

# CITY OF SACRAMENTO

*Budget*

26

## DEPARTMENT OF FINANCE

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JACK R. CRIST  
DIRECTOR OF FINANCE

ROBERT C. LELAND  
ASSISTANT DIRECTOR

February 3, 1982  
FA:82021:KMF:RCL

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Recommended Funding of Firefighters Settlement

APPROVED  
BY THE CITY COUNCIL

FEB 9 1982

OFFICE OF THE  
CITY CLERK

### SUMMARY

The recently adopted wage settlement for FY 1981-82 with the 444 member Sacramento Firefighters Local No. 522 is estimated to cost \$1,732,621, including the costs of automatic "reopeners" in two other bargaining units. In order to maintain the required contingency of \$4,848,533, as established by Council action on January 12, 1982, the entire cost of the settlement must be separately funded. Otherwise, insufficient resources will be available for FY 1982-83, thus necessitating further cuts in that year beyond what is already anticipated.

On February 2, the Budget and Finance Committee approved an amended staff recommendation for funding this settlement, as per the attached resolution. The savings achieved is estimated to be \$1,439,821.

### BACKGROUND

#### A New Fiscal "Gap" to be Closed

As approved by the City Council, the Firefighters Local No. 522 agreement will cost an estimated \$1,662,354. As explained in the mid-year General Fund Status Report of January 12, the entire cost of this settlement must be separately funded because revenue losses eroded what remained of the City's General Fund contingency.

Adoption of this settlement automatically reopens the contracts of the Sacramento City Management Association (97 members) and Western Council of Engineers (21 members) for an estimated additional cost of \$70,267. The total cost is \$1,732,621.

At the January 12, meeting, Council acted to close what was identified as the "Contingency Gap", i.e., the disparity in funding between the identified

City Council  
Page Two  
February 3, 1982

fund balance pre-Fire settlement and the target figure of \$4,848,533, which is the amount of fund balance carryover necessary to ensure a minimal 1.2% across-the-board increase for general fund operations in 1982-83.

The "Contingency Gap" is now closed. But with the adoption of the Fire settlement, a new "gap" has been created -- a "Fire Settlement Gap" -- which must also be closed in 1981-82.

#### Major Fire Funding Shortage Looms in 1982-83

The problems of funding Fire Department services are only beginning.

Exhibit I shows the financial dilemma the Fire Department will face in 1982-83. Assuming the trend of the past three years is to continue, the Fire Department would receive approximately \$21.5 million in operating funds for 1982-83. But these are not "normal" times. Due to the projected scarcity of General Fund resources, Fire's actual allotment, or "target", for budget planning purposes, is only \$19.5 million. This "target" is \$2 million less than what Fire might otherwise have expected, and is \$300,000 below Fire's settlement-enlarged 1981-82 expenditure base.

Cognizant of this impending budgetary pressure, staff recommended and the Committee approved the following recommendation, with one amendment as indicated:

ACTION	SAVINGS
a. <del>Close Stations 3-(19th &amp; L) and 18 (Marysville &amp; Arcade); Layoff 28 firefighters from March 1 to June 28, 1982.</del> <i>Express intent of Council that Fire Stations 3 and 18 be closed effective July 1, 1982, and that the City Manager submit for Council approval within 30 days, a schedule for reducing 28 firefighters through attrition and, as necessary, layoffs, on or before July 1, 1982.</i>	\$292,800  -0-
b. Complete Station 2 (13th & I) per proposed contract, at less than budgeted cost.	304,897
c. Redesign Station 11 (Florin & Havenside) and build at lesser cost.	251,246
d. Complete Station 15 (Truxel & Newborough) per current contract, at less than budgeted cost, with minimal landscaping.	69,673
e. Redesign Station 17 (Marysville & Bell) and build at lesser cost.	368,394
f. Defer Fire CIP project L-2 (extend rear of apparatus room of Engine 14).	24,000
g. Defer Fire CIP project L-4 (widen driveway of Engine 16).	16,000
h. Defer Fire CIP project L-7 (women's restroom at Engine 10.).	<u>5,000</u>
Subtotal Fire Savings:	\$1,332,010 <u>\$1,039,210</u>
i. Reduce Engineering contractual services	<u>400,611</u>
TOTAL	-\$1,732,624 <u><u>\$1,439,821</u></u>
*See "Financial Section of this report.	

## DISCUSSION

### Master Plan to be Completed

This funding package addresses the ongoing nature of the Fire Department's funding problem. Completion of Stations 2, 11, and 17 will allow the Master Plan for Improved Fire Protection to move ahead. The closing of Stations 3 and 18 represents an acceleration of what is already proposed in the Master Plan. The stations' closure and prospective reduction of 28 firefighters is, in effect, the first budgetary action for FY 1982-83.

The Master Plan presently calls for the closing of Engine 2 (City Hall) and Engine 3 (19th and L Streets) and the construction of a new station at 13th and I Streets. It also calls for the closing of Engine 17 (Grand Avenue and Firehouse Road) and Engine 18 (Marysville Boulevard and Arcade Boulevard) and the construction of a new station at Marysville and Bell Avenue. These two relocation programs are based on existing overlaps of fire station districts, or "first-in" response territory. Under the Master Plan, when the relocations are completed there will be a surplus of 24 assigned personnel and their 4 reliefs, to be relocated half at the new Engine 11, when completed, and the other half at a new truck 7 (6500 Wyndham Drive in Valley Hi).

### Layoffs and Retirements

Closing Engines 3 and 18 involves a total personnel reduction of 28 firefighters (24 assigned, 4 reliefs). If layoffs had occurred effective March 1 (the remaining 33% of the year) the savings would have been \$292,800 (\$828,125 for a full year). Typically there are 18 retirements each year; informal indications are that 15 firefighters may retire between now and July 1, 1982. Any layoffs that occur will be made in reverse order of seniority pursuant to the Fire MOU, but to the extent that retirements occur, these layoffs could be accomplished through attrition. Approximately one-half of the 28 least senior firefighters are women or minorities. The most senior of the 28 are those who would be retained or called back upon retirements.

The City Manager will report back with a proposed schedule for reduction of the 28 positions by attrition/layoff. Realistically, however, it appears unlikely that an entire company can be reduced much in advance of July 1. If positions are reduced only one-by-one between now and July 1, given existing crew manning requirements, replacements from the "call back" pool would be required at time and a half pay. To proceed in such a manner would, of course, erode the desired savings and is not recommended. The net effect of the amended proposal, therefore, is to defer the personnel reduction from March 1 to July 1.

### Safety Not Compromised

The impact of the reduction of the two companies can be compensated for by reassignment of company responses. This will not increase the response of any companies in the downtown area over 1½ miles and Engine 17 will still be within Master Plan guidelines of 2 mile response for outlying companies. Therefore, safety considerations will not be compromised.

### Fire CIP Proposals Forthcoming

It is proposed that construction be accelerated on the three new stations (2, 11, 17). Estimates that both Station 11 and 17 can be constructed for \$300,000 each are very preliminary. Follow-up staff reports will make specific proposals for construction and scheduling, and will provide refined cost estimates. Subsequent bids or negotiations may entail higher costs than currently anticipated.

A summary of these preliminary savings from modifying the Fire CIP budget is contained in Exhibit II, along with a brief discussion of each station and a map showing the location of all City Fire Stations.

### City Engineering Reductions

The basis for the reduction in the City Engineer's budget for engineering and architectural contract services is discussed in Exhibit III, and is made possible by sharply-reduced demand in private construction and assessment district projects. No Engineering employees are affected.

### FINANCIAL

The recommended package will generate at least \$1,439,821 in savings, which is \$292,800 short of the estimated cost of the Fire settlement and two "reopener" agreements. Additional savings in 1981-82 are possible, but hinge on a sufficient number of retirements occurring prior to July 1 to allow at least one company of firefighters to be reduced prior to July 1. For purposes of this analysis, it is assumed that savings from the station closures will accrue wholly in 1982-83. The maximum \$292,800 difference between the identified settlement costs and proposed savings will in effect be funded by Administrative Contingency, to the extent such difference remains through the end of the current fiscal year.

City Council  
Page Six  
February 3, 1982

RECOMMENDATION

Staff recommends adoption of the attached resolution. A separate schedule for reduction of 28 firefighters to enable closing Stations 3 and 18 will be forthcoming.

Attachments

Respectfully Submitted,



ROBERT C. LELAND  
Assistant Director of Finance

APPROVED:

  
for: WALTER J. SLIPE  
City Manager

February 9, 1982  
All Districts

82-083  
~~82-083~~  
**RESOLUTION NO.**

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

A RESOLUTION AMENDING THE 1981-82  
FINAL OPERATING AND CAPITAL BUDGETS

OFFICE OF THE  
CITY CLERK

FEB 9 1982

APPROVED  
BY THE CITY COUNCIL

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

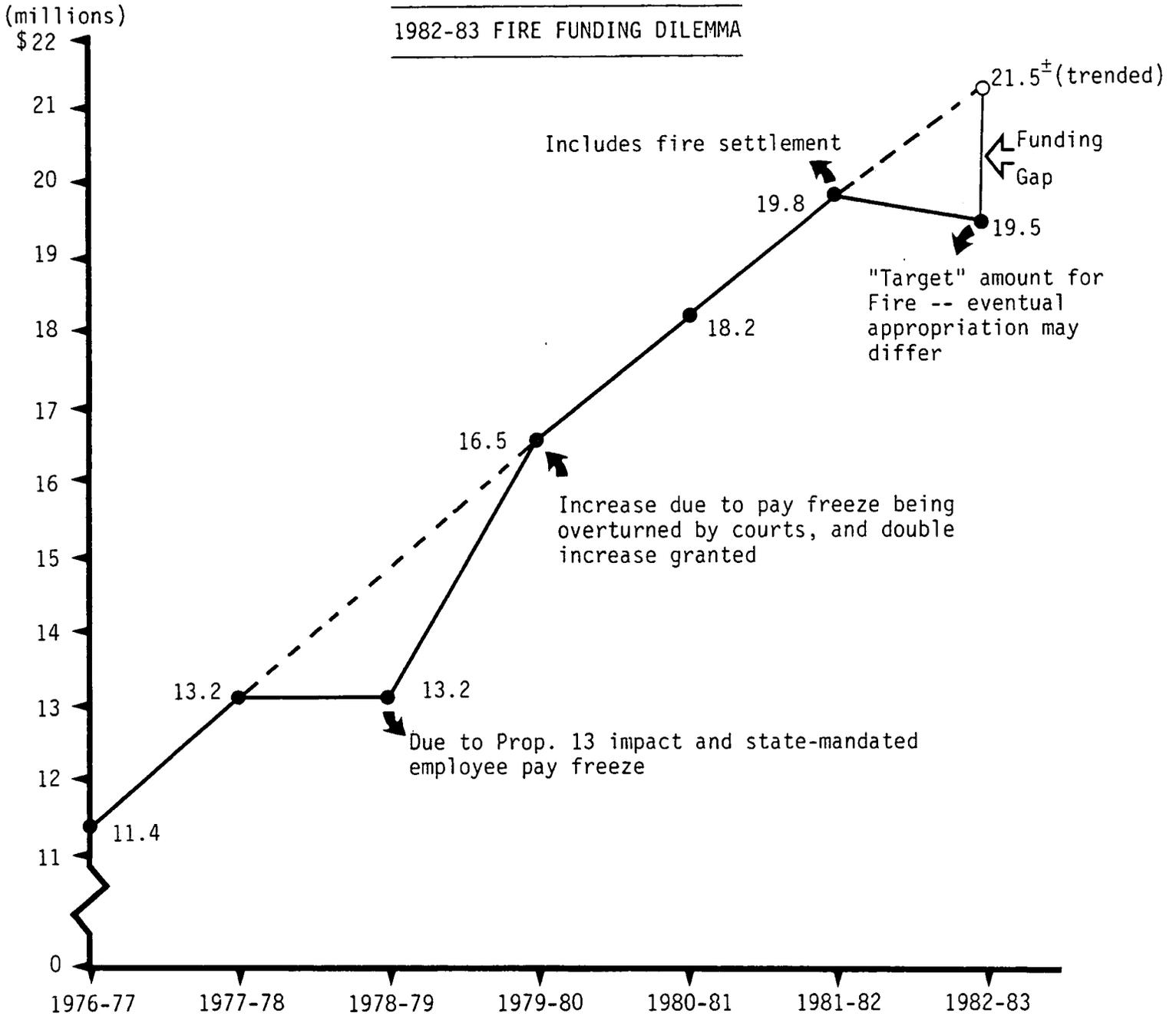
1. It is the intent of Council that Fire Station Nos. 3 (19th and L) and 18 (Marysville and Arcade) shall be closed effective July 1, 1982, and that the City Manager prepare for Council approval a schedule for reducing 28 firefighter positions through attrition and, as necessary, layoffs, on or before July 1, 1982.
2. Effective immediately, the sum of \$304,887 shall be deappropriated from the total carryover for the Downtown Fire Station No. 2 (13-I Sts) capital improvement project (Cost Center 1935) and returned to the unappropriated General Fund Balance.
3. Effective immediately, the sum of \$251,246 shall be deappropriated from the total carryover for the Fire Station No. 11 (Florin-Havenside) capital improvement project (Cost Center 1044) and transferred to the unappropriated General Fund balance. A new proposal for plans, specifications and construction shall be negotiated by staff that will allow a residential-type structure to be constructed with the remaining carryover funds in Cost Center 1044.
4. Effective immediately, the sum of \$69,678 shall be deappropriated from the total carryover for the Fire Station No. 15 (Truxel-Newborough) capital improvement project (Cost Center 1052) and a like amount shall be applied to such program or programs as determined by the City Manager, consistent with Federal Revenue Sharing Regulations, in lieu of General Fund monies.
5. Effective immediately, the sum of \$368,394 shall be deappropriated from the total carryover for the Fire Station No. 17 (Marysville-Bell) capital improvement project (Cost Centers 2722 and 1936) and a like amount shall be applied to such program or programs as determined by the City Manager, consistent with Federal Revenue Sharing Regulations, in lieu of General Fund monies. A new proposal for plans, specifications and construction shall be negotiated by staff that will allow an industrial-type structure to be constructed with the remaining carryover funds in Cost Centers 2722 and 1936.
6. Effective immediately, the sum of \$45,000 shall be deappropriated from Fire CIP projects L-2 (extend rear of apparatus room of Engine 14, \$24,000), L-4 (widen driveway of Engine 16, \$16,000), and L-7 (women's restroom at Engine 10, \$5,000), and returned to the unappropriated General Fund balance.
7. Effective immediately, the sum of \$400,611 shall be deappropriated from Fund 1-01, Object Code 4252 of Engineering Budget 2600 and returned to the unappropriated General Fund balance.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

EXHIBIT I





# CITY OF SACRAMENTO

## EXHIBIT II

### DEPARTMENT OF FINANCE

915 I STREET  
ROOM 112

SACRAMENTO, CALIFORNIA 95814  
TELEPHONE (916) 449-5736

JACK R. CRIST  
DIRECTOR OF FINANCE

ROBERT C. LELAND  
ASSISTANT DIRECTOR

January 19, 1982  
FA:82011:RCL:KMF

Budget & Finance Committee  
Sacramento, California

Honorable Members in Session:

SUBJECT: Modification of of Fire Capital Improvement Budget

SUMMARY:

Staff was asked to report back to Committee with recommendations for modifying the Fire CIP budget to free up additional resources for the General Fund in 1981-82.

Staff recommends that proposed Stations 2, 11, 15 and 17 (see Map on page 4 herein) be completed, but that 11 and 17 be redesigned as alternative or residential style structures. These recommendations are embodied in "Alternative 1" of the main report to which this Exhibit is attached.

BACKGROUND:

Station 2 (13th and I). Development of this station represents a unique situation in which the station will be built for the City by a developer in the ground floor of a 4 floor office building. The Council has approved a contract with the developer. After costs of land (\$436,103), foundation (\$120,000) and site improvements (\$164,000) to the City, a savings of \$304,897 from the original appropriation will accrue. Under the Master Plan completion of Station 2 will allow closing of other stations.

Station 11 (Florin & Havenside). Plans for a standard firehouse design incorporating energy-efficient features have already been contracted. The remaining appropriation is \$551,246 (as of 1/1/82). Once the plans are completed, it is recommended that a bid be put out instead for a residential-type structure, similar to Station 15, although the garages will measure 42' x 60', nearly twice the size of Station 15. It is estimated that new plans and construction would total \$300,000, for a net savings of \$251,246.

If the remaining funds are debudgeted for 1981-82, the net savings will instead be \$551,246, however, if this station is to be completed at least \$300,000 would have to be reappropriated in 1982-83 or a subsequent year.

Station 15 (Truxel and Newborough). This fire station is being constructed by Streng Brothers at a cost of \$107,000 excluding various street improvements and landscaping. The fire station is essentially a residential unit with a modified garage bay of 30' x 35'. This structure is developed on approximately 30 percent of land acquired by the City for the development of a fire station at this site. This station is intended to be interim in nature, thereby allowing the City to subdivide the remainder of the parcel allowing for the construction of three additional residential units. The City would (and probably should) subdivide the land immediately East of the fire station for future residential use. This can occur prior to the end of the interim period for the life of this fire station. At the current time, the total parcel acquired by the City exists as one subdivided unit. With minimal landscaping, the remaining amount is \$69,673. With adequate landscaping and reserve for change orders, \$60,000 might remain.

Station 17 (Marysville and Bell). Station 17 is to be 30 to 40 percent larger than Fire Station 11. The reason for the expanded space is to accommodate a larger crew. The basic common space, including the kitchen, will be comparable to Station 11. However, the quarters will be much larger to accommodate the additional personnel. The garage, which will house the equipment, will be identical in size (42' x 60') to Fire Station No. 11. Negotiations on fees for construction plans and specs have been completed. However, it is recommended that a bid be put out instead for a Butler-type structure. It is estimated that new plans and construction would total \$300,000, for a net savings of \$368,394.

If the remaining funds are debudgeted in 1981-82, the entire \$668,394 can be saved. However, if the station is to be completed at least \$300,000 would have to be reappropriated in 1982-83. Further, completion of this station will allow the closing of two other stations under the Master Plan, so it is the City's long-range advantage to expedite construction of Station 17.

FINANCIAL

A summary of the current remaining funds for the four projects addressed is shown in the table below, along with the additional cost and net savings from taking the recommended actions.

Station	Appropriated	(as of 1/1/82)			Additional Cost	1981-82 Savings
		Expended	Encumbered	Remaining		
2	\$1,025,000	\$476,727	\$ 64,985	\$483,288	\$178,299(a)	\$304,897
11	707,500	121,477	34,777	551,246	300,000(b)	251,246
15	270,500	94,559	103,201	72,740	3,067(c)	69,673
17	678,500	10,106	-0-	668,394	300,000(b)	368,394
TOTALS	\$2,681,500	\$702,869	\$202,963	\$1,775,668	\$781,366	\$994,210

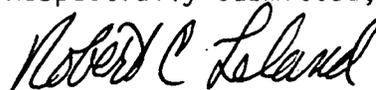
(a) Assumes completion per contract with developer.  
 (b) Assumes redesign of current projects to a less expensive alternative-style station.  
 (c) Assumes completion per current contract.

Budget & Finance Committee  
Page Three  
January 19, 1982

RECOMMENDATION:

Staff recommends modification of the Fire CIP budget as proposed in Alternative 1 of the main report, and in the summary table of this Exhibit.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Robert C. Leland".

ROBERT C. LELAND  
Assistant Director of Finance

attachment

Department Fire	Division Summary	Activity Summary
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**FIRE STATION LOCATIONS**

- Existing Station
- ▲ Existing Station, to be phased out
- △ Proposed Station
- S = Station ( ) = future change
- E = Engine
- T = Truck

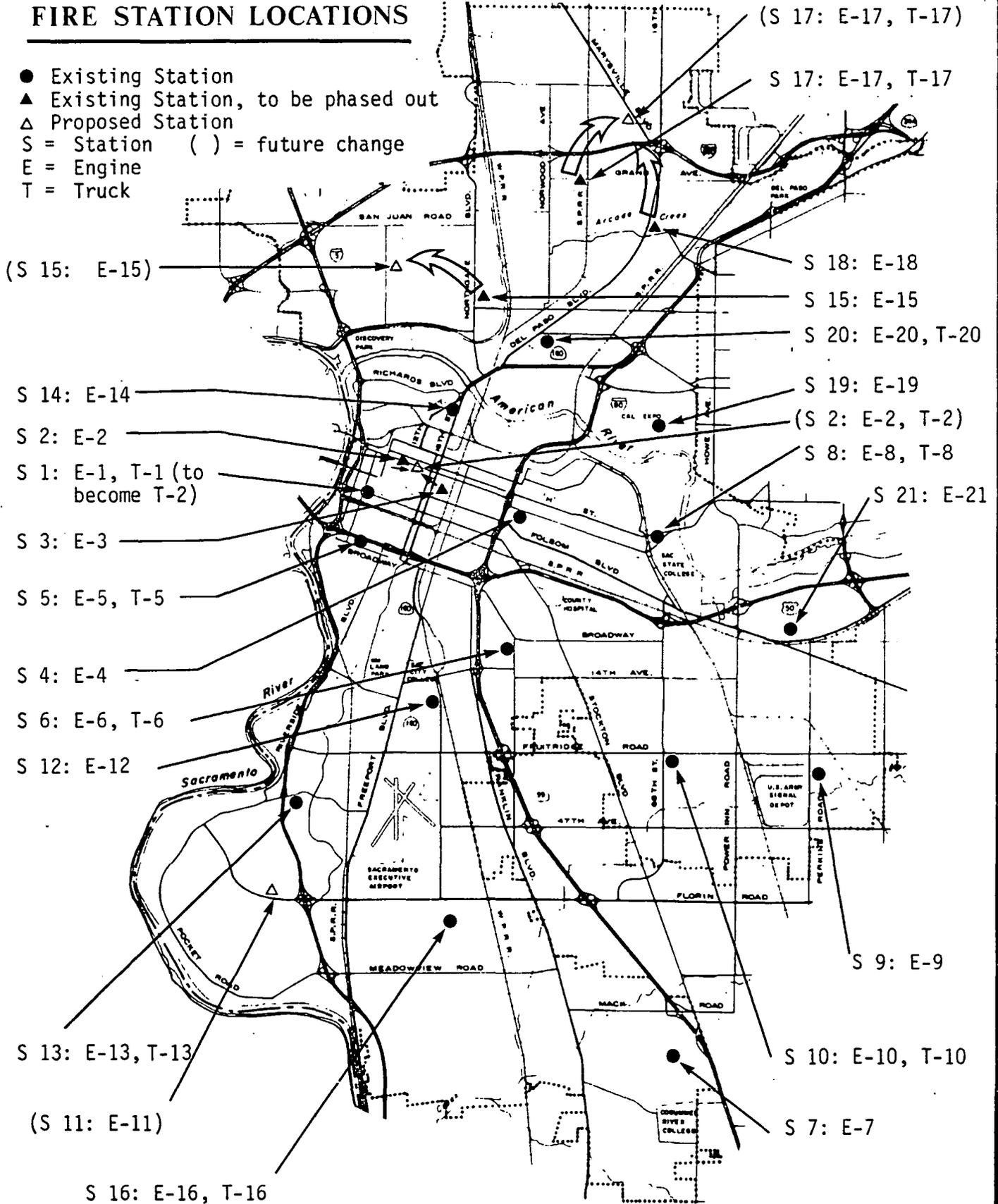


EXHIBIT III

In the City Engineer's budget, there is currently \$1,071,873 budgeted for engineering and architectural services. It's use to date and projected use is as follows:

Total adjusted 81-82 budgeted amount (engineering/architectural services)	\$1,071,873
Expended thru 1/1/82	(418,764)
Encumbered by Contract Thru 1/1/82	<u>(177,498)</u>
Remaining Available Funds	475,611
Specific Identified Use Projected Thru Remainder of Year, Per City Engineer	<u>(75,000)</u>
Remaining Funds	400,611 ←
--Set-Aside for Miscellaneous Subdivision work and for Assessment District Change Orders - Probable Use - Per City Engineer	(250,000)
--Remaining Funds for which there is no Probable Use	(150,611)