



Final Budget
Fiscal Year 2014/15
July 1, 2014 – June 30, 2015

Presented by:
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FINAL BUDGET FY 2014/15

Guiding Principles

- Enhance public service levels to the extent feasible
 - Keep SAFER funded truck companies open
 - Look for ways to reopen closed companies
- Limit spending increases to mission critical items, vendor cost increases, contractual obligations, and mandates
- Realistic and achievable estimates of revenue and cost recovery amounts
- Minimize use of “unassigned” reserves
- Balance ongoing operational costs with ongoing revenues



CHANGES FROM 2014/15 PRELIMINARY BUDGET

- Adopt budget for 2014/15 only due to uncertainty
 - Property tax recovery / RDA distributions
 - Additional GEMT cost recovery
 - Labor issues
 - Medic conversions
- Removed the Light Force and Truck 26 to Engine 26 conversions – added back \$916,000 of costs
 - Revisit at mid-year if needed
- Kept OPEB prefunding the same as 2013/14 due to Meet & Confer issues – reduced costs by \$815,000
 - *Need to stay on track!*
 - Revisit at mid-year



Fiscal Year 2014/15
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GENERAL FUND – FY2014/15

	PRELIMINARY FY2014/15	MID-YEAR FY2013/14	CHANGE	CHANGE
REVENUE	\$ 165,890,600	\$ 160,043,367	\$ 5,847,233	3.7%
EXPENDITURES:				
LABOR COSTS	138,334,140	135,321,269	3,012,871	2.2%
OTHER EXPENDITURES:				
SERVICE & SUPPLIES	23,267,826	20,681,430	2,586,396	12.5%
TAXES, LICENSES, ASSES/CONTR	2,720,713	2,259,847	460,866	20.4%
CAPITAL ASSETS	1,520,333	667,102	853,231	127.9%
<i>Total Expenditures</i>	165,843,012	158,929,648	6,913,364	4.3%
REVENUE LESS EXPENDITURES	47,588	1,113,719	(1,066,130.7)	-95.7%
TRANSFERS:				
In from/(Out to) Reserves	-	38,500	(38,500)	
In from/(Out to) Fund D	(1,365,300)	(200,000)	(1,165,300)	
In from/(Out to) Other Funds	150,877	139,162	11,715	
<i>Total Transfers</i>	(1,214,423)	(22,338)	(1,192,085)	-
REVENUE LESS EXPENDITURES PLUS TRANSFERS	\$ (1,166,835)	\$ 1,091,381	\$ (2,258,216)	-206.9%



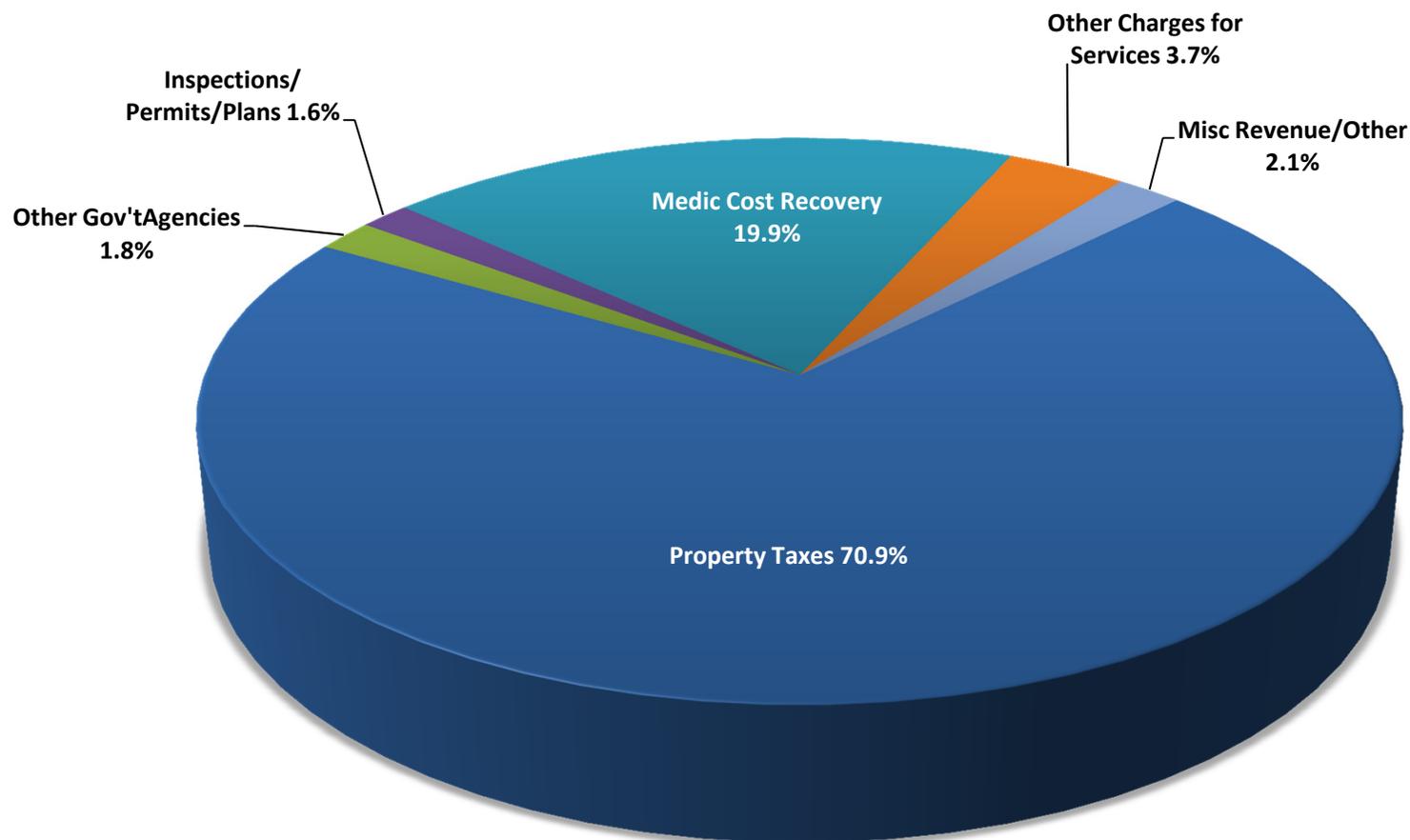
GENERAL FUND - FY2014/15

- Major changes in operating revenue: \$5.3M
 - Expected property tax recovery +\$5.5M
 - ❖ *4.9% increase over 2013/14*
 - ❖ *Based on 2013 sales activity and Prop 8 recaptures*
 - Redevelopment distributions +\$605,000
 - Additional EMS cost recovery +\$1.9M
 - Reimbursements from deployments -\$1.4M
 - Prior year revenue (GEMT related) -\$1.1M



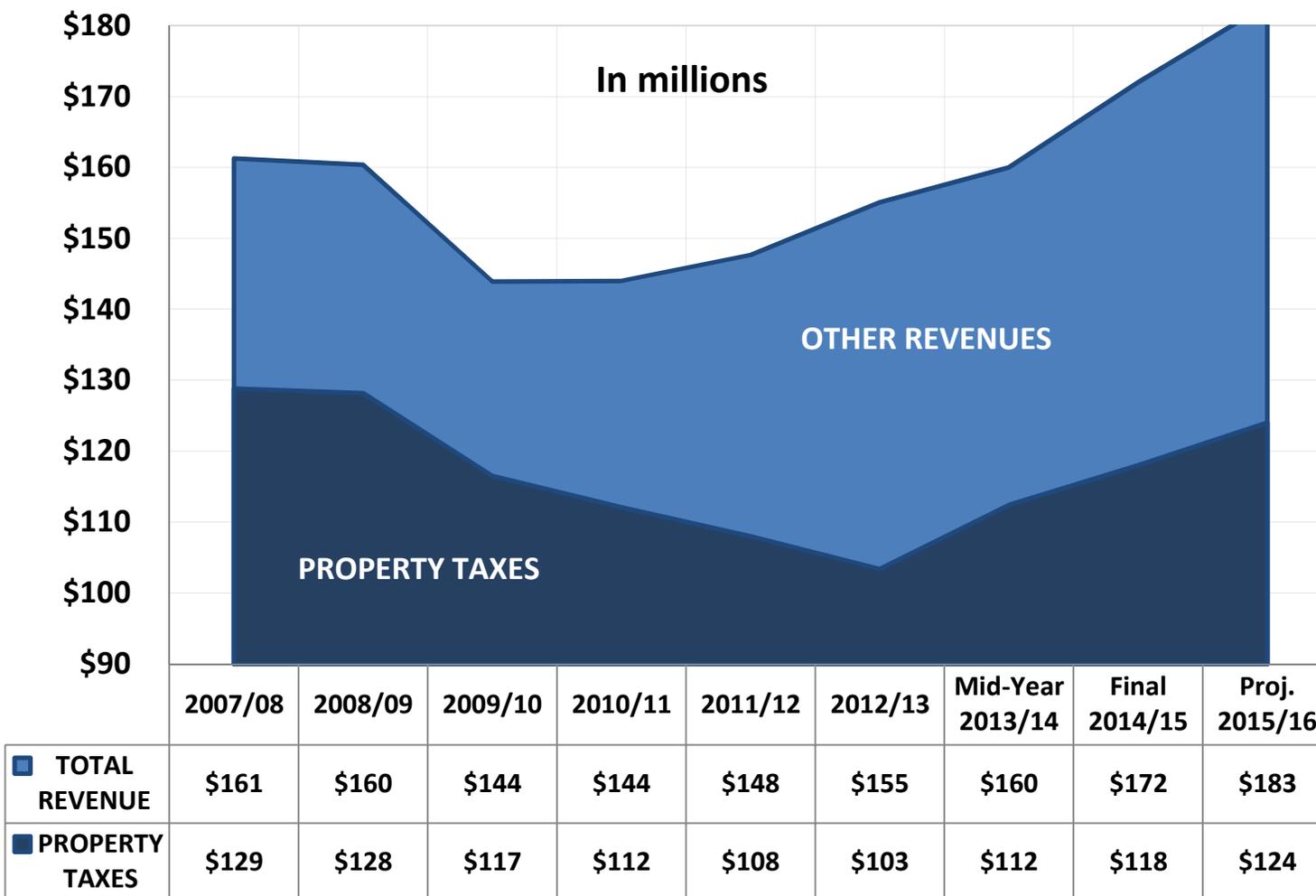
GENERAL FUND – REVENUE

Preliminary Budget FY2014/15



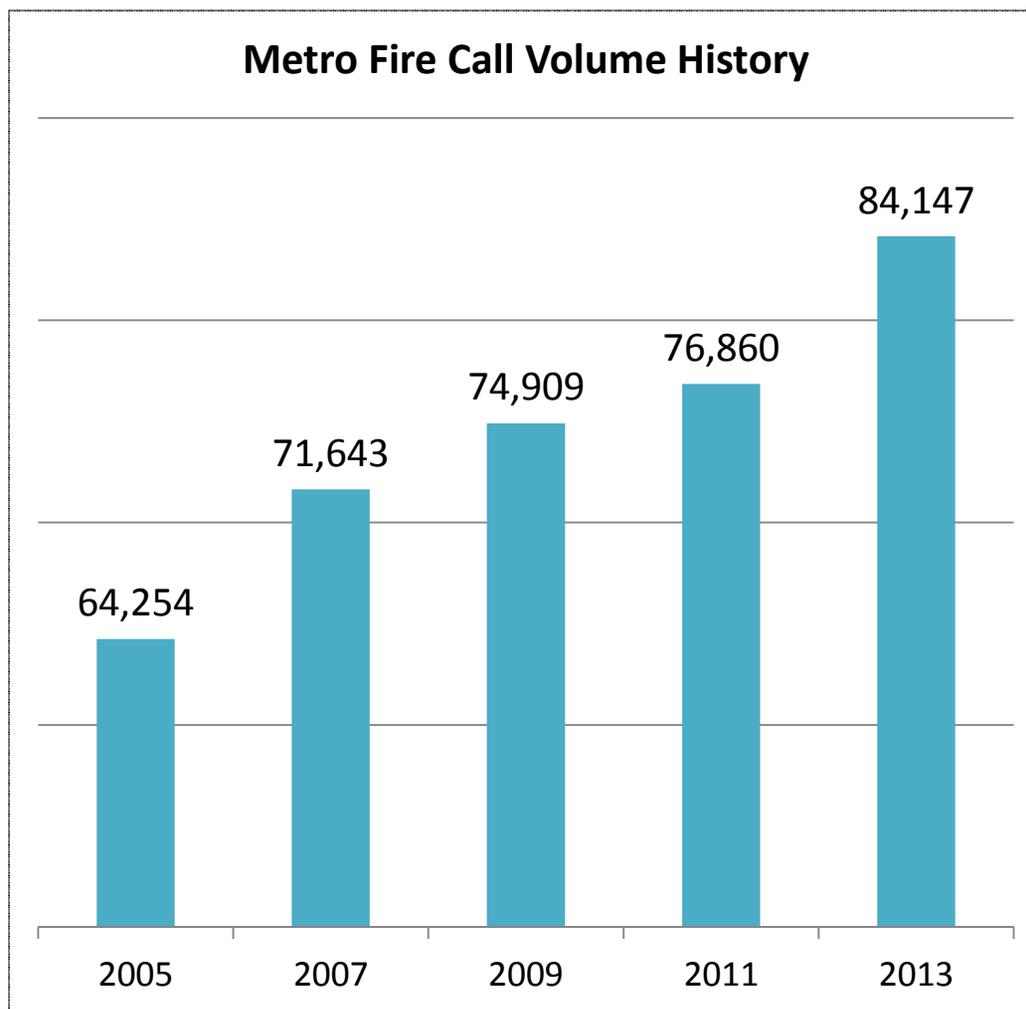


GENERAL FUND – REVENUE HISTORY





PUBLIC SAFETY SERVICES

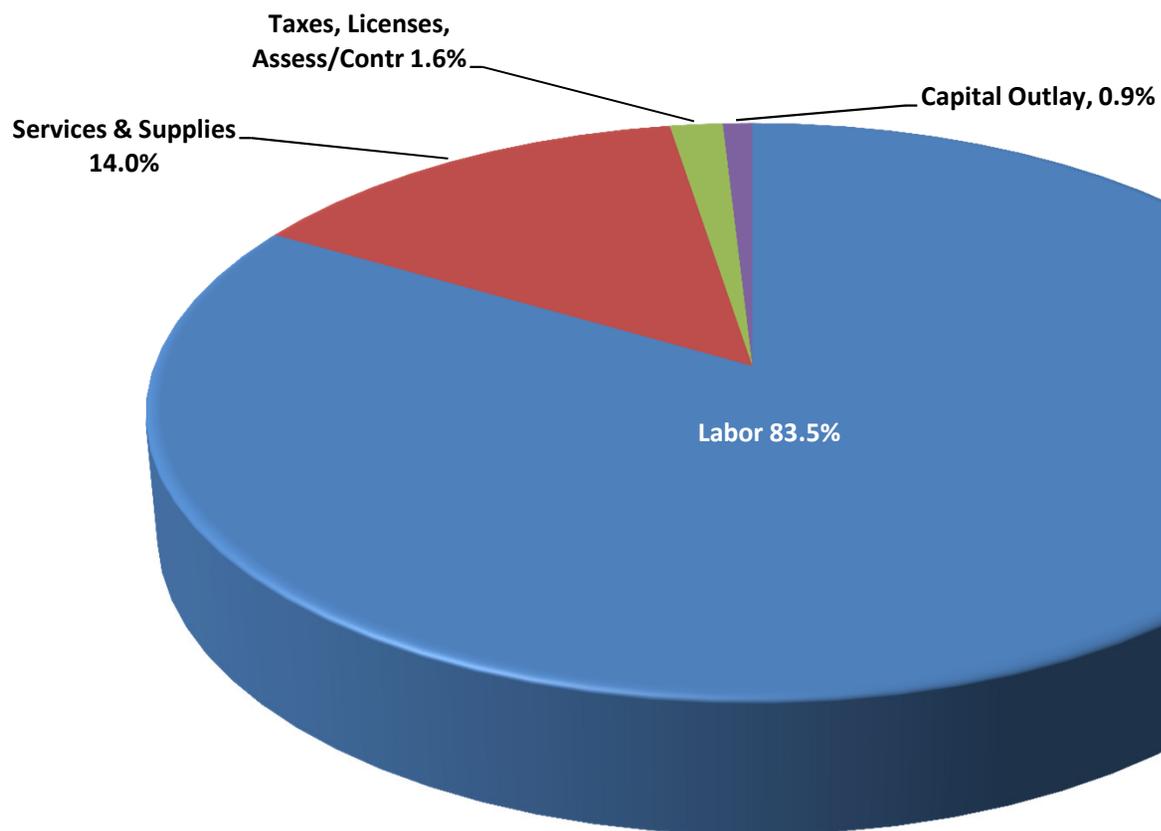


31% increase in calls since 2005



GENERAL FUND – EXPENDITURES

FY2014/15 Preliminary Budget





GENERAL FUND – FY2014/15

➤ **SRPP CONVERSION SAVINGS**

- Eight (8) Ambulances change staffing from Firefighter/Paramedics to Single Role Paramedics
 - Two (2) in December, 2014
 - Six (6) in March, 2015
- Net overtime cost reductions: \$2.6 million
- Additional cost recovery: \$300,000

➤ **Provides \$2.9 million for restoring services**



GENERAL FUND – FY2014/15 LABOR COSTS

➤ NEW POSITIONS

- Proposed positions: \$426,000
 - Radio Shop Communications Supervisor
 - Computer Systems Technician
 - 2 Office Technicians (CRRD & Radio Shop)

➤ OTHER POSITIONS

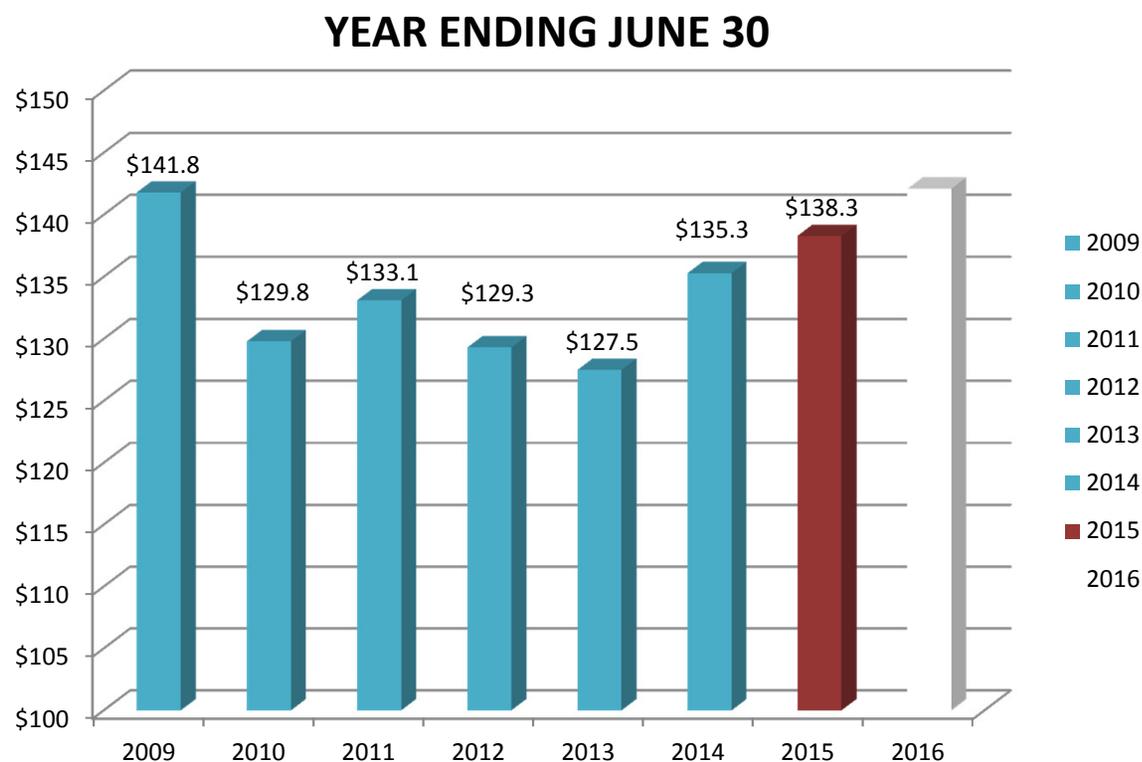
- Reclass Battalion Chief to Assistant Chief: \$19,000
- 24 Firefighters from SAFER grant (1.5 mo.): \$306,000

TOTAL COST: \$751,000



GENERAL FUND – LABOR COST HISTORY

- Labor costs reflect \$8.9 million in savings from ongoing employee & retiree concessions
- Total FY2014/15 labor costs are 83.5% of operating expenditures

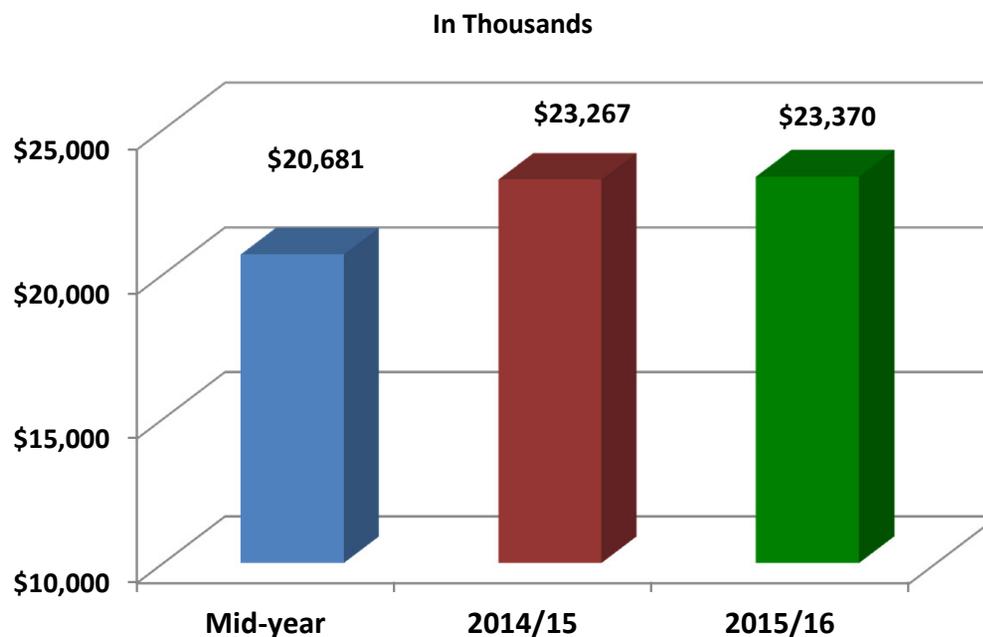




GENERAL FUND – SERVICE & SUPPLIES

Service and supplies FY2014/15 total \$23.3 million or 14% of operating expenditures.

- Helicopter rebuild : \$1.1M and is done about every 10 years.
- Communications/CAD equipment: \$322 thousand.





GENERAL FUND FY2014/15 CAPITAL OUTLAY

Debt Service: \$367,000

- Equipment lease debt service
 - Technology, Fleet & EMS purchases

Capital Outlay: \$1.5 Million

- New vehicles: \$780,000
 - Four ambulances
 - 2 command staff vehicles for Battalions 5 & 9
- Roof replacements & asphalt work: \$392,000
- Five Stryker gurneys & one bariatric gurney: \$123,000



CAPITAL FY2014/15 FACILITIES FUND

Revenue & Expenditures

- Transfer from General Fund: \$1.4 million
- Development fees: \$1.4 million
- Apparatus/Vehicle leases: \$1.8 million
- HQ Lease Revenue Bond: \$900,000
- No new Capital Projects



FY2014/15 GRANT FUND

Revenue & Expenditures

- SAFER: \$2.4 million
 - Wages & Benefits 24 Firefighter/Paramedics

- State Homeland Security Grant: \$300,000
 - Three Inflatable Boats



Fiscal Year 2015/16

July 1, 2015 – June 30, 2016

Projected



GENERAL FUND – FY2015/16

	PRELIMINARY FY2015/16	PRELIMINARY FY2014/15	CHANGE	CHANGE
REVENUE	\$ 178,640,447	\$ 165,890,600	\$ 12,749,847	7.1%
EXPENDITURES:				
LABOR COSTS	142,052,983	138,334,140	3,718,843	2.6%
OTHER EXPENDITURES:				
SERVICE & SUPPLIES	23,370,217	23,267,826	102,391	0.4%
TAXES, LICENSES, ASSES/CONTR	4,049,362	2,720,713	1,328,649	32.8%
CAPITAL ASSETS	5,269,110	1,520,333	3,748,777	71.1%
<i>Total Expenditures</i>	174,741,672	165,843,012	8,898,660	5.1%
REVENUE LESS EXPENDITURES	3,898,775	47,588	3,851,187	98.8%
TRANSFERS:				
In from/(Out to) Reserves	(100,000)	1,166,835	(1,266,835)	
In from/(Out to) Fund D	(1,366,564)	(1,365,300)	(1,264)	
In from/(Out to) Other Funds	-	150,877	103,289	
<i>Total Transfers</i>	(1,466,564)	-47,588	(47,588)	-
REVENUE LESS EXPENDITURES PLUS TRANSFERS	\$ 2,432,211	-	\$ 2,432,211	



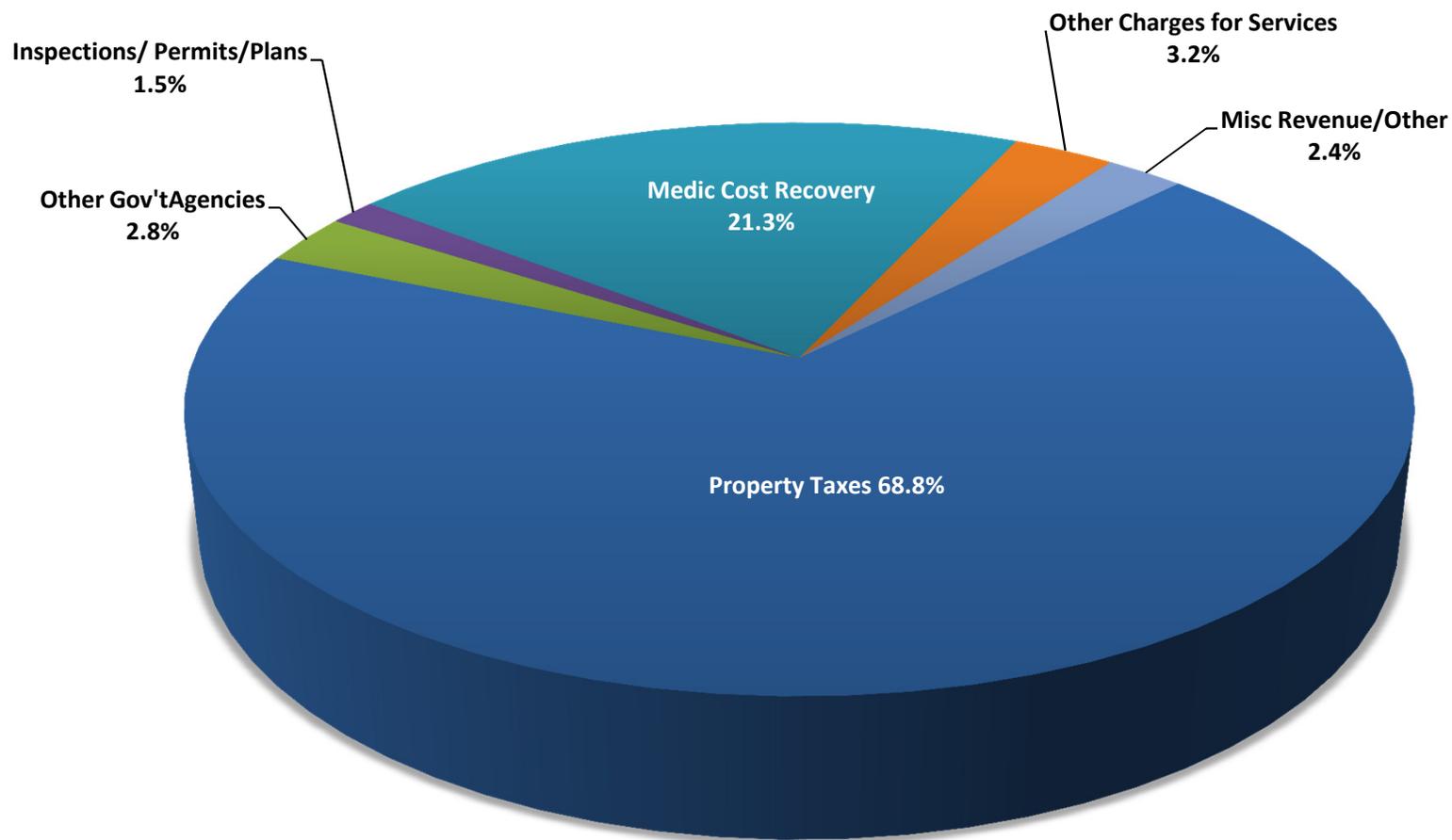
GENERAL FUND - FY2015/16

- Major changes in operating revenue: \$11.6M
 - Expected property tax recovery +\$6.2M
 - ❖ *5.3% increase over 2014/15*
 - Redevelopment distributions +\$2M
 - ❖ *Expected one-time residual distribution from Citrus Heights – in litigation*
 - Additional EMS cost recovery +\$5.1M
 - ❖ *GEMT/IGT supplemental reimbursement*
 - Reimbursements from deployments -\$528,000
 - Prior year revenue (GEMT related) -\$1.3M



GENERAL FUND – REVENUE

Preliminary Budget FY2015/16

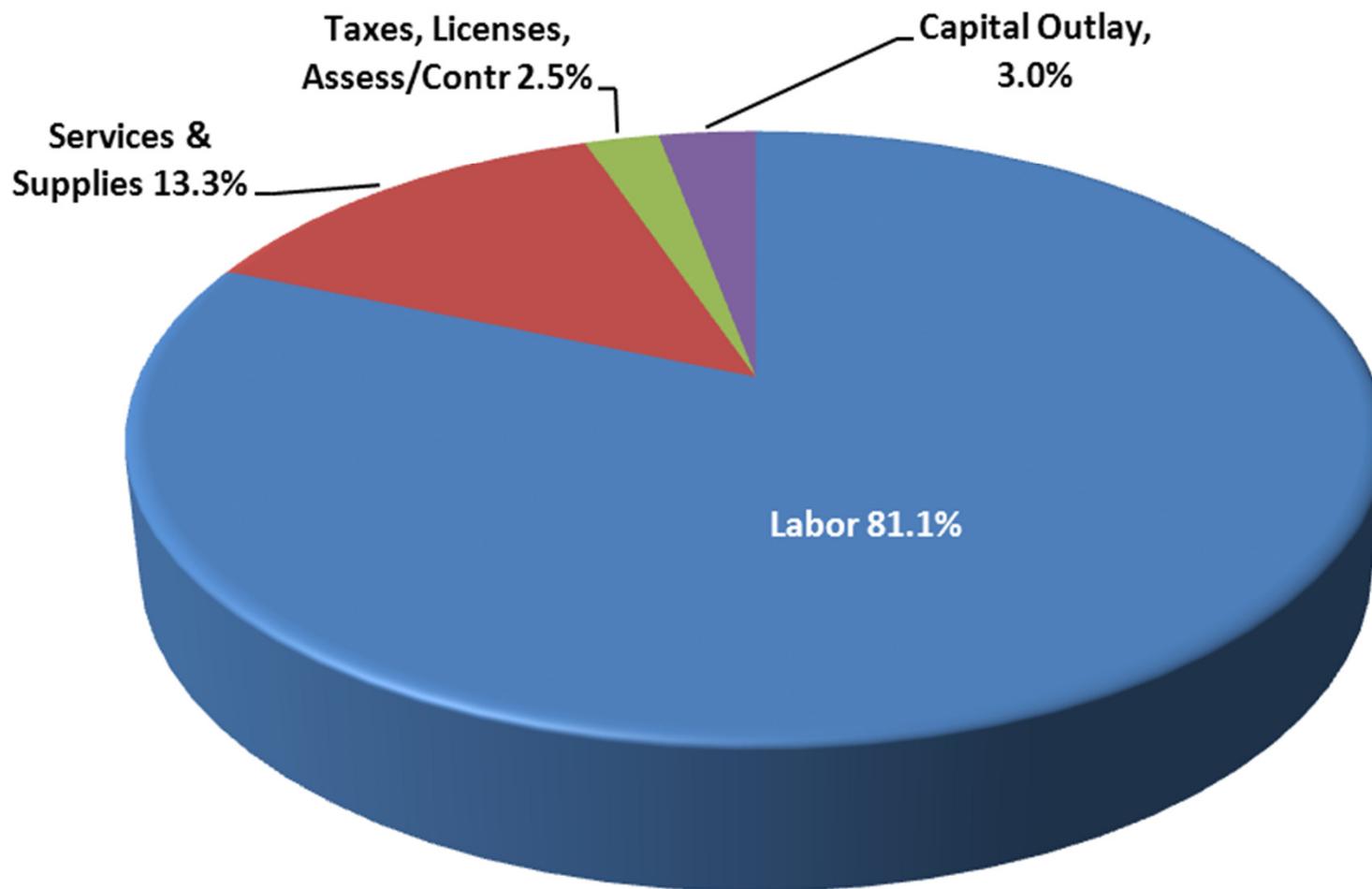


\$2 Million One-Time Revenue from Citrus Heights in Other Government Agencies



GENERAL FUND – EXPENDITURES

FY2015/16 Preliminary Budget





GENERAL FUND – FY2015/16

➤ **SRPP CONVERSION SAVINGS**

- Remaining five (5) ambulances change staffing from Firefighter/Paramedics to Single Role Paramedics
- Eight (8) Ambulances from FY2014/15 operate for a full 12 months
- Net overtime cost reductions: \$3.4 million
- Additional cost recovery: \$1.6 million

➤ **Provides \$5 million for restoring services**



GENERAL FUND – FY2015/16

➤ **FIRE SERVICE DELIVERY RESTORATION** **\$4.2 MILLION**

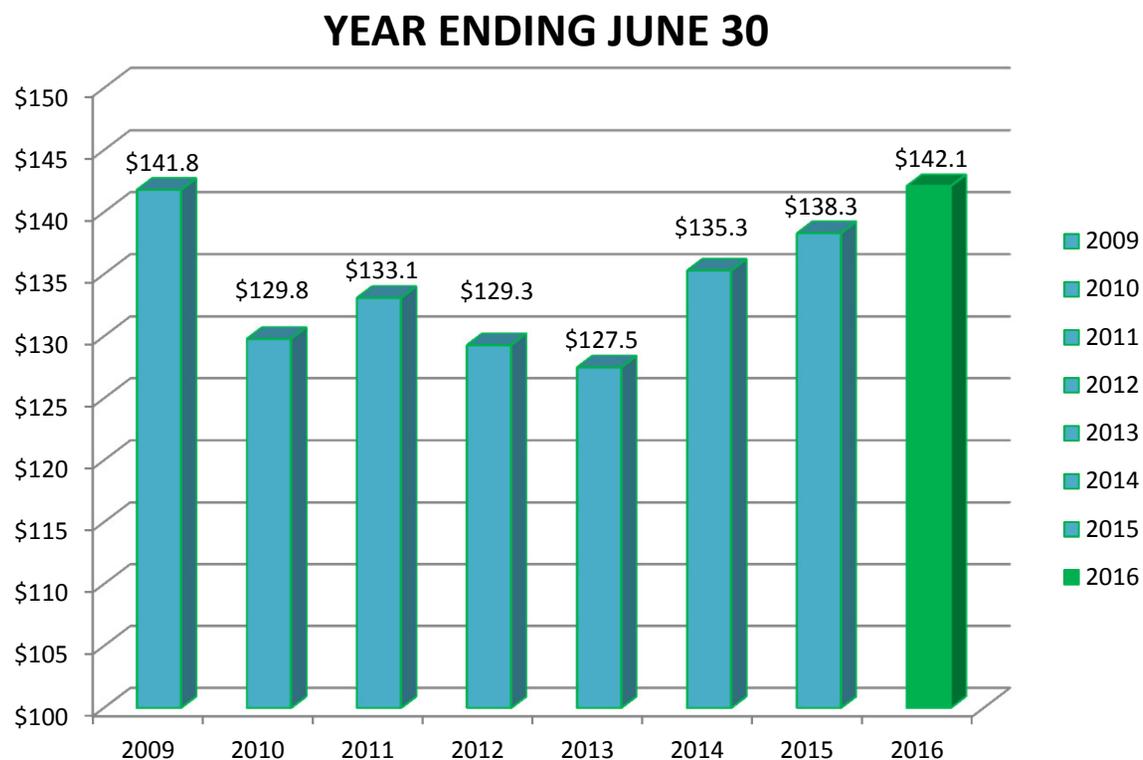
- Keep 2 SAFER funded Trucks open
(24 Firefighter positions): \$3.9 million
- Reopen Engine 106: \$1.5 million

➤ **Currently only achievable with the SRPP conversions**



GENERAL FUND – LABOR COST HISTORY

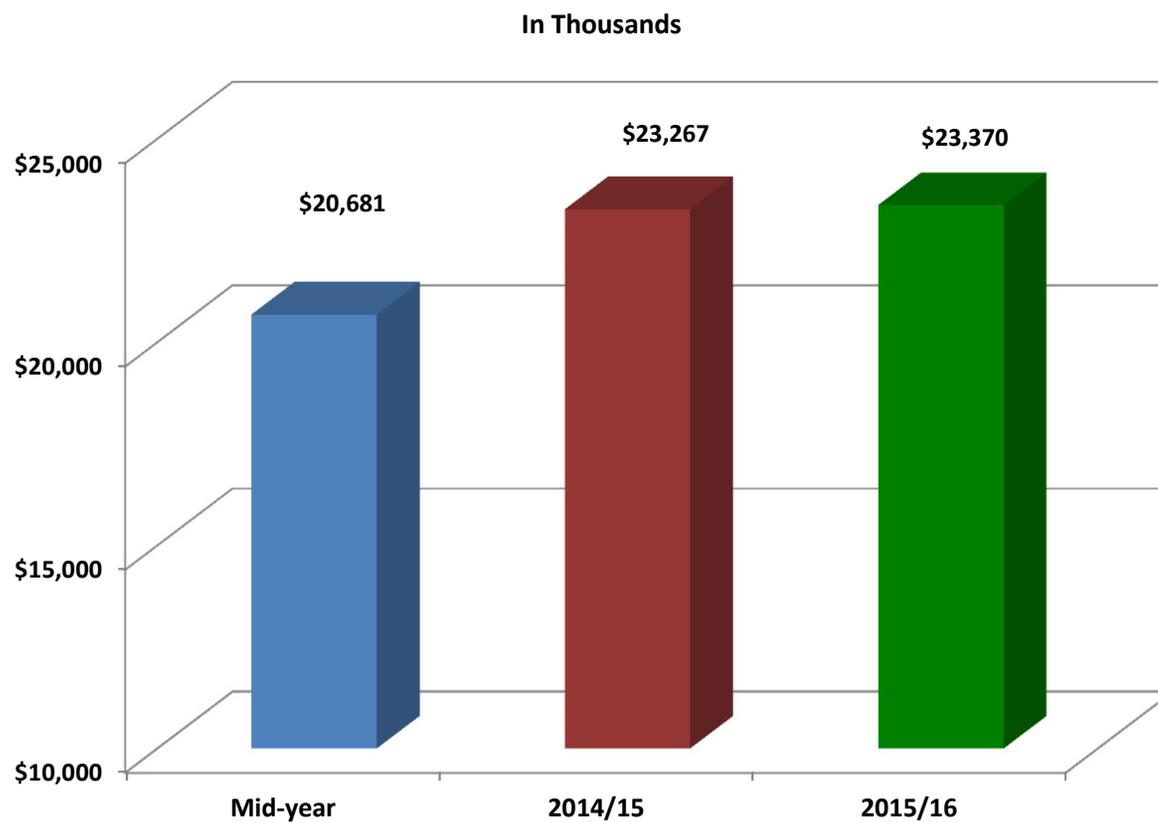
- Labor costs reflect \$9.4 million in savings from ongoing employee & retiree concessions
- Total FY2015/16 labor costs are 81.1% of operating expenditures





GENERAL FUND - SERVICE & SUPPLIES

Service and supplies FY2015/16 total \$23.4 million or 13.4% of operating expenditures.





GENERAL FUND FY2015/16 EXPENDITURES

Debt Service: \$1.2 million

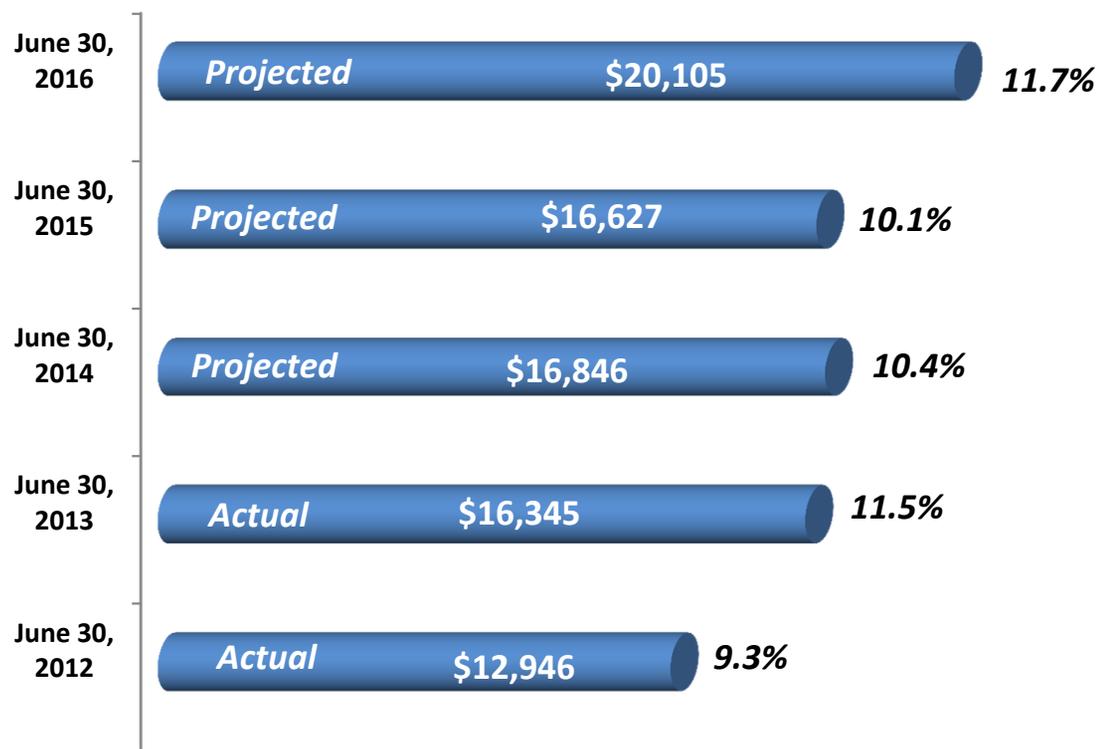
- Equipment lease debt service: \$1.2 million
 - P-25 Radios, Technology, EMS, and Fleet

Capital Outlay: \$5.1 million

- P-25 radio migration project: \$3 million
- New vehicles replacement: \$1.8 million
- Roof replacements & asphalt work: \$284 thousand



GENERAL FUND – RESERVE RATIOS



The ratio is based on the General fund's reserve balance divided by the total expenditures less capital asset spending.

Reserve amounts excludes the \$4 million set aside for workers' compensation claims.



FY2015/16 CAPITAL FACILITIES FUND

Revenue & Expenditures

- Development Fees: \$1.4 million
- Transfer from General Fund: \$1.4 million
- New Equipment Leases: \$1.8 million
- Lease Revenue Bond: \$865,000
- No new capital projects



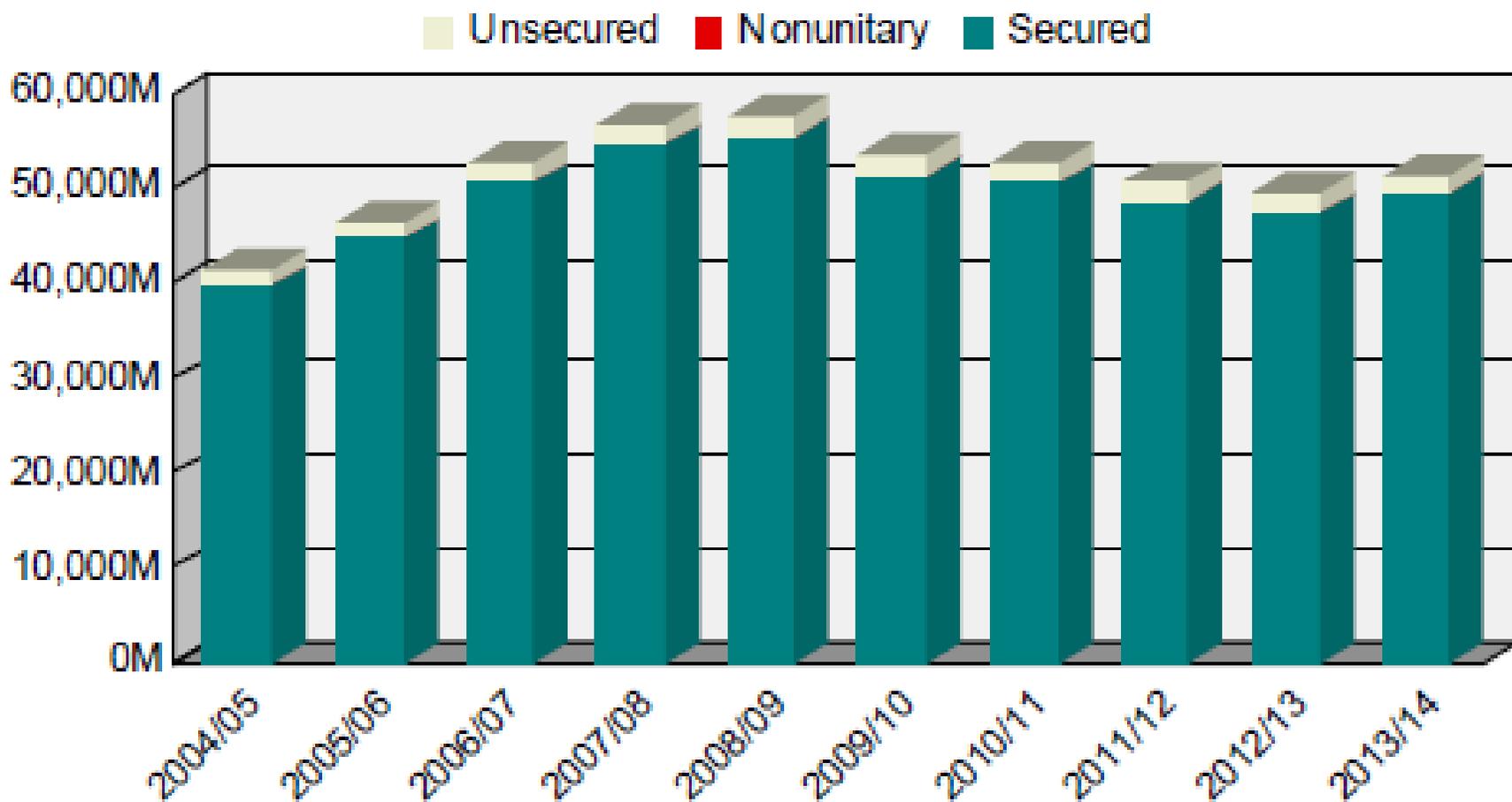
TWO-YEAR PRELIMINARY BUDGET

FUTURE CHALLENGES:

- Project a “balanced” budget for FY2015/16
 - Ongoing spending funded by ongoing revenues
- Future years
 - ❖ Challenges
 - Deferred building maintenance
 - Deferred fleet replacement
 - Significant development on the horizon
- Will future property tax growth keep pace with expenditures and capital outlay requirements?



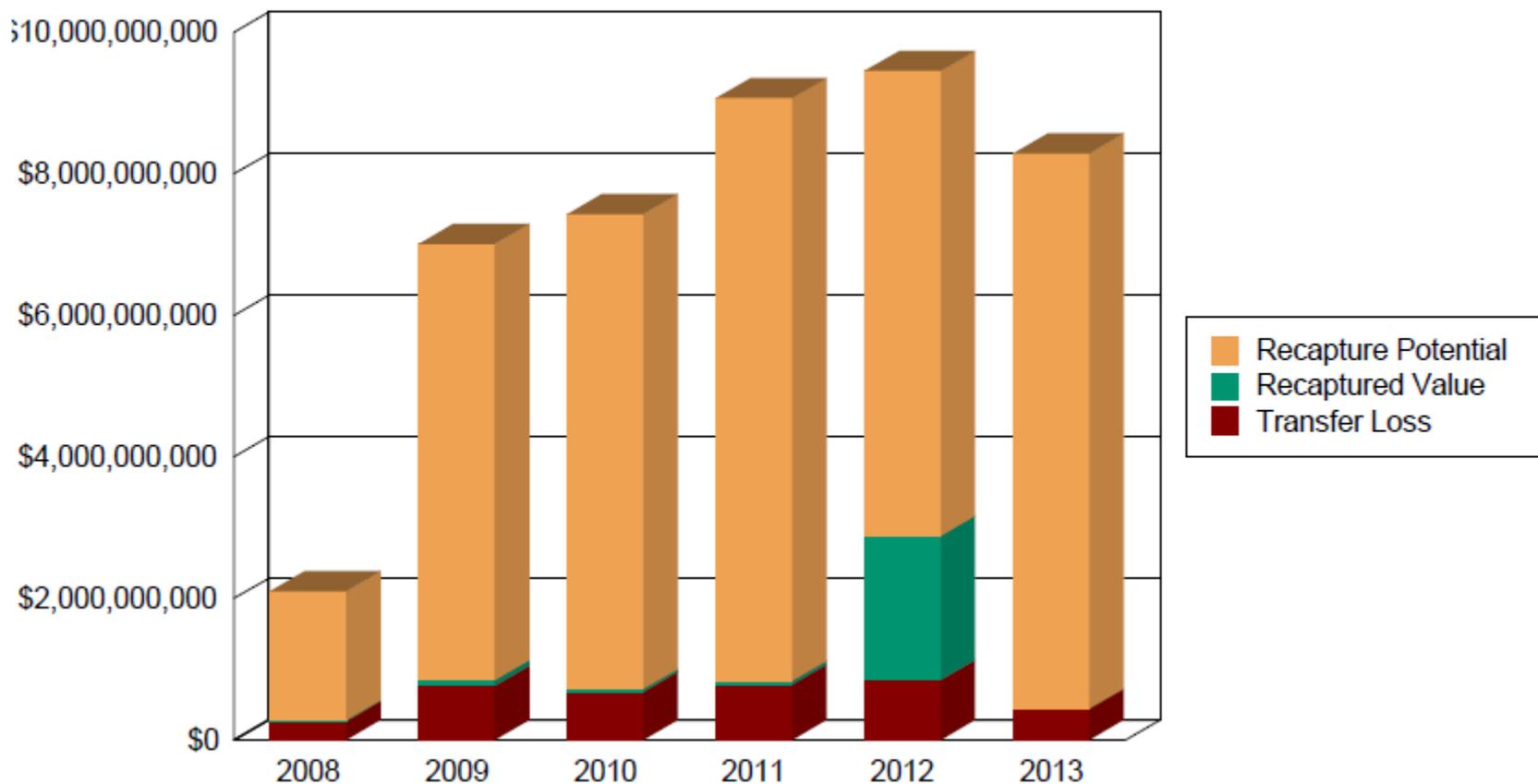
NET TAXABLE VALUE CHANGE





COUNTY ASSESSOR REDUCTIONS

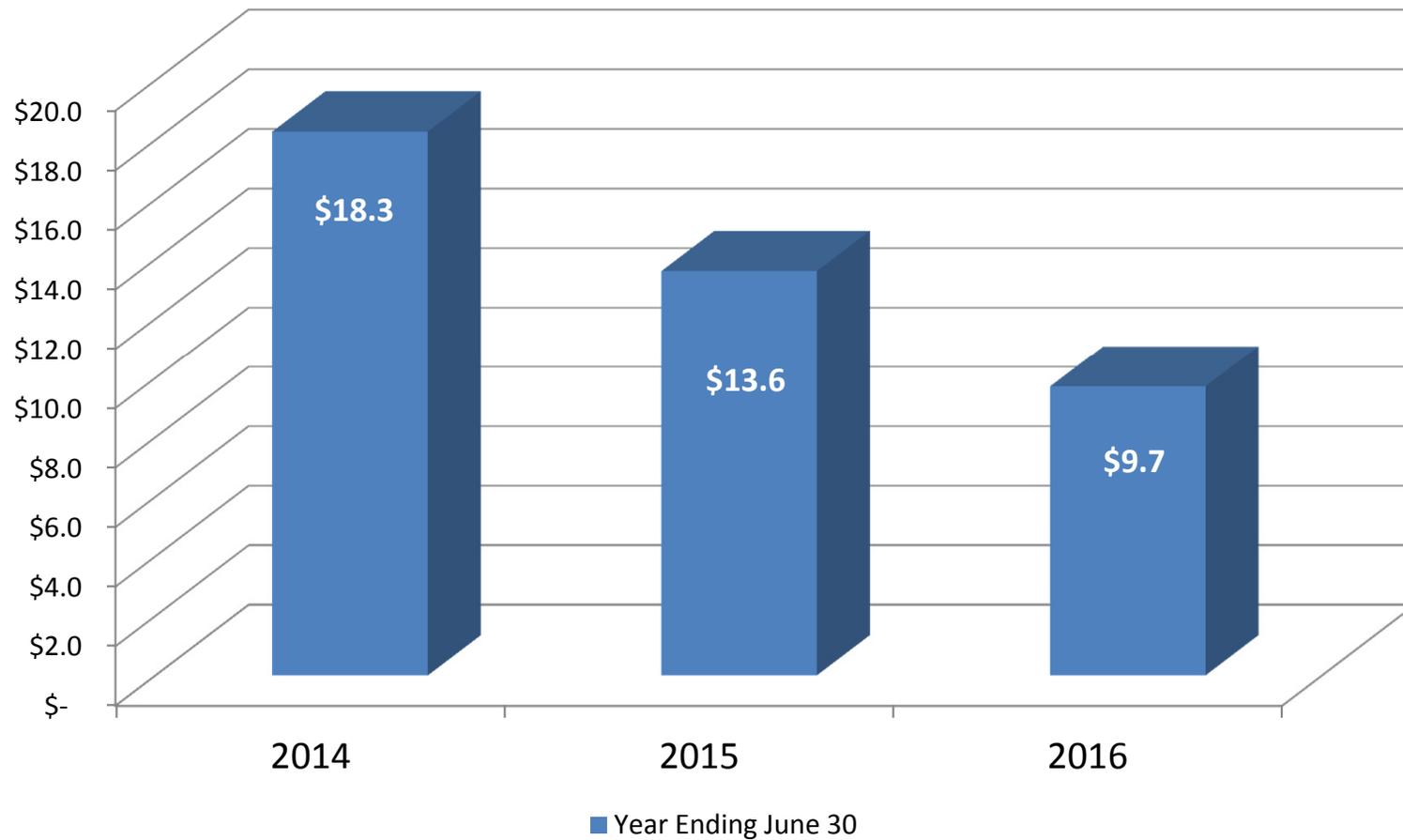
Prop 8 History





FUTURE PROPERTY TAX RECOVERY

Proposition 8 Unrecaptured Tax Revenue (\$ Millions)





FINAL BUDGET FOR FISCAL YEAR 2014/15

Recommendation:

- Management recommends adoption of the Final Budget for the fiscal year ending June 30, 2015