



Fiscal Year 2023-2024 Budget Narrative

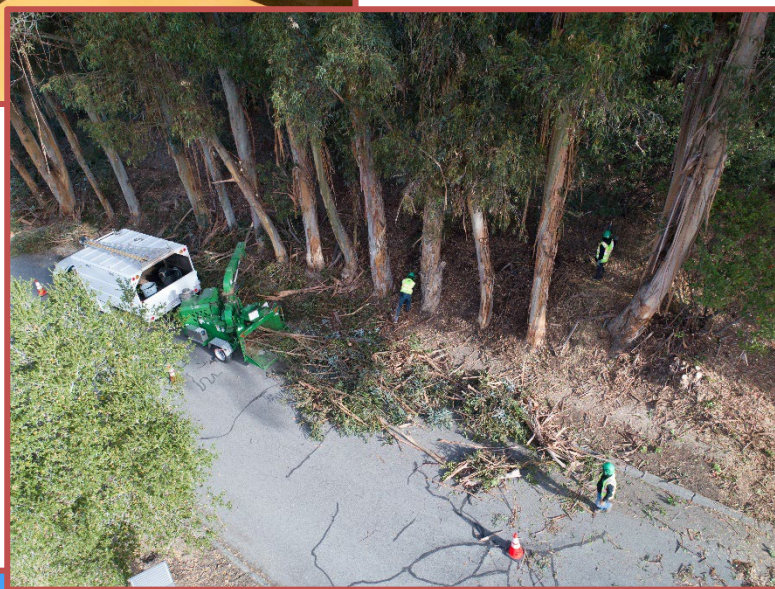


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BUDGET MESSAGE

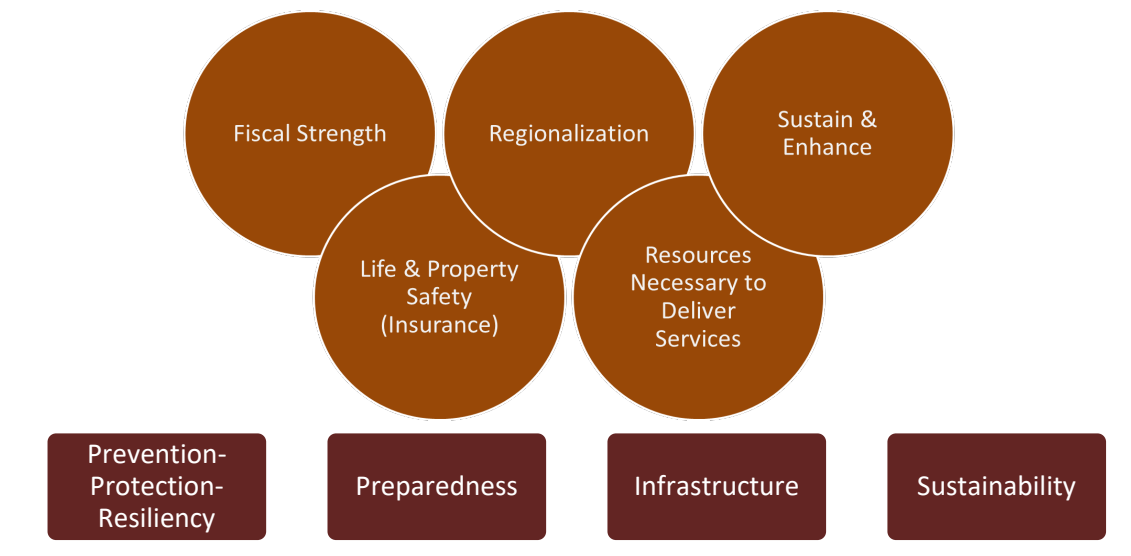
The Los Altos Hills County Fire District ('LAHCFD' or 'District') began developing the Budget for the fiscal year that begins July 1, 2023, and ends June 30, 2024 (FY2023-24) in September 2022. Its creation involved all staff, guided by a core team of managers, under the leadership of the District General Manager. This Budget was specifically designed to align with the core strategic goals of the District, as set by the Board of Commissioners, which focus on the preservation of life and property safety of our community and surrounding neighbors. It was developed with key regional partners in mind including the Santa Clara County Firesafe Council (SCCFSC), Santa Clara County Central Fire Protection District (SCCCFPD), County of Santa Clara, Purissima Hills Water District, Caltrans, and adjoining agencies such as Midpeninsula Regional Open Space District, City of Palo Alto, Stanford University, and the Town of Los Altos Hills.

Beyond its final adoption, the Budget follows a year-round progression involving strategic alignment, fiscal analysis, systems input, monitoring, reporting, acceptance, audit scrutiny and refinement.

The narrative is an informational booklet created for ease of reading, reference, and understanding of the annual budget as adopted by the County of Santa Clara and the District Board of Commissioners. It highlights the most essential elements of the District fiscal plan. The narrative also serves as a working document for District staff as they manage their budgetary responsibilities during the year.

The Budget leverages the District's tradition of fiscal strength and places an enhanced emphasis on the delivery of valued community disaster preparedness, prevention, protection and resiliency projects, programs, and services. It supports life and property safety measures by funding SCCCYPD contracted fire and emergency medical services, comprehensive life & property safety risk mitigation projects, and impactful community outreach and education initiatives. Regionalization is evident throughout as exemplified in allocations for the I-280 fuel break and evacuation route projects and a major expenditure to procure a fire truck.

This year's Budget is distinctive in its final form as adopted on June 15, 2023, by the Santa Clara County Board of Supervisors in requesting the additional resources needed to optimize the execution of planned projects, programs, and services. Hence, "**Resources Necessary to Deliver Services**" is a central theme with an emphasis on community projects, capital, infrastructure, training, contract support, staffing, and HR development measures. As expressed so vividly in the 2023-2027 Successor Strategic Plan, the Budget was crafted to promote the stability, readiness, resiliency, regionalization, and sustainability of the District for years to come.



At its core, the LAHCFD Special District addresses a multiplicity of layers including operations, unforeseen emergencies and/or changing environmental conditions. To remain nimble, our ongoing internal reassessment follows a ***Path of Continuous Improvement*** which influenced how the Budget before you was developed. The guiding points of this process include:

- Anticipating unknown events and demands.
- Remaining cognizant that doing business grows ever more complex.
- Leveraging our fiscal strength in establishing resources to get the job done.
- Adopting operational best practices and the technological advances to do so.
- Procuring the infrastructure needed for long term sustainability & responsiveness.
- Always asking “What and how can we do better for the community we serve?”

The Past and Looking To The Future

The LAHCFD Board of Commissioners commenced building its infrastructure and staffing in October 2018 when the first employee, the General Manager, was hired. The District progressed to the successful completion of a County Management Audit Review and fulfilled the recommendations of the audit in the subsequent years. The COVID-19 years, 2020 to 2022, severely curtailed the implementation of many District hazard mitigation programs and ability to hold vital in-person meetings. In response, District staff quickly became adept in holding virtual meetings and outreach to the community, communicating via social media, the lahcfcd.org website and virtual channels, and optimizing operations in a virtual setting. With the waning of COVID-19 restrictions the District commenced a series of robust vegetation mitigation projects, launched the Firewise USA initiative, HIZ Rebate initiative, increased in-person meetings with the public, completed its 2023-2027 Strategic Plan, re-set its budget process virtually, initiated the Community Wildfire Protection Plan (CWPP) Annex 4 update and applied for two Cal OES/FEMA vegetation hazard mitigation grants.

FY2023-24 will see an acceleration of these programs, hiring of additional staff to support program and project implementation, and increase of community outreach and education. The details and budget allocations to realize this acceleration follow.

NARRATIVE LAYOUT

The narrative provides a summary-to-detail view of the District's finances and is organized to answer five essential questions:

- 1) What is the mission of the District and what guiding principles shape its fiscal plans?
- 2) How much funding does the District have and expect to have through the Budget term?
- 3) What are the District's incoming revenue streams?
- 4) What are the District's expenditure plans?
- 5) How and why has the Budget changed?

The Budget Message above provides a high-level executive overview of the themes and strategy. The Introduction section sets important organizational background. The subsequent pages summarize and break out fund balances, revenues, and expenditures, with a focus on key categories including "Property Taxes," "Salaries & Payroll Taxes," "Operating Expenses," "Fire Contract Services," "Projects and Programs," "Professional and Specialized Services," and "Contract Services (Consultants)." Initial charts and graphs provide summary and comparative illustrations of the substance and focus of the expenditure plan included herein. More detailed revenue and expenditure tables display prior year actuals, FY2022-23 estimates, changes between years, and the FY2023-24 Budget.

INTRODUCTION

The mission of the District is to ***"protect the lives, property, and environment within the district it serves from fires, disasters, medical emergencies, or other incidents through education, prevention, and emergency response services and be responsible for the financial stewardship of district taxpayers' funds."*** Its jurisdiction covers the Town of Los Altos Hills and unincorporated areas in the County of Santa Clara known as Loyola, Los Trancos, and San Antonio Hills.

In FY2022-23 the District completed the development of its 2023-2027 Successor Strategic Plan building upon the preceding 2015-2020 and 2021-2022 Strategic Plans. This foundational document refreshes the District's continuous improvement plan for a justifiable, sustainable, and resilient future. The 2023-2027 Successor Strategic Plan provides the guiding framework as the District develops and forms its programs to supplement, enhance, strengthen, and support disaster protection and prevention services beyond fire protection and emergency medical services contracted with (SCCCFPD). The Budget fully integrates with and supports the core tenants of the Strategic Plan.

The District adopted four key strategic goals: 1) Prevention, Protection, Resiliency; 2) Preparedness; 3) Infrastructure; and 4) Sustainability. To achieve these goals, LAHCFD contracts with SCCCPCD for fire suppression, emergency medical services (EMS), Hazmat, and other fire services. This partnership allows the District to garner all the benefits offered by a larger organization, including a full roster of professional staff, specialized equipment, fire suppression and emergency medical response services, and effective emergency readiness. In addition to this Fire/EMS services contract, the District provides an extensive variety of high impact projects and programs designed for disaster prevention and

protection of residents. Furthermore, the District places substantial effort into community outreach and educational programs to build sustainable and resilient neighborhoods. All these initiatives and services provide a cumulative service model that protects life and property safety, reduces the risk of wildfire, and strengthens the community's ability to prepare for, become resilient and recover from disasters.

In June 2019, the District Board of Commissioners approved the revised LAHCFD Community Wildfire Protection Plan (CWPP) Annex 4 and Addendum to further identify protection, prevention, and educational strategies to address the growing threats of wildfires.

To achieve the tenants of the LAHCFD CWPP Annex 4, the District utilizes current fire science principles and guidelines to create, develop, implement, manage, and evaluate a variety of residential and community Integrated Hazardous Fuel Reduction (IHFR) programs aimed at fire prevention and preparedness. The District also provides readiness and resiliency-based programs focused on Community Outreach and Education (COE). In its efforts to educate the public for self-reliance and resiliency in the event of emergencies or disaster, the District provides regular classes and workshops in emergency preparedness. These include, Personal Emergency Preparedness (PEP), adult and teen Community Emergency Response Teams (CERT), CERT skills refresher classes and workshops, Cardio-Pulmonary Resuscitation (CPR) and first aid classes.

The FY2023-24 District organization chart follows including the addition of 4.5 FTE positions (*) authorized in the FY2023-24 Budget:

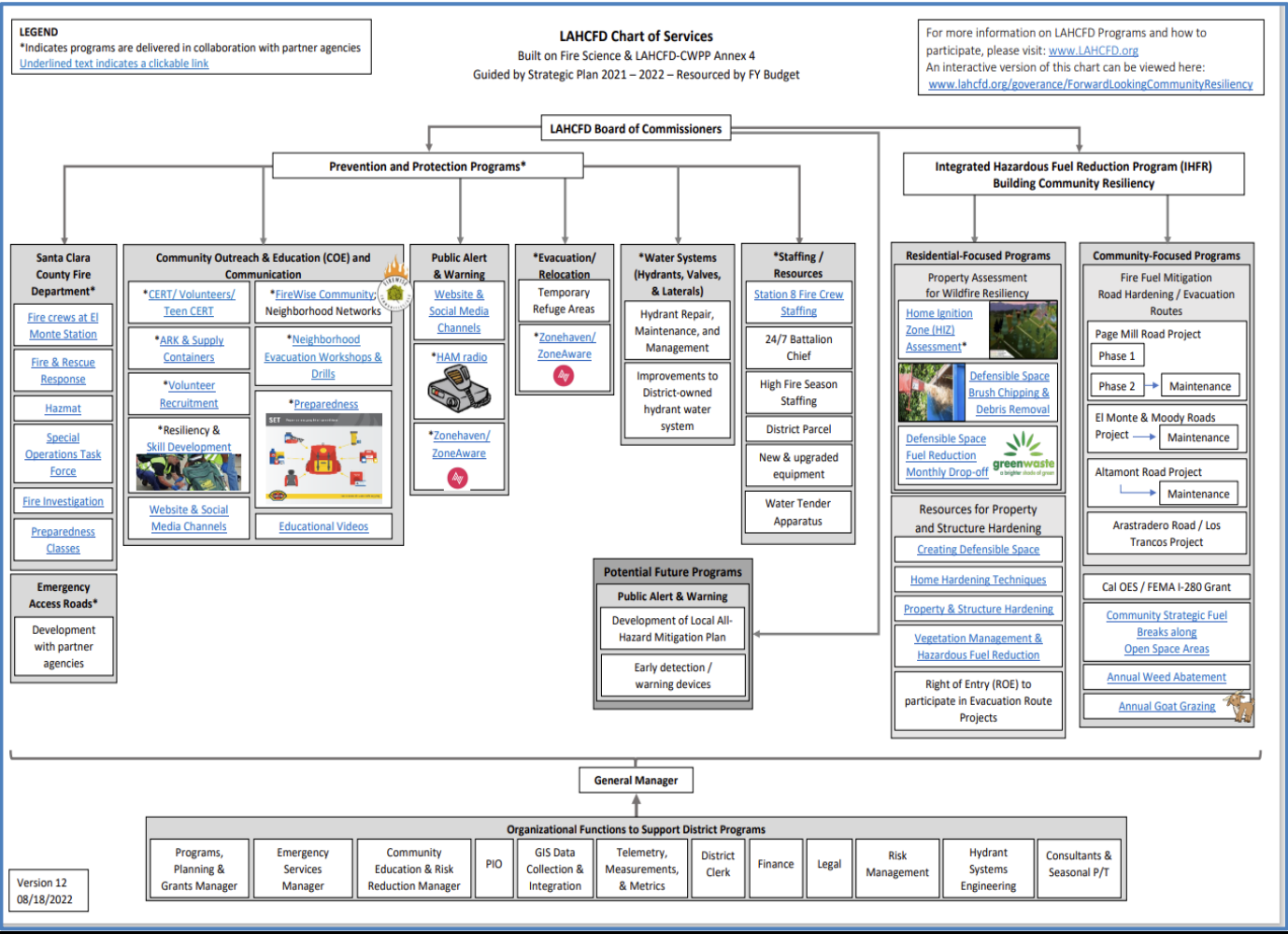
FY 2023-2024

County of Santa Clara Board of Supervisors

Office of County Counsel -Santa Clara County	LAHCFD Board of Commissioners	Santa Clara County Central Fire District
	General Manager 1FTE	
Programs, Planning & Grants Manager 1 FTE	Operations Manager 1 FTE	Emergency Services Manager 1 FTE
Grants Specialist * 0.5 FTE	District Clerk 0.5 FTE	Community Ed. & Risk Reduction Manager 0.5 FTE
Field Manager * 1 FTE	Finance Manager * 0.5 FTE	Events Coord. & Firewise Coach * 0.5 FTE
Project Manager 0.5 FTE		General Analyst * 1 FTE
Technical Analyst * 1 FTE		

The District’s organizational structure is founded and defined by the 2023-2027 Successor Strategic Plan and the LAHCFD CWPP Annex 4, with a Budget underpinned by the District property tax funding authority approved by public vote in 1939 and a special tax ratified by voters in 1981. These foundational pillars, along with the District’s Mission and Vision statements, guide its initiatives, programs, operations, management, and actions.

The Chart of Services below illustrates the wide array of projects, programs, and services the District delivers and provides an operational roadmap to fulfill the District strategic plan:

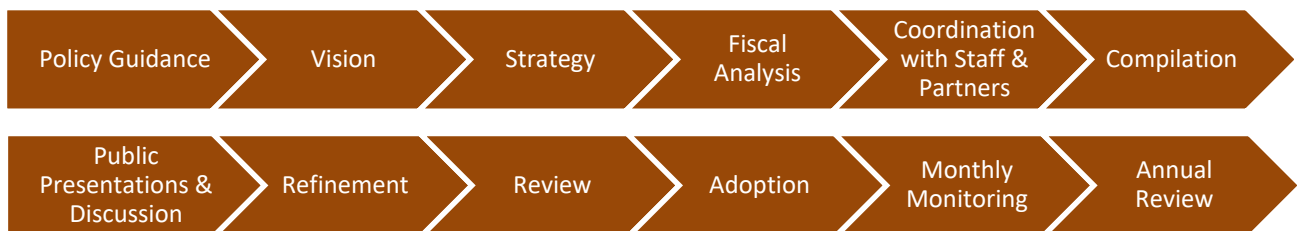


BUDGET DEVELOPMENT PROCESS

As a dependent District and a component agency of the County of Santa Clara, the County Board of Supervisors sits as the Board of Directors of LAHCFD and delegates its authority to the Board of Commissioners except matters of litigation. The following Budget calendar is designed to meet the County’s approval process extending from February 2023 to final County adoption in June 2023:

1. **November 3, 2022, Standing Budget Subcommittee Special Meeting** - LAHCFD FY2023-24 Draft Budget, developed by the General Manager (GM) and the financial team, presented, and discussed by the Standing Budget Subcommittee.
2. **November 15, 2022, Commission Regular Meeting** - Revised Draft Budget presented to the LAHCFD Board of Commissioners for discussion.
3. **January 17, 2023, Regular Meeting** -The revisions submitted by the County of Santa Clara Office of Budget & Analysis (OBA) and the County of Santa Clara Controller-Treasurer Department were incorporated into the Draft Budget and received by the LAHCFD Commission. The Commission provided guidance to the GM and Budget team to incorporate any additional revisions made by the County into the Final FY2023-24 Draft Budget after February 3, 2023.
4. **February 3, 2023** - The Preliminary FY2023-24 Draft Budget submitted to OBA.
5. **February 21, 2023, Regular Commission Meeting** - The Final FY2023-24 Draft Budget returned for consideration and approval by the LAHCFD Commission.
6. **February 23, 2023** - The FY2023-24 Final Draft Budget submitted to OBA.
7. **May 1, 2023** - County of Santa Clara finalization of the Fiscal Year 2023-24 Recommended Budget.
8. **May 8-10, 2023** - County of Santa Clara FY2023-24 Budget Workshops. The District Workshop occurred on May 10, 2023.
9. **June 12, 13, 15, 2023** - The County Board of Supervisors FY2023-24 Budget Hearings to approve and adopt the County Executive’s Final Budget that includes the FY2023-24 Draft Budget submitted by the LAHCFD Board of Commissioners

Managing the Budget is a year-round process:



BUDGET OVERVIEW

We offer the readers of this Budget Narrative an overview and analysis of the planned financial and operating activities for the FY2023-24

The Budget applies 77% of all expenditures to essential fire, life & property safety services: 30% for SCCCFFD contract fire & emergency medical, 19% for life & property safety District community projects & programs, 18% for District augmented fire staffing and services, 7% for District Battalion Chief fire safety services and 3% for District owned capital equipment (primarily service vehicles). Including the remaining 23% salary and administrative costs, the total Budget sets forth an expenditure plan of \$19,024,856. Total revenues are estimated at \$15.8 million driven mostly by the property tax increases. The resulting increase of \$5.4 million in expenditures over the current year Budget results in the use of available fund balances (\$3.2 million) addressing two key strategic plan issues:

- 1) Staffing the District at the levels necessary to optimize the delivery of projects and programs.
- 2) Making up for the projects and supply chain delays faced during the historic pandemic.

A top-level view of the Budget follows:

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	1,297,070
Capital Equipment	510,000
Operations	475,660
Expenditures	19,024,856
Revenue	15,779,400
Use of Fund Balance	(3,245,456)
Ending Fund Balance	34,729,513

It is key to note that several allocations (for a total of \$4,389,825), both the one-time and ongoing listed below, were introduced in the FY2023-24 fiscal plan above the adjusted budget base:

One-Time:

- \$2,125,000 for a District-funded SCCCYPD Fire Truck.
- \$225,000 for two District owned utility vehicles, one of which is a replacement.
- \$150,000 for a Fire facility assessment of El Monte Station
- \$95,000 for a study of developing a permanent employees benefit package.
- \$75,000 for IT equipment, in-field, and employees
- \$75,000 for the upgrade of the District's website and Public Access portals
- \$35,000 for audio/video equipment to support hybrid meetings.

On-Going:

- \$765,355 for 4.5 FTEs to support LAHCFD operations and strategic goals.
- \$436,200 for enhanced Community Life & Property Safety Projects and Programs.
- \$233,270 Consultant services for enhanced projects and programs and supporting IT upgrades.
- \$175,000 for fire facility upgrades at El Monte Station.

Economic Outlook

With the outbreak of the pandemic in early 2020, the Nation and State have experienced unprecedented economic disruption. While the shelter-in-place orders in California have had a significant impact on the local economy, the District is fortunate to have been shielded from a negative impact as its primary revenue source, property taxes, remained intact. Beyond COVID-19, a series of record wildfires raged across California in 2022 killing nine people, destroying 772 structures, and damaging another 104. A total of 7,667 fires were recorded totaling approximately 363,939 acres. In the winter of 2022 and beginning months of 2023, the District and County were hit by unprecedented and on-going weather events accompanied by flooding, downed trees, disrupted roads, power, and utilities. The Town of Los Altos Hills area was particularly hard-hit by these events. The District was able to assist residents and the Town establish communications and participate in the EOC (Emergency Operations Center) response. These events underscore the vulnerabilities of the District making it clear that it must do all it can to structure itself to be on-the-ready to address normal seasonal fire safety and prevention as well as unexpected disaster events that can strain staffing, financial and infrastructure resources at local, County and State levels. In this environment, remaining equipped, trained, mobile, and operationally nimble serves the community well. It is exactly for the purpose of planning for the unexpected and anticipating future needs that this fiscal plan was created to support the District's unique needs and provide ample fund balances to mitigate future risk exposure.

FISCAL HIGHLIGHTS

Property taxes are the primary source of revenue for the District, representing 96% of total revenues, and are anticipated to increase by \$1,319,000, or 9.6%, to approximately \$15.1 million compared to the current year Budget and \$406,695, or 2.77%, compared to current year projections. These latest County projections indicate that FY2022-23 was a healthy property tax year, with a robust increase of 6.95%, followed by continued, albeit more modest, expected increases in FY2023-24.

Interest income is expected to increase in recognition of the historic seven Federal Reserve rate increases through the final quarter of 2022 and a trend towards further upticks in the coming year. Although only 4.34% of total revenue, this revenue source is anticipated to increase by \$445,000, or 185%, over last year's Budget and \$285,000, or 71%, over current year estimates for a total amount of \$685,000. This calculation does project the anticipated use of fund balance of over \$5 million, as noted in the opening sections of this narrative.

Total expenditures are expected to increase \$5.74 million, or 36.3%, compared to the current year Budget and 79.8% compared to current year projections for a total of \$19,024,856. The projected use of available fund balance of approximately \$3.25 million reflects the District's fiscal strength and prudent management of resources, something especially important in the face of the historic pandemic and statewide fire incidents. This Budget is action-oriented and outcome-focused enabling the District to build the resources necessary to deliver projects, programs, safety, infrastructure, capital, and facility needs. It also strengthens the District's long-term sustainability strategic goals. Even with these increased expenditure outlays, FY2023-24 is projected to both begin and end with a healthy fund balance and emergency commitments.

Staffing allocations increased \$841,370, or 89%, with the addition of a total of 4.5 new FTEs to support and implement the planned programs and projects. In the near term, these positions will optimize service delivery and strengthen staffing to accomplish life and property safety projects and programs. In the longer term these positions add depth to the bench of talent, ensure operational continuity, synergize staff knowledge, enhance service levels and sustain a productive path in sync with the trajectory established by the District strategic plan. The FTE additions in this Budget include:

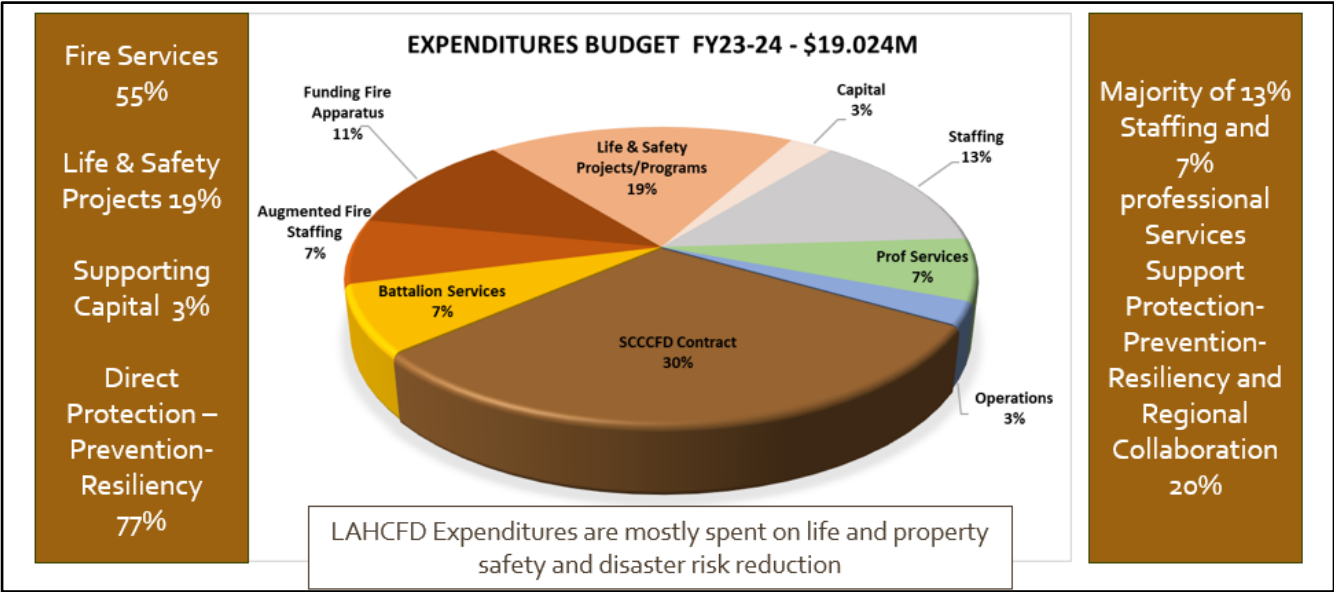
- **1 FTE Field Manager** to assist with evacuation routes, emergency fire roads, and prevention, protection, and emergency programs.
- **1 FTE General Analyst** to assist with the Strategic Planning, development and implementation of processes and tracking of projects, programs, reports, and documentation and reporting at Commission meetings, assistance to CERT and Teen CERT activities, Emergency preparedness drills and record keeping for FEMA requirements.
- **1 FTE Technical Analyst** to assist with GIS mapping, social media/website upkeep, evaluation of innovative technologies, resources to align outreach communications with neighboring agencies, recording of measurements and metrics, flow of staff project management platforms, and roll out of public portals.
- **0.5 FTE Grants Specialist** to assist with grants reporting and deliverables tracking.
- **0.5 FTE Events Coordinator/Firewise Coach** to bolster community outreach, education, and awareness.
- **0.5 FTE Finance Manager** to assist in fiscal analysis, budgeting, audit, and long-term fiscal strategy.

Payroll Taxes and Benefits increased \$593,895, or 454%, primarily to facilitate the possibility of providing a health benefits package for regular employees who have gone without such since inception. The Budget allocates ample professional service dollars, \$95,000, to initiate and complete such a study ending with a proposal to the District Commission for review and evaluation. Payroll taxes in this category have been adjusted for the addition of the new 4.5 FTE positions noted above.

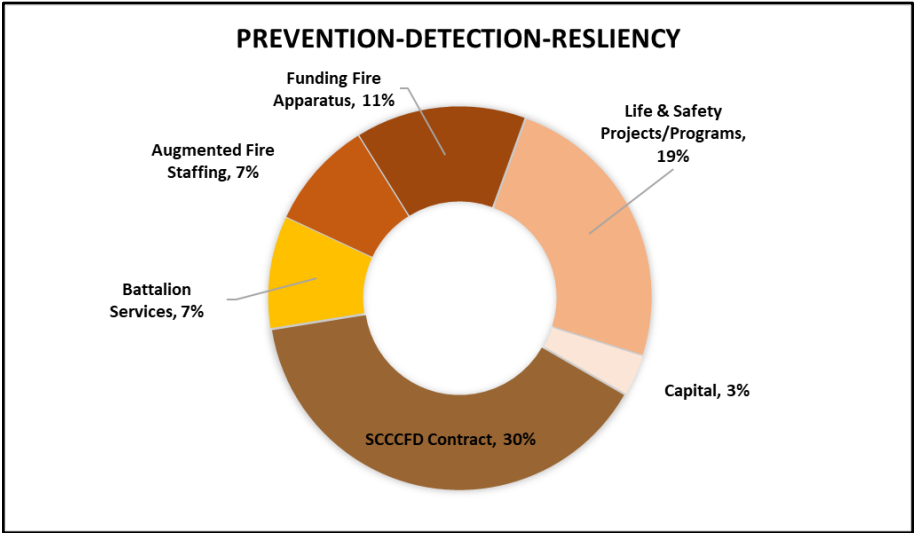
Providing for the strategic evaluation to establish an employee benefits plan advances sustainability and enhances the theme of this Budget vital to attract, hire, retain and recruit employees in a competitive environment.

Fire contract services are expected to increase by \$2.47 million, or 30%, mostly due to the planned funding of a fully equipped District capable fire truck, in the amount of \$2,125,000, to fortify fleet equipment for LAHCFD and for regional fire protection. The District has coordinated with the Santa Clara County Fire Department in including this anticipated purchase, a proactive measure to both allow for its introduction when needed and to “get-ahead” of the long supply chain lead times such procurements face. Net of this appropriation, Fire Contract services increased \$341,148, or 4.17%, reflecting County COLA contract-based increases only and no modifications in the service contracts.

SUMMARY SCHEDULES & FUND BALANCES



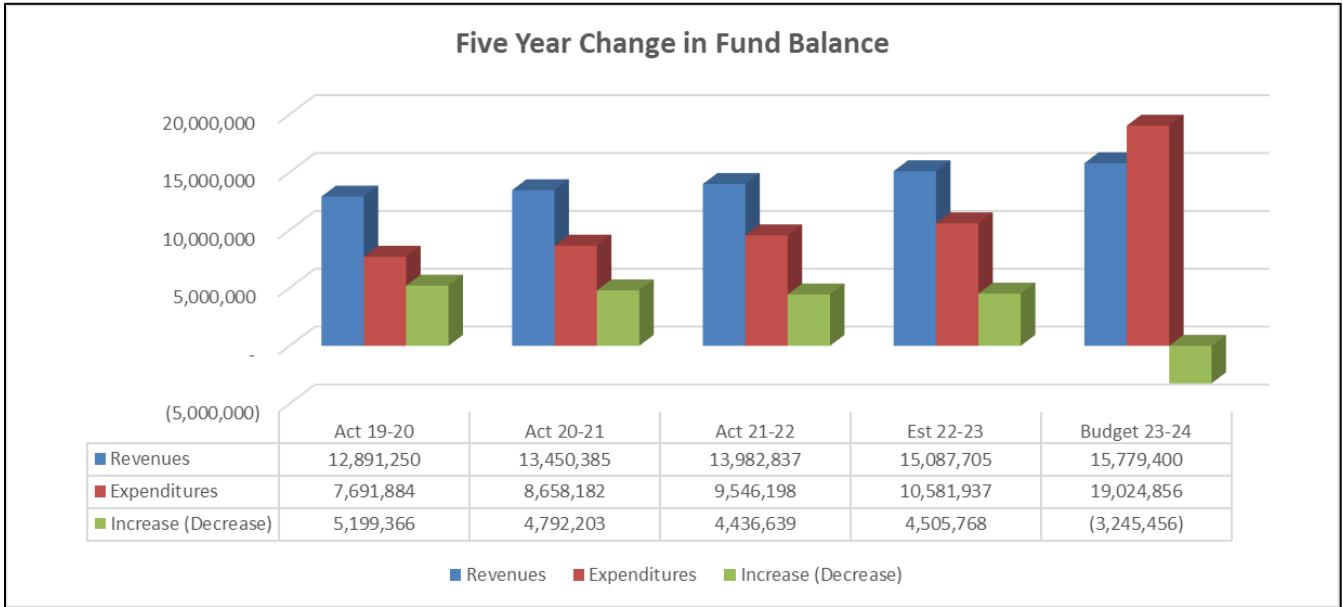
Fire and EMS contract services make up 30% of appropriations with another 47% applied to District-directed life and safety measures including: Battalion Chief services, augmented high-fire seasonal staffing, fire risk mitigation, preparedness projects and programs, and community outreach/education; for a total of 77%.



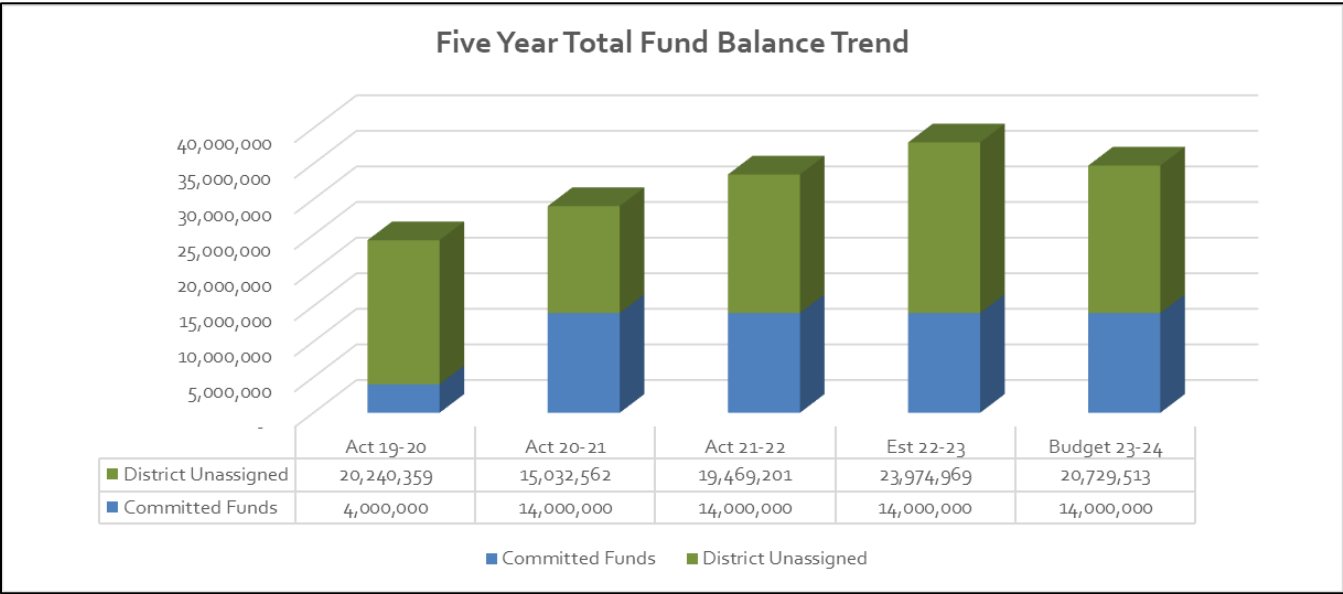
Total operating and administrative appropriations are made up of salary & benefits at 13%, professional and specialized contract services (consultants) 7%, and 3% for the purchase of District-owned capital for a total of 23%. These resources support operations, organizational management, training, implementation and oversight of projects and programs, and the building of

community resiliency initiatives to benefit residents and neighboring regions.

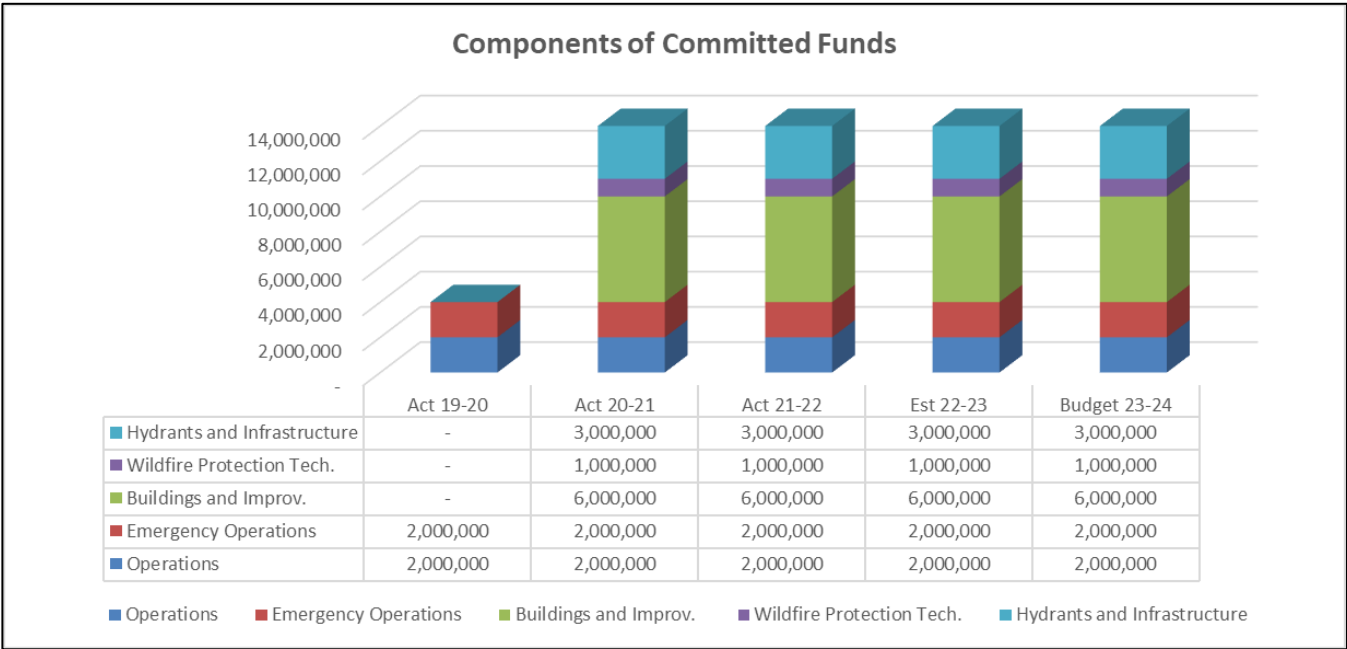
In the following charts, three years of actual revenues and expenditures are displayed along with estimates for the current year and Budget projections for FY2023-24. They also reflect the net change in fund balance over the past several years and project the resulting accumulated fund balance, both committed and available.



Actual and projected fund balances for the past five years and fund balance commitments have been allocated via District Commission action. The graphic below reveals the categorization of District Unassigned fund balances consistent with year-end audit presentation. The County classifies these amounts as “Assigned” from a perspective that such dollars are associated with a component unit sub-agency (LAHCFD).



The District uses the GASB 54 fund balance classifications of “Committed” and “Unassigned” and has established five commitment balances as displayed and defined below.



Committed for Operations - \$2,000,000

The amount of funds *Committed for Operations* targets an estimated minimum four months of operating expenses (to cover periods of revenue disruption), to fund SCCCFPD contracted fire services, salaries and payroll taxes, consulting and professional services, commissioners’ fees, and all other expenditures the District incurs in performing base daily operations. Base daily operations do not include fire prevention programs such as IHFR programs and hydrant/infrastructure as these are included in Emergency Operation commitments.

Committed for Emergency Operations - \$2,000,000

The amount of funds *Committed for Emergency Operations* targets an estimated minimum of four months of augmented fire protection and emergency and recovery program expenses (to cover periods where minimal property tax revenue is forthcoming). This includes additional contracted fire-fighting services that should arise due to economic uncertainties or unforeseen disasters or emergencies, recovery efforts such as wildfires and earthquakes, staffing for extended fire seasons, and extra contracted services needed to ensure all high priority IHFR fire-prevention programs and hydrant/infrastructure repairs, maintenance, relocations, and additions are completed in a timely manner for public safety.

Committed to Buildings and Improvements - \$6,000,000

The District owns the El Monte Fire Station located at 12355 El Monte Road in Los Altos Hills. The District is working with SCCCFPD on fire station capital improvements. \$6,000,000 has been set aside for building replacement funds to replace the building structure, roofing, walls, irrigation systems, and other systems close to reaching the end of their useful life. The District is also exploring ways to meet administrative needs, which could involve fire station expansion or structures built on its parcel.

Committed to Wildfire Protection and Technology - \$1,000,000

The District is exploring early warning technology committed \$1,000,000 toward future technological advancements in firefighting, including Wildfire Detection systems, audible early warning systems, and advancements to emergency communications with local agencies and utilities.

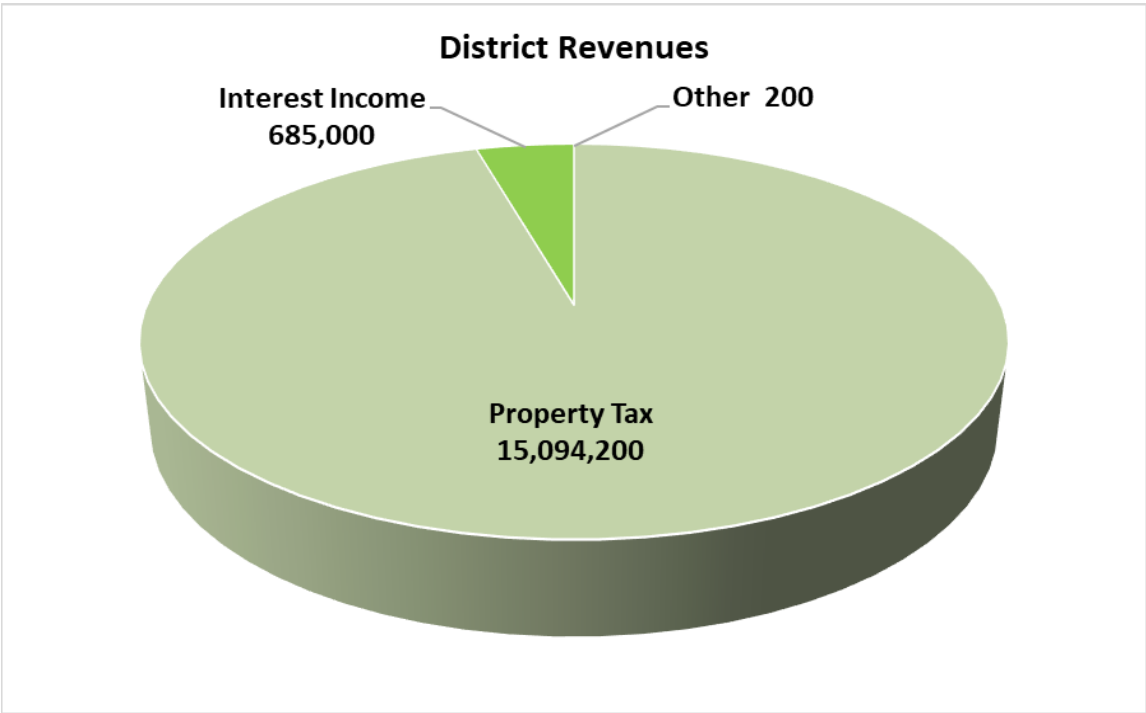
Committed to Hydrants and Infrastructures - \$3,000,000

The District owns 552 fire hydrants and lateral pipes and related infrastructures in the Purissima Hills Water District, a utility serving two-thirds of Los Altos Hills with eighty miles of pipe, ten million gallons of storage, and five pump stations. The water system has continued to be upgraded since its formation in 1955. The District is committing funds to District hydrant systems and related infrastructure upgrades.

Unassigned Fund Balance

The remaining fund balance (projected at \$20.7 million at the end of FY2023-24) will be classified as *unassigned*. It is reduced by an estimated use of fund balance of \$3,245,456 given a significant investment in resources as proposed in the Budget.

ACCOUNT BY CATEGORY & LINE ITEM
REVENUES



PROPERTY TAXES

Property Tax is the single largest source of income for the District. The County collects taxes for the District, remits funds and charges an administrative handling fee for collecting the money. The County provides a projection of expected tax revenue that is recorded in the Budget. OBA has provided initial projections that are traditionally conservatively estimated and updates them as the year progresses.

Revenue	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Property Tax	12,481,610	13,185,166	13,733,297	14,687,505	15,094,200
Interest Income	409,640	261,815	248,920	400,000	685,000
Other	-	3,404	620	200	200
Total	12,891,250	13,450,385	13,982,837	15,087,705	15,779,400
Annual Growth Factors		4.34%	3.96%	7.90%	4.58%
% Over (Under) Prior Year Budget					12.59%

The components of Property Tax are broken out below with an indication of the annual and average growth rates for the past four years including current year and Budget projections.

Secured Property Taxes:

Secured property taxes are calculated based upon the value of real property, land, and personal property, such as structures located upon the real property. Secured property is taxed at a general rate of one percent of the assessed value of which the District receives a portion (approximately 14% of 1%) along with other government agencies. These taxes make up most revenue.

Secured Property Tax	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Secured Property Tax	11,362,849	11,922,143	12,509,304	13,399,505	13,886,000
Annual Growth Factors		4.92%	4.92%	7.12%	3.63%
% Over (Under) Prior Year Budget					8.74%

Unitary Property Taxes:

Unitary property taxes cover such entities as electric, gas, and telephone companies. The State Board of Equalization assesses the value of these companies' operations and establishes a county-wide tax rate system.

Property Tax - Unitary	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Unitary Property Tax	50,928	51,583	58,159	65,000	65,000
Annual Growth Factors		1.29%	12.75%	11.76%	0.00%
% Over (Under) Prior Year Budget					14.04%

Unitary Property Taxes Railroad:

Railroad unitary property taxes which are assessed by the State Board of Equalization.

Property Tax - Unitary Railroad	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Unitary Property Tax -Railroad	933	1,075	1,217	1,300	1,300
Annual Growth Factors		15.22%	13.21%	6.82%	0.00%
% Over (Under) Prior Year Budget					8.33%

Unsecured Property Taxes:

Unsecured property taxes are assessed against movable personal property such as business equipment, boats, and airplanes. The tax is considered unsecured because any tax not paid results in a lien filed against the owner of the property, not the property itself.

Unsecured Property Tax	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Unsecured Property Tax	696,645	734,274	679,725	714,000	714,000
Annual Growth Factors		5.40%	-7.43%	5.04%	0.00%
% Over (Under) Prior Year Budget					8.18%

Supplemental Senate Bill 813 Tax (SB 813):


SB 813, also known as the Hughes-Hart Educational Reform Act of 1983, originally was designed to close a perceived loophole in Proposition 13 and generate much needed additional funding for schools. The new law established a "floating lien date" and prevented property owners from delaying the taxation of their properties at higher value assessments. Whenever there is a reappraisal due to a change in ownership or to the completion of new construction, a Supplemental Assessment is issued.

Supplemental Senate Bill 813 Tax	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Supplemental Senate Bill 813 Tax	278,420	385,057	342,624	394,000	315,000
Annual Growth Factors		38.30%	-11.02%	14.99%	-20.05%
% Over (Under) Prior Year Budget					82.08%

The Homeowner Property Tax Relief (HOPTR):


HOPTR provides a \$7,000 exemption on the value of owner-occupied homes. The tax revenue lost from

this exemption is made up in part from other sources and the District receives a share.

Homeowner Property Tax Relief	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Homeowner Property Tax Relief	43,694	41,388	40,719	39,700	38,900
Annual Growth Factors		-5.28%	-1.62% 	-2.50%	-2.02%
% Over (Under) Prior Year Budget					-5.12%

Excess Educational Revenue Augmentation Fund:


The County ERAF (enacted by the State in 1992) account has more revenue than necessary to offset all aid to K–12 and community college districts under Proposition 98. In response, the CA State Legislature enacted a law requiring some of these surplus funds to be used for special education programs, with the remaining funds returned to cities, counties, and special districts in proportion to the amount of property taxes they previously contributed to ERAF.

Educational Revenue Augmentation	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Educational Revenue Augmentation	49,110	49,646	101,549	74,000	74,000
Annual Growth Factors		1.09%	104.55% 	-27.13%	0.00%
% Over (Under) Prior Year Budget					1.37%

OTHER REVENUES


Interest - Deposits and Investments:

Cash balances are invested and held in the County pool. The District earns income from these holdings, which varies depending upon market interest rates.

Interest - Deposits-Investments	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Interest - Deposits and Investments	409,640	261,815	248,920	400,000	685,000
Annual Growth Factors		-36.09%	-4.93% 	60.69%	71.25%
% Over (Under) Prior Year Budget					185.42%

Other/Miscellaneous Revenues:

This account covers other income such as RFP bid package-processing fees, postal reimbursements, and the distribution of dividends from State Compensation Insurance Fund.

Other/Miscellaneous Revenues	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Other Misc. Revenue	-	3,404	620	200	200
Annual Growth Factors		-	-81.79% 	-67.74%	0.00%
% Over (Under) Prior Year Budget					0.00%

EXPENDITURES

Expenditures	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Salaries & Payroll Taxes	231,570	373,696	640,239	933,710	2,070,825
Benefits	-	-	-	-	441,900
Operating Expenditures	141,366	365,391	268,496	382,134	475,660
SCCCFPD Contract Services					
Fire & Emergency Medical Response	4,904,110	5,105,340	5,279,346	5,492,614	5,767,230
District Augmented Life & Safety Services					
Battalion Chief	1,188,066	1,236,816	1,278,972	1,330,639	1,397,171
Additional Staffing Fire Safety Services	68,637	104,234	393,467	430,000	1,355,000
Funding of Central Fire Apparatus	-	363,095	296,702	-	2,125,000
Life & Safety Projects & Programs	739,595	757,615	1,039,096	1,428,240	3,585,000
Capital Equipment	-	-	-	-	510,000
Prof. & Specialized Serv.	366,317	279,844	233,462	509,600	966,270
Consulting Services	52,223	72,151	116,418	75,000	330,800
	7,691,884	8,658,182	9,546,198	10,581,937	19,024,856

Expenditure line items for all account categories are broken out below displaying annual growth rates for the past four years including Budget projections and % change from the current year Budget.

SALARIES & PAYROLL TAXES

As mentioned in the “Budget Message” and “Introduction,” the FY2023-24 Budget aims to optimize the District’s ability to deliver the tenants of its strategic plan. A key part of the resources request put forth this year involves operational staffing resulting in the addition of 4.5 FTE employees, a mixture of full-time and part-time, arriving at a total staffing of 10 regular FTEs.

Permanent Employees - Special Districts	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Permanent Employees - Special Districts	213,781	346,022	584,942	770,800	1,788,120
Annual Growth %		61.86%	69.05%	31.77%	131.98%
% Change Over Prior Year Budget					88.87%

Overtime -Payroll Taxes	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Overtime-Payroll Taxes-Benefits	17,789	27,674	55,297	80,210	182,705
Annual Growth %		55.57%	99.82%	-0.62%	127.78%
% Change Over Prior Year Budget					126.37%

The table below reflects the employee roster change since the prior year and position titles, descriptions, and salary/rate information for each.

POSITION COUNT			
FY 2022-2023	FTE	FY 2023-2024	FTE
Regular Employees		Regular Employees	
General Mgr.	1.00	General Mgr.	1.00
Comm. Ed. & Risk Red. Mgr.	0.50	Comm. Ed. & Risk Red. Mgr.	0.50
District Clerk	0.50	District Clerk	0.50
Emergency Services Mgr.	1.00	Emergency Services Mgr.	1.00
Operations Mgr.	1.00	Operations Mgr.	1.00
Prog., Planning & Grants Mgr.	1.00	Prog., Planning & Grants Mgr.	1.00
Technical Analyst	0.50	Project Mgr.	0.50
Part Time - Seasonal			
Budget Mgr.	0.50	Finance Mgr.	0.50
Events Coord. & Firewise Coach	0.50	Events Coord. & Firewise Coach	0.50
		Field Mgr.	1.00
		General Analyst	1.00
		Grants Specialist	0.50
		Technical Analyst	1.00
Total FTE 5.50		Total FTE 10.00	

General Manager

In 2018, the District hired a part time General Manager to oversee and manage operations, projects, programs, and community outreach activities. On November 17, 2020, the General Manager was changed to a full-time (1.0 FTE) position given the increased time required to perform operational services and interfacing with regional partners and the County Board of Supervisors. The FY2023-24 annual salary is budgeted at \$242,000. The General Manager receives no medical or retirement benefits.

Community Education and Risk Reduction Manager

In FY2022-23, a part time position (0.5 FTE), Community Education and Risk Reduction Manager, was approved to manage education, outreach, and risk reduction programs in the community. This position is involved in risk reduction projects and programs including the Firewise USA initiatives, presentations for community outreach and education to agencies and organizations, serves as the point of contact to the media and press for District programs and initiatives, provides guidance on Defensible Space Brush Chipping and Debris Removal, Evacuation Route & Vegetation Management, open space goat prescriptive grazing, emergency access roads projects, and responds to resident inquiries and other related educational and risk reduction initiatives, tasks and activities. The Community Education and Risk Reduction Manager also assists the Emergency Services Manager with community education and outreach efforts to support community participation in the District's comprehensive emergency and disaster programs, trainings, and workshops. The FY2023-24 annual hourly compensation is budgeted at \$119,000. The Community Education and Risk Reduction Manager receives no medical or retirement benefits.

District Clerk

The District Clerk position was reclassified in 2019 from contract services to a part time (0.50 FTE) employee position. The District Clerk serves as the primary and confidential administrative liaison for the LAHCFD Commission, its legal counsel, and Fire Chief and other executive management personnel in the County. Position responsibilities include preparing the monthly public meeting packets, coordinating agenda creation and publishing, web site public meeting updates, taking minutes of the monthly meetings, document archiving and responding to public inquiries. The District Clerk supports the HR Function, new employee onboarding, dispersal of policies, records retention, and matters of the District. The FY2023-24 annual hourly compensation budget is \$71,400. The District Clerk receives no medical or retirement benefits.

Emergency Services Manager (ESM)

The Emergency Services Manager (ESM), previously contracted through SCCCYPD, was introduced as a part time position in September 2019 and increased to a full (1.0 FTE) position in FY2022-23. This ESM oversees and coordinates community projects, outreach, and education related to emergency preparedness services. Responsibilities include management of programs for the Community Emergency Response Team (CERT) and Teen CERT, training programs and drill activities for volunteers and residents, organization, and maintenance of the emergency supply "ARK," recovery operations for emergencies and disasters, and coordination of emergency services with other local agencies. The ESM also coordinates with the Community Education and Risk Reduction Manager on outreach presentations, such as Firewise Communities and Neighborhood Evacuation Drills. The ESM coordinates with the Operations Manager and participates in projects to implement evacuation routes, emergency roads, and early warning notification programs. The ESM coordinates with the Communications Team for outreach and public notifications. This position also coordinates with Santa Clara County Office of Emergency Management during events and updates the staff daily. The FY2023-24 annual compensation for this position budget is \$166,570. The ESM receives no medical or retirement benefits.

Operations Manager

In 2021, the District hired a full-time (1 FTE) Operations Manager to provide operational support, manage projects and services operations, and advance operational improvements to protect the lives, property, and environment of the Community. This position is currently vacant, and as such, primary operational duties are dispersed to those project managers who work to strengthen the IHFR Programs, operationally support projects including evacuation routes, the District's 552 fire hydrants and related infrastructure system, participate with contractors, vendors, and the community, and provide operational support to regional partners. The FY2023-24 annual compensation budget for this position is \$198,000. The Operations Manager receives no medical or retirement benefits.

Programs, Planning and Grants Manager

The full-time (1 FTE) Programs, Planning and Grants Manager manages programs, and plans and manages the two Cal OES/FEMA Grant applications process currently under development. This position develops and designs planning and project management tools, coordinates project design, planning and implementation with the projects team, and coordinates grants and funding sources supporting District initiatives. Responsibilities include the selection, procurement, installation, training and

implementation of project management software, automated workflow systems and data platforms, and related training of personnel. This manager serves in a leadership role and liaison for planning, project management and grants and the Countywide and District CWPP Annex 4 initiatives with the County, local, State, and regional agencies. This position also partners with other cooperative parties to represent the District. The FY2023-24 annual compensation budget for this position is \$198,000. The Programs, Planning and Grants Manager receives no medical or retirement benefits.

Project Manager

This part time (0.5 FTE) Project Manager position will manage components of projects that include vegetation mitigation along evacuation road routes, support for the construction of shaded fuel breaks along roadways, coordinate logistics, workplans, vendors and teams between project planning and the implementation phases with the Field Manager and contractors. This position will provide project management support for the maintenance and repair of the District's 552 fire hydrants, coordinate fire hydrant repair and replacement activities with the hydrant engineering consultant, water utility, Sheriff's Office, SCCCPCD, Town of Los Altos Hills and other affected agencies. The Project Manager will be responsible for the claim handling of damaged LAHCFD assets and file claims and correspondence with the responsible insurance carriers for the recovery of cost to the District and taxpayers. This position will also track and report on measurement and metrics of the Integrated Hazardous Fuel Reduction Programs in the District. The FY2023-24 annual hourly compensation budget for this position is \$96,200. The Project Manager receives no medical or retirement benefits.

Finance Manager

The part time (0.5 FTE) Finance Manager position is responsible, in coordination with staff and County personnel, for oversight of the District Budget, finance and fiscal operations to include: the development, maintenance, and operation of the District's Annual Budget and processes; development and processes to complete the District annual financial audit, filing of the state controllers report, providing financial information and analysis to aid executive management and Commission decision making; development of long-term fiscal strategic planning; development of enhanced public transparency that includes development of a financial public portal; collaboration with the IT Managed Service Provider for IT license tracking, IT asset management, development of IT policies and procedures, review of financial and budget tracking, and provides reports and presentations to Board of Commissioners on financial and budget matters. The FY2023-24 annual hourly compensation budget for this position is \$109,250. The Finance Manager receives no medical or retirement benefits.

Events Coordinator/Firewise Coach

The part time (0.5 FTE) Events Coordinator/Firewise coach will assist the ESM and the CE RR Manager with volunteer recruitment, resident outreach to form Firewise USA neighborhoods, community events oversight for community education and training, marketing and outreach skills tailored to both general and underserved populations, support of Firewise USA team deliverables, coordinating components of projects and programs to build resilient neighborhoods, engaging the community in building life and property safety resiliency in response to disasters, engagement of the community in Firewise USA programs, and supporting the delivery of CERT and Teen CERT Programs and other Community Outreach and Education Programs. The FY2023-24 annual hourly compensation budget for this position is \$54,500. The Events Coordinator/Firewise coach receives no medical or retirement benefits.

Field Manager

The full time (1.0 FTE) Field Manager position manages complex LAHCFD field vegetation mitigation projects to increase public and first responder safety in event of wildfire, weather events, emergencies, or disasters. The Field Manager coordinates with the Program, Planning and Grants Manager on evacuation route projects, and the Community Strategic Fuel Break, field work in the Integrated Hazardous Fuel Reduction programs; coordinates with first responders, residents and the public for ingress and egress routes in an emergency or disaster; and manages the District's field work to gather measurements and metrics along the I-280 vegetation mitigation corridor in preparation for the Cal OES/FEMA grant program. This position assists in management of field work with staff for the prevention, protection, and emergency programs. It also coordinates with various agencies, regional partners, and residents and with planning staff to implement vegetation mitigation programs. The FY2023-24 annual compensation budget for this position is \$198,000. The Field Manager receives no medical or retirement benefits.

General Analyst

The full time (1.0 FTE) General Analyst position will assist with furthering the 2023-2027 Strategic Plan, development and implementation of processes and tracking of District programs, projects, reports, budget, and documentation; prepare data for reports for Commission meetings, provide support for CERT and Teen CERT activities, Community Outreach and Education (COE) Emergency preparedness drills and activities and assist with record keeping for Cal OES and FEMA pre-grant application requirements. The FY2023-24 annual compensation budget for this position is \$130,000. The General Analyst receives no medical or retirement benefits.

Grants Specialist

The part time (0.50 FTE) Grant Specialist position will assist with the two Cal OES/FEMA Hazardous Vegetation Mitigation grants now pending with Cal OES. Responsibilities will include following grant guidelines, communication with Cal OES and FEMA representatives, tracking grant budget expenditures, invoice verification tracking, coordinating with staff and the Programs, Planning and Grants Manager, tracking of project management platform tools (Asana) for the grant cycles; assisting the Programs, Planning and Grants Manager in administration of grant funds, and providing budget and administrative records required by Cal OES and FEMA. The FY2023-24 annual hourly compensation budget for this position is \$75,000. The Grants Specialist receives no medical or retirement benefits.

Technical Analyst

The Technical Analyst was created in FY2022-23 as a part-time position and upgraded to a full-time (1.0 FTE) position in FY2023-24. Duties include assisting with the District's Geographical Information System (GIS) Mapping Technology, assisting with social media platforms and website, helping evaluate innovative technology and resources to educate the community and align outreach communications with neighboring agencies, and providing analytical support to programs and administrative personnel. The FY2023-24 annual compensation budget for this position is \$130,000. The Technical Analyst position receives no medical or retirement benefits.

Temporary & Seasonal Employees

Created in FY2022-23 this account facilitates the hiring of temporary and seasonal positions to assist on projects during high-fire season months such as: 1.) community events; 2.) emergency preparedness fairs; 3.) coordination with the Town of Los Altos Hills regarding residential complaints about fire hazards, hydrant issues involved with development of property, weed and vegetation mitigation; 4.) CERT volunteer training, programs, and drills; 5) people with specific skills for a project, and 6.) coordination with Firewise Community organization in neighborhoods and neighborhood evacuation routes practice and drills. Position titles from SCCCFPD include: Community Risk Reduction Specialist I, rate ranges from \$40.00-\$65.00/hr.; Community Risk Reduction Specialist II, rate ranges from \$65.00-\$80.00/hr.; and Program Specialist I, rate ranges from \$30.00-\$55.00/hr.

Temporary & Seasonal Employees	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Temporary & Seasonal Employees	-	-	-	82,700	100,000
Annual Growth %		-	-	65.40%	20.92%
% Change Over Prior Year Budget					100.00%

BENEFITS

This line item was created in FY2023-24 to facilitate the evaluation of employee benefits for the District's permanent staff positions as a basis for fortifying resource recruitment and retention.

Benefits	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Employee Benefits	-	-	-	-	441,900
Annual Growth %		0%	0%	0%	0%
% Change Over Prior Year Budget					-

OPERATING EXPENDITURES**Liability Insurance (FAIRA)**

The District entered an insurance policy with the Fire Agencies Insurance Risk Authority (FAIRA), which provides comprehensive asset and liability coverage. In FY2021-22 costs increased with the rise in the current value assessment of the El Monte Fire Station. The emergence of COVID-19 has placed pressure on rates and FY2023-24 conservatively reflects this. expected cost increase trend...

Liability Insurance (FAIRA)	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Liability Insurance (FAIRA)	2,657	1,934	23,083	20,700	40,000
Annual Growth %		-27.21%	1093.54%	-26.07%	93.24%
% Over (Under) Prior Year Budget					42.86%

Workers' Comp. - Special Districts

The District entered a Workers' Compensation insurance policy with the State Compensation Insurance Fund (SCIF) when making its first hires. This account tracks Workers' Compensation expenditures for the employees. Coverage costs have increased with additional District employees. FY2023-24 reflects the increase from 5.5 to 10 FTEs commensurate with the known rates.

Workers Comp (State Comp Insurance Fund)	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Workers Comp (State Comp Insurance Fund)	8,379	4,385	12,061	16,000	32,000
Annual Growth %		-47.67%	175.05%	-5.88%	100.00%
% Over (Under) Prior Year Budget					88.24%

Commissioners Fee

The seven Commissioners of the Board are paid \$100 per meeting, which includes the monthly Board Meetings and Strategic Plan meeting attendance, not to exceed five meetings per month per Commissioner.

Commission Fee	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Commission Fee	15,500	14,400	8,000	18,000	18,000
Annual Growth %		-7.10%	-44.44%	0.00%	0.00%
% Over (Under) Prior Year Budget					0.00%

Maintenance – Structures & Grounds

Prior to FY2020-21, this account was titled “Buildings and Grounds” and was categorized under “Projects and Programs”. This account includes the monthly landscaping fees and upgrades made to the El Monte Fire Station and District parcel and was reclassified into an operating expenditure. For FY2023-24 this account was increased to include \$50K for a needs analysis for the District owned parcel.

Maint. - Structure & Grounds	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Maint. - Structure & Grounds	-	4,815	5,145	20,000	70,000
Annual Growth %		-	6.85%	0.00%	250.00%
% Over (Under) Prior Year Budget					250.00%

Office Expenses

This account includes amounts spent on postage, copier expenses, shredding, Commissioner meeting accommodations, business cards and letterhead, and other typical office expenses. The office costs will continue to increase due to the hiring of additional employees.

Office Expenses	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Office Expenses	3,791	9,894	21,352	25,000	25,000
Annual Growth %		160.99%	115.81%	47.06%	0.00%
% Over (Under) Prior Year Budget					47.06%

Workshops, Conferences & Seminars

This account covers expenditures for employee development, training, and continuing education. Expenditures for this line-item increase in FY2023-24 to allow for expanded staffing training and professional development for both existing and added staff resources. This recognizes the strategic need for staff development and subject matter expertise, continuing education, and certification. The appropriation also addresses the delays in training that resulted from unavoidable pandemic delays.

Workshops, Conferences & Seminars	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Workshops, Conferences & Seminars	-	-	6,526	12,000	65,000
Annual Growth %		-	-	0.00%	441.67%
% Over (Under) Prior Year Budget					441.67%

Professional Services - Internal

This account covers an administrative processing fee paid to the County related to property tax processing. FY20-21 expenditures include a one-time payment for the Management Audit cost as allocated to the District by the County.

Professional Services - Internal	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Professional Services - Internal	231	193,770	231	500	500
Annual Growth %		83783.12%	-99.88%	0.00%	0.00%
% Over (Under) Prior Year Budget					0.00%

Property Tax Administration Fee

The Property Tax Administration Fee is paid to the County in the 4th Quarter of the fiscal year and is based on a variable percentage of actual property tax collection costs. The County provides an estimate of the fee as part of its revenue projections.

Property Tax Admin Fee	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Property Tax Admin Fee	102,728	109,924	115,554	121,000	127,000
Annual Growth %		7.00%	5.12%	0.00%	4.96%
% Over (Under) Prior Year Budget					4.96%

Publications and Legal Notices

Notices of fire prevention hearings, public notices, and the “Los Altos Hills Our Town” mailings to the unincorporated areas of the District are recorded in this account. Notices or requests for proposals relating to a specific project or program are recorded in the corresponding accounts.

Publications and Legal Notices	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Publications and Legal Notices	5,202	15,459	8,978	10,000	10,000
Annual Growth %		197.17%	-41.92%	-66.67%	0.00%
% Over (Under) Prior Year Budget					-66.67%

IC – Cost Allocation Plan

Beginning in FY2021-22, this account covers overhead allocation costs as calculated by the County’s Cost Management Unit.

IC - Cost Allocation Plan	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
IC - Cost Allocation Plan	-	-	59,994	78,934	28,160
Annual Growth %		-	-	0.00%	-64.32%
% Over (Under) Prior Year Budget					-64.32%

Self-Insurance Claim (Workers’ Comp Los Altos)

The purpose of this account is payment for the District’s share of Workers’ Compensation claims, dating from 1993 when firefighter personnel were shared with Los Altos Fire. The City of Los Altos bills LAHCFD one-third of the actual quarterly payments.

Self Insurance Claim (Wkr Comp Los Altos)	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Self Insurance Claim (Workers Comp Los Altos)	-	10,310	2,055	10,000	10,000
Annual Growth %		-	-80.07%	0.00%	0.00%
% Over (Under) Prior Year Budget					0.00%

Miscellaneous/Operations Contingency

This account was recently modified to cover both expenses that do not fall into a specific expense category (such as District banners and signage, dues and subscriptions, or boardroom expenses). This account provides contingency dollars to cover unexpected costs in the operating expenditure category.

Miscellaneous/Operations Contingency	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Miscellaneous/Operations Contingency	2,877	500	5,517	50,000	50,000
Annual Growth %		-82.62%	1003.40%	0.00%	0.00%
% Over (Under) Prior Year Budget					0.00%

SCCCFPD CONTRACT SERVICES**Fire & Emergency Medical Response**

Beginning January 1, 2017, the District renegotiated its contract with SCCCYPD for fire protection and emergency medical services through December 31, 2026. The annual percentage increase is based on a weighted average allocation of three indices as follows: 50% the change in the San Francisco/Oakland area consumer price index, 25% assessed local secured parcel values, and 25% firefighters' annual cost of living increases in total compensation. The annual percent increase shall not be less than 2% or greater than 5% of the prior year's base rate.

SCCCYPD Service Contract	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
SCCCYPD Service Contract	4,904,110	5,105,340	5,279,346	5,492,614	5,767,230
Annual Growth %		4.10%	3.41%	0.00%	5.00%
% Over (Under) Prior Year Budget					5.00%

DISTRICT AUGMENTED LIFE & SAFETY SERVICES**Battalion Chief Services**

Battalion 14 services are part of the contract with SCCCYPD and are recorded in a separate account to better track expenditures. Battalion 14 includes the cost of a 24/7 Battalion Chief at the El Monte Fire Station. Annual increases in compensation are calculated at the same rate as outlined above. As part of the 2017 contract, LAHCFD will receive a 1/15th credit of the adjusted base amount for battalion chief services.

Battalion Chief Services	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Battalion Chief Services	1,188,066	1,236,816	1,278,972	1,330,639	1,397,171
Annual Growth %		4.10%	3.41%	0.00%	5.00%
% Over (Under) Prior Year Budget					5.00%

ADDITIONAL STAFFING FIRE SAFETY SERVICES**SCCCYPD Supplies, Maintenance & Reimbursements**

Prior to FY2021-22, this account covered non-labor costs associated with the CERT program, emergency supplies, and other reimbursements to SCCCYPD. With the ESM position as District employee costs associated with CERT and emergency supplies are recorded under "Projects and Programs." This account now covers all reimbursements made to SCCCYPD, including monthly station communications costs and fire station upkeep and maintenance.

SCCCFPD Supplies, Maint & Reimbursements	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
SCCCFPD Supplies, Maint. & Reimbursements	13,771	2,345	2,627	5,000	5,000
Annual Growth %		-82.97%	12.03%	0.00%	0.00%
% Over (Under) Prior Year Budget					0.00%

Extra Fire Season Staff

Prior to FY20, the District contracted with SCCCYPD for three additional firefighters, nine hours a day during high fire hazard periods, as designated by Cal Fire. Starting FY2020-21, the District coordinated with SCCCYPD to modify this policy to provide extra patrol staff on “high risk” fire days as needed.

Extra Fire Season Staff	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Extra Fire Season Staff	42,830	67,059	-	-	100,000
Annual Growth %		56.57%	-100.00%	-100.00%	-
% Over (Under) Prior Year Budget					0.00%

Type 3 Fire Engine Rental

Under the contract with SCCCYPD the District rents a Type 3 Engine during extra fire season staff patrolling due to excessive engine wear caused by the rugged terrain. In coordination with extra fire season staffing, the District coordinated with SCCCYPD in modifying this Type 3 Fire Engine Rental to be used in providing extra patrolling on “high risk” fire days.

Type 3 Fire Engine Rental	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Type 3 Fire Engine Rental	12,036	34,830	-	-	50,000
Annual Growth %		189.38%	-100.00%	-100.00%	-
% Over (Under) Prior Year Budget					0.00%

Palo Alto Fire Station #8

In FY2021-22, the District entered into a joint-agreement with SCCCYPD and the City of Palo Alto to staff firefighters at the Palo Alto owned Foothills Park - Fire Station #8, which borders the District, during the fire season. This prevention and proactive funding is continued in the FY2023-24 Budget.

Palo Alto Fire Station #8	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Palo Alto Fire Station #8	-	-	390,840	425,000	500,000
Annual Growth %		-	-	-15.00%	17.65%
% Over (Under) Prior Year Budget					0.00%

Fire Protection Hand Crews

The District budgets for collaboration with SCCCYPD fuels management crews on projects to provide resilience from wildfire and other disaster that affect overlapping and adjacent service areas.

Fire Protection Hand Crews	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Fire Protection Hand Crews	-	-	-	-	300,000
Annual Growth %		-	-	-100.00%	-
% Over (Under) Prior Year Budget					0.00%

Contract Services Contingency

The District budgets to cover additional contract services that may be necessary to assist with fuel reduction programs and mitigate wildland fire exposure, implementation of CWPP best-practices,

assessment of firefighter requirements for hydrant relocation and additions, and other areas requiring specialized fire service expertise.

Contract Services Contingency	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Contract Services Contingency	-	-	-	-	400,000
Annual Growth %		-	-	-100.00%	-
% Over (Under) Prior Year Budget					0.00%

FUNDING OF SCCCYPD APPARATUS

SCCCYPD Apparatus & Enhancements

The District funds SCCCYPD apparatus and related enhancements that directly benefit Central Fire's ability to keep the community safe and maintain disaster response. In prior years, funds were provided for a Fire Water Tender. The FY2023-24 Budget, in coordination with Central Fire, calls for the funding of a District-capable Fire Truck (\$2.125M) to fortify the existing fleet. These equipment items are, and will be, both owned and managed by SCCCYPD.

SCCCYPD Apparatus & Enhancements	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
SCCCYPD Apparatus & Enhancements	-	363,095	(179,134)	-	2,125,000
Annual Growth %		-	-149.34%	-	-
% Over (Under) Prior Year Budget					-

SCCCYPD Fire Engine Water Tender	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
SCCCYPD Fire Engine Water Tender	-	-	475,836	-	-
Annual Growth %		-	-	-	-
% Over (Under) Prior Year Budget					-

LIFE & SAFETY PROJECTS & PROGRAMS

IHFR Defensible Space Brush Chipping & Debris Removal

The District-funds on-site IHFR Defensible Space Brush Chipping & Debris Removal service (provided twice-yearly in each of the District's six areas) to reduce excess fuel loads from residential properties. Program service requests continue to increase with drier weather conditions and mounting fire danger from hazardous brush, and limbs and branches. Additional budgeted funds are included in FY2023-24 to cover demand and emergency out of area large volume chipping for on-call requests. This program is managed by contract with SCCFSC with planning overseen by District staff.

IHFR Defensible Space Chipping & Debris Removal	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
IHFR Defensible Space Chipping & Debris Removal	292,427	295,406	429,078	544,000	675,000
Annual Growth %		1.02%	45.25%	36.00%	24.08%
% Over (Under) Prior Year Budget					68.75%

IHFR Defensible Space Debris Monthly Dropoff

The District-funds this program allowing residents to drop-off brush debris and other combustible plant materials once a month associated with property clean-up activities. The District reimburses the Town of Los Altos Hills, who contracts debris hauling services with Greenwaste Recovery. The Town's contract renewed in FY2021-22, and the FY2023-24 Budget reflects current program costs.

IHFR Defensible Space Debris Monthly Dropoff	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
IHFR Defensible Space Debris Monthly Dropoff	38,484	44,568	55,547	54,240	60,000
Annual Growth %		15.81%	24.63%	-7.76%	10.62%
% Over (Under) Prior Year Budget					2.04%

IHFR Home Ignition Zone and Rebate (HIZ) Program

In contract with SCCFSC, the District provides HIZ assessment services and rebate for homeowners. Through this program, a trained representative from the SCCFSC visits homes of residents and walks the property, reviewing defensible space and making recommendations for protecting the home from hazardous ignition and fuels. The program was temporarily halted in FY2020-21 given COVID-19 social distancing requirements but is expected to increase in FY2023-24 with increased resident interest and outreach and the addition of a rebate program.

IHFR Home Ignition Zone (HIZ) Program	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
IHFR Home Ignition Zone (HIZ) Program	10,764	1,167	16,489	25,000	300,000
Annual Growth %		-89.16%	1312.94%	-89.13%	1100.00%
% Over (Under) Prior Year Budget					30.43%

IHFR Evacuation Route & Vegetation Management

In FY20, the District entered a contract with the SCCFSC to manage and oversee “IHFR Evacuation Route & Vegetation Management” by removing hazardous vegetation along roadways to help reduce wildfire progress, create defensive areas for firefighters to attack and suppress fires, create egress routes for resident evacuations and ingress routes for firefighters and emergency personnel. The District has completed evacuation route and vegetation mitigation along Page Mill Road and El Monte and Moody Roads and plans to complete additional road hardening along Altamont Road and a Page Mill evacuation route maintenance project during FY2022-23. Additional locations will be added during FY2023-24.

IHFR Evacuation Route & Veg. Management	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
IHFR Evacuation Route & Veg. Management	27,514	43,680	273,008	330,000	495,000
Annual Growth %		58.75%	525.02%	-17.50%	50.00%
% Over (Under) Prior Year Budget					23.75%

IHFR Open Space Fuel Break Program

This account was added in FY2021-22 for creation of fuel breaks and fuel reduction in the open space and high-risk wildfire areas within the District and adjoining territories. The FY2023-24 Budget remains relatively unchanged from the prior year.

IHFR Open Space Fuel Break Program	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
IHFR Open Space Fuel Break Program	-	-	1,450	25,000	220,000
Annual Growth %		-	-	-87.50%	780.00%
% Over (Under) Prior Year Budget					10.00%

IHFR I-280 Fuel Break Project

This is a new account for FY2022-23, to support development of options for hazardous fuel reduction and removal of hazardous fire fuels along a 5.9-mile stretch of I-280 from Page Mill Road to Permanente Creek, which is a critical evacuation route and will serve as a fuel break in the event of wildfire, earthquake, or other disaster. The District has applied for two Cal OES/FEMA grants to assist

with financing the multi-million-dollar project and is awaiting notice of the application results. Ongoing maintenance of the vegetation will be necessary after completion of the project. The FY2023-24 Budget reflects the three-year phasing and grant acceptance timeline for this project if received.

IHFR I-280 Fuel Break Project	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
IHFR I-280 Fuel Break Project	-	-	-	75,000	200,000
Annual Growth %		-	-	-86.36%	166.67%
% Over (Under) Prior Year Budget					-63.64%

IHFR Goat Grazing Program

The District rents goats annually for hazardous fuel load reduction via goat prescriptive grazing, usually provided at the end of the fiscal year in June. The annual contract with Ecosystem Concepts, Inc. has been renewed. FY2023-24 costs have been increased to include the possibility of goat grazing in additional locations and the expectation of increased contract costs.

IHFR Goat Grazing Program	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
IHFR Goat Grazing Program	18,624	19,556	24,928	35,000	50,000
Annual Growth %		5.00%	27.47%	-12.50%	42.86%
% Over (Under) Prior Year Budget					25.00%

Emergency/CERT/ARK Supplies

Prior to FY2020-21, this account was listed under the "Contract Service" category with purchases related to CERT, PEP, emergency supplies and equipment, and other emergency service expenses reimbursed to SCCCPSD through a retired account titled "Fire Prevention/Emergency Prep". These purchases are best classified under "Projects and Programs." FY2023-24 costs reflect an increased focus on supplies readiness.

Emergency/CERT/ARK Supplies	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Emergency/CERT/ARK Supplies	-	28,515	37,724	40,000	75,000
Annual Growth %		-	32.30%	0.00%	87.50%
% Over (Under) Prior Year Budget					87.50%

Vegetation and Response Equipment & Maintenance

In FY2022-23 this account was created for the purchase and maintenance of an equipped utility truck with the capacity to haul equipment and emergency trailers, and a masticator to support the removal of vegetation and assist with the preparation and development of evacuation routes and vegetation mitigation of District fire roads. For FY2023-24 such equipment purchases were broken out into a distinct capital account and the masticator is no longer a requested item this budget year.

Vegetation and Response Equipment & Maint.	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Vegetation and Response Equipment & Maint.	-	-	-	85,000	35,000
Annual Growth %		-	-	-51.43%	-58.82%
% Over (Under) Prior Year Budget					-80.00%

Hydrant/Infrastructure Repair, Maintenance & Additions

This account covers District-owned hydrant and lateral repair, replacement, and maintenance costs for the District's 552 hydrants in the Purissima Hills Water District service area. In FY2021-22, this account expanded to include the cost of hydrant and related infrastructure relocation and additions to provide better service coverage to the community. The District retained the services of Freyer & Laureta (F&L)

Engineering Consulting firm for engineering and consulting services related to the District owned fire hydrants and related infrastructure water system.

Hydrant/Infrastructure Repair, Maint. & Additions	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Hydrant/Infrastructure Repair, Maint. & Additions	41,169	99,365	137,556	175,000	350,000
Annual Growth %		141.36%	38.44%	-50.00%	100.00%
% Over (Under) Prior Year Budget					0.00%

Neighborhood Evac. Drills and Outreach

The Neighborhood Evacuation Drills and Outreach Program encourages LAHCFD residents to improve community emergency preparedness through neighborhood evacuation drills, and community education and training programs.

Neighborhood Evac. Drills and Outreach	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Neighborhood Evac. Drills and Outreach	-	-	-	-	30,000
Annual Growth %		-	-	-100.00%	-
% Over (Under) Prior Year Budget					0.00%

Firewise Communities

Firewise Communities encourage neighbors to work together on wildfire preparedness. The program is administered by the National Fire Protection Association (NFPA), which provides a collaborative framework to help neighbors get organized, find direction, and take action to increase the ignition resistance of their homes and community, and to reduce wildfire risks at a local level. Communities that have followed a systematic approach to organizing and implementing fire resiliency measures and maintain "Good Standing Status" on an annual basis will earn the special distinction of being nationally recognized as a "Firewise Community." A strong increase in participation is expected in this program given more robust state requirements and recent fire season awareness.

Firewise Communities	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Firewise Communities	-	-	16,914	10,000	50,000
Annual Growth %		-	-	-33.33%	400.00%
% Over (Under) Prior Year Budget					233.33%

Temporary Refuge Areas

This account was added in FY2021-22 to collaborate with local agencies to create areas for residents and emergency service workers to take temporary refuge during emergencies and disasters.

Temporary Refuge Areas	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Temporary Refuge Areas	-	-	-	-	25,000
Annual Growth %		-	-	-100.00%	-
% Over (Under) Prior Year Budget					0.00%

Planning, Project Management & Programs Oversight

This account covers outside contracting services relating to oversight and coordination of various projects and programs requiring special expertise. This account will cover expenses relating to various "Projects and Programs," such as management and supervision, researching further methods of fire prevention and detection, and community education and engagement.

Planning, Project Mgmt. & Programs Oversight	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Planning, Project Management & Programs Oversight	15,660	15,598	28,259	10,000	50,000
Annual Growth %		-0.40%	81.17%	-80.00%	400.00%
% Over (Under) Prior Year Budget					0.00%

Communications & Outreach

This account was added in FY2021-22 to support the Strategic Plan Goals and Objectives and to strengthen communication tools and District outreach to residents and the community.

Communications & Outreach	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Communications & Outreach	-	-	18,143	20,000	75,000
Annual Growth %		-	-	-73.33%	275.00%
% Over (Under) Prior Year Budget					0.00%

Emergency Access Roads

This funds emergency road repairs and maintenance for FY2023-24 in the amount of \$445,000 to cover increased attention and focus on extra road repairs given little activity between FY2014-15 and FY2020-21, pandemic delays, and the presence of enhanced staffing resources in this budget year.

Emergency Access Roads	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Emergency Access Roads	-	-	-	-	445,000
Annual Growth %		-	-	-100.00%	-
% Over (Under) Prior Year Budget					641.67%

Projects & Programs Contingency

The District budgets \$450,000 to cover additional needs or unexpected Projects and Programs expenses, such as change orders, additional services, or emergency needs for the Projects and Programs listed above.

Projects & Programs Contingency	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Projects & Programs Contingency	-	-	-	-	450,000
Annual Growth %		-	-	-100.00%	-
% Over (Under) Prior Year Budget					0.00%

CAPITAL EQUIPMENT

Capital Equipment

In FY2023-24, the District took the opportunity to break out capital purchases to clarify the extent and nature of infrastructure investments, comply with accounting / audit best practices, and enhance reporting transparency. These represent District funded, owned, and managed assets. The purchases directly align with the strategic plan focus of this year's Budget to equip staff with the resources necessary to optimize service delivery. Past purchases were broken out for year-end financial reporting purposes only. Specific capital asset purchases include:

- \$125,000 for a utility truck.
- \$175,000 for on-going El Monte Fire Station Building maintenance and upgrades.
- \$100,000 for a transit van.
- \$75,000 for new employee outfitting and field IT equipment.
- \$35,000 for audio/visual equipment in support of public meetings.

Capital Equipment	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Capital Equipment	-	-	-	-	510,000
Annual Growth %		-	-	-	-
% Over (Under) Prior Year Budget					-

PROFESSIONAL & SPECIALIZED SERVICES

Annual Audit Charter

The District's finances are audited annually by an outside CPA firm and are subject to audit at any time by the Audit Division of the Santa Clara County Board of Supervisors. The contract was renewed in FY2022-23 and FY2023-24 has been budgeted slightly higher to account for a new contract.

Annual Audit Charter	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Annual Audit Charter	20,081	20,081	20,081	20,000	28,000
Annual Growth %		0.00%	0.00%	-28.57%	40.00%
% Over (Under) Prior Year Budget					0.00%

Accounting Services

Vargas Company provides the District with financial consulting services including monthly reports, budget monitoring, and audit preparation. Accounting services are contracted at a set annual rate and are paid monthly. The Financial Consultant's contract increases are reflected in the FY2023-24 Budget.

Accounting Services	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Accounting Services	39,600	39,600	39,600	39,600	45,000
Annual Growth %		0.00%	0.00%	-2.94%	13.64%
% Over (Under) Prior Year Budget					10.29%

Legal Fees

Beginning in FY2022-23, the District ended contracts with private legal firms and is now represented exclusively by the Offices of the County Counsel. County Counsel supports the District in all legal matters, including legal analysis, advice, matters pertaining to Human Resources, employee hiring, personnel policies, contract review, and the drafting of legal documents.

Legal Fees	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Outside Legal Fees	285,731	129,662	73,920	125,000	150,000
Annual Growth %		-54.62%	-42.99%	-16.67%	20.00%
% Over (Under) Prior Year Budget					0.00%

Outside Professional Services

The District uses outside business consultants to assist with operations, including website maintenance and content development, development of the Strategic Plan, records retention development, GIS development, videographer services, and designing of District brochures and materials. The Outside Professional Services budget was bolstered in FY2022-23 and continues to increase in FY2023-24 with the addition of the Cal OES/FEMA Grant process, District parcel design services and CWPP fire fuel modeling services. Key increases in FY2023-24 include:

- \$150,000 for a Fire Facility Assessment at the El Monte Station in support of SCCCFFD
- \$95,000 for professional services study of Permanent employee benefits.

- \$75,000 IT web/public portal enhancements.
- \$50,000 ongoing support for IT technology enhancements.

Outside Professional Services	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Outside Professional Services	20,905	90,501	99,861	325,000	693,270
Annual Growth %		332.91%	10.34%	0.00%	113.31%
% Over (Under) Prior Year Budget					113.31%

Professional and Specialized Services Contingency

The District budgets \$50,000 to cover additional professional services necessary to quickly address and find solutions for project implementation of Strategic Plan goals and objectives. This Professional and Specialized Services Contingency line item covers businesses providing services to the District. The Contract Services (Consultants) Contingency line item noted below covers individuals providing services for the District.

Professional & Specialized Serv. Contingency	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Professional & Specialized Serv. Contingency	-	-	-	-	50,000
Annual Growth %		-	-	-100.00%	-
% Over (Under) Prior Year Budget					0.00%

CONTRACT SERVICES (CONSULTANTS)

Independent Contractor – Consultants:

This account covers any individual providing independent contract consulting services to the District as needed, such as financial, administrative, operational, or technical assistance. The FY2023-24 Budget has been increased in recognition of the enhanced level of life & property safety project and program activity as well as other key initiatives including IT enhancements, web site re-design, infrastructure assessments and other emerging continual improvement initiatives.

Independent Contractor - Consultants	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Professional & Specialized Serv. Contingency	31,820	72,151	116,418	75,000	280,800
Annual Growth %		126.75%	61.35%	-25.00%	274.40%
% Over (Under) Prior Year Budget					180.80%

Contract Services (Consultants) Contingency

The District budgets \$50,000 to cover additional independent contractor consultant services that may be necessary given Strategic Plan goals, adherence to Management Audit Report recommendations, and other projects such as GIS mapping and records retention.

Contract Serv. (Consultants) Contingency	Act 19-20	Act 20-21	Act 21-22	Est 22-23	Bdgt 23-24
Professional & Specialized Serv. Contingency	-	-	-	-	50,000
Annual Growth %		-	-	-100.00%	-
% Over (Under) Prior Year Budget					0.00%

SUMMARY

In conclusion, as the reader peruses the District FY2023-24 Budget, it is critical to note that it is foundationally based on the 2023-2027 Successor Strategic Plan which was updated in the first calendar quarter of 2023. The Strategic Plan is posted on the District website. The Budget was specifically designed to integrate with the longer-term strategic plan and underscores its main them “to provide the District with those resources necessary (staffing, infrastructure, equipment, and training) to optimize delivery of its mission critical life and safety projects and programs to the community. The Budget continues the District’s fiduciary obligation to keep finances strong, to maintain operational continuity, to take proactive measures to maintain community safety, and to remain keeping the Community and District prepared for unforeseen disasters that characterize the core perspective and tenants of the goals of the Los Altos Hills County Fire District.

