

**ROSS VALLEY FIRE DEPARTMENT  
STAFF REPORT**

For the meeting of: February 11, 2014

To: Board of Directors  
From: Jim Hanson, Acting Fire Chief  
Subject: Mid-Year Budget Review

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**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, four retirements, additional expenses related to the recruitment and hiring of a new Fire Chief, and the Department provided personnel and equipment to help combat State wildfires during this extended fire season. These 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 Fiscal-Year 2013/14.

**Income:**

3056 – OES Reimbursement Out of County: It is estimated that we will receive \$95,995 from the State for the Department's responses to California wildfires. As of December 31, we have received \$76,086 in reimbursements.

3101 – Workers Comp Reimbursement is at \$65,647. These funds are reimbursements from our workers compensation insurance pool for temporary disability payments paid by the Department as part of 5010-Regular Salaries. With the current vacancies the Department will receive additional reimbursements in the coming months.

**Expenses:**

5000-Salaries, 5019-Benefits, and 5039-Reimbursable costs: The line items related to employee salary and benefits are currently at or below budget estimates. There is one pending disability claim that if approved will increase salary and benefits costs for the first half of the fiscal year. Going forward there will be reduced salary and benefits costs as a result of the vacancies created with the recent retirements. The overall savings is estimated at \$121,000; the savings will be used to offset increased overtime costs.

5043 – Board Meeting Stipend is at \$5,600, 70% of annual estimates. This line item, as the result of multiple board meetings in November and December, is expected to exceed original estimates by \$2,400

5050 – Regular/Standby Overtime is at \$342,948, 91% of annual budget estimates. As has been previously reported, in the first half of the fiscal year, the Department has experienced an unusual number of injuries and illnesses, which in turn has significantly impacted overtime. A portion of the overtime expenditures will be offset by reimbursements from the Department's self-insurance workers compensation JPA. Even with the reimbursements, overtime expenditures are at 73% of annual estimates or \$89,000 over where we should be halfway through the fiscal year.

Currently, there are two employees off on long-term injuries/illnesses. The retirement of Captain Conroy last July will continue to impact overtime until such time the firefighter hired to fill the vacancy completes his engineer training, which is expected to be completed in the next couple of months. With the retirements of Captain Barry and Battalion Chief McCarthy there will be additional overtime created; however, in the short term, overtime costs will be largely offset by reduced salary and benefits costs. Once the positions are filled, the new firefighters will require at least 9 months of training before they will have an impact on reducing overtime.

Taking into account the current vacancies and planning for normal sick time and vacation usage for the remainder of the fiscal year, staff is estimating that the Regular Overtime line item will exceed original budget estimates by \$242,000; these estimates do not include the impact from any additional long-term vacancies.

5055 – OT - OES Response: Overtime costs in the amount of \$52,542 are the result of the Department responses State wildfires. These expenditures are reimbursed through 3056 – OES Reimbursement - Out of County.

6006 – Workers' Compensation Insurance is at 54% annual estimated and is expected to exceed original estimates by \$18,500.

6201 – Budget Contingency: The Board approved the allocation of \$25,000 to cover the consultant fees for the Fire Chief recruitment.

There are several other budget line items that are exceeding original budget estimates; however, the budgets items are expected either to be at or near original budget estimates at year-end or, because of their sizes, are not expected to have any significant impact on the overall budget.

#### **SUMMARY / FISCAL IMPACT:**

The multiple employee injuries and four retirements have resulted in an increase in overtime costs. There were also additional costs associated with the recruitment and hiring of a new Fire Chief. It is expected these additional costs will be largely offset by a combination of reductions in salary and benefit costs, additional revenues from

temporary disability reimbursements, as well as cost cutting measure in other budget line items. Staff cautions however, additional employee vacancies or other negative budget impacts will result in a budget shortfall at year-end.

In Fiscal-Year 2012/13 the Department had a significant budget surplus, which resulted in \$246,074 being placed in Unassigned Reserves. A portion of the reserves could be used to cover a budget shortfall. Staff will continue to keep a close watch on overtime costs and all expenditures and will continue to keep the Board informed.

Attachment: Mid-Year Review Financial Summary

## ROSS VALLEY FIRE DEPARTMENT

## All Funds

## Mid-Year Review

	Jul '13 - Jun 14	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>3010 · Member Contributions</b>			
3030 · Fairfax	769,739	1,585,077	49%
3035 · Ross	794,579	1,589,159	50%
3040 · San Anselmo	1,339,274	2,757,898	49%
3042 · Sleepy Hollow	422,861	870,772	49%
3044 · Prior Authority Side Fund Pymnt	274,697	549,393	50%
3048 · Prior Authority Retiree Health	84,164	168,329	50%
3049 · Prior Authority MERA Bond	19,110	38,219	50%
3054 · Debt Service Contributions	47,719	216,080	22%
3062 · Apparatus Replacement	38,582		
<b>Total 3010 · Member Contributions</b>	<b>3,790,725</b>	<b>7,774,927</b>	<b>49%</b>
<b>3050 · Outside Revenue</b>			
3045 · County of Marin	131,135	131,135	100%
3056 · OES Reimbursement Out of County	76,086	0	100%
3058 · RVPA Reimbursement - Medic Prog	43,928	175,713	25%
3064 · RVPA Rental	13,062	26,123	50%
3070 · LAIF Interest	355	1,800	20%
3093 · RVPA EMS Training/Supply Reimb.	47,290	47,341	100%
3095 · Plan Checking Fees	41,690	78,000	53%
3096 · Re-Sale Inspection Fees	6,656	10,000	67%
3100 · Miscellaneous Income	2,802	2,500	112%
3101 · Workers Comp Reimbursement	65,647	0	100%
3115 · MLFT Reimbursement	0	5,000	0%
<b>Total 3050 · Outside Revenue</b>	<b>428,651</b>	<b>477,612</b>	<b>90%</b>
<b>Total Income</b>	<b>4,219,376</b>	<b>8,252,539</b>	<b>51%</b>
<b>Expense</b>			
<b>5000 · SALARIES</b>			
5010 · Regular salaries	1,565,339	3,128,450	50%
5011 · Holiday	71,107	141,974	50%
5012 · S/L Buy Back	6,294	16,000	39%
5013 · Retired S/L Compensation	106,177	230,650	46%
5016 · Temporary Hire	8,845	20,000	44%
<b>Total 5000 · SALARIES</b>	<b>1,757,762</b>	<b>3,537,074</b>	<b>50%</b>
<b>5019 · BENEFITS</b>			
5020 · Retirement	497,014	1,027,126	48%
5021 · Cafeteria Health Plan	315,565	658,333	48%
5022 · Housing Allowance	24,300	48,200	50%
5023 · Medicare	27,637	56,152	49%
5024 · PERS Administration Fee	1,243	2,500	50%
5025 · Retiree Health Savings Match	2,039	5,905	35%
<b>Total 5019 · BENEFITS</b>	<b>867,798</b>	<b>1,798,216</b>	<b>48%</b>

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## All Funds

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	Jul '13 - Jun 14	Budget	% of Budget
<b>5039 · REIMBURSABLE COSTS</b>			
5040 · Uniform reimbursement	11,400	23,820	48%
5041 · Education reimbursement	37,571	79,727	47%
5043 · Board Member Stipend	5,600	8,000	70%
<b>Total 5039 · REIMBURSABLE COSTS</b>	<b>54,571</b>	<b>111,547</b>	<b>49%</b>
<b>5049 · OVERTIME</b>			
5050 · Regular/Standby OT	342,948	375,000	91%
5051 · FLSA O/T	36,361	77,116	47%
5052 · Hourly Overtime	16,869	53,000	32%
5053 · Shift Differential OT	13,947	30,000	46%
5054 · Reimbursed Overtime	2,422	16,000	15%
5055 · OT - OES Response	52,542	0	100%
5056 · OT Training	2,577	25,000	10%
<b>Total 5049 · OVERTIME</b>	<b>467,666</b>	<b>576,116</b>	<b>81%</b>
<b>5059 · VOLUNTEERS</b>			
5060 · Volunteer Response/Standby	1,870	3,500	53%
5061 · Volunteer CSFA Dues/Ins	1,050	3,500	30%
5062 · Volunteers Supplies	266	1,200	22%
5063 · Volunteers Drills	1,190	4,000	30%
5064 · Vol. Length of Service	0	5,600	0%
5065 · Explorer Post	124	4,400	3%
5066 · Volunteer Recruit Academy	0	4,500	0%
<b>Total 5059 · VOLUNTEERS</b>	<b>4,500</b>	<b>26,700</b>	<b>17%</b>
<b>5069 · RETIREES</b>			
5070 · Retirees' Health Insurance	121,943	463,378	26%
<b>Total 5069 · RETIREES</b>	<b>121,943</b>	<b>463,378</b>	<b>26%</b>
<b>6004 · INSURANCE</b>			
6005 · Workers Comp Claims	0	300	0%
6006 · Workers' Compensation Insurance	227,416	420,000	54%
6007 · Liability Insurance	22,245	24,500	91%
<b>Total 6004 · INSURANCE</b>	<b>249,661</b>	<b>444,800</b>	<b>56%</b>
<b>6009 · VEHICLE MAINTENANCE</b>			
6010 · Fuel	20,546	35,800	57%
6011 · Parts - Vehicle	873	3,200	27%
6012 · Repairs - Vehicle	22,014	90,000	24%
<b>Total 6009 · VEHICLE MAINTENANCE</b>	<b>43,433</b>	<b>129,000</b>	<b>34%</b>
<b>6019 · MAINTENANCE</b>			
6020 · Equipment Maintenance	2,324	4,275	54%
6026 · Building Maint. and Landscaping	3,285	4,000	82%
6028 · General Maintenance Supplies	138	2,600	5%

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6029 · Hydrant Maintenance	786	5,000	16%
94040 · Burn Trailer Maintenance	0	4,000	0%
<b>Total 6019 · MAINTENANCE</b>	<b>6,533</b>	<b>19,875</b>	<b>33%</b>
<b>6039 · CONTRACT SERVICES</b>			
6040 · Dispatch	33,011	126,872	26%
6041 · Radio Repair	1,023	4,000	26%
6042 · Hazardous Material Removal	0	1,000	0%
6043 · Audit & Bookkeeping Services	15,361	23,500	65%
6044 · Payroll Service Fees	1,930	4,000	48%
6045 · Other Contract Services	14,280	24,949	57%
6046 · Executive Officer	1,800	3,600	50%
6047 · Attorney/Legal Fees	1,272	3,000	42%
6048 · Hazardous Material Contract	7,922	7,202	110%
6049 · MERA Membership Fee	38,219	38,219	100%
6050 · MERA Operating Expense	35,447	35,237	101%
<b>Total 6039 · CONTRACT SERVICES</b>	<b>150,265</b>	<b>271,579</b>	<b>55%</b>
<b>6059 · UTILITIES</b>			
6060 · Gas & Electric	9,524	23,750	40%
6061 · Telephone	9,874	21,500	46%
6062 · Water	2,254	3,850	59%
6063 · Sewer	1,914	1,540	124%
<b>Total 6059 · UTILITIES</b>	<b>23,566</b>	<b>50,640</b>	<b>47%</b>
<b>6069 · OFFICE EXPENSES</b>			
6070 · Publications & Dues	2,108	2,400	88%
6072 · Computer Software/Support	7,440	12,000	62%
6075 · Web Page Design and Maint.	2,159	3,100	70%
6080 · Office Supplies	895	4,500	20%
6081 · Postage	354	600	59%
<b>Total 6069 · OFFICE EXPENSES</b>	<b>12,956</b>	<b>22,600</b>	<b>57%</b>
<b>6089 · OTHER SERVICES &amp; SUPPLIES</b>			
6090 · General Department Supplies	8,964	16,000	56%
6091 · Emergency Response Supplies	2,700	4,000	68%
6092 · Paramedic Response Supplies	6,334	12,000	53%
6093 · Physicals	605	4,500	13%
6094 · New Hire	1,956	3,350	58%
6100 · Emergency Medical Supplies	3,907	7,500	52%
6111 · Fire Prevention	1,804	4,500	40%
6112 · Training & Education	10,165	35,500	29%
6119 · Breathing Apparatus	512	5,700	9%
6121 · Breathing Apparatus-Contract	0	6,900	0%
6130 · Protective Clothing	3,175	6,500	49%
6150 · Tools/Equipment	907	6,500	14%
6180 · Community Education & Prep.	2,334	10,000	23%

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<b>Total 6089 · OTHER SERVICES &amp; SUPPLIES</b>	43,363	122,950	35%
<b>6200 · CONTINGENCY</b>			
6201 · Budget Contingency	12,500	30,000	42%
6210 · Retired S/L Comp Contingency	0	44,000	0%
<b>Total 6200 · CONTINGENCY</b>	12,500	74,000	17%
<b>7000 · CAPITAL OUTLAY</b>			
7012 · Appliances	1,111	2,000	56%
7013 · Furnishings	0	2,500	0%
7014 · Office Equipment	3,059	8,000	38%
7030 · Apparatus and Equipment	0	15,000	0%
7040 · Hydrants	0	13,600	0%
7050 · Communications Equipment	356	6,400	6%
7055 · Exercise Equipment	0	1,500	0%
7060 · Turnouts	0	14,241	0%
<b>Total 7000 · CAPITAL OUTLAY</b>	4,526	63,241	7%
<b>8000 · DEBT SERVICE</b>			
8010 · Principal Payments	78,166	81,433	96%
8011 · Principal-Prior Auth. Pen. Bond	241,140	488,597	49%
8020 · Interest Expense	10,217	4,647	220%
8021 · Interest-Prior Auth. Pen. Bond	32,572	59,596	55%
8030 · Fees	0	1,200	0%
<b>Total 8000 · DEBT SERVICE</b>	362,095	635,473	57%
<b>Total Expense</b>	4,183,138	8,347,189	50%