
Boise Fire Department

Budget Office Report

This report summarizes a due diligence review with departments of line item compliance with budget guidelines. Budget amounts submitted by departments have been revised based upon negotiations between the department and the Budget Office.

Heather Mink, Budget Advisor

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Fire Department	FY 2002a	FY2003r	FY 2004b	FY 2005b
Revenues	\$2,663	\$3,021	\$3,242	\$3,101
Expenditures	\$23,250	\$27,859	\$26,984	\$27,653
NET FUND SUPPORT	\$20,588	\$24,038	\$23,742	\$24,552
% Change	9%	17%	-1%	3%

Revenues

Fire's major source of revenue is from reimbursement of costs incurred in providing contract services. In FY 2002, Fire began once again providing ARFF services at the Boise Airport. This added additional costs for the providing this service, but they are offset by reimbursement from the Airport. Fire also receives revenue when its specialty teams' services are requested by other agencies and for plan check of development reviews. The Fire plan review is closely coordinated with the building plan check process.

Revenues (000's)	FY 2002a	FY2003r	FY 2004b	FY 2005b
Service Contracts	\$2,210	\$2,646	\$2,694	\$2,743
Permit & Plan Check	\$166	\$251	\$198	\$198
Grant Revenues	\$20	\$0	\$203	\$7
Other Revenues	\$267	\$924	\$148	\$154
TOTAL REVENUES	\$2,663	\$3,821	\$3,242	\$3,101
% Change	35%	13%	7%	-4%

Key Revenue Accounts

- 1) In the last few years, service contracts have comprised Fire's largest revenue source. Current contracts include the ARFF agreement with Airport and the agreement with Whitney Fire District. The 35% increase in overall department revenues in FY 2002 is due to the renewal of the Airport ARFF contract. Both contracts are intended to offset the actual cost of providing fire service to these entities.
 - 2) Permit and plan check fees are tied to construction and development. Since the construction starts are down due to the dip in the economy, it is expected that actual revenue in FY 2003 will be less than the budgeted amount.
 - 3) Other notable revenue items include:
 - ✓ Grants: In FY 2004, Fire has been awarded a FEMA grant for the purchase of a technical rescue apparatus.
 - ✓ Other Revenues: This includes mostly reimbursement for personnel and M&O expenses including overtime, training, and miscellaneous supplies. The amount of reimbursement depends greatly on the demand for services.
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Recommendation

- ARFF – resolve the appropriate reimbursement level from Airport. The final agreement for ARFF reimbursement has not been completed and the revenue amount in the budget will likely increase.
- Whitney – periodically review costs to ensure full cost is covered by contract. Former Whitney fire fighters are Boise City employees. The contract is intended to assure that costs are fully born by the Whitney taxpayers.

Issue

- Whitney – potential reduction in revenue due to annexation. Any annexation in the Whitney Fire District area will reduce the payments by Whitney to the City. The City will receive additional property tax revenue from the annexation, but that revenue will be offset in part by the reduction in Whitney revenue.

Personnel Costs

In May 2003, the Fire Department has 253.25 approved FTE's. The total personnel budget for FY 2004 is \$22,901,669 and for FY 2005 is \$23,737,316. The current union contract will expire on March 31, 2006. For the FY 2004/2005 budget cycle, the Fire union contract increases are 3.5% and 3.75% respectively. No salary increase for the general employees has been included in the FY 2004/2005 budget.

Personnel (000's)	FY 2002a	FY2003r	FY 2004b	FY 2005b
Salaries	\$12,508	\$13,823	\$14,331	\$14,971
Overtime	\$694	\$744	\$771	\$785
Health	\$1,615	\$1,778	\$2,245	\$2,245
Other Personnel Costs	\$4,840	\$5,183	\$5,590	\$5,814
TOTAL PERSONNEL	\$19,657	\$21,528	\$22,902	\$23,737
% Change	11%	10%	6%	4%

Key Personnel Accounts

- 1) Health: The budget reflects a 25% increase (over \$449,000) in FY 2004 over FY 2003 due to the unions maintaining their current elections versus converting to the PPO and the full year's cost of general employees PPO plans.
- 2) Overtime: Overtime has maintained constant at just less than 5.5% of total salaries.
- 3) Specialty team pay increases in FY 2004 from \$150 to \$175 per firefighter per month. This includes all specialty teams – Haz Mat, Dive, Technical Rescue, and ARFF
- 4) Other notes:
 - ✓ New life and long-term disability plan effective May 2003 will result in annual savings of about \$24,500.

- ✓ As firefighters retire the Fire department hires replacements early to allow for training. In FY 2004 and FY 2005 there are \$206,000 and \$210,000 respectively budgeted to cover the potential impact of retiring.
- ✓ Vacation time buyback, a union contract obligation to pay for vacation time up to 180 hours per firefighter, has averaged around \$175,000 for the last two years. FY 2002 actual = \$172,800. FY 2003 actual = \$177,700.

Recommendation

- Health – convert union members to new plan.

M&O

Total M&O for FY 2004 and FY 2005 is \$2,987,085 and \$3,044,847, respectively. This represents an approximate 2% increase over FY 2002 actual and 4% decrease from the FY 2003 revised budget. Various accounts such as postage, motor fuels and utilities have fluctuated greatly from year to year depending on the market price at the time. The budget for these cost accounts is based on an adjusted historical base level.

Below are other key cost accounts.

M&O (000's)	FY 2002a	FY2003r	FY 2004b	FY 2005b
R/M Shop	\$338	\$321	\$327	\$327
Ada County Dispatch	\$251	\$277	\$268	\$273
North Ada County Fire	\$222	\$226	\$227	\$232
R/M Bldg/Grounds	\$80	\$104	\$91	\$91
Motor Fuels	\$68	\$65	\$71	\$71
Minor Equip	\$82	\$77	\$71	\$68
Scba	\$38	\$29	\$40	\$40
Professional Service	\$87	\$26	44	\$31
Uniform/Clothing	\$219	\$191	\$171	\$173
Other M&O Accounts	\$1,544	\$1,794	\$1,690	\$1,761
TOTAL M&O	\$2,928	\$3,110	\$2,999	\$3,067
% Change	12%	6%	-4%	2%

Key M&O Accounts

- 1) R/M Shop is one of Fire's largest expenses. This cost fluctuates from year to year depending on several variables such as age, number of vehicles, and type of equipment. In addition, the city's shop services have had annual rate increases and revised rate schedules. The latest change was in FY 2003, which increased the hourly labor rate from \$52.50 to \$60.00 but reduced the price of oil changes from about \$50 to \$25. However, most fire vehicles are exempt from the oil change price due to the additional vehicle inspections provided. Also, in FY 2003, it was mandated that all departments utilize city shop versus outside vendors.

- 2) Uniforms/clothing – The cost for uniforms and other clothing increased significantly in FY 2002 due to full replacement of grass boots and a new Fire department policy to provide dress uniforms for all firefighters. These costs decrease slightly in the following years since expenses are related to replacements for current staff and new for incoming firefighters.
- 3) Professional Services – Fire uses professional services to cover mainly physicals and other testing of incoming firefighters. The testing usually occurs every other year, which creates a roller coaster effect. In FY 2002 there were additional costs associated with the Centennial Celebration.
- 4) Worker's Compensation – Fire has experienced significant increases in Worker's Compensation premiums due to increasing claims in the recent years. FY 2002 – 37%, FY 2003 – 18%, FY 2004 – 11%, and FY 2005 – 10%

Recommendation

- North Ada Fire & Rescue– periodically review costs

Equipment

The largest equipment categories for Fire are fire engines and technical equipment.

For both FY 2004 and FY 2005, Fire has used its entire equipment target to fund its ongoing equipment replacement schedule - FY 2004 \$887,240 and FY 2005 \$849,222. This includes a fire engine in both years, a 70/30 grant funded technical rescue truck in FY 2004, Scott airpacks and bottles, vehicles, hoses, defibrillator units, and computer equipment.

Included in the FY 2004 equipment list is Fire's request for funding of equipment that was not replaced in the FY 2002/2003 budget cycle (\$357,000). The majority of this equipment is replacement vehicles and computers. Fire has chosen not to adjust the ongoing equipment replacement schedule to factor in the vehicles and computers that were not replaced in the last cycle. The majority of Fire's equipment budget funds equipment required by firefighters to safely perform their duties. This leaves little room to factor in additional equipment that Fire needs to maintain its administrative staff's needs.

Conclusion

Planned Stations. The Fire Station Master Siting Plan identifies the future need for stations at Harris Ranch, at Hollandale, and other sites in the southwest, and relocation of the Overland site. Funds are not projected in the current base projections unless new construction and annexation revenues are earmarked.

Approved but deferred stations. A new station at Gary Lane, relocation of the Sycamore Street station, and remodel of the old Sycamore station to house a truck

company were approved in previous budgets. However, to balance the FY 2002, 2003, 2004, and 2005 budgets these projects were deferred. The debt service for the stations and the operating costs for 13 fire fighters are deferred until FY 2006 in the current projections. The Fire Department has requested City Council review of that decision.