

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: April 9, 2014

To: Board of Directors
From: Mark E. Mills, Fire Chief
Subject: Current Financial Report

RECOMMENDATION:

For the Board's information

DISCUSSION / ANALYSIS:

The overall budget for the Department is tracking appropriately for this time period. Most of the line items are at, or very near 75% which is correct for this point in the fiscal year. The only exception at this time is the line item, Overtime 5050.

As of year to date, the Department has experienced multiple workers' compensation claims and several retirements that have resulted in an inordinate amount of overtime being allocated. There were 2,476 hours of sick leave, 3,180 hours of disability leave and 4,812 hours of vacation utilized. This equates to having one vacancy every day and two vacancies per day for a third of the year.

Staff is estimating that the budget line item 5050 – Regular Overtime is at approximately \$467,438 or 125% of annual estimates. A portion of the overtime expenditures will be offset by reimbursements from the Department's self-insurance workers compensation joint powers authority. Reimbursements that can be used to offset overtime costs are estimated at \$66,500. Additionally, due to the vacant positions there will be approximately \$62,236 in item 5010 Regularly Salaries that can be used to offset the over-expenditure. By utilizing the reimbursements and savings from Regular Salaries to offset the over-expenditure in Overtime, there is still \$36,298 available in the budget.

Conclusion: Overtime costs will continue until the end of the fiscal year. Staff is estimating that at the end of the fiscal year, with budget line item adjustments, the overall budget will be balanced. If there are significant changes that do occur, additional funding may be necessary. In Fiscal Year 2012/13 the Department had a significant budget surplus which resulted in \$246,074 being placed in Unassigned Reserves. It may be necessary to allocate a portion of these reserves in order to account for the excessive overtime costs. Staff will continue to monitor and analyze the expenditures for the remaining six payroll periods.