

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of May 8, 2024

To: Board of Directors

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

Subject: Fiscal Year 2024-2025 Proposed Budget

RECOMMENDATION

That the Board review and consider the proposed Draft Fiscal Year 2024-2025 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 2024 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 2024-2025 budget was prepared by staff using revenue and expense projections for the next fiscal year. The total proposed General Fund operating budget for FY 2024-2025 is \$14,908,387 which includes \$14,531,761 for the General Fund and a fund transfer of \$376,626 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 \$3,311,565 from Fairfax, \$2,827,351 from Ross, \$5,760,736 from San Anselmo, and \$1,819,222 from Sleepy Hollow. Outside revenues are estimated at \$1,189,514.

Vehicle/SCBA Fund: The proposed Apparatus Replacement contribution from the member agencies is \$376,626. There are new acquisitions planned in FY 2024-2025 in addition to the third 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 \$1,370,590 from the Adopted FY 2023-2024 budget (a 10.12% increase). The following items have contributed to the increase:

Board Approved Items Impacting The Budget

- Increases have been included for salaries and benefits based on the 2023-2025 Memorandum of Understanding.
- Hiring of a Fire Chief, 40 hr Battalion Chief , and 3 additional firefighters to meet the 3-person engine company.
- Shift of Dispatch services to Marin County Fire Department.

Items Outside The Control Of The Department Impacting The Budget

- Employer Contribution Rates for both Classic and PEPRAs employees have increased.
- Increases in the Prior Authority Unfunded Liability payment to CalPERS.
- Estimated health insurance premium increased for 6 months.
- Estimated premium increases for liability and worker's compensation insurance.

Items Within The Control Of The Department Impacting The Budget

- During the budget development, in consideration of the increased expenses mentioned above, Staff worked diligently while remaining fiscally responsible to limit cost increases relating to Department-controlled impacts.

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 FY 2023-24	Projected FY 2024-25	Projected FY 2025-26	Projected FY 2026-27	Projected FY 2027-28	Projected FY 2028-29
Prior Year Credit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenue	\$13,894,101	\$14,908,387	\$15,610,748	\$16,264,616	\$16,991,618	\$17,710,867
Total Expense	\$14,412,892	\$14,908,387	\$15,610,748	\$16,264,616	\$16,991,618	\$17,710,867
Surplus/(Gap)	(\$ 518,791)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Member Contrib.						
Fairfax	\$ 2,896,525	\$ 3,311,565	\$ 3,483,264	\$ 3,640,697	\$ 3,809,669	\$ 3,989,718
Ross	\$ 2,499,898	\$ 2,827,351	\$ 2,960,543	\$ 3,080,649	\$ 3,221,581	\$ 3,333,096
San Anselmo	\$ 5,038,723	\$ 5,760,736	\$ 6,059,429	\$ 6,333,305	\$ 6,627,248	\$ 6,940,486
Sleepy Hollow	\$ 1,591,218	\$ 1,819,222	\$ 1,913,545	\$ 2,000,031	\$ 2,092,857	\$ 2,191,767
Sub-Total	\$12,026,364	\$13,718,873	\$14,416,782	\$15,054,682	\$15,751,355	\$16,455,068
% Change from Prior Year		14.07%	5.09%	4.42%	4.63%	4.47%

Attachment II shows a more detailed listing of revenues and expenses from FY 2024-25 through FY 2028-29.

FISCAL IMPACT

The total proposed General Fund operating budget for FY 2024-2025 is \$14,908,387, including \$14,531,761 for the General Fund and a fund transfer of \$376,626 for the Vehicle/SCBA Fund. The Operating Budget is funded by member contributions of \$3,311,565 from Fairfax, \$2,827,351 from Ross, \$5,760,736 from San Anselmo, and \$1,819,222 from Sleepy Hollow. Outside revenues are estimated at \$1,189,514. Member contributions increases include: \$415,050 for Fairfax, \$327,453 for Ross, \$722,013 for San Anselmo, and \$228,003 for Sleepy Hollow.

The estimated total beginning fund balance for FY 2024-2025 is \$3,471,827 of which \$283,020 is Apparatus Replacement, \$2,823,185 is Unassigned, \$200,593 is Compensated Absences, \$106,409 is Technology, and \$120,000 Breathing Apparatus.

Estimated ending fund balance is \$3,338,925 of which \$150,118 is Apparatus Replacement, \$2,761,805 is Unassigned, \$200,593 is Compensated Absences, \$106,409 is Technology, and \$120,000 Breathing Apparatus.

ATTACHMENTS

FY 2024-25 Proposed Budget – **Attachment #1**

Five-Year Financial Forecast from FY 2024-25 through FY 2028-29 – **Attachment #2**