

**LIVERMORE-PLEASANTON FIRE DEPARTMENT  
JOINT POWERS AUTHORITY**

**AGENDA**

**DATE:** April 11, 2003  
**TIME:** 8:00 AM  
**LOCATION:** 2<sup>nd</sup> Floor Conference Room,  
Livermore-Pleasanton Fire Department  
3560 Nevada Street, Pleasanton

- 1. Call to Order and Roll Call**
- 2. Meeting Open to the Public**
- 3. Consent Calendar - No Items**
- 4. New Business**
  - A. Receive LPFD 2002 Annual Report**
  - B. Consider the LPFD FY 03-05 budget**
- 5. Closed Session – None**
- 6. Matters Initiated - Board Members, JPA Counsel and Staff**
- 7. Adjournment**

Livermore-Pleasanton



Fire Department

**Joint Powers Authority**

**STAFF SUMMARY REPORT**

April 11, 2003

**TO:** HONORABLE BOARD MEMBERS  
**FROM:** Joint Executive Directors  
Fire Chief  
**SUBJECT:** Livermore-Pleasanton Fire Department 2002 Annual Report

**SUMMARY AND RECOMMENDATION**

Staff recommends the Board review the attached Livermore-Pleasanton Fire Department 2002 Annual Report and forward it to both partner City Councils as an information item.

**DISCUSSION**

Attached is the 2002 Annual Report. It outlines the accomplishments of the Livermore-Pleasanton Fire Department's in 2002 in the areas of disaster preparedness, fire suppression, emergency medical response, rescue, and fire prevention services and identifies the department's challenges and opportunities for 2003.

I must thank all members of the department – they are without a doubt the most capable, caring, and well-qualified personnel I have ever served with. The outstanding accomplishments outlined in the 2002 Annual Report could not have occurred without their dedication to providing an outstanding level of service to the Livermore and Pleasanton communities.

**FISCAL AND ADMINISTRATIVE IMPACTS**

None.

**CONCLUSION AND RECOMMENDATION**

Staff asks the Board to forward the Livermore-Pleasanton Fire Department 2002 Annual Report to the partner city councils.

Livermore-Pleasanton




Fire Department

**Joint Powers Authority**

**STAFF SUMMARY REPORT**

April 11, 2003

**TO:** HONORABLE BOARD MEMBERS  
**FROM:** Joint Executive Directors  
Fire Chief   
**SUBJECT:** Proposed Two-Year Consolidated Fire Budget for Fiscal Years' 2003/04 and 2004/05

**SUMMARY AND RECOMMENDATION**

Staff recommends the Board receive and file this report and forward a recommendation to the partner City Councils to approve the Consolidated Livermore-Pleasanton Fire Department (LPFD) Budget for Fiscal Years' 2003/04 and 2004/05.

**DISCUSSION**

Staff is presenting for the Board's consideration the Two-Year Consolidated Fire Budget for Fiscal Years' 2003/04 and 2004/05. As you probably recall, on November 1, 1998, the LPFD began tracking its budget expenditures through one consolidated budget. This consolidated budget brought together all personnel, maintenance, operations, new and replacement information systems equipment, and capital outlay appropriations together under one consolidated budget. The consolidated budget does not contain appropriations for new facility construction/facility renovation, fire vehicle and apparatus replacement, fleet maintenance or general liability/property insurance premiums. The partner cities continue to budget for these expenses separately in their individual City and capital improvement program budgets.

This proposed budget takes into consideration the challenging economic times that face not only the partner cities, but also the State. It recognizes three distinct issues and their current and potential future impact on the budget. First, as we look at revenues for the next year, we considered the challenges of the weak economy and the State's multi-billion dollar deficit. Second, the budget reflects increases in the areas of workers' compensation, medical insurance, base wages, and retirement costs. Third, for Pleasanton, the City has matured to the point that it is nearing General Plan build-out and it is time to review all services and operations to ensure they are right-sized for build-out. To offset these cost increases and uncertainties, staff has evaluated the budget for all materials, supplies, and capital outlay and presents to the Board a materials, supplies, and capital outlay budget for the next two years that remains flat with the current year's spending levels.

Allocation of the Consolidated Budget to the Partner Cities

As the current fiscal year nears completion, we now have almost five years experience managing the fiscal needs of the Department within one consolidated budget. As a result of this experience, 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 share the cost for fire service in the following manner:

**Cost Share Formulas**

<u>Budget Activity</u>	<u>Salaries &amp; Benefits</u>	<u>Maintenance &amp; Operations</u>
Administrative Services & Disaster Preparedness	Cost shared 50-50 by partner cities	Cost shared 50-50 by partner cities
Fire Prevention Bureau & Hazardous Materials Program	50% cost shared 50-50 by partner cities – 50% cost shared per number of new constructions inspections per city	50% cost shared 50-50 by partner cities – 50% cost shared per number of new constructions inspections per city
Fire Operations & Suppression	<u>Line Administration:</u> 50% cost shared 50-50 by partner cities - 50% cost shared per calls for service  <u>Line Personnel:</u> Cost shared per number of full-time firefighters per classification per partner cities	Cost shared per number of full-time firefighters per classification per partner city
Emergency Medical Services	Cost shared per number of full-time firefighters per classification per partner cities	Costs shared per number of full-time firefighters per classification per partner cities
Asset Management	Not applicable	Cost are charged to only the partner city incurring the expense

This allocation of costs incorporates one modification to last year’s cost sharing formula. While preparing the LPFD Two-Year Budget, we reviewed the program budget structure as well as the cost share formulas for each program budget. While we continue to believe the majority of the cost share formulas are working well, for the upcoming Two-Year Budget we are proposing two changes:

1. Collapse the Hazardous Materials program budget into the larger Fire Prevention Bureau budget; and,
2. Modify the existing cost share formula for the Fire Prevention Bureau program budget to more equitably share the costs of the program between the two partner cities.

First, by collapsing the Hazardous Materials program budget into the larger Fire Prevention Bureau budget, the cost share formula would change from its current 50/50 split to the proposed formula for Fire Prevention discussed below. We believe that this proposed formula correction more accurately shares cost between the partner cities for the program's service to the two cities. Second, we believe that the existing cost share formula for Fire Prevention inaccurately reflects where the program's level of effort is spent, and therefore inequitably allocates cost between the two cities. Currently, Fire Prevention Bureau expenditures are allocated between the partner cities based on the number of new construction inspections conducted within each city. We recommend that this formula be modified to allocate cost as follows: for all program expenditures, share half of the program budget costs evenly (50/50) between the partner cities, and share the remaining half of the program budget per the number of annual new construction inspections conducted per city. The net effect of this adjustment to the formula is an estimated annual increase to the City of Pleasanton by approximately \$57,000 annually. This will more equitably distribute the costs, instead of allocating the large majority of the costs to Livermore simply because it is experiencing the most new construction.

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 Two-Year Budget increases over the current year's budget by \$607,468 in the first year and by \$2,499,402 in the second year. This increase is due to increases in labor-related expenses. There are no new program initiatives proposed over the next two years, and staff has ensured that discretionary spending for maintenance, supplies, and capital equipment remains at the current year's spending level.

### The Consolidated Operating Fire Budget - Fiscal Years' 2003/04 and 2004/05

As mentioned earlier, the proposed Two-Year Budget keeps maintenance and operating expenditures (e.g. equipment and supplies) at the current year's budget level of approximately \$1.6 million. Therefore, staff is not proposing any increases to the maintenance and operating budget, and any contract or supply cost increases would be absorbed within the existing budget. This includes the additional operating costs associated with the new headquarters facility as well as minor program enhancements to the disaster preparedness program.

With regard to personnel costs, staff is managing the impact of vacancies as they occur and assessing each vacancy to determine whether or not the position can be left vacant to produce additional operational efficiencies. In this regard, the LPFD has already decided to eliminate the vacant Senior Office Assistant position. Additionally, in coming fiscal years, staff will also look at job reassignments as community needs change instead of adding new staff, and ways to further control overtime and workers' compensation costs. With regard to other labor costs, we anticipate the following increases to labor-only costs to occur over the next Two Year Budget:

### Labor-Only Costs

	<u>1-Year Labor Cost</u>	<u>1-Year Labor Increase</u>
Fiscal Year 2002/03 (Current Year's Budget)	\$18,225,544	
Proposed Fiscal Year 2003/04 Budget	\$18,875,305	+ \$ 649,761
Proposed Fiscal Year 2004/05 Budget	\$21,499,007	<u>+ \$2,623,702</u>
Total Estimated Increase to Labor Costs Over Two-Year Budget		<u>\$ 3,273,463</u>

There are several reasons for these increases to the labor-only costs. In each year of the next Two-Year Budget, the following labor-only cost increases will occur:

Annual Cost of Living Increases Per Labor Agreements	5.0%
Annual Workers' Compensation Increase	12.5%
Employer Contribution Increases to the Public Employees Retirement System (PERS) Premiums:	
Fiscal Year 2003/04	5.7% Increase to 9.1%
Fiscal Year 2004/05	9.1% Increase to 21.9%

When the typical operating expenses of the LPFD are increased by the factors discussed above, the proposed Fiscal Year 2003/04 Consolidated Fire Budget totals \$20,573,806. This cost is allocated between the five budget activities as follows:

Administrative Services	\$ 1,379,040
Fire Prevention Bureau	1,434,745
Fire Operations & Suppression	17,251,223
EMS - Disaster Preparedness	388,698
Asset Management*	<u>120,100</u>
Total FY 2003/04 Proposed Consolidated Budget	<u>\$ 20,573,806</u>

\*Includes items that are not allocated to both partner cities but rather belong to only one partner

Allocation of the Consolidated Budget to the Partner Cities

Per the JPA cost share formulas, the total proposed Fiscal Year 2003/04 consolidated budget of \$20,573,806 would be allocated to each partner city as follows:

**Proposed Fiscal Year 2003/04 Consolidated Fire Budget**

<b>Budget Activity</b>	<b>LPFD FY 2003/04 Budget*</b>	<b>Livermore FY 2003/04 Budget*</b>	<b>Pleasanton FY 2003/04 Budget*</b>
<b>Operating Budget per Cost Share Formulas:</b>			
Administrative Services & Disaster Preparedness	\$1,379,040	\$ 689,520	\$689,520
Fire Prevention Bureau & Hazardous Materials	1,434,745	821,664	613,081
Operations & Suppression	17,251,223	8,429,072	8,822,151
Emergency Medical Services	388,698	188,796	199,902
Asset Management	120,100	87,300	32,800
<b>Subtotal-Annual Consolidated Fire Budget</b>	<b>\$20,573,806</b>	<b>\$10,216,352</b>	<b>\$10,357,454</b>
<b>Additional Direct Charges &amp; Adjustments:</b>			
Dispatch Services from Livermore to Pleasanton	\$0	(\$102,009)	\$102,009
Credits for Shared Revenues	(\$25,500)	(\$12,549)	(\$12,951)
Support From Pleasanton for Payroll, Human Resources, Finance, & Central Services	\$0	\$214,525	(\$214,525)
<b>Subtotal-Direct Charges &amp; Adjustments</b>	<b>(\$25,500)</b>	<b>\$ 99,967</b>	<b>(\$125,467)</b>
<b>Total</b>	<b>\$ 20,548,306</b>	<b>\$10,316,319</b>	<b>\$10,231,987</b>

\* Does not include fire truck and light duty vehicle maintenance and replacement, general liability premiums, facility construction, facility renovation and facility operating expenses.

**FISCAL AND ADMINISTRATIVE IMPACTS**

As a result of the increased labor costs discussed above, the total fiscal impact of the consolidated budget to each partner city for each year of the Two-year Budget is shown below.

**Allocation of LPFD Consolidated Budget Costs to Each Partner City  
Comparison of Fiscal Year 2002/03 to Fiscal Year 2003/04  
Year One of the Two-Year Budget**

<b>Partner City</b>	<b>Fiscal Year 2002/03</b>	<b>Fiscal Year 2003/04</b>	<b>Variance Increase/ (Decrease)</b>
Livermore	\$10,086,272	\$10,316,319	\$230,047
Pleasanton	9,854,566	10,231,987	377,421
<b>Total</b>	<b>\$19,940,838</b>	<b>\$20,548,306</b>	<b>\$607,468</b>

**Allocation of LPFD Consolidated Budget Costs to Partner Cities  
Comparison of Fiscal Year 2003/04 to Fiscal Year 2004/05  
Year Two of the Two Year Budget**

<u>Partner City</u>	<u>Fiscal Year 2003/04</u>	<u>Fiscal Year 2004/05</u>	<u>Variance Increase/ (Decrease)</u>
Livermore*	\$10,316,319	\$11,559,276	\$1,242,957
Pleasanton	10,231,987	11,488,432	1,256,445
<b>Total</b>	<b><u>\$20,548,306</u></b>	<b><u>\$23,047,708</u></b>	<b><u>\$2,499,402</u></b>

\* Fiscal Year 2004/05 Livermore-only costs do not include the additional personnel and supplies costs associated with the proposed final implementation phase of the 6-year plan to increase Livermore staffing on three engine companies from 3-person to 4-person crews. Two engine companies have already been increased to 4-person crews in Fiscal Year 2000/01 and Fiscal Year 2002/03.

**CONCLUSION & RECOMMENDATION**

Staff recommends the Board receive and file this report and forward a recommendation to the partner City Councils to approve the Consolidated Fire Budget for Fiscal Years' 2003/04 and 2004/05.

Attachments: Program Budget Worksheets for Fiscal Years' 2003/04 and 2004/05





Expenditure Object	Description	Administration - 780			Fire Prevention - 781			Fire Suppression - 784			Hazardous Waste - 786			EMS & Disaster Preparedness - 787			Asset Management - 788			GRAND TOTAL				
		100.00%	60.00%	40.00%	100.00%	60.00%	40.00%	100.00%	60.00%	40.00%	100.00%	60.00%	40.00%	100.00%	60.00%	40.00%	100.00%	60.00%	40.00%	100.00%	60.00%	40.00%		
4021	PERSONNEL	\$ 477,110	\$ 238,555	\$ 238,555	\$ 921,728	\$ 393,863	\$ 527,865	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	\$ 4,689,335	
4002	Salaries	3,170	1,585	1,585	44,500	19,015	25,485	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	1,414,286	
4004	Overtime	104,124	52,062	52,062	201,139	85,949	115,190	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	1,003,886	
4005	Benefits	132,661	66,331	66,331	313,289	133,878	179,411	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	1,736,488	
4006	Retirement																							
4008	Temporary Salaries																							
4008	Tuition																							
4013	Workers Comp	31,964	15,982	15,982	91,746	36,351	55,395	308,176	308,176	308,176	308,176	308,176	308,176	308,176	308,176	308,176	308,176	308,176	308,176	308,176	308,176	308,176	308,176	
4014	Cafeteria Plan Benefit Expense	14,756	7,378	7,378	5,007	2,504	2,504	4,240	4,240	4,240	4,240	4,240	4,240	4,240	4,240	4,240	4,240	4,240	4,240	4,240	4,240	4,240	4,240	
4018	Social Security & Medicare	4,440	2,220	2,220	8,014	3,852	4,162	61,080	61,080	61,080	61,080	61,080	61,080	61,080	61,080	61,080	61,080	61,080	61,080	61,080	61,080	61,080	61,080	
4030	Comp Time & OT Earned																							
4040	Other Pay																							
4041-2	Premium Pay																							
4043	Admin. Buyback	15,000	7,500	7,500	7,852	3,355	4,497	46,893	46,893	46,893	46,893	46,893	46,893	46,893	46,893	46,893	46,893	46,893	46,893	46,893	46,893	46,893	46,893	
4044	Holiday in-Lieu Pay																							
4045	Uniform Allowance	2,850	1,425	1,425	5,700	2,436	3,264	28,203	28,203	28,203	28,203	28,203	28,203	28,203	28,203	28,203	28,203	28,203	28,203	28,203	28,203	28,203	28,203	
4048	Miscellaneous Personnel Costs																							
4085	Temporary Salaries - Agencies																							
4085	Unused Vacation																							
4825	Subtotal - Personnel	\$ 795,685	\$ 397,843	\$ 397,843	\$ 1,599,009	\$ 683,273	\$ 915,736	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	\$ 9,728,592	
4109	TRANSPORTATION & TRAINING																							
4112	Training	\$ 8,300	\$ 4,150	\$ 4,150	\$ 10,000	\$ 4,273	\$ 5,727	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	
4114	Vehicle Operating Costs																							
4121	Vehicle Parts																							
4171	Fire Vehicle Replacement Charge																							
4185	Veh Maintenance & Repair by Contract																							
4185	Veh Maintenance & Repair by Contract	\$ 8,300	\$ 4,150	\$ 4,150	\$ 10,000	\$ 4,273	\$ 5,727	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	
4219	REPAIR & MAINTENANCE																							
4221	Info System Replacement	\$ 78,500	\$ 38,250	\$ 38,250	\$ 34,800	\$ 17,897	\$ 16,903	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	\$ 17,897	
4222	Field Equipment Parts																							
4286	Furniture & Office Equipment Parts	3,000	1,500	1,500	2,004	1,496	2,004	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	
4281	Computer Hardware Maint by Contract	1,000	500	500	3,500	1,496	2,004	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	
4282	Field Equipment Repair by Contract	23,300	11,650	11,650	11,650	5,825	7,825	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
4283	Office Equipment Repair by Contract																							
4283	Facility Repair by Contract																							
4283	Facility Repair by Contract	8,400	4,200	4,200	4,200	2,100	2,100	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	
4284	Land/Grass																							
4284	Land/Grass																							
4311	MATERIALS, SUPPLIES & SERVICES																							
4311	Equipment	\$ 112,200	\$ 56,100	\$ 56,100	\$ 111,400	\$ 57,291	\$ 54,109	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	\$ 57,291	
4316	Recruitment																							
4317	Physicals																							
4317	Physicals																							
4318	Misc. Recruitment																							
4324	Community Support	1,000	500	500	500	250	250	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	
4324	Community Support																							
4327	Postage & Delivery																							
4327	Postage & Delivery																							
4328	Advertising Expenses	1,500	750	750	750	375	375	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	
4328	Advertising Expenses																							
4329	County Services																							
4330	Communications	65,000	32,500	32,500	20,000	10,000	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
4330	Communications																							
4331	Office Supplies	40,000	20,000	20,000	40,000	20,000	20,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
4331	Office Supplies																							
4332	Energy Costs	48,000	24,000	24,000	24,000	12,000	12,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	
4332	Energy Costs																							
4333	Rental of Equipment																							
4333	Rental of Equipment																							