

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of July 9, 2025

To: Board of Directors

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

Subject: Adopt Resolution 25-09, Revising Fiscal Year 2025-2026 Budget

RECOMMENDATION:

Staff recommend the Board adopt Resolution 25-09, revising the adopted budget for the Ross Valley Fire Department for the fiscal year commencing July 1, 2025.

DISCUSSION/ANALYSIS:

In accordance with the Joint Powers Agreement (JPA), the Executive Officer and Fire Chief are required to recommend a proposed budget to the Board no later than June 1 of each year. The Board must then adopt the budget no later than June 15.

As part of the FY 2025-26 budget document, staff has included summary pages for the General Fund and all other funds, showing revenues, expenditures, and beginning and ending fund balances.

On June 11, 2025, the Board adopted the FY 2025-26 budget as presented. At that time, staff advised that a revised budget would be brought forward following the conclusion of labor negotiations with the Firefighter and Chief Officer bargaining units. Tentative agreements have now been reached with both labor groups, and the necessary updates have been incorporated into the attached revised budget.

The revised FY 2025–26 budget includes implementation of the Third Amendment to the RVFD JPA. Section 24.5 of the Amendment addresses the operational impacts related to the planned closure of the Ross Fire Station, effective July 1, 2025.

As outlined in the Third Amendment, the Authority’s annual operating costs will be reduced through the removal of one engine from the vehicle replacement schedule and the reclassification of three (3) Captain positions and three (3) Engineer positions to six (6) Firefighter/Paramedic positions. The cost savings from these personnel changes will be determined at the time of each transition, based on the differential in salary and fully burdened benefit costs between the affected classifications. It is important to note that the current savings of \$332,186 (see Attachment #1, Page 5 Fire Service Cost by Agency) for the Town of Ross reflects the implementation of five (5) of the six (6) planned personnel transitions, along with the removal of one fire engine from the vehicle replacement schedule. These savings are calculated based on the terms outlined in the successor Memorandum of Understanding (MOU) with the Firefighters Association, effective July 1, 2025.

The savings amount is spread to the other members of the JPA based on the priority authority formula. Savings from the final position transition are expected in early 2026.

The Department currently has three vacant Firefighter Paramedic positions that are scheduled to be posted shortly after this Board meeting, pending approval of the Ross Valley Firefighters Association Local 1775 Memorandum of Understanding (MOU). In the adopted budget, funding assumed a full year of salary and benefits, given that the hiring timeline was unknown at the time. Now that the anticipated hiring schedule is clearer, the budget has been adjusted to reduce salary and benefit costs, reflecting the expected start dates within fiscal year 2025-2026. This update slightly reduced the member contributions from the original adopted budget.

FISCAL IMPACT:

The total proposed General Fund operating budget for FY 2025-2026 is \$15,412,254, which includes:

- \$15,024,329 for the General Fund operations
- \$387,925 for a transfer to the Vehicle Fund.

Member Contributions are as follows:

- Fairfax: \$3,552,908
- Ross: \$2,582,633
- San Anselmo: \$6,180,648
- Sleepy Hollow: \$1,951,803

Outside revenues: \$1,144,262.

Year-over-year member contribution changes:

- Fairfax: (+) \$242,484
- Ross: (-) \$243,574
- San Anselmo: (+) \$421,896
- Sleepy Hollow: (+) \$133,208

The estimated total beginning fund balance for fiscal year 2025-2026 is \$3,831,775, of which \$251,122 is Vehicle Replacement, \$3,125,351 is Unassigned, \$28,300 is non-spendable, \$200,593 is Compensated Absences, \$106,409 is Technology, and \$120,000 is SCBA Fund.

The estimated ending fund balance for fiscal year 2025-2026 is \$3,982,438, of which \$401,785 is Vehicle Replacement, \$3,125,351 is Unassigned, \$28,300 is non-spendable, \$200,593 is Compensated Absences, \$106,409 is Technology, and \$120,000 is SCBA Fund.

ATTACHMENTS:

- Attachment #1 - FY 2025-26 Revised Budget Amendment
- Attachment #2 - FY 25-26 Revised Budget - Resolution 25-09