

2019 PROPOSED BUDGET

Attached is the Proposed 2019 CAL FIRE Local 2881 budget prepared at the budget preparation meeting in August 2018 and approved by the Executive Board at their September 2018 meeting.

- In following policy Section 1120.12 which states, “Resolutions pertaining to employee compensation (Policy 0350.01) and contract labor pay (Policy 0351.01) are not permissible,” the executive board addressed employee wages/benefits and contractor services at the July board meeting pursuant to Sections 350.01 and 351.01 of the CAL FIRE Local 2881 Operating Procedures Handbook which read:

350.01 “The compensation and benefit package for the CAL FIRE Local 2881 employees shall be established by the executive board at their July executive board meeting. Modifications shall be incorporated by the pre-convention finance committee into the appropriate line items in the initial budget presented to the convention.”

351.01 “CAL FIRE Local 2881 Executive Board shall, at their July executive board meeting, review and set the amount paid for contract labor services (reference Section 1255.17). Modifications shall be incorporated by the pre-convention finance committee into the appropriate line items in the initial budget presented to convention.”

- Employee & Contract Services Compensations: By policy, the compensation set for employees and contract services is done in confidentiality by the executive board at the July 2018 meeting that resulted in an increase to the employee and contract services line items. The Executive Board action in July 2018 resulted in an increase to the employee and contractor line items, (548) Wages, (549) PR Taxes, (551) Benefits and (556) Contractor Services \$39,330 cost.
- In the July executive board meeting, in order to meet the continued increase in the demand for legal defense, the executive board voted to eliminate the Office Technician position and convert the legal work load into a newly created paralegal position. The cost of this new position will be covered from the legal line item. The money available from the former Office Technician will be utilized to **offset** the employee increases this year only.
- As a result of the action above relating to the employee and contractor services, the proposed 2019 budget reflects no dues increase to line items 548, 549, 551 and 556.
- The budget preparation meeting representatives incorporated the board’s actions into the 2019 Proposed budget.
(This action generated no dues increase to the 2019 Base Proposed budget.)
- The approved “Proposed Budget 2019” is based on a dues amount of **\$120.50**. During 2018 mid-year pass-through increases in CPF and IAFF per capita amounts of \$.28 and \$.98 respectively had changed the CAL FIRE Local 2881 current dues to \$120.50 per

month. CPF increase is based on the CPF per capita due to an increase of .28 cents incurred from the automatic increases of CPI. IAFF increase is based on the IAFF per capita due to an increase of .98 cents incurred from the automatic increases of CPI.

- After much discussion, the budget preparation meeting representatives evaluated the average monthly and yearly membership counts and determined that an increase was not warranted. The average membership calculations to what a penny is worth remained at the base calculation of \$570.00 year. This is the equivalent of 57,000 member months annually, or 4,750 members per month. This basis accounts for a period of 36 months with some augmented staffing, reductions (loss of a contract) and no guarantee of future augmentation. The adjusted member number was based on the most appropriate business practice for our budget cycle and was in full agreement by all attendees of the meeting.
- Again, this Proposed 2019 budget reflects no dues increase.

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	Acc	Description	2019 BUDGET	DUES
Income	401	MEMBERSHIP DUES	\$ 6,868,500	\$ 120.50
	403	RETIREE DUES	\$ 84,120	
	413	J ST RENTAL INCOME	\$ 56,440	
		TOTAL INCOME	\$ 7,009,060	

				PASS THRU
Membership Services	501	DISTRICT 1 DUES	\$ 52,863	\$ 6.87
	502	DISTRICT 2 DUES	\$ 35,067	\$ 6.87
	503	DISTRICT 3 DUES	\$ 50,084	\$ 6.87
	504	DISTRICT 4 DUES	\$ 42,951	\$ 6.87
	505	DISTRICT 5 DUES	\$ 28,083	\$ 6.87
	506	DISTRICT 6 DUES	\$ 75,990	\$ 6.87
	507	DISTRICT 7 DUES	\$ 45,729	\$ 6.87
	508	DISTRICT 8 DUES	\$ 34,841	\$ 6.87
	509	DISTRICT 9 DUES	\$ 7,884	\$ 6.87
	510	DISTRICT 10 DUES	\$ 34,916	\$ 6.87
	513	PDR CHARGES	\$ 3,215	\$ -
	511	IAFF PER CAPITA	\$ 830,490	\$ 14.57
	512	CPF PER CAPITA	\$ 801,990	\$ 14.07
	514	MEMBER INSURANCE	\$ 28,500	\$ 0.50
	515	CAL FIRE LOCAL 2881 PAC	\$ 470,250	\$ 8.25
	519	CAL FIRE LOCAL 2881 ISSUE PAC	\$ 456,000	\$ 8.00
	526	LEGAL EMERGENCY RESERVE	\$ 114,000	\$ 2.00
	516	CALFIRE MUSEUM FUND	\$ 57,000	\$ 1.00
	592	BUILDING FUND/CAPITAL IMPROVEMENTS	\$ 29,742	\$ -
	TOTAL MEMBERSHIP CHARGES	\$ 3,310,382		

	Acc	Description	2019 BUDGET	DUES
Legal	520	LEGAL, GENERAL	\$ 622,615	
	521	LEGAL, REPRESENTATION	\$ 213,152	
	522	LEGAL, ARBITRATION	\$ 246,169	
	523	LEGAL, NEGOTIATIONS	\$ 223,468	
	525	LEGAL, LAW LIBRARY	\$ 5,690	
		TOTAL LEGAL	\$ 1,311,094	

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	Acc	Description	2019 BUDGET	DUES
Operations	529	COMPANY VEHICLE OPERATING	\$ 17,037	
	530	OPERATIONS, NEGOTIATIONS	\$ 77,080	
	531	OPERATIONS, REPRESENTATION	\$ 55,888	
	532	OPERATIONS, COMMITTEE	\$ 38,838	
	533	OPERATIONS, BOARD	\$ 74,838	
	534	OPERATIONS, CONVENTION, ALL	\$ 76,653	
	535	OPERATIONS, GENERAL	\$ 145,129	
	538	COMPANY VEHICLE PURCHASE	\$ 34,220	
		TOTAL OPERATIONS/TRAVEL	\$ 519,683	
Honor Guard	536	OPERATIONS, HONOR GUARD	\$ 50,377	
	572	HONOR GUARD EQUIP & MAINT	\$ 16,548	
	573	HONOR GUARD VEHICLES	\$ 11,842	
		TOTAL HONOR GUARD	\$ 78,767	
Office Expense	513	PDR CHARGES	\$ 3,215	
	540	OFFICE, GENERAL	\$ 28,444	
	541	OFFICE, MEMBERSHIP	\$ 228	
	542	PUBLICATIONS	\$ 3,925	
	543	TELECOMMUNICATIONS (PHONES)	\$ 65,008	
	544	PHOTOCOPY	\$ 9,555	
	545	POSTAGE	\$ 19,342	
	546	CALFIRE L2881 PUBLICATION	\$ 3,414	
	547	INSURANCE	\$ 109,415	
	552	TAXES	\$ 29,940	
	554	CPA-AUDIT CHARGES	\$ 21,901	
	561	OFFICE AUTOMATION (IT)	\$ 68,872	
	587	STORAGE COSTS	\$ 2,230	
		TOTAL OFFICE EXPENSE	\$ 365,489	
	548	WAGES	\$ 375,122	
	549	PAYROLL TAXES	\$ 45,412	
	550	WORKERS COMP	\$ 10,000	
	551	EMPLOYEES BENEFITS	\$ 186,382	
		TOTAL PAYROLL EXPENSE	\$ 616,916	
	556	CONTRACTORS SERVICES	\$ 507,034	
	570	CONVENTION	\$ 26,500	

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Acc	Description	2019 BUDGET	DUES
Building	558	UTILITIES	\$ 32,851
	559	MAINTENANCE (J ST)	\$ 59,964
	560	MISC. EXPENSES	\$ 16,426
	571	TRAINING PROGRAM	\$ 96,244
	575	OFFICE CAPITAL OUTLAY	\$ 20,178
	576	OFFICE MINOR OUTLAY	\$ 3,286
	578	CONDOMINIUM MORTGAGE PAYMENT	\$ 26,698
	579	OFFICER HOUSING 1 MAINTENANCE	\$ 2,190
	580	OFFICER HOUSING 1 MINOR OUTLAY	\$ 2,190
	581	OFFICER HOUSING 1 SUPPLIES	\$ 758
	582	OFFICER HOUSING 2 MAINTENANCE	\$ 2,190
	583	OFFICER HOUSING 2 MINOR OUTLAY	\$ 2,190
	584	OFFICER HOUSING 2 SUPPLIES	\$ 758
	586	OFFICER HOUSING 2 DUES	\$ 7,272
	TOTAL BUILDING	\$ 273,195	

Total Pass Through	\$ 3,310,382	
Base State Level Dues	\$ 7,009,060	
TOTAL BUDGET EXPENSES	\$ 7,009,060	
	\$ 0	

WORKSHEET WITHOUT COLA

*Dues started at \$119.24 during FY 2018, then an increase for CPF & IAFF Dues, IAFF .98 and CPF .28; New dues for Sept 2018 \$120.50

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INCOME

- 401 Dues: Membership Dues
- 403 Dues: Retired Member Dues
- 413 J Street Rental Income (1731 J Street)

EXPENSES

Membership Services

- 501 Dues Disbursement: District I
- 502 Dues Disbursement: District II
- 503 Dues Disbursement: District III
- 504 Dues Disbursement: District IV
- 505 Dues Disbursement: District V
- 506 Dues Disbursement: District VI
- 507 Dues Disbursement: District VII
- 508 Dues Disbursement: District VIII
- 509 Dues Disbursement: District IX
- 510 Dues Disbursement: District X
- 511 IAFF: Cost of monthly per cap tax and initiation fees to the IAFF.
- 512 CPF: Cost of monthly per cap tax to the CPF and special assessments.
- 514 Member Insurance: Costs for providing an accidental death and dismemberment (AD&D) policy for all members.
- 515 CAL FIRE Local 2881 PAC: Transfer of funds collected from member dues for CAL FIRE Local 2881 PAC.
- 519 CAL FIRE Local 2881 Issues PAC: Transfer of funds collected from member dues for CAL FIRE Local 2881 Issues PAC.
- 526 Legal Emergency Reserve:
- 537 Funeral Policy: Funding for funeral costs that are not covered by the department (CAL FIRE) as outlined in the funeral policy (Section 0301.12)
- 516 CAL-FIRE Museum: Transfer of funds collected from member dues for CAL FIRE Museum.
- 592 Building Fund: Funds to be added to building fund account for property purchases and improvements.

Legal Expenses

- 520 Legal General: Costs incurred by the association for all legal services with the exception of legal services covered below.
- 521 Legal Defense: All legal costs incurred for individual member representation.
- 522 Legal Arbitration: Costs incurred for arbitrator and legal representation.

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523	<u>Legal Negotiations:</u> Legal costs incurred during negotiations.	
525	<u>Legal Library Program:</u> Costs incurred for legal reference on Internet and other forms.	
	<u>Operations Expenses</u>	
529	<u>Company Vehicle Operating</u>	** All costs associated with travel, including but not limited to, air fare, car rental, mileage, rooms, meals, etc.
530	<u>Operations, Negotiations</u>	
531	<u>Operations, Grievance/Representation</u>	
532	<u>Operations, Adhoc Committee Meetings</u>	
533	<u>Operations, Board Business Meetings</u>	
534	<u>Operations, Conventions/All</u>	
535	<u>Operations, General Business</u>	

538	<u>Company Vehicle Purchase:</u> Cash reserve set aside for purchase of company vehicles.	
	<u>Honor Guard Expenses</u>	
536	<u>Honor Guard Travel:</u> All costs associated with general honor guard travel.	
572	<u>Honor Guard Equipment and Maintenance:</u>	
573	<u>Honor Guard Vehicle:</u> Vehicle licensing and maintenance.	
	<u>Office Expenses</u>	
513	<u>PDR Charges:</u> Cost to State Controller.	
540	<u>Office, General:</u> The costs of general office supplies and services (i.e., envelopes, stationery, addressing equipment, folding and mailing, etc.).	
541	<u>Office, Memberships:</u> The costs of memberships in organizations, discount stores, etc.	
542	<u>Publications:</u> The cost of subscriptions to publications used by union and its officers, such as salary survey publications, laws and rules governing state civil service, public employee relations publications, etc.	
543	<u>Telephone:</u> Telephone and cellular phone costs.	
544	<u>Photocopy:</u> Costs incurred for copying and printing (except "2881 FIRE WIRE").	
545	<u>Postage:</u> Costs of postage and mailing permits.	
546	<u>"CAL FIRE Local 2881" Publishing:</u> The cost of producing monthly newsletter.	

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547	Insurance: Fire, liability insurance on CAL FIRE Local 2881 headquarters; costs of insurance programs for the union, state officers and members (i.e., property, vehicle, liability, fidelity bond, AD&D, etc.).
552	Fed/State/County Taxes: On headquarters building and condominiums. Including property tax on furniture and other owned property.
554	CPA-Audit Charges: Costs of annual corporation audit.
561	Office Automation (IT): Costs associated with computer upgrades/maintenance and software licensing and services at CAL FIRE Local 2881 headquarters.
587	Storage Costs: Costs for storing extra items from townhouses and for storage of "archived" CAL FIRE Local 2881 headquarters files.
	<u>Employee Payroll</u>
548	Wages: Employee wages.
549	Payroll Taxes: Taxes on employee wages.
550	Workers Compensation: Workers compensation insurance.
551	Employee Benefits: Health, dental and vision insurance and 401K for employees.
	<u>Contractor Services</u>
556	Contractors Services: Cost for legislative advocate services for CAL FIRE Local 2881.
	<u>Convention</u>
570	Convention: General operating fund for convention. Balance of funding obtained through convention registration fee and donations.
	<u>Other</u>
558	Utilities: CAL FIRE Local 2881 headquarters and condominium electricity and gas, garbage pickup, TV service.
559	Maintenance (J Street): CAL FIRE Local 2881 headquarters janitorial service, maintenance and repairs on headquarters building and grounds.
560	Misc. Expenses

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571	Training Program
575	Office – Capital Outlay: Costs incurred in the purchase of property and/or equipment over \$1000 in value.
576	Office – Minor Outlay: Costs incurred in purchase of equipment, etc., under \$1000 in value.
578	Condominium Mortgage Payment
579	Officer Housing 1 Maintenance: Costs of maintenance/repair of Officer Housing #1
580	Officer Housing 1 Minor Outlay: Costs incurred under \$500
581	Officer Housing 1 Supplies: Costs of cleaning supplies, i.e., mop, bucket, broom, cleanser, etc., for Officer Housing #1.
582	Officer Housing 2 Maintenance: Costs of maintenance/repair of Officer Housing #2
583	Officer Housing 2 Minor Outlay: Costs incurred under \$500
584	Officer Housing 2 Supplies: Costs of cleaning supplies, i.e., mop, bucket, broom, cleanser, etc., for Officer Housing #2.
586	Officer Housing Dues: Membership dues for the officers housing association.