

**ROSS VALLEY FIRE DEPARTMENT  
STAFF REPORT**

For the meeting of February 12, 2025

To: Board of Directors

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

Subject: Budget Revision to FY2024-2025 Operating Budget

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**RECOMMENDATION**

That the Board consider approving Resolution 25-02, adopting the proposed line-item budget revisions for the Fiscal Year 2024-2025 Operating Budget.

**DISCUSSION**

On June 12, 2024, the Board approved the Fiscal Year 2024-2025 Operating Budget for the Ross Valley Fire Department (Department). At each Board meeting, staff provides financial updates, including monthly revenue and expenditure reports, with explanations of any variances from the adopted budget.

During the first half of the fiscal year, several factors necessitated revisions to the adopted budget:

1. Multiple employees were on workers' compensation leave.
2. The transition of dispatch services from the Marin County Sheriff to Marin County Fire created one-time start-up costs for County Fire to get the Emergency Command Center operating.
3. The purchase of command vehicles for the Fire Chief and the 40-hour Battalion Chief position.

To reflect these changes, staff has prepared a line-item budget revision for Board consideration and approval. Below is a summary of the key adjustments, with additional details provided in the attached budget revision resolution.

**BUDGET REVISIONS**

**Beginning Fund Balance**

The beginning fund balance for all funds has been updated to \$4,483,908, based on the final audit of FY 2023-2024 financial statements.

## Revenues

Projected revenue increases total \$227,363 and include:

- Workers' Compensation Reimbursement: \$218,585. Workers' compensation reimbursements are not budgeted due to their unpredictable nature.
- RVPA Rental Revenue: \$8,778. The original budget included a three-month rental agreement. An additional three-month extension was executed, covering the period through December 2024. This adjustment reflects actual revenues received through December 31, 2024.
- General Fund Transfers: \$265,000. Adjusted to reflect the purchase of two command vehicles approved at the June 12, 2024, Board meeting.

## Expenses

Proposed expense adjustments total \$746,594, driven by:

- Dispatch Costs: An increase of \$481,594 for one-time start-up costs associated with transitioning dispatch services to Marin County Fire, as approved at the November 8, 2023, Board meeting. The amount was approved by the Board to come from reserves. (see meeting minutes [here](#) for reference)
- Vehicle Fund Transfers: \$265,000. Increased General Fund contributions to cover the command vehicle purchases.
- Vehicle Purchases: An increase of \$265,000 in the Vehicle Fund for the acquisition of the two command vehicles approved at the June 12, 2024, Board meeting. The amount was approved by the Board to come from reserves. (see meeting minutes [here](#) for reference).

## **Ending Fund Balance**

The estimated ending fund balance for all funds is \$3,831,775, reflecting a decrease of \$652,133 from the prior year.

## **FUNDING STRUCTURE NOTE**

The Department operates with a single fund, the General Fund. Internal transfers for purposes such as vehicle replacement are tracked separately but are eliminated in financial statement reporting. The Apparatus Replacement Fund balance is included in the General Fund's overall fund balance in financial statements. As a result, the referenced transfers in this report have no impact on the final fund balance.

## **CONCLUSION**

Approval of Resolution 25-02 will align the FY 2024-2025 Operating Budget with updated revenue and expenditure projections, ensuring fiscal transparency and accountability.

## **FISCAL IMPACT**

The proposed revisions result in a \$227,363 increase in revenue and a \$746,594 increase in expenses, for a net fund balance decrease of \$519,231. The Fire Board approved Resolution 23-10 at the June 14, 2023, Board meeting, establishing a minimum target reserve policy of 10%. With the line-item adjustments proposed above, the ending estimate for the unassigned fund balance would be \$3.1M or 19.87%. The revised budget target minimum reserve balance is \$1.565M.

## **ATTACHMENTS**

1. Attachment #1 - Resolution 25-02: A Resolution of the Ross Valley Fire Department Board of Directors Adopting the Proposed Line-Item Budget Revisions for FY 2024-2025.
2. Attachment #2 - Exhibit A FY 2024-2025 Budget Document with Proposed Line-Item Adjustments.