

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

WORKSHOP SUMMARY

Meeting Date: June 26, 2012

Department: FIRE RESCUE

I. EXECUTIVE BRIEF

Title: Fire Rescue FY 2013 Budget & Staffing Presentation

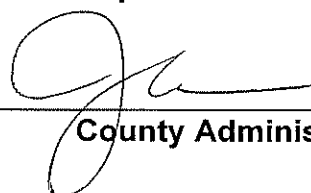
Summary: In response to a request from the Board, staff will present a brief summary of the current, proposed and future fire rescue budget & staffing projections, including a budget overview, overtime reduction plan and provide comment on the draft external reviews prepared by Rampell & Rampell, and the International Association of Firefighters (IAFF) on behalf of the Professional Firefighters/Paramedics of Palm Beach County, Inc., Local 2928.
Countywide (SB)

Background and Policy Issues: For the first time in our history, the Department closed FY 2011 with a deficit of \$6.5M. It is estimated we will close FY 2012 with a deficit of approximately \$12M and FY 2013 is projected to close with a deficit of approximately \$23M. Staff has balanced the FY 2013 budget using a planned approach to adjust daily staffing while maintaining the same number of in-service units, eliminated 102 positions from the complement, and implemented cost-saving efficiency measures and policy changes. Our ability to maintain a sustainable budget for the future will rely on our ability to maintain an appropriate fund balance. This is necessary to offset uncontrollable external factors such as retirement rates, property values and annexations. Although Fire Rescue has submitted a balanced budget for FY 2013, by FY 2014, staff projects the fund balance will have decreased almost 40% from its peak in FY 2011. Because of these one-time funding strategies, including the use of capital project reserves and the reduction of the main MSTU reserves, staff anticipates a significant shortfall in FY 2015. With all cash spent, this shortfall carries forward into FY 2016 without a funding strategy. Disagreement as to the projections used by staff to develop and balance the FY 2013 budget led to the review of Fire Rescue's current and proposed budget & staffing projections by a private accounting firm and the IAFF on behalf of Local 2928.

Attachments:

1. Budget & Staffing PowerPoint Presentation
2. Letter from Fire Rescue Advisory Board dated May 10, 2012

Recommended by:  6/20/2012
 Department Director Date

Approved By:  6/21/12
 County Administration Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	* see below	_____	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No X
 Budget Account No.: Fund ___ Department ___ Unit ___ Object ___
 Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

* The purpose of this presentation is to provide a summary of Fire Rescue's budget & staffing projections associated with the current and future budget years. The presentation is informational and therefore, does not have a fiscal impact.

C. Departmental Fiscal Review: mutual

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

[Signature] 6/20/2012 OFMB
[Signature] 6/20/12 Contract Dev. and Control
 6-20-12 J. Whelan

B. Legal Sufficiency:

[Signature] 6/20/12
 Assistant County Attorney

C. Other Department Review:

 Department Director

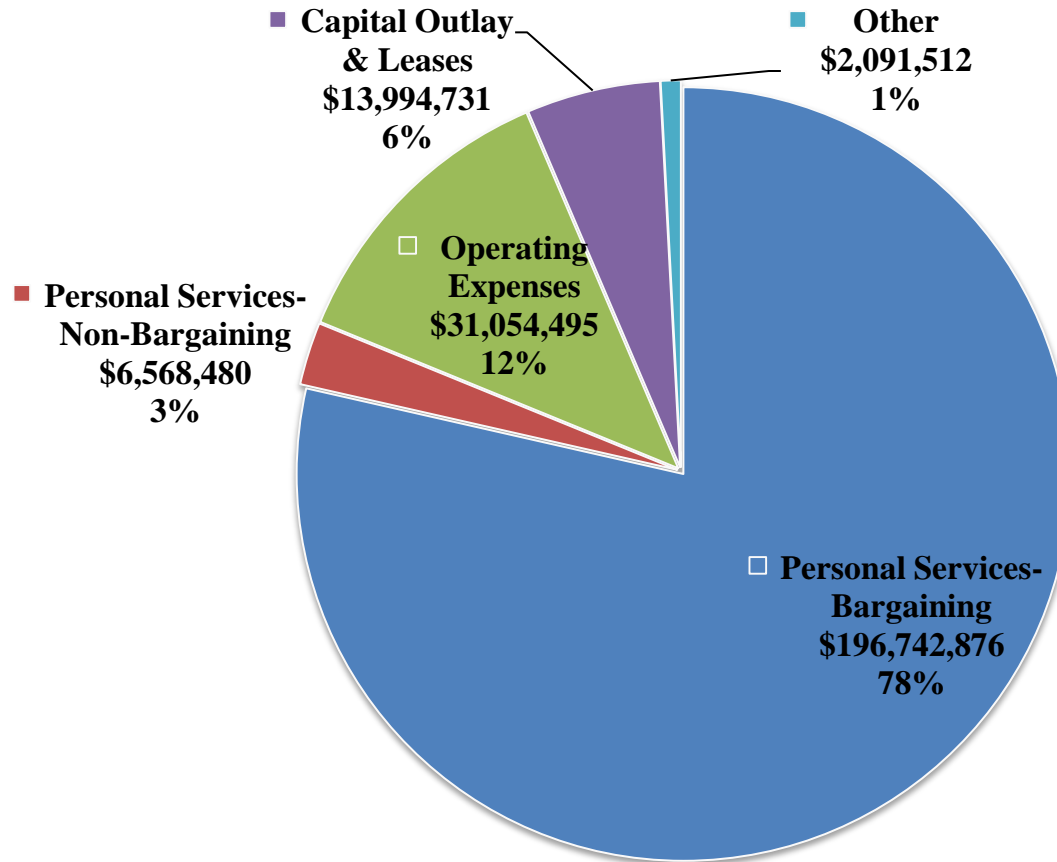


Palm Beach County Fire Rescue Main MSTU

Budget Outlook

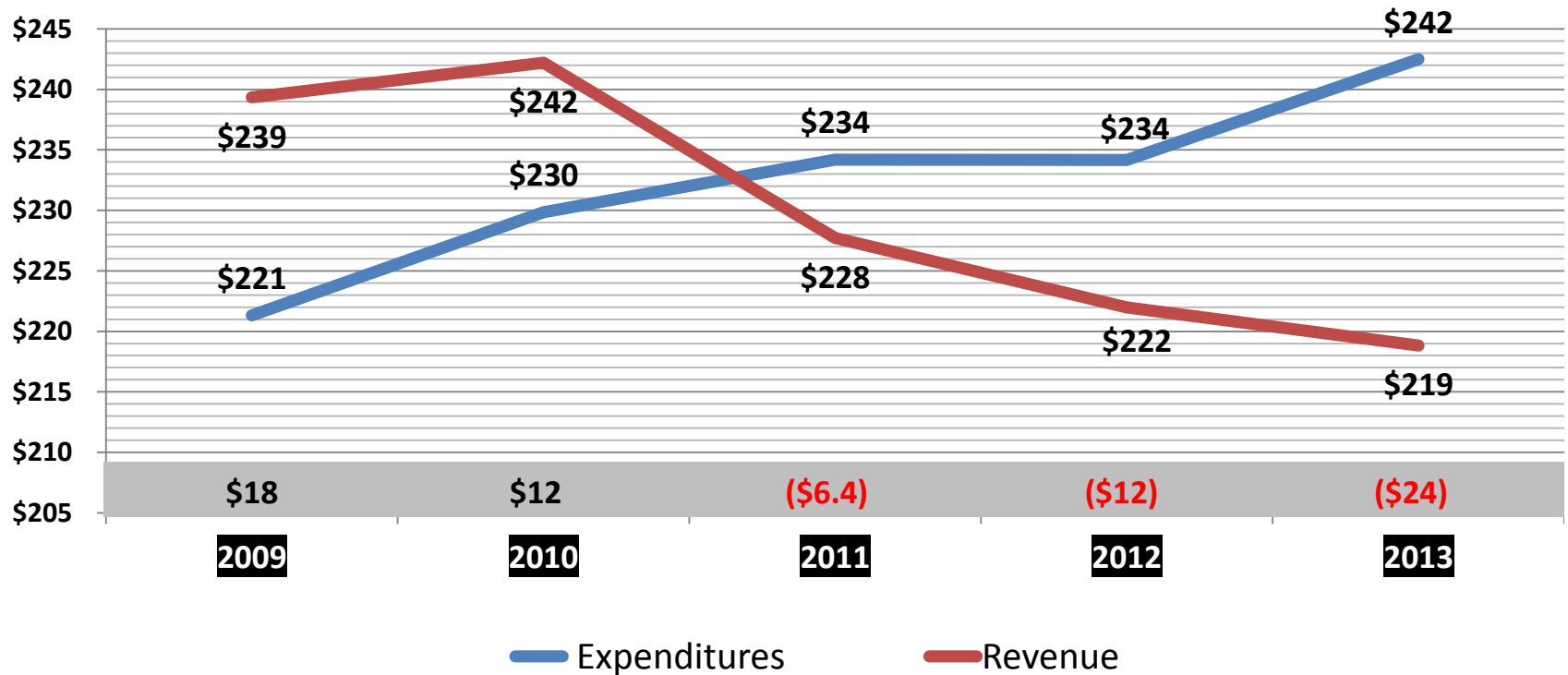
Attachment 1

Palm Beach County Fire Rescue FY2013 Proposed Appropriation Budget



Palm Beach County Fire Rescue Operating Deficit

(Amounts in Millions)



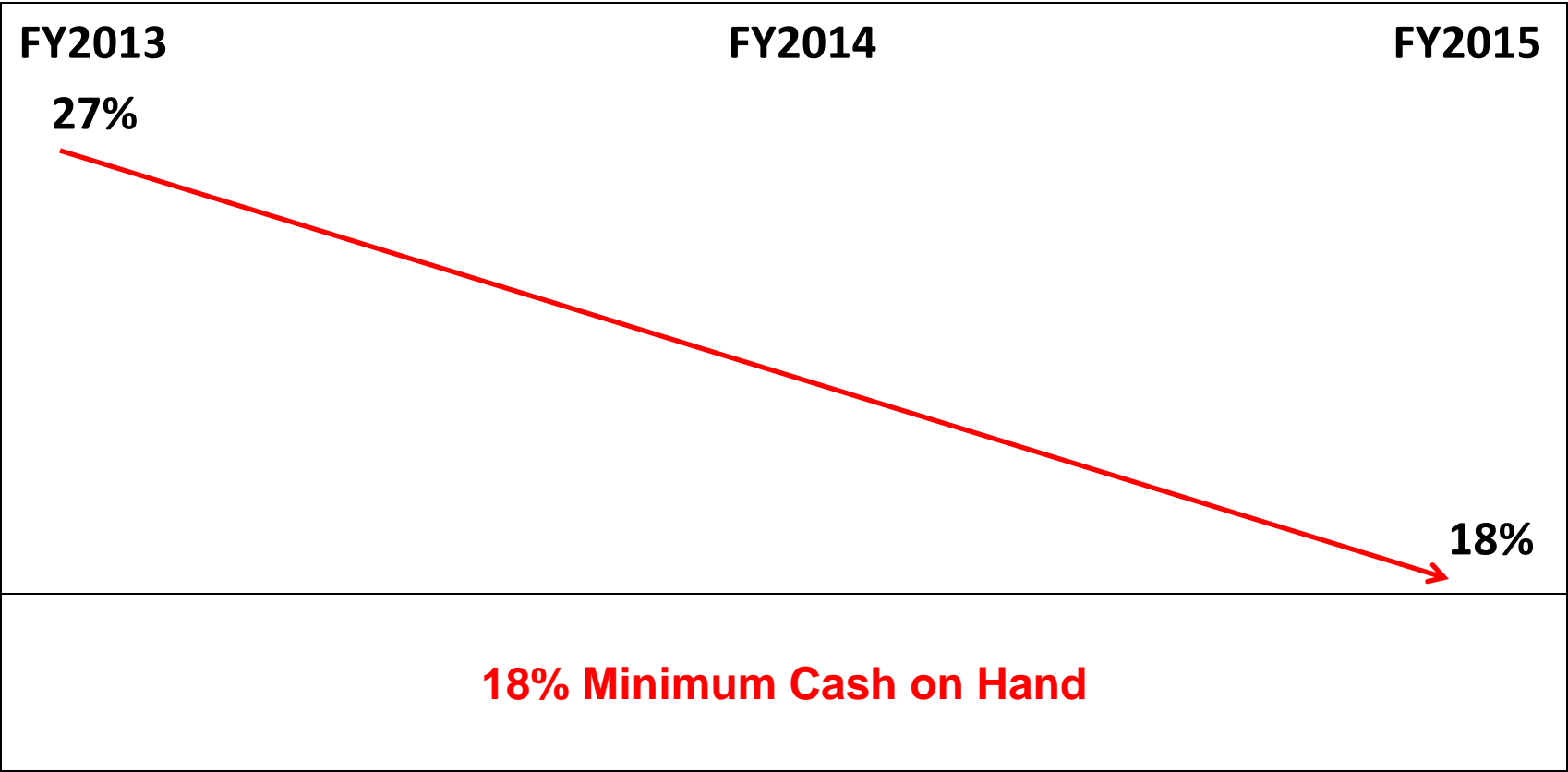
Palm Beach County Fire Rescue
FUND BALANCE

Fund Balance represents the cash available after all revenues have been received and all expenditures have been incurred in the previous fiscal year.

“Even where the equity is sufficient, not all the fund balance is available for appropriation.”

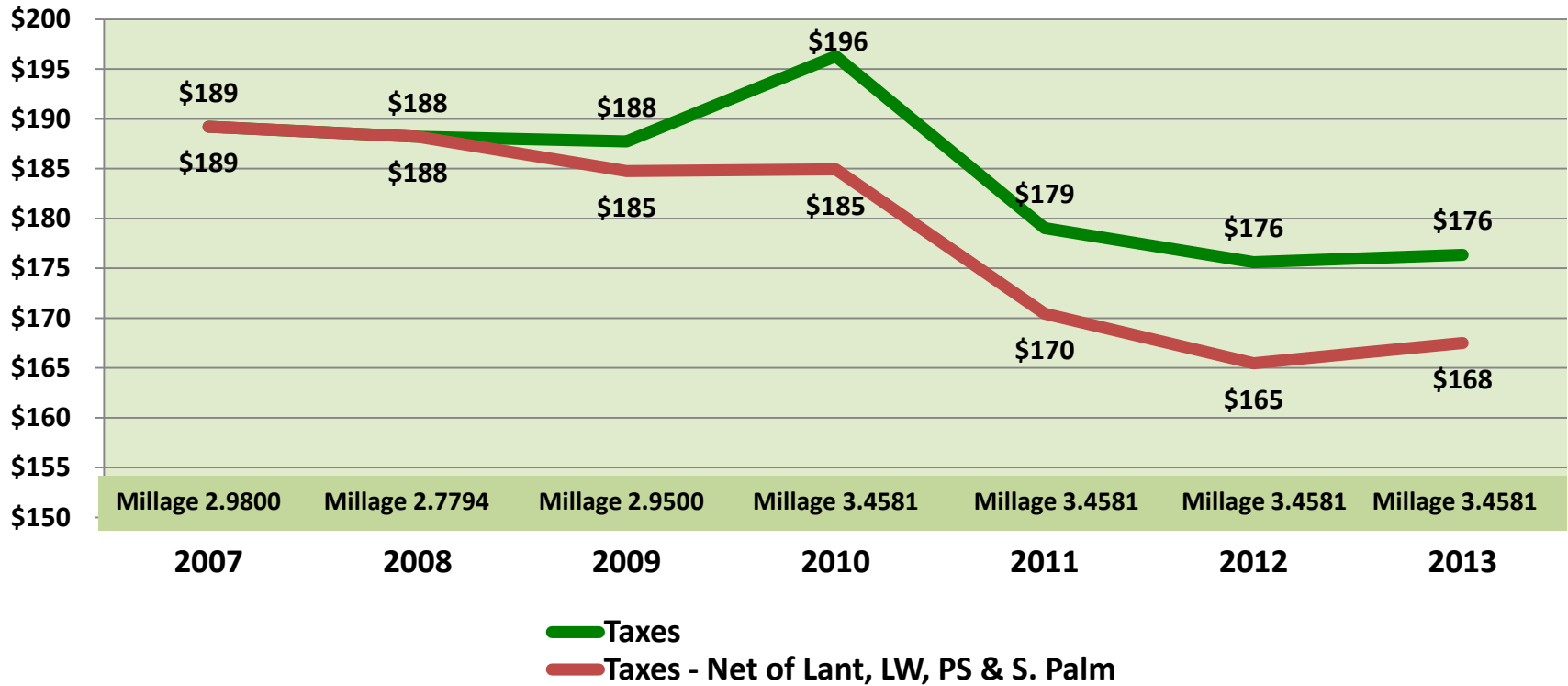
quote from Kelley Lopez, IAFF

Palm Beach County Fire Rescue
ENDING FUND BALANCE



Palm Beach County Fire Rescue Ad Valorem Taxes

(Amounts in Millions)



Palm Beach County Fire Rescue

Proposed FY2013 through Projected FY2015

BUDGET ASSUMPTIONS

(Amounts in Millions)

Budget Assumptions with Overtime Reduction Strategies					
	FY2013		FY2014		FY2015
	Budget		Budget		Budget
Millage Rate	3.4581		3.4581		3.4581
Property Value Increase	0.28%	1% Est. Value/1% New Const.	0.28%	1% Est. Value/1% New Const.	0.28%
Across the Board Increase	0%		0%		1.5%
Florida Retirement System (FRS)	15.97%		19.18%		19.18%
Positions	102 deleted		No change		No change
Operating Expenses	2%		2%		2%
Facility Replacement	\$0		\$0		\$0
Long Term Disability Transfer	\$.7M		\$0		\$0
Eliminate Capital Project Reserves	\$0		\$17.7M		\$0
Reduced Staffing-OT w/benefits	(\$7.7M)		No change		No change
Reserves Main MSTU	(\$2.3M)		(\$1.6M)		(\$20.6M)
Total Appropriated Reserves	\$58.3M		\$56.7M		\$36.1M
Short-fall at Current Rate of 3.4581 mills			\$0		(\$4.2M)
Budget Assumptions without Overtime Reduction Strategies					
	FY2013		FY2014		FY2015
	Budget		Budget		Budget
Reduced Staffing-OT w/benefits	\$0		No change		No change
Reserves Main MSTU	(\$10.0M)		(\$9.3M)		(\$3.8M)
Total Appropriated Reserves	\$50.6M		\$41.3M		\$37.4M
Short-fall at Current Rate of 3.4581 mills			\$0		(\$30.1M)

MAJOR UNCONTROLLABLE FACTORS

- Property Values
- Florida Retirement System
 - 3 % Lawsuit
 - \$1 Billion Dollar Retroactive Settlement (Actuarial Impact)
 - Unfunded Liability Contribution
- Annexations
 - Boca Raton - **\$5 Million Dollars**
- Collective Bargaining Agreement
- Hurricane / Other Natural Disaster, etc.

COST CONTROL MEASURES TAKEN TO DATE

- 31 Vacant positions deleted - 2011
 - 1 Division Chief (Boss)
 - 2 District Chiefs (Lake Worth)
 - 1 Battalion Chief
 - 20 Firefighters
 - 6 Staff Positions
- 102 Vacant Firefighter positions deleted - 2013
- Modified the CIP to postpone the facility replacements
- Reduced the capital equipment budget
- Eliminated non-response take home vehicles
- Eliminated hurricane reserves
- Added BLS transport (revenue generated with no additional personnel)
- Overtime cost control measures

Palm Beach County Fire Rescue

DYNAMIC STAFFING PLAN

- ❑ 21 two (2) Paramedic Rescues every day (existing)
- ❑ 7 three (3) person Rescues (2 of whom are Paramedics)
- ❑ 18 variable staffed units
 - Always 2 Paramedics
 - Three person whenever personnel are available
- ❑ 46 total Rescues in service daily
 - No decrease in available units daily
 - No measurable decrease in Level of Service
 - Meets or exceeds all laws, ordinances, and policies
- ❑ All Engines converted to ALS in preparation for staffing change

Palm Beach County Fire Rescue

60-DAY IMPACTS

❑ Operational

- Monitored Daily
- No significant impacts to date
- Data set too small to draw a conclusion

❑ Fiscal

- **First 60 days savings equal \$1.3M**
- **Annualized savings of \$7.8M**



May 10, 2012

Steven B. Jerauld, Fire Chief
Palm Beach County Fire Rescue
405 Pike Road
West Palm Beach, Florida 33411

Fire Rescue
Chief Steven B. Jerauld
405 Pike Road
West Palm Beach, FL 33411
(561) 616-7000
www.pbcgov.com

Dear Chief Jerauld:

In accordance with the unanimously adopted motion of April 25, 2012, I am writing this letter on behalf of the members of the Fire Rescue Advisory Board to communicate our strong support for your recent decision to make changes to the daily staffing plan of Palm Beach County Fire Rescue. We recognize that these changes may reduce up to 18 of the 3-person rescues currently in service to 2 persons whenever personnel are unavailable due to various leaves taken. Additionally, we recognize and support that these actions may, on occasion, result in units being staffed with one (1) Lieutenant and one (1) Emergency Medical Technician (EMT), in accordance with the State law, County-wide minimum level of service, and departmental policy.

We understand that you took these actions out of necessity and with great reluctance. We also understand that future additional actions may likely be necessary. The current economic times necessitate that we, like every other governmental agency in this County, change the status quo in order to remain sustainable.

Your dedication and commitment to the future success of this great department is to be commended.

**Palm Beach County
Board of County
Commissioners**
Shelley Vana, Chair
Steven L. Abrams, Vice Chairman
Karen T. Marcus
Paulette Burdick
Burt Aaronson
Jess R. Santamaria
Priscilla A. Taylor

County Administrator
Robert Weisman

Sincerely,

Dr. Richard Galeta, D.D.S., Chairman

Members:

Mr. Titus Rich
Mr. Jay Littman
Mr. Harold Ostrow
Ms. Phyllis Richland
Mr. Wallace DuPont

*"An Equal Opportunity
Affirmative Action Employer"*

Official Electronic Letterhead

Attachment 2