

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: June 14, 2017

To: Board of Directors
From: Dan Mahoney, Acting Fire Chief and Helen Yu-Scott, Finance Director
Subject: FY 2017/2018 Budget Adoption

RECOMMENDATION:

That the Board approves Resolution 17-05 a resolution adopting the budget for the Ross Valley Fire Department for the fiscal year commencing July 1, 2017.

BACKGROUND:

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 summary pages for the General Fund and all other funds. These summary pages include revenues, expenditures, as well as beginning and ending fund balances.

The budget includes an increase of \$557,623 in contributions from the four member agencies. This increase is comprised of an 8.62% increase for the Town of Ross and 5.86% for the other three agencies, for an overall combined increase of 6.41%.

DISCUSSION:

The FY 2017/18 budget was prepared by staff using revenue and expense projections for the next fiscal year. The total proposed operating budget for FY 2017/18 is \$10,411,591, which includes \$9,853,591 for the General Fund (Operating - \$9,315,145 and Transfer Out - \$538,446), \$338,446 for Insurance Fund, and \$219,554 for Ross Valley Paramedic Authority Fund. The Operating Budget is funded by member contributions of \$2,233,861 from Fairfax, \$1,905,821 from Ross, \$3,886,800 from San Anselmo, and \$1,227,180 from Sleepy Hollow. There are outside revenues of \$612,796 for General Fund and \$219,554 for Ross Valley Paramedic Authority Fund.

There are several items that have contributed to the General Fund Operating Budget increase of \$499,677 (5.3%):

- A transfer of \$200,000 to the Vehicle Fund is included. In FY 2016/17, this was not included in the Adopted Budget but after the close of the FY2015/16, it was determined that there was sufficient ending fund balance to make a transfer of

\$250,000. The \$250,000 was included in the mid-year budget revision. The transfer took place from the ending fund balance.

- Transfer to Insurance Fund has decreased by \$129,354 based on the most recent workers compensation and liability insurance information available.
- Expenditures related to regular salaries and benefits (excludes PERS retirement) have increased by \$273,096. This increase is due to a 4% negotiated pay increase, effective July 1, 2017, for all employees except the Fire Chief. The Fire Chief will receive a "California Consumer Price Index" (CPI) adjustment on February 24, 2018. An additional \$24,000 was added after the May 10, 2017 staff report, to fund a Captain's position at step E instead of step A.
- PERS retirement has increased by \$462,945. This includes an additional payment of \$275,000 to PERS for unfunded liability.
- No increases are included for the cafeteria health plan. The cafeteria plan is based on the Kaiser family rate. It is estimated that the budgeted amount for the FY 2016/17 cafeteria plan will be sufficient for FY 2017/18.
- Retiree health insurance has increased by \$26,858 in accordance with the latest actuarial valuation. This includes the required contribution to fund the annual required contribution (ARC) to the CalPERS trust for other post-employment benefit programs (OPEB).
- The paramedic portion of pay, as well as the payment for paramedic services is now included in a separate Ross Valley Paramedic Authority Fund. This reimbursement was previously included in the FY 16/17 Adopted Budget. The change results in a decrease in other revenues as well as a corresponding reduction in expenditures. There is no net impact to the ending fund balance of member contributions.
- Station maintenance of \$15,000 per fire station is included in both revenue and expenditures, therefore having no effect on the ending balance or member contributions. Please note that member agencies' budget for the \$15,000 is separate from their member contributions. After the books for FY 2016/17 are closed, each member agency will be billed separately in order to bring the balance in each account back to \$15,000.
- The agreement for fire protection services between Ross Valley Fire Department and Marin County Fire Department is due to expire on June 30, 2017. The County and RVFD staff have agreed that this service agreement should be extended for one year to allow both parties sufficient time to reevaluate the cost of services and renegotiate terms of the agreement as appropriate. The County has agreed to begin negotiations in mid-July of this year. The FY 2017/18 "outside revenue" line item of \$159,620 reflects the extended contract terms.
- The Department has two Firefighter positions that are currently vacant. The hiring process will begin soon, and a hire date is anticipated around November 1, 2017.

By not funding these two positions until then, the Department anticipates cost savings of approximately \$87,000 in personnel related costs.

Side Fund Contributions:

In FY 2016/17, the total side fund payment for San Anselmo, Fairfax, and Sleepy Hollow was \$603,860. For FY 2017/18 the payment falls to \$50,451 because of the repayment of the pension obligation bonds. Staff recommended that prior authority members agencies consider taking a portion of the savings to make a pre-payment towards the department's retirement unfunded liability. The prior authority members approved the recommendation and moved forward with a 4% increase of contribution to fund the pre-payment.

The additional contribution included in this budget is as follows:

San Anselmo:	\$145,475
Fairfax:	\$83,600
Sleepy Hollow:	\$45,925

SUMMARY/FISCAL IMPACT:

The total proposed operating budget for FY 2017/18 is \$10,411,591. The operating budget is funded by members' contributions and service charges. The General Fund expenditures have increased by \$499,677 compared to the FY 2016/17 Adopted Budget.

ATTACHMENT:

Attachment # 1 – FY 2017/18 General Fund Proposed Budget
Attachment # 2 – FY 2017/18 All Other Funds Proposed Budget
Attachment # 3 – Fire Service Cost by Agency



**Ross Valley Department
General Fund**

	2016-2017 Original Total Budget	2016-2017 Revised Total Budget	2016-2017 Estimated Actuals	2017-18 Proposed Budget	Proposed V Adopted Difference
Beginning Balance	933,171	933,171	933,171	562,682	(370,489)
Revenue					
Department: 00 - UNDESIGNATED					
Member Contributions					
FAIRFAX	1,750,142	1,750,142	1,750,142	1,861,708	111,566
ROSS	1,754,649	1,754,649	1,754,649	1,866,503	111,854
SAN ANSELMO	3,045,097	3,045,097	3,045,097	3,239,213	194,116
SLEEPY HOLLOW	961,451	961,451	961,451	1,022,741	61,290
PRIOR AUTHORITY SIDE FUND PYMNT	603,860	603,860	603,860	50,451	(553,409)
PRIOR AUTHORITY RETIREE HEALTH	154,475	154,475	154,475	198,007	43,532
PRIOR AUTHORITY MERA BOND	34,291	34,291	34,291	38,250	3,959
PRIOR AUTHORITY RETIREMENT	392,074	392,074	392,074	495,709	103,635
PRE-PAYMENT PRIOR AUTHORITY RETIREMENT	0	0	0	275,000	275,000
PRIOR YEAR ADJUSTMENT	0	0	0	6,080	6,080
APPARATUS REPLACEMENT	0	0	0	200,000	200,000
Total	8,696,039	8,696,039	8,696,039	9,253,662	557,623
Outside Revenues					
COUNTY OF MARIN	144,697	144,697	144,697	159,620	14,923
RVPA REIMBURSEMENT MEDIC PROG	199,091	199,091	0	0	(199,091)
RVPA RENTAL	27,446	27,446	28,132	28,835	1,389
LAIF INTEREST	1,800	1,800	2,500	2,500	700
RVPA EMS TRAINING/SUPPLY REIMB.	47,341	95,182	100,178	47,341	0
PLAN CHECKING FEES	167,400	241,800	241,800	241,800	74,400
RE-SALE INSPECTION FEES	46,500	46,500	46,500	46,500	0
MISCELLANEOUS INCOME	2,500	2,500	4,626	2,500	0
WORKERS COMP REIMBURSEMENT	0	69,700	90,000	0	0
MLFT REIMBURSEMENT	5,000	5,000	2,000	2,000	(3,000)
CHIPPER PROGRAM	0	0	3,200	0	0
TECHNOLOGY FEES	16,100	21,700	21,700	21,700	5,600
TRAINING REIMB	0	17,000	17,000	0	0
STATION MAINT REVENUE #18	0	2,285	2,285	15,000	15,000
STATION MAINT REVENUE #19	0	1,047	1,047	15,000	15,000
STATION MAINT REVENUE #20	0	6,163	6,163	15,000	15,000
STATION MAINT REVENUE #21	0	5,987	5,987	15,000	15,000
Total	657,875	887,898	717,814	612,796	(45,079)
Total Revenues	9,353,914	9,583,937	9,413,853	9,866,458	512,544



**Ross Valley Department
General Fund**

	2016-2017 Original Total Budget	2016-2017 Revised Total Budget	2016-2017 Estimated Actuals	2017-18 Proposed Budget	Proposed V Adopted Difference
Expenditures					
Department: 00 - UNDESIGNATED					
REGULAR SALARIES	3,565,990	3,634,022	3,448,000	3,816,400	250,410
TEMPORARY HIRE	5,000	23,721	23,721	5,000	0
MINIMUM STAFFING OT	538,000	548,760	745,100	601,040	63,040
HOURLY OVERTIME	63,000	73,752	78,000	81,000	18,000
SHIFT DIFFERENTIAL OT	40,000	40,000	30,000	40,000	0
OT TRAINING	35,000	35,000	20,000	35,000	0
HOLIDAY	166,260	169,674	169,674	178,662	12,402
PARAMEDIC TRAINING OVERTIME	10,000	10,000	0	0	(10,000)
FLSA O/T	93,771	95,585	91,000	99,457	5,686
S/L BUY BACK	4,000	4,000	0	4,000	0
RETIRED S/L COMPENSATION	50,000	50,000	22,000	50,000	0
EXECUTIVE OFFICER	3,600	3,600	3,600	3,600	0
BOARD MEMBER STIPEND	8,000	8,000	8,000	8,000	0
RETIREMENT	1,119,895	1,141,741	1,141,741	1,582,840	462,945
CAFETERIA HEALTH PLAN	784,107	784,107	750,000	784,107	0
RETIREE HEALTH SAVINGS MATCH	10,948	10,948	11,670	15,834	4,886
MEDICARE	65,892	66,962	50,000	68,590	2,698
HOUSING ALLOWANCE	49,200	49,200	49,200	51,600	2,400
UNIFORM REIMBURSEMENT	24,480	24,480	23,500	24,480	0
EDUCATION REIMBURSEMENT	87,456	89,222	89,222	96,731	9,275
RETIREES' HEALTH INSURANCE	670,000	670,000	670,000	696,858	26,858
GENERAL MAINTENANCE SUPPLIES	2,600	2,600	2,600	0	(2,600)
CONTINGENCY	10,000	10,000	329	10,000	0
TRANSFERS OUT	467,800	757,800	757,800	538,446	70,646
Total Undesignated	7,874,999	8,303,174	8,185,157	8,791,645	916,646
Department: 05 - ADMINISTRATION					
AUDIT & BOOKKEEPING SERVICES	15,000	15,000	22,000	22,000	7,000
PAYROLL SERVICE FEE	4,000	4,000	1,852	0	(4,000)
OTHER CONTRACT SERVICES	24,949	24,949	30,000	25,000	51
ATTORNEY/LEGAL FEES	6,000	6,000	20,000	10,000	4,000
PERS ADMINISTRATIVE FEE	2,500	2,500	2,500	2,800	300
OTHER CONTRACT SERVICES-SAN ANSELMO	80,000	80,000	80,000	80,000	0
COMPUTER SOFTWARE/SUPPORT	17,250	17,250	17,250	37,250	20,000
WEB PAGE DESIGN AND MAINTENANCE	6,100	6,100	16,300	6,100	0
PHYSICALS	18,000	18,000	18,000	21,000	3,000
HIRING EXPENSES	3,500	3,500	2,000	4,000	500
PUBLICATIONS AND DUES	4,000	4,000	4,000	4,000	0
OFFICE SUPPLIES	4,500	4,500	2,500	4,500	0
POSTAGE	1,000	1,000	750	1,000	0
GENERAL DEPARTMENT SUPPLIES	20,000	20,000	20,000	8,000	(12,000)
PRINCIPAL-PRIOR AUTH PENSION BOND	592,514	592,514	592,514	50,324	(542,190)
INTEREST - PRIOR AUTHORITY PENSION BOND	11,346	11,346	11,346	127	(11,219)
FEES	1,200	1,200	1,200	0	(1,200)



**Ross Valley Department
General Fund**

	2016-2017 Original Total Budget	2016-2017 Revised Total Budget	2016-2017 Estimated Actuals	2017-18 Proposed Budget	Proposed V Adopted Difference
Total Administration	811,859	811,859	842,212	276,101	(535,758)
Department: 10 - OPERATIONS					
VOLUNTEER SHIFT PAY/DRILLS	12,900	12,900	6,000	17,400	4,500
VOLUNTEER DRILLS	4,000	4,000	2,000	0	(4,000)
VOLUNTEER LENGTH OF SERVICE	3,200	3,200	3,200	3,200	0
EXPLORER POST	4,400	4,400	2,200	4,400	0
TRAINING AND EDUCATION	35,500	52,500	52,500	35,500	0
DISPATCH	153,981	153,981	153,981	158,662	4,681
RADIO REPAIR	4,000	4,000	4,000	4,000	0
HAZARDOUS MATERIAL REMOVAL	1,000	1,000	1,000	1,000	0
HAZARDOUS MATERIAL CONTRACT	10,500	10,500	10,500	8,925	(1,575)
MEMBER OPERATING EXPENSE	40,528	40,528	40,528	42,365	1,837
VOLUNTEER DUES	3,200	3,200	3,200	3,200	0
HYDRANT MAINTENANCE	2,000	2,000	2,000	2,000	0
EQUIPMENT MAINTENANCE	4,275	4,275	7,810	7,800	3,525
EMERGENCY RESPONSE SUPPLIES	4,000	4,000	5,511	4,000	0
PARAMEDIC RESPONSE SUPPLIES	12,000	59,841	20,000	17,000	5,000
EMERGENCY MEDICAL SUPPLIES	7,500	7,500	5,000	7,500	0
BREATHING APPARATUS	5,700	5,700	4,000	5,700	0
BREATHING APPARATUS-CONTRACT	6,900	6,900	6,900	6,900	0
PROTECTIVE CLOTHING	8,000	8,000	6,000	8,000	0
TOOLS/EQUIPMENT	6,500	0	0	0	(6,500)
VOLUNTEER SUPPLIES	500	500	555	0	(500)
EQUIPMENT	0	21,500	10,000	21,500	21,500
HYDRANTS	16,600	16,600	16,600	16,600	0
COMMUNICATIONS EQUIPMENT	10,000	10,000	6,000	10,000	0
TURNOUTS	14,241	14,241	14,241	14,241	0
MEMBER BOND PAYMENT PRIOR AUTHORITY	38,231	38,231	38,272	38,249	18
Total Operations	409,656	489,497	421,998	438,142	28,486
Department: 14 - FACILITIES					
BUILDING MAINTENANCE AND LANDSCAPING	0	6,000	8,000	6,000	6,000
BUILDING MAINTENANCE STATION 18	0	15,000	15,000	15,000	15,000
BUILDING MAINTENANCE STATION 19	0	15,000	15,000	15,000	15,000
BUILDING MAINTENANCE STATION 20	6,000	15,000	15,000	15,000	9,000
BUILDING MAINTENANCE STATION 21	0	15,000	15,000	15,000	15,000
GAS AND ELECTRIC	23,750	23,750	23,750	24,344	594
WATER	3,850	3,850	3,850	3,946	96
SEWER	2,500	2,500	2,500	2,563	63
TELEPHONE	21,500	21,500	35,000	35,000	13,500
FURNISHINGS	2,500	2,500	2,500	2,500	0
JANITORIAL MAINTENANCE SUPPLIES	0	0	0	14,600	14,600
APPLIANCES	2,000	2,000	2,000	0	(2,000)
OFFICE EQUIPMENT	12,000	12,000	12,000	11,000	(1,000)
EXERCISE EQUIPMENT	12,500	12,500	12,500	12,500	0



**Ross Valley Department
General Fund**

	2016-2017 Original Total Budget	2016-2017 Revised Total Budget	2016-2017 Estimated Actuals	2017-18 Proposed Budget	Proposed V Adopted Difference
TECHNOLOGY PURCHASES	16,100	21,700	21,700	21,700	5,600
Total Facilities	102,700	168,300	183,800	194,153	91,453
Department: 15 - COMMUNITY RISK REDUCTION					
FIRE PREVENTION	4,500	4,500	2,000	4,500	0
COMMUNITY EDUCATION & PREP.	8,000	8,000	5,000	8,000	0
Total Community Risk Reduction	12,500	12,500	7,000	12,500	0
Department: 25 - FLEET					
BURN TRAILER MAINTENANCE	4,000	4,000	4,000	4,100	100
REPAIRS VEHICLE	90,000	90,650	90,650	100,000	10,000
FUEL	30,000	46,325	46,325	30,750	750
PARTS VEHICLE	3,200	3,200	3,200	6,200	3,000
APPARATUS AND EQUIPMENT	15,000	0	0	0	(15,000)
Total Fleet	142,200	144,175	144,175	141,050	-1,150
Total Expenditures	9,353,914	9,929,505	9,784,342	9,853,591	499,677
Increase/Decrease to Ending Fund Balance	0	-345,568	-370,489	12,867	12,868
Ending Fund Balance	933,171	587,603	562,682	575,549	-357,621

ROSS VALLEY FIRE DEPARTMENT*FY 2017-2018 Proposed Budget**Fire Service Cost by Agency*

	San Anselmo	Fairfax	Sleepy Hollow	Ross	Total
Contribution	3,239,213	1,861,708	1,022,741	1,866,503	7,990,165
Side Fund	26,689	15,337	8,425		50,451
Retirement Unfunded Liability	262,230	150,696	82,783		495,709
Vehicle Replacement Fund	81,080	46,600	25,600	46,720	200,000
OPEB Prior Liability	104,746	60,194	33,067		198,007
MERA Bond	20,234	11,628	6,388		38,250
Sub Total	3,734,192	2,146,163	1,179,004	1,913,223	8,972,582
Pre-payment to Retirement Unfunded Liability	145,475	83,600	45,925		275,000
Prior year adjustment	7,133	4,098	2,251	(7,402)	6,080
Total	3,886,800	2,233,861	1,227,180	1,905,821	9,253,662
16/17 contribution	3,671,803	2,110,291	1,159,296	1,754,649	8,696,039
Change	214,997	123,570	67,884	151,172	557,623
	5.86%	5.86%	5.86%	8.62%	

ROSS VALLEY FIRE DEPARTMENT					
<u>FY 2017-18 All Other Funds Proposed Budget</u>					
	2016-17 Adopted Budget	2016-17 Revised Budget	2016-17 Estimated Actuals	2017-18 Proposed Budget	Adopted v Proposed Difference
<u>Fund 05 - Mutual Aid Fund</u>					
<u>Beginning Balance:</u>	\$ -	\$ -	\$ -	\$ 168,119	
Revenue/Transfer In	-	-	286,452	-	-
Expenditure/Transfer Out	-	-	118,333	-	-
Operating Surplus/Deficit	-	-	168,119	-	-
<u>Ending Balance:</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,119</u>	<u>\$ 168,119</u>	
<u>Fund 10 - Insurance Fund</u>					
<u>Beginning Balance:</u>	\$ -	\$ -	\$ -	\$ -	
Revenue/Transfer In	467,800	467,800	467,800	338,446	(129,354)
Expenditure/Transfer Out	467,800	467,800	467,800	338,446	(129,354)
Operating Surplus/Deficit	-	-	-	-	-
<u>Ending Balance:</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<u>Fund 15 - Vehicle Fund</u>					
<u>Beginning Balance:</u>	\$ 291,434	\$ 291,434	\$ 291,434	\$ 541,434	
Revenue/Transfer In	-	250,000	250,000	200,000	200,000
Expenditure/Transfer Out	-	-	-	-	-
Operating Surplus/Deficit	-	250,000	250,000	200,000	200,000
<u>Ending Balance:</u>	<u>\$ 291,434</u>	<u>\$ 541,434</u>	<u>\$ 541,434</u>	<u>\$ 741,434</u>	
<u>Fund 16 - Self-contained Breathing Apparatus (SCBA)</u>					
<u>Beginning Balance:</u>	\$ 80,000	\$ 80,000	\$ 80,000	\$ 120,000	
Revenue/Transfer In	-	40,000	40,000	-	-
Expenditure/Transfer Out	-	-	-	-	-
Operating Surplus/Deficit	-	40,000	40,000	-	-
<u>Ending Balance:</u>	<u>\$ 80,000</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	
<u>Fund 25 - Ross Valley Paramedic Authority</u>					
<u>Beginning Balance:</u>	\$ -	\$ -	\$ -	\$ -	
Revenue/Transfer In	-	-	199,091	219,554	219,554
Expenditure/Transfer Out	-	-	199,091	219,554	219,554
Operating Surplus/Deficit	-	-	-	-	-
<u>Ending Balance:</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

ROSS VALLEY FIRE DEPARTMENT

RESOLUTION 17-05

**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, 2017**

BE IT RESOLVED that the budget of the Ross Valley Fire Department for the fiscal year commencing July 1, 2017, is hereby adopted and consisting of the following appropriations:

General Fund budget includes the following:

Revenues:

Town of Fairfax	\$2,233,861
Town of Ross	\$1,905,821
Town of San Anselmo	\$3,886,800
Sleepy Hollow FPD	\$1,227,180
Outside Sources	\$612,796
Total:	\$9,866,458

Expenditures:

Salaries and Benefits	\$8,192,399
Services and Supplies	\$902,254
Capital Outlay	\$110,041
Contingency	\$60,000
Debt Service	\$50,451
Transfer Out	\$538,446
Total:	\$9,853,591

Fund Balances:

Assigned:

 Compensated Absences: \$106,020

Unassigned \$469,529

Mutual Aid Fund Balance: \$168,119

Vehicle Fund Balance: \$741,434

**Self-contained Breathing Apparatus
Fund (SCBA) Fund Balance: \$120,000**

I hereby certify that the foregoing resolution was passed and adopted by the Ross Valley Fire Department Board of Directors on the 14th day of June, 2017 by the following vote, to wit:

Ayes:

Noes:

Absent:

Thomas McInerney, President

Abstain:

JoAnne Lewis, Administrative Assistant