

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: May 14, 2014

To: Board of Directors

From: Mark E. Mills, Fire Chief *MEM*

Subject: Fiscal Year 2014/2015 Draft Budget

RECOMMENDATION:

That the Board review and consider the proposed Fiscal Year 2014/15 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 2014/15 budget was prepared by staff using revenue and expense projections for the next fiscal year. The total proposed operating budget for FY 2014/15 is \$8,369,063. The operating budget is funded by member contributions of \$1,886,767 from Fairfax, \$1,670,746 from Ross, \$3,282,861 from San Anselmo, and \$1,036,504 from Sleepy Hollow. There are outside revenues of \$492,257 anticipated. There are no Prior Authority Reserves left to offset the costs in the future.

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). 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 up slightly (3%), from FY 2013/14 numbers. The revenue from the Ross Valley Paramedic Authority and the Marin County contract contributed to the increases.

Expenses: FY 2014/15 projected expenses are \$8,369,063 vs. \$8,347,189 in FY 2013/14. The budget has been prepared with a \$21,874(0.26%) increase overall.

Regular salary and benefit costs are down roughly 2.7% as a result several new hires that will be starting at entry level pay grades and with the implementation of the new Memorandum of Understanding (MOU) the employees are now paying 3% of their retirement benefits. Overtime will continue to be an issue for the department due to training and minimum staffing requirements. Overtime has been increased 15% (\$75,000) to cover the anticipated costs of the two new firefighter trainees.

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. Fortunately, there was a dividend received by the department, and that was used to offset the increase for this year. A wellness program is being developed to reduce future injuries. Fitness evaluations are the first step in the process, which increased the Physical line item by \$13,500.

Employee medical premium costs have increased by 10.8%

The CalPERS Safety Plan employer contribution rate increased from 23.397% to 23.948% and the Miscellaneous Plan rate decreased from 10.843% to 10.702%. For new hires the Safety Plan rate is 12.25% and the Miscellaneous Plan is 6.25%. We have two new hires at the 12.25% Safety Rate.

Expenditures for Capital Outlay have been increased by \$18,600 to cover the replacement of computers and exercise equipment.

Reserve Funds: Cash reserves had 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 have been used to offset the contributions by the Prior Authority members. Those funds have been expended and in the future the Prior Authority agencies will have to bear the full burden of their annual contributions.

The proposed budget includes utilizing \$133,732, from Prior Authority funds to offset San Anselmo's, Fairfax's, and Sleepy Hollow's FY 2013/14 contributions. Contributions into the Apparatus Replacement fund total \$133,900, resulting in \$291,434 in the

Replacement fund. The proposed budget includes \$29,489 remaining in the Compensated Absences fund and carrying over \$224,021 in Unassigned Reserves.

FISCAL IMPACT:

The total proposed operating budget for FY 2014/15 is \$8,369,063. The operating budget is funded by member contributions of \$1,886,767 from Fairfax, \$1,670,746 from Ross, \$3,282,861 from San Anselmo, and \$1,036,504 from Sleepy Hollow. There are outside revenues of \$492,257.

Member contributions for Fairfax, San Anselmo, and Sleepy Hollow are up 4.42% over FY 2013/14 numbers. The Ross contribution is up by 3.07%. The increases result from fewer funds being available from the Prior Authority Reserves.

The estimated beginning fund balance for FY 2014/15 is \$546,544 of which \$29,849 is Compensated Absences, \$291,434 is Apparatus Replacement, and \$224,021 is Unassigned.

Attachment: FY 2013/14 Proposed Budget

Ross Valley Fire Department

2014-2015 Proposed Budget - Draft

	2013-14		2014-15
	Adopted Budget	Estimated Actual	Proposed Budget
Beginning Balance	796,892	883,285	546,376
Revenue			
Member Contributions	7,774,926	7,551,083	7,876,975
Outside Revenues	477,612	662,548	492,257
Total Revenue	8,252,538	8,213,632	8,369,232
Total Resources	<u>9,049,430</u>	<u>9,096,917</u>	<u>8,915,607</u>
Expenses			
Salaries:	3,537,074	3,466,734	3,473,214
Benefits:	1,798,216	1,768,365	1,719,369
Reimbursable Costs:	111,547	105,620	108,015
Overtime:	576,116	867,085	663,660
Volunteers:	26,700	26,700	26,700
Retirees:	463,378	463,378	463,378
Insurance:	444,800	463,300	444,800
Vehicle Maintenance:	129,000	129,000	133,200
Maintenance:	19,875	19,875	21,875
Contract Services:	271,579	271,579	282,116
Utilities:	50,640	50,640	51,100
Office Expenses:	22,600	22,600	24,600
Other Services & Supplies:	122,950	147,950	142,100
Capital Outlay:	63,241	63,241	81,841
Debt Service	635,473	635,473	653,095
Sub Total Expenses	<u>8,273,189</u>	<u>8,501,540</u>	<u>8,289,063</u>
Reserves			
Budget Contingency:	30,000	5,000	30,000
Retired S/L Comp Contingency	44,000	44,000	50,000
Total Exp, Res			
Total Expenses	<u>8,347,189</u>	<u>8,550,540</u>	<u>8,369,063</u>
Ending Balance	478,398	546,376	546,544
Compensated Absences	29,489	29,489	29,489
Apparatus Replacement	153,886	157,534	291,434
Unassigned	191,856	224,021	224,021
Fairfax	31,363	40,655	0
San Anselmo	54,575	70,744	0
Sleepy Hollow	17,229	22,333	0
Prior Authority Apparatus Replacement	0	0	0

ROSS VALLEY FIRE DEPARTMENT					
<u>FY 2014-15 Budget - DRAFT</u>			2013-14		2014-15
			Adopted	Estimated	Proposed
			Budget	Actual	Budget
REVENUE:					Difference
<u>Member Contributions:</u>					
3030 - Fairfax			\$ 1,585,077	\$ 1,539,477	\$ 1,594,602
3035 - Ross			\$ 1,589,159	\$ 1,589,159	1,639,467
3040 - San Anselmo			2,757,898	2,678,548	2,774,461
3042 - Sleepy Hollow			870,772	845,722	876,005
3044 - Prior Authority Side Fund Payment			549,393	549,393	565,912
3048 - Prior Authority Retiree Health			168,329	168,329	168,329
3049 - Prior Authority MERA Bond			38,219	38,219	38,219
3054 - Debt Service Contributions			216,080	86,080	86,080
3062- Apparatus Replacement			-	56,156	133,900
	Total		<u>7,774,926</u>	<u>7,551,083</u>	<u>7,876,975</u>
					102,049
<u>Outside Revenues:</u>					
3045 - County of Marin			131,135	131,135	135,404
3056 - OES Reimbursement Out of County				86,221	
3058 - RVPA Reimb. - Medic Program			175,713	175,713	183,435
3064 - RVPA Rental			26,123	26,123	26,776
3070 - LAIF Interest			1,800	1,800	1,800
3078 - Surplus Equipment					
3093 - RVPA EMS Trng/Supply Reimb.			47,341	47,341	47,341
3095 - Plan Checking Fees			78,000	78,000	80,000
3096 - Re-sale Inspection Fees			10,000	10,000	10,000
3100 - Miscellaneous Income			2,500	2,500	2,500
3101 - Workers Comp Reimbursement				98,715	
3115 - MLFT Training Reimbursement			5,000	5,000	5,000
3350 - Prior Year Adjustment			-	-	-
	Total		<u>477,612</u>	<u>662,548</u>	<u>492,257</u>
					14,644
					-
	Total Income		<u>8,252,538</u>	<u>8,213,632</u>	<u>8,369,232</u>
					116,693
<u>EXPENSES:</u>					
<u>Salaries:</u>					
5010 - Regular Salaries			3,128,450	3,060,355	3,286,675
5011 - Holiday			141,974	139,729	150,538
5012 - S/L Buyback			16,000	16,000	16,000
5013 - Retired S/L Compensation			230,650	250,184	
5016 - Temporary Hire			20,000	20,000	20,000
	Total		<u>3,537,074</u>	<u>3,466,734</u>	<u>3,473,214</u>
					(63,860)
<u>Benefits:</u>					
5020 - Retirement			1,027,126	999,987	877,641
5021 - Cafeteria Health Plan			658,333	658,333	729,943
5022 - Housing Allowance			48,200	42,402	40,500
5023 - Medicare/FICA			56,152	59,237	59,835
5024 - PERS Admin. Fee			2,500	2,500	2,500
5025 - Retiree Health Savings Match			5,905	5,905	8,950
	Total		<u>1,798,216</u>	<u>1,768,365</u>	<u>1,719,369</u>
					(78,847)

ROSS VALLEY FIRE DEPARTMENT					
FY 2014-15 Budget - DRAFT			2013-14		2014-15
			Adopted Budget	Estimated Actual	Proposed Budget Difference
Reimbursable Costs:					
5040 - Uniform			23,820	23,264	23,340 (480)
5041 - Education			79,727	74,356	76,675 (3,052)
5043 - Board Member Stipend			8,000	8,000	8,000 -
	Total		<u>111,547</u>	<u>105,620</u>	<u>108,015</u> (3,532)
Overtime:					
5050 - Regular/Standby			375,000	616,000	450,000 75,000
5051 - FLSA			77,116	74,543	79,660 2,544
5052 - Hourly Overtime			53,000	53,000	53,000 -
5053 - Shift Differential			30,000	30,000	30,000 -
5054 - Reimbursed Overtime			16,000	16,000	16,000 -
5055 - OT - OES Response				52,542	-
5056 - OT - Training			25,000	25,000	35,000 10,000
	Total		<u>576,116</u>	<u>867,085</u>	<u>663,660</u> 87,544
Volunteers:					
5060 - Response/Standby			3,500	3,500	3,500 -
5061 - CSFA Dues/Insurance			3,500	3,500	3,500 -
5062 - Supplies			1,200	1,200	1,200 -
5063 - Drills			4,000	4,000	4,000 -
5064 - Vol. Length of Service			5,600	5,600	5,600 -
5065 - Explorer Post			4,400	4,400	4,400 -
5066 - Volunteer Recruit Academy Expenses			4,500	4,500	4,500 -
			<u>26,700</u>	<u>26,700</u>	<u>26,700</u>
Retirees*:					
5070 - Health Insurance			463,378	463,378	463,378 -
	Total		<u>463,378</u>	<u>463,378</u>	<u>463,378</u> -
Insurance:					
6005 - Workers Comp Claims			300	300	300 -
6006 - Worker's Comp Insurance			420,000	438,500	420,000 -
6007 - Liability Insurance			24,500	24,500	24,500 -
	Total		<u>444,800</u>	<u>463,300</u>	<u>444,800</u> -
Vehicle Maintenance:					
6010 - Fuel			35,800	35,800	40,000 4,200
6011 - Parts			3,200	3,200	3,200 -
6012 - Repairs			90,000	90,000	90,000 -
	Total		<u>129,000</u>	<u>129,000</u>	<u>133,200</u> 4,200
Maintenance:					
6020 - Equipment			4,275	4,275	4,275 -
6026 - Building and Landscaping			4,000	4,000	6,000 2,000
6028 - General Maintenance Supplies			2,600	2,600	2,600 -
6029 - Hydrant Maintenance			5,000	5,000	5,000 -
94040 - Burn Trailer Maintenance			4,000	4,000	4,000 -
	Total		<u>19,875</u>	<u>19,875</u>	<u>21,875</u> 2,000

ROSS VALLEY FIRE DEPARTMENT					
<u>FY 2014-15 Budget - DRAFT</u>					
		2013-14		2014-15	
		Adopted	Estimated	Proposed	
		Budget	Actual	Budget	Difference
<u>Contract Services:</u>					
6040 - Dispatch		126,872	126,872	135,194	8,322
6041 - Radio Repair		4,000	4,000	4,000	-
6042 - Hazardous Material Removal		1,000	1,000	1,000	-
6043 - Audit and Bookkeeping services		23,500	23,500	23,500	-
6044 - Payroll Service Fees		4,000	4,000	4,000	-
6045 - Other Contract Services		24,949	24,949	24,949	-
6046 - Executive Officer		3,600	3,600	3,600	-
6047 - Attorney/Legal Fees		3,000	3,000	3,000	-
6048 - Hazardous Material Contract		7,202	7,202	8,000	798
6049 - MERA Bond Payment -Prior Authority		38,219	38,219	38,219	(0)
6050 - MERA Operating Expense		35,237	35,237	36,654	1,417
	Total	271,579	271,579	282,116	10,537
<u>Utilities:</u>					
6060 - Gas & Electric		23,750	23,750	23,750	-
6061 - Telephone		21,500	21,500	21,500	-
6062 - Water		3,850	3,850	3,850	-
6063 - Sewer		1,540	1,540	2,000	460
	Total	50,640	50,640	51,100	460
<u>Office Expenses:</u>					
6070 - Publications & Dues		2,400	2,400	4,000	1,600
6072 - Computer Software/Support		12,000	12,000	12,000	-
6075 - Web Page Design and Maint.		3,100	3,100	3,100	-
6080 - Office Supplies		4,500	4,500	4,500	-
6081 - Postage		600	600	1,000	400
	Total	22,600	22,600	24,600	2,000
<u>Other Services & Supplies:</u>					
6090 - General Department Supplies		16,000	16,000	20,000	4,000
6091 - Emergency Response Supplies		4,000	4,000	4,000	-
6092 - Paramedic Response Supplies		12,000	12,000	12,000	-
6093 - Physicals		4,500	4,500	18,000	13,500
6094 - New Hire		3,350	28,350	3,500	150
6100 - Emergency Medical Supply		7,500	7,500	7,500	-
6111 - Fire Prevention		4,500	4,500	4,500	-
6112 - Training and Education		35,500	35,500	35,500	-
6119 - Breathing Apparatus - Supplies		5,700	5,700	5,700	-
6121 - Breathing App. - Maint Contract		6,900	6,900	6,900	-
6130 - Protective Clothing		6,500	6,500	8,000	1,500
6150 - Tools/Equipment		6,500	6,500	6,500	-
6180 - Community Education & Preparedness		10,000	10,000	10,000	-
	Total	122,950	147,950	142,100	19,150
<u>Contingency:</u>					
6201 - Budget Contingency		30,000	5,000	30,000	-
6210 - Retired S/L Comp Contingency		44,000	44,000	50,000	6,000
		74,000	49,000	80,000	6,000

FY 2014-15 Budget - DRAFT

ROSS VALLEY FIRE DEPARTMENT		2013-14		2014-15	
<u>FY 2014-15 Budget - DRAFT</u>		Adopted Budget	Estimated Actual	Proposed Budget	Difference
Capital Outlay:					
7012 - Appliances		2,000	2,000	2,000	-
7013 - Furnishings		2,500	2,500	2,500	-
7014 - Office Equipment		8,000	8,000	12,000	4,000
7030 - Apparatus and Equipment		15,000	15,000	15,000	-
7040 - Hydrants		13,600	13,600	13,600	-
7050 - Communications Equipment		6,400	6,400	10,000	3,600
7055 - Exercise Equipment		1,500	1,500	12,500	11,000
7060 - Turnout Gear		<u>14,241</u>	<u>14,241</u>	<u>14,241</u>	-
		<u>63,241</u>	<u>63,241</u>	<u>81,841</u>	18,600
					-
Debt Service					-
8010 - Principal Payments - Fire Engine		81,433	81,433	84,837	3,404
8020 - Interest Expense - Fire Engine		4,647	4,647	1,146	(3,500)
8011 - Principal - Prior Authority Pension Bond		488,597	488,597	521,616	33,019
8021 - Interest - Prior Authority Pension Bond		59,596	59,596	44,296	(15,300)
8030 - Fees - Prior Authority Pension Bond		<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	-
		<u>635,473</u>	<u>635,473</u>	<u>653,095</u>	17,623
					-
	Total Expenses				-
		<u>8,347,189</u>	<u>8,550,540</u>	<u>8,369,063</u>	21,874

ROSS VALLEY FIRE DEPARTMENT***FY 2014-15 Budget - DRAFT*****Fire Service Cost by Agency**

	San Anselmo	Fairfax	Sleepy Hollow	Ross	Total
Contribution	2,845,205	1,635,256	898,338	1,639,467	7,018,267
Side Fund	299,367	172,037	94,507		565,912
Debt Service	45,485	26,139	14,359		85,983
Apparatus Replacement Fund	54,283	31,199	17,139	31,279	133,900
OPEB Prior Liability	89,046	51,172	28,111		168,329
MERA Bond	20,218	11,619	6,383		38,219
Sub Total	3,353,605	1,927,422	1,058,837	1,670,746	8,010,610
From Prior Authority Reserves	(70,744)	(40,654)	(22,333)		(133,732)
Total	3,282,861	1,886,767	1,036,504	1,670,746	7,876,879
13/14 Contribution	3,137,615	1,803,293	990,647	1,619,527	10,630,789
Change	\$ 145,246	\$ 83,475	\$ 45,857	\$ 51,220	
	4.42%	4.42%	4.42%	3.07%	