



Central Whidbey Island Fire & Rescue

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2019 Third Quarter Report & Proposed Budget Adjustments September 12, 2019

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Introduction

Central Whidbey Island Fire & Rescue has expended 66.5 % of its Maintenance and Operations (M&O) budget in the first eight months of 2019. This is within our target of 100% (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 as required by *Standard Operating Guideline (SOG) 1.3.1 Budget* (defined as an adjustment of any line that is greater than \$2000).

The *2019 Third Quarter Report and Proposed Budget Adjustment* is comprised of this narrative report and the *2019 Proposed Budget Changes* report (attached).

Budget Adjustment Overview

The *2019 Proposed Budget Changes* report (attached) details proposed adjustments to the General Fund budget 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).

Contingency Transfer

Factors Influencing the Need for Contingency Transfer

Several factors have resulted in the need for a transfer from General Fund Contingency:

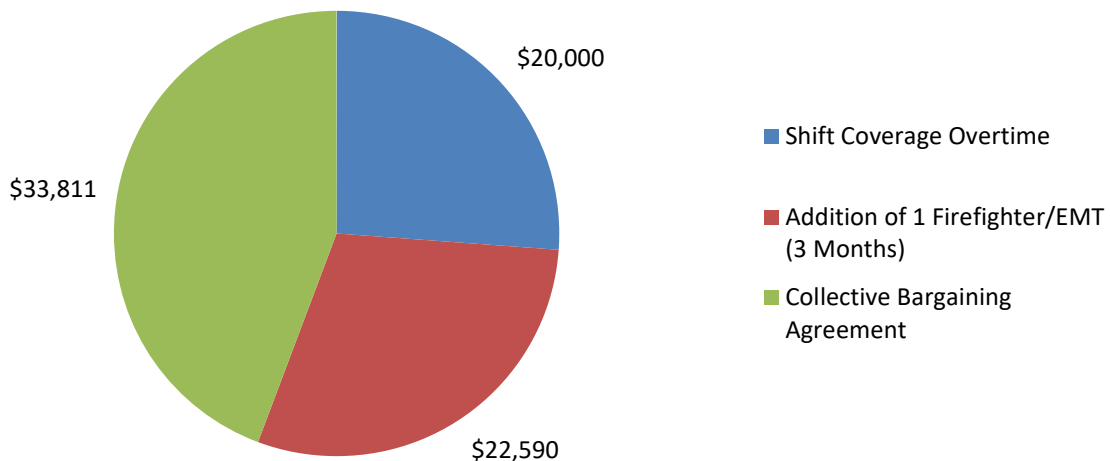
Renegotiation of the Collective Bargaining Agreement: The previous Collective Bargaining Agreement with Local 4299 expired on December 31, 2018 without successful conclusion of negotiation of a new agreement. The District and the Local worked diligently through much of the year to renegotiate this agreement, with a successful conclusion in September 2019. Wage increases retroactive to January 1, 2019 impacted all compensation tied to wages (e.g., retirement, acting-in-capacity pay, educational incentive, etc.). The District planned to fund changes to the agreement from contingency rather than budget based on an unknown outcome.

Shift Coverage Overtime: One of the District’s employees has been off work for over three months with a pending occupational illness workers compensation claim. Given the District’s limited staffing, this absence has resulted in and will potentially continue to result in increased shift coverage overtime expense. In addition, the District lost several Part-Time Firefighter/EMTs who were qualified apparatus operators due to their recruitment by other agencies in the last several months. Two newly hired Part-Time Firefighter/EMTs are currently in training as Apparatus Operators, but will unlikely to be qualified until late in the 4th Quarter. This has also resulted in additional shift coverage overtime expense.

Addition of Full-Time Staff: The District plans on hiring a Full-Time Firefighter EMT on October 1, 2019. This addition will in part address the staffing shortages faced by the District and lays a foundation for improved reliability of staffing in 2020. However, additional wages and benefits will be required for the remainder of the year.

Figure 1 illustrated the distribution of expenses related to the factors influencing the need for a contingency transfer

Figure 1. Distribution of Expense



Contingency Transfer Requirements

\$76,401 will need to be transferred from Contingency to the General Fund to address increased in the 2019 District Budget as outlined in this Budget Adjustment. Given the \$26,502 increase in revenue provided by the Interlocal Agreement with WhidbeyHealth in 2019, the net impact of this Budget Adjustment is \$49,899.

General Fund Adjustments

This section includes expanded explanation and justification of proposed changes (decrease) greater than \$2000. Explanation and justification of proposed changes of less than or equal to \$2000 are included directly on the *2018 Proposed Budget Changes* report (attached).

General Fund Adjustment

Increases in multiple lines within the General Fund Budget total \$76,401.00.

522 30 10 01 Full-Time Firefighter/Lieutenant Wages

Full-Time Firefighters and Officers received a 3.6% wage increase retroactive to January 1, 2019. In addition, expenses in this line increased based on hiring one Full-Time Firefighter/EMT effective October 1, 2019. At this point, the Firefighter/EMT will be assigned to fill the vacant Firefighter/EMT position resulting from long term illness/pending workers compensation claim.

This line is recommended to be increased by \$30,011.

522 30 12 01 Shift Coverage Overtime

The District has experienced a significant increase in shift coverage overtime to maintain minimum staffing of two EMTs as required by the Interlocal Agreement with WhidbeyHealth, at least one Full-Time Lieutenant or Firefighter Acting-in-Capacity as a Lieutenant, and a qualified Apparatus Operator. Note: This is not four individuals, but most commonly two or three individuals who collectively meet these requirements.

This line is recommended to be increased by \$4,267.

522 30 19 01 Longevity

Full-Time Firefighters and Lieutenants received a 1% increase in longevity compensation at 10 and 15 years, a 1.5% increase at 20 years and a 2.75% increase at 25 years. This change impacted on three Firefighters and two Lieutenants with over 10 years of service.

This line is recommended to be increased by \$3,840.

522 30 23 01 FT FF/LT Medical & Dental

Increase in this line is based on hiring a Full-Time Firefighter/EMT on October 1, 2019.

This line is recommended to be increased by \$5,825.

522 30 24 01 FT FF/LT LEOFF

Increased wages and addition of a Full-Time Firefighter/EMT on October 1, 2019 will result in increased retirement contribution by the District.

This line is recommended to be increased by \$3,384.

522 45 11 01 Full Time Captain Wages

Full-Time Firefighters and Officers received a 3.6% wage increase retroactive to January 1, 2019.

This line is recommended to be increased by \$3,065.

522 60 11 01 FT FF Mechanic Wages

Full-Time Firefighters and Officers received a 3.6% wage increase retroactive to January 1, 2019..

This line is recommended to be increased by \$2,913.

Detailed General Fund Budget Adjustment

Ordinarily, the Detailed General Fund budget Adjustment Report is provided from the BIAS Finance and Accounting System. However, due to transition of Finance Officer duties entry of the Proposed Budget Adjustment into BIAS has been deferred until after action by the Board of Fire Commissioners.

2019 THIRD QUARTER REPORT & PROPOSED BUDGET ADJUSTMENTS

Table 1. Detailed Budget Adjustment

CRR Salaries, Wages, & Stipends					Original	Proposed	Difference	Explanation	
522	30	10	01	Full-Time FF/LT	\$453,905	\$483,915	\$30,011	CBA & New Hire	
522	30	11	01	Fully Qualified Incentive	\$2,006	\$2,078	\$72	CBA	
522	30	12	01	Shift Coverage Overtime	\$25,251	\$46,016	\$20,765	Shift Coverage & CBA	
522	30	13	01	Project Overtime	\$10,457	\$10,834	\$376	CBA	
522	30	15	01	Education Incentive	\$6,052	\$6,817	\$765	CBA & New Hire	
→	522	30	16	01	FF/LT Holiday Pay	\$20,632	\$21,375	\$743	CBA & New Hire
→	522	30	17	01	FT FF/LT AIC Pay	\$3,248	\$3,365	\$117	CBA
→	522	30	18	01	FT FF/LT Def Comp	\$18,156	\$19,357	\$1,200	CBA & New Hire
→	522	30	19	01	Longevity	\$11,189	\$15,456	\$4,267	CBA
Sub Total					\$550,896	\$609,212	\$58,316		
CRR Benefits									
522	30	21	01	FT FF/LT (Medicare)	\$7,847	\$8,737	\$890	CBA & New Hire	
522	30	23	01	FT FF/LT (Medical & Dental)	\$110,865	\$116,690	\$5,825	New Hire	
522	30	24	01	FT FF/LT (LEOFF)	\$30,496	\$33,880	\$3,384	CBA & New Hire	
Sub Total					\$149,208	\$159,307	\$10,099		
Training Salaries & Wages					Original	Proposed	Difference		
522	45	11	01	FT CAPT	\$85,151	\$88,217	\$3,065	CBA	
522	45	12	01	Training Overtime	\$2,333	\$2,417	\$84	CBA	
522	45	13	01	Training Education Incentive	\$1,703	\$1,764	\$61	CBA	
522	45	14	01	Project Overtime (Captain)	\$1,166	\$1,208	\$42	CBA	
→	522	45	16	01	Longevity	\$2,555	\$3,529	\$974	CBA
522	45	19	01	FT CAPT (Def Comp)	\$3,406	\$3,529	\$123	CBA	
Sub Total					\$96,314	\$100,664	\$4,349		
Training Benefits									
522	45	21	01	FT CAPT (Medicare Only)	\$1,622	\$1,684	\$62	CBA	
522	45	24	01	FT CAPT (LEOFF)	\$5,748	\$5,980	\$232	CBA	
Sub Total					\$7,370	\$7,663	\$293		

Table 1. Detailed Budget Adjustment

Fleet Maintenance Salaries & Wages					Original	Proposed	Difference	
522	60	11	01	FT FF Mechanic	\$80,929	\$83,842	\$2,913	CBA
522	60	12	01	FT FF Mechanic (Vehicle Maint O/T)	\$1,109	\$1,149	\$40	CBA
522	60	13	01	FT FF Mechanic (Educational Incentive)	\$1,619	\$1,677	\$58	CBA
522	60	19	01	FT FF Mechanic (Def Comp)	\$3,237	\$3,354	\$117	CBA
Sub Total					\$86,893	\$90,021	\$3,128	
Fleet Maintenance Benefits								
522	60	21	01	FT FF Mechanic (Medicare Only)	\$1,203	\$1,248	\$45	CBA
522	60	24	01	FT FF Mechanic (LEOFF)	\$4,718	\$4,888	\$170	CBA
Sub Total					\$5,921	\$6,137	\$215	
Total					\$896,603	\$973,004	\$76,401	

Capital Projects Fund Budget Adjustment

594 22 64 20 Replacement of Apparatus 0601 & 0602

The District originally anticipated replacement of these apparatus in 2018. However, due to delays in procurement, replacement was deferred to 2019. Unfortunately, the chassis required for this project was not available through State Bid joint procurement, increasing the cost of the project.

This line is recommended to be increased by \$33,145.

The impact of this adjustment is minimized due to the cost share in the expense of the backup power generator at Station 52 with WhidbeyHealth, this has returned \$26,000 to the Capital Projects Fund, reducing the net impact of this increase to \$7,145.