

**ROSS VALLEY FIRE DEPARTMENT  
STAFF REPORT**

For the meeting of May 11, 2022

To: Board of Directors

From: Jason Webber, Fire Chief  
Kevin Yeager, Deputy Director Fire  
Jeff Zuba, Finance Director

Subject: Review Fiscal Year 2022-2023 Proposed Budget & 5yr Budget Projection

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**RECOMMENDATION:**

That the Board review and consider the proposed Fiscal Year 2022-2023 budget and provide recommendations to staff. Recommended changes by the Board will be incorporated into the budget that will be submitted for approval at the June meeting.

**DISCUSSION/ANALYSIS:**

The JPA requires, no later than June 1st of each year that the Executive Officer and the Fire Chief recommend to the Board a budget for the ensuing fiscal year. No later than June 15<sup>th</sup> of each year, the Board shall adopt a budget for the ensuing year.

As part of this year's budget document, we have included summary page for the General Fund and all other funds. These summary pages include revenues, expenditures, as well as beginning and ending fund balances.

The FY 2022-2023 budget was prepared by staff using revenue and expense projections for the next fiscal year. The total proposed General Fund operating budget for FY 2022-2023 is \$12,688,316 which includes \$12,333,310 for the General Fund and a fund transfer of \$355,006 for the Vehicle/SCBA Fund. The Operating Budget is funded by member contributions based on the cost sharing percentages are as follows:

Prior Authority:

Town of San Anselmo	52.90%
Town of Fairfax	30.40%
Sleepy Hollow Fire Protection District	16.70%

Expanded Authority:

Town of San Anselmo	40.53%
Town of Fairfax	23.30%
Town of Ross	23.37%
Sleepy Hollow Fire Protection District	12.80%

The Operating Budget is funded by member contributions of \$2,735,033 from Fairfax, \$2,331,397 from Ross, \$4,757,815 from San Anselmo, and \$1,502,502 from Sleepy Hollow. Outside revenues are estimated at \$1,361,569.

Vehicle/SCBA Fund: The proposed Apparatus Replacement contribution from the member agencies is \$355,006. There several new acquisitions planned in FY2022-2023 in addition the fourth installment loan repayment of \$154,712 to Sleepy Hollow for the Type 1 Fire Engines acquisition financing and first installment of loan repayment of \$169,117 to PNC Equipment Lease for 2022 Pierce Enforcer 1500 GPM Pumper.

Total General Fund expenses have increased by \$629,680 from the Adopted 2021-2022 budget (a 5.22% increase). The majority of the budget maintains the status quo except the following items have contributed to the increase, including:

- An estimate has been included for salaries and benefits as negotiations are currently ongoing.
- CalPERS unfunded liability payment increased approximately by \$176,000 Additionally, Employer Contribution Rates for both Classic and PEPRAs employees have increases.
- Increase \$48,000 for health insurance premium for 6 months.
- During the budget development, in consideration of the increase expenses, staff and management have made considerable effort limit cost increases for FY2022-2023.

In addition, the Department also developed a five-year financial forecast for operating during the budget process, the goal is to provide perspective and analysis of what will happen if current financial decisions and operational practices continue into future. The financial forecast illustrates the impacts to each of its member agencies and will help the Board and member agencies to understanding their ability to fund the current level of services and determine if it is likely to be sustainable.

**Ross Valley Fire Department Five-Year Financial Forecast**

Item	Projected FY2021-22	Projected FY2022-23	Projected FY2023-24	Projected FY2024-25	Projected FY2025-26	Projected FY2026-27
Prior Year Credit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenue	\$12,837,363	\$12,688,316	\$13,066,937	\$13,584,140	\$14,070,171	\$14,472,724
Total Expense	\$12,691,807	\$12,688,316	\$13,066,937	\$13,584,140	\$14,070,171	\$14,472,724
Surplus/(Gap)	\$ 145,556	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Member Contrib.						
Fairfax	\$ 2,601,413	\$2,735,033	\$2,857,821	\$ 2,982,680	\$ 3,095,807	\$ 3,184,628
Ross	\$ 2,262,786	\$ 2,331,397	\$ 2,421,075	\$ 2,513,365	\$ 2,603,935	\$ 2,692,218
San Anselmo	\$ 4,525,339	\$ 4,757,815	\$ 4,971,423	\$ 5,188,636	\$ 5,385,432	\$ 5,539,937
Sleepy Hollow	\$ 1,429,098	\$ 1,502,502	\$ 1,569,955	\$ 1,638,547	\$ 1,700,694	\$ 1,749,488
<b>Sub-Total</b>	<b>\$10,833,706</b>	<b>\$11,326,747</b>	<b>\$11,820,273</b>	<b>\$12,323,227</b>	<b>\$12,785,867</b>	<b>\$13,166,272</b>
<b>% Change from Prior Year</b>	<b>4.19%</b>	<b>4.55%</b>	<b>4.36%</b>	<b>4.26%</b>	<b>3.75%</b>	<b>2.98%</b>

Attachment II shows a more detailed listing of revenues and expenses from FY2022-23 through the FY2026-27.

**FISCAL IMPACT:**

The total proposed General Fund operating budget for FY 2022-2023 is \$12,688,315 which includes \$12,333,310 for the General Fund and a fund transfer of \$355,006 for the Vehicle/SCBA Fund. The Operating Budget is funded by member contributions of \$2,735,033 from Fairfax, \$2,331,397 from Ross, \$4,757,815 from San Anselmo, and \$1,502,502 from Sleepy Hollow. Outside revenues are estimated at \$1,361,569. Member contributions increases include: \$232,476 for San Anselmo, \$133,620 for Fairfax, \$73,404 for Sleepy Hollow and \$68,611 for Ross.

The estimated total beginning fund balance for FY 2022-2023 is \$3,844,719 of which \$666,616 is Apparatus Replacement, \$2,812,481 is Unassigned, \$180,877 is Compensated Absences, \$64,745 is Technology, and \$120,000 Breathing Apparatus.

Estimated ending fund balance is \$3,875,896 of which \$697,793 is Apparatus Replacement, \$2,812,481 is Unassigned, \$180,877 is Compensated Absences, \$64,745 is Technology, and \$120,000 Breathing Apparatus.

**Attachments:** FY 2022-23 Proposed Budget – **Attachment #1**  
 Five-Year Financial Forecast from FY2022-23 through FY2026-27 – **Attachment #2**