

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

283



FROM: EXECUTIVE OFFICE

SUBMITTAL DATE:
September 28, 2010

SUBJECT: Receive and File the Letter of Intent for Contract Cost Adjustments from the California Department of Forestry and Fire Protection

RECOMMENDED MOTION: That the Board of Supervisors:
Receive and file the attached letter of intent from the California Department of Forestry and Fire Protection

BACKGROUND: On June 7, 2010 (3.8) the Executive presented the "California Department of Forestry and Fire Protection Administrative (CAL FIRE) Rate Study" to the Board of Supervisors. Per Board direction a copy of this report was delivered to CAL FIRE Director Del Walters. Subsequently in July 2010 the CAL FIRE staff met with Chairman Ashley, Supervisor Benoit, CEO Bill Luna and CEO staff to review the report. During those meetings CAL FIRE presented the cost reduction strategies contained in the attached letter. These adjustments will be included in the quarterly billings from CAL FIRE for FY 2010/2011 and will be included as changes in the master CAL FIRE contract when it is renewed.

Robert W. Tremaine,
Principal Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
 Bill Luna

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:
Per Exec. Ofc.:

3.8



DEPARTMENT OF FORESTRY AND FIRE PROTECTION

P.O. Box 944246
SACRAMENTO, CA 94244-2460
(916) 653-7772
Website: www.fire.ca.gov



September 21, 2010

Bill Luna
County Executive Officer
County of Riverside Administrative Center
4080 Lemon Street, 4th Floor
Riverside, California 92501

Dear Mr. Luna:

Thank you and Supervisor Ashley for meeting with me and my staff on September 1, 2010, regarding the July 27, 2010, Administrative Rate Study (Rate Study). I appreciated the candor of the meeting and our combined focus on solutions to the issues surrounding our cooperative agreement. As I have previously mentioned, I am committed to working with you to reach a mutually beneficial resolution to these issues.

At the meeting, I committed the California Department of Forestry and Fire Protection (CAL FIRE) to five specific actions for fiscal year 2010/11 to address the Rate Study findings relative to the application of the Department's Administrative Rate and other related administrative issues. The following actions will result in a savings or cost deferral to Riverside County of approximately \$2.2 million:

- 1) CAL FIRE will defer implementation of the Employee Leave Buyout Rate by one year. This deferral will avoid a cost of \$153,700 to Riverside County.
- 2) CAL FIRE will provide three additional state-funded positions to the Riverside Unit to address Unit workload currently managed by Riverside County staff. This will reduce Riverside County costs by approximately \$277,300.
- 3) CAL FIRE commits to generating \$500,000 in savings from the fiscal year 2010/11 budgeted amount.
- 4) Based on final calculations of the 2010/11 Health/Dental/Vision staff benefit rate, Riverside County can anticipate a savings of approximately \$494,000.
- 5) CAL FIRE anticipates additional savings will result from retirement contribution changes contained with the new Bargaining Unit – 08 Memorandum of Understanding (MOU) between the State of California and the California Department of Forestry Firefighters. Fire suppression employees will contribute an additional 4 percent to their pensions for 10 months of FY 2010/11. While CAL FIRE is waiting for further clarification from the Department of Personnel Administration (DPA) on how the contribution changes will work mechanically and the final impact on the

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Bill Luna
September 21, 2010
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employer's contribution rate, CAL FIRE anticipates a current year savings to Riverside County of approximately \$794,300. DPA will be meeting with my staff later this week to discuss the pension contribution changes contained within the MOU and, after that time, my staff will be able to update this estimate.

I value the long-standing relationship between CAL FIRE and Riverside County and understand your fiscal challenges as CAL FIRE is facing its own. With that in mind, I want you to know that I am committed to Riverside County and all of our local government partners to provide the most efficient and cost-effective integrated fire and life safety services within my grasp. Please feel free to contact me if you have any questions or would like to further discuss any of this information.

Sincerely,



DEL WALTERS
Director

cc: Marion Ashley, Supervisor
John Benoit, Supervisor
Bob Tremaine, Principal Management Analyst
Ken Pimlott, Deputy Director, Chief of Fire Protection
Janet Barentson, Deputy Director, Management Services
Mikel Martin, Region Chief, Southern Region
Ken McLean, Region Chief, Northern Region
Dale Hutchinson, Assistant Region Chief, Southern Region
John Hawkins, Unit Chief, Riverside Unit
Loren Snell, Assistant Deputy Director,
Cooperative Fire Protection, Training, and Safety
Melissa Garner, Chief of Budgets