

2016



Budget Biz

Quarter 1 (January - March), Issue 13

Welcome to the thirteenth 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 March, 2016. 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 25% 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 1 at 25% of 2016

- 39% of the revenue budget has been collected to date compared to 26% last year for the same timeframe.
- 28% of the expenditure budget has been spent compared to 25% last year for the same timeframe.
- LFRA Maturation continues: The Board agreed to pursue titling all equipment and fire rescue fleet to LFRA and leasing stations.
- Several projects are in the works: training center annexation and design, radio communications tower replacement, apparatus replacements, video conferencing, and public outreach program refinement.
- Sale of the Rossum Drive Property originally purchased for a fire station.
- Grant projects are in the works related to firefighter safety (bunker gear, extra hoods, helmets, and gloves, fitness evaluations), and community preparedness (mitigation study and master plan and disaster recovery plan).
- Recruitment and training continue to be a primary emphasis.

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

2016

LFRA Budget Status - Revenue

Loveland Fire Rescue Authority

Budget Revenue Report

Quarter Ending 3/31/2016, 25% of the Year

Segments/Accounts	Total Budget	YTD Rev*	Total Variance	Total % Uncollected	Total % Collected
Investment Activity as a % of the Total City Investment Pool					
Interest On Investments	\$1,500.00	\$2,178.35	-\$678.35	-45.22	145.22
Gain/Loss On Investments	1,500.00	462.46	1,037.54	69.17	30.83
SubTotal : Investment Activity	\$3,000.00	\$2,640.81	\$359.19	11.97	88.03
Community Safety					
Special Events (1)	28,900.00	9,345.00	19,555.00	67.66	32.34
Miscellaneous	0.00	374.97	-374.97	0.00	100.00
Building (2)	58,400.00	17,123.58	41,276.42	70.68	29.32
Contractor	5,400.00	2,500.00	2,900.00	53.70	46.30
Fire Permit & Inspection (2)	55,930.00	8,780.06	47,149.94	84.30	15.70
Firework Stand Review	12,350.00	0.00	12,350.00	100.00	0.00
Rural Fire Inspection Fee (2)	27,000.00	25,171.37	1,828.63	6.77	93.23
SubTotal : Community Safety	\$187,980.00	\$63,294.98	\$124,685.02	66.33	33.67
Station Operations					
State Grant (3)	0.00	2,850.00	-2,850.00	0.00	100.00
Refunds / Rebates (4)	9,975.00	2,047.65	7,927.35	79.47	20.53
Academy Training (5)	8,000.00	19,304.00	-11,304.00	-141.30	241.30
SubTotal : Station Operations	\$17,975.00	\$24,201.65	-\$6,226.65	-34.64	134.64
Technical Response and Systems					
Other (ARFF) (6)	22,000.00	0.00	22,000.00	100.00	0.00
SubTotal : Technical Response and Systems	\$22,000.00	\$0.00	\$22,000.00	100.00	0.00
Administration					
Federal Grants (7)	165,000.00	0.00	165,000.00	100.00	0.00
Other	0.00	0.00	0.00	0.00	100.00
Contribution - Rural Fire District	2,358,664.00	753,362.00	1,605,302.00	68.06	31.94
Contribution - Loveland	10,585,929.00	4,440,384.00	6,145,545.00	58.05	41.95
Pension Admin Revenue (8)	45,000.00	0.00	45,000.00	100.00	0.00
SubTotal : Administration	\$13,154,593.00	\$5,193,746.00	\$7,960,847.00	60.52	39.48
Grand Total : (9)	\$13,385,548.00	\$5,283,883.44	\$8,101,664.56	60.53	39.48

*YTD = Year to Date, Rev = Revenue

Revenue Variance Explanations



LFRA Budget Status - Revenue

Variance Explanations - Revenue

(1) Special Events

Budweiser Event Center Standby.

(2) Permits / Fees

Permit fees are a function of the building activity. Rural Fire Inspection Fee - several substantial projects in the 25/34 Development (Apartment complex, Shooting Range, care facility). The Scheels permit was 60% of the amount received.

(3) State Grant

Grant received to offset some of the cost for physical fitness evaluations conducted by Colorado State University.

(4) Refunds / Rebates

The budget is for the Department of Local Affairs reimbursement of the Health and Circulatory Trust Premium for Full Time Firefighters. That premium will come due later in the year (timing corresponds to the State's fiscal year). The amount received to date is for insurance reimbursement of salaries paid on an employee out on workers compensation.

(5) Academy Training

The 2015 fall day/night academy usage has been paid in total representing 60% of the total collected to date.

(6) Other (ARFF)

The budget is for the City of Fort Collins 50% contribution of salaries and benefits for the ARFF Engineer added to accommodate stand bys generated by new airline. However the airline will not begin flights until the end of May. As a result, Fort Collins has agreed to contribute just over \$14,000 for 2015 to be received in April.

(7) Federal Grants

The budget is the re-appropriation of the Community Development Block Grant - Disaster Recover Mitigation Study and Master Plan.

(8) Pension Admin Revenue

The budget is related to Pension Fund revenue that is the expected remaining balance from fees ICMA charges the plan and the cost to deliver services. It is appropriated to cover the cost of Pension Committee training, legal services and the Innovest contract to monitor investments.

(9) Grand Total

2016 Reappropriations have been posted to the budget:

Originally adopted budget	\$12,598,736.00
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Supplemental Appropriation for Insurance solutions, finance fees and legal fees processed Dec 2015	81,732.00
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Reappropriation of 2015 Budget	705,079.00
Revised Budget Total	<u>\$13,385,547.00</u>

39% of the revenue budget has been collected to date compared to 26% last year for the same timeframe.

LFRA Budget Status - Expenditures

Loveland Fire Rescue Authority Authorized Spending Report by Division and Program Quarter Ending 3/31/2016, 25% of the Year

Segments	Total Budget	*YTD Exp	*YTD Enc	Total Available	Total % Available	Total % Spent
Community Safety						
Prevention	\$173,414.00	\$41,971.73	\$1,312.56	\$130,129.71	75.04	24.96
Business Inspections	136,380.00	36,424.63	0.00	99,955.37	73.29	26.71
Permitting & Development Review	477,070.00	110,659.61	2,860.99	363,549.40	76.21	23.80
SubTotal Community Safety	\$786,864.00	\$189,055.97	\$4,173.55	\$593,634.48	75.44	24.56
Station Operations						
General Station Operations	8,038,708.00	2,098,307.05	5,210.15	5,935,190.80	73.83	26.17
Training	121,730.00	13,893.97	18,007.12	89,828.91	73.79	26.21
Quartermaster (1)	137,772.00	8,858.32	3,784.13	125,129.55	90.82	9.18
Station 1	13,110.00	2,232.01	153.61	10,724.38	81.80	18.20
Station 2	8,270.00	2,493.87	619.60	5,156.53	62.35	37.65
Station 3	6,690.00	485.61	0.00	6,204.39	92.74	7.26
Station 5	6,680.00	606.64	86.38	5,986.98	89.63	10.38
Station 6 (2)	8,740.00	3,215.71	642.10	4,882.19	55.86	44.14
Health/Safety (3)	75,762.00	3,303.79	34,815.00	37,643.21	49.69	50.31
SubTotal Station Operations	\$8,417,462.00	\$2,133,396.97	\$63,318.09	\$6,220,746.94	73.90	26.10
Technical Response and Systems						
Special Operations (4)	70,820.00	1,091.59	0.00	69,728.41	98.46	1.54
Wild Land	12,620.00	3,024.97	372.00	9,223.03	73.08	26.92
Emergency Medical Service (5)	30,243.00	6,487.92	14,000.00	9,755.08	32.26	67.74
Tac Fire (6)	10,163.00	150.00	0.00	10,013.00	98.52	1.48
Aircraft Rescue and Firefighting (7)	11,980.00	571.41	0.00	11,408.59	95.23	4.77
Technical Response and Systems	\$135,826.00	\$11,325.89	\$14,372.00	\$110,128.11	81.08	18.92
Equipment Maint & Replacement						
Communications / Telephone	244,964.00	60,725.74	5,556.76	178,681.50	72.94	27.06
Hoses (8)	29,366.00	13,836.41	0.00	15,529.59	52.88	47.12
Ladders/Small Engine (9)	6,812.00	182.78	8,500.00	-1,870.78	-27.46	127.46
Self Contained Breathing Apparatus (10)	50,885.00	25,004.68	1,113.07	24,767.25	48.67	51.33
Thermal Imaging (11)	21,320.00	0.00	20,675.10	644.90	3.03	96.98
Computer Equipment (12)	98,725.00	1,289.81	0.00	97,435.19	98.69	1.31
Vehicles and Apparatus	1,067,011.00	228,422.34	43,863.11	794,725.55	74.48	25.52
Small Engines (13)	4,000.00	1,934.77	138.50	1,926.73	48.17	51.83
Equipment Maint & Replacement	\$1,523,083.00	\$331,396.53	\$79,846.54	\$1,111,839.93	73.00	27.00
Administration						
Emergency Management (14)	393,175.00	31,879.85	104,668.12	256,627.03	65.27	34.73
Administration (15)	2,084,138.00	708,247.72	47,302.60	1,328,587.68	63.75	36.25
Fire Retirement Admin (16)	45,000.00	6,356.25	19,195.75	19,448.00	43.22	56.78
SubTotal Administration	\$2,522,313.00	\$746,483.82	\$171,166.47	\$1,604,662.71	63.62	36.38
Grand Total (17)	\$13,385,548.00	\$3,411,659.18	\$332,876.65	9,641,012.17	72.03	27.97

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

Expenditure Variance Explanations

LFRA Budget Status - Expenditures

Variance Explanations - Expenditures

(1) Quartermaster

The bunker gear replacements bid will not open until April 7th, which is the most significant portion of this budget.

(2) Station Six

The tools and supplies purchases all look reasonable and it is expected that they stocked up a little so that they would save time on running back and forth to the store.

(3) Health & Safety

The annual contract for Peer Support Psychologist is encumbered.

(4) Special Operations

The Special Operations Teams just haven't ordered any of their replacement equipment yet, which represents 54% of that budget.

(5) Emergency Medical Service

The annual contract for the Physician Advisor is encumbered.

(6) Tac Fire

The vest replacements have not been ordered and the training budgeted has not been offered yet.

(7) Aircraft Rescue & Firefighting

The office set up hasn't been charged yet and the training has not been offered yet.

(8) Hoses

Many of the hose replacements have been purchased.

(9) Ladders / Small Engine

The testing for the year has been encumbered and money will have to be transferred from another account to cover the additional cost.

(10) Self Contained Breathing Apparatus

The 30 minute cylinders for replacement have been purchased.

(11) Thermal Imaging

Thermal Imaging camera replacements for the year have been ordered.

(12) Computer Equipment

\$39,043 Software maintenance agreements were charged to Administration incorrectly. The charges will be corrected in April. The web based Telestaff license costs have not been charged yet.

(13) Small Engines

Rescue 2 replacement saw was purchased.

(14) Emergency Management

Mitigation Study and Master Plan contract issued and encumbrance for the total project has been established.

(15) Administration

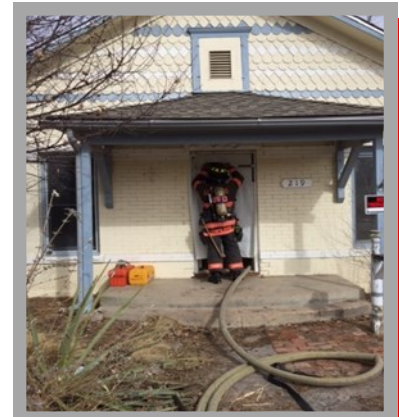
\$39,043 of software maintenance agreements were charged to this program that should have been charged to the Computer Program.

(16) Fire Retirement Admin

Pension Fund expenditures and encumbrances are for Innovest, a firm that monitors the pension investments.

(17) Grand Total

The total expenditures are within the range expected at 25% of the year. 28% of the budget has been spent compared 25% last year.



2nd Street Training Drills

Authorized Spending Report

Loveland Fire Rescue Authority Authorized Spending Report by Account Class Quarter Ending 3/31/16, 25% of the Year

Segments	Total Budget	*YTD Exp	*YTD Enc	Total Available	Total % Available	Total % Spent
Personal Services	\$9,121,301.00	\$2,397,578.59	\$0.00	\$6,723,722.41	73.72	26.29
Supplies	489,641.00	66,709.24	27,887.46	395,044.30	80.68	19.32
Purchased Services	3,388,477.00	880,205.98	246,661.72	2,261,609.30	66.74	33.26
Capital Outlay	386,129.00	67,165.37	58,327.47	260,636.16	67.50	32.50
Grand Total (1)	\$13,385,548.00	\$3,411,659.18	\$332,876.65	\$9,641,012.17	72.03	27.97

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

(1) Grand Total

The total expenditures are within the range that would be expected at 25% of the year including the many encumbrances. The encumbrances are for training scheduled for later in the year, the annual contract for 50% of the Peer Support Psychologist, the annual contract for the Emergency Medical Services Physician Advisor, the Motorola radio maintenance contract, the ladder testing contract, the annual legal services contract, the Innovest pension investments monitoring contract, the mitigation study and master plan contract, orders place for self contained breathing apparatus replacements and thermal imaging camera replacements, and the order for the vehicle budgeted with the new ARFF Engineer.

Other Resources

City's Capital Replacement Fund:

Engine Replacement

Original Budget Appropriation	\$652,300.00
Less Actual Expenditures	546,616.81
Less Encumbrances (Purchase Order-Refurb)	3,281.73
Remaining Budget	<u>\$102,401.46</u>

Scheduled engine replacement using the Houston Galveston Area Council cooperating purchasing agreement and SVI Trucks as the vendor.

Radio Tower Replacement

Supplemental Appropriation (reappropriating the 2015 funds for this purpose)	\$195,650.00
Less Actual Expenditures	
Less Encumbrances (Purchase Order)	186,220.00
Remaining Budget	<u>\$9,430.00</u>

It is already known that the ARES equipment move from the old tower to the new one was excluded from the quote and the remaining amount will need to be applied to that task.

City's Fire Capital Expansion Fee Fund:

Budget	\$321,442.00
Less Actual Expenditures	3,020.02
Less Encumbrances (Purchase Orders)	318,421.76
Remaining Budget	<u>\$0.22</u>

New Training Center Property Design; the actual expenditure is related to finalizing the annexation process. A purchase order has been issued to Belford Watkins for the design work.

In the Works

Training Center Annexation

The annexation of the new Training Center property is in progress. Neighborhood meetings have been held; the Planning Commission approved it; and the City Council will consider it in April. United Civil Services is working in conjunction with Ken Cooper (Facilities Management), and Bob Paulson (Acting Development Services Director) to make it all come together.

Station 1 Radio Communications Tower

The radio communications tower on the roof of Station 1 is the mission critical communications infrastructure for the downtown area. It was identified as a structure at risk for collapse in high wind conditions. LFRA has contracted with Wireless Advanced Communications and United Tower to replace the tower with a monopole 120' tower in the south parking lot of the station. City departments and Thompson Valley Emergency Medical Services have radios that rely on this tower and are included within the Northern Colorado Radio Communications Network. All parties collaborated to fund the structure from budget savings in 2015 re-appropriated in 2016. Radio cable management and minor concrete work for the base of the tower has been started and the steel has been ordered. It is expected to be here the third week of May.



Training Center Master Plan/Design

City Council has approved the supplemental carryover (appropriated in 2015) for the Master Plan/Training Center Design. Belford Watkins Group was the selected design firm and have begun meetings to craft the vision for the most effective use of the training center over the long term planning horizon.

Rossum Drive Property Sale

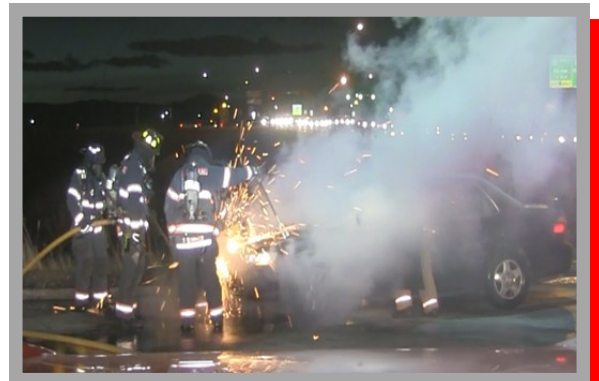
City Council passed (unanimously) the ordinance to allow for the sale of the Rossum Drive property. The funds generated from this sale (\$145,000) will be returned to Fire Capital Expansion Fee (CEF) fund.

Apparatus

The 2016 replacement engine was ordered through SVI Trucks in Fort Collins, delivery is expected in December. The refurbished ladder truck is now in service, it will function as the fully equipped reserve ladder truck.

Firefighter Safety Grant Awards

Two State 2016 Firefighter Safety & Disease Prevention grants were submitted and awarded: a grant on behalf of the Big Thompson Canyon Volunteer Fire Department for \$28,134 of a \$51,750 project to replace 18 sets of bunker gear (maximum allowable is \$1,563 per set); and a grant on behalf of LFRA for 86 hoods, gloves and helmets at \$42,140 to ensure each sworn member has a second set, allowing for decontamination and cancer prevention.



In the Works Continued...

The FEMA Assistance to Firefighters grant was submitted for Phase II of the Station Alerting project at \$134,480, with a \$12,225 local match. This phase of the project adds door remotes to all stations, replaces station alerting at Canyon Stations, and installs the communications center components of the system. The



intended impact of this project is: automate station and company notifications, reduce dispatch call processing time, and improve response times. It is designed in a modular way to ensure it can meet our needs as we grow and potentially add other partners like Thompson Valley EMS and Berthoud Fire Protection District.

Additionally, LFRA was fortunate to receive a \$2,850 Firefighter Heart Fitness Grant from the Colorado Firefighter Heart and Circulatory Benefits Trust to reimburse some of the cost to get our Colorado State University health and fitness evaluations completed.



LFRA Maturation Work Continues

Considerations have begun with regard to asset ownership. The Board made a decision that the equipment and apparatus will be titled over to the Authority and the ownership for the land and stations will be retained by the City of Loveland and the Loveland Rural Fire Protection District and leased to the Authority. This decision sets into action a wide variety of legal and policy work to be complete by the third quarter of the year.

A flurry of administrative tasks continue: unemployment account with the state to report earnings with the first payroll; new criteria for personnel evaluations that align with the LFRA values and mission; new services contract template and service contract amendment template; new ride along waivers for professional and citizen riders; a cooperative purchasing membership agreement with the Houston Galveston Area Council to facilitate cost effective apparatus purchasing in future years; a resolution was approved by the Board to clarify pension administration responsibilities of the LFRA Board versus the Pension Committee.



Hiring/Promoting with Purpose

At the February All Officers training, one of the leadership lessons presented to the Officers was in regards to hiring and promoting the best individuals possible, in an effort to maintain our culture and keep us on the path of enduring greatness. Four characteristics came forward that will be of significant importance as we hire and promote in LFRA. All of these characteristics have been a part of our culture for several years, so this is nothing new, however, our focus in hiring and promoting based on these principles must be strategic.

Along with the knowledge, skills and abilities of firefighting, we will look for individuals that have:

- ⇒ **A Warrior Spirit** – Thinking aggressively; intelligence and technology; facing fears, drive to get the job done no matter the cost; skill mastery.
- ⇒ **A Servant Heart** – Compassion; Integration of head and heart; outside the box; not in it for personal gain; humility.



In the Works Continued...

- ⇒ **Emotional Intelligence** – Self-awareness; Self-regulation; Motivation; Empathy; Social skills/team player.
- ⇒ **A Fun-Loving Attitude**- Love for people and love for the job; you want to be here.

The important note here, is we will embrace the vision of looking at individuals we hire and promote, as the “future” of this great department. Again, this is not a new concept, just one that must be at the forefront, to maintain an excellent, ethical, enduring organization.

Swearing-in/Badge Pinning Ceremony

On March 29th, LFRA conducted a badge pinning/swearing-in ceremony at the Police Courts Institute

- ⇒ Engineers: Adam Baukol, Mark Hernandez, Chris Smith
- ⇒ Firefighters: Alex Chapin, Paul Duran, Samuel Leighton, Traver Heckman, Devon Laughlin.
- ⇒ Part-Time Firefighters: Nate Unruh, Andrew Sharpe, Jon Pointer, Shelby Baker, Cole Stephenson



LFRA Appreciation Event

The LFRA Appreciation Event on January 16th, was a great success! Thanks to all the LFRA staff who were instrumental in pulling it off, including; Renee Wheeler, Roylene Sterkel, Cheryl Cabaruvias, Ingrid Macmillan-Ernst, Scott Pringle, Dan Engelhardt, and Justin King, for his amazing 20 minute video that captured 2015 in video and sound. The keynote speaker, Craig Demartino was inspiring and motivational.

Canyon Awards Ceremony

The Big Thompson Canyon Volunteer Fire Department (under the umbrella of LFRA), held their annual awards ceremony on February 27th at the Fountains Inn of Loveland. The ceremony included LFRA Chairman Jeff Swanty swearing in all 28 members of the Canyon department, as one of the formalities of being members of LFRA. Canyon Battalion Chief Bill Lundquist formally announce his retirement as an officer of the department (effective May 2016); although he will remain a member, lending his experience in coaching, mentoring and providing assistance where needed. Bill has done an outstanding job as a Chief Officer in the Canyon and his leadership will be missed.

Recruiting

A part-time firefighter testing process occurred during the month, this is the second testing in the last four months due to the high turnover rate of LFRA’s part-time firefighters. LFRA currently has three vacant part-time firefighter positions.

The ARFF Engineer Position approved for the 2016 budget has been filled internally. The Part Time Inspector was approved to move to full time and a Firefighter Rover position was approved for hire due to cover two members on military leave, four members on light duty and the part time firefighter vacancies.



In the Works Continued...

Technology to Create Efficiencies

A basic video conferencing system was installed on the computers at each Station and the Training Center to allow crews to remain in quarters for meetings and lecture type training events.

Training Emphasis

The extensive planning effort has been underway to sponsor three national training and research opportunities: Active Assailant, Smoke and Fire Behavior, and Kill the Flashover. All of these trainings will occur the second quarter of this year.



Several other trainings for the development of personnel have been conducted: ice rescue, fire history in Loveland, NFPA Inspections, team empowerment for the City's multi-discipline development review team, confined space entry operations with the Northern Colorado Bomb Squad, Rescue Task Force training with the Larimer County Sheriff's Office Deputies at the Budweiser Event Center, budget and purchasing awareness for all staff members, rural water supply and wildland shelter deployments, a Blue Card Command Certification class was conducted with students from LFRA, Berthoud Fire District and Estes Valley Fire District and the State's Emergency Management 101 Academy will be attended by the Public Affairs Officer to build depth in the Office of Emergency Management.

Focusing the Public Outreach Effort

Review of Community Risk Assessment (v.1) was completed and an emphasis will be placed on altering public education message to redevelop and unify Public Education / Outreach and Emergency Management, as well as, Fire Code provisions. The Community Safety Division will also be exploring the best method to create and operate a Public Education team utilizing Firefighters and duty crews. Discussions with American Red Cross, LETA and TVEMS are in process to create multi-discipline approach sharing our community outreach. The report has been generated by the City's Information Technology Department and Engineer Hill defining what trends and repetitive fire problems.

Grant Funded Community Preparedness

The Mitigation Strategy and Master Plan (MSMP) is underway, funded by a Community Development Block Grant for Disaster Recovery (CDBG-R).

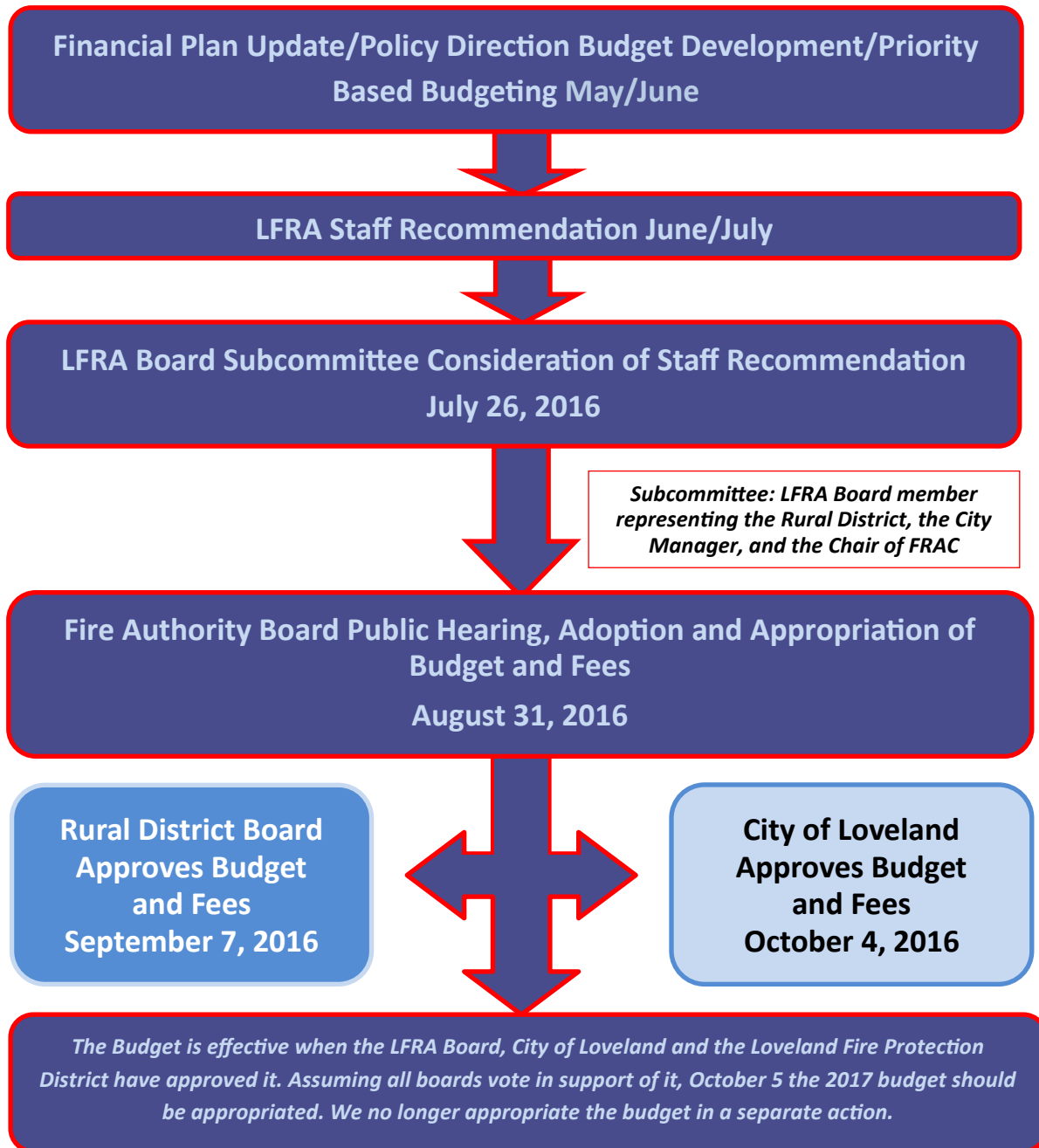
The State approved using the balance of the CDBG-DR grant award for a Disaster Recovery Plan. The bids for the contractor to perform this work were opened March 31. The selection process is underway and the plan development will begin the second quarter of the year.

The project to install the Chilson/Senior Center emergency generator spearheaded by the Emergency Manager is formally cancelled due to expensive and site-specific challenges. The City's Water and Power Department has decided to move forward with a formal request to install the generator at the Service Center. Office of Emergency Management is working closely with their staff to compile a new application and all of the supporting documentation that is due on April 1, 2016.



In the Works Continued...

2016 Proposed LFRA Budget Process



Budget Biz

Quarter 1

2016

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



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