

2012



Budget Biz

Quarter 2 (April – June), Issue 2



Welcome to the second issue of the quarterly budget report for the Loveland Fire Rescue Authority (LFRA). This report is designed to provide information related to fiscal accountability. It is available on the website and accessible to anyone that is interested. It is designed to assist the LFRA Board with monitoring the budget status for all resources that assist with delivering service to the citizens of the City of Loveland and the Loveland Rural Fire Protection District.

There are four sections of the report: LFRA Budget Status, Other Resources, Fire Authority Transition Highlights, and In the Works. The Budget Status section will highlight the budget status for revenues and expenditures for the Fire Authority Fund. The expenditures will be presented by program and account category at the department level. Each of these financial presentations will include variance explanations when the current % the total budget is significantly different from the percentage of the year. There are resources outside of the Fire Authority Fund that are critical to our service delivery mission. The Other Resources section highlights the status of the budgets. The next section of the report will provide status information on the various processes used to develop long term and short term operational and capital planning. The final section of the report is intended to highlight significant financial transactions or strategies that the department is working on to advance the strategic plan and deliver cost effective services.

Quarter 2 at 50% of 2012

- ◆ Revenues in the Fire Authority Fund are at 46.5% of the annual budget, compared to 48.2% last year
- ◆ Expenditures in the Fire Authority Fund are at 40.1% of the annual budget, compared to 49% last year
- ◆ The Engine replacement is currently expected to be \$30,000 under budget
- ◆ Station 6 Expansion construction phase is starting. The budget was revised to reflect higher construction costs by \$162,650 to \$930,000, and 11% of the revised budget has been expended.
- ◆ \$1.4 million in grant projects are in progress. The self-contained breathing apparatus replacements have been put into service; the AED's have been bid; and the radio replacements plan has been refined to implement better technology for a better long term plan and the grant amendment has been submitted.

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Through commitment, compassion and courage, the mission of the Loveland Fire Rescue Authority (LFRA) is to protect life and property.

2012

LFRA Budget Status

Loveland Fire and Rescue

Budget Revenue Report

Quarter Ending 06/30/2012, 50% of the Year

Segments/Accounts	Total Budget	YTD Rev	Total Variance	Total % Uncollected	Total % Collected
223 : Community Safety					
Building	\$44,000.00	\$22,986.07	\$21,013.93	47.76	52.24
Contractor (1)	3,500.00	3,125.00	375.00	10.71	89.29
Fire Permit & Inspection	25,000.00	9,700.00	15,300.00	61.20	38.80
Firework Stand Review	15,000.00	0.00	15,000.00	100.00	0.00
Special Events	35,000.00	18,750.00	16,250.00	46.43	53.57
Rural Fire Inspection Fee (2)	3,500.00	2,711.53	788.47	22.53	77.47
Miscellaneous	0.00	212.00	-212.00	0.00	100.00
SubTotal 223 : Community Safety	\$126,000.00	\$57,484.60	\$68,515.40	54.38	45.62
224 : Station Operations					
Standby Reimbursements (Misc)	0.00	1,248.00	-1,248.00	0.00	100.00
Academy Training	0.00	9,384.35	-9,384.35	0.00	100.00
SubTotal 224 : Station Operations	\$0.00	\$10,632.35	-\$10,632.35	0.00	100.00
227 : Administration					
Federal Grants (3)	813,520.00	85,201.47	728,318.53	89.53	10.47
Rural Fire - Fire Pension	21,940.00	0.00	21,940.00	100.00	0.00
Contribution: Rural Fire District	1,482,840.00	683,290.00	799,550.00	53.92	46.08
Other Agency Deployment (4)	30,000.00	1,485.15	28,514.85	95.05	4.95
Hazmat Billing	8,000.00	0.00	8,000.00	100.00	0.00
Contribution - Loveland	7,219,220.00	3,674,204.00	3,545,016.00	49.11	50.90
SubTotal 227 : Administration	\$9,575,520.00	\$4,444,180.62	\$5,131,339.38	53.59	46.41
Grand Total :	\$9,701,520.00	\$4,512,297.57	\$5,189,222.43	53.49	46.51

Last year 42.18% of the Budget had been collected.

Variance Explanation

(1) Contractor

- Contractor License collections are renewed as they conduct business within the community, so the 89% of budget collect is suspected to be related to the start of a more active construction season.

(2) Rural Fire – Inspection Fee

- Rural Fire Inspection fee is related to construction activity in the Rural District.

(3) Federal Grants

- Federal Grants are low because LFRA just increased the budget for the radio replacement grant that will be spent the second half of the year.

(4) Other Agency Deployments

- Other Agency Deployments were low through the first half of the year but the total budget for the year will be exceeded as soon as the reimbursements for the recent wild fires are received. Over \$82,000 have been submitted for reimbursement in July.

Loveland Fire Rescue Authority
Authorized Spending Report by Division and Program
Quarter Ending 06/30/2012, 50% of the Year

Segments	Total Budget (1)	YTD Exp	YTD Enc	Total Available	Total % Available	Total % Spent
223 : Community Safety						
0000 : Community Safety	\$745,780.00	\$333,775.98	\$0.00	\$412,004.02	55.25	44.76
SubTotal 223 : Community Safety	\$745,780.00	\$333,775.98	\$0.00	\$412,004.02	55.25	44.76
224 : Station Operations						
0000 : General Station Operations	6,122,215.00	2,720,031.27	0.00	3,402,183.73	55.57	44.43
1605 : Training	91,020.00	34,111.48	0.00	56,908.52	62.52	37.48
1631 : Station 1 (2)	26,400.00	16,703.81	0.00	9,696.19	36.73	63.27
1632 : Station 2	8,555.00	2,676.31	0.00	5,878.69	68.72	31.28
1633 : Station 3	8,870.00	3,432.45	0.00	5,437.55	61.30	38.70
1635 : Station 5	7,070.00	2,361.44	0.00	4,708.56	66.60	33.40
1636 : Station 6	9,560.00	2,746.42	0.00	6,813.58	71.27	28.73
SubTotal 224 : Station Operations	\$6,273,690.00	\$2,782,063.18	\$0.00	\$3,491,626.82	55.66	44.35
225 : Technical Response and Systems						
1603 : Special Operations	51,090.00	8,018.57	0.00	43,071.43	84.31	15.70
1604 : Wild Land	27,435.00	3,227.10	0.00	24,207.90	88.24	11.76
1607 : EMS	25,760.00	7,098.67	6,000.00	12,661.33	49.15	50.85
1608 : Fire SWAT	4,000.00	2,086.73	0.00	1,913.27	47.83	52.17
1620 : ARFF	2,100.00	0.00	0.00	2,100.00	100.00	0.00
SubTotal 225 : Technical Response and Systems	\$110,385.00	\$20,431.07	\$6,000.00	\$83,953.93	76.06	23.94
226 : Equipment Maint & Replacement						
1641 : Communications/Telephone	1,029,900.00	31,958.26	8,536.86	989,404.88	96.07	3.93
1642 : Hoses (3)	16,000.00	153.98	14,254.90	1,591.12	9.95	90.06
1643 : Ladders/Small Engine	8,500.00	3,668.86	0.00	4,831.14	56.84	43.16
1644 : SCBA	36,140.00	4,392.67	0.00	31,747.33	87.85	12.16
1645 : Thermal Imaging (4)	13,000.00	11,589.83	0.00	1,410.17	10.85	89.15
1646 : Computer Equipment	19,830.00	1,404.74	0.00	18,425.26	92.92	7.08
1647 : Vehicles and Apparatus (5)	345,570.00	194,551.02	0.00	151,018.98	43.70	56.30
SubTotal 226 : Equipment Maint & Replacement	\$1,468,940.00	\$247,719.36	\$22,791.76	\$1,198,428.88	81.59	18.42
227 : Administration						
1601 : Administration	1,102,725.00	529,602.34	0.00	573,122.66	51.97	48.03
SubTotal 227 : Administration	\$1,102,725.00	\$529,602.34	\$0.00	\$573,122.66	51.97	48.03
Grand Total:	\$9,701,520.00	\$3,913,591.93	\$28,791.76	\$5,759,136.31	59.36	40.64

Variance Explanation

(1) Total Budget

- ◆ The carryover ordinance and the radio grant ordinances increased the budget by \$1,146,739 which causes many of the related budget variances to fall significantly below 50%.

(2) Station 1

- ◆ Station 1 is slightly ahead of 50% of the year due to a \$3,919 Engine 1 fan repair and uniforms purchases for the year.

(3) Hoses

- ◆ The hose replacement order has been placed. This is a budget that is spent in larger sums rather than steady expenditures throughout the year.

(4) Thermal Imaging

- ◆ Thermal Imaging purchases for the year have been made.

(5) Vehicles and Apparatus

- ◆ Vehicles and Apparatus is slightly ahead of the 50% of the year. The June allocation included a fuel card download for the first half of the year at \$25,000.

Loveland Fire Rescue Authority
Authorized Spending Report by Account Class
Quarter Ending 06/30/2012, 50% of the Year

Segments	Total Budget	YTD Exp	YTD Enc	Total Available	Total % Available	Total % Spent
Personal Services	\$6,838,710.00	\$3,083,073.88	\$0.00	\$3,755,636.12	54.92	45.08
Supplies	728,170.00	61,828.10	0.00	666,341.90	91.51	8.49
Purchased Services	1,560,400.00	757,959.11	6,000.00	796,440.89	51.04	48.96
Capital Outlay	574,240.00	10,730.84	22,791.76	540,717.40	94.16	5.84
Grand Total:	\$9,701,520.00	\$3,913,591.93	\$28,791.76	\$5,759,136.31	59.36	40.64

Last year 48.95% of the Budget had been spent.

Other Resources

Other Funds:

City Capital Replacement Fund

Engine Replacement:	
2012 Adopted Budget	\$515,000
Expenditures and Encumbrances to Date	493,119
2012 Remaining Budget	<u>\$21,881</u>

Fire Capital Expansion Fee Fund:

Station 6 Expansion:	
2012 Revised Budget	\$929,970
Expenditures and Encumbrances to Date	101,200
2012 Remaining Budget	<u>\$828,770</u>

City General Fund for SCBA and AED FEMA Assistance to Firefighters Grant:

March 2012 Appropriation:	\$554,570
Expenditures to Date:	
AED's	0
Repair and Mtn AED's	0
SCBA's	511,277
2012 Remaining Budget	<u>\$43,293</u>

General Fund for Rollover Ordinance

May 2012 Rollover Appropriation	\$119,900
Expenditures to Date:	
Exercise Equipment	3,000
Rope Rescue Equipment	
Mobile Radio	3,406
Battalion Chief Blue Card Simulator	3,355
Positive Pressure Attack Training Prop	13,068
Dive Rescue Boat	
Air Compressor	
Telestaff Auction & Electronic Timesheet Modules	12,510
2012 Remaining Budget	<u>\$84,562</u>

In the Works

Revision of the City's Capital Improvement Plan

A draft of the City's Capital Improvement Plan has been completed. Station 10 was deferred two years. The following table highlights the request and the outcome of the process to date.

Item Requested	Amount Requested	Year Requested	Process Outcome as of 7/18/12
Build New Station 2 and buy new Heavy Rescue Truck	\$2,900,000 \$ 634,500	2013	As submitted for capital expenditures, requires acceleration of inter-fund loan repayment and uses the balance of the General Fund Reserve for Fire Equipment used for Grant Matches. The operations expenditures were reduced in half in 2014. This will be slightly incorrect because the cost includes \$33k of personal protective gear that will have to be purchases in 2014.
Replace 2000 Smeal Ladder Truck	\$1,200,000	2014	As submitted
Refurbish the 2000 Smeal Ladder Truck for Reserve Status	\$475,000	2015	As submitted
Replace 2004 General Spartan	\$530,000	2016	As submitted
Build Station 10	\$2,299,000	2016	Moved out to 2018

The proposed plan is expected to be presented to City Council at a study session in August. It will be included in the overall budget study session in September; the public hearing and first reading of the appropriation ordinance at the regular City Council meeting on October 2, 2012; and the second reading of the appropriation ordinance at the regular City Council meeting on October 16, 2012.

LFRA Operations Budget Submittal was a Reasonable Request

The 2013 proposed budget has been submitted to the City Manager for consideration. On July 31, 2012 LFRA meets with the City Manager to review the submittal. Throughout August decisions are made about inclusion in the City Manager proposed budget to the City Council. Both the Loveland Rural Fire Protection District Board and the Loveland Fire Rescue Authority Board will receive presentations on the LFRA budget for consideration and action in August. A study session to acquaint the City Council and the public with the proposed budget will be held in September. The Citizen's Finance Advisory Commission reviews the budget for reasonableness from the citizen's perspective in September. In October, the public has the opportunity ask questions about the budget at the public hearing scheduled to be conducted on October 2, 2012 and then the budget is scheduled to be adopted on October 16, 2012.

The \$9.3 million LFRA base budget, intended to deliver the same level of service the community is currently receiving, was submitted to the City Manager. It is 8.6% *above* than the 2012 originally adopted budget and 4.2% *below* the 2012 revised budget. There are several increases, in excess of the 3.5% increases that where included in the Basic Services Model, related to allocated expenditures beyond the control of the department.

<u>Changes in excess of the 3.5% already anticipated in the Model:</u>	
Overtime Adjustment to Closer to Actual as appropriated in 2012	\$92,632
FSLA Adjustment to Closer to Actual	13,730
Worker's Compensation Change	20,548
General Liability Change	14,530
Vehicle Maintenance Change	94,336
Vehicle Amortization	55,239
Indirect Services Allocation Change	65,388
Total	\$356,403

In the Works Continued...

Excluding these increases, the base budget would be 4.4% *above* the 2012 originally adopted budget and 7.9% *below* the 2012 revised budget. The base budget includes the Administrative Director that was originally anticipated as a service enhancement in 2013.

If that position was excluded, the base budget would only be 2.9% *above* the 2012 originally adopted budget.

The base budget submitted is reflective of the service nature of the fire service. 76% of the total base budget is expenditures related to personnel costs, consistent with previous years. The amount submitted includes funding for salary increases at 3.5% of the base budget salaries, an additional \$158,890.

Supplemental Requests based on the Basic Services Model Plus Two Other Emerging Needs

Service enhancements are submitted in the budget process as “supplemental requests”. The following supplemental requests are included for consideration.

Supplemental Request Priority Order Listing		
1	Six New Firefighters	\$446,190
2	Part Time FireFighter Pay Increase	43,490
3	Community Safety Lt.	153,900
4	Mitigation Specialist	87,740
5	Type 6 Engine	110,750
	Total	\$842,070

New Firefighters

The 2012 Loveland Fire Rescue Authority (LFRA) Strategic Plan, Phase I, includes the hiring of six additional firefighters. This expansion addresses minimum staffing levels of three firefighters per apparatus for Engine 6 and Truck 6. Currently, these two fire companies are operating at minimum staffing at two firefighters per apparatus. The addition of six firefighters, as outlined in Phase I, would bring all front line fire apparatus within LFRA to a minimum staffing level of three firefighters for each company and each shift.

Part Time Firefighter Pay Increase

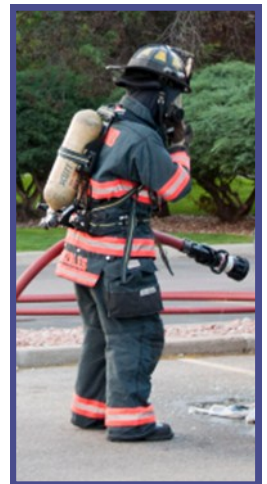
Loveland Fire Rescue Authority recommends reclassifying the Apprentice (Part Time) Firefighter position from a PT4 grade to a PT3 grade and increasing the hourly rate from \$8.50 an hour to \$11.25 an hour. This reclassification and pay increase is requested to: align pay rates with the external market for similar positions, compensate in alignment with the required credentials, and retain quality personnel for cost effective three tier staffing model.

Community Safety Division Lieutenant

The Community Safety Division (CSD) is requesting a full time employee to oversee the business inspection program and provide assistance in the area of field inspections on fire alarms and sprinkler systems. There are over 6,000 businesses in our fire protection area, and of those, approximately 1,500 are considered “target hazards” as defined by the National Fire protection Association (NFPA). This position will also provide assistance in the area of field inspections of fire alarm and sprinkler systems. With the City’s proactive approach for responding to business needs, shorter development review times are critical and this position will greatly enhance LFRA’s ability to meet those demands.

Mitigation Specialist

The Community Safety Division (CSD) is requesting a full time employee as a Mitigation Specialist to develop a new program focused on the exploration and drilling as it relates to the oil & gas industry. This position will be essential in the development of several key areas associated to this industry. As an evolving industry in our community, this position will need to develop policy, plans and



In the Works Continued...

(Continued from page 6)

procedures in many of the following areas: community risk assessment, evaluation of current and projected environmental impact, response, training, recovery, provide regulatory guidance, act as a liaison to the state Oil & Gas Commission, and act as a liaison to the area community stakeholders and policy makers.

Type 6 Engine

A Type 6 Engine can be described as a brush truck, or brush patrol unit, typically operating with four-wheel drive, a small pump (50 gallons per minute) and carries a minimum of 150 gallons of water. These engines are the proverbial “workhorse” in wildland firefighting operations. This would be for a mid-level quality of engine, comparable to LFRA’s other Type 6 Engines, on a Ford F-550 four-wheel drive chassis with a flat-bed mounted firefighting package. The Rural Fire Protection District owns all of the wildland firefighting apparatus within the LFRA fleet; including the two Type 6 Engines currently in service. The City of Loveland has a sizeable amount of fields, 5,109 acres of open space, and areas where a Type 6 would be the choice of tactical fire apparatus.



High Park Fire

The better part of June was devoted to the wildland response function, first related to the High Park Fire and then to a couple of other regional wildfires. LFRA ran a Masonville Task Force to patrol the Rural District border areas that were near the fire to attack any spot fires and prevent them from getting out of the control. They were able to investigate smoke investigation calls that dispatch received and make helpful contacts with citizens in the area. During that time they were able to better record structures and potential risks for fire response in the area. LFRA assigned one crew to the High Park Fire. Since the deployment exceeded the 14 days, crew personnel were changed out. The personnel expenses associated with the crew deployed and the cost associated with backfilling their shifts here at home; supplies expenses; and the cost of operating the equipment are reimbursable costs based on our collaborators agreement. The table below highlights the expenditures and submitted reimbursements for LFRA wildland efforts from June 9 through June 29.

Direct Costs to the Budget for Personnel, Supplies, Equipment Repairs	\$107,589
Costs Submitted for Reimbursement (had not considered the equipment reimbursements in previous estimate)	\$81,975
Costs that will be Absorbed in the Budget	\$25,614

An analysis will have to be completed to see what 2012 additional appropriation requests will result from the resource investment in these significant events. This type of activity is anticipated to some degree within the existing budget. \$30,000 of revenue and a \$30,000 corresponding overtime expense is already included in the budget. It is expected resources received and expended in excess of this amount will be requested to be added to the budget in an additional appropriation ordinance.

(Continued on page 9)



In the Works Continued...

New Engine

July 4 LFRA took delivery of the new Engine. There is expected to be budget savings that we would like to apply to other equipment needs.



Description of Engine and Components	Amount
Budget Amount	515,000
Fire Engine with Cummins 450 HP Engine	436,592
800 Mhz Radio Wiring System	5,934
Headset System	4,265
MDT dock and power supply	829
Hoses	11,432
Thermal Imaging, charger and spare battery	10,485
Wild land Equipment	4,775
Hydraulic Combi-tool (Pump Bt30, tool Slcc30, 30 ft hose)	9,825
Spanner wrenches and brackets	461
Budget Amount Remaining	\$30,402

Grants Update

\$512,090 Self Contained Breathing Apparatus Project – These units have been purchased, distributed, and the 80% federal share of the costs have been deposited in the bank.

\$47,340 AED's Replacement Project - The competitive bidding process is complete for the purchase of the AED's that will be on the fire apparatus. The three building AED's have not been purchased by the City's Risk Division yet. It is expected that the purchases will be made and reimbursement received by the next quarterly report.

\$853,357 Radio Replacement Project – Significant volume purchase and trade-in discounts have allowed for LFRA to increase its purchasing power with the existing awarded project dollars. This will allow for purchasing better technology that will more effectively implement the LFRA communications equipment strategy. A grant amendment has been submitted. Once that amendment is approved by FEMA, then purchases will be made and the reimbursement will be secured. It is expected to be complete by the end of the year.

\$392,606 Part Time Firefighter Program – This is a three year grant where the SAFER grant pays the first two years salaries and taxes and LFRA is responsible for the third year. The final federal reimbursement has been submitted and received. The next twelve months of the grant performance period will be paid for within the LFRA budget. This program has been deemed to be an extremely valuable program; it is included in the Strategic plan as a critical component of the three tiered staffing plan and is included in each of the next ten years within the financial plan.

Station 6

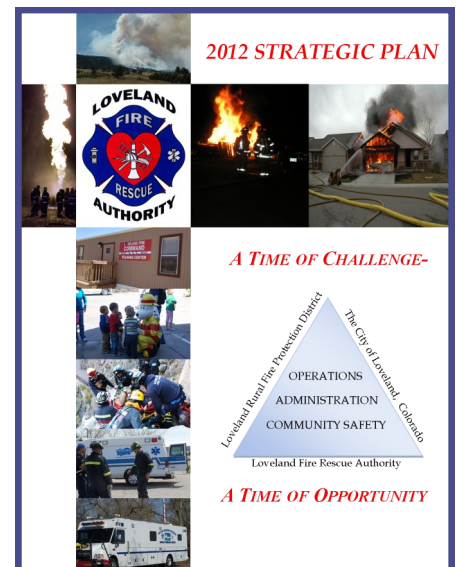
Construction phase of the project has been begun and is expected to be complete late fall.

Station 2

Land purchase negotiations are in progress and the purchase is expected to be complete before year end.

Strategic Plan

The strategic plan revisions are complete and the plan is expected to be presented to the LFRA Board at their August meeting for final adoption.



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Notes:



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