

# NOTICE OF SPECIAL MEETING

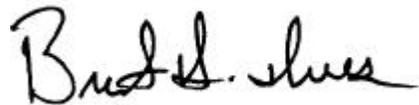
Pursuant to Section 54956 of the Government Code of the State of California, a Special Joint Meeting of the **Tracy City Council** and the **Tracy Rural Fire Protection District** is hereby called for:

**Date/Time:** **Tuesday, March 19, 2013, 6:00 p.m.**  
(or as soon thereafter as possible)

**Location:** **Council Chambers, City Hall**  
**333 Civic Center Plaza, Tracy**

Government Code Section 54954.3 states that every public meeting shall provide an opportunity for the public to address the Tracy City Council or the Tracy Rural Fire Protection District Board on any item, before or during consideration of the item, however no action shall be taken on any item not on the agenda.

1. Call to Order
2. Roll Call
3. Items from the Audience - *In accordance with Procedures for Preparation, Posting and Distribution of Agendas and the Conduct of Public Meetings, adopted by Resolution 2008-140 any item not on the agenda brought up by the public at a meeting, shall be automatically referred to staff. If staff is not able to resolve the matter satisfactorily, the member of the public may request a Council Member or a Tracy Rural Fire Protection District Board Member to sponsor the item for discussion at a future meeting.*
4. REVIEW THE PROPOSED FY 13-14 FIRE DEPARTMENT BUDGET AND THE COST SPLIT BETWEEN THE CITY OF TRACY AND THE TRACY RURAL FIRE PROTECTION DISTRICT
5. Adjournment



Mayor

**Date Posted: March 14, 2013**

The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in public meetings. Persons requiring assistance or auxiliary aids in order to participate should call City Hall (209-831-6105), at least 24 hours prior to the meeting.

Any materials distributed to the majority of the Tracy City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's office located at 333 Civic Center Plaza, Tracy, during normal business hours.

AGENDA ITEM 4

REQUEST

**REVIEW THE PROPOSED FY 13-14 FIRE DEPARTMENT BUDGET AND THE COST SPLIT BETWEEN THE CITY OF TRACY AND THE TRACY RURAL FIRE PROTECTION DISTRICT**

EXECUTIVE SUMMARY

This is a joint meeting of the Tracy City Council and the Tracy Rural Fire Protection District Board of Directors to review the proposed City of Tracy FY 13-14 Fire Department Budget. The City's Fire Department Budget becomes the budget for the South County Fire Authority. The budget will officially be adopted by the Fire Authority Board of Directors. The cost split between Tracy Rural and the City of Tracy is also detailed in this staff report.

DISCUSSION

The City of Tracy and the Tracy Rural Fire Protection District are the member agencies of the South County Fire Authority (SCFA). In addition, the Mountain House Community Services District (MHCS D) contracts with the Tracy Rural Fire Protection District for fire services. Services include several program areas such as fire administration, prevention, operations, and training. New fire equipment is evenly split between the City and Tracy Rural.

The cost distribution for fire services is calculated according to a formula that is based upon minimum staffing at stations throughout the SCFA. The cost for MHCS D is calculated first and deducted from the total with the balance then split 60%/40% respectively between the City of Tracy and Tracy Rural.

**CURRENT SCFA COST FORMULA**

The following tables reflect how costs will be allocated for FY 13/14 from July 2013 – January 2014, using the current formula. Due to the construction and relocation of Fire Station No. 92, requiring additional staffing, a new formula (page 2) is required to reflect how costs will be allocated from February 2014 through June 2014. The station is anticipated to be operational by April 2014.

**FY 13/14 SCFA Cost Formula (July 2013 – January 2014)**

*Staffing Allocation*

<b>Number of Stations</b>	<b>Type of Crew</b>	<b>Number of Shifts</b>	<b>Total</b>
4	3-person	3	36
3	2-person	3	<u>18</u>
<b>Subtotal</b>			<b>54</b>
<i>Less Mountain House</i>			<i>(9)</i>
<b>Total Minimum Staffing</b>			<b>45</b>

Of the 54 minimum staffing, approximately 9 are allocated to MHCS D (1 station with a 3-person crew) and deducted from the minimum staffing total to calculate the staffing split between the City and Tracy Rural. As a result, the total minimum staffing is 45; 27 are allocated to the City and the remaining 18 are allocated to Tracy Rural.

*Formula Calculation*

Service Area	Cost Split	Call Service Variance	Final Cost Allocation
City	27/45 = 60%	(+7%)	67%
Tracy Rural	18/45 = 40%	(-7%)	33%

The City therefore has 60% of the minimum staffing net of MHCS D (27/45) and Tracy Rural has 40% (18/45). From this split an adjustment of 7% has historically been added to the City and 7% deducted from Tracy Rural to reflect the costs of calls for service handled by the City. As such, the cost split between the City and Tracy Rural is 67% and 33% respectively. This split is after deducting for MHCS D expenses.

**NEW FY 13/14 SCFA COST FORMULA**

Construction of a relocated Fire Station 92 is expected to be completed in April 2014. Amendment No. 6 of the Joint Exercise of Powers Agreement requires that a relocated Fire Station 92 be staffed with 3 personnel per shift, an increase to the minimum staffing. To meet this staffing requirement, the City will need to hire two new firefighters.

According to the Amendment No. 6 of the Joint Powers of Authority Agreement between the City of Tracy and Tracy Rural, the District will be responsible to fund 100% of the operational costs at relocated Station 92 upon obtaining the Certificate of Occupancy through FY 15/16. With construction scheduled for completion in April 2014, the City will prorate the formula from February 2014 through June 2014 with respect to the cost of the two new firefighters. An additional two months is required to ensure adequate training. Approximately 5 months of the 3<sup>rd</sup> crew member at Station 92, would be included in the City's share.

The following chart reflects the new cost split allocation for the period February 2014 – June 2014 as a result of additional staffing requirements for relocated Station 92:

**New FY 13/14 Cost Formula (Effective February 2014 – June 2014)**

*New Staffing Allocation*

Number of Stations	Type of Crew	Number of Shifts	Station 92 Staffing	Total
4	3-person	3	+3	39
3	2-person	3		<u>18</u>
<b>Subtotal</b>				<b>57</b>
<i>Less Mountain House</i>				<i>(9)</i>
<b>Total Minimum Staffing</b>				<b>48</b>

Of the 57 minimum staffing, included are 3 member crew for Station 92 and 9 for MHCS D (1 station with a 3-person crew). The MHCS D staffing has been deducted from the minimum staffing total to calculate the staffing split between the City and Tracy Rural. As a result, the total minimum staffing under the new formula is 48; 30 are allocated to the City and the remaining 18 are allocated to Tracy Rural.

*New Formula Calculation*

Service Area	Cost Split	Calls for Service Variance	Final Cost Allocation
City	30/48 = 62.5%	(+7%)	69.5%
Tracy Rural	18/48 = 37.5%	(-7%)	30.5%

The new cost formula reflects the City's share of 62.5% of the minimum staffing net of MHCS D (30/48) and 37.5% for Tracy Rural (18/48). From this split, the adjustment of 7% is added to the City's share and 7% deducted from Tracy Rural in consideration of cost for the number of calls for service handled by the City. As such, the cost split between the City and Tracy Rural is 69.5% and 30.5% respectively. This split would also be calculated after deducting for MHCS D expenses.

It is important to note that this proposed change to the "Cost Split for Maintenance and Operations" will require an amendment of the Joint Exercise of Powers Agreement of the South County Fire Authority.

Effective FY 15/16, the cost formula would be revised again as the cost of the 3-person crew at the relocated Station 92 would be transferred to Tracy Rural. Tracy Rural's share, less MHCS D, with the 7% adjustment would be approximately 36.75%.

**FY 13/14 FIRE DEPARTMENT BUDGET**

The proposed FY 13/14 Fire Department program budget, less equipment replacement and overhead costs is \$15.6 million, a 2.3% increase compared to the FY 12/13 adopted budget of \$15.3 million. This increase reflects inflationary operational and benefit costs, coupled with recommended budget augmentations for FY 13/14. Proposed augmentation requests for FY 13/14 are reflected in the table below:

*FY 13/14 Proposed Augmentations*

FY 13/14 Proposed Augmentations	Cost
Hazardous Materials Team Expansion	\$39,360
New Firefighters – Station 92 Staffing	\$120,310
Contracted Medical Director	\$6,000
Medical Grade Oxygen	\$6,500
Additional Fire Reserve Hours	\$9,900
<b>Total</b>	<b>\$182,070</b>

*FY 13/14 Equipment Replacement Costs*

FY 13/14 equipment replacement costs are \$636,950. Built in the base budget is approximately \$40,000 for emergency replacements. The total requested replacements for FY 13/14 is \$596,950.

Replacement equipment is used to provide service across the jurisdictional area of the South County Fire Authority. The reason for replacement is typically due to worn or damaged equipment that has met its useful service life or state/local mandates that dictate replacement.

Equipment replacements are acquired through Fund 605. According to the Joint Exercise of Powers Agreement, each agency is responsible to replace the capital property and equipment owned by City and District at the time of the agreement. The City at its sole expense, will be replacing a fire engine in FY 13/14 which is reflected in the table below. New equipment, however, is split evenly between the City and Tracy Rural. There are no new equipment requests proposed for FY 13/14.

The table below reflects FY 13/14 proposed equipment replacement costs:

<b>FY 13/14 Proposed Equipment Replacement Requests</b>	<b>Cost</b>
Facilities	\$7,000
Self-Contained Breathing Apparatus (SCBA)	\$43,800
Fire Hose	\$27,800
Radio Communications Equipment	\$11,000
Network Office Scanner	\$1,850
Rope Rescue Equipment	\$5,500
Pumper (Type I-Fire Engine) – City of Tracy*	\$500,000
Subtotal Requests	\$596,950
Emergency Equipment Replacement (if necessary)	\$40,000
<b>Total</b>	<b>\$636,950</b>

*\*Indicates cost is sole responsibility of the City of Tracy*

*FY 13/14 Indirect Costs*

FY 13/14 overhead or indirect costs, which are shared between the City, Tracy Rural and MHCSD, are approximately \$408,400.

**FY 13/14 COST ALLOCATION**

The anticipated FY 13/14 allocation for the City, Tracy Rural, and MHCSD reflective of all applicable costs are:

<b>Year</b>	<b>City of Tracy</b>	<b>Tracy Rural</b>	<b>MHCSD</b>
FY 12/13	\$9.34M	\$3.94M	\$2.37M
<b>FY 13/14</b>	<b>\$10.1M</b>	<b>\$3.95M</b>	<b>\$2.38M</b>

FISCAL IMPACT

The fiscal impact is indicated within this report. The City of Tracy, Tracy Rural Fire Protection District and Mountain House Community Services District will each pay their proportionate share of the fire department budget based upon the adopted formula.

RECOMMENDATION

It is recommended the City Council and Tracy Rural Fire District Board of Directors review the proposed Fire Department Budget for FY 13/14.

Prepared by: David A. Bramell, Fire Division Chief

Reviewed by: Alford Nero, Fire Chief  
Jenny Haruyama, Administrative Services Director

Approved by: R. Leon Churchill, Jr., City Manager, City of Tracy

Attachment: SCFA Cost Allocations based upon FY13/14 Proposed Budget for Tracy Fire Department

SCFA Cost Allocations  
based upon FY13-14 03/14/13  
Proposed Budget for  
Tracy Fire Dept

<b>Programs</b>	<b>Proposed FY13-14 Expenditures</b>	<b>TRFD Share</b>	<b>MHCSD Share</b>	<b>Grant Funding</b>	<b>City Share</b>
P52110 - Fire Admin	\$551,520	\$148,470	\$89,550	\$0	\$313,500
P52150 - Fire Prevention	412,360	110,190	66,460	0	235,710 *1
P52210 - Fire Operations	12,902,350	3,505,850	2,114,560	0	7,281,940
Constant Staffing - FS #91	1,069,000	0	0	0	1,069,000 *2
City Staffing FS #92	120,310				120,310 *3
P52230 - Fire Mutual Aid	206,000	0	0	206,000	0 *4
P52250 - Fire Training	260,500	70,830	42,720	0	146,950
<b>Sub-Total</b>	<b>\$15,522,040</b>	<b>\$3,835,340</b>	<b>\$2,313,290</b>	<b>\$206,000</b>	<b>\$9,167,410</b>
P59320 - Fire Dept Eqpt					
New Equipment	0	50%	0	0	0
Replacement Eqpt	636,950		0	0	636,950 *5
<b>Sub-Total</b>	<b>\$636,950</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$636,950</b>
P59210 - Indirect Costs	\$408,400	113,530	\$67,800		\$227,070
<b>Total Costs</b>	<b>\$16,567,390</b>	<b>\$3,948,870</b>	<b>\$2,381,090</b>	<b>\$206,000</b>	<b>\$10,031,430</b>

- \*1 - Fee revenues of \$175,500, deposited directly into Fund 211,  
but credited against City's share of costs.
- \*2 - Constant staffing overtime costs at FS #91
- \*3 - City Staffing FS #92: 2 Firefighters for 5 months
- \*4 - SCFA revenue estimate for State Mutual Aid.
- \*5 - Equipment Replacements acquired through Fund 605.