

JOINT TRACY CITY COUNCIL AND TRACY RURAL FIRE PROTECTION
DISTRICT SPECIAL MEETING MINUTES

March 18, 2014, 6:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

1. Mayor Ives called the City Council to order at 6:01 p.m. Chair Smith called the Tracy Rural Fire Protection District to order at 6:01 p.m.
2. Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel, Mayor Ives, Board Members Ahmad, Thoming, Vice Chair Muniz, and Chair Smith present; Board Member Vieira absent.
3. Items from the Audience – None.
4. REVIEW THE PROPOSED FISCAL YEAR (FY) 14/15 FIRE DEPARTMENT BUDGET AND THE COST SPLIT BETWEEN THE CITY OF TRACY AND THE TRACY RURAL FIRE PROTECTION DISTRICT – Dave Bramell, Division Fire Chief, provided the staff report. Division Chief Bramell stated 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.

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 three 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 seven years and ten months to satisfy a separate agreement known as the “Pre-paid Services Agreement.”

Division Chief Bramell illustrated the staffing allocation based upon the number of crews operating in SCFA fire stations:

FY 14/15 SCFA Cost Formula

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>
Subtotal				57
<i>Less Mountain House</i>				<i>(9)</i>
Total Minimum Staffing				48

Of the 57 minimum staffing, included are a three person crew for Station 92 and for MHCSD (one station with a three person crew, three 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%.

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.

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
Total	\$179,470

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.

FY 14/15 Proposed Equipment Replacement Requests	Cost
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
Total	\$131,730

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

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

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

Division Chief Bramell provided the anticipated FY 14/15 applicable fire expenses for the City of Tracy, Tracy Rural Fire Protection District, and MHCSD:

Year	City of Tracy	TRFPD	MHCSD
FY 13/14	\$10.1M	\$3.95M	\$2.38M
FY 14/15	\$10.47M	\$3.92M	\$2.43M

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.

Staff recommended Council and Tracy Rural Fire District Board of Directors review and consider the proposed Fire Department Budget for FY 14/15.

Mayor Pro Tem Maciel asked if the Emergency Medical Service (EMS) Specialist position was administrative. Division Chief Bramell stated that individual would be on the 9/80 schedule housed at administration and not necessarily in the field.

Board Member Thoming asked if the amount covered a full year. Division Chief Bramell stated yes.

Chair Smith asked if Stockton would be used for the salary comparison. Division Chief Bramell stated it would be compared to a civilian position similar to AMR.

Chair Smith asked for clarification of indirect costs. Jenny Haruyama, Administrative Services Director indicated the indirect costs include a portion of the time of executive staff that supports the Fire Department, including the Finance Director, City Manager, City Attorney, as well as operational support, and is based on an allocation formula which the budget officer prepares for each agency.

Chair Smith stated he was not pleased with the budget process and the breakdown of categories in the budget. Chair Smith stated he was also concerned with the projections and coming up short at the end of the fiscal year. Ms. Haruyama discussed unforeseeable costs, overtime, and vacation buybacks.

Chair Smith asked if the Board could receive a quarterly report on the budget. Ms. Haruyama stated Fire Chief Nero could provide reports at their regular meetings.

Chair Smith discussed Station 91 and the cost to Tracy Rural and Mountain House. Chair Smith referred to Supplemental Services Agreement Amendment No. 3 which indicates the cost is looked at on an annual basis and suggested it be added to the formula. Ms. Haruyama suggested Division Chief Bramell provide the Chair with background information regarding the agreement.

Division Chief Bramell provided a brief history of the Supplemental Services Agreement Amendment No. 3.

Chair Smith stated he was not opposed to the cost and suggested it should be part of the same formula.

Chair Smith referred to a meeting with Mountain House and a discussion regarding deferring fire fighters taking vacation time in order to control the budget. Division Chief Bramell stated the City has to honor the Memorandum of Understanding. Division Chief Bramell discussed measures that were being taken to help control the budget and discussed items that are not controllable.

Chair Smith stated if vacations are not budgeted for, then how can it be an accurate budget. Division Chief Bramell stated budgeting for vacations would increase the overall budget. Division Chief Bramell discussed a balancing act between salary savings, leave buy backs, and retirements.

Board Member Thoming, referring to Station 91, stated what was a temporary solution has become a permanent fixture of the organization and has been rolled into the formula. Ms. Haruyama recapped that she hears that the Board would like to see the dissolution of the Supplemental Services Agreement and would need direction in the matter. Ms. Haruyama stated if that direction was pursued, there would be an impact to the City and a savings to Mountain House and Tracy Rural Fire.

Chair Smith moved that the Board take action to eliminate Supplemental Services Agreement Amendment No. 3, have the formula adjusted, and the impact of that action investigated. It was seconded by Board Member Ahmad. Voice vote found all in favor; passed and so ordered.

Mayor Ives asked for clarification regarding a timetable, the process of looking at the impacts, and when action would be needed.

Fire Chief Nero stated if the bodies agree to take action, staff would look at the impact on the City, Tracy Rural and Mountain House, as well as looking at various ways in which it could be implemented. Fire Chief Nero stated the proposal would also have to be presented to the Joint Powers Authority for their consideration.

Mayor Pro Tem Maciel asked if the Supplemental Services Agreement purpose was to man an extra apparatus truck which serves all jurisdictions. Fire Chief Nero stated all units serve both Rural and the City.

Chair Smith stated he was not suggesting eliminating the equipment or the manpower, they were asking that it be included in the pool.

It was moved by Mayor Pro Tem Maciel to direct staff to reassess the formula for the Supplemental Services Agreement Amendment No. 3. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

Board Member Ahmad asked if individuals currently in the academy were coming on line. Division Chief Bramell stated yes, indicating they will be part of the staffing allocation for FY 14/15.

Chair Smith adjourned the Tracy Rural Fire Protection District meeting at 7:03 p.m.

It was moved by Mayor Pro Maciel and seconded by Council Member Rickman to adjourn the city Council meeting at 7:03 p.m.

The above agenda was posted at Tracy City Hall on March 14, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

City Clerk