

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: February 10, 2016

To: Board of Directors
From: Mark Mills, Fire Chief
Prepared by: JoAnne Lewis, Administrative Assistant
Subject: 2015-2016 Mid-Year Budget Review

RECOMMENDATION:

That the Board reviews the FY 2015-2016 Budget.

BACKGROUND:

The Board adopted the FY 2015-2016 Budget on June 15, 2015. As is Department practice, a Mid-Year Budget review is completed each year. It is 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.

DISCUSSION:

Due to the implementation of the negotiated raises for the engineers, captains, and battalion chiefs the mid-year budget will reflect the raises effective as of January 1, 2016. The raises were salary increases of:

Engineers	3.28%
Captains	4.66%
Battalion Chiefs	4.50%

The increases are reflected throughout the budget in the salary and benefits sections, which increases the agency contribution rates according to the Agency Cost Sheets approved by the Fire Board on September 9, 2015 (Attachment A).

During the first half of the year, most income remained consistent with budget projections, with the exception of the Plan Checking Fees and Resale Inspection Fees which have been higher than projected. Expenses are generally in line with projections with the exceptions of Legal Fees, Hourly Overtime, and Shift Differential (working out of class pay).

As discussed and recommended by the Fire Board at previous meetings, the Executive Management Committee met and discussed transferring the financial operations of the Department over to the Town of San Anselmo. San Anselmo has a robust Finance Department and is capable of accepting the workload. San Anselmo utilizes Tyler Financial software and the Department will need to purchase an additional client license so that the Department's financials can be seamlessly transferred. The Executive

AGENDA ITEM # 9

Date 2/10/16

Management Committee recommended moving forward with the Town of San Anselmo performing the financial operations of the Department. The initial purchase and implementation of the software will cost \$33,000 (one-time fee) with an on-going annual renewal fee of \$5,250.

The Committee also recommended creating a Facility Management account for each fire station to accommodate and track incidental repairs and upgrades throughout the year. Numerous small repairs are needed annually and could easily be handled by Department staff rather than encumbering Town personnel. All larger capital improvement and renovation projects would still be managed by the Towns' staff. The initial account for each station would be funded with \$15,000 from the Undesignated Reserves. All unused funds would be carried over annually and the account would be replenished to the \$15,000.

The Department maintains an Apparatus Replacement Account which is funded annually to accumulate a reserve in order to replace firefighting apparatus and staff vehicles. In 2015, the Department completed the lease/purchase agreement with Pierce Manufacturing for a 2010 Type 1 fire engine thus eliminating an \$85,000 payment. In order to accommodate the new engine being added to the depreciation schedule, staff recommends adding \$100,000 to the Apparatus Replacement account to put the Department on track with the current replacement schedule that was adopted in April, 2013.

Mid-Year Budget Revision Recommendations:

Revenue:

- It is estimated that we will receive \$182,971 for responses out of the county. This number may change if there are other responses before the end of the year.
- Workers Comp reimbursement is currently at \$23,933, this amount will increase through the remainder of the year as the vacancies continue.
- Plan Checking fees have exceeded projections by \$12,000 year to date.
- Re-sale inspection fees have exceeded projections by \$10,000 year to date.

Expenses:

- Transfer \$35,000 to Attorney/Legal Fees
- Transfer \$38,250 to purchase Tyler license
- Transfer \$60,000 to create Facility Management accounts
- Transfer \$10,000 to Hourly Overtime
- Transfer \$10,000 to Shift Differential (Working out of class pay)
- Transfer \$100,000 to Apparatus Replacement

- TOTAL \$253,250

SUMMARY/FISCAL IMPACT:

The Undesignated Reserve Account contains \$504,563 as of January 1, 2016. After transferring the total of \$253,250 to the designated accounts, the remaining balance will be \$251,313.

Attachment: Agency Cost Sheet – Proposed
Agency Cost Sheet – Adopted 070115 Budget

ROSS VALLEY FIRE DEPARTMENT***FY 2015-16 Budget - Adopted*****Fire Service Cost by Agency**

	San Anselmo	Fairfax	Sleepy Hollow	Ross	Total
Contribution	2,883,411	1,657,215	910,401	1,661,482	7,112,510
Side Fund	309,054	177,604	97,565		584,222
Retirement Unfunded Liability	171,394	98,495	54,107		323,997
Apparatus Replacement Fund	54,283	31,199	17,139	31,279	133,900
OPEB Prior Liability	81,717	46,960	25,797		154,475
MERA Bond	20,218	11,619	6,383		38,219
Sub Total	3,520,078	2,023,091	1,111,393	1,692,761	8,347,323
Total	3,520,078	2,023,091	1,111,393	1,692,761	8,347,323
14/15 Contribution	3,282,900	1,886,791	1,036,517	1,670,769	
Change	\$ 237,178	\$ 136,300	\$ 74,876	\$ 21,992	
	6.74%	6.74%	6.74%	1.30%	

ROSS VALLEY FIRE DEPARTMENT*FY 2015-16 Mid Year Budget Revision**Fire Service Cost by Agency*

	San Anselmo	Fairfax	Sleepy Hollow	Ross	Total
Contribution	2,918,912	1,677,618	921,610	1,681,938	7,200,078
Side Fund	309,054	177,604	97,565		584,222
Retirement Unfunded Liability	171,394	98,495	54,107		323,997
Apparatus Replacement Fund	54,283	31,199	17,139	31,279	133,900
OPEB Prior Liability	81,717	46,960	25,797		154,475
MERA Bond	20,218	11,619	6,383		38,219
Sub Total	3,555,578	2,043,495	1,122,602	1,713,217	8,434,892
Total	3,555,578	2,043,495	1,122,602	1,713,217	8,434,892
14/15 Contribution	3,282,900	1,886,791	1,036,517	1,670,769	
Change	\$ 272,678	\$ 156,704	\$ 86,085	\$ 42,448	
	7.67%	7.67%	7.67%	2.48%	