

## NOTICE OF SPECIAL MEETING

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

**Date/Time:** **Tuesday, March 31, 2015, 5:00 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 and the Tracy Rural Fire Protection District 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 2015-012 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 Board Member to sponsor the item for discussion at a future meeting.*
4. REVIEW THE PROPOSED FISCAL YEAR 2015-16 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

### **Monday, March 30, 2015**

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 FISCAL YEAR 2015-16 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 Fiscal Year 2015-16 Fire Department Budget. The City's Fire Department Budget becomes the budget for the South County Fire Authority. The Fire Authority Board of Directors will officially adopt the budget. 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 64%/36% respectively between the City of Tracy and TRFPD.

**MHCS D CONTRACT**

The Mountain House Community Services District Board of Directors has recently taken board action to seek fire service from a service provider other than TRFPD. Effective September 13, 2015, the service contract between MHCS D and TRFPD will terminate. After this date, fire service will no longer be provided to the MHCS D through TRFPD as a member agency of the SCFA. The Fiscal Year 2015-16 proposed budget includes pro-rated revenue and expenditures for MHCS D covering the shortened term of service from July 1, 2015 through September 13, 2015.

*Budget Impact of MHCS D Contract*

A full year of MHCS D service yields approximately \$2.4M in revenue to the SCFA budget. With the termination of the contract, a pro-rated revenue estimate from MHCS D for Fiscal Year 2015-16 is projected at approximately \$500,000. Staff projects that the SCFA budget will experience a loss of revenue of approximately \$1.9M for Fiscal Year 2015-16.

Nine Full-time Equivalent (FTE) employees are assigned to the fire station located in MHCSD. With the loss of the contract, the FTEs are not required to staff the fire station after September 13, 2015. The Fiscal Year 2015-16 proposed budget assumes the overall number of employees will be reduced by nine FTEs. The reduction of nine FTEs for approximately 80% of the fiscal year represents a projected cost savings of \$1,008,000. Additional savings projections in the amount of \$374,750 are based upon the reduced operational support for the facility, apparatus and equipment associated with the fire station in MHCSD.

<b>Reductions – 80% of Fiscal Year 2015-16</b>	<b>Amount</b>
9 FTEs	\$1,008,000
Operational Adjustment	\$ 374,750
<b>Total</b>	<b>\$1,382,750</b>

With the reduction of nine FTEs, employee layoffs within the fire department are likely. The department currently has four vacant positions that could partially reduce the number of impacted employees. It is important to note that any impacts to labor will result in the need to meet and confer regarding those impacts. At the time of this workshop, formal meet and confer sessions have not transpired.

#### **SCFA COST FORMULA**

According to the Amendment No. 6 of the Joint Exercise of Powers Agreement for the SCFA between the City of Tracy and TRFPD, minimum staffing at the relocated Station 92 (1035 East Grant Line Road) is three persons per shift. Amendment No. 6 further stipulates that TRFPD is responsible for 100% of the operational costs at Fire Station 92 upon issuance of the Certificate of Occupancy or by June 30, 2015, whichever occurs later. The station has been occupied since April 2014, which requires TRFPD to begin funding 100% of the operational costs at Fire Station 92 effective July 1, 2015. This funding will remain the sole responsibility of TRFPD for a period of seven years and ten months to satisfy a separate agreement known as the “Pre-paid Services Agreement.”

Amendment No. 6, Section 6.2 explains the cost split for maintenance and operations as follows:

*“During the seven years and ten months period that commences on issuance of the Certificate of Occupancy or June 30, 2015, whichever is later, when the City will have three stations that are each staffed with a three person crew and District will have two stations that are each staffed with a two person crew and the City and District will have Station 92 staffed with a three person crew, the cost split shall be sixty-four percent (64%) City and thirty-six (36%) District.”*

With TRFPD paying 100% of the operational costs for Fire Station 92, effective Fiscal Year 2015-16, their costs will increase accordingly. There is a subsequent decrease in the City’s expenses for Fiscal Year 2015-16 related to shifting funding responsibility to TRFPD for the third firefighter at Fire Station 92.

The following table illustrates the number of two and three person crews operating in SCFA fire stations (excluding MHCSD):

Fire Station	Daily Staffing	City	District
91	3	X	
92	3		X
93	2		X
94	2		X
96	3	X	
97	3	X	

**FISCAL YEAR 2015-16 FIRE DEPARTMENT BUDGET**

The proposed Fiscal Year 2015-16 Fire Department program budget, less equipment replacement and indirect costs, is \$15.1million. The total SCFA budget including new equipment, replacement equipment, indirect costs and medical leave bank charges is \$16.1M. The information for each of these areas is detailed in the tables that follow below.

Proposed augmentation requests for Fiscal Year 2015-16 are reflected in the table below:

*Proposed Augmentations*

Fiscal Year 2015-16 Proposed Augmentations	Cost
Communications Maintenance	\$4,000
Repair Unit 99.02 (fire engine)	\$15,000
Public Education Materials	\$3,400
Fire Operations Overtime	\$100,000
<b>Total</b>	<b>\$122,400</b>

*Equipment Replacement Costs*

Fiscal Year 2015-16 equipment replacement costs are \$168,290. In addition, built in the base budget is approximately \$40,000 for emergency replacements. The total requested replacements for Fiscal Year 2015-16 less the emergency funding is \$128,290.

The Fire Department uses replacement equipment to provide service across the jurisdictional area of the SCFA. 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. The equipment replacement fund does not cover vehicles but other operational equipment. According to the Joint Exercise of Powers Agreement, each agency is responsible to replace the capital

property and equipment owned by City and TRFPD at the time of the agreement. New equipment however is split evenly between the City and TRFPD.

The table below reflects Fiscal Year 2015-16 proposed equipment replacement costs:

<b>Fiscal Year 2015-16 Proposed Equipment Replacement</b>	<b>Cost</b>
Automated External Defibrillators (AED)	\$19,140
Treadmills (for two fire stations)	\$10,000
Facilities Equipment	\$20,950
Self-Contained Breathing Apparatus-SCBA (grant only)*	\$478,200
<b>Total</b>	<b>\$528,290</b>

\*Contingent on receiving \$400,000 of Assistance to Firefighters Grant (AFG) funding. If not approved, funds would not be expended.

The following table reflects Fiscal Year 2015-16 proposed new equipment costs:

<b>Fiscal Year 2015-16 Proposed New Equipment</b>	<b>Cost</b>
Voting Receivers (Emergency Communications)	\$15,000
<b>Total</b>	<b>\$15,000</b>

*Indirect Costs*

Fiscal Year 2015-16 overhead or indirect costs, which are shared between the City, TRFPD, and MHCS D, are approximately \$368,660.

<b>Fiscal Year 2015-16 Indirect Costs</b>	<b>City Share</b>	<b>TRFPD Share</b>	<b>MHCS D Share</b>
\$368,660	\$227,490	\$127,960	\$13,210

*Final Cost Allocation*

The proposed Fiscal Year 2015-16 allocation for the City, Tracy Rural, and MHCS D reflective of all applicable costs are:

<b>Fiscal Year</b>	<b>City of Tracy</b>	<b>TRFPD</b>	<b>MHCS D</b>	<b>Grant Funding</b>
<b>2015/16</b>	<b>\$10,077,410</b>	<b>\$4,969,490</b>	<b>\$494,090</b>	<b>\$610,000</b>

FISCAL IMPACT

The fiscal impact is indicated within this report. The City of Tracy, TRFPD and MHCS D will each pay their proportionate share of the fire department budget based on 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 Fiscal Year 2015-16.

Agenda Item 4  
March 31, 2015  
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Prepared by: David A. Bramell, Fire Division Chief

Reviewed by: Gary Hampton, Public Safety Director  
Ray Durant, Interim Administrative Services Director

Approved by: Troy Brown, City Manager

Attachments: Exhibit A - SCFA Cost Allocations based upon FY15/16 Proposed Budget for Tracy Fire Department

Exhibit B - FY2015-2016 Proposed Budget – Departmental Program Summary

SCFA Cost Allocations  
 Proposed Budget for  
 Tracy Fire Dept - FY15-16

03/27/15

Revised Budget #3

Programs	Proposed FY15-16 Expenditures	Revised Budget #3			
		TRFD Share	MHCSD Share	Grant Funding	City Share
P52110 - Fire Admin	\$612,620	\$209,110	\$19,670	\$0	\$383,840
P52150 - Fire Prevention	417,440	140,950	13,910	0	262,580 *1
P52210 - Fire Operations	12,426,470	4,243,330	435,450	0	7,747,690
Constant Staffing - FS #91	1,066,500	0	0	0	1,066,500 *2
P52230 - Fire Mutual Aid	210,000	0	0	210,000	0 *3
P52250 - Fire Training	350,260	120,690	11,850		217,720
<b>Sub-Total</b>	<b>\$15,083,290</b>	<b>\$4,714,080</b>	<b>\$480,880</b>	<b>\$210,000</b>	<b>\$9,678,330</b>
P59320 - Fire Dept Eqpt					
New Equipment	15,000	50% 7,500	0	0	7,500
Replacement Eqpt	528,290	0	0	400,000	128,290 *4
<b>Sub-Total</b>	<b>\$543,290</b>	<b>\$7,500</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$135,790</b>
P59210 - Indirect Costs	\$368,660	127,960	\$13,210		\$227,490
P59510 - MLB Charges	\$55,750	19,950	\$0		\$35,800
Compen Absences Smoothing	\$100,000	100,000			
<b>Total Costs</b>	<b>\$16,150,990</b>	<b>\$4,969,490</b>	<b>\$494,090</b>	<b>\$610,000</b>	<b>\$10,077,410</b>

\*1 - Fee revenues of \$213,560 deposited directly into Fund 211,  
 but credited against City's share of costs.

\*2 - Constant staffing costs at FS #91

\*3 - SCFA revenue of \$210,000 for State Mutual Aid.

\*4 - Equipment Replacement acquired through Funds 605,  
 but with \$400,000 grant anticipated.

<b>CITY OF TRACY</b>	<b>FY2015-2016 Proposed Budget</b>	<b>Departmental Program Summary</b>	<b>27-Mar-15</b>
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Department: 52000 - Fire Department

<b>PROGRAMS</b>									
52111 - Fire Administration	568,830	586,316	3.1%	607,060	550,100	90.6%	-6.2%	612,620	0.9%
52150 - Fire Prevention	355,538	341,808	-3.9%	429,840	328,800	76.5%	-3.8%	417,440	-2.9%
52210 - Fire Operations	14,174,378	14,616,412	3.1%	15,050,420	15,169,400	100.8%	3.8%	13,702,970	-9.0%
52250 - Fire Training & Safety	226,575	338,281	49.3%	369,650	316,480	85.6%	-6.4%	350,260	-5.2%
	<b>15,325,321</b>	<b>15,882,817</b>	<b>3.6%</b>	<b>16,456,970</b>	<b>16,364,780</b>	<b>99.4%</b>	<b>3.0%</b>	<b>15,083,290</b>	<b>-8.3%</b>

<b>PROGRAM EXPENDITURES</b>	FY12-13	FY13-14	% Cost	FY14-15	FY14-15	% of	% Cost	FY15-16	% Budget
	\$ Actual	\$ Actual	Change	\$ Adopted	\$ Estimated	Budget	Change	\$ Request	Change
Personnel Expenses	13,592,085	13,816,951	1.7%	14,394,140	14,318,100	99.5%	3.6%	13,137,860	-8.7%
Contracted Services	726,974	843,848	16.1%	638,960	647,680	101.4%	-23.2%	637,820	-0.2%
Commodities	294,046	290,043	-1.4%	412,790	388,200	94.0%	33.8%	363,560	-11.9%
Internal Charges	712,216	931,975	30.9%	1,011,080	1,010,800	100.0%	8.5%	944,050	-6.6%
Other Payments	0	0		0	0			0	
<b>Department Total</b>	<b>15,325,321</b>	<b>15,882,817</b>	<b>3.6%</b>	<b>16,456,970</b>	<b>16,364,780</b>	<b>99.4%</b>	<b>3.0%</b>	<b>15,083,290</b>	<b>-8.3%</b>

<b>FUNDING SOURCES</b>									
General Fund 101 - Taxes	8,754,443	9,227,821	5.4%	9,897,450	9,925,740	100.3%	7.6%	9,461,780	-4.4%
Fee Revenues	216,620	250,666	15.7%	211,950	221,260	104.4%	-11.7%	216,550	2.2%
Grant Revenues	102,392	232,764	127.3%	212,000	212,000	100.0%		210,000	-0.9%
Mt House CSD	2,363,207	2,355,315	-0.3%	2,362,990	2,347,060	99.3%	-0.4%	480,880	-79.6%
Tracy Rural Fire District	3,888,659	3,816,251	-1.9%	3,772,580	3,658,720	97.0%	-4.1%	4,714,080	25.0%
	<b>15,325,321</b>	<b>15,882,817</b>	<b>3.6%</b>	<b>16,456,970</b>	<b>16,364,780</b>	<b>99.4%</b>	<b>3.0%</b>	<b>15,083,290</b>	<b>-8.3%</b>

<b>EQUIVALENCY FACTOR</b>									
Cost per EDU	#DIV/0!	\$385.32	#DIV/0!	\$396.65	\$394.14	99.4%	2.3%	\$362.40	-8.1%

<b>PROGRAM STAFFING</b>									
Total - Full-Time Equivalents	76.45	78.70	2.9%	79.70	79.70	100.0%	1.3%	70.70	-11.3%

D52sum