

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of March 11, 2020

To: Board of Directors

From: Jason Weber, Fire Chief
Mark Brown, Deputy Chief
Kevin Yeager, Deputy Director Fire
Helen Yu-Scott, Finance Director

Subject: Budget Revision to FY 2019-20 Operating Budget

RECOMMENDATION:

To approve Resolution 20-02, a resolution of the Ross Valley Fire Department Board of Directors, adopting the proposed line item budget revisions to the Fiscal Year 2019-2020 Operating Budget.

DISCUSSION:

On June 12, 2019, the Board adopted the proposed FY 2019-2020 Operating Budget for the Ross Valley Fire Department.

At each Board meeting, staff provides a financial report which tracks the monthly revenue and expenditures for the Department. Staff explains the variances between the adopted budget and the actual revenues and expenses on as needed basis.

During the first half of this fiscal year, the adopted budget has been impacted by a couple of the events: there have been multiple employee injuries, and the Department provided personnel and equipment to help combat wildfires throughout the State.

In order to address the changes in both revenues and expenses, staff has prepared a line item budget revision for Board consideration and approval. The summary that follows describes, in general terms, these changes. A line by line accounting for the proposed changes is included as part of the budget revision resolution.

Beginning Fund Balance: The beginning fund balance for all funds is \$3,618,483, as a result of the final audited FY 2018-2019 financial statements, which included a reserve of \$1,417,068 fund balance to offset prepayment was made for purchasing two fire engines. After taking into consideration the prepayment reserve, the ending fund balance has increased by \$355,736 from June 2019 estimated balance.

Revenues: Projected increases in revenue include: Ross Valley Paramedic Program contract, Worker Compensation and OES reimbursements, LAIF Interest, and Miscellaneous Income.

The revenue line item changes have resulted in \$274,732 net increase in revenues.

Expenses: Salary agreements were reached with Battalion Chiefs, Captain/Firefighters, and Miscellaneous employee group on August 14, 2019. These employees will receive a 3% salary increase effective July 1, 2019. The Fire Department included an anticipated 2% increase in its adopted FY2019-2020 budget, which was approved by the Fire Board on June 12, 2019. Therefore, Multiple line items related to these employees' salary and benefits costs have been adjusted for the differences. The total increase to expenditures is \$51,800.

Overtime costs associated with Department's responses to wildfires throughout northern California, which contributed a \$139,372 increase to the total budget.

The expense line item changes have resulted in \$191,172 increase in expenses.

Ending Fund Balance: The estimated ending fund balance for all funds is \$3,129,331, which is a reduction of \$489,152 from the prior year as a result of a commitment to purchase and lease a total of three fire engines, one command vehicle, one utility vehicle, one staff vehicle, and one Chief vehicle. By excluding the capital purchase commitments, there is an estimated net operating result of \$83,560 surplus.

Conclusion: Staff is recommending the approval of Resolution 20-02 adopting the proposed line item budget revisions to the FY 2019-2020 Operating Budget in order to bring the approved budget in line with expected revenues and expenses.

FISCAL IMPACT:

The proposed line item revisions include a \$274,732 increase in revenue and transfer in, and \$191,172 increase in expense and transfer out, with a net fund balance increase of \$83,560.

Attachments: Resolution 20-02, a Resolution of the Ross Valley Fire Department Board of Directors adopting the proposed line item budget revision to the FY 2019-2020 Operating Budget

FY 2019-2020 budget document with proposed line item adjustments

ROSS VALLEY FIRE DEPARTMENT

RESOLUTION 20-02

**A RESOLUTION OF THE ROSS VALLEY FIRE DEPARTMENT BOARD OF DIRECTORS
ADOPTING THE PROPOSED LINE ITEM BUDGET REVISIONS TO THE FY2019-2020
OPERATING BUDGET FOR THE ROSS VALLEY FIRE DEPARTMENT**

WHEREAS, the Ross Valley Fire Department Boards of Directors adopted the proposed FY2019-2020 Operating Budget on June 12, 2019, at a regular meeting of the Ross Valley Fire Department Board of Directors to plan for anticipated revenues and expenses for the fiscal period; and

WHEREAS, the Ross Valley Fire Department Board, on the recommendation of staff, approves the FY2019-2020 Operating Budget line items revisions.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Ross Valley Fire Department hereby adopt the proposed FY2019-2020 Operating Budget line item revisions as listed in Attachment "A."

I hereby certify that the foregoing resolution was passed and adopted by the Ross Valley Fire Department Board of Directors on the 11th day of March 2020 by the following vote, to wit:

Ayes:

Noes:

Absent:

Abstain:

Richard Shortall, President

JoAnne Lewis, Administrative Assistant

**Ross Valley Fire Department
FY2019-2020 Operating Budget
Revised Budget Line Items**

Account	FY2019-20 Adopted	FY2019-20 Revised
<u>Revenue/Transfer In:</u>		
01.00.49502.00 OES REIMBURSEMENT OUT OF COUNTY	-	193,003
01.00.49504.00 RVPA REIMBURSEMENT MEDIC PROGRAM	232,394	250,623
01.00.49507.00 LAIF INTEREST	7,000	12,000
01.00.49512.00 MISCELLANEOUS INCOME	-	4,500
01.00.49513.00 WORKERS COMP REIMBURSEMENT	-	54,000
<u>Expenses/Transfer Out:</u>		
01.00.60025.00 OT OES RESPONSE	-	139,372
01.00.60000.00 REGULAR SALARIES	4,030,350	4,069,160
01.00.60027.00 HOLIDAY	189,460	191,320
01.00.60029.00 FLSA O/T	109,507	110,547
01.00.60100.00 RETIREMENT	1,663,029	1,671,259
01.00.60210.00 RETIREE HEALTH SAVINGS MATCH	23,557	23,727
01.00.60220.00 PAYROLL TAXES	80,170	80,790
01.00.60225.00 EDUCATION REIMBURSEMENT	108,744	109,814
<u>Fund Balance:</u>		
01.00.30100.00 COMPENSATED ABSENCES	122,515	136,296
01.00.30101.00 TECHNOLOGY	29,196	51,653
15.00.30500.00 APPARATUS REPLACEMENT	97,187	1,521,360
16.00.30305.00 BREATHING APPARATUS	120,000	120,000
01.00.30800.00 UNASSIGNED	878,965	1,300,022
TOTAL FUND BALANCE	1,247,863	3,129,331