

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of February 9, 2022

To: Board of Directors

From: Jason Weber, Fire Chief
Kevin Yeager, Deputy Director Fire
Tim Grasser, Battalion Chief
Jeff Zuba, Finance Director

Subject: Approve Resolution 22-05 Midyear Budget Report

RECOMMENDATION:

To approve Resolution 22-05, a resolution of the Ross Valley Fire Department Board of Directors, adopting the proposed line-item budget revisions to the Fiscal Year 2021-2022 Operating Budget.

DISCUSSION:

On June 9, 2021, the Board adopted the proposed FY 2021-2022 Operating Budget for the Ross Valley Fire Department.

At each Board meeting, staff provides a financial report which tracks the monthly revenue and expenditures for the Department. Staff explains the variances between the adopted budget and the actual revenues and expenses on as needed basis.

During the first half of this fiscal year, a couple of the events has impacted the adopted budget: there have been multiple employee injuries, and the Department provided personnel and equipment to help combat wildfires throughout the State.

In order to address the changes in both revenues and expenses, staff has prepared a line-item budget revision for Board consideration and approval. The summary that follows describes, in general terms, these changes. A line-by-line accounting for the proposed changes is included as part of the budget revision resolution.

Beginning Fund Balance: The beginning fund balance for all funds from the adopted budget was updated to \$3,280,429 to reflect the final audit of the FY2020-2021 financial statements.

Revenues: Projected increases in revenue include: OES reimbursements, Workers Compensation, and County of Marin.

The revenue line-item changes have resulted in \$866,073 net increase in revenues.

Expenses: The Fire Department strives to operate within the authority of the adopted budget. Line items have the potential to exceed the budget and others may have a savings by the end of the year. Therefore, only three items were proposed for change.

1. Overtime costs associated with Department's responses to wildfires throughout northern California, which contributed a \$458,172 increase to the total budget.
2. Minimum staffing costs are estimated to contribute a \$175,000 increase through the rest of the fiscal year.
3. Costs associated with new Pierce Type 1 Fire Engine Lease down payment, which contribute a \$50,000 to the total budget. The next payment on the lease is 10/21/2022.

The expense line-item changes have resulted in \$683,172 increase in expenses.

Ending Fund Balance: The estimated ending fund balance for all funds is \$3,562,624, which is an increase of \$182,901 from the prior year.

Conclusion: Staff is recommending the approval of Resolution 22-05 adopting the proposed line-item budget revisions to the FY 2021-2022 Operating Budget in order to bring the approved budget in line with expected revenues and expenses.

FISCAL IMPACT:

The proposed line-item revisions include a \$866,032 increase in revenue and \$683,172 increase in expense, with a net fund balance increase of \$182,901.

Attachments: Resolution 22-05, a Resolution of the Ross Valley Fire Department Board of Directors adopting the proposed line-item budget revision to the FY 2021-2022 Operating Budget – **Attachment #1**
FY 2021-2022 budget document with proposed line-item adjustments – **Attachment #2**