expenses:** Multiple line items related to employee salary, benefits, and other personnel related costs have been adjusted. These adjustments, for the most part, are the result of changes in the Apprentice Firefighter program, engine company paramedics, the vacancies created by two retirements, and overtime costs associated with the Department's responses to last summer's wildfires throughout northern California.

The expense line item changes have resulted in \$45,656 increase in expenses.

**Contingencies:** Retired S/L Compensation contingency has been reduced from \$86,660 to zero. \$71,257 has been moved to expense line item for Retired S/L Compensation. Retired S/L Compensation is for the payout of compensated absences at retirement. \$15,403 has been moved from contingency reserves to the Compensated Absences reserve fund.

**Debt Service:** Adjustments in the amount of \$12,022 have been made to the Debt Service accounts related to the Pension Obligation Bond of the Prior Authority. Adjustments have also been made to the Prior Authority Side Payment line item in the Revenue section of the budget. The changes are the result of accounting procedures included in the preparation of the FY 2011/12 financials statements and audit report.

**Fund Balance:** Compensated Absences: The Compensated Absences fund balance has been increase to \$188,382. The increase is the result of the transfer of \$99,978 from the Prior Authority reserves and \$15,403 from the Retired S/L Compensation contingency

**Apparatus Replacement:** It has been Board practice to place funds received for equipment reimbursement for "Out of County" responses into the Apparatus Replacement fund. As a result of the Departments responses to the summer wildfires, the Department has received \$23,886. These revenues have been placed in the Apparatus Replacement fund.

**Prior Authority Reserve funds:** The JPA created three reserve funds (San Anselmo, Fairfax, and Sleepy Hollow). As a result of the budget revisions, several additions and reductions have been made to these funds. The additions and reductions are based on the Prior Authority Members' Share – San Anselmo 52.9%, Fairfax 30.4% and Sleepy Hollow 16.7%.

The final audited financials for FY 2011/12 resulted in \$94,744 increase in the fiscal-year-end fund balance. The fund balance increase was forwarded to the current fiscal year. The \$94,744 has been transferred to the Prior Authority reserve funds.

\$99,979 was transferred out of the reserve funds to provide for the final reconciliation of the Compensated Absence Liabilities, which were transferred to the Authority by the Town of Ross and the Prior Authority.

\$12,263 was transferred to the operating budget to account for an adjustment made to the Prior Authority contribution for Retiree Health. The current actuarial valuation of Other Post Employment Benefits (OPEB), which set the Annual Required Contribution (ARC), was completed after the adoption of the budget.

There was a \$12,022 reduction in the Pension Obligation Bond payment under the Debt Service line item, which resulted in a credit back to the Prior Authority.

The actions described above resulted in net decrease to the Prior Authority reserve funds in the amount of \$5,476 – San Anselmo \$2,897, Fairfax \$1,665, Sleepy Hollow \$915.

**Conclusion:** Staff is recommending the approval of Resolution 13-02 adopting the proposed line item budget revisions to the FY 2012-2013 Operating Budget in order to bring the approved budget inline with expected revenues and expenses.

**FISCAL IMPACT:**

The proposed line item revisions include a \$94,744 increase in the beginning fund balance, \$124,255 in additional revenues, and \$45,656 increase in expenses, with a net fund balance increase of \$173,343.

**Attachments:** Resolution 13-02, a Resolution of the Ross Valley Fire Department Board of Directors adopting the proposed line item budget revision to the FY 2012-2013 Operating Budget

2012/2013 budget document with proposed line item adjustments

**ROSS VALLEY FIRE DEPARTMENT**

**RESOLUTION 13-02**

**A RESOLUTION OF THE ROSS VALLEY FIRE DEPARTMENT BOARD OF DIRECTORS ADOPTING THE PROPOSED LINE ITEM BUDGET REVISIONS TO THE FY 2012-2013 OPERATING BUDGET FOR THE ROSS VALLEY FIRE DEPARTMENT**

WHEREAS, the Ross Valley Fire Department Board of Directors adopted the proposed FY 2012-2013 Operating Budget on June 13, 2012, at a regular meeting of the Ross Valley Fire Department Board of Directors to plan for anticipated revenues and expenses for the fiscal period; and

WHEREAS, the Ross Valley Fire Department Board, on the recommendation of staff, approves the FY 2012-2013 Operating Budget line item revisions.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Ross Valley Fire Department hereby adopt the proposed FY 2012-2013 Operating Budget line item revisions as listed in Attachment A.

I hereby certify that the foregoing resolution was passed and adopted by the Ross Valley Fire Department Board of Directors on the 13<sup>th</sup> day of March, 2013 by the following vote, to wit:

Ayes:

Noes:

Absent:

Abstain:

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Jeff Kroot, Ross Valley Fire Board

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JoAnne Lewis, Administrative Assistant

**Ross Valley Fire Department  
FY 2012-2013 Operating Budget  
Revised Budget Line Items**

<b>Account</b>	<b>FY 12/13 Adopted</b>	<b>FY 12/13 Revised</b>
<b><u>Revenue:</u></b>		
3043 – Ross Apprentice Program	207,880	112,572
3044 – Prior Authority Side Fund Payment	534,768	522,746
3048 – Prior Authority Retiree Health	150,768	163,031
3056 – OES Reimbursement Out of County	0	173,065
3058 – RVPA Reimbursement - Medic Program	193,393	177,324
3095 – Plan Checking Fees	68,000	78,000
3096 – Resale Inspection Fees	7,700	9,500
3101 – Workers Comp Reimbursement	0	50,525
<b><u>Expenses:</u></b>		
5010 – Regular Salaries	3,307,707	3,138,760
5011 – Holiday	155,169	145,427
5012 – S/L Buyback	19,500	14,269
5013 – Retired S/L Compensation	50,340	121,597
5016 – Temporary Hire	15,000	25,000
5020 – Retirement	1,085,506	1,037,304
5021 – Cafeteria Health Plan	646,041	626,296
5040 – Uniform	24,840	23,190
5041 – Education	61,539	76,795
5050 – Regular/Standby Overtime	375,000	490,000
5051 – FLSA	81,577	77,547
5052 – Hourly Overtime	49,000	53,000
5053 – Shift Differential	24,500	40,000
5055 – OT – OES Response	0	135,841
5056 – OT Training	20,000	25,000
5070 – Health Insurance	452,110	448,792
6006 – Worker's Comp Insurance	349,249	377,543
6048 – Hazardous Material Contract	6,717	7,202
6050 – MERA Operating Expenses	33,631	35,701
6061 – Telephone	19,000	21,500
<b><u>Contingency:</u></b>		
6210 – Retired S/L Comp Contingency	86,660	0
<b><u>Debt Service:</u></b>		
8011 – Principal: Prior Authority Pension Bond	460,216	447,629
8021 – Interest: Prior Authority Pension Bond	73,352	73,917
<b><u>Fund Balance:</u></b>		
Compensated Absences	73,000	188,382
Apparatus Replacement	0	23,886
Fairfax	75,587	74,069
San Anselmo	131,532	128,890
Sleepy Hollow	41,523	40,689

# Ross Valley Fire Department

## 2012-2013 Revised Budget

	2011-12		2012-13	
	Final Budget	Actual	Adopted Budget	Revised Budget
<b>Beginning Balance</b>	753,241	769,881	632,728	727,472
<b>Revenue</b>				
Member Contributions	5,739,163	5,739,163	7,737,481	7,642,414
Outside Revenues	419,130	459,116	478,630	697,951
Other Revenues		2,656,934		
<b>Total Revenue</b>	<b>6,158,293</b>	<b>8,855,213</b>	<b>8,216,110</b>	<b>8,340,365</b>
<b>Total Resources</b>	<b><u>6,911,534</u></b>	<b><u>9,625,094</u></b>	<b><u>8,848,838</u></b>	<b><u>9,067,837</u></b>
<b>Expenses</b>				
Salaries:	2,799,132	2,781,011	3,547,717	3,445,053
Benefits:	1,910,457	4,445,100	1,833,154	1,765,207
Reimbursable Costs:	42,900	39,695	94,379	107,985
Overtime:	386,256	328,127	570,077	841,388
Volunteers:	21,625	14,039	23,900	23,900
Retirees:	358,844	358,844	452,110	448,792
Insurance:	240,692	236,290	375,149	403,443
Vehicle Maintenance:	88,700	97,104	116,000	116,000
Maintenance:	16,700	14,703	20,875	20,875
Contract Services:	253,518	242,341	268,734	271,289
Utilities:	36,440	36,801	47,140	49,640
Office Expenses:	17,900	17,323	22,600	22,600
Other Services & Supplies:	102,800	86,049	125,250	125,250
Capital Outlay:	56,716	47,226	68,426	68,426
Debt Service	86,261	92,970	620,940	608,918
Other Expenses		60,000		
<b>Sub Total Expenses</b>	<b><u>6,418,940</u></b>	<b><u>8,897,622</u></b>	<b><u>8,186,450</u></b>	<b><u>8,318,766</u></b>
<b>Reserves</b>				
Budget Contingency:	10,000	0	30,000	30,000
Retired S/L Comp Contingency	0	0	86,660	0
<b>Total Exp, Res</b>				
<b>Total Expenses</b>	<b><u>6,428,940</u></b>	<b><u>8,897,622</u></b>	<b><u>8,303,110</u></b>	<b><u>8,348,766</u></b>
<b>Ending Balance</b>	<b>482,594</b>	<b>727,472</b>	<b>395,487</b>	<b>568,830</b>
Compensated Absences	160,000	160,000	73,000	188,382
Fire Hazard Abatement	0	0	0	
Apparatus Replacement	73,844	73,844	0	23,886
Unassigned	248,750	493,628	0	39,551
Fairfax			75,587	73,923
San Anselmo			131,532	128,635
Sleepy Hollow			41,523	40,609
Prior Authority Apparatus Replacement			73,844	73,844

<b>ROSS VALLEY FIRE DEPARTMENT</b> <b><u>FY 2012-13 Revised Budget</u></b>		<b>2011-12</b>		<b>2012-13</b>	
		<b>Final Budget</b>	<b>Actual</b>	<b>Adopted Budget</b>	<b>Revised Budget</b>
<b>REVENUE:</b>					
<b><u>Member Contributions:</u></b>					
3030 - Fairfax		\$ 1,709,928	\$ 1,709,928	\$ 1,553,525	\$ 1,553,525
3035 - Ross				1,557,525	1,557,525
3040 - San Anselmo		2,975,500	\$ 2,975,500	2,703,000	2,703,000
3042 - Sleepy Hollow		939,336	\$ 939,336	853,438	853,438
3043 - Ross Apprentice Program				207,880	112,572
3044 - Prior Authority Side Fund Payment				534,768	522,746
3047 - Prior Authority Compensated Absences				50,000	50,000
3046 - Town of Ross - Battalion Chief		26,016	\$ 26,016	-	-
3048 - Prior Authority Retiree Health				150,768	163,031
3049 - Prior Authority MERA Bond				38,194	38,194
3054 - Debt Service Contributions		88,383	88,383	88,383	88,383
	Total	<u>5,739,163</u>	<u>5,739,163</u>	<u>7,737,481</u>	<u>7,642,414</u>
<b><u>Outside Revenues:</u></b>					
3045 - County of Marin		129,003	\$ 129,003	127,043	127,043
3056 - OES Reimbursement Out of County		-	-		173,065
3058 - RVPA Reimb. - Medic Program		179,445	172,834	193,393	177,324
3070 - LAIF Interest		1,000	2,181	2,000	2,000
3093 - RVPA EMS Trng/Supply Reimb.		43,182	43,562	47,494	47,494
3095 - Plan Checking Fees		55,000	78,630	68,000	78,000
3096 - Re-sale Inspection Fees		7,000	9,450	7,700	9,500
3100 - Miscellaneous Income		2,500	2,591	2,500	2,500
3101 - Workers Comp Reimbursement		-	9,705		50,525
3115 - MLFT Training Reimbursement		2,000	11,160	5,000	5,000
3064 - RVPA Rental		-	-	25,500	25,500
	Total	<u>419,130</u>	<u>459,116</u>	<u>478,630</u>	<u>697,951</u>
	<b>Total Income</b>	<b><u>6,158,293</u></b>	<b><u>6,198,279</u></b>	<b><u>8,216,110</u></b>	<b><u>8,340,365</u></b>
<b>EXPENSES:</b>					
<b><u>Salaries:</u></b>					
5010 - Regular Salaries		2,618,751	2,607,426	3,307,707	3,138,760
5011 - Holiday		119,881	118,537	155,169	145,427
5012 - S/L Buyback		17,500	13,583	19,500	14,269
5013 - Retired S/L Compensation		38,000	40,721	50,340	121,597
5016 - Temporary Hire		5,000	745	15,000	25,000
	Total	<u>2,799,132</u>	<u>2,781,011</u>	<u>3,547,717</u>	<u>3,445,053</u>
<b><u>Benefits:</u></b>					
5020 - Retirement		1,370,549	3,908,612	1,085,506	1,037,304
5021 - Cafeteria Health Plan		464,304	464,261	646,041	626,296
5022 - Housing Allowance		38,604	35,952	47,004	47,004
5023 - Medicare/FICA		35,000	34,056	52,103	52,103
5024 - PERS Admin. Fee		2,000	2,219	2,500	2,500
	Total	<u>1,910,457</u>	<u>4,445,100</u>	<u>1,833,154</u>	<u>1,765,207</u>

<b>ROSS VALLEY FIRE DEPARTMENT</b>		<b>2011-12</b>		<b>2012-13</b>	
		<b>Final Budget</b>	<b>Actual</b>	<b>Adopted Budget</b>	<b>Revised Budget</b>
<b><u>FY 2012-13 Revised Budget</u></b>					
<b><u>Reimbursable Costs:</u></b>					
5040 - Uniform		16,200	16,138	24,840	23,190
5041 - Education		20,100	17,957	61,539	76,795
5043 - Board Member Stipend		6,600	5,600	8,000	8,000
	Total	<u>42,900</u>	<u>39,695</u>	<u>94,379</u>	<u>107,985</u>
<b><u>Overtime:</u></b>					
5050 - Regular/Standby		230,000	186,228	375,000	490,000
5051 - FLSA		59,756	67,037	81,577	77,547
5052 - Hourly Overtime		48,000	34,448	49,000	53,000
5053 - Shift Differential		20,500	18,454	24,500	40,000
5054 - Reimbursed Overtime		18,000	14,017	20,000	20,000
5055 - OT - OES Response					135,841
5056 - OT - Training		10,000	7,942	20,000	25,000
	Total	<u>386,256</u>	<u>328,127</u>	<u>570,077</u>	<u>841,388</u>
<b><u>Volunteers:</u></b>					
5060 - Response/Standby		4,000	2,680	4,000	4,000
5061 - CSFA Dues/Insurance		3,125	3,050	4,100	4,100
5062 - Supplies		1,000	211	1,200	1,200
5063 - Drills		3,500	2,580	4,600	4,600
5064 - Vol. Length of Service		5,600	4,200	5,600	5,600
5065 - Explorer Post		4,400	1,318	4,400	4,400
		<u>21,625</u>	<u>14,039</u>	<u>23,900</u>	<u>23,900</u>
<b><u>Retirees':</u></b>					
5070 - Health Insurance		358,844	358,844	452,110	448,792
	Total	<u>358,844</u>	<u>358,844</u>	<u>452,110</u>	<u>448,792</u>
<b><u>Insurance:</u></b>					
6005 - Workers Comp Claims		300	-	300	300
6006 - Worker's Comp Insurance		219,403	215,301	349,249	377,543
6007 - Liability Insurance		20,989	20,989	25,600	25,600
	Total	<u>240,692</u>	<u>236,290</u>	<u>375,149</u>	<u>403,443</u>
<b><u>Vehicle Maintenance:</u></b>					
6010 - Fuel		25,500	26,366	32,800	32,800
6011 - Parts		3,200	228	3,200	3,200
6012 - Repairs		60,000	70,510	80,000	80,000
	Total	<u>88,700</u>	<u>97,104</u>	<u>116,000</u>	<u>116,000</u>



<b>ROSS VALLEY FIRE DEPARTMENT</b>							
<b><u>FY 2012-13 Revised Budget</u></b>		<b>2011-12</b>		<b>2012-13</b>			
		<b>Final</b>	<b>Actual</b>	<b>Adopted</b>	<b>Revised</b>		
		<b>Budget</b>		<b>Budget</b>	<b>Budget</b>		
<b><u>Maintenance:</u></b>							
6020 - Equipment		3,200	3,326	4,275	4,275		
6026 - Building and Landscaping		2,000	4,624	4,000	4,000		
6028 - General Maintenance Supplies		2,000	676	2,600	2,600		
6029 - Hydrant Maintenance		5,500	5,810	6,000	6,000		
94040 - Burn Trailer Maintenance		4,000	266	4,000	4,000		
	Total	<b>16,700</b>	<b>14,703</b>	<b>20,875</b>	<b>20,875</b>		
<b><u>Contract Services:</u></b>							
6040 - Dispatch		127,157	117,476	129,999	129,999		
6041 - Radio Repair		3,000	2,628	4,000	4,000		
6042 - Hazardous Material Removal		1,000	18	1,000	1,000		
6043 - Audit and Bookkeeping services		23,000	23,322	19,000	19,000		
6044 - Payroll Service Fees		4,500	2,600	4,000	4,000		
6045 - Other Contract Services		17,600	15,879	25,593	25,593		
6046 - Executive Officer		3,600	3,600	3,600	3,600		
6047 - Attorney/Legal Fees		3,000	6,187	3,000	3,000		
6048 - Hazardous Material Contract		5,917	5,903	6,717	7,202		
6049 - MERA Bond Payment -Prior Authority		38,194	38,194	38,194	38,194		
6050 - MERA Operating Expense		26,550	26,533	33,631	35,701		
	Total	<b>253,518</b>	<b>242,341</b>	<b>268,734</b>	<b>271,289</b>		
<b><u>Utilities:</u></b>							
6060 - Gas & Electric		15,250	15,790	22,750	22,750		
6061 - Telephone		17,000	16,915	19,000	21,500		
6062 - Water		2,650	2,820	3,850	3,850		
6063 - Sewer		1,540	1,276	1,540	1,540		
	Total	<b>36,440</b>	<b>36,801</b>	<b>47,140</b>	<b>49,640</b>		
<b><u>Office Expenses:</u></b>							
6070 - Publications & Dues		1,800	1,845	2,400	2,400		
6072 - Computer Software/Support		9,000	8,234	12,000	12,000		
6075 - Web Page Design and Maint.		3,100	3,249	3,100	3,100		
6080 - Office Supplies		3,500	3,374	4,500	4,500		
6081 - Postage		500	620	600	600		
	Total	<b>17,900</b>	<b>17,323</b>	<b>22,600</b>	<b>22,600</b>		

<b>ROSS VALLEY FIRE DEPARTMENT</b>		2011-12		2012-13	
		<b>Final Budget</b>	<b>Actual</b>	<b>Adopted Budget</b>	<b>Revised Budget</b>
<b><u>Other Services &amp; Supplies:</u></b>					
6090 - General Department Supplies		14,000	13,971	18,000	18,000
6091 - Emergency Response Supplies		3,000	2,297	4,000	4,000
6092 - Paramedic Response Supplies		12,000	11,592	12,000	12,000
6093 - Physicals		4,200	1,146	4,500	4,500
6094 - New Hire		3,350	1,455	3,350	3,350
6100 - Emergency Medical Supply		6,500	6,985	7,500	7,500
6111 - Fire Prevention		3,500	3,008	4,500	4,500
6112 - Training and Education		24,000	20,388	35,500	35,500
6119 - Breathing Apparatus - Supplies		4,500	3,920	5,800	5,800
6121 - Breathing App. - Maint Contract		4,900	4,971	6,100	6,100
6130 - Protective Clothing		6,100	5,132	6,500	6,500
6150 - Tools/Equipment		5,000	4,250	6,500	6,500
6180 - Community Education & Preparedness		11,750	6,933	11,000	11,000
	Total	<b>102,800</b>	<b>86,049</b>	<b>125,250</b>	<b>125,250</b>
<b><u>Contingency:</u></b>					
6201 - Budget Contingency		10,000	-	30,000	30,000
6210 - Retired S/L Comp Contingency		-	-	86,660	-
		<b>10,000</b>	<b>-</b>	<b>116,660</b>	<b>30,000</b>
<b><u>Capital Outlay:</u></b>					
7012 - Appliances		1,500	121	2,000	2,000
7013 - Furnishings		2,000	387	2,500	2,500
7014 - Office Equipment		7,000	5,642	8,000	8,000
7030 - Apparatus and Equipment		15,000	9,254	15,000	15,000
7040 - Hydrants		10,500	10,835	13,600	13,600
7050 - Communications Equipment		10,128	9,531	10,000	10,000
7055 - Exercise Equipment		1,200	-	1,600	1,600
7060- Turnout Gear		9,388	11,457	15,726	15,726
		<b>56,716</b>	<b>47,226</b>	<b>68,426</b>	<b>68,426</b>
<b><u>Debt Service</u></b>					
8010 - Principal Payments - Fire Engine		75,030	75,030	78,166	78,166
8020 - Interest Expense - Fire Engine		11,231	11,231	8,006	8,006
8011 - Principal - Prior Authority Pension Bond			6,709	460,216	447,629
8021 - Interest - Prior Authority Pension Bond				73,352	73,917
8030 - Fees - Prior Authority Pension Bond		-	-	1,200	1,200
		<b>86,261</b>	<b>92,970</b>	<b>620,940</b>	<b>608,918</b>
	<b>Total Expenses</b>	<b>6,428,940</b>	<b>8,837,622</b>	<b>8,303,110</b>	<b>8,348,766</b>