



MEMORANDUM
REPORT

MEETING DATE: June 20, 2023

TO: Board of Commissioners of the Los Altos Hills County Fire District

FROM: Russell Morreale, Budget Manager, Cori Vargas, Financial Consultant

SUBJECT: Adopt FY2023-24 Budget of the Los Altos Hills County Fire District

RECOMMENDATION:

Adopt the Fiscal Year 2023-24 Los Altos Hills County Fire District Budget listed on Exhibit A, Effective July 1, 2023, as adopted by the Santa Clara County Board of Supervisors on June 15, 2023, for total revenue estimates of \$15,779,400, expenditure appropriations of \$19,024,856, and a planned use of available fund balance of \$3,245,456.

BACKGROUND

The Los Altos Hills County Fire District (LAHCFD) began building the FY2023-24 Budget in the fourth quarter of 2022. With the process starting in September and the first public Commission sub-committee meeting held November 3, 2022, the District held a series of public meetings culminating in the Commission's approval of the Draft Budget on February 21, 2023. Key dates follow:

- Feb. 23, 2023, FY2023-24 Final Draft Budget submitted to the County Office of Budget & Analysis (OBA).
- May 08, 09, 10 2023, Board of Supervisors Budget Workshops.
- June 12, 13, 2023 Board of Supervisors Budget Hearings.
- June 15, 2023, Board of Supervisors adoption of entire County Budget.

Following the February 23rd submission of the District Budget to the County, staff dedicated considerable time corresponding, coordinating, and holding virtual meetings with OBA. OBA staff was engaged, responsive and helpful throughout. These meetings were critical to align OBA recommended expenditures to the District approved budget. More importantly our discussions served to communicate the rationale supporting the fiscal plan put forth by the District.

Tonight's agenda items 13A and 13B, brings the LAHCFD Commission and the community up to date on the results of the Santa Clara County Board of Supervisors budget hearings and recommends final adoption of the FY2023-24 Budget.

FISCAL IMPACT

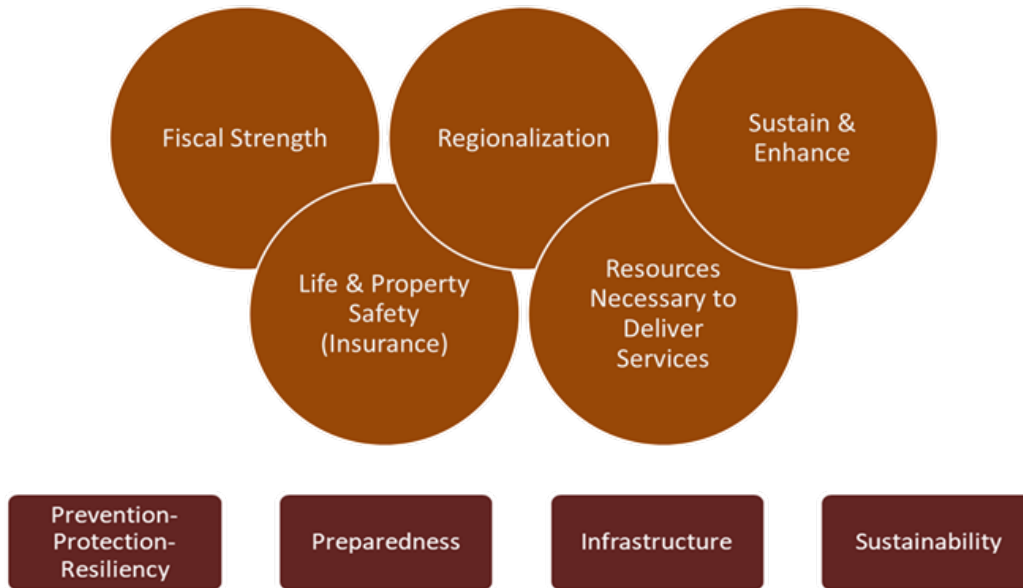
The FY2023-24 Budget establishes the District spending plan for the year beginning July 1, 2023, and ending June 30, 2024.

RELATIONSHIP TO 2023-2027 DISTRICT STRATEGIC PLAN

The District fashioned the entire budget process for FY2023-24 to align directly with the District Strategic Plan leveraging fiscal strength to optimize community preparedness, resiliency, fire and disaster safety and organizational sustainability.

DISCUSSION

Staff is pleased to report that the County Adopted Budget kept the District approved FY2023-24 budget allocations whole without exception. Although the path to County adoption was long and involved, a solid foundation of the budget priorities brought the District to a successful conclusion. The Adopted Budget includes all revenue estimates and expenditure items requested by LAHCFD with a focus on life & property safety, prevention, detection, preparedness, resiliency, and much needed staffing, equipment, and technology resources. It holds true to the budgetary themes reported to the Commission months ago.



The PowerPoint slides in tonight's preceding budget discussion provided an overview of the Budget update through the date of this report. A brief recap follows:

- The County Adopted the District Budget as approved by the Commission on February 23rd.
- In doing so, the County approved allocations of \$4,389,825 above the adjusted prior year base budget. OBA identified these allocations as new proposals, both of a one-time and ongoing nature, in the revised CEO recommended base budget. The County introduced these proposals at their June hearings and adopted them on June 15, 2023. The LAHCFD approved District budget of \$19,024,856 was upheld by County action.

Proposals adopted by the County as part of the District budget include:

- Employees to support life and property safety - (Add 4.5 FTEs) - \$765,355.
- Life & property safety projects & programs \$436,200.
- Funding a SCCFD fire truck \$2,125,000.
- Purchase a hybrid utility vehicle and a cargo/transit van for \$335,000.
- El Monte Fire station health & safety upgrades \$175,000.
- Services for enhanced projects & programs and technology \$233,270
- Website upgrade/redesign & HR benefits Study \$170,000
- Fire Facility assessment study \$150,000

Central to the FY2023-24 District Budget is the enhanced allocation of tax dollars **to life & property safety projects**. Including the budgetary increase of \$436,200 noted above, the Adopted Budget includes the following expenditures for community focused projects & programs:

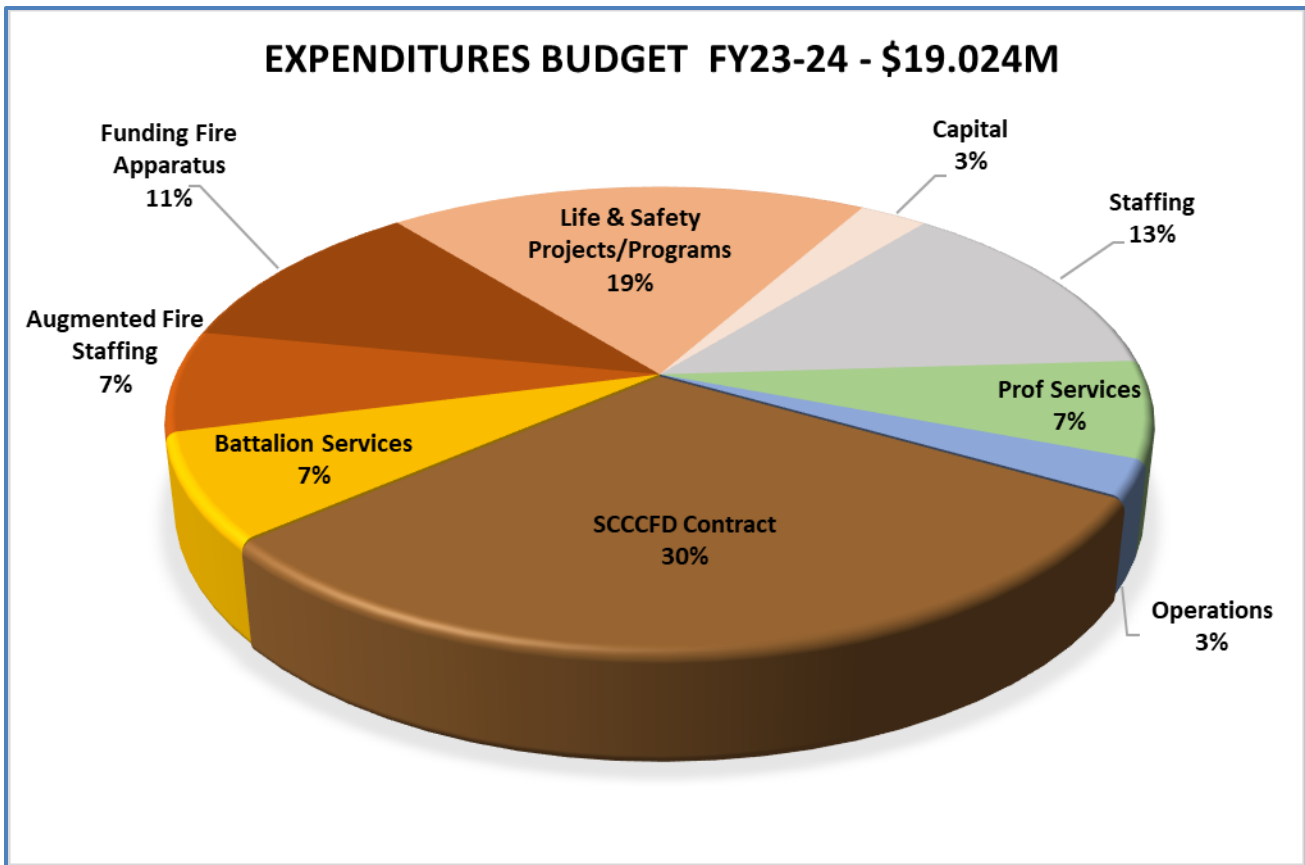
IHFR Defensible Space Chipping & Debris Removal - \$675,000
IHFR Defensible Space Debris Monthly Dropoff - 60,000
IHFR Home Ignition Zone (HIZ) Program - 300,000
IHFR Evacuation Route & Veg. Management - 495,000
IHFR Open Space Fuel Break Program - 220,000
IHFR I-280 Fuel Break Project - 200,000
IHFR Goat Grazing Program - 50,000
Emergency/CERT/ARK Supplies - 75,000
Vegetation and Response Equipment Maintenance – 35,000
Hydrant/Infrastructure Repair, Maintenance & Additions - 350,000
Neighborhood Evac. Drills and Outreach - 30,000
Firewise Communities - 50,000
Temporary Refuge Areas - 25,000
Planning, Project Management & Programs Oversight - 50,000
Communications & Outreach - 75,000
Emergency Access Roads - 445,000
Projects & Programs Contingency - \$450,000



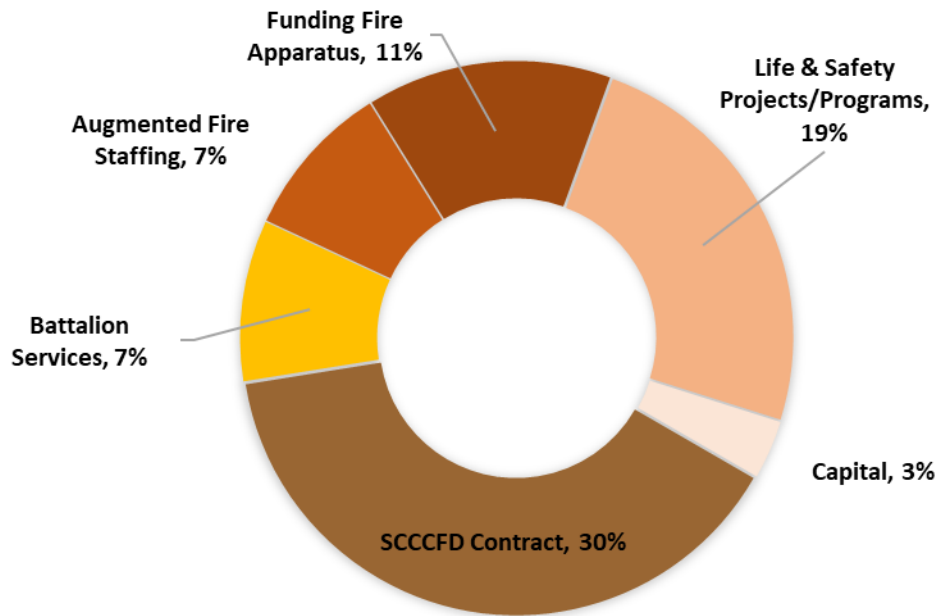
The Budget Narrative, subject to Commission approval, presented this evening communicates the FY2023-24 Budget from a community perspective. It also serves as a guiding workbook used by staff all year long.

The charts below present a high-level summary of the budget as adopted by the County on June 15th.

Los Altos Hills County Fire District	Budget FY 2023-2024
Beginning Fund Balance	37,974,969
Salary & Taxes	2,070,825
Benefits	441,900
Total Salary & Benefits	2,512,725
SCCCFD Fire & Medical Response Contract Services	5,767,230
LAHCFD Augmented Battalion Chief Contract Services	1,397,171
LAHCFD Augmented Fire Safety Services	3,480,000
LAHCFD Life & Safety Projects & Programs	3,585,000
Prof Services	966,270
Consulting Services	330,800
Operations	475,660
Capital Equipment	510,000
Expenditures	19,024,856
Revenue	15,779,400
Use of Fund Balance	(3,245,456)
Ending Fund Balance	34,729,513



PREVENTION-DETECTION-PREPAREDNESS-RESILIENCY



This agenda report recommends adoption of the FY2023-24 Budget as adopted by the County Board of Supervisors on June 15, 2023, to become effective July 1, 2023. Exhibit A presents the line-item detail and expenditures by Category that make up the recommended and County adopted Budget submitted for Commission approval.

Attachments:

- 1) Exhibit A – LAHCFD FY2023-24 Budget Detail by Category and Line Item

Exhibit A -FY 2023-2024 County Adopted Budget

Los Altos Hills County Fire District

6/15/2023

County Adopted
Budget
FY24
(2023-2024)

SAP Acct #	LAHCFD Acct #	Revenues	Amount
4001100	4001100	Prop Taxes - Curr Secured	13,886,000
4001200	4001200	Prop Tax - Unitary	65,000
4001210	4001210	Prop Tax - Unitary Railroad	1,300
4002100	4002100	Prop Taxes - Curr Unsecured	714,000
4006100	4006100	Senate Bill 813	315,000
4301100	4301100	Interest - Deposits & Investment	685,000
4302100	4302100	Property Rental	-
4419100	4419100	HOPTR (Homeowner's Prop Tax Relief)	38,900
4813810	4813810	Other/Misc. Revenue	200
4980220	4980220	Tax Revenue - Excess ERAF	74,000
		Total Revenues	15,779,400
		Operating Expenditures:	
5220100		Insurance Premiums	
	5220101	Liability Insurance (FAIRA)	40,000
	5220102	Workers Comp (State Comp Insurance Fund)	32,000
		Total Insurance Premiums	72,000
5225500	5225500	Commissioners Fee	18,000
5235110	5235110	Maint. - Structure & Grounds	70,000
5250100	5250100	Office Expenses	25,000
5251000	5251000	Workshops, Conferences & Seminars	65,000
5258200	5258200	Professional Services - Internal	500
5259200	5259200	Property Tax Admin Fee	127,000
5260100	5260100	Publications and Legal Notices	10,000
5281610	5281610	IC - Cost Allocation Plan	28,160
5340000	5340000	Self Insurance Claim (Workers Comp Los Altos)	10,000
5350100	5350100	Miscellaneous/Operations Contingency	50,000
5570000	5570000	Depreciation Expense	
		Total Operating Expenditures	475,660
		Salaries, Benefits & Payroll Taxes	
5108400		Permanent Employees - Special Districts	
	5108401	General Manager (Full-Time)	242,000
	5108402	Community Ed & Risk Reduction Manager (Part-time)	119,200
	5108403	District Clerk (Part-Time)	71,400
	5108404	Emergency Services Manager (Full-Time)	166,570
	5108405	Programs, Planning & Grants Manager (Full-Time)	198,000
	5108406	Operations Manager (Full-Time)	198,000
	5108407	Project Manager (Part-Time)	96,200
	5108413	Field Manager (Full-Time)	198,000
	5108410	General Analyst (Full-Time)	130,000
	5108411	Technical Analyst (Full-Time)	130,000
	5108412	Grants Specialist (Part-Time)	75,000
	5108409	Events Coordinator/Firewise Coach (Part-Time)	54,500
	5108408	Finance Manager (Part-Time)	109,250
	5108414	Employee Benefits	441,900
		Total Permanent Employees - Special Districts	2,230,020
5101100	5101100	Temporary & Seasonal Employees	100,000
5103000	5103000	Overtime	45,000
5110500	5110500	Medicare Tax - Employers Share	28,030
5113020	5113020	Social Security - Special Districts	105,775
5113040	5113040	Unemployment - Special Districts	3,900
		Total Salaries, Benefits & Payroll Taxes	2,512,725
		Professional & Specialized Services	
5255100	5255101	Annual Audit Charter	28,000

Exhibit A -FY 2023-2024 County Adopted Budget

6/15/2023

Los Altos Hills County Fire District

**County Adopted
Budget
FY24
(2023-2024)**

	5255102	Accounting Services	45,000
	5255103	Outside Legal Fees	150,000
	5255104	Outside Professional Services	693,270
	5255105	Professional & Specialized Serv. Contingency	50,000
5255100		Total Professional & Spec. Services	966,270
5255500		Fire Contract Services	
	5255501	SCCCFPD Service Contract	5,767,230
	5255502	Battalion Chief Services	1,397,171
	5255503	SCCCFPD Supplies, Maint. & Reimbursements	5,000
	5255504	Extra Fire Season Staff	100,000
	5255505	Type 3 Fire Engine Rental	50,000
	5255506	Palo Alto Fire Station #8	500,000
	5255507	Fire Protection Hand Crews	300,000
	5255508	SCCCFPD Apparatus & Enhancements	2,125,000
	5255510	Contract Services Contingency	400,000
5255500		Total Contract Services	10,644,401
5257130		Contract Services (Consultants)	
	5257131	Independent Contractor - Consultants	280,800
	5257132	Contract Serv. (Consultants) Contingency	50,000
		Clerk	-
		Fire Consultant	-
5257130		Total Contract Services (Consultants)	330,800
5282200		Projects and Programs	
	5282201	IHFR Defensible Space Chipping & Debris Removal	675,000
	5282202	IHFR Defensible Space Debris Monthly Dropoff	60,000
	5282203	IHFR Home Ignition Zone (HIZ) Program	300,000
	5282204	IHFR Evacuation Route & Veg. Management	495,000
	5282205	IHFR Open Space Fuel Break Program	220,000
	5282206	IHFR I-280 Fuel Break Project	200,000
	5282207	IHFR Goat Grazing Program	50,000
	5282208	Emergency/CERT/ARK Supplies	75,000
	5282209	Vegetation and Response Equipment & Maint.	35,000
	5282210	Hydrant/Infrastructure Repair, Maint. & Additions	350,000
	5282211	Neighborhood Evac. Drills and Outreach	30,000
	5282212	Firewise Communities	50,000
	5282213	Temporary Refuge Areas	25,000
	5282214	Planning, Project Management & Programs Oversight	50,000
	5282215	Communications & Outreach	75,000
	5282216	Emergency Access Roads	445,000
	5282217	Projects & Programs Contingency	450,000
5282200		Total Projects and Programs	3,585,000
		Total Expenditures:	18,514,856
5561000		Special Districts Fixed Assets	
		2023 F250 Truck and Enhancements	125,000
		Ford Transit Van Eco-Boost and Enhancements	100,000
		IT Equipment and Software	75,000
		Video /Audio Equipment	35,000
		Facility Health & Safety Maintenance	175,000
5561000		Total Special Districts Fixed Assets	510,000
		Net Change in Fund Balance	(3,245,456)

Exhibit A -FY 2023-2024 County Adopted Budget

6/15/2023

Los Altos Hills County Fire District

**County Adopted
Budget
FY24
(2023-2024)**

Balance Sheet

Assets		Cash	34,929,513
		Accounts Receivable / Prepaids	100,000
		Total Assets	35,029,513
Liabilities		Accounts Payable	300,000
Fund Balance		Committed to Operations	2,000,000
		Committed to Emergency Operations	2,000,000
		Committed to Buildings and Improvements	6,000,000
		Committed to Wildfire Protection Technology	1,000,000
		Committed to Hydrants and Infrastructures	3,000,000
		Total Committed Funds	14,000,000
		Assigned Fund Balance	20,729,513
		Total Fund Balance	34,729,513
		Total Liabilities and Fund Balance	35,029,513
		Investment in Capital Assets	1,998,357
		Net Position	36,727,870