

ANNUAL COST ESTIMATE FOR 3 FIRE FIGHERS

	HIGH ESTIMATE	LOW ESTIMATE	MOST LIKELY
	<u>FIREFIGHTER</u>	<u>FIREFIGHTER</u>	<u>FIREFIGHTER</u>
SALARY	60,751	49,980	55,103
ALS/PARAMEDIC PAY	4,800	-	3,200
PREMIUM PAY	1,640	1,349	1,488
BOOT/PANT ALLOW	250	250	250
OVERTIME	13,931	8,640	10,897
UPGRADE PAY	-	-	-
TOTAL SALARY PER FIRE ENGINEER	81,372	60,219	70,937
SOCIAL SECURITY	4,166	3,182	3,707
MEDICARE	974	744	867
PERS RETIREMENT	8,063	6,160	7,175
MEDICAL INSURANCE	20,000	5,000	13,333
DENTAL/LIFE INSURANCE	2,000	800	1,333
WORKERS COMP	3,897	2,977	3,468
MEDICAL REIMBURSEMENT	1,300	1,300	1,300
TOTAL BENEFITS PER FIRE ENGINEER	40,400	20,163	31,183
TOTAL COST PER FIRE ENGINEER	121,772	80,382	102,121
TOTAL COST FOR 3 FIRE ENGINEERS	365,316	241,147	306,362

CCSD Cost Analysis of 3 Additional Fire Fighters

(a)	(b)	(c)	(d)	(e)	(f)
	Current	Potential	<u>FY 18/19</u>	<u>FY 18/19</u>	
	<u>FY 17/18</u>	<u>FY 17/18</u>	thru	thru	<u>Long Term</u>
			<u>FY 21/22</u>	<u>FY 21/22</u>	
PROPERTY TAXES	1,616,000	1,616,000	1,688,000	1,688,000	1,688,000
FIRE BENEFIT ASSESSMENT	452,300	452,300	452,000	452,000	452,000
WEED ABATE/FUEL REDUCTION	10,000	10,000	10,000	10,000	10,000
Mutual Aid Reimbursements					0
Inspection Fees	14,500	14,500	14,500	14,500	14,500
Franchise Fees				79,000	79,000
Grants: SAFER	117,600	117,600			
Grants: PPE	75,800	75,800			
TOTAL REVENUES	2,286,200	2,286,200	2,164,500	2,243,500	2,243,500
Personnel (not including SAFER)	1,287,000	1,287,000	1,287,000	1,287,000	1,287,000
SAFER Staffing (7/1/17 - 2/28/18)	163,000	117,600			
3 Additional Firefighters (3/1/18 - 6/30/18)	-	102,000	306,000	306,000	306,000
Personnel Net	1,450,000	1,506,600	1,593,000	1,593,000	1,593,000
Maintenance	43,000	43,000	43,000	43,000	43,000
Office Supplies & Equipment	6,200	6,200	6,200	6,200	6,200
Dues & Fees	54,000	54,000	54,000	54,000	54,000
Utilities	22,000	22,000	22,000	22,000	22,000
Professional Services: Legal	18,000	18,000	18,000	18,000	18,000
Professional Services: Ballot	15,000	15,000			
Operating Supplies	61,000	61,000	61,000	61,000	61,000
Personal Protective Equipment	94,000	94,000	10,000	10,000	10,000
Surf Rescue/NCOR	5,000	5,000	5,000	5,000	5,000
Training/Travel	37,000	37,000	37,000	37,000	37,000
Outreach/Education	6,000	6,000	6,000	6,000	6,000
Debt Service (Other)	20,000	20,000	20,000	20,000	20,000
Fire Truck Lease	135,000	135,000	135,000	135,000	45,000
Admin Department Allocation	320,000	320,000	320,000	320,000	320,000
Total Expenditures	2,286,200	2,342,800	2,330,200	2,330,200	2,240,200
Annual Surplus/(Deficit)	-	(56,600)	(165,700)	(86,700)	3,300

Cambria Community Services District
SAFER Firefighter Analysis
Updated 5/24/17 by Patrick O'Reilly, Finance Manager

On May 15, 2017 I provided an analysis concerning the projected costs associated with converting our three SAFER firefighters to permanent firefighters. I am providing this update to the information provided in that analysis with a different emphasis. This issue must be analyzed from two distinct perspectives. First, it must be analyzed from a "long term" perspective that considers long term funding sources and expenditures. Second, it must be analyzed from a "short term" perspective that considers existing funding requirements and constraints. The financial requirements for both conditions must be met in order to proceed in a financially viable manner.

BASIC FACTS

SAFER firefighters are presently paid \$13.65 per hour plus benefits. The annual cost of our current SAFER employees is about \$163,000 but that can change based on how many are receiving ALS pay (currently only one) and how many are receiving married benefits (currently only one).

To assimilate the SAFER firefighters into our regular firefighter staffing, staff would propose considering the creation of a permanent "Fire Fighter" category added to the Fire Captain and Fire Engineer categories we now have. Fire Engineers are now paid 83% of what Fire Captains are paid and staff recommends establishing the Fire Fighter category at 83% of what Fire Engineers are paid. Assuming Fire Fighters are incorporated into normal every day operations at a pay rate that is approximately 83% of our Fire Engineers, the cost of three Fire Fighters to the District will be between \$241,000 and \$365,000 per year depending on various things. One variable is their salary which would start at \$49,980 for Step A and go up to \$60,750 at the top Step E. The other two major variables are whether they receive ALS pay and what their marital status is for medical benefits. ALS pay can be up to \$4,800 per year and medical benefits range from a low of about \$8,000 per year up to more than \$20,000 per year. The high, low and most likely estimates are shown on Attachment A.

With current salary and benefits, the most likely additional cost for three fire engineers would probably be in the neighborhood of \$300,000 but could be as high as **\$365,000**.

Property taxes are the major source of revenue for the Fire Department. In the proposed FY 17-18 budget, the Fire Department will receive 71.0% of property taxes (\$1,688,000) while the Facilities & Resources department will receive 27.5% (\$654,000) and the Parks & Recreation Department will receive 1.5% (\$36,000). In order to fully fund the East Ranch Park Improvements, \$76,201 in property taxes have been shifted from the Fire Department to the Parks & Recreation department in this year's budget.

BUDGET PROJECTIONS

As shown in column (b) of Attachment B, the budget currently being proposed for Fiscal Year 2017-18 is balanced and includes the following:

- \$ 117,600 in receipts from the SAFER grant,
- \$ 75,800 in receipts for the Personal Protective Equipment grant,
- \$ 163,000 for 3 firefighters paid at the SAFER rate of pay from 7/1/17 through 6/30/18,
- \$ 15,000 for a ballot for an additional parcel tax to support additional firefighters,
- \$ 94,000 for complete replacement of all Personal Protective Clothing, and
- \$ 135,000 for the annual payment on the new fire truck.

Column (c) of Attachment B shows the impact on the FY 17-18 budget of hiring the 3 SAFER firefighters as permanent firefighters effective March 1, 2018. This will result in a deficit for the year of about \$ 57,000.

Column (d) of Attachment B shows the projected budget for the Fire Department for the next four fiscal years during which time the remainder of the loan for the fire truck (\$135,000 payment each year) will be paid. This budget reflects a deficit of \$ 165,700 each year. This column also includes the following:

- \$ 306,000 for the cost of the additional three permanent firefighters,
- removal of the \$ 15,000 for the ballot initiative from FY 17-18, and
- reduction to \$ 10,000 for each year for replacement of PPE.

Column (e) of Attachment B shows the same information as column (d) except the deficit has been reduced to \$ 86,700 by allocating garbage franchise fees to the Fire Department to help reduce the deficit. Other potential sources of revenue to reduce the deficit would be:

- transfer the \$50,000 that is budgeted in the Facilities & Resources Department for tree removal on Fiscalini Ranch'
- eliminate the 10% of the Strategic Advisor that is allocated to the Admin Department which totals \$ 10,700 however only 20% of that (\$2,140) would reduce expenses in the Fire Department, and
- reallocate property tax so more is allocated to Fire and less to F&R and/or P&R. For FY 17-18 only, the one time transfer of \$76,201 from Fire to P&R could be reversed which would fully fund the Fire Department but which would leave the East Ranch Park Improvement under-funded by that same amount.

Column (f) of Attachment B shows the long term budget after the fire truck is paid off and reflects a surplus of about \$3,000 per year **IF FRANCHISE FEES ARE PERMANENTLY ASSIGNED TO THE FIRE DEPARTMENT**. A surplus exists because the \$135,000 payment being made to pay off the loan on the fire truck has been reduced to \$45,000 to apply to a sinking fund for the next fire truck that needs to be purchased.

CONCLUSION

For the next five years, the District will be paying \$135,000 per year to purchase a new fire truck. During those five years, if three additional firefighters are hired and if a new source of funding is not found for the Fire Department, a deficit of about \$720,000 will be generated. If franchise fees are allocated to the Fire Department during those five years, a deficit of about \$400,000 will be generated.

After the fire truck is paid off in five years, the cost of the three additional fire fighters should be possible within existing revenues **IF FRANCHISE FEES ARE PERMANENTLY ASSIGNED TO THE FIRE DEPARTMENT**.

PARCEL TAX

I am once again providing information concerning the existing parcel tax collected for the Fire Department (the Fire Service Benefit Assessment) which provides about \$450,000 in revenue each year. It increases at CPI each year with the following assessments for FY 16-17:

	FY 2016-2017
Vacant Lot	\$18.11
Single Family Residence ≤ 3600 square feet	\$90.56
Single Family Residence > 3600 square feet	\$135.84
Multi-Family Residence per Dwelling Unit	\$45.28
Commercial Range:	
Minimum of Commercial Range	\$271.67
Maximum of Commercial Range	\$2,309.23

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