



## EL CERRITO-KENSINGTON FIRE DEPARTMENT

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**DATE:** May 18, 2021

**TO:** Bill Hansell: General Manager

**FROM:** Michael Pigoni: Fire Chief

**RE:** **Proposed Fiscal Year 2021-22 Contract Fee**

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Attached please find the Proposed Contract Fee Schedule for Fiscal Year 2021/22. Included with this proposal is the worksheet for “Fiscal Year 2019-20 Reconciliation”. This reconciliation provides a recap of the contract fee versus actuals for that fiscal year. FY-2019/20 was the second year budget of the City of El Cerrito’s Biennial Budget that was adopted in June of 2018. Below is a summary of the differences in the reconciliation.

In review of FY-2019/20, this was the final budget that showed a “Salary Savings” line item. This system from previous management was intended to show the savings that were budget due to the three firefighter vacancies. The benefit to the Fire District was an initial lower contract fee. Starting with the current City Budget and Contract Fee, this credit was zeroed out and the Salary & Benefits was budgeted at actual value. Any actual savings to these line items would be recognized at time of reconciliation.

The Overtime Pay account was budgeted at \$700,000.00 which was very conservative considering that the average overtime had been steady at just over \$1 million annually for the past 5 years due to the three vacancies. This has been justified due to the high pension costs and even higher unfunded accrued liability (UAL) costs to recruit and hire the additional firefighters. Additionally, the pandemic hit in March of this fiscal year and additional overtime was required to cover for firefighters requiring quarantine. The City budget was amended midyear and final overtime was \$1.107 million.

Other un-budgeted increases were experienced with higher than expected pension costs, Medicare and disability insurance. We also had higher costs for Dispatch Services as Con Fire balanced out the actual costs for the Fire Department, being this was just the second year of providing these services to us.

These listed items along with some smaller budget to actual true ups added up to a total reconciliation for FY-2019/20 of \$191,060.29 which is approximately \$60,000.00 less than last year’s reconciliation amount. As discussed last year, the Council and the Finance Committee have expressed the need to reduce the reconciliation amounts and be able to account for them in the appropriate budget. This current year the Fire Department is on track to come in at or even under budget which will mean the reconciliation will be even less and possibly a credit in the next contract fee proposal.

Reviewing FY-2021/22, the proposed contract fee is \$3,716,920.02 including the reconciliation costs, which is an increase of \$198,745.60 or approximately 5.5% over the last year. This increase is due to three primary reasons. First is that last year the labor groups pushed out their “cost of living” raises due to the City’s financial budget issues. This year both labor groups are up for a 3% increase on July 1<sup>st</sup>.

Secondly, the PERS pension costs were significantly increased over last year. Part of this increase was the new personnel hired to lower the Department’s overtime but primarily was caused by significant increases in the

unfunded liability rates from 47% to 56%. As more personnel retire in the coming years, these costs will continue to decrease with new personnel being under the PEPRA program.

The other increases this year in in the technical world dealing with the Department's computer system and internet. Two years ago, the Meraki (Cisco) network servers for the public safety building were replaced due to their age and increased failures. These servers are used tie the three stations together as well as interface with Con Fire for dispatching (ring downs). The good news is that the Fire Department is splitting the almost \$200K cost for the equipment and we are financing it out over 5 years. For the last two years the Contract did not include these costs, but this year the City's IT department is charging back for these costs as well as the internet and data lines (T1) that connect all the stations.

Additionally, 2021 also brought on new license requirements for Microsoft programs in that every profile (person) in the network is required to have a license that must be renewed each year. In the past the Fire Department was able to use one license per Station which was less costly.

This year, the budget has also been reworked to move expenses into more appropriate accounts. Major example of this is that the Fire Department's dispatch contract with Con Fire was always paid for out of the Miscellaneous Repair and Maintenance account but this expense has now been moved to Miscellaneous Profession Services so you will note that account 53290 has decrease considerably while account 52190 has increased.

In the spirit of being fiscally responsible, I am confident that the Fire Department's overall budget will be very accurate and that as previously discussed with the Finance Committee, the District's unbudgeted reconciliation costs will be minimal.

Please contact me with any questions you may have on these budget calculations.

Respectfully,

Michael Pigoni  
Fire Chief  
El Cerrito-Kensington Fire Department  
(510) 812-4503

**CITY OF EL CERRITO /KENSINGTON FIRE PROTECTION DISTRICT**

**Proposed Contract Fee for FY 2021-22**

LINE ITEM DETAIL BUDGET EXPENDITURES

	<u>Preliminary</u>	<u>%</u>	<u>Proposed</u>
	<u>FY21-22 Budget</u>		<u>FY21-22 Fee</u>
<b>5100 SALARIES &amp; BENEFITS</b>			
51110 Salaries	\$5,583,637.00	27.75%	\$1,549,459.27
51130 Temporary/Part-time Salaries	\$1,500.00	27.75%	\$416.25
51140 Overtime Pay	\$500,000.00	27.75%	\$138,750.00
51145 FLSA Overtime pay	\$104,656.00	27.75%	\$29,042.04
51146 Non Suppression Overtime pay	\$50,000.00	27.75%	\$13,875.00
51150 Special Pay	\$0.00	27.75%	\$0.00
51210 PERS Contributions	\$983,202.00	27.75%	\$272,838.56
51211 PERS UAL	\$2,241,677.00	27.75%	\$622,065.37
51220 FICA/MEDICARE	\$88,094.00	27.75%	\$24,446.09
51230 Medical Insurance	\$811,998.00	27.75%	\$225,329.45
51235 Life & LTD Insurance	\$40,101.00	27.75%	\$11,128.03
51237 Allowances & Other Benefits	\$155,800.00	27.75%	\$43,234.50
51240 Workers Compensation	\$154,332.00	27.75%	\$42,827.13
<b>TOTAL</b>	<b>\$10,714,997.00</b>		<b>\$2,973,411.67</b>
<b>5200 PROFESSIONAL SERVICES</b>			
52190 Misc. Professional Services	\$299,500.00	33.33%	\$99,823.35
52220 Medical Services	\$18,200.00	33.33%	\$6,066.06
52230 Other Technical Services	\$8,700.00	33.33%	\$2,899.71
<b>TOTAL</b>	<b>\$326,400.00</b>		<b>\$105,889.41</b>
<b>5300 PROPERTY SERVICES</b>			
53110 Utilities	\$25,700.00	0.00%	\$0.00
53230 Building Maintenance Services	\$21,300.00	33.33%	\$7,099.29
53240 Landscape/Park Maint Svcs	\$54,500.00	0.00%	\$0.00
53250 Vehicle/Equip Maint Svcs	\$150,000.00	25.00%	\$37,500.00
53290 Misc. R&M Svcs	\$109,100.00	33.33%	\$36,363.03
53320 Vehicle & Equip Lease	\$0.00	0.00%	\$0.00
53330 Vehicle Replacement Rental Charge	\$81,000.00	18.83%	\$15,252.30
53910 Solid Waste Services	\$8,000.00	33.33%	\$2,666.40
<b>TOTAL</b>	<b>\$449,600.00</b>		<b>\$98,881.02</b>
<b>5400 OTHER SERVICES</b>			
54210 Telephone Expenses	\$17,000.00	20.00%	\$3,400.00
54220 Mobile/wireless Expenses	\$10,728.00	20.00%	\$2,145.60
54230 Internet Services	\$36,904.00	33.33%	\$12,300.10
54240 Software Licenses & Maintenance	\$2,700.00	33.33%	\$899.91
54310 Legal Notices & Advertisements	\$2,500.00	25.00%	\$625.00
54410 Printing and Binding	\$3,500.00	25.00%	\$875.00
54610 Travel & Training	\$41,000.00	25.00%	\$10,250.00
54910 Dues & Subscriptions	\$15,570.00	25.00%	\$3,892.50
54990 Other Administrative Services	\$9,500.00	25.00%	\$2,375.00
<b>TOTAL</b>	<b>\$139,402.00</b>		<b>\$36,763.11</b>
<b>5500 SUPPLIES</b>			
55110 General Office Supplies	\$6,000.00	25.00%	\$1,500.00
55120 Postage & Delivery	\$2,700.00	25.00%	\$675.00
55130 Photocopying Charges	\$1,000.00	25.00%	\$250.00
55210 Fuel	\$41,700.00	27.00%	\$11,259.00
55230 Medical Supplies	\$25,000.00	30.00%	\$7,500.00
55240 Clothing & Uniform Supplies	\$45,900.00	33.33%	\$15,298.47
55250 Vehicle & Equipment Supplies	\$13,500.00	25.00%	\$3,375.00
55290 Other Operating Supplies	\$10,000.00	25.00%	\$2,500.00
55520 Building Supplies	\$10,000.00	25.00%	\$2,500.00
<b>TOTAL</b>	<b>\$155,800.00</b>		<b>\$42,682.47</b>
<b>5600 CAPITAL OUTLAY</b>			
56310 Improvements, Not Buildings	\$20,000.00	0.00%	\$0.00
56410 Office Equipment <\$10K	\$10,000.00	0.00%	\$0.00
56710 Other Equipment < \$10K	\$7,100.00	0.00%	\$0.00
56720 Other Equipment > \$10K	\$0.00	0.00%	\$0.00
<b>TOTAL</b>	<b>\$37,100.00</b>		<b>\$0.00</b>
<b>5800 OTHER CHARGES</b>			
58220 Licenses & Permits	\$2,500.00	25.00%	\$625.00
<b>TOTAL</b>	<b>\$2,500.00</b>		<b>\$625.00</b>
<b>GRAND TOTAL</b>	<b>\$11,825,799.00</b>		<b>\$3,258,252.68</b>
<b>OVERHEAD CHARGES</b> <b>(9% of Personnel)</b>	<b>\$964,349.73</b>	<b>27.75%</b>	<b>\$267,607.05</b>
<b>UNRECONCILED CONTRACT AMOUNT</b>			<b>\$3,525,859.73</b>
<b>RECONCILIATION FY 2019-20 BUDGET TO ACTUAL</b>			<b>\$191,060.29</b>
<b>PROPOSED CONTRACT FEE FY 2021-2022</b>			<b>\$3,716,920.02</b>

**KENSINGTON FIRE PROTECTION DISTRICT BUDGET**  
**Prior Year Reconciliation**

LINE ITEM DETAIL BUDGET EXPENDITURES

	<b>FY 2019-20 Budgeted</b>	<b>FY 2019-20 Actual</b>	<b>Difference</b>	<b>Percentage</b>	<b>Reconciliation</b>
<b>5100 SALARIES &amp; BENEFITS</b>					
51110 Salaries	5,249,744.00	4,981,328.08	\$268,415.92	27.75%	\$74,485.42
51120 Temporary/Part-time Salaries	1,560.00	1,350.00	\$210.00	27.75%	\$58.28
51130 Temporary/Part-time Salaries			\$0.00	27.75%	
51140 Overtime Pay	700,000.00	1,107,189.18	(\$407,189.18)	27.75%	(\$112,995.00)
51145 FLSA Overtime pay	98,800.00	100,517.93	(\$1,717.93)	27.75%	(\$476.73)
51146 Non Suppression Overtime pay	87,360.00	36,788.79	\$50,571.21	27.75%	\$14,033.51
51150 Special Pay			\$0.00	27.75%	\$0.00
51155 One-Time Payout		2,399.88	(\$2,399.88)	27.75%	(\$665.97)
51210 PERS Contributions	2,467,586.00	2,527,499.41	(\$59,913.41)	27.75%	(\$16,625.97)
51200 PARS Contributions			\$0.00	27.75%	\$0.00
51220 FICA/MEDICARE	76,005.00	84,921.60	(\$8,916.60)	27.75%	(\$2,474.36)
51230 Insurance and Benefits	851,379.00	753,545.70	\$97,833.30	27.75%	\$27,148.74
51235 Life & LTD Insurance	40,942.00	48,746.81	(\$7,804.81)	27.75%	(\$2,165.83)
51237 Allowances & Other Benefits	160,025.00	147,495.84	\$12,529.16	27.75%	\$3,476.84
51240 Workers Compensation	199,245.00	204,706.40	(\$5,461.40)	27.75%	(\$1,515.54)
51242 Workers Compensation Pay (In Lieu of Salary)			\$0.00	27.75%	\$0.00
51990 Salary Savings	(657,359.00)	-	(\$657,359.00)	27.75%	(\$182,417.12)
<b>TOTAL</b>	<b>\$9,275,287.00</b>	<b>\$9,996,489.62</b>	<b>(\$721,202.62)</b>		<b>(\$200,133.73)</b>
<b>5200 PROFESSIONAL SERVICES</b>					
52190 Misc Professional Services	55,000.00	40,618.34	\$14,381.66	33.33%	\$4,793.41
52220 Medical Services	15,450.00	10,829.00	\$4,621.00	33.33%	\$1,540.18
52230 Other Technical Services	13,500.00	364.30	\$13,135.70	33.33%	\$4,378.13
<b>TOTAL</b>	<b>\$83,950.00</b>	<b>\$51,811.64</b>	<b>\$32,138.36</b>		<b>\$10,711.72</b>
<b>5300 PROPERTY SERVICES</b>					
53110 Utilities	16,004.00	21,365.08	(\$5,361.08)	0.00%	\$0.00
53230 Building Maintenance Services	20,000.00	27,342.63	(\$7,342.63)	33.33%	(\$2,447.30)
53240 Landscape/Park Maint Svcs	35,000.00	137,350.00	(\$102,350.00)	0.00%	\$0.00
53250 Vehicle/Equip Maint Svcs	97,850.00	114,240.25	(\$16,390.25)	25.00%	(\$4,097.56)
53290 Misc R&M Svcs	220,000.00	255,015.30	(\$35,015.30)	33.33%	(\$11,670.60)
53320 Vehicle & Equip Lease			\$0.00	0.00%	\$0.00
53330 Vehicle Replcmt Rental Charge	166,860.00	133,860.00	\$33,000.00	18.83%	\$6,213.90
53910 Solid Waste Services	8,240.00	8,405.65	(\$165.65)	33.33%	(\$55.21)
53990 Other Property Services	-	684.89	(\$684.89)	33.33%	(\$228.27)
<b>TOTAL</b>	<b>\$563,954.00</b>	<b>\$698,263.80</b>	<b>(\$134,309.80)</b>		<b>(\$12,285.05)</b>
<b>5400 OTHER SERVICES</b>					
54210 Telephone Expenses	17,510.00	16,497.76	\$1,012.24	20.00%	\$202.45
54220 Mobile/wireless Expenses	17,510.00	17,538.07	(\$28.07)	20.00%	(\$5.61)
54310 Legal Notices & Advertisements	6,180.00	27.50	\$6,152.50	25.00%	\$1,538.13
54410 Printing and Binding	6,180.00	6,566.49	(\$386.49)	25.00%	(\$96.62)
54610 Travel & Training	40,000.00	29,928.90	\$10,071.10	25.00%	\$2,517.78
54910 Dues & Subscriptions	14,420.00	14,836.29	(\$416.29)	25.00%	(\$104.07)
54990 Other Administrative Services	20,600.00	20,912.98	(\$312.98)	25.00%	(\$78.24)
<b>TOTAL</b>	<b>\$122,400.00</b>	<b>\$106,307.99</b>	<b>\$16,092.01</b>		<b>\$3,973.79</b>
<b>5500 SUPPLIES</b>					
55110 General Office Supplies	6,180.00	3,265.88	\$2,914.12	25.00%	\$728.53
55120 Postage & Delivery	1,030.00	2,058.29	(\$1,028.29)	25.00%	(\$257.07)
55130 Photocopying Charges	3,090.00	2,939.47	\$150.53	25.00%	\$37.63
55210 Fuel	41,200.00	38,737.59	\$2,462.41	27.00%	\$664.85
55230 Medical Supplies	25,000.00	24,398.23	\$601.77	30.00%	\$180.53
55240 Clothing & Uniform Supplies	36,050.00	25,105.38	\$10,944.62	33.33%	\$3,647.84
55250 Vehicle & Equipmt Supplies			\$0.00	25.00%	\$0.00
55290 Other Operating Supplies	10,300.00	4,910.79	\$5,389.21	25.00%	\$1,347.30
55520 Building Supplies	7,000.00	5,357.58	\$1,642.42	25.00%	\$410.61
<b>TOTAL</b>	<b>\$129,850.00</b>	<b>\$106,773.21</b>	<b>\$23,076.79</b>		<b>\$6,760.22</b>
<b>5600 CAPITAL OUTLAY</b>					
56310 Improvements, Not Buildings	25,750.00	11,862.00	\$13,888.00	0.00%	\$0.00
56410 Office Equipment < \$10K	3,090.00	23,693.26	(\$20,603.26)	0.00%	\$0.00
56710 Other Equipment < \$10K	20,600.00	4,239.74	\$16,360.26	0.00%	\$0.00
<b>TOTAL</b>	<b>\$49,440.00</b>	<b>\$39,795.00</b>	<b>\$9,645.00</b>		<b>\$0.00</b>
<b>5800 OTHER CHARGES</b>					
58220 Licenses & Permits	1,030.00	1,379.00	(\$349.00)	25.00%	(\$87.25)
<b>TOTAL</b>	<b>\$1,030.00</b>	<b>\$1,379.00</b>	<b>(\$349.00)</b>		<b>(\$87.25)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$10,225,911.00</b>	<b>\$11,000,820.26</b>	<b>(\$774,909.26)</b>		<b>(\$191,060.29)</b>