


**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: May 8, 2013

To: Board of Directors
From:  Roger Meagor, Fire Chief
Subject: Fiscal Year 2013/14 Draft Budget

RECOMMENDATION:

That the Board review and consider the proposed Fiscal Year 2013/14 budget and provide recommendations to staff. Recommended changes by the Board will be incorporated into the budget that will be submitted for approval at the June meeting.

DISCUSSION/ANALYSIS:

The JPA requires, no later than June 1st of each year, that the Executive Officer and the Fire Chief recommend to the Board a budget for the ensuing fiscal year. No later than June 15th of each year, the Board shall adopt a budget for the ensuing year.

As part of this year's budget document, we have included a summary page. This summary page includes income, expenses, and reserves; as well as beginning and ending fund balances.

The FY 2013/14 budget was prepared by staff using revenue and expense projections for the next fiscal year. The draft budget does not account for any changes that may be associated with labor negotiations. The labor agreements for Ross Valley Firefighters Association and The Ross Valley Fire Chief Officers Association are set to expire on June 30, 2013.

The total proposed operating budget for FY 2013/14 is \$8,347,188. The operating budget is funded by member contributions of \$1,803,293 from Fairfax, \$1,619,527 from Ross, \$3,137,615 from San Anselmo, and \$990,647 from Sleepy Hollow. There are outside revenues of \$477,612. Transfers from reserves include: \$244,650 from Compensated Absences and \$223,844 from Prior Authority reserves; \$130,000 will be added to Apparatus Replacement.

FY 2012/13 Budget: Based on expected revenues and expenses for the current fiscal year, we are projecting an increase in the Unassigned fund balance of \$104,531. These are preliminary estimates; staff will continue to refine the estimated actual for inclusion in the proposed budget to be presented for adoption at the June meeting.

Revenues: The budget document separates revenues into two main categories, Member Contribution and Outside Revenues

Member Contributions: In previous years the member contributions consisted of a general contribution and a debt service contribution. With the expansion of the JPA in July 2012, the Member contributions were separated into several additional line items to account for previous liabilities of the Prior Authority (Ross Valley Fire JPA prior to July 1, 2012) and the Ross Firefighter Apprentice Program. The budget document includes a detailed breakdown of the cost by agency, which includes contribution categories and amounts.

Outside Revenues: Outside Revenues are all revenues which are not provided by the member agencies. Total outside revenues are down slightly from FY 2012/13 numbers. We are projecting revenue increases for fire prevention services and the auto aid agreement with Marin County Fire Department.

Expenses: FY 2013/14 projected expenses are \$8,347,188 vs. \$8,303,110 in FY 2012/13. The budget has been prepared, for the most part, a status quo budget, with no major changes. There are multiple items however, which have impacted expense projections for the next fiscal year:

Regular salary and benefit costs are down as a result several new hires that will be starting at entry level pay grades, and the budget does not include apprentice firefighter positions.

Workers compensation costs have increased. Ross Valley Fire participates in a self insurance pool, Fire Agencies Self Insurance System (FASIS). The premium increase is the result of overall rate increases for all members in the pool and the result of the Department's recent loss history.

Employee medical premium cost have increased by 9.5%

The CalPERS Safety Plan employer contribution rate increased from 22.744% to 23.397% and the Miscellaneous Plan rate increased from 9.526% to 10.843%. For new hires the Safety Plan rate is 12.25% and the Miscellaneous Plan is 6.25%. We expect at least one new hire at the 12.25% Safety Rate.

In FY 2013/14 we expect three retirements, which will require the payoff of earned vacation and sick leave benefits. Reserves have been set aside and will be used for the payoff of those benefits.

Expenditures for Capital Outlay have been reduced.

Reserve Funds: Cash reserves have been placed in several assigned funds and one unassigned fund. Four of the assigned funds (San Anselmo, Fairfax, Sleepy Hollow, and Prior Authority Apparatus Replacement) were created to account for cash reserves of the Prior Authority and are to be used to offset future contribution by the Prior Authority members.

The proposed budget includes utilizing \$223,844, from Prior Authority funds to offset San Anselmo's, Fairfax's, and Sleepy Hollow's FY 2013/14 contributions, with \$73,844 from the Prior Authority Apparatus Replacement fund.

Other funds include Compensated Absences and Apparatus Replacement. The proposed budget includes the transfer of \$244,650 from Compensated Absences to expense line item 5013 – Retired S/L Compensation. The proposed budget also includes member contributions which will add \$130,000 to the Apparatus Replacement fund.

Firefighter Apprenticeship Program: The Firefighter Apprenticeship program provides a third person on the Ross fire engine (Engine 18). The Joint Powers Agreement provides for the Town of Ross to pay the entire cost of the program. The Agreement also provides that the Town of Ross may terminate the program upon a written request prior to the adoption of the upcoming fiscal year budget.

On June 4, 2012, a Town of Ross municipal services tax measure failed to get the required two-thirds vote needed to pass. As a result of the failure of the tax measure, the Town of Ross requested, and the Board of Directors approved, a modified Firefighter Apprenticeship Program. The modification reduced the number of apprentices from three to two and eliminated the remaining two positions if they were to become vacant. Another tax measure was placed on the ballot in November 2012; this measure received the required two-thirds vote to pass, the new tax restored funding to previous levels starting July 2013.

On April 15, 2013, both of the Apprenticeship Firefighters were hired as Firefighter/Engineers and in keeping with the direction of the Ross Town Council, the Program was eliminated. On April 30, the Town of Ross held a budget workshop. The FY 2013/14 budget as presented did not include the continuation Apprenticeship Program. There was a lengthy discussion on whether, and how, to fund the Apprenticeship Program in FY 2013/14. No decision was made on whether the Apprenticeship Program would continue.

Because the Program was terminated in April of this year and there is no clear indication that the Town of Ross will fund the Program in FY 2013/14, the Apprenticeship Program is not included in the proposed budget.

FISCAL IMPACT:

The total proposed operating budget for FY 2013/14 is \$8,347,188. The operating budget is funded by member contributions of \$1,803,293 from Fairfax, \$1,619,527 from Ross, \$3,137,615 from San Anselmo, and \$990,647 from Sleepy Hollow. There are outside revenues of \$477,612. Transfers from reserves include \$244,650 from the Compensated Absences, \$223,844 from Prior Authority reserves; \$130,000 will be added to Apparatus Replacement.

Member contributions for Fairfax, San Anselmo, and Sleepy Hollow are up 1.85% over FY 2012/13 numbers. The Ross contribution is down by 3.12% as a result of the removal of the Firefighter Apprentice Program from the budget.

The estimated beginning fund balance for FY 2013/14 is \$699,567 of which \$254,139 is Compensated Absences, \$23,886 is Apparatus Replacement, \$104,531 is Unassigned, and \$134,011 is Prior Authority reserves.

Estimated ending fund balance is \$381,073 of which \$29,489 is Compensated Absences, \$153,866 is Apparatus Replacement, \$104,531 is Unassigned, and \$93,167 is Prior Authority reserves.

Attachment: FY 2013/14 Proposed Budget

Ross Valley Fire Department

2013-2014 Proposed Budget

	2012-13			2013-14
	Adopted Budget	Revised Budget	Estimated Actual	Proposed Budget
Beginning Balance	632,728	727,472	727,472	699,567
Revenue				
Member Contributions	7,737,481	7,642,414	7,642,414	7,774,926
Outside Revenues	478,630	697,951	708,384	477,612
Total Revenue	8,216,110	8,340,365	8,350,798	8,252,538
Total Resources	<u>8,848,838</u>	<u>9,067,837</u>	<u>9,078,270</u>	<u>8,952,105</u>
Expenses				
Salaries:	3,547,717	3,445,053	3,374,296	3,537,074
Benefits:	1,833,154	1,765,207	1,765,207	1,798,216
Reimbursable Costs:	94,379	107,985	110,118	111,547
Overtime:	570,077	841,388	836,388	576,116
Volunteers:	23,900	23,900	17,300	26,700
Retirees:	452,110	448,792	448,792	463,378
Insurance:	375,149	403,443	393,963	444,800
Vehicle Maintenance:	116,000	116,000	121,000	129,000
Maintenance:	20,875	20,875	20,875	19,875
Contract Services:	268,734	271,289	271,289	271,579
Utilities:	47,140	49,640	49,640	50,640
Office Expenses:	22,600	22,600	23,500	22,600
Other Services & Supplies:	125,250	125,250	118,750	122,950
Capital Outlay:	68,426	68,426	68,426	63,241
Debt Service	620,940	608,918	608,918	635,473
Sub Total Expenses	<u>8,186,450</u>	<u>8,318,766</u>	<u>8,228,462</u>	<u>8,273,188</u>
Reserves				
Budget Contingency:	30,000	30,000	0	30,000
Retired S/L Comp Contingency	86,660		0	44,000
Total Exp, Res				
Total Expenses	<u>8,303,110</u>	<u>8,348,766</u>	<u>8,228,462</u>	<u>8,347,188</u>
Ending Balance	395,486	568,830	699,567	381,073
Compensated Absences	73,000	188,382	254,139	29,489
Apparatus Replacement		23,886	23,886	153,886
Unassigned	0	39,551	104,531	104,531
Fairfax	75,587	73,923	73,923	28,323
San Anselmo	131,532	128,635	128,635	49,285
Sleepy Hollow	41,523	40,609	40,609	15,559
Prior Authority Apparatus Replacement	73,844	73,844	73,844	0

ROSS VALLEY FIRE DEPARTMENT							
<u>FY 2013-14 Proposed Budget</u>				2012-13		2013-14	
		Adopted	Revised	Estimated			Proposed
		Budget	Budget	Actual			Budget
REVENUE:							
<u>Member Contributions:</u>							
3030 - Fairfax		\$ 1,553,525	\$ 1,553,525	\$ 1,553,525			\$ 1,585,077
3035 - Ross		\$ 1,557,525	\$ 1,557,525	\$ 1,557,525			1,589,159
3040 - San Anselmo		2,703,000	2,703,000	2,703,000			2,757,898
3042 - Sleepy Hollow		853,438	853,438	853,438			870,772
3043 - Ross Apprentice Program		207,880	112,572	112,572			
3044 - Prior Authority Side Fund Payment		534,768	522,746	522,746			549,393
3047 - Prior Authority Compensated Absences		50,000	50,000	50,000			
3048 - Prior Authority Retiree Health		150,768	163,031	163,031			168,329
3049 - Prior Authority MERA Bond		38,194	38,194	38,194			38,219
3054 - Debt Service Contributions		88,383	88,383	88,383			216,080
	Total	<u>7,737,481</u>	<u>7,642,414</u>	<u>7,642,414</u>			<u>7,774,926</u>
<u>Outside Revenues:</u>							
3045 - County of Marin		127,043	127,043	127,043			131,135
3056 - OES Reimbursement Out of County			173,065	173,065			
3058 - RVPA Reimb. - Medic Program		193,393	177,324	177,324			175,713
3064 - RVPA Rental		25,500	25,500	25,486			26,123
3070 - LAIF Interest		2,000	2,000	1,800			1,800
3093 - RVPA EMS Trng/Supply Reimb.		47,494	47,494	47,341			47,341
3095 - Plan Checking Fees		68,000	78,000	78,000			78,000
3096 - Re-sale Inspection Fees		7,700	9,500	13,000			10,000
3100 - Miscellaneous Income		2,500	2,500	2,800			2,500
3101 - Workers Comp Reimbursement			50,525	60,525			
3115 - MLFT Training Reimbursement		5,000	5,000	2,000			5,000
	Total	<u>478,630</u>	<u>697,951</u>	<u>708,384</u>			<u>477,612</u>
	Total Income	<u>8,216,110</u>	<u>8,340,365</u>	<u>8,350,798</u>			<u>8,252,538</u>
EXPENSES:							
<u>Salaries:</u>							
5010 - Regular Salaries		3,307,707	3,138,760	3,138,760			3,128,450
5011 - Holiday		155,169	145,427	145,427			141,974
5012 - S/L Buyback		19,500	14,269	14,269			16,000
5013 - Retired S/L Compensation		50,340	121,597	55,840			230,650
5016 - Temporary Hire		15,000	25,000	20,000			20,000
	Total	<u>3,547,717</u>	<u>3,445,053</u>	<u>3,374,296</u>			<u>3,537,074</u>
<u>Benefits:</u>							
5020 - Retirement		1,085,506	1,037,304	1,037,304			1,027,126
5021 - Cafeteria Health Plan		646,041	626,296	626,296			658,333
5022 - Housing Allowance		47,004	47,004	47,004			48,200
5023 - Medicare/FICA		52,103	52,103	52,103			56,152
5024 - PERS Admin. Fee		2,500	2,500	2,500			2,500
5025 - Retiree Health Savings Match		-	-	-			5,905
	Total	<u>1,833,154</u>	<u>1,765,207</u>	<u>1,765,207</u>			<u>1,798,216</u>

ROSS VALLEY FIRE DEPARTMENT					
<u>FY 2013-14 Proposed Budget</u>					
			2012-13	2012-13	2013-14
			Adopted	Revised	Estimated
			Budget	Budget	Actual
					Proposed
					Budget
<u>Reimbursable Costs:</u>					
5040 - Uniform			24,840	23,190	23,190
5041 - Education			61,539	76,795	78,928
5043 - Board Member Stipend			8,000	8,000	8,000
		Total	94,379	107,985	110,118
					111,547
<u>Overtime:</u>					
5050 - Regular/Standby			375,000	490,000	495,000
5051 - FLSA			81,577	77,547	77,547
5052 - Hourly Overtime			49,000	53,000	53,000
5053 - Shift Differential			24,500	40,000	40,000
5054 - Reimbursed Overtime			20,000	20,000	10,000
5055 - OT - OES Response				135,841	135,841
5056 - OT - Training			20,000	25,000	25,000
		Total	570,077	841,388	836,388
					576,116
<u>Volunteers:</u>					
5060 - Response/Standby			4,000	4,000	2,500
5061 - CSFA Dues/Insurance			4,100	4,100	3,500
5062 - Supplies			1,200	1,200	1,200
5063 - Drills			4,600	4,600	2,500
5064 - Vol. Length of Service			5,600	5,600	5,600
5065 - Explorer Post			4,400	4,400	2,000
5066 - Volunteer Recruit Academy Expenses			-	-	-
			23,900	23,900	17,300
					26,700
<u>Retirees':</u>					
5070 - Health Insurance			452,110	448,792	448,792
		Total	452,110	448,792	448,792
					463,378
<u>Insurance:</u>					
6005 - Workers Comp Claims			300	300	-
6006 - Worker's Comp Insurance			349,249	377,543	370,563
6007 - Liability Insurance			25,600	25,600	23,400
		Total	375,149	403,443	393,963
					444,800
<u>Vehicle Maintenance:</u>					
6010 - Fuel			32,800	32,800	32,800
6011 - Parts			3,200	3,200	3,200
6012 - Repairs			80,000	80,000	85,000
		Total	116,000	116,000	121,000
					129,000
<u>Maintenance:</u>					
6020 - Equipment			4,275	4,275	4,275
6026 - Building and Landscaping			4,000	4,000	4,000
6028 - General Maintenance Supplies			2,600	2,600	2,600
6029 - Hydrant Maintenance			6,000	6,000	6,000
94040 - Burn Trailer Maintenance			4,000	4,000	4,000
		Total	20,875	20,875	20,875
					19,875

ROSS VALLEY FIRE DEPARTMENT					
<u>FY 2013-14 Proposed Budget</u>			2012-13		2013-14
		Adopted Budget	Revised Budget	Estimated Actual	Proposed Budget
<u>Contract Services:</u>					
6040 - Dispatch		129,999	129,999	129,999	126,872
6041 - Radio Repair		4,000	4,000	4,000	4,000
6042 - Hazardous Material Removal		1,000	1,000	1,000	1,000
6043 - Audit and Bookkeeping services		19,000	19,000	19,000	23,500
6044 - Payroll Service Fees		4,000	4,000	4,000	4,000
6045 - Other Contract Services		25,593	25,593	25,593	24,949
6046 - Executive Officer		3,600	3,600	3,600	3,600
6047 - Attorney/Legal Fees		3,000	3,000	3,000	3,000
6048 - Hazardous Material Contract		6,717	7,202	7,202	7,202
6049 - MERA Bond Payment -Prior Authority		38,194	38,194	38,194	38,219
6050 - MERA Operating Expense		33,631	35,701	35,701	35,237
	Total	268,734	271,289	271,289	271,579
<u>Utilities:</u>					
6060 - Gas & Electric		22,750	22,750	22,750	23,750
6061 - Telephone		19,000	21,500	21,500	21,500
6062 - Water		3,850	3,850	3,850	3,850
6063 - Sewer		1,540	1,540	1,540	1,540
	Total	47,140	49,640	49,640	50,640
<u>Office Expenses:</u>					
6070 - Publications & Dues		2,400	2,400	2,400	2,400
6072 - Computer Software/Support		12,000	12,000	12,000	12,000
6075 - Web Page Design and Maint.		3,100	3,100	3,900	3,100
6080 - Office Supplies		4,500	4,500	4,500	4,500
6081 - Postage		600	600	700	600
	Total	22,600	22,600	23,500	22,600
<u>Other Services & Supplies:</u>					
6090 - General Department Supplies		18,000	18,000	18,000	16,000
6091 - Emergency Response Supplies		4,000	4,000	4,000	4,000
6092 - Paramedic Response Supplies		12,000	12,000	12,000	12,000
6093 - Physicals		4,500	4,500	3,000	4,500
6094 - New Hire		3,350	3,350	3,350	3,350
6100 - Emergency Medical Supply		7,500	7,500	7,500	7,500
6111 - Fire Prevention		4,500	4,500	3,500	4,500
6112 - Training and Education		35,500	35,500	35,500	35,500
6119 - Breathing Apparatus - Supplies		5,800	5,800	5,800	5,700
6121 - Breathing App. - Maint Contract		6,100	6,100	6,100	6,900
6130 - Protective Clothing		6,500	6,500	6,500	6,500
6150 - Tools/Equipment		6,500	6,500	6,500	6,500
6180 - Community Education & Preparedness		11,000	11,000	7,000	10,000
	Total	125,250	125,250	118,750	122,950
<u>Contingency:</u>					
6201 - Budget Contingency		30,000	30,000	-	30,000
6210 - Retired S/L Comp Contingency		86,660	86,660	-	44,000
		116,660	116,660	-	74,000

ROSS VALLEY FIRE DEPARTMENT

FY 2013-14 Proposed Budget

Fire Service Cost by Agency

	San Anselmo	Fairfax	Sleepy Hollow	Ross	Total
Contribution	2,757,898	1,585,077	870,772	1,589,159	6,802,905
Side Fund	290,629	167,015	91,749		549,393
Debt Service	45,536	26,168	14,375		86,080
Apparatus Replacement Fund	52,702	30,290	16,640	30,368	130,000
OPEB Prior Liability	89,046	51,172	28,111		168,329
MERA Bond	20,218	11,619	6,383		38,219
Sub Total	3,256,029	1,871,341	1,028,029	1,619,527	7,774,926
From Prior Authority Reserves	(118,413)	(68,049)	(37,382)		(223,844)
Total	3,137,615	1,803,293	990,647	1,619,527	7,551,082
12/13 Contribution	3,079,707	1,770,007	972,361	1,670,097	7,492,172
Change	\$ 57,908	\$ 33,286	\$ 18,286	\$ (50,571)	
	1.85%	1.85%	1.85%	-3.12%	