



MEMORANDUM REPORT

Meeting Date: March 17, 2020

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

FROM: Cori Vargas, Financial Consultant

SUBJECT: **Adopt Los Altos Hills County Fire District FY2020/2021 Budget**

RECOMMENDATION:

Adopt FY2020/2021 Budget, Budget Narrative, and Budget by Month Reports.

BACKGROUND

At the January 21, 2020 Regular meeting, the LAHCFD Commissioners were presented with a first draft of the FY2020/2021 Budget and approved submission, with discussed changes, to the Santa Clara County Office of Budget and Analysis (OBA) by February 14, 2020 (per the County deadline.) An updated Final Draft Budget was presented to the Commission for discussion and approval at the February 18, 2020 Regular meeting and submitted to OBA on February 19, 2020. The LAHCFD Commissioners are being presented with a resolution to adopt the FY2020/2021 Budget at tonight's meeting. Per OBA's Budget timeline, the County will finalize their FY2020/2021 Budget by April 24, hold a Budget Workshop for discussion with the Board of Supervisors the week of May 11, and hold the Budget Hearing to adopt the Final County FY2020/2021 Budget the week of June 15.

DISCUSSION

The following changes have been made to the FY2020/2021 Budget from the Final Draft Budget that was approved at the February 18, 2020 meeting:

- 1) The County of Santa Clara requires funding to cover a one-time Intra-County Cost Recovery Allocation for costs related to the management audit study of LAHCFD. To comply with this requirement, \$200,000 was added to the Operations Account "Professional Services – Internal". The \$200,000 was moved out of "Fire Service Water Flow Improvements" under Projects and Programs. The new FY2020/2021 budgeted expenditure for "Professional Services – Internal" is \$200,231, and the budgeted expenditure for "Fire Service Water Flow Improvements" is \$1,800,000.
- 2) "Hazardous Fuel Reduction Program" under Projects and Programs has been re-titled "Hazardous Fuel Reduction and Shaded Fuel Breaks".

3) "Hazardous Ignition Zone and Shaded Fuel Breaks" under Projects and Programs has been re-titled "Home Ignition Zone (HIZ) Program".

The FY2020/2021 Budget, Budget Narrative, and Budget by Month Report have been updated to reflect these changes and are included for review as Agenda Items 15.B. and 15.D.

Please note that \$45,000 (less depreciation) was added to "Investment in Capital Assets" on the Balance Sheet. This is for the purchase of a District truck and is explained on page 16 of the Budget Narrative.

It is recommended that the Board of Commissioners of the Los Altos Hills County Fire District approve the FY2020/2021 Budget for final adoption by OBA, and the Budget Narrative and Budget by Month report. The FY2020/2021 Budget and Budget Narrative will be published on the LAHCFD website upon approval.