



DATE: April 9, 2008

TO: Honorable Mayor and City Councilmembers

FROM: Fire Department

SUBJECT: **APPROVAL OF A BUDGET TRANSFER FROM CAPITAL IMPROVEMENT PROJECT FUNDS RESERVED FOR FIRE STATION 1 TO THE FIRE DEPARTMENT, TO FUND THE REMAINDER OF FY 2007/08 DISPATCH SERVICES PROVIDED BY THE NORTH COUNTY DISPATCH JOINT POWERS AUTHORITY**

**SYNOPSIS**

Staff recommends that the City Council approve a budget transfer in the amount of \$176,675 from capital improvement project funds reserved for Fire Station 1 to the Fire Department, to make up the shortfall in funding for the North County Dispatch Joint Powers Authority (NCDJPA) contract.

**BACKGROUND**

The Fire Department joined the NCDJPA in 2006 and began contracting for dispatch services in January 2007. The NCDJPA bases its contract with each member agency on a per-call charge. The per-call charge is determined by dividing the total operating budget of the JPA by the total number of calls for service processed by the dispatch center in the preceding calendar year. The contract for each member agency equates to that agency's number of calls for the preceding year multiplied by the cost-per-call charge. In preparing the two-year FY 2006-08 Fire Department budget, staff projected that the cost for the JPA contract for FY2007/08 would be \$545,000. The projection was based on an estimate of the anticipated calls for service in 2006 and the then-current per-call charge. The department budget for FY 2007/08 was adopted with \$545,000 earmarked for the NCDJPA contract.

In spring 2007 the NCDJPA calculated the per-call charge and member agency contract costs for FY 2007/08. The Oceanside contract costs were calculated at \$744,367, an amount exceeding the budgeted amount of \$545,000. The increase in contract costs can be attributed to two factors: an increase in Oceanside's call volume exceeding department projections, and an unanticipated increase in the NCDJPA operating budget.

## **ANALYSIS**

As the city's population continues to grow, the per-call cost for dispatch services by the NCDJPA is also anticipated to increase. The department has been continually monitoring dispatch service costs, and staff is in the process of analyzing different alternatives for fire dispatch services. These alternatives include:

- Continue contracting with the NCDJPA through September 2008. Because the current contract requires that member agencies provide the NCDJPA with a minimum 180-day advance notice to terminate, the department is contractually obligated through September 2008 to pay the full contract amount of \$744,367 in the current fiscal year.
- Contract with an alternate outside agency dispatch center.
- Contract with the Oceanside Police Department dispatch center.
- Establish an Oceanside Fire Department dispatch center.

## **FISCAL IMPACT**

The department is contractually obligated to the NCDJPA through September 2008. There are currently two invoices totaling \$297,746.80 awaiting payment in the FY 2007/08 contract with the NCDJPA. The Fire Department's consultant fees account has a remaining balance of \$121,071.80. The difference of \$176,675 will need to be transferred from funds reserved for Fire Station 1 in account number 503.835273.5701 to account number 101.384510.5241 to fully fund the payment of both the outstanding invoices.

## **COMMISSION OR COMMITTEE REPORT**

Does not apply.

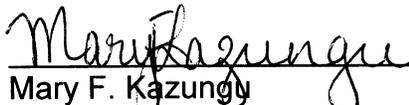
## **CITY ATTORNEY'S ANALYSIS**

Does not apply.

**RECOMMENDATION**

Staff recommends that the City Council approve a budget transfer in the amount of \$176,675 from capital improvement project funds reserved for Fire Station 1 to the Fire Department, to make up the shortfall in funding for the North County Dispatch Joint Powers Authority contract.

PREPARED BY:

  
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Mary F. Kazungu  
Sr. Management Analyst

SUBMITTED BY:

  
\_\_\_\_\_  
Peter A. Weiss  
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Terry Garrison, Fire Chief

Teri Ferro, Finance Director

  
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