



Central Whidbey Island Fire & Rescue

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2014 Fourth Quarter Report & Proposed Budget Adjustments

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Introduction

Central Whidbey Island Fire & Rescue has expended 55.1% of its Maintenance and Operations (M&O) budget in the first nine months of 2014. This is well under our target of 75% (on an even prorated basis). However, based on analysis of expenditures and projections, we have identified a number of areas within the M&O and Capital budgets which are recommended for adjustment.

Budget Adjustment Format

District Executive Staff have worked to provide clear, simple explanation for proposed adjustments in the Proposed Budget Change report and have provided expanded justification for major changes (defined as an adjustment of any line that is greater than \$2000).

The *2014 Fourth Quarter Report and Proposed Budget Adjustment* is comprised of this narrative report and the *2014 Proposed Budget Changes* report (attached).

Budget Adjustment Overview

The *2014 Proposed Budget Changes* report (attached) details proposed adjustments to the General Fund, Compensated Absences Trust Fund and Capital Projects Fund budgets on a line-by-line basis. This report identifies:

- Original (Adopted) Budget Amount
- Proposed (Adjusted) Budget Amount
- Difference (Increase or Decrease)
- Remarks providing explanation and justification

If a change in a line (increase or decrease) is in excess of \$2,000 additional explanation and justification for this proposed adjustment is provided in this report (by line number).

Proposed adjustment of lines in the Maintenance and Operations and Capital Budgets related to programs and projects have a net zero impact on the General Fund and a positive impact (reduction in expenditure) within the General Capital Projects Fund expenditure for the current year and overall net zero impact through 2015 (due to deferral of projects or project completion until next year).

General Fund

This section includes expanded explanation and justification of proposed changes (increase or decrease) greater than \$2000. Explanation and justification of proposed changes of less than or equal to \$2000 are included directly on the *2014 Proposed Budget Changes* report (attached).

General Fund

522-10-11-02 Deputy Chief

Payment of compensated absences to DC Chad Michael on his separation from CWIFR necessitates a transfer from the Compensated Absences Trust Fund to the General Fund and a refund to this line of \$9,516.

522-10-24-04 Office Assistant PERS

The District recently determined that the Part-Time Office Assistant qualifies for Public Employees Retirement System (PERS) retirement and as such it is necessary to establish a line for this expense and make retroactive payment to the Department of Retirement Systems (DRS). This line requires funding in the amount of \$2,400.

522-10-35-01 Computer Hardware

Purchase of I-Pads for the District's Commissioners will provide ease of access to District e-mail and transmittal of electronic documents to the Board. This purchase will require an increase in this line of \$2500.

522-10-43-02 Staff Travel

Travel and lodging for the new Deputy Chief to return to the District for his medical physical and psychological assessment will necessitate an increase in this line of \$2000.

522-10-44-01 Legal Advertising

Recruitment for the position of Deputy Chief and multiple recruitments for Part-Time Firefighters resulted in higher than anticipated expenses for advertising. This expenditure necessitates an increase in this line of \$2,600.

522-10-46-01 Liability/Umbrella

Expenses for the District's insurance policy were lower than anticipated, as such this line may be reduced by \$3000. This reduction in part offsets increases in other lines.

522-20-10-03 Part-Time Firefighters

In the first nine months of the year, the District has expended 72.9% of funds budgeted for Part-Time Firefighter Wages. This was significantly less than anticipated, in large part due to vacant positions. Reduction of this line by \$6000 will offset in part the increased expense in other lines and will permit normal staffing throughout the remainder of the year.

522-20-12-01 Shift Coverage Overtime

The District budgeted \$16,724 for shift coverage overtime in 2014 based on the anticipated need to cover 25% of vacancies (excluding those resulting from Family Leave) with overtime. As a result of increased sick leave (over historical levels) and vacancies in Part-Time Firefighter staffing, there has been an increased need to maintain minimum staffing with overtime. While there were no vacancies covered with overtime in October, historical data shows an increased occurrence of sick leave in through the late fall and winter months. An increase of \$6,000 is recommended in this line (\$2000 to make the line whole based on prior expenditures and \$3000 in anticipation of shift coverage requirements for the remainder of the year). Note that this does not result in an increase in total overtime, as it is offset by a reduction in overtime budgeted for training, projects, and callback.

522-20-13-01 Project Overtime

In the first nine months of the year, the District expended 30.1% of the funds budgeted for callback overtime. Reduction in this line in the amount of \$2,000 will in part offset the increase in shift coverage overtime.

522-20-14-01 Training Overtime

In the first nine months of the year, the District expended 33.0% of the funds budgeted for training overtime. Due to staff workload, several training activities planned for 2014 have been deferred. Reduction of this line in the amount of \$3,000 will in part offset the increase in shift coverage overtime.

522-20-18-04 Volunteer Incentive Program (VIP)

The District has expended 52.3% of the funds budgeted for the VIP with no further payments due in the current year. The budgeted amount in this line was overestimated based on anticipated increases in volunteer staff, activity level, and longevity. Reduction in this line in the amount of \$3,000 will in part offset increases in other lines.

522-20-19-04 Quarterly Stipend

Volunteer Firefighters who meet the District's minimum activity standard receive a quarterly stipend based on their rank and role (the stipend is higher for members with multiple roles or who serve as a company officer). In that the District did not see the anticipated increase in the number of volunteer members that was anticipated in 2014, only 60% of budgeted funds were expended. A reduction of \$10,164 in Quarterly Stipends will in part offset increases in other lines.

Compensated Absences Trust Fund

Payment to Deputy Chief Chad Michael for compensated absences upon his separation from the District requires a transfer of \$9,516 from the Compensated Absences Trust Fund to the General Fund.

General Capital Projects Fund

594-22-63-03 Architectural & Engineering

It is anticipated that this project will not be completed until the first quarter of 2015. As such a reduction in this line in the amount of \$20,086 is recommended (funding will be moved to the 2015 Capital Budget)

594-22-64-09 Refurbish Apparatus 0701 and 0702

It is anticipated that this project will not be completed until late in the first quarter or early in the second quarter of 2015. As such a reduction in this line of \$206,000 is recommended (funding will be moved to the 2015 Capital Budget).

594-22-63-08 Replace Cabinets at Station 53

This project has been deferred until 2015. As such a reduction in this line of \$6,500 is recommended.

594-22-63-08 Electrical Efficiency Upgrade

This project has been deferred until 2015. As such a reduction in this line of \$36,620 is recommended.