

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of May 10, 2023

To: Board of Directors

From: Dan Mahoney, Interim Deputy Chief
Jeff Zuba, Finance Director

Subject: Review Fiscal Year 2023-2024 Proposed Budget & 5yr Budget Projection

RECOMMENDATION:

That the Board review and consider the proposed Fiscal Year 2023-2024 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 15th of each year, the Board shall adopt a budget for the ensuing year.

As part of this year’s budget document, we have included a 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 2023-2024 budget was prepared by staff using revenue and expense projections for the next fiscal year. The total proposed General Fund operating budget for FY 2023-2024 is \$13,537,798 which includes \$13,172,142 for the General Fund and a fund transfer of \$365,656 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 \$2,896,525 from Fairfax, \$2,499,898 from Ross, \$5,038,722 from San Anselmo, and \$1,591,219 from Sleepy Hollow. Outside revenues are estimated at \$1,511,434.

Vehicle/SCBA Fund: The proposed Apparatus Replacement contribution from the member agencies is \$365,656. There are new acquisitions planned in FY2023-2024 in addition to the last installment loan repayment of \$154,712 to Sleepy Hollow for the Type 1 Fire Engines acquisition financing and the second 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 \$716,522 from the Adopted 2022-2023 budget (a 5.59% increase). The majority of the budget maintains the status quo except the following items have contributed to the increase, including:

- Increases have been included for salaries and benefits based on the 2023-2025 Memorandum of Understanding.
- Employer Contribution Rates for both Classic and PEPRAs employees have increased.
- Estimated health insurance premium increased for 6 months.
- Estimated premium increases for liability and workers compensation insurance.
- During the budget development, in consideration of the increased expenses, staff, and management have made considerable efforts to limit cost increases for FY2023-2024.

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 the future. The financial forecast illustrates the impacts on each of its member agencies and will help the Board and member agencies understand 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 FY2022-23	Projected FY2023-24	Projected FY2024-25	Projected FY2025-26	Projected FY2026-27	Projected FY2027-28
Prior Year Credit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenue	\$13,261,101	\$13,537,797	\$13,929,165	\$14,224,012	\$14,688,378	\$15,027,457
Total Expense	\$13,080,563	\$13,537,797	\$13,929,165	\$14,224,012	\$14,688,378	\$15,027,457
Surplus/(Gap)	\$ 180,538	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Member Contrib.						
Fairfax	\$ 2,735,508	\$ 2,896,525	\$ 2,984,714	\$ 3,042,074	\$ 3,139,150	\$ 3,205,235

Ross	\$ 2,349,928	\$ 2,499,898	\$ 2,591,559	\$ 2,665,267	\$ 2,665,267	\$ 2,867,130
San Anselmo	\$ 4,789,951	\$ 5,038,722	\$ 5,192,125	\$ 5,291,891	\$ 5,460,744	\$ 5,575,682
Sleepy Hollow	\$ 1,512,651	\$ 1,591,218	\$ 1,639,666	\$ 1,671,177	\$ 1,724,507	\$ 1,760,811
Sub-Total	\$11,406,038	\$12,026,363	\$12,408,063	\$12,670,409	\$13,102,758	\$13,408,857
% Change from Prior Year	4.19%	5.44%	3.17%	2.11%	3.41%	2.34%

Attachment II shows a more detailed listing of revenues and expenses from FY2023-24 through the FY2027-28.

FISCAL IMPACT:

The total proposed General Fund operating budget for FY 2023-2024 is \$13,537,798, including \$13,172,142 for the General Fund and a fund transfer of \$365,656 for the Vehicle/SCBA Fund. The Operating Budget is funded by member contributions of \$2,896,525 from Fairfax, \$2,499,898 from Ross, \$5,038,722 from San Anselmo, and \$1,591,219 from Sleepy Hollow. Outside revenues are estimated at \$1,511,434. Member contributions increases include: \$248,771 for San Anselmo, \$143,017 for Fairfax, \$78,567 for Sleepy Hollow and \$149,970 for Ross.

The estimated total beginning fund balance for FY 2023-2024 is \$3,735,723 of which \$643,681 is Apparatus Replacement, \$2,726,619 is Unassigned, \$193,494 is Compensated Absences, \$83,423 is Technology, and \$120,000 Breathing Apparatus.

Estimated ending fund balance is \$3,628,633 of which \$236,052 is Apparatus Replacement, \$3,026,959 is Unassigned, \$193,494 is Compensated Absences, \$83,423 is Technology, and \$120,000 Breathing Apparatus.

Encl.: FY 2023-24 Proposed Budget – Attachment #1
Five-Year Financial Forecast from FY2023-24 through FY2027-28 – Attachment #2