

2014



# Budget Biz

Quarter 3 (July - September), Issue 9

Welcome to the ninth 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 three sections of the report: LFRA Budget Status, Other Resources, and In the Works. The Budget Status section will highlight the budget status for revenues and expenditures for the Fire Authority Fund from year to date, through September, 2014. The expenditures will be presented by program and account category at the department level. Each of these financial presentations include variance explanations when the current percentage of the total budget is significantly different from the percentage of the year (i.e., first quarter is 75% of the year). There are resources outside of the Fire Authority Fund that are critical to our service delivery mission. The Other Resources section is devoted to highlighting the status of budgets that are outside of the Fire Authority Fund. The next section of the report provides status information on the various processes used to develop long term and short term operational and capital planning. It is also 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 3 at 75% of 2014

- Operations revenues are at 64% of the revenue budget compared to 69% last year.
- Operations expenditures are at 67% of the annual budget, compared to 66% last year.
- Station 2 construction progress is on target for an October opening.
- \$11.9 million budget was adopted by LFRA for 2015, including two new positions: Training Firefighter and Administrative Analyst. The Rural District approved the budget and it is being considered by the City of Loveland on October 14, 2014.
- Chief Mark Miller from Vail, Colorado was selected as the next LFRA Fire Chief beginning November 10, 2014.
- An ISO review is scheduled for January, 2015 and a consultant is under contract to assist with the preparation and review.
- A total of \$594,039.42 September 2013 Flood response and damage expenditures were submitted to insurance and FEMA; \$514,471.33 or 86.7% was recovered.
- The LFRA Board approved moving from a three tiered staffing model to a two tiered staffing model in a way that supports the Big Thompson Canyon Volunteer Department with recruitment and retention.
- Twenty seven LFRA members in new positions this quarter were pinned and trained in preparation for the new Station 2 opening.

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

2014

# LFRA Budget Status - Revenue

## Loveland Fire Rescue Authority

### Budget Revenue Report

Quarter Ending 9/30/2014, 75% of the Year

Segments/Accounts	Total Budget	YTD Rev*	Total Variance	Total % Uncollected	Total % Collected
<b>Investment Activity as a % of the Total</b>					
City Investment Pool					
Interest On Investments	\$0.00	\$696.14	-\$696.14	0.00	100.00
Gain/Loss On Investments	0.00	-25.42	25.42	0.00	100.00
<b>SubTotal : Investment Activity</b>	<b>\$0.00</b>	<b>\$670.72</b>	<b>-\$670.72</b>	<b>0.00</b>	<b>100.00</b>
<b>Community Safety</b>					
Special Events (1)	30,000.00	24,010.00	5,990.00	19.97	80.03
Miscellaneous	0.00	393.00	-393.00	0.00	100.00
Gifts/Donations (2)	5,290.00	5,292.00	-2.00	-0.04	100.04
Building Permits (3)	44,880.00	43,008.49	1,871.51	4.17	95.83
Contractor Licenses	4,000.00	4,000.00	0.00	0.00	100.00
Fire Permit & Inspection (3)	20,000.00	22,382.00	-2,382.00	-0.12	100.12
Firework Stand Review	12,000.00	12,350.00	-350.00	-2.92	102.92
Rural Fire Inspection Fee (3)	5,000.00	12,467.20	-7,467.20	-149.34	249.34
<b>SubTotal : Community Safety</b>	<b>\$121,170.00</b>	<b>\$123,902.69</b>	<b>-\$2,732.69</b>	<b>-2.26</b>	<b>102.26</b>
<b>Station Operations</b>					
Federal Grants (4)	0.00	89,698.15	-89,698.15	0.00	100.00
State Grant (4)	0.00	14,949.69	-14,949.69	0.00	100.00
Standby Reimbursements (Misc) (6)	0.00	408.30	-408.30	0.00	100.00
Academy Training (5)	27,750.00	18,271.68	9,478.32	34.16	65.84
<b>SubTotal : Station Operations</b>	<b>\$27,750.00</b>	<b>\$123,327.82</b>	<b>-\$95,577.82</b>	<b>-3.44</b>	<b>103.44</b>
<b>Technical Response and Systems</b>					
Hazmat Mitigation	2,500.00	0.00	2,500.00	100.00	0.00
<b>SubTotal : Technical Response and Systems</b>	<b>\$2,500.00</b>	<b>\$0.00</b>	<b>\$2,500.00</b>	<b>100.00</b>	<b>0.00</b>
<b>Administration</b>					
Emergency Mgmt Grant (7)	0.00	10,158.92	-10,158.92	0.00	100.00
Miscellaneous (8)	2,000.00	5,766.95	-3,766.95	-1.88	101.88
Federal Grants	0.00	1,918.00	-1,918.00	0.00	100.00
Other Agency Deployment	20,000.00	0.00	20,000.00	100.00	0.00
Insurance Recoveries (4)	0.00	4,966.00	-4,966.00	0.00	100.00
Contribution - Rural Fire District (9)	1,986,640.00	1,235,291.00	751,349.00	37.82	62.18
Contribution - Loveland (9)	9,050,230.00	5,627,436.00	3,422,794.00	37.82	62.18
<b>SubTotal : Administration</b>	<b>\$11,058,870.00</b>	<b>\$6,885,536.87</b>	<b>\$4,173,333.13</b>	<b>37.74</b>	<b>62.26</b>
<b>Grand Total : (10)</b>	<b>\$11,210,290.00</b>	<b>\$7,133,438.10</b>	<b>\$4,076,851.90</b>	<b>36.37</b>	<b>63.63</b>

\*YTD = Year to Date, Rev = Revenue

### Revenue Variance Explanations

# LFRA Budget Status - Revenue

## Variance Explanations - Revenue

### (1) Special Events

Budweiser Event Center Standby.

### (2) Gifts / Donations

Donation money collected over time; appropriated and used for the purchase of smoke and carbon monoxide detectors.

### (3) Building Activity

Variances are a function of building activity in the community.

### (4) Flood Response and Damage Reimbursements

FEMA money and insurance reimbursements from the flood damage in September 2013; total of \$109,613.



**Building Shoring  
Operation**

### (5) Academy Training

Training Center Fees: Burn Building and Command Training Center.

### (6) Standby Reimbursements (Misc)

Thompson School District Board Meeting Standby.

### (7) Emergency Management Grant

Emergency Management Grant: 1st Quarter reimbursement grant has been received. This has not been included in the adopted budget, as the State had been slow to release the funds.

### (8) Miscellaneous

Admin Miscellaneous includes the Yuma County reimbursement of equipment purchase we made on their behalf when we bought similar Emergency Management equipment.

### (9) Contributions

Includes the cash flow advance in January equal to one month of the originally adopted annual budget.

### (10) Grand Total

This year LFRA has collected 64% of the revenue budget compared to 69% of the budget.



**Vehicle Fire  
with  
Extension  
into  
Commercial  
Building  
(Sugar  
Factory Site)**



# LFRA Budget Status - Expenditures

## Loveland Fire Rescue Authority Authorized Spending Report by Division and Program Quarter Ending 9/30/2014, 75% of the Year

Segments	Total Budget	*YTD Exp	*YTD Enc	Total Available	Total % Available	Total % Spent
<b>Community Safety</b>						
Prevention	\$194,070.00	\$120,437.65	\$270.00	\$73,362.35	37.80	62.20
Business Inspections	156,120.00	102,222.34	0.00	53,897.66	34.52	65.48
Permitting and Development Review	314,530.00	213,587.65	234.84	100,707.51	32.02	67.98
<b>Community Safety</b>	<b>664,720.00</b>	<b>436,247.64</b>	<b>504.84</b>	<b>227,967.52</b>	<b>34.30</b>	<b>65.71</b>
<b>Station Operations</b>						
General Station Operations	\$7,168,760.00	\$4,783,718.21	\$39,441.65	\$2,345,600.14	32.72	67.28
Training	95,440.00	42,407.99	22,004.69	31,027.32	32.51	67.49
Station 1	46,440.00	25,003.31	1,035.89	20,400.80	43.93	56.07
Station 2 (1)	9,550.00	3,576.28	353.97	5,619.75	58.85	41.15
Station 3	7,630.00	5,277.72	86.56	2,265.72	29.70	70.31
Station 5	7,600.00	3,883.74	155.50	3,560.76	46.85	53.15
Station 6	9,530.00	6,322.50	120.28	3,087.22	32.40	67.61
Health and Safety	83,620.00	29,164.40	18,958.31	35,497.29	42.45	57.55
<b>Station Operations</b>	<b>\$7,428,570.00</b>	<b>\$4,899,354.15</b>	<b>\$82,156.85</b>	<b>\$2,447,059.00</b>	<b>32.94</b>	<b>67.06</b>
<b>Technical Response and Systems</b>						
Special Operations (1)	102,160.00	39,881.20	650.85	61,627.95	60.33	39.68
Wild Land	48,210.00	29,989.30	707.52	17,513.18	36.33	63.67
Emergency Medical Service	23,050.00	10,928.58	3,000.00	9,121.42	39.57	60.43
Tactical Fire (2)	35,220.00	1,839.72	28,820.00	4,560.28	12.95	87.05
ARFF	2,280.00	0.00	0.00	2,280.00	100.00	0.00
<b>Technical Response and Systems</b>	<b>\$210,920.00</b>	<b>\$82,638.80</b>	<b>\$33,178.37</b>	<b>\$95,102.83</b>	<b>45.09</b>	<b>54.91</b>
<b>Equipment Maint &amp; Replacement</b>						
Communications / Telephone	222,490.00	96,235.78	58,959.35	67,294.87	30.25	69.75
Hoses	23,620.00	1,496.94	10,782.25	11,340.81	48.01	51.99
Ladders/Small Engine (3)	7,800.00	5,763.96	0.00	2,036.04	26.10	73.90
Self Contained Breathing Apparatus (1)	81,890.00	25,497.99	7,820.00	48,572.01	59.31	40.69
Thermal Imaging (4)	25,340.00	20,242.10	0.00	5,097.90	20.12	79.88
Computer Equipment (1)	51,150.00	18,503.60	0.00	32,646.40	63.83	36.18
Vehicles and Apparatus	617,290.00	423,673.41	0.00	193,616.59	31.37	68.63
<b>Equipment Maint &amp; Replacement</b>	<b>\$1,029,580.00</b>	<b>\$591,413.78</b>	<b>\$77,561.60</b>	<b>\$360,604.62</b>	<b>35.02</b>	<b>64.98</b>
<b>Administration</b>						
Emergency Management (1)	225,590.00	92,795.99	8.87	132,785.14	58.86	41.14
Administration	1,650,910.00	1,205,504.89	2,759.99	442,645.12	26.81	73.19
<b>Administration</b>	<b>\$1,876,500.00</b>	<b>\$1,298,300.88</b>	<b>\$2,768.86</b>	<b>\$575,430.26</b>	<b>30.67</b>	<b>69.34</b>
<b>Grand Total (6)</b>	<b>\$11,210,290.00</b>	<b>\$7,307,955.25</b>	<b>\$196,170.52</b>	<b>\$3,706,164.23</b>	<b>33.06</b>	<b>66.94</b>

\*Exp = Expenditures; Enc = Encumbrance (ordered, not yet paid); YTD = Year to Date

Expenditure Variance Explanations 

# LFRA Budget Status - Expenditures

## Variance Explanations - Expenditures

### (1) Station Two, Self Contained Breathing Apparatus, Computer Equipment & Emergency Management

Each of these programs have been working on implementation plans and expect to spend committed funds. Station 2 has been conserving funding for the move and additional needs. Special Operations & SCBA programs are evaluating the condition of the equipment budgeted for replacement. Computer program implementation is being worked on in collaboration with the City's Information Technology Department. Emergency Management is finalizing the EOC reconfiguration and getting quotes on installations of cabling, communications equipment and antennas.

### (2) Tactical Fire

The entire body armor budget is on order.

### (3) Ladders / Small Engine

Ground ladder testing for the year is complete and saw replacements have been purchased.

### (4) Thermal Imaging

The replacement of the two cameras scheduled for replacement this year have been purchased.



North Grant Ave. House Fire

### (5) Administration

Copier maintenance agreements upon replacement were changed to a charge for each copy vs. a charge for a set number of copies.

### (6) Grand Total

As of the third quarter of this year, 67% of the budget has been spent compared to 66% for the same time frame last year.

## Loveland Fire Rescue Authority

### Authorized Spending Report by Account Class

Quarter Ending 9/30/14, 75% of the Year

Segments	Total Budget	*YTD Exp	*YTD Enc	Total Available	Total % Available	Total % Spent
Personal Services	\$8,139,170.00	\$5,493,478.91	\$0.00	\$2,645,691.09	32.51	67.49
Supplies	522,960.00	219,739.07	87,494.98	215,725.95	41.25	58.75
Purchased Services	2,332,780.00	1,542,074.62	48,555.54	742,149.84	31.81	68.19
Capital Outlay	215,380.00	52,662.65	60,120.00	102,597.35	47.64	52.36
<b>Grand Total (1)</b>	<b>\$11,210,290.00</b>	<b>\$7,307,955.25</b>	<b>\$196,170.52</b>	<b>\$3,706,164.23</b>	<b>33.06</b>	<b>66.94</b>

\*Exp = Expenditures; Enc = Encumbrance; YTD = Year to Date

### (1) Grand Total

The encumbrances for bunker gear, training, peer support, physician advisor services, body armor, radios, hose, and a respirator testing system are included in the % spent calculation. As of the third quarter of this year, 67% of the budget has been spent compared to 66% for the same time frame last year.

# Other Resources

**City's General Fund:**

Budget	\$7,500.00
Actual Expenditures	6,523.32
Encumbrances (Purchase Orders)	0.00
Remaining Budget	<u>\$976.68</u>

*Appropriated to replace tools and equipment in the Training Center damaged in the flood.*

**City's Capital Replacement Fund:**

Budget	\$1,458,610.00
Actual Expenditures	473,848.25
Encumbrances (Purchase Orders)	851,050.36
Remaining Budget	<u>\$133,711.39</u>

*100' Aerial Platform Truck and equipment necessary to make it service ready.*

**City's Fire Capital Expansion Fee Fund:**

Budget	\$745,000.00
Actual Expenditures	748,789.62
Encumbrances (Purchase Orders)	
Remaining Budget	<u>-\$3,789.62</u>

*Training Center Property (\$741,441), Phase II evaluation (\$3,499.77), and soils mitigation (\$3,848.85)*

**City's Fire Capital Expansion Fee Fund:**

Budget	\$3,841,740.00
Actual Expenditures	2,598,288.41
Encumbrances (Purchase Orders)	844,400.79
Remaining Budget	<u>\$399,050.80</u>

*Station 2 west of 29th & Wilson; Oct 15 move in Oct 25 Opening*

## In the Works

**New and Old Fire Station 2**

The new station is on schedule and within budget. The crews are moving in October 15, 2014 and a dedication event is scheduled for October 25, 2014. The contract for the sale of the old Station 2 to Thompson Valley Emergency Medical Services has been drafted and the final approvals from each party are in the approval stage. We expect to close on the property in the final quarter of the year.

**2015 Budget**

A public hearing for the \$11.9 million 2015 Budget and the schedule of fees and charges was conducted on September 11, 2014 and it was adopted by the LFRA Board on that date. It had been approved by the Loveland Rural Fire Protection District Board on August 6, 2014. It will be before the City Council for approval October 14, 2014 (originally scheduled for October 7 but all budget material was continued to the October 14 meeting). The LFRA Board is scheduled to appropriate the budget at the November 13, 2014 LFRA Board meeting.



# In the Works Continued...

## Chief Selection

After an extensive recruiting and selection process, Chief Mark Miller from Vail, Colorado has been selected as the next LFRA Fire Chief. Chief Miller rejoins the team, having previously been the Chief of Loveland Fire in the early 2000's for a whole new era, starting November 10, 2014.

## Insurance Services Office (ISO) Review

The ISO evaluation has been scheduled for January, 2015. Mike Pietsch, PE, Consulting Services Incorporated, has been hired to assist with the preparation and the evaluation itself. The ISO issue ratings from 1 to 10; where the lower the number rating, the better it is for the community. The current City of Loveland rating is a 4 and the Rural District rating is a 5 within the 5 mile radius limitations. LFRA will be working closely with all of our partners to improve our ISO rating (reducing the number) potentially impacting insurance premiums (either a reduction or at least offsetting other increases). It is our understanding that the ISO ratings impact commercial properties more directly than residential properties.

## Flood Response and Damage Recovery

\$189,181.93 was submitted to FEMA for recovery through the allowable federal (targeted at 75%) and state percentages (targeted at 12.5%). We have received \$109,613.84 or 58% of the expenditures submitted. The Training Center was well covered by insurance for another \$404,857.49. A total of \$594,039.42 in response and damages were submitted and a total of \$514,471.33 was recovered through FEMA and insurance for a total 86.7%. The City's Finance Department has indicated they are working on resubmitting some of the costs for a second consideration. They are hopeful, but not optimistic, that additional money will be received from FEMA.

## Three Tier Staffing to a Two Tier Staffing

The LFRA Board approved moving from a three tier staffing model (Full Time Paid, Part Time Paid and Reserve) to a two tier staffing model (Full Time Paid and Part Time Paid). The existing reserves will be retained and will be included in the existing Consolidated Volunteer Pension Fund. LFRA will support the volunteer system for the Big Thompson Canyon Volunteer Department (BTVFD) and offer shift rotations within our system.

## Training Academies Complete

Twenty seven LFRA team members are in new positions (from Captain to Reserves) in this quarter to staff the new Station. A badge pinning ceremony occurred August 28, 2014 with nearly 100 people in attendance. Because LFRA is committed to employee success, 1,432 hours estimated to cost \$38,600 were committed to ensuring skills for their positions are executed flawlessly.

## New Direction for Refurbishment of LFRA's Old Ladder Truck

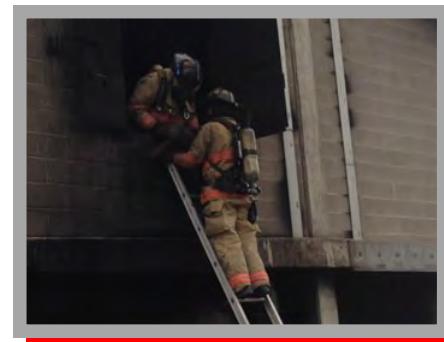
Proposals have come in from several companies interested in refurbishing our 2000 Smeal Aerial Truck. It has become necessary to look at a different strategy to refurbish our aerial with a goal of top shelf service for a period of at least the next 8-10 years. We received ballpark refurbishment quotes from Pierce and Smeal on the Ladder 6 project, these quotes included a new cab and chassis and complete refurb of the pump, aerial ladder and body. Unfortunately, these quotes came back higher than anticipated at approximately \$815,000, the two quotes were within \$1500 of each other. Our budget for this project is \$606,000, which was an estimate based on the refurb that PFA did three years ago that was just under \$500,000. Clearly there has been a pretty substantial change in pricing on the refurbs. We have decided on a new direction for this project. We have identified a list of items that must be done to keep the current Ladder 6 in good condition for the next 8 to 10 years as a reserve ladder without doing a new cab and chassis. These items will be put out to bid, with the expectation that there will be a significant savings.



Captain Academy  
Team Building



Engineer Academy  
Pump Operations



Firefighter Academy  
Victim Rescue

# In the Works Continued...

## 2014 Proposed LFRA Budget Process

Financial Plan Update/Policy Direction Budget Development/Priority  
Based Budgeting April/May

LFRA Staff Recommendation June

LFRA Board Subcommittee Consideration of Staff Recommendation

July 17, 2014

*Proposing that the Subcommittee be the LFRA Chair, the City Manager, and the Chair of FRAC*

Fire Authority Board Public Hearing, Adoption of Budget and Fees

September 11, 2014

Rural District Board  
Approves Budget and  
Fees

August 6, 2014

City of Loveland  
Approval of Budget  
and Fees

October 14, 2014

Fire Authority Board Appropriation of Budget

November 13, 2014

For more information regarding this report, contact: Renee Wheeler, *Public Safety Administrative Director*, at 970-962-2704 or [Renee.Wheeler@cityofloveland.org](mailto:Renee.Wheeler@cityofloveland.org)

