

June 7, 2011/ Revised June 8, 2011

**To: Ray Nutting
County Supervisor, District 2**

**FROM: Craig R. Cooper-Wyble
Board Member, Pioneer Fire Protection District**

RE: Plan of Action to Correct Revenue Shortfalls

A) Request “Dry Period” Funding in the amount of \$460,275.00 (85% of projected FY11/12 Property Tax revenue). We reached the projected total Property Tax revenue for FY 11/12 of \$541,500.00 based on advice from Mr. Bob Toscano stating that the County was projecting a 4% decrease in Property Tax revenues. We then took our actual Property Tax revenues for FY10/11 and reduced them by 5%.

B) Chief Gill voluntarily reduced his hours and salary by 25%. This takes the Chief’s annual salary from \$92,231.00 to \$69,170.00, a savings of \$23,061.00, not including additional tax expense for employer paid FICA and Medicare.

C) The Firefighters, and staff, for what I believe will be the fourth consecutive year, have waived their 3% COLA which saves an additional \$12,000.00 for the FY 11/12 budget.

D) Additionally, the Firefighters have allowed their current and unused Paid Time Off (PTO) to be rolled over to the next Fiscal Year in lieu of cashing their unused hours out in June of this year (as allowed by their Union contract). This rollover will reduce salary expense for FY10/11 by \$20,000.00, which we have carried over to the new proposed budget.

E) With “Aid to Fire” being substantially reduced, prior to its’ elimination after FY11/12, the majority of District staff have opted out of Health Care Insurance, due primarily to increased expense. This will continue into the next fiscal year saving the District approximately \$ 7,138.44

F) The District currently has one unfilled firefighter position. The Union has agreed to not fill this position during the next fiscal year, which will save the District approximately \$70,000.00.

G) Due to the fact that “Aid to Fire” will no longer be available after FY 11/12, and that the District is one of the “stressed” Districts per the “Citygate” report, the District will seek a Parcel Tax Assessment in the amount of approximately \$73.00 per developed parcel in most likely the November 2011 election. Dellinger Consulting has been hired by the PFPD Board of Directors to direct this endeavor which, when passed will increase the Districts revenue by \$203,743.00. These funds will be to offset the loss of revenues and allow the District to continue the current levels of service only.

H) A new Board Policy and Procedure, which is on the agenda for approval at the next regular Board meeting will provide for more stringent and detailed financial reporting on a monthly basis. (I have attached a copy of this Policy and Procedure to the email as well).

I) Non-guaranteed revenues such as Strike Force revenues and the PVFA Crab Banquets monies will no longer be in the budget. Funds received from the next annual Crab Banquet will offset all EMS related expenses currently in the proposed FY11/12 budget, up to the amount donated by the PVFA, currently around \$27,000.00

J) The Proposed FY11/12 budget was reviewed and revised today by the Board Finance Committee. We show operating revenues of in excess of expense by approximately \$31,116.00.

K) The cash flow analysis also shows a \$10,000.00 addition to the “restricted fund reserve” in December of FY 11/12.

L) The administrative assistant’s hours have been cut by 50%, resulting in an annual reduction of \$9,376.00

M) In this preliminary budget we also reflect the additional reduction of the Chief’s hours and wages by another 25 percent, and a 15 percent reduction in wages for all staff. This amounts to an additional savings of \$79,000.00. We are not comfortable with these cuts and will pursue other avenues of reduction prior to final submission in September.