

# NOTICE OF SPECIAL MEETING

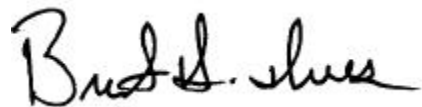
Pursuant to Section 54956 of the Government Code of the State of California, a Special Joint Meeting of the **Tracy City Council** and the **Tracy Rural Fire Protection District** is hereby called for:

**Date/Time:** **Tuesday, March 18, 2014, 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 14/15 FIRE DEPARTMENT BUDGET AND THE COST SPLIT BETWEEN THE CITY OF TRACY AND THE TRACY RURAL FIRE PROTECTION DISTRICT
5. Adjournment



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Mayor

**Date Posted: March 13, 2014**

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 14/15 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 14/15 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 (TRFPD) for fire services. Services include several program areas such as fire administration, prevention, operations, and training.

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 70%/30% respectively between the City of Tracy and Tracy Rural. New fire equipment is evenly split between the City and Tracy Rural.

**CURRENT SCFA COST FORMULA**

According to the Amendment No. 6 of the Joint Powers of Authority Agreement between the City of Tracy and Tracy Rural, minimum staffing at a relocated Station 92 (1035 East Grant Line Road) will be 3-persons per shift. Amendment No. 6 further stipulates that Tracy Rural is responsible for 100% of the operational costs at relocated Station 92 upon issuance of Certificate of Occupancy or by June 30, 2015, whichever occurs later. It is anticipated that the facility construction will be completed late Spring 2014. The cost of the additional 3 fire personnel will be borne by the City of Tracy through FY 14/15. Effective FY 15/16, the District will be responsible to fund 100% of the operational costs at relocated Station 92 for 7 years and 10 months to satisfy a separate agreement known as the "Pre-paid Services Agreement."

The following table illustrates the staffing allocation based upon the number of crews operating in SCFA fire stations:

**FY 14/15 SCFA Cost Formula**

*Staffing Allocation*

Number of Stations	Type of Crew	Number of Shifts	Station 92 Staffing	Total
5	3-person	3	+3	48
2	2-person	3		<u>12</u>
<b>Subtotal</b>				<b>57</b>
<i>Less Mountain House</i>				<u>(9)</u>
<b>Total Minimum Staffing</b>				<b>48</b>

Of the 57 minimum staffing, included are a 3 person crew for Station 92 and 9 for MHCSD (1 station with a 3-person crew, 3 shifts). The MHCSD 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.

*Formula Calculation*

Service Area	Cost Split	Calls for Service Variance	Final Cost Allocation
City	30/48 = 63%	(+7%)	70%
Tracy Rural	18/48 = 37%	(-7%)	30%

The new cost formula reflects the City's share of 63% of the minimum staffing net of MHCSD (30/48) and 37% 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 70% and 30% respectively. This split is calculated after deducting for MHCSD expenses.

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 MHCSD, with the 7% adjustment would be approximately 36.75%.

**FY 14/15 FIRE DEPARTMENT BUDGET**

The proposed FY 14/15 Fire Department program budget, less equipment replacement and overhead costs, is \$16.2 million, a 5.4% increase compared to the FY 13/14 adopted budget of \$15.5 million. This increase reflects inflationary operational and benefit costs, coupled with recommended budget augmentations for FY 14/15. Proposed augmentation requests for FY 14/15 are reflected in the table below:

*FY 14/15 Proposed Augmentations*

FY 14/15 Proposed Augmentations	Cost
EMS Specialist (1 FTE)	\$115,750
Reserve Firefighter Minimum Wage Increase	\$2,950

SCBA Field Equipment	\$52,770
Fire Prevention Training	\$3,000
Public Education Materials	\$5,000
<b>Total</b>	<b>\$179,470</b>

*FY 14/15 Equipment Replacement Costs*

FY 14/15 equipment replacement costs are \$204,730. Built in the base budget is approximately \$40,000 for emergency replacements. The total requested replacements for FY 14/15 less the emergency funding is \$164,730.

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. Each agency pays annually to Fund 605 based on the annual formula, so funds can be accumulated for replacements. Fund 605 does not cover vehicles or stations, but other operational equipment. New operational equipment is split evenly between the City and Tracy Rural.

The table below reflects FY 14/15 proposed equipment replacement costs:

<b>FY 14/15 Proposed Equipment Replacement Requests</b>	<b>Cost</b>
Records Management System	\$48,000
Station Furnishings	\$11,900
Field Generators	\$11,400
Fire Hose	\$15,000
SCBA Tester Unit	\$5,430
Subtotal Requests	\$91,730
Emergency Equipment Replacement (if necessary)	\$40,000
<b>Total</b>	<b>\$131,730</b>

The following table reflects FY 14/15 proposed new equipment costs:

<b>FY 14/15 Proposed New Equipment Request</b>	<b>Cost</b>
Equipment for New Engines	\$73,000
<b>Total</b>	<b>\$73,000</b>

*FY 14/15 Indirect Costs*

FY 14/15 overhead or indirect costs, which are shared between the City, Tracy Rural and MHCSD, are approximately \$453,400.

<b>FY 14/15 Indirect Costs</b>	<b>City Share</b>	<b>TRFPD Share</b>	<b>MHCSD Share</b>
\$453,400	\$267,050	\$114,710	\$71,640

**SCFA FY 14/15 COST DISTRIBUTION**

Below are the anticipated FY 14/15 applicable fire expenses for the City of Tracy, Tracy Rural Fire Protection District, and MHCS D:

<b>Year</b>	<b>City of Tracy</b>	<b>TRFPD</b>	<b>MHCS D</b>
FY 13/14	\$10.1M	\$3.95M	\$2.38M
<b>FY 14/15</b>	<b>\$10.47M</b>	<b>\$3.92M</b>	<b>\$2.43M</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 and consider the proposed Fire Department Budget for FY 14/15.

Prepared by: David A. Bramell, Fire Division Chief

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

Approved by: Maria Hurtado, Interim City Manager, City of Tracy

Attachment: FY 2014/2015 Proposed Budget for Tracy Fire Department

Department: **52000 - Fire Department**

The Fire Department provides fire prevention, fire suppression and rescue services within the City limits.

Since 1999, the Department also provides services for the Tracy Rural Fire District (TRFD) and, since 2006, the Mountain House Community Services District (MHCSD). The total service area is 167 square miles, 26.3 in the City, and the populations served are about 84,500 in the City and 26,200 outside.

**COMMENTARY**

As proposed for FY14-15, the departmental budget will increase about 5.4% over the current year adopted budget, and this represents a 7.5% increase over FY12-13 amended budget.

The base component of the budget represents a 4.3% increase over the current year adopted budget, while budget augmentations will show a 1.1% increase over the FY12-13 amended budget.

In FY13-14, departmental staffing will add 2 full-time regular positions. In FY14-15, departmental staffing will add another full-time regular position.

DEPARTMENTAL EXPENDITURES BY PROGRAM	FY11-12 \$ Actual	FY12-13 \$ Actual	% Change	FY13-14 \$ Adopted	FY13-14 \$ Estimated	% of Budget	% Change	FY14-15 \$ Proposed	% Change
52110 - Fire Administration	535,470	568,830	6.2%	557,920	565,900	101.4%	-0.5%	604,580	8.4%
52150 - Fire Prevention & Education	346,181	355,538	2.7%	420,620	403,160	95.8%	13.4%	427,600	1.7%
52210 - Fire Operations	14,133,024	14,174,379	0.3%	14,345,160	14,672,600	102.3%	3.5%	15,028,110	4.8%
52250 - Fire Training & Safety	215,540	226,575	5.1%	258,500	285,150	110.3%	25.9%	368,910	42.7%
<b>Department Total</b>	<b>15,230,215</b>	<b>15,325,322</b>	<b>0.6%</b>	<b>15,582,200</b>	<b>15,926,810</b>	<b>102.2%</b>	<b>3.9%</b>	<b>16,429,200</b>	<b>5.4%</b>
Amended Budget	15,294,710	15,285,700	-0.1%		15,618,964		2.2%	over 2 years	7.5%
% of Amended Spent	99.58%	100.26%			101.97%				
						Base Budget >>		16,249,730	4.3%
						Augmentations >>		179,470	1.1%

Department: 52000 - Fire Department (Continued)

DEPARTMENTAL EXPENDITURES BY OBJECT CATEGORY	FY11-12 \$ Actual	FY12-13 \$ Actual	% Cost Change	FY13-14 \$ Adopted	FY13-14 \$ Estimated	% of Budget	% Cost Change	FY14-15 \$ Proposed	% Budget Change
Personnel Expenses	13,724,233	13,592,085	-1.0%	13,722,770	13,986,430	101.9%	2.9%	14,394,140	4.9%
Contracted Services	560,055	726,974	29.8%	638,360	731,300	114.6%	0.6%	638,960	0.1%
Commodities	289,982	294,047	1.4%	319,020	309,380	97.0%	5.2%	412,790	29.4%
Internal Charges	655,945	712,216	8.6%	902,050	899,700	99.7%	26.3%	983,310	9.0%
Other Payments	0	0		0	0			0	
Department Total	15,230,215	15,325,322	0.6%	15,582,200	15,926,810	102.2%	3.9%	16,429,200	5.4%

#### DEPARTMENTAL EXPENDITURES BY FUNDING SOURCES

General Fund 101 - Taxes	8,736,518	8,751,942	0.2%	9,052,090	9,245,410	102.1%	5.6%	9,869,680	9.0%
Grant & Fee Revenues	0	0		0	0			0	
South County Fire Authority - Fund 211									
Fee Revenues	174,139	216,620	24.4%	175,500	197,800	112.7%	-8.7%	211,950	20.8%
Grant Revenues	0	102,391		206,000	215,000	104.4%	110.0%	212,000	2.9%
Mt House CSD	2,293,384	2,309,230	0.7%	2,313,290	2,382,390	103.0%	3.2%	2,362,990	2.1%
Tracy Rural Fire District	4,026,174	3,945,139	-2.0%	3,835,320	3,886,210	101.3%	-1.5%	3,772,580	-1.6%
Department Total	15,230,215	15,325,322	0.6%	15,582,200	15,926,810	102.2%	3.9%	16,429,200	5.4%

#### DEPARTMENTAL STAFFING

	FY11-12 Approved	FY12-13 \$ Actual	% Change	FY13-14 \$ Adopted	FY13-14 \$ Estimated	% of Budget	% Change	FY14-15 \$ Proposed	% Change
<i>Regular Positions</i>									
Fire Chief	1.00	1.00		1.00	1.00			1.00	
Executive Asst/Sr Secretary	1.00	1.00		1.00	1.00			1.00	
Fire Batt Chief	0.00	0.00		0.00	0.00			0.00	
Fire Captain	24.00	24.00		24.00	24.00			24.00	
Fire Engineer	24.00	24.00		24.00	24.00			24.00	
Firefighter	21.00	19.00		21.00	21.00			21.00	
Fire Inspector	2.00	2.00		2.00	2.00			2.00	
Admin Asst/Sr Admin Clerk	1.00	1.00		1.00	1.00			1.00	
Fire Division Chief	3.00	3.00		3.00	3.00			3.00	
EMS Specialist	0.00	0.00		0.00	0.00			1.00	
DES Allocation	0.30	0.30		0.30	0.30			0.30	
<i>Other Staffing (Full-Time Equivalents)</i>									
Firefighter Reserves	1.15	1.15		1.40	1.40			1.40	
Temp Clerk	0.00	0.00		0.00	0.00			0.00	
Fire Overhires	0.00	0.00		0.00	0.00			0.00	
Fire Inspector	0.00	0.00		0.00	0.00			0.00	
Total - Full Time Equivalents	78.45	76.45	-2.5%	78.70	78.70	100.0%	2.9%	79.70	1.3%

SCFA Cost Allocations  
based upon FY14-15  
Proposed Budget for  
Budget for Tracy Fire Dept

03/12/14

FY14-15

**Proposed  
FY14-15  
Expenditures**

Programs	TRFD Share	MHCSD Share	Grant Funding	City Share
P52110 - Fire Admin	\$149,670	\$93,620	\$0	\$361,290
P52150 - Fire Prevention	104,980	65,670	0	256,950 *1
P52210 - Fire Operations	3,425,540	2,145,910	0	8,214,260
Constant Staffing - FS #91	0	0	0	1,030,400 *2
P52230 - Fire Mutual Aid	0	0	212,000	0 *3
P52250 - Fire Training	92,390	57,790	0	218,730
<b>Sub-Total</b>	<b>\$3,772,580</b>	<b>\$2,362,990</b>	<b>\$212,000</b>	<b>\$10,081,630</b>
P59320 - Fire Dept Eqpt New Equipment	73,000	0	0	36,500
Replacement Eqpt	91,730	0	0	91,730 *4
<b>Sub-Total</b>	<b>\$164,730</b>	<b>\$0</b>	<b>\$0</b>	<b>\$128,230</b>
P59210 - Indirect Costs	114,710	71,640	0	267,050
<b>Total Costs</b>	<b>\$3,923,790</b>	<b>\$2,434,630</b>	<b>\$212,000</b>	<b>\$10,476,910</b>

**% Splits for FY15**

100.0%	25.3%	15.8%	58.9%
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\*1 - Fee revenues of \$211,950, deposited directly into Fund 211,  
but credited against City's share of costs.

\*2 - Constant staffing costs at FS #91

\*3 - SCFA revenue estimate for State Mutual Aid.

\*4 - Equipment Replacements acquired through Fund 605.