



## **Livermore-Pleasanton Fire Department Joint Powers Authority**

NOTICE IS HEREBY GIVEN, pursuant to section 54956 of the California Government Code, a special meeting of the Livermore-Pleasanton Fire Department Joint Powers Authority is hereby called for:

**Date/Time:** Tuesday, May 19, 2009 at 5:00 p.m.

**Location:** City of Pleasanton  
City Manager's Conference Room  
123 Main Street  
Pleasanton, CA

**Purpose:** SPECIAL MEETING AGENDA

1. Call to Order and Roll Call
2. Selection of Chairperson
3. Public Comment – *Comments are limited to items listed on this Meeting Agenda*
4. Approve Minutes of May 23, 2008
5. Review and consider the proposed 2009/10 and 2010/11 Consolidated Operating Budget
6. Presentation by City of Pleasanton Finance Director regarding GASB #45
7. Adjournment

**Posted:** May 14, 2009

### NOTICE

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the City Clerk's Office at (925) 931-5027. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35, 104 ADA Title II)

**Joint Powers Authority****STAFF SUMMARY REPORT**

May 19, 2009

**TO:** HONORABLE BOARD MEMBERS

**FROM:** Joint Executive Directors  
Fire Chief

**SUBJECT:** Proposed Two-Year Consolidated Budget Fiscal Year 2009/10 & 2010/11

**SUMMARY**

Staff is presenting for the Board's consideration the Livermore-Pleasanton Fire Department's (LPFD) proposed two-year consolidated budget for Fiscal Year 2009/10 and 2010/11. Since November 1, 1998, the LPFD has tracked its budget expenditures for fire and life-safety services, provided to the partner cities of Livermore and Pleasanton, through one consolidated budget. This consolidation brings together all personnel, maintenance, and operations costs, as well as equipment for new and replacement information systems, and capital outlay appropriations under one budget. There are certain expenditures that are held separately under the program and capital improvement budgets of each partner city, rather than under the LPFD budget; including new facility construction/facility renovation, fire vehicle/apparatus replacement, and fleet maintenance.

**RECOMMENDATION**

Staff recommends the Board receive and file this report, and forward a recommendation to the partner City Councils, to approve the two-year Consolidated Livermore-Pleasanton Fire Department (LPFD) Budget for Fiscal Year 2009/10 and 2010/11.

**DISCUSSION**

Last budget year, the LPFD began preparing for what may be long term economic uncertainty by aggressively seeking out funding options that would allow the Department to continue carrying out its core mission while helping each partner city to offset the costs associated with life-safety services. Staff has sought out the most cost efficient and creative solutions possible in proposing a conservative budget that takes into account the continued economic downturn, and meets the budget targets of both partner cities.

Allocation of the Consolidated Budget to the Partner Cities

The conclusion of this fiscal year will mark the twelfth year of the consolidated budget. We have found the cost-sharing methodologies and formulas developed during consolidation effectively represent the appropriate cost to the partner cities. As a refresher, the partner cities portion the cost for fire service in the following manner:

<b>Cost Share Formulas</b>		
<b>Budget Activity</b>	<b>Salaries &amp; Benefits</b>	<b>Maintenance &amp; Operations</b>
Administrative Services & Disaster Preparedness	Cost is shared 50-50 by partner cities	Cost is shared 50-50 by partner cities
Fire Prevention Bureau & Hazardous Materials Program	50% of the cost is shared 50-50 by partner cities  50% apportioned based on the number of new construction and tenant improvement permits in each city	50% of the cost is shared 50-50 by partner cities  50% apportioned based on the number of new construction and tenant improvement permits in each city
Fire Operations & Suppression	<u>Line Administration:</u> cost is shared 50-50 by partner cities  <u>Line Personnel:</u> Cost is shared per number of full-time firefighters per classification per partner cities	Cost is shared per number of full-time firefighters per classification per partner city
Emergency Medical Services	Cost is shared per number of full-time firefighters per classification per partner cities	Cost is shared per number of full-time firefighters per classification per partner cities
Asset Management	Not applicable	Costs are charged to only the partner city incurring the expense

In addition to sharing the operating costs of the LPFD, the partner cities also share the overhead costs associated with managing the activities of the Department. Specifically, Pleasanton provides payroll, accounts payable, accounts receivable, duplicating and mailing services, information technology, and human resources and workers' compensation administration. Livermore, through its Police Department, provides dispatch services to the LPFD. At both the beginning and end of each fiscal year, each partner city calculates the total cost of these services. This cost is factored into the total cost of fire service for the partner cities.

## The Two-Year Budget

The proposed Two-Year Consolidated Fire Budget provides adequate funding for the LPFD's fire, emergency medical services, disaster preparedness, and fire prevention activities. As will be discussed in greater detail later in this report, the proposed budget increase over the current year's adjusted budget is marginal at \$4,827. In comparison to the 2009/10 budget, the 2010/11 budget is expected to increase \$609,048, or 2.12%. This change includes known increases in salaries, benefits, Social Security/Medicare and PERS rates. It should be noted that the IAFF 1974 MOU expires on July 31, 2010. The management negotiating team will work very closely with the labor group to seek out the best options and cost effective alternatives to control labor-related costs.

Staff plans to continue the development of the LPFD Strategic Plan; ensuring a sustainable organization through clearly identifying objectives, establishing reasonable goals, prioritizing projects, and generating work plans. This process also helps in identifying future needs, especially as both communities continue to grow and evolve over time, and in developing funding and cost saving strategies to provide essential services.

Department vacancies have historically occurred through traditional retirement and disability-retirement attrition. To the extent possible, the LPFD typically fills vacancies through promotion. Filling vacancies in this manner is consistent with the Department's philosophy and commitment to employee retention, long-term development, and succession planning.

As part of the succession planning initiative, the Department will continue offering the Captain's Academy for current LPFD firefighters and will reinstate the XAL Fire Academy in 2010/11 to recruit for new talent. In addition, the LPFD will continue to seek out partnerships with regional fire service agencies for cross-training, adjunct training, and other creative training collaboration models that may reduce the costs associated with maintaining and improving the skill set of the Department's firefighters.

Beyond these necessary initiatives, staff has ensured that discretionary spending for maintenance, supplies, and capital equipment remains at an appropriate spending level. In an effort to further reduce expenditures, the LPFD has also identified several cost savings measures that will be implemented during fiscal years 2009/10 and 2010/11, some of which include:

- Reduce non-essential expenditures in all areas of materials, supplies, and capital outlay
- Reduce Landscape Contract Maintenance Costs
- 6-positions held vacant
- Postpone the planned reinstatement of the XAL Fire Academy an additional fiscal year

An issue that was identified during the fiscal year 2008/09 budget update, and which will continue to be an area of importance as the LPFD moves forward, is the new Governmental Accounting Standards Board requirement (GASB #45). The City of Pleasanton Finance Director, after consult with City of Livermore Finance Director, has prepared a separate Staff Report covering GASB #45 and the potential impacts to both partner cities.