

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: June 8, 2016

To: Board of Directors

From: Mark Mills, Fire Chief and Daria Carrillo, Finance Director

Subject: 2016-2017 Budget Adoption

RECOMMENDATION:

That the Board approves Resolution 16-0X a resolution adopting the budget for the Ross Valley Fire Department for the fiscal year commencing July 1, 2016.

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.

There are several items that have significantly increased in the overall budget which resulted in \$431,538 (4.8%) in increases.

DISCUSSION:

The FY 2016/17 budget was prepared by staff using revenue and expense projections for the next fiscal year. The total proposed operating budget for FY 2016/17 is \$9,353,914. The operating budget is funded by member contributions of \$2,110,291 from Fairfax, \$1,754,649 from Ross, \$3,671,803 from San Anselmo, and \$1,159,296 from Sleepy Hollow. There are outside revenues of \$657,875 anticipated.

The main reason for this increase is that salaries and benefits have gone up by nearly \$461,963 overall. When compared to the 2015-2016 Adopted Budget, the inclusion of an entire year's worth of the employee raises that were implemented at mid-year 2016, are reflected. There is also a cascading effect on PERS and other employee benefits. The budget changes are listed below:

Revenues:

Member Contributions: 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

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Date 6/8/16

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 \$82,834 (14%), from FY 2015/16 numbers. The revenues from Plan Checks and Re-sale inspections account for the majority of the increase.

Expenses: FY 2016/17 projected expenses are \$9,353,914 vs. \$8,788,476 in FY 2015/16.

- Scheduled step increases to the current salary schedule in the amount of \$93,000 gross pay. This does not include payroll taxes or PERS retirement.
- PERS retirement increases of \$132,200.
- \$80,000 for San Anselmo accounting fees
- Overtime costs have increased by \$21,682.
- Worker's compensation insurance has increased by \$23,000.
- Debt service payments for the pension obligation bonds have increased by \$19,638.
- Health insurance premiums are estimated to increase by 4%, or approximately \$30,000.
- The dispatch services contract has increased by \$14,338.
- When the invoices are received and recorded, this amount will be adjusted and each agency will be responsible for bringing the budget for their stations up to the \$15,000 budgeted for their stations.
- The required contribution to fund the annual required contribution (ARC) to the CalPERS trust for other post-employment benefit (OPEB) programs has increased by \$185,000. This is an estimate provided by Bickmore, the actuarial firm contracted to prepare the required actuarial valuation. The valuation will be available in June.

The fire department's OPEB obligations are the CalPERS health premiums for retirees that are reimbursed by the fire department. In the 2015-2016, the ARC was calculated by Bickmore to be \$485,086. This includes both the cost of the health insurance for retirees and the deposit to the CalPERS trust. In the 2016-2017 year, the ARC is estimated to be \$670,000. While \$170,000 of the ARC is for the implicit ARC, which was not included in the last valuation and is new this year. The implicit ARC is considered a "subsidy" of retiree health insurance by active employees since the retiree premiums are lower than they would have

been if the retirees were insured separately. Fire department retirees and active employees are both insured by CalPERS health insurance. Rates are the same for retirees and active employees until the age of 65, at which age retirees are generally eligible for Medicare. Therefore the "implicit subsidy" arises when retirees are between the ages of 55 and 65.

As mentioned above, this is only an estimate as the report is not yet ready. Also, the portion that is for prior OPEB obligation has not yet been separated out so has not been changed on the budget.

SUMMARY/FISCAL IMPACT:

The fiscal impact resulted in a \$565,438 increase in the 2016/17 budget. The total proposed operating budget for FY 2016/17 is \$9,353,914. The operating budget is funded by member contributions of \$2,110,291 from Fairfax, \$1,754,649 from Ross, \$3,671,803 from San Anselmo, and \$1,159,296 from Sleepy Hollow. There are outside revenues of \$657,875.

Member contributions for Fairfax, San Anselmo, and Sleepy Hollow are up 4.31% over FY 2015/16 numbers. The Ross contribution is up by 3.66%.

ROSS VALLEY FIRE DEPARTMENT

RESOLUTION 16-04

A RESOLUTION OF THE ROSS VALLEY FIRE DEPARTMENT BOARD OF DIRECTORS ADOPTING THE BUDGET FOR THE ROSS VALLEY FIRE DEPARTMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2016

BE IT RESOLVED that the budget of the Ross Valley Fire Department for the fiscal year commencing July 1, 2016, is hereby adopted and consisting of the following appropriations:

Expenses:

Salaries and Benefits	\$7,343,499
Services and Supplies	\$1,244,414
Capital Outlay	\$100,941
Contingency	\$60,000
Debt Service	\$605,060
Total:	\$9,353,914

Income:

Town of Fairfax	\$2,110,291
Town of Ross	\$1,754,649
Town of San Anselmo	\$3,671,803
Sleepy Hollow FPD	\$1,159,296
Outside Sources	\$657,875
Total:	\$9,353,914

Reserves:

Assigned:

Compensated Absences:	\$78,020
Apparatus Replacement	\$525,334
SCBA Fund	\$80,000

Unassigned	\$251,313
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I hereby certify that the foregoing resolution was passed and adopted by the Ross Valley Fire Department Board of Directors on the 8th day of June, 2016 by the following vote, to wit:

Ayes:

Noes:

Absent:

Abstain:

Richard Shortall, President

JoAnne Lewis, Administrative Assistant

ROSS VALLEY FIRE DEPARTMENT						
FY 2016-17 Proposed Budget			2015-16	2015-16	Estimated	2016-17
			Adopted	Revised	Actuals	Proposed
			Budget	Budget		Budget
REVENUE:						Adopted v
						Proposed
						Difference
Member Contributions:						
3030 - Fairfax			\$ 1,657,215	\$ 1,657,215	\$ 1,657,215	\$ 1,750,142
3035 - Ross			\$ 1,661,482	\$ 1,661,482	\$ 1,661,482	1,754,649
3040 - San Anselmo			2,883,411	2,883,411	2,883,411	3,045,097
3042 - Sleepy Hollow			910,401	910,401	910,401	961,451
3044 - Prior Authority Side Fund Payment			584,222	584,222	584,222	603,860
3048 - Prior Authority Retiree Health			154,475	154,475	154,475	154,475
3049 - Prior Authority MERA Bond			38,231	38,231	38,231	34,291
3054 - Debt Service Contributions			-	-	-	-
3062- Apparatus Replacement			133,900	133,900	133,900	-
5020 - Prior Authority Retirement			323,997	323,997	323,997	392,074
	Total		8,347,335	8,347,335	8,347,335	8,696,039
						348,704
Outside Revenues:						
3045 - County of Marin			141,863	141,863	141,863	144,697
3056 - OES Reimbursement Out of County						
3058 - RVPA Reimb. - Medic Program			199,091	199,091	199,091	199,091
3064 - RVPA Rental			27,446	27,446	27,446	27,446
3070 - LAIF Interest			1,800	1,800	1,800	1,800
3078 - Surplus Equipment						
3093 - RVPA EMS Trng/Supply Reimb.			47,341	47,341	47,341	47,341
3095 - Plan Checking Fees			130,000	130,000	130,000	167,400
3096 - Re-sale Inspection Fees			20,000	20,000	20,000	46,500
Technology Fees						16,100
3100 - Miscellaneous Income			2,500	2,500	2,500	2,500
3101 - Workers Comp Reimbursement						
3115 - MLFT Training Reimbursement			5,000	5,000	5,000	5,000
3116 - Chipper Program						
3125 - Grants/Donations			-	-	-	-
	Total		575,041	575,041	575,041	657,875
						82,834
	Total Income		8,922,376	8,922,376	8,922,376	9,353,914
						431,538
EXPENSES:						
Salaries:						
5010 - Regular Salaries			3,492,397	3,492,397	3,492,397	3,565,990
5011 - Holiday			157,391	157,391	157,391	166,260
5012 - S/L Buyback			16,000	16,000	16,000	4,000
5013 - Retired S/L Compensation						
5016 - Temporary Hire			20,000	20,000	20,000	5,000
	Total		3,685,788	3,685,788	3,685,788	3,741,250
						55,462
Benefits:						
5020 - Retirement			987,683	987,683	987,683	1,119,895
5021 - Cafeteria Health Plan			753,949	753,949	753,949	784,107
5022 - Housing Allowance			40,800	40,800	40,800	49,200
5023 - Medicare/FICA			64,574	64,574	64,574	65,892
5024 - PERS Admin. Fee			2,500	2,500	2,500	2,500
5025 - Retiree Health Savings Match			10,948	10,948	10,948	10,948
	Total		1,860,454	1,860,454	1,860,454	2,032,542
						172,089

ROSS VALLEY FIRE DEPARTMENT							
FY 2016-17 Proposed Budget			2015-16	2015-16	Estimated	2016-17	
			Adopted	Revised	Actuals	Proposed	
			Budget	Budget		Budget	
						Adopted v	
						Proposed	
						Difference	
Reimbursable Costs:							
5040 - Uniform			24,480	24,480	24,480	24,480	-
5041 - Education			76,650	76,650	76,650	87,456	10,806
5043 - Board Member Stipend			8,000	8,000	8,000	8,000	-
	Total		109,130	109,130	109,130	119,936	10,806
Overtime:							
5050 - OT - Minimum Staffing			538,000	538,000	538,000	538,000	-
5051 - FLSA			92,089	92,089	92,089	93,771	1,682
5052 - Hourly Overtime			53,000	63,000	63,000	63,000	10,000
5053 - Shift Differential			30,000	40,000	40,000	40,000	10,000
5054 - OT - Paramedic Training Overtime			16,000	16,000	16,000	10,000	(6,000)
5055 - OT - OES Response							-
5056 - OT - Training			35,000	35,000	35,000	35,000	-
	Total		764,089	784,089	784,089	779,771	15,682
Volunteers:							
5060 - Response/Standby			3,500	3,500	3,500	12,900	9,400
5061 - CSFA Dues/Insurance			3,500	3,500	3,500	3,200	(300)
5062 - Supplies			1,200	1,200	1,200	500	(700)
5063 - Drills			4,000	4,000	4,000	4,000	-
5064 - Vol. Length of Service			5,600	5,600	5,600	3,200	(2,400)
5065 - Explorer Post			4,400	4,400	4,400	4,400	-
5066 - Volunteer Recruit Academy Expenses			4,500	4,500	4,500	-	(4,500)
			26,700	26,700	26,700	28,200	1,500
Retirees':							
5070 - Health Insurance			485,076	485,076	485,076	670,000	184,924
	Total		485,076	485,076	485,076	670,000	184,924
Insurance:							-
6005 - Workers Comp Claims			300	300	300	300	-
6006 - Worker's Comp Insurance			420,000	420,000	420,000	443,000	23,000
6007 - Liability Insurance			24,500	24,500	24,500	24,500	-
	Total		444,800	444,800	444,800	467,800	23,000
Vehicle Maintenance:							-
6010 - Fuel			40,000	40,000	40,000	30,000	(10,000)
6011 - Parts			3,200	3,200	3,200	3,200	-
6012 - Repairs			90,000	90,000	90,000	90,000	-
	Total		133,200	133,200	133,200	123,200	(10,000)
Maintenance:							
6020 - Equipment			4,275	4,275	4,275	4,275	-
Station Maintenance			-	60,000	60,000	-	-
6026 - Building and Landscaping			6,000	6,000	6,000	6,000	-
6028 - General Maintenance Supplies			2,600	2,600	2,600	2,600	-
6029 - Hydrant Maintenance			5,000	2,243	2,243	2,000	(3,000)
94040 - Burn Trailer Maintenance			4,000	4,000	4,000	4,000	-

ROSS VALLEY FIRE DEPARTMENT						
<u>FY 2016-17 Proposed Budget</u>			2015-16	2015-16	Estimated	2016-17
			Adopted	Revised	Actuals	Proposed
			Budget	Budget		Budget
		Total	21,875	79,118	79,118	18,875
						(3,000)
<u>Contract Services:</u>						
6040 - Dispatch			139,643	139,643	139,643	153,981
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			23,500	23,500	23,500	15,000
San Anselmo accounting services						80,000
Professional negotiator						-
6044 - Payroll Service Fees			4,000	4,000	4,000	4,000
6045 - Other Contract Services			24,949	24,949	24,949	24,949
6046 - Executive Officer			3,600	3,600	3,600	3,600
6047 - Attorney/Legal Fees			3,000	38,000	38,000	6,000
6048 - Hazardous Material Contract			8,000	8,000	8,000	10,500
6049 - MERA Bond Payment -Prior Authority			38,231	38,231	38,231	38,231
6050 - MERA Operating Expense			38,878	38,878	38,878	40,528
		Total	288,801	323,801	323,801	381,789
						92,988
<u>Utilities:</u>						
6060 - Gas & Electric			23,750	23,750	23,750	23,750
6061 - Telephone			21,500	21,500	21,500	21,500
6062 - Water			3,850	3,850	3,850	3,850
6063 - Sewer			2,500	2,500	2,500	2,500
		Total	51,600	51,600	51,600	51,600
						-
<u>Office Expenses:</u>						
6070 - Publications & Dues			4,000	4,000	4,000	4,000
Financial Software						5,250
6072 - Computer Software/Support			12,000	12,000	12,000	12,000
6075 - Web Page Design and Maint.			6,100	6,100	6,100	6,100
6080 - Office Supplies			4,500	4,500	4,500	4,500
6081 - Postage			1,000	1,000	1,000	1,000
		Total	27,600	27,600	27,600	32,850
						5,250
<u>Other Services & Supplies:</u>						
6090 - General Department Supplies			20,000	20,000	20,000	20,000
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			18,000	18,000	18,000	18,000
6094 - New Hire			3,500	3,500	3,500	3,500
6100 - Emergency Medical Supply			7,500	7,500	7,500	7,500
6111 - Fire Prevention			4,500	4,500	4,500	4,500
6112 - Training and Education			35,500	35,500	35,500	35,500
6119 - Breathing Apparatus - Supplies			5,700	5,700	5,700	5,700
6121 - Breathing App. - Maint Contract			6,900	6,900	6,900	6,900
6130 - Protective Clothing			8,000	8,000	8,000	8,000
6150 - Tools/Equipment			6,500	6,500	6,500	6,500
6180 - Community Education & Preparedness			10,000	10,000	10,000	8,000
		Total	142,100	142,100	142,100	140,100
						(2,000)

ROSS VALLEY FIRE DEPARTMENT							
<u>FY 2016-17 Proposed Budget</u>			2015-16	2015-16	Estimated		2016-17
			Adopted	Revised	Actuals		Proposed
			Budget	Budget			Budget
							Adopted v
							Proposed
							Difference
Contingency:							
6201 - Budget Contingency			30,000	30,000	30,000	10,000	(20,000)
6210 - Retired S/L Comp Contingency			50,000	50,000	50,000	50,000	-
			<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>60,000</u>	(20,000)
Capital Outlay:							
7012 - Appliances			2,000	2,000	2,000	2,000	-
Financial Accounting System				38,250	38,250	-	-
7013 - Furnishings			2,500	2,500	2,500	2,500	-
7014 - Office Equipment			12,000	12,000	12,000	12,000	-
7030 - Apparatus and Equipment			15,000	15,000	15,000	15,000	-
Apparatus Replacement			-	100,000	100,000		-
Technology Fees						16,100	16,100
7040 - Hydrants			13,600	16,357	16,357	16,600	3,000
7050 - Communications Equipment			10,000	10,000	10,000	10,000	-
7055 - Exercise Equipment			12,500	12,500	12,500	12,500	-
7054 - Vehicle Purchase			-	-	-	-	-
7065 - Fire Act Grant Matching Funds			-	-	-	-	-
7060 - Turnout Gear			14,241	14,241	14,241	14,241	-
			<u>81,841</u>	<u>222,848</u>	<u>222,848</u>	<u>100,941</u>	19,100
Debt Service							-
8010 - Principal Payments - Fire Engine			-	-	-	-	-
8020 - Interest Expense - Fire Engine			-	-	-	-	-
8011 - Principal - Prior Authority Pension Bond			539,926	539,926	539,926	592,514	52,588
8021 - Interest - Prior Authority Pension Bond			44,296	44,296	44,296	11,346	(32,950)
8030 - Fees - Prior Authority Pension Bond			1,200	1,200	1,200	1,200	-
			<u>585,422</u>	<u>585,422</u>	<u>585,422</u>	<u>605,060</u>	19,638
Total Expenses							-
			<u>8,788,476</u>	<u>9,041,726</u>	<u>9,041,726</u>	<u>9,353,914</u>	565,438
Operating Surplus/Deficit			<u>133,900</u>	<u>(119,350)</u>	<u>(119,350)</u>	<u>-</u>	

ROSS VALLEY FIRE DEPARTMENT
FY 2016-2017 Budget - Proposed

Fire Service Cost by Agency

	San Anselmo	Fairfax	Sleepy Hollow	Ross	Total
Contribution	3,045,097	1,750,142	961,451	1,754,649	7,511,339
Side Fund	319,442	183,573	100,845		603,860
Retirement Unfunded Liability	207,407	119,190	65,476		392,074
Apparatus Replacement Fund	0	0	0	0	-
OPEB Prior Liability	81,717	46,960	25,797		154,475
MERA Bond	18,140	10,424	5,727		34,291
Sub Total	3,671,803	2,110,291	1,159,296	1,754,649	8,696,039
Total	3,671,803	2,110,291	1,159,296	1,754,649	8,696,039
15/16 contribution	3,520,078	2,023,091	1,111,393	1,692,761	
Change	151,725	87,200	47,903	61,888	
	4.31%	4.31%	4.31%	3.66%	

Total member contributions This number is what should be received from member agencies
which includes all prior authority payments

Assumes no transfer to apparatus fund
Assumes fully funded explicit and implicit ARC