Fiscal Year 2026-2027 Adopted Budget Narrative

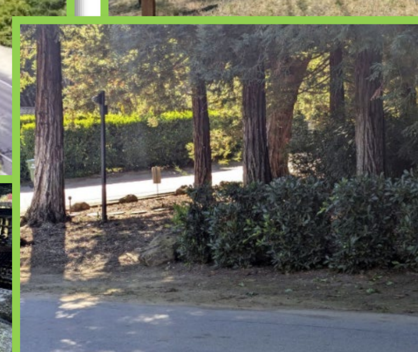
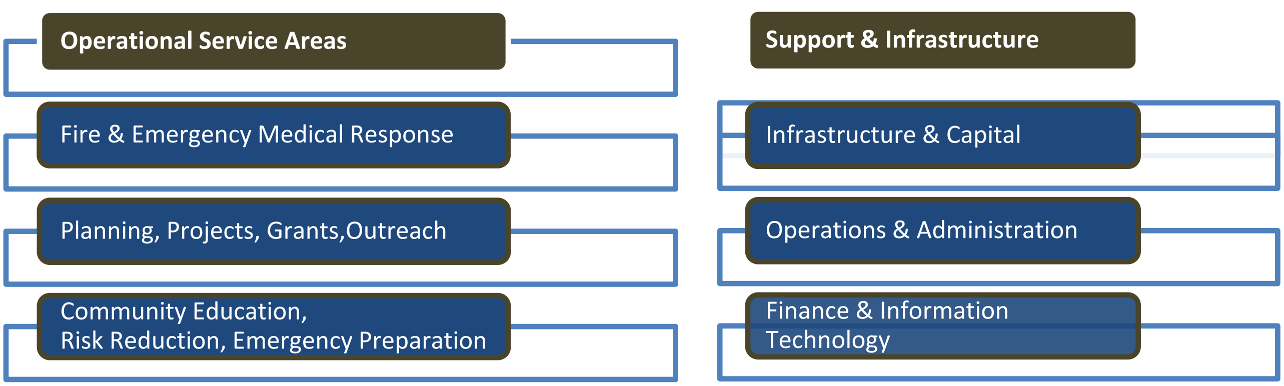


Table of Contents

ADOPTED BUDGET MESSAGE

The Los Altos Hills County Fire District (LAHCFD or District) FY26-27 Adopted Budget (Budget) process for the fiscal year beginning July 1, 2026, and ending June 30, 2027, began with an operational planning session held on August 22, 2025, a full day meeting including all staff, service-area managers, and key contractors. This year's session examined a productive past year, placed a special focus on the major projects underway and planned for the next eighteen months. As always, the session highlighted the operational with emphasis on the recently updated Workplan Version 3. These discussions also addressed the reorganization, reassignment, and solidification of Service Areas as the District continues to gainfully address community needs. The Budget creation could not have progressed without the guidance and support of the District Commission (Commission), the footing of the 2023-27 Strategic Plan, and close coordination with the County of Santa Clara (County) Office of Budget & Analysis (OBA). The Budget calendar reflects the County's recommendation and adoption process starting in February 2026 and extending to June 2026.

The Budget continues the District's mission to preserve the life and property safety of the community and surrounding neighbors. It aligns allocations to outcomes outlined in the Workplan, presented in the Fall of 2025. This vital operational tool connects the dots between the District's mission, strategic goals, Budget, and service outcomes. Budget creation involved the direct input of the managers within each Service Area outlined below with great attention to deliverables. This process benefited this year from the newly implemented cloud-based Payroll and Financial system upgrades. The District continues to pursue further systems development as the Budget process approaches a new era of design, Workplan connectivity, web accessibility, and platform integration.



The District upholds its priority on maintaining and bolstering core County contracts for fire and emergency medical services, augmented fire safety staffing and apparatus, a comprehensive array of life and safety risk mitigation projects, community education, emergency preparation, and community outreach. It does so while securing a strong fiscal status, a principal factor considering the large dollar infrastructure projects on the near- and longer-term horizon. Stability, readiness, and sustainability continue as the preeminent goals.

The Budget is best viewed through the lens of regional partnerships including Santa Clara County Fire Safe 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. It is also important to note that the District highly leverages contract services in both planning and implementing its many projects, programs, and services. These associations are evident in both the Workplan and within the Budget as presented in Service Area format as an addendum to this narrative.

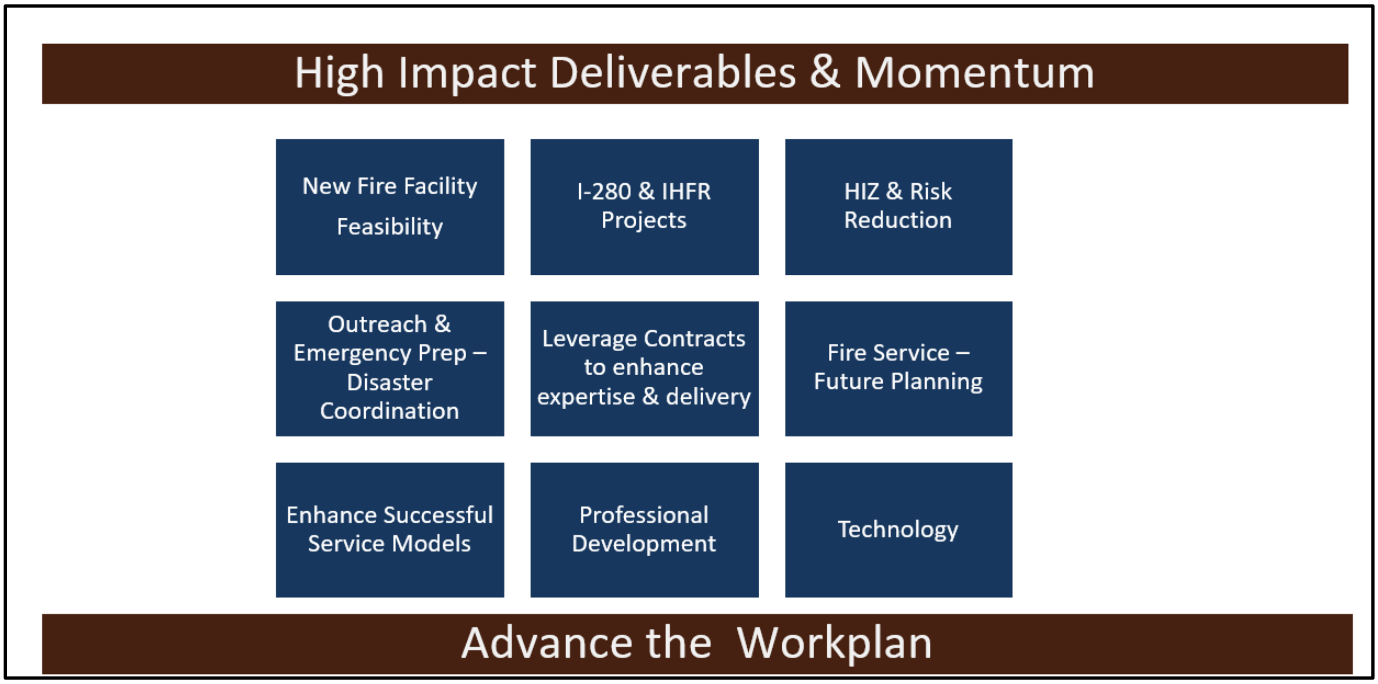
Regionalization continues its sturdy foothold with substantial multi-year budget allocations, now in their third year, for the I-280 Fuel Break Project (I-280). The significant resource requirement and operational impact of I-280 shaped the requests included in the prior year Budget and again appears as a key item of concentration in FY26-27. As expected, the allocation for the third year of this project is the single largest project line-item entry in the Budget.

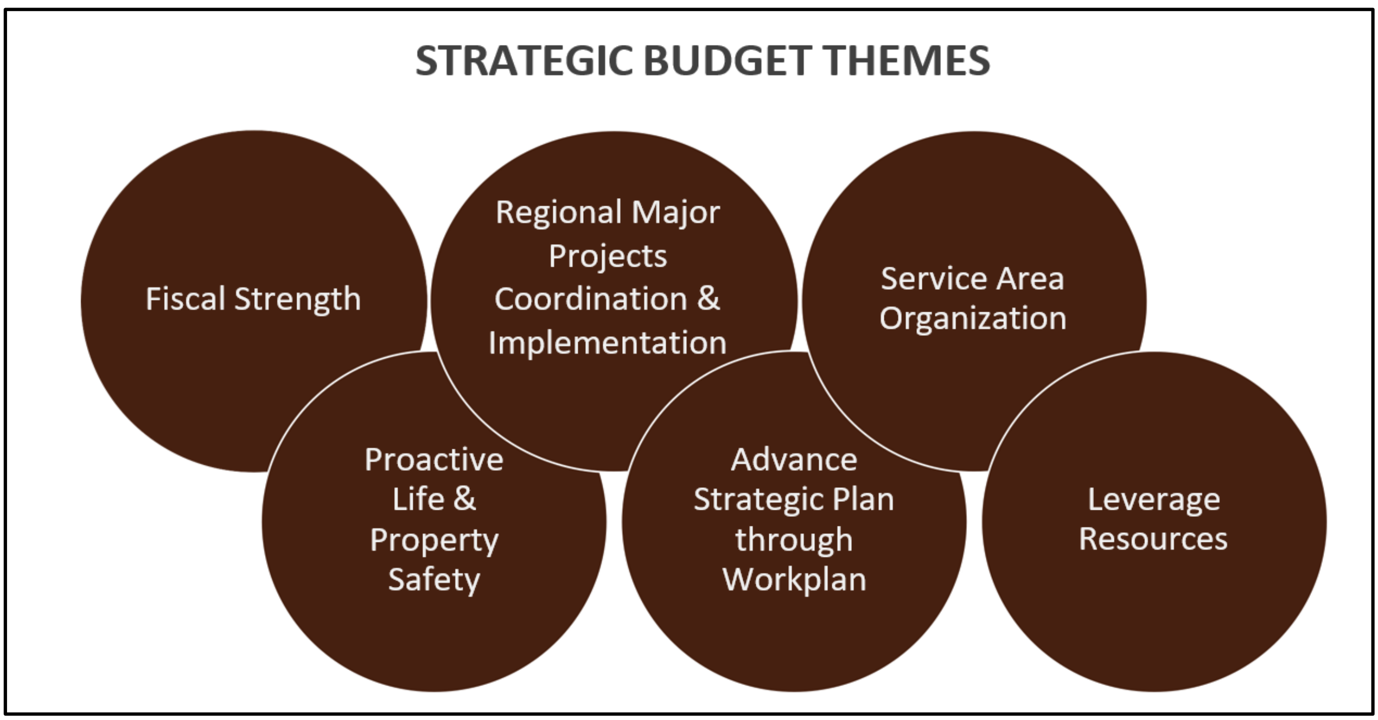
District planning discussions, and this Budget, center on the large-scale projects now transitioning from planning to actionable operations. The Budget continues to project the delivery and near-term use of committed funds of approximately $4.3M for new and replacement fire apparatus, including two engines and one fire truck which were contracted for in past years. Lastly, the Budget emphasizes the District's unyielding effort to provide proactive life and property fire safety programs and remain diligent in planning for contingency unknowns, a key posture underscored by the Southern California catastrophic fire in 2025.

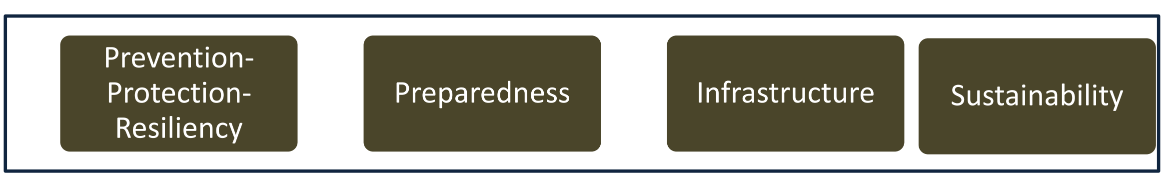
Even in the light of noted major initiaves, staff maintains an unwavering focus on the many ongoing and important strategic projects & programs including Integrated Hazardous Fuel Reduction (IHFR) Defensible Space Brush Chipping and Debris Removal, Home Ignition Zone Assessment (HIZ) and rebate program , evacuation Route, and vegetation Management projects, Firewise USA communities, weed abatement collaboration and investments in regional safety technologies. This budget also includes a placeholder for additional funding for a proposed, subject to agency and County evaluation, enhanced HIZ rebate program to address hazardous trees within the state defined HIZ high-fire-zone mitigation areas. These aspirations are made possible with the deployment of expert area contractors and supporting professional services to further a continued highlight on community projects, capital, and infrastructure. Internally, the Budget continues to advance staff training, career development, and technology.

The guidelines and themes taking front stage this year include:

- Maintaining staff at current levels
- Leveraging contract and temporary employee services
- Delivering major life and property safety large scale projects
- Continuing to advance programs & projects momentum
- The near-term use of committed reserve fund balances to fund existing contract obligations with for the one (first of three apparatus) fire engine assumed to be paid in the 3rd/4th quarter of FY26-27
- Reducing the gap between budget and actual expenditure over time
- Budgeting for unknowns to remain prepared for emergency agency demands







Community Infrastructure & Major Projects Cost Center

In the prior year, staff proposed the first-time creation of a Capital Improvement Project Fund (CIP) and initiated this conversation and concept with the County. The creation of a CIP fund was deferred with the introduction of a new Cost Center within the District General Fund. This enhances the ability of the district to track infrastructure and multi-year high dollar cost projects. As major project contracts are finalized and executed, the fund commitment designations will apply within the normal year-end financial reporting process.

As this new model develops, staff will continue to explore, in coordination with County OBA, the possibility of a separate Fund for such activities. The future potential of creating a new distinct fund will entail seeding it with the dollars necessary, both current year and projected, to fund major infrastructure improvements, such as the I-280 multi-year project, a new fire facility, El Monte facility refurbishments, and defined capital purchases and/or reimbursements.

The Past and Looking to The Future

The LAHCFD Board of Commissioners began 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. COVID-19 curtailed the implementation of many District IHFR programs and the ability to hold vital in-person meetings. Staff responded by transitioning to hybrid meetings, expanding community outreach, utilizing social media communications, promoting the lahcfd.org website, and adjusting operations to a virtual setting. As conditions eased, the District resumed vegetation mitigation projects, launched Firewise USA, prepared for the HIZ Rebate initiative, reinstituted in-person public meetings, completed its 2023-2027 Strategic Plan, developed a formal Workplan identifying strategic goals by Service Area, re-set its Budget with a focus on resources, initiated revisions to the Community Wildfire Protection Plan Annex 4 (CWPP), and initiated the first phases of this regional multi-year I-280 Fuel Break Project (projected in this Budget at $6.9M with assumed completion in 2027) The solicitation process for the I-280 community and regional fire safety project closed in June 2026, project award anticipated in July 2026 and field work expected to be completed by August 2027

Overall programs and services were enhanced with the FY24-25 authorization of additional funding for staff, vehicles and equipment now realized fully. These resources have supported continued program delivery and implementation.

The District is tasked with addressing unforeseen emergencies and changing environmental conditions as a disaster response, preparedness, and risk-reduction agency. Maintaining flexibility has translated into an approach of continuous improvement and ongoing internal reassessment, which drives how Budget allocations are developed. Considerations in this regard include:

- Asking how programs and services can continue to meet community needs
- Identifying opportunities for improvement
- Recognizing increasing operational complexity and the need to anticipate unknowns
- Leveraging fiscal strength in establishing Budget resources and action plans
- Adopting operational best practices and optimizing technology
- Purchasing and planning for the infrastructure necessary to support sustainability and responsiveness

- Sourcing and retaining staff with expertise to support program deliverables

A comprehensive multi-year Workplan was presented to the Board of Commissioners in the Fall of 2025 to establish a pathway for the delivery of key operational goals. The Workplan integrates with and is foundational to the Budget process by quantifying resources by Service Area, highlighting community relevance and linking staff accountability.

Consistent with the theme of continuous improvement, the District Workplan, Service Area Adopted Budget, Chart of Services, and Organization Chart have been reorganized and restructured in response to staffing changes and recent hires. A review of these updated documents reflects the consolidation of the former Outreach and Emergency Preparation (Outreach) Service Area into the redesigned Operations & Administration (Ops-Admin); Planning, Programs Grants & Outreach and Community (PPG); Education Risk Reduction Emergency Preparation (CERR); and Finance & Technology (Finance-IT) Service Areas. The Budget Narrative again includes a supporting "Allocations by Service Area" appendix that reflects these updates.

Considering fiscal challenges at Federal, State and County levels, the Budget was developed to maintain stable and level allocations. It exhibits reorganizational staff position reclassifications but no increase in overall full-time equivalent (FTE) staffing levels and no material new asset purchases. The District has nearly achieved full staffing (13.5 FTE), meeting a key strategic and operational objective. LAHCFD fully realized planned vehicle purchases and technological items supporting daily operations.

Taking a fiscally measured posture, the Budget continues to fund established high impact programs and project services. The modest operational allocation increases included are mostly attributed to: (1) annual contractual cost adjustments for fire & emergency Services as provided by SCCCFPD (2) phase 3 of the I-280 initiative (costed over three years), and (3) targeted increases in temporary staffing and professional services to support high-impact major projects underway. This Budget also incorporates the flashy fuels roadside mitigation program, proposed as a pilot in FY25-26, into the evacuation routes program model. Funding for the District's HIZ assessment and rebate Program is being enhanced based on the program's increased activity and growing demand as well as for a proposed expansion to include hazard trees within the fire mitigation zone.

With roll-forward allocations handled supplementally via a separate County budgetary process, the Budget projects preserving previously approved allocations related to (1) phases One and Two of the I-280 project (2) study and design allocations set aside for the potential of a new District-funded fire facility (3) implementation of AI fire prevention sensors, (4) advancement of the regional Programmatic Environmental Impact Report (EIR), (5) realizing full funding of over $4M in reserves committed fire apparatus funding and (6) web site and technology platform upgrades. These roll forward allocations are described in more detail below. The Budget also recognizes the importance of integrating contingencies to support operational readiness for fire/emergency and disaster response agencies.

It is key to note that the Budget includes substantial assumptions subject to revision as the process continues. These include (1) continuation of the regional fire services model at projected standard rates, now a reality with the execution of a ten-year extension of this core service contract in February

2026, (2) estimated total project cost of the I-280 fuel break project pending final bid quantification in 2026 and (3) final adopted County property tax projections & roll forward approvals.

NARRATIVE LAYOUT

The Budget Narrative (Narrative) is an informational booklet created for ease of reading, reference, and understanding of the Budget as approved by the District Board of Commissioners and proposed for adoption by the County Board of Supervisors. It highlights the most essential elements of the District fiscal plan and serves as a fiscal guide for staff as they manage operational responsibilities.

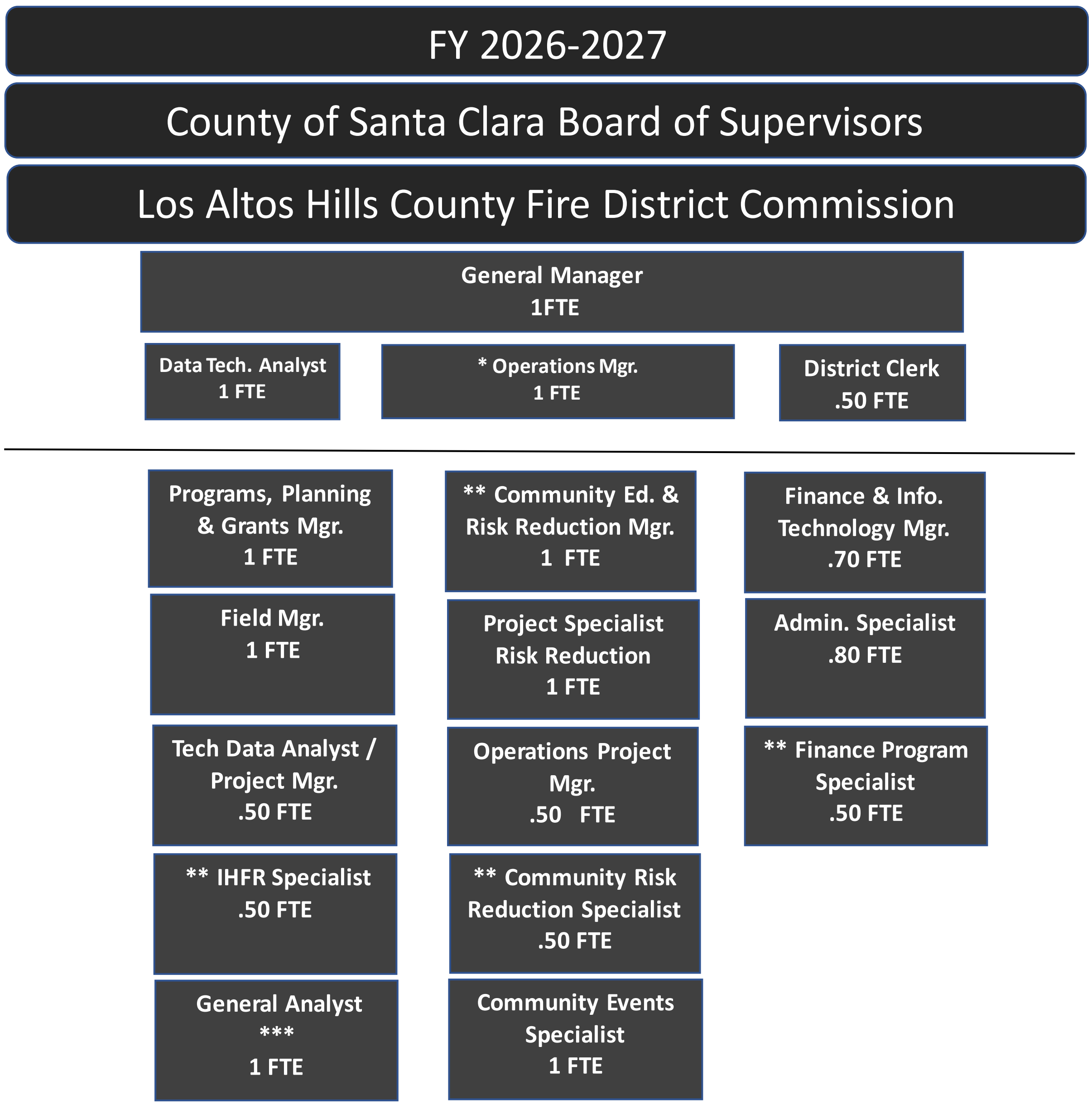
The Narrative provides a summary-to-detail view of the District's finances and is organized to answer five essential questions:

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 is the District's incoming revenue streams?
4) What are the District's expenditure plans?
5) How and why has the Budget changed?

The Narrative offers an executive overview of the themes and strategy. Charts and graphs provide summaries, highlights, and comparative illustrations of the substance and focus of the expenditure plan. 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)."

Detailed revenue and expenditure tables display prior year actuals, FY25-26 estimates, changes between years, and Budget allocations. Lastly, Appendix A provides a view of Budget allocations by service area as the District develops a platform for an outcome-based fiscal reporting model.

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 jurisdictional authority 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.



* Operations Mgr. .50 remains unfilled

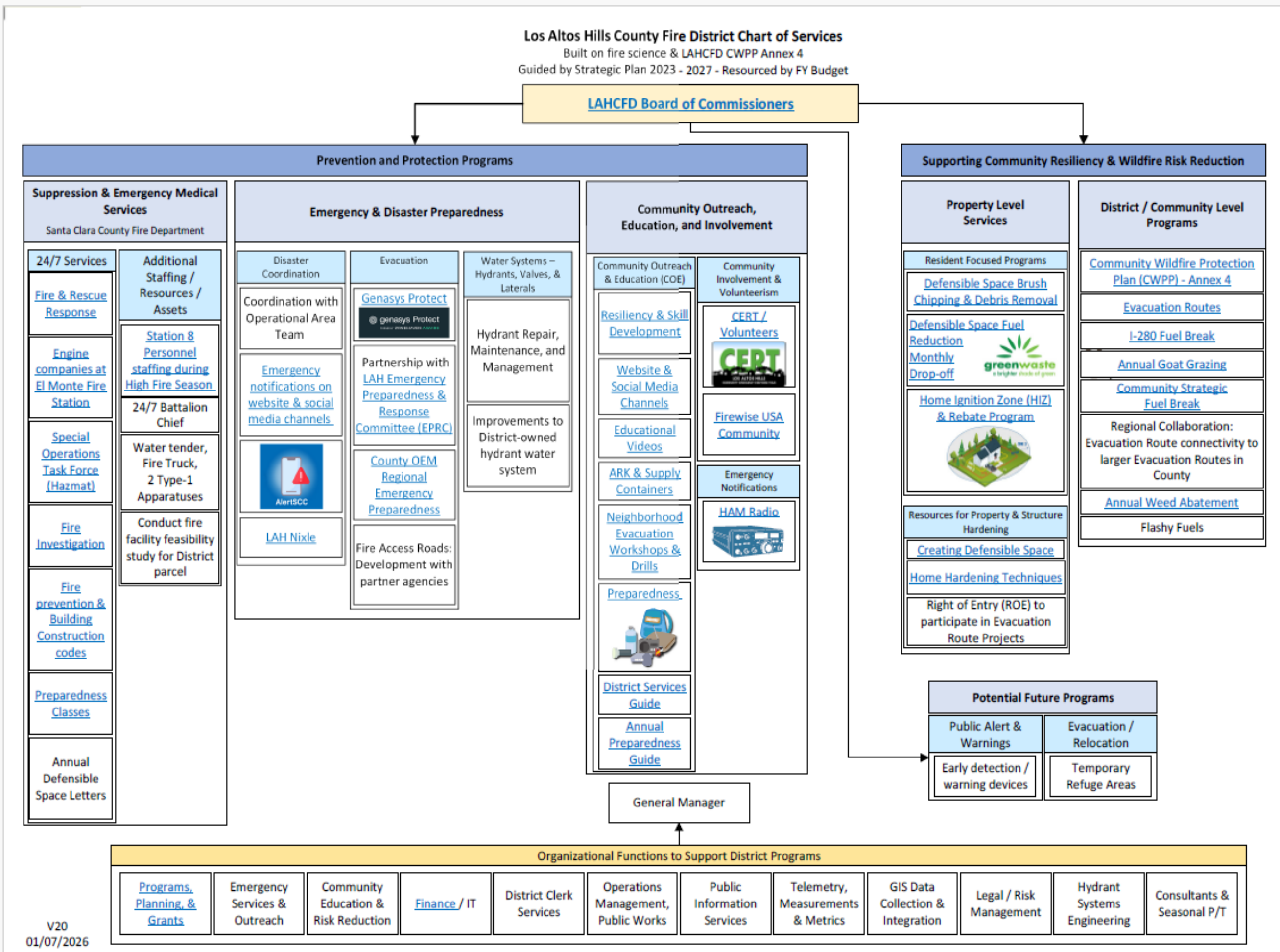
** These positions have been newly defined from the reorganized former full time EMS Manager position and the realloaction and assignment of the vacant full time Admin Project Specialst

*** Shared Resource

CHART OF SERVICES

The District's organizational structure is defined by the 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:

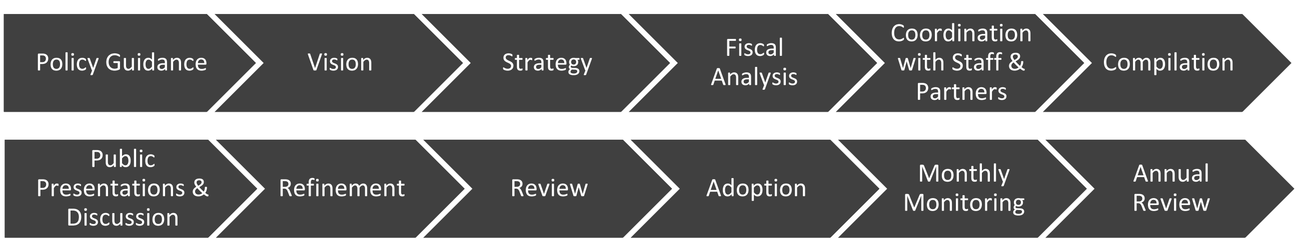


BUDGET DEVELOPMENT PROCESS

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 regarding litigation. The following Budget calendar is designed to meet the County's review and approval process extending from February 2026 to final County adoption in June 2026:

1. **November 12, 2025, Ad Hoc Draft Budget Subcommittee Community Meeting -** LAHCFD FY26-27 Preliminary Draft Budget, developed by the General Manager (GM) and the financial team, presented to the Ad Hoc Subcommittee formed September 16, 2025
2. **November 18, 2025, Commission Regular Meeting –** Preliminary Draft Budget presented to the LAHCFD Board of Commissioners for discussion.
3. **January 20, 2026, Regular Meeting** -Any revisions submitted by the County Office of Draft Budget & Analysis (OBA) and the County Controller-Treasurer will be incorporated into the Draft Budget and received by the LAHCFD Commission. The Commission will provide guidance to incorporate any additional revisions made by the County and received after January 20, 2026, into the Final Draft Budget to be sent to OBA.
4. **January 2026-** Draft Budget update by the General Manager (GM) and the financial team, presented to the Ad Hoc Subcommittee if needed.
5. **January 30, 2026** - Draft Budget submitted to OBA in initial draft form.
6. **February 17, 2026, Regular Commission Meeting -** The Final Draft Budget returned for consideration and approval by the LAHCFD Commission.
7. **February 18, 2026 –** Final Draft Budget submitted to OBA.
8. **May 1, 2026 -** County finalizes the FY26-27 Recommended Budget and District FY25-26 Budget roll-forward requests are due.
9. **May 11-13, 2026** - County Draft Budget Workshops. The District Workshop is tentatively set for May 12.
10. **June 15,16, and 18, 2026 -** County Board of Supervisors Budget Hearings to approve and adopt the County Executive's Final Budget that resulted from the FY26-27 Draft Budget approved and submitted by the LAHCFD Board of Commissioners. The District Workshop is tentatively set for June 16th. **Recommended rollovers approved in June 2026.**
11. **June 23, 2026 -** The County adopted FY25-26 Final Budget to be adopted by the LAHCFD Commission.

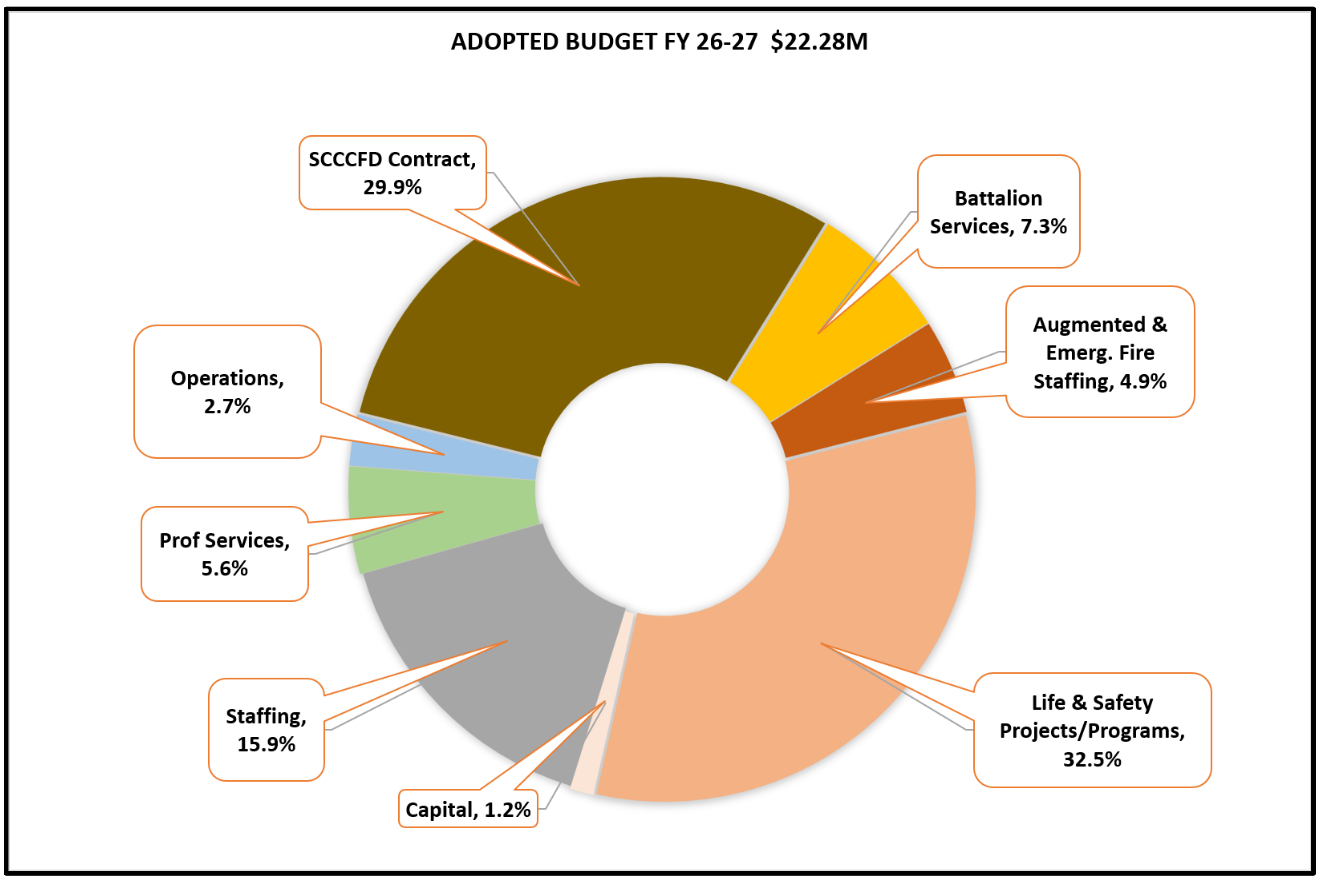
Managing the Budget is a year-round process:



BUDGET OVERVIEW

The Budget finds the District in solid financial standing, consistent with the FY24-25 financial audit. It projects a healthy beginning fund balance and preserves established fund reserve commitments that flow into projected FY26-27 fund balance estimates. This Budget anticipates increased allocations for Life & Property Safety projects, most notably I-280. It also projects the multi-million payout of contracted fire apparatus funding to SCCCFPD, from actual expenditures in FY25-26 estimates and committed funds in FY26-27. Accordingly, this Budget projects a significant use of available and committed fund balances. Consistent with the goal of maintaining a level budget, total proposed expenditure allocations have come in level to the prior year, or one-half of 1%, above the prior year adopted Budget.

Total expenditure equals $22.28M (level with the prior year). Total revenues are estimated at $19.18M primarily from property tax. Together, projected revenues and expenditures result in an estimated use of $3.10M in available fund balances to support the key initiatives outlined in the District Strategic Plan and Workplan. The budget forecasted fund balance also projects an additional use of $2M in committed reserves for the one fire engine obligated by contract in recent years for total use of approx. $5M.



Los Altos Hills County Fire District	Adopted * Budget FY 25-26	Estimate FY 25-26	Adopted Budget FY 26-27
Beginning Fund Balance	**46,353,620**	**48,733,861**	**51,655,512**
Salary,wages & benefits	2,981,415	2,594,730	3,080,400
Temporary wages & taxes	391,215	323,725	455,030
Total Salary & Benefits	**3,372,630**	**2,918,455**	**3,535,430**
SCCCFD Fire & Medical Response Contract Services	6,353,560	6,353,560	6,671,240
LAHCFD Augmented Battalion Chief Contract Services	1,539,210	1,539,210	1,616,170
LAHCFD Augmented Fire Safety Services	1,082,950	627,950	1,099,000
LAHCFD Fire Apparatus Funding ****		-	-
LAHCFD Life & Safety Projects & Programs *****	4,020,810	2,455,000	4,094,400
Prof Services	985,040	655,700	968,990
Consulting Services	216,000	124,700	277,510
Operations	553,784	454,100	592,546
Capital Equipment	145,550	157,300	62,500
Total Operating	**14,896,904**	**12,367,520**	**15,382,356**
Infrastructure & Major Projects			
I-280 Fuel Break	2,750,000	584,000	3,150,000
Fire Facility Study	715,000	-	-
Capital Equipment & Facility Maint.	182,500	-	215,000
Programmatic Environ. Impact Report	250,000	-	-
Total Infrastructure & Major Projects	**3,897,500**	**584,000**	**3,365,000**
Total Expenditures	**22,167,034**	**15,869,975**	**22,282,786**
Revenue * **	**18,215,825**	**18,791,625**	**19,181,000**
Use of Fund Balance	(3,951,209)	2,921,650	(3,101,786)
Use of Reserves (Fire Apparatus) ****			(1,956,713)
Ending Fund Balance	**42,402,411**	**51,655,512**	**46,597,013**

* As adopted

*** Latest County Rev update

**** Assumed FY26-27 payout of $1.9 of contracted 1 Fire Truck

***** Assumed Introduction of a proposed enhanced HIZ Tree fire mitigation program

During Budget development, staff removed FY25-26 expenditures that were one time in nature and updated FY26-27 for new and emerging requests. These updates are highlighted below in bullet format. The most notable prior-year one-time items removed consist of year-two of the multi-year I-280 Fuel Break Project allocation of $2.75M (subject to roll-forward), the final current year vehicle purchase approximating $47K, $715K for a new fire station feasibility study and design (subject to roll-forward), $250K for year-two of a regional Programmatic EIR and $55K for technology software platforms (subject to roll-forward).

The Budget continues to fund core program services while allowing for contingencies necessary for fire and emergency readiness. An additional $400K was added for year three of the I-280 Fuel Break Project for a total FY26-27 allocation of $3.15M. This Budget also increases allocations for defensible space chipping and debris removal, evacuation routes and reinforces the rapidly growing HIZ program, including the proposed rebate enhancement noted above, by $300K, for a total of $600K.

Two major assumptions of critical importance in this Budget. As it relates to projected allocations for the I-280 Community Fuel Break Project, it is key to note that the original grant-based cost estimate, updated for inflation in this Budget to $6.9M, has undergone detailed engineering review and is subject to material change as selected vendor project costing negotiations take place. As such, a final number will not be validated until the issued Request for Proposal responses are valuated and contract negotiations and approvals completed. The results of vendor selection process will not be available until May, June, July 2026. Should project cost estimates exceed the current allocations, a remaining possibility, decision points will be presented to the Commission for discussion of scope and cost considerations. Additionally, fund balance projections assume the full payout from reserves in FY26-27 of $1.9M for the contract obligated funding of two fire engines. A remaining committed reserve balance $2.3M for the one contract obligated fire truck is scheduled for delivery and payment in FY27-28.

As in the prior year, and in recognition of fiscal challenges at the Federal, State and County levels, staff moderated expenditure allocations where practical.

As compared to the prior year, the overall FY26-27 Budget allocations are flat, increasing by a net of $115,752 (or .52%) with the most significant one-time and ongoing requests and prior-year one-time adjustments outlined below:

Prior Year One-Time Items Not Repeated This Year (Subject to Roll Forward*)

- ($715,000) Ops & Admin - Dedicated professional services for the assessment, vendor selection, architecture, design, and project oversight of a new Fire Facility - second year allocation*
- ($250,000) PPG-Updated costing for the District wide PEIR to $350,000-Second Yr Allocation*
- ($55,000) Finance & Technology- Web site upgrade and Finance transparency portal systems *
- ($76,800) Infrastructure - Reflects the allocation of communications and printers in FY25-26
- ($35,000) Finance & Technology - Prior year projected contract services mitigated by staffing hires

FY25-26 Base Budget Adjustments

- $411,000 Fire - Contractual Fire Services Agreement COLA: Assumed December level renewal
- $163,000 All Service Areas - Overall existing salary, wages, taxes: with full benefits now included
- $57,000 Operations & Admin- Increases in Liability Insurance (FAIRA) and Workers' Compensation insurance costs given full staffing and major field project deliverables
- ($75,000) CERR- Moderate/eliminate Temporary Refuge Area allocations pending further jurisdictional analysis with County
- ($54,000) Infrastructure - Moderate/reduce Hydrant/Infrastructure Repair and Maintenance allocations based on actual trends
- ($89,000) PPG- Moderate/reduce Open Space Fuel Break Program allocations for study and analysis instead of field work, due to multi-jurisdictional considerations

FY26-27 One-Time Requests (Subject to future Roll Forward*)

- $400,000 PPG- Additional I-280 Internal funding –final phase year 3 ($3.15M vs. $2.75M FY25-26) *
  - For County purposes the entire FY26-27 year-3 allocation of $3.15M is considered a one-time request with the prior year amounts of $1M and $2.75M managed as rollovers.
- $45,000 Finance & Technology - Additional Web Site Upgrades and Searchable doc. remediation *

FY26-27 On-Going Requests

- $191,000 CERR - Additional funding with growth in the HIZ rebate program fire mitigation for local and regional benefit
- $109,000 CERR - Additional placeholder funding for a proposed enhanced HIZ rebate program to consider supplementing the program to address hazard trees within the HIZ fire safety zones
- $172,000 - PPG- Demand growth in evacuation route mitigation and to fully implement the prior year pilot Flashy Fuels fire mitigation program in coordination with the Town. Now absorbed into the annual Evacuation Route Program
- ($175,000) PPG- Reassignment from programs and projects contingencies to reflect the classification of the pilot Flashy Fuels costs to the Evacuation Route Program line item
- $62,000 All Service Areas - Independent Contractor-Consultants services increased to assist in peak periods for anticipated large project deliverables and flexibility with staffing levels at full capacity
- $31,000 Finance/ IT - Increase in contract accounting support services given, contract changes, higher demand requirements, full staffing, and systems development
- $17,500 Operations & Admin - Increases in County Legal Services and supporting internal operational cost allocations

BACKGROUND & ECONOMIC OUTLOOK

With the outbreak of the pandemic in 2020, the country experienced unprecedented economic disruption. While the shelter-in-place orders in California had significant impacts on the local economy, the District was shielded from a negative impact as its primary revenue source, property taxes, remained intact. A series of record wildfires raced across California in 2022 killing nine people, destroying 772 structures, and damaging another 104. Over 7,600 fires were recorded covering 363,939 acres. In the winter of 2022 and early months of 2023, the District and County experienced unprecedented weather events causing flooding, downed trees, road impacts, and disrupted power and utilities. The Los Altos hills area was particularly affected. The District was able to assist residents and the Town of Los Altos Hills (Town) by establishing communications and participating in the Emergency Operations Center (EOC) response. These events highlighted operational and infrastructure vulnerabilities and the need to remain ready to address seasonal fire safety prevention and mitigation. It also underscores the need to plan for those unexpected disaster events that strain staffing and financial and infrastructure resources at local, County and State levels. The District’s ability to stay fully staffed, equipped, trained, mobile, and operationally nimble is essential to community safety. The District’s fiscal planning supports its unique needs and offers the fund balances necessary to mitigate future risk exposure.

The District’s continued strong fiscal standing allows it to advance essential fire prevention projects, including IHFR programs supported in partnership with SCCFSC to bring effective vegetation mitigation to residents and community projects. These services are grounded in fire science and the CWPP Annex 4 and include HIZ assessments, monthly defensible space brush chipping and debris removal, shaded fuel breaks for defensible space and evacuation route hardening. The introduction of the regional multi-year I-280 Fuel Break Project in prior years highly impacted the Budget as this regional project enters its third-year phase of planning, engineering evaluation, vendor solicitation, and implementation. Furthermore, maintaining the momentum on evacuation routes, brush chipping, Firewise USA and HIZ Programs, is a catalyst for the budget requests included herein.

The devastating 2025 Southern California fires, in the greater Los Angeles area, underscore the importance of sustaining, and building upon the District's growing life and property efforts.

The prior year Budget established funding allocations to conduct and complete a comprehensive study and assessment for a potential additional fire facility within the District to improve overall emergency response and readiness. A total of $1.065M has been allocated in prior years for this initiative, for which rollover approval will be requested from the County. The District also has earmarked funding for opportunities to improve regional data communication networks and install early fire detection warning systems in cooperation with the County, thereby remaining diligent in the public safety demands we face. The District continues to evaluate its technological needs, the potential upgrade of the El Monte Fire Station, and the feasibility of a potential new fire facility to address population growth and response-time opportunities as noted in the recent LAFCO report.

FISCAL HIGHLIGHTS

Total Revenues are projected at $19.18M, an increase of 5.30% or $965K, over the prior year Budget. Property taxes, the primary source representing 92% of total revenues, are anticipated to increase by $1.06M, or 6.39%, to approximately $17.64M compared to the prior year Budget of $16.58M. This Budget includes County generated property tax projections through December 2025. The last three years have displayed similar increases for property tax revenues.

Interest income is projected to decrease over the prior year Budget by 6% or approximately $100K, to $1.54M, based on the assumption that rates will be lower and that large fund balance payouts will occur during FY26-27.

Total expenditure allocations are expected to be level totaling $22,282,786 an increase of $116K or a fraction of 1%, compared to the current year Budget. Adjusted for the removal of one-time allocations, in both the prior and current Budget, overall expenditure allocations increased by $681K or 3.69% made up mostly of fire contract COLA increases, enhanced fire mitigation projects & programs, normal annual salary & benefit increases, insurance costs, and expanded consulting services. Along with revenue, the Budget projects the use of available fund balances of $3.10M, an amount comparable to the FY25-26 Budget. Based on FY24-25 fiscal results, healthy beginning fund balances are projected in anticipation of funding future planned major infrastructure improvements, Fire service enhancements while emergency commitments are preserved.

The proposed FTE count remains unchanged with existing permanent staffing and benefits allocations projected to increase by $98,985, or 3.32%. This maintains the existing FTE level of 13.5 to advance planned life and property safety projects and programs. In recognition of the advancement of key PPG and IHFR projects, including the significant I-280 Project, the Budget supplements resources with increased allocations for project costs, professional services, and associated contingencies. These enhanced contract costs are expected to remain for the duration of the I-280 Project through the end of FY26-27. Staff positions have been reorganized this transition year to focus on project enhancements and delivery. The Budget FTE staffing and classifications are described in more detail in the following sections of this narrative.

Staff positions, although not increased overall, have been reorganized in this transition year to place a focus on project enhancements and delivery. FTE staffing and classifications are described in more detail in the following sections of this narrative.

This Budget includes the second-year funding of the Healthcare Reimbursement Account benefit and the first-year funding of the newly introduced Deferred Compensation Plans. The cost of these benefits match projections in the amount of $311,600. These employee benefits mark a key Strategic Plan accomplishment to strengthen sustainability while allowing the District to attract, hire and retain employees in a competitive environment. The Budget maintains $141,600 in market contingency considering tight hiring conditions. Payroll taxes have also been adjusted for fully filled FTE projected salary levels.

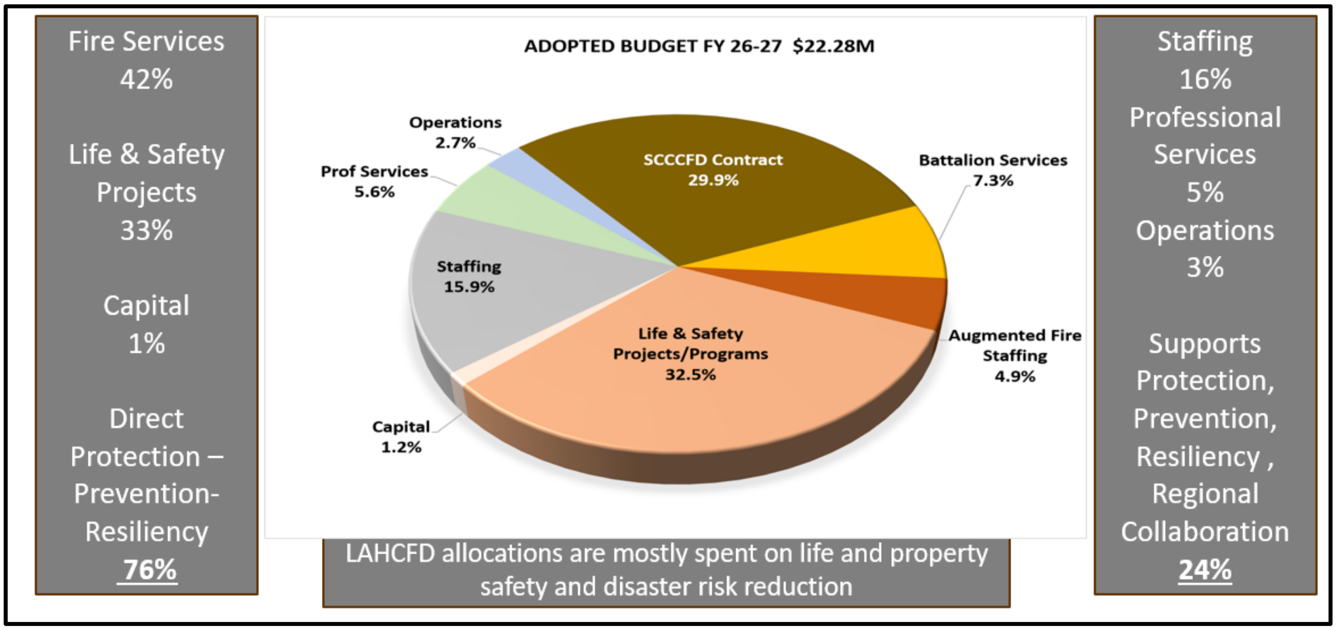
Fire contract services are expected to increase by $394,640, or 5%, reflecting County COLA contract-based increases only, with no modifications in the service contracts. The execution of the ten-year contract extension in February 2026 ensures stable maintenance of services and cost levels for this mission critical core contract with Santa Clara County Central Fire.

Although not a factor of variance this year, two years ago the Budget included funding for a District capable fire truck, in the amount of $1.9M, to augment the SCCCFPD fire apparatus fleet serving LAHCFD and the greater region. The Budget assumes the payout of this amount, from reserves, within FY26-27. The District entered a contract with SCCCFPD for this procurement in FY24-25 and subsequently two fire engines estimated at $2.3M. Due to supply chain delays, allocations for these capital procurements are expected to be administratively rolled forward into the FY26-27 Budget, pending County approval, following adoption. These fire apparatus rollovers are summarized, along with other key rollovers, in the following sections of this narrative.

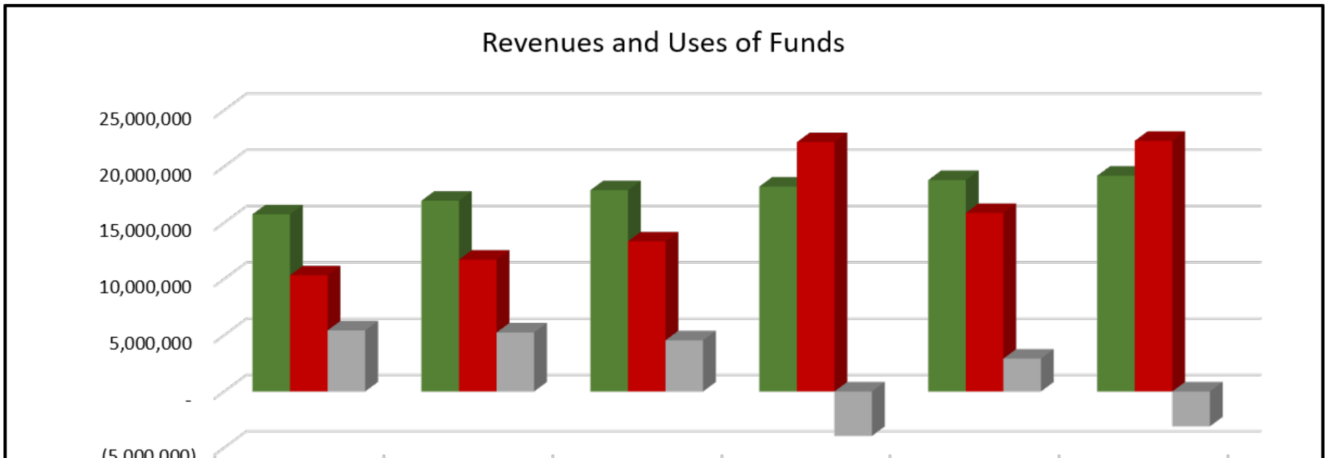
SUMMARY SCHEDULES & FUND BALANCES

Fire and Emergency Medical Service contract costs, including Battalion Chief services and augmented high-fire seasonal staffing, make up 42% of appropriations, with another 33% applied to District-directed life and safety measures, including fire risk mitigation, preparedness projects and programs, and community outreach and education, and 1% for supporting capital. The remaining 25% is applied to District staffing, administration, and operational support.

Operating and administrative appropriations are made up of salary and benefits at 16%, professional and specialized contract services (consultants) at 5%, and 3% for general operations. The bulk of 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.

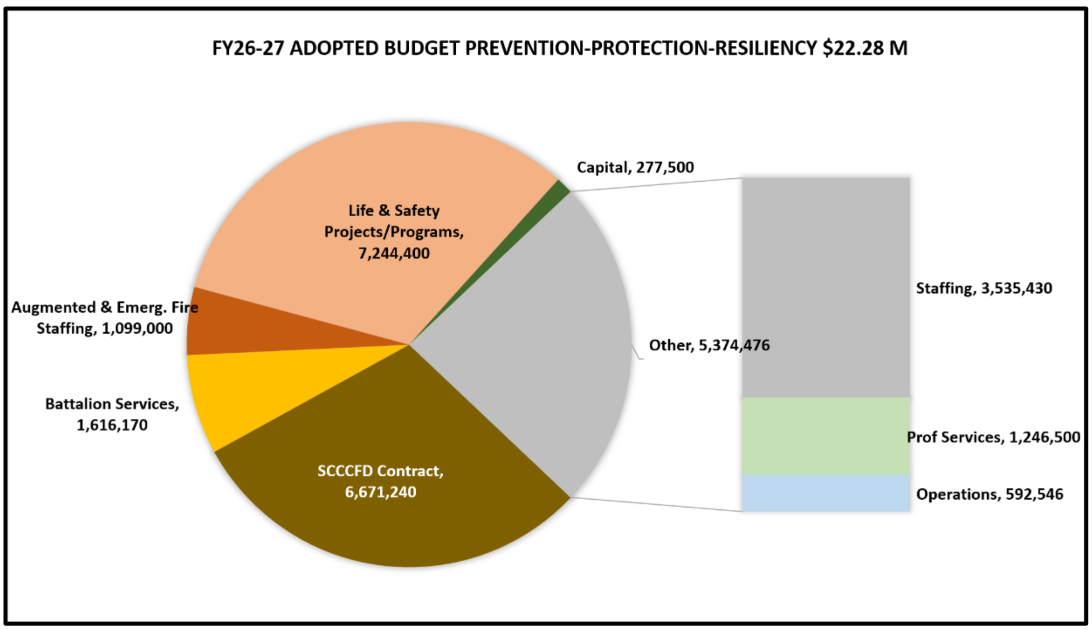


In the following charts, three years of actual revenues and expenditure are displayed along with estimates for the current year and Budget projections for FY26-27. It also reflects the net change in fund balance over the past several years resulting in both committed and available fund balance.



	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Revenue	15,747,970	16,958,338	17,891,550	18,215,825	18,791,625	19,181,000
Uses	10,322,117	11,714,786	13,342,699	22,167,034	15,869,975	22,282,786
Surplus (Use)	5,425,852	5,243,552	4,548,851	(3,951,209)	2,921,650	(3,101,786)

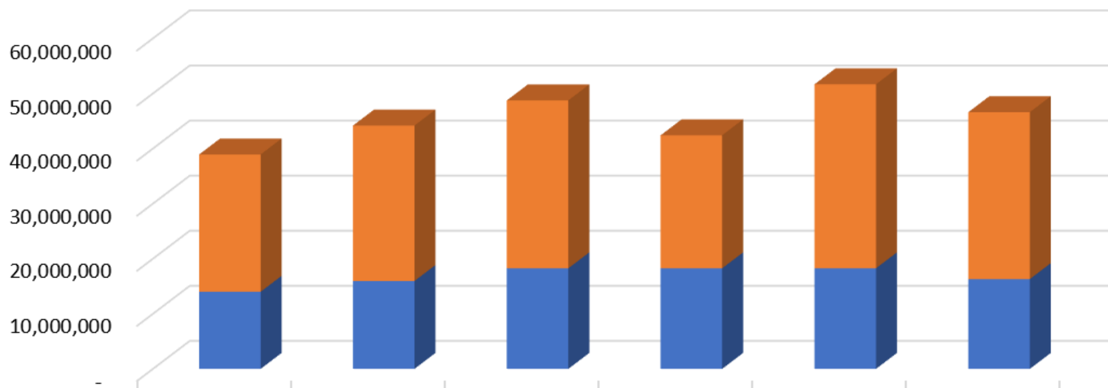
Fund balance commitments are allocated via District Commission action. The graph below reveals actual and projected fund balances for the past five years and District unassigned fund balances consistent with the year-end audit. The County classifies these balances as "Assigned" from the perspective that they are associated with a component unit sub-agency (LAHCFD).



The District, in line with the County, complies with the GASB 54 fund balance classifications of "Committed" and has established five commitment balances as defined below. The $1.9M funding payment for one fire truck is projected to occur within FY26-27, which is evident in the decrement in the reduction of balances from FY25-26. The Budget continues the $2.3M in fund commitments for the one fire truck and will adjust budget allocations in the actual year of payment. Both commitment values agree with the audit report classification, recognizing contractual obligations with SCCCFPD for the funding of two fire trucks and one fire engine.

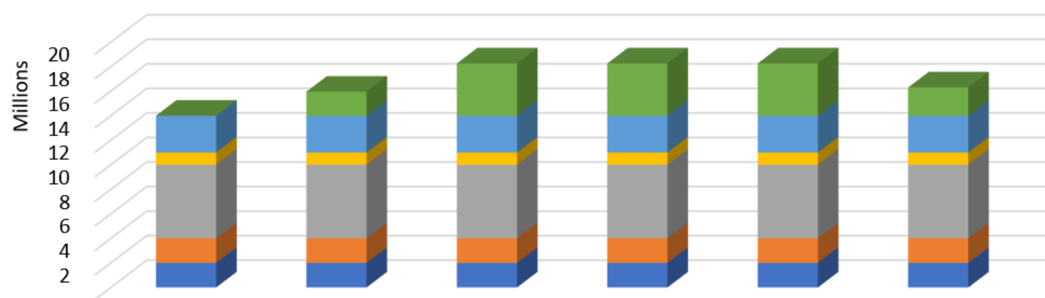
Fund Balance Classifications & Components

Five Year Total Fund Balance Trend



	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Unassigned funds	24,922,221	28,209,061	30,477,149	24,145,698	33,398,799	30,297,013
Committed Funds	14,000,000	15,956,713	18,256,713	18,256,713	18,256,713	16,300,000

Components of Committed - Assigned Funds



	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Fire Appartus	-	1,956,713	4,256,713	4,256,713	4,256,713	2,300,000
Hydrants	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Widlfire Tech	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Bldgs & Improv.	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Emergency Ops	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
operations	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000

Committed to 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 PPG/IHFR programs and hydrant/infrastructure as these are included in Emergency Operation commitments.

Committed to 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 could 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 PPG/ 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 actively exploring early warning technology committed $1,000,000 toward future technological advancements in firefighting, including Wildfire Detection systems, audible early warning systems, and advancements in emergency communications with local agencies and utilities. These earmarked funds bolster existing Budget allocations and rollovers targeting this effort in coordination with the County and regional agencies.

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

The District owns approximately 560 fire hydrants, lateral pipes and related infrastructures in the Purissima Hills Water District, a utility serving two-thirds of Los Altos Hills. The District is committing funds for District-owned hydrant systems and related infrastructure upgrades. As part of the FY23-24 independent financial audit, the estimated historical cost of this system was set at $4.8M, underscoring the critical nature of this infrastructure.

Committed to Contracted Apparatus Funding - $2,300,000

Consistent with FY23-24 financial audit disclosures and County-approved contractual commitments with SCCCFPD (executed in both FY23-24 and FY24-25), these committed dollars will reimburse SCCFPD for the contracted purchase of two fire engines ($1.95M) with and one fire truck ($2.3M) scheduled for delivery by the end of FY26-27 due to supply chain delays (original total $4.25M). These amounts are recorded in this Budget in recognition of the executed agreement obligations noted above. Payment of $1.95M for the one fire truck is estimated to take place in FY26-27 and committed funds for the $2.3M fire truck reimbursement will be adjusted to budget allocations in coordination with the County at the time of payment, most likely FY27-28.

Unassigned Classification

Unassigned Fund Balance

The remaining fund balance (projected at $30,296,513 at the end of FY26-27) will be classified as unassigned and are generally available for the District in operations and infrastructure improvements subject to County Budget approvals. This represents the residual following an estimated use of fund balance and investment in the community of $3,102,286 as projected in the Budget.

As the District considers and projects the potential use of these unassigned dollars in line with its long-term strategic plan, it anticipates the construction costs for a new District funded and owned centrally located fire /community facility, at a preliminary cost estimate of $15M. A contract for the design of this facility is scheduled for execution in June or July 2026. This initiative aims to improve supporting emergency readiness and preparedness activities and emergency response times.

Available fund balances allow for the potential annual cost of expanded firefighter funding if a new facility becomes a reality. They also provide for future enhancements and upgrades to all existing facilities. Furthermore, near-term projections include the expected use of $6,900,000 (for all three phases), or more, pending final contractual estimates, for the completion of the regional I-280 Fuel Break infrastructure project as well as the future need to maintain this fuel break on an ongoing basis.

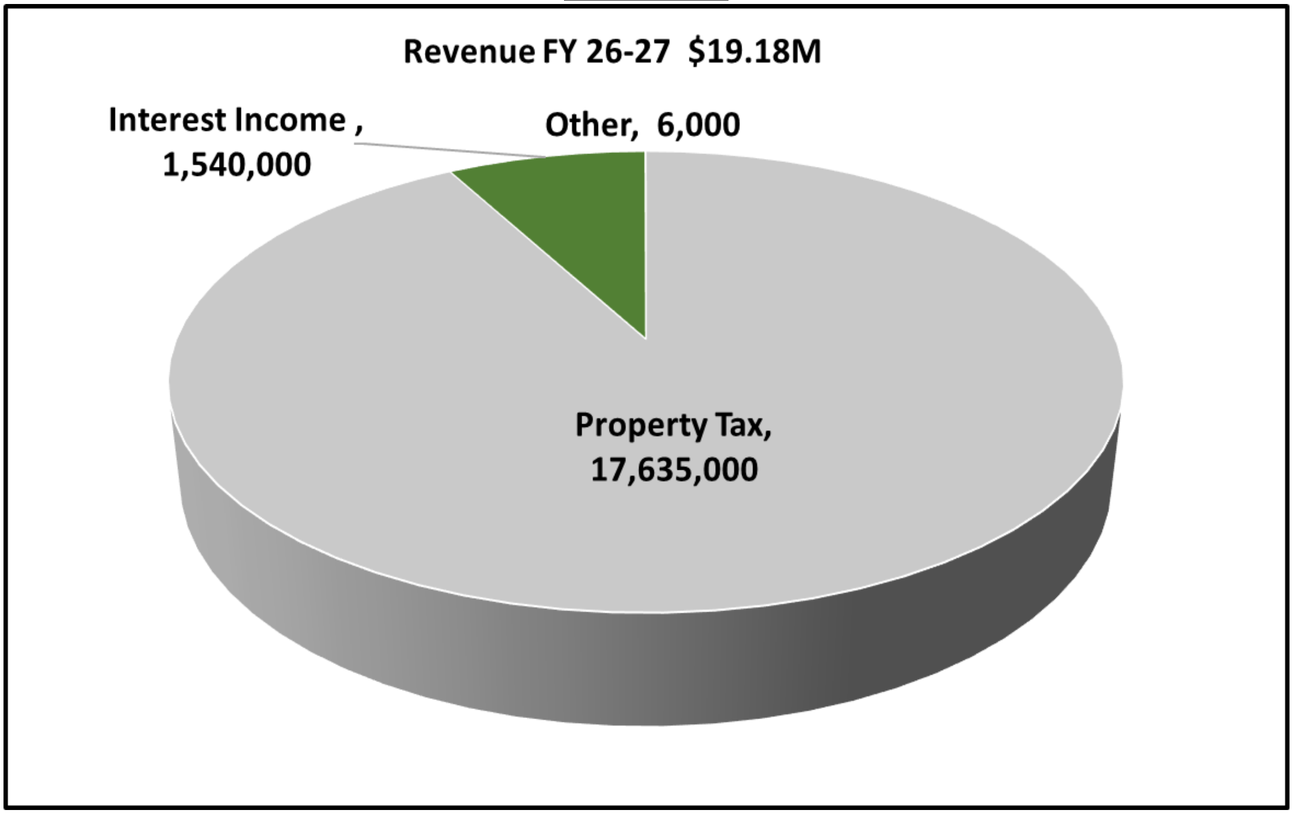
PROJECTED ROLL-OVER ALLOCATIONS

As described above, the County monitors and approves District rollovers requests for items related to major multi-year and infrastructure projects and contracted purchase obligations. These items are listed below, representing FY24-25 approved rollovers and projected FY25-26 rollovers, are not included in the FY26-27 Budget as they are subject to annual review and approval at, or soon after, final County budget adoption. These project rollover amounts do not impact the District's State required annual GANN limitation.

Infrastructure & Major Projects	Rollover Into FY25-26	FY25-26 Midyear Adj	FY25-26 Rollover + Adj	FY26-27 Projected Rollover	FY26-27 Projected Spent	FY26-27 Projected Combined Rollover
	APPROVED BY COUNTY FY25-26					
Regional New Fire Facility Study	350,000		350,000	715,000		1,065,000
Regional PEIR	100,000		100,000	250,000		350,000
Regional Contracted 3 Fire Apparatus	1,959,134	2,300,000	4,259,134	4,259,134		4,259,134
						-
Regional I-280-Fuel Break Yr 1,2,3	1,000,000		1,000,000	2,750,000	(400,000)	3,350,000
Regional AI Fire Detection Tech	250,000		250,000			250,000
IT Equipment & Upgrades	75,000		75,000	42,500		42,500
Vehicles- Small SUV	47,500		47,500	-		-
Total	**3,781,634**	**2,300,000**	**6,081,634**	**8,016,634**	**(400,000)**	**9,316,634**

ACCOUNT BY CATEGORY & LINE ITEM

REVENUES



PROPERTY TAXES & OTHER REVENUE

Property Taxes are 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 based on its latest estimates.

Revenue	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Property Tax	14,879,392	15,545,992	16,279,771	16,576,000	17,149,000	17,635,000
Interest Income	868,578	1,408,206	1,604,675	1,639,625	1,639,625	1,540,000
Other	-	4,140	7,104	200	3,000	6,000
Total	**15,747,970**	**16,958,338**	**17,891,550**	**18,215,825**	**18,791,625**	**19,181,000**
Annual Growth Factors	12.62%	7.69%	0.75%	1.81%	5.03%	2.07%
% Over (Under) Prior Year Budget						5.30%

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 a majority of the revenue.

Secured Property Tax	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Secured Property Tax	13,443,875	14,205,151	14,930,101	15,309,000	15,770,000	16,256,000
Annual Growth Factors	7.47%	5.66%	-0.07%	2.54%	5.63%	3.08%
% Over (Under) Prior Year Budget						6.19%

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 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Unitary Property Tax	64,849	73,538	84,735	85,000	96,000	96,000
Annual Growth Factors	11.50%	13.40%	-0.31%	0.31%	13.29%	0.00%
% Over (Under) Prior Year Budget						12.94%

Unitary Property Taxes Railroad:
Railroad unitary property taxes which are assessed by the State Board of Equalization.

Property Tax - Unitary RailRoad	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Unitary Property Tax -Railroad	1,285	1,344	1,339	1,000	1,000	1,000
Annual Growth Factors	5.55%	4.63%	33.90%	-25.32%	-25.32%	0.00%
% Over (Under) Prior Year Budget						0.00%

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 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Unsecured Property Tax	709,238	801,075	758,775	817,000	758,000	758,000
Annual Growth Factors	4.34%	12.95%	-7.13%	7.67%	-0.10%	0.00%
% Over (Under) Prior Year Budget						-7.22%

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 additional funding needed 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.

The Budget anticipates continued consistency in remodel and building activity in a lowered interest rate environment.

Supplemental Senate Bill 813 Tax	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Supplemental Senate Bill 813 Tax	541,280	338,107	377,860	237,000	377,000	377,000
Annual Growth Factors	57.98%	-37.54%	59.43%	-37.28%	-0.23%	0.00%
% Over (Under) Prior Year Budget						59.07%

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 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Homeowner Property Tax Relief	39,734	40,115	38,686	39,000	38,000	38,000
Annual Growth Factors	-2.42%	0.96%	-3.29%	0.81%	-1.77%	0.00%
% Over (Under) Prior Year Budget						-2.56%

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 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Educational Revenue Augmentation	79,132	86,662	88,275	88,000	109,000	109,000
Annual Growth Factors	-22.08%	9.52%	0.31%	-0.31%	23.48%	0.00%
% Over (Under) Prior Year Budget						23.86%

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. This revenue source has experienced significant growth given Federal rate increases in recent years but is expected to moderate as rates decline and fund balances are used.

Interest - Deposits-Investments	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Interest - Deposits and Investments	868,578	1,408,206	1,604,675	1,639,625	1,639,625	1,540,000
Annual Growth Factors	248.94%	62.13%	3.51%	2.18%	2.18%	-6.08%
% Over (Under) Prior Year Budget						-6.08%

Other/Miscellaneous Revenues:
This account covers other sundry income streams such as postal reimbursements and the distribution of dividends from the State Compensation Insurance Fund.

Other/Miscellaneous Revenues	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Other Misc. Revnue	-	4,140	7,104	200	3,000	6,000
Annual Growth Factors	-100.00%	-	3452.00%	-97.18%	-57.77%	100.00%
% Over (Under) Prior Year Budget						2900.00%

EXPENDITURES

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

Expenditures	Act 22-23	Act 23-24 *	Act 24-25	Bdgt 25-26	Bdgt 26-27	%
Salaries & Payroll Taxes	980,324	1,412,914	1,899,002	3,021,480	3,223,830	14%
Benefits	-	-	254,201	351,150	311,600	1%
Operating Expenditures	352,297	375,373	302,055	553,784	592,546	3%
SCCCFPD Contract Services						
Fire & Emerg. Medical Response	5,492,616	5,764,998	6,023,250	6,353,560	6,671,240	30%
District Augmented Life & Safety Services						
Battalion Chief	1,330,638	1,396,626	1,459,188	1,539,210	1,616,170	7%
Additional Staffing Fire Safety Services	438,551	437,165	623,490	1,082,950	1,099,000	5%
Funding Fire Apparatus	-	-	-	-	-	0%
Life & Safety Projects & Programs	1,346,195	1,850,746	2,077,854	6,770,810	7,244,400	33%
Capital Equipment	-	67,697	152,046	328,050	277,500	1%
Prof. & Specialized Serv.	306,604	349,905	492,786	1,950,040	968,990	4%
Consulting Services	74,892	59,363	58,826	216,000	277,510	1%
	10,322,117	**11,714,786**	**13,342,699**	**22,167,034**	**22,282,786**	**100%**

SALARIES & PAYROLL TAXES

The Budget maintains the District's ability to deliver high-impact projects at a sustained current staffing level of 13.5 FTEs, a staffing compliment that is nearly 100% filled. In the face of planned major projects and underway, this Budget also includes supporting temporary employees and professional services. These combined allocations (staffing and contract/prof services) are important in oversight and management of the multi-year I-280 project now entering full implementation mode. Doing so allows staff to still provide the same depth of projects, programs, and services that the community expects from the District and continues the momentum of community projects of high safety impact.

Permanent Employees - Special Districts	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Permanent Employees - Special Districts	791,464	1,279,957	1,703,817	2,488,665	2,296,230	2,627,200
Annual Growth %	35.31%	61.72%	33.12%	46.06%	-7.73%	14.41%
% Over (Under) Prior Year Budget						5.57%

Benefits	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Employee Benefits	-	-	254,201	351,150	298,500	311,600
Annual Growth %	-	-	-	38.14%	-14.99%	4.39%
% Over (Under) Prior Year Budget						-11.26%

Overtime & Payroll Taxes	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Overtime & Payroll Taxes	84,936	103,530	144,960	216,215	183,725	280,030
Annual Growth %	53.60%	21.89%	40.02%	49.15%	-15.03%	52.42%
% Over (Under) Prior Year Budget						29.51%

The table below, and following job descriptions, reflect the proposed employee roster tally including the prior year comparison, position titles, descriptions, and salary/rate information for each. Unless otherwise noted, the compensation for each position includes Health Reimbursement Account and Deferred Compensation contributions.

In FY26-27, in concert with the Service Area Budget and Workplan development, the Organization Chart has been reorganized and restructured given FY25-26 staffing changes and operational needs. The position count chart below reflects a blending of the former Outreach Service Area into the redesigned Ops-Admin; PPG; CERR; and Finance-IT Service Areas. This reflects the District's commitment to remaining nimble in the face of change and following a pattern of always pushing forth with operational improvements to enhance service delivery.

POSITION COUNT (rounded)				
FY 2025-2026	**Count**		**FY 2026-2027**	**Count**
Regular Employees		**Reclassifications**	**Regular Employees**	
General Manager	1.00		General Manager	1.00
Comm. Ed. & Risk Red. Mgr.	0.50		Comm. Ed. & Risk Red. Mgr.	1.00
District Clerk	0.50		District Clerk	0.50
Emergency Services Mgr.	1.00		Vacated & reorganized	
Operations Mgr.	1.00		Operations Mgr.	1.00
Prog., Planning & Grants Mgr.	1.00		Prog., Planning & Grants Mgr.	1.00
Technical Analyst/Project Mgr.	0.50		Technical Analyst/Project Mgr.	0.50
Finance & Info Technology Mgr.	0.50		Finance & Info Technology Mgr.	0.70
Community Events Specialist	1.00		Community Events Specialist	1.00
Field Mgr.	1.00		Field Mgr.	1.00
Project Specialist	1.00		Vacated & reorganized	
General Analyst	1.00		General Analyst	1.00
Technical Data Analyst	1.00		Technical Data Analyst	1.00
Project Specialist Risk Red.	1.00		Project Specialist Risk Red.	1.00
Operations Project Mgr.	0.50		Operations Project Mgr.	0.50
Admin Specialist	1.00		Admin Specialist	0.80
			CERR Specialist	0.50
			IHFR Specialist	0.50
			Finance Program Specialist	0.50
Total FTE	**13.50**		**Total FTE**	**13.50**

General Manager (1.0 FTE)

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 converted to a full-time (1.0 FTE) position to reflect the increased time required to perform operational services and interface with regional partners and the County Board of Supervisors.

Community Education & Risk Reduction Manager (1.0 FTE)

In FY22-23, a part-time position (0.5 FTE), Community Education & Risk Reduction (CERR) Manager, was approved to manage education, outreach, and risk reduction programs in the community. This position supports 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 CERR Manager also coordinates with District staff on community education and outreach efforts to support community participation in the District's comprehensive emergency and disaster programs, training, and workshops. In June 2025, responsibilities for this position were reorganized and extended to include the education components of the Emergency Services Manager position vacated in June 2025. This results in an increase to a full-time 1FTE level for this critical and strategic manager position. On a related note, the noted reorganization did result in the creation of a supporting part-time position titled "CERR Specialist" (see below). The position roster will continue to be evaluated as organizational transition takes place.

District Clerk (.50 FTE)
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, archiving documents, 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.

Emergency Services Manager (ESM) (Vacated FY25-26, Reorganized and FTE Reallocated)
The Emergency Services Manager (ESM), previously contracted through SCCCFPD, was introduced as a part-time position in September 2019 and increased to a full (1.0 FTE) position in FY2022-23. The ESM oversaw and managed community projects, outreach, and education related to emergency preparedness services. Responsibilities included 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 coordinated with the CERR Manager on outreach presentations, such as Firewise USA Communities and Neighborhood Evacuation Drills. The ESM coordinated with the Operations Manager and participated in projects to implement evacuation routes, emergency roads, and early warning notification programs. The ESM also coordinated with the Communications Team for outreach and public notifications. This position also coordinated with the Santa Clara County Office of Emergency Management during events and provided updates to the staff. This position was vacated as of June 2025 and related responsibilities were reallocated, reorganized, and blended into the PPG, CERR and Finance -IT Service areas with a focus on optimizing operational effectiveness. Overall FTE count was not impacted by this reclassification, and the position roster has been updated for FY26-27 as noted above.

Operations & Administrative Manager (1.0 FTE)
After being vacant in the prior year, this position was filled in FY25-26 at a part-time .50 FTE level,

leaving .50 available for future capacity needs. This critical strategic position was the catalyst for redesigning the newly named Operations & Administration Services Area (previously Personnel, Organization and Strategic Planning). The District Operations & Administrative Manager (Operations Manager) provides operational support and oversight of programs including public works operations and administration, engineering services relating to fire facility feasibility and building construction, hydrant systems, maintenance and repair, oversight of the wildfire early warning device pilot project, and administrative and organizational functions that include risk management, claims administration, Commission meeting preparation. These responsibilities enable the District to conduct its daily operations and achieve its deliveries effectively and within the Budget. The Operations Manager reports to the General Manager and is integral to the management and oversight of services to benefit the community and the District in its mission to protect the lives, property, and environment for the Town of Los Altos Hills and adjacent County areas.

Programs, Planning and Grants Manager (1.0 FTE)
The full-time Programs, Planning and Grants (PPG) Manager manages programs and grant activities. 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 as a 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.

In June 2025, responsibilities for this position were reorganized and extended to include the Outreach components of the ESM position which was vacated in June 2025. The position roster will continue to be evaluated as organizational transition takes place.

Technical Analyst/Project Manager (.50 FTE)
This part-time Technical Analyst/Project Manager position manages components of projects including vegetation mitigation along evacuation road routes, support for the construction of shaded fuel breaks along roadways, and coordination of logistics, Workplans, vendors and teams between project planning and the implementation phases with the Field Manager and contractors. This position provides project management support for the maintenance and repair of the District's fire hydrants, and coordinates fire hydrant repair and replacement activities with the hydrant engineering consultant, water utility, Sheriff's Office, SCCCFPD, Town of Los Altos Hills and other affected agencies. The Technical Analyst/Project Manager provides information to support claims related to damaged District assets, ensuring that responsible insurance carriers or other parties is accountable for the recovery of costs to the District and taxpayers. This position also tracks and reports performance measurements and metrics for the District's IHFR programs.

Finance & Information Technology Manager (.70 FTE)
The part-time Finance Manager position (re-titled this year and increased to .70 FTE from .50 FTE) is responsible, in coordination with staff and County personnel, for oversight of the District's Budget,

finance and fiscal operations including: the development, maintenance, and operation of the District's Annual Budget and related processes; development and processes to complete the District annual financial audit; filing of the annual State Controller's 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 a financial public portal; managing and collaborating with the IT Managed Service Provider for IT strategy; IT asset management and license tracking; and development of IT policies and procedures. This position reviews financial performance and Budget tracking and provides reports and presentations to the Board of Commissioners on such matters.

Community Events Specialist (1.0 FTE)
The full-time Community Events Specialist supports the CERR Manager, following the FY25-26 reorganization of the Outreach Service Area. Responsibilities include volunteer recruitment, resident outreach to form Firewise USA neighborhoods and support team deliverables, community events oversight for community education and training, marketing and outreach tailored to both general and underserved populations, support of Firewise USA team deliverables, coordination of project and program components to build resilient neighborhoods, community engagement 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.

Field Manager (1.0 FTE)
The full-time Field Manager position manages complex LAHCFD field vegetation mitigation projects to increase public and first responder safety in the event of wildfire, weather events, emergencies, or disasters. The Field Manager coordinates with the PPG Manager on evacuation route projects and community fuel breaks, oversees field work in the IHFR Programs, coordinates with first responders, residents and the public for ingress and egress routes in an emergency or disaster, and manages field data collection and metrics along the I-280 vegetation mitigation corridor. This position supports field operations related to prevention, protection, and emergency programs, and coordinates with various agencies, regional partners, residents, and planning staff to implement vegetation mitigation initiatives.

Project Specialist (Reorganized and FTE Reallocated)
The full-time Project Specialist position, retitled in FY24-25 from IHFR Specialist and reallocated to general administration, was vacant in FY25-26 and has been reclassified, reassigned, and reallocated into two operational positions in the CERR and Finance-IT Service Areas. These reclassified positions are noted in the Position Count chart above and include the .50 IHFR Specialist and .50 FTE Finance Project Specialist positions described below.

General Analyst (1.0 FTE)
The full-time General Analyst position assists with furthering the 2023-2027 Strategic Plan, the development and implementation of processes, the tracking of District programs, projects, reports, budget, and documentation, assists with social media platforms and website, prepares data and materials for Commission meeting reports, provides support for CERT and Teen CERT activities,

supports Community Outreach and Education (COE) emergency preparedness drills and activities, and assists with special assigned projects. This is a shared position supporting multiple Service Areas.

Technical Data Analyst (1.0 FTE)

The full-time Technical Data Analyst position was created in FY22-23 as a part-time position and upgraded to a full-time position in FY23-24. Duties include assisting with the District's Geographical Information System (GIS) Mapping Technology, helping evaluate innovative technology and resources to educate the community and align outreach communications with neighboring agencies, assisting managers with semi-annual reports and Workplan analytics, and providing analytical support to programs and administrative personnel.

Project Specialist Risk Reduction (1.0 FTE)

The full-time Project Specialist Risk Reduction position supports various programs such as Firewise USA and other initiatives that require specialized project skills, knowledge and abilities related to fire science and risk reduction. This position supports the accomplishment of District strategies and programs and contributes operational expertise to ensure the successful completion of assigned projects.

Operations Project Manager (.50 FTE)

The part-time Operations Project Manager (temporarily funded in FY23-24 due to the Operations Manager position vacancy) was added in FY24-25 to assist with CERR management projects and programs. The position requires specialized knowledge to provide operational and administration support, manages project operations and related contract services, and develops methods to ensure continuous improvement of service deliverables to protect the lives, property, and environment within the community. Responsibilities include developing, implementing, and monitoring day-to-day operational systems and processes supporting key initiatives and Strategic Plan goals, including the HIZ Program, assisting in the development of evacuation routes, emergency fire and assess roads projects, temporary refuge area development, emergency communication and evacuation plan coordination, support of weed abatement activities in coordination with County Weed Abatement and the County Fire Marshal Office, and operational project management of programs and projects with partner agencies, stakeholders and the public.

Administrative Specialist (.80 FTE)

The full-time (originally 1.0 FTE) Administrative Specialist was added in FY24-25 to assist in the Fin-IT and Ops-Admin Service Areas and support the 2023-2027 Strategic Plan through development and implementation of processes for District programs, projects, and documentation. This position builds District organizational tools, including the preparation of Standard Operating Procedures (SOPs) for agency tasks, processes, and functions such as fiscal reporting and systems projects, assists in budget development, supports annual audit processes and filings, and provides administrative support to strengthen the District's administrative infrastructure. The current .80 FTE level aligns with the most current employment contract for this position.

Finance Program Specialist: (.50FTE) (Newly Reclassified/Reorganized Position)

The part-time Finance Program Specialist was added in FY25-26 reporting to the Finance & IT Manager and assisting the Finance Team in continuous improvement of service delivery. The Finance Specialist is critical in the oversight of accounting operations, annual audits, financial processes, financial systems, government reporting requirements, and payroll/human resources. This position assists with fiscal reporting reviews and related systems, annual audit process and filings, compliance with and preparation of financial standard operations procedures, development of finance desk procedures, finance operations and budget processes, key information technology projects, and financial report and agenda packet preparation, as needed. The Finance Program Specialist assists with components of finance programs, projects, and activities that rely on project management deliverables for successful implementation and completion including development of workplans, monitoring progress and deadlines, problem solving, fiscal impact and budget monitoring. Overall FTE count was not impacted by this reclassification, and the position roster has been updated for FY26-27 as noted above.

Community Education Risk Reduction Specialist: (.50FTE) (New Reclassified/FTE Reorganized Position)
The Community Risk Reduction (CRR) Specialist is a part-time position added in FY25-25 reporting to the CERR Manager and assisting in implementing the HIZ Program to achieve the Strategic Goals and further the District Mission. The District CRR Specialist provides specialized support for the HIZ Program, encourages resident participation, educates the residents, and strengthens the ability of neighborhoods to withstand destruction from a wildfire event. The CERR Specialist also supports components of other programs, services, and activities related to community risk reduction. The CRR Specialist is integral in managing services to benefit the community and the District in its mission to protect the lives, property, and environment for the Town of Los Altos Hills and adjacent County areas. Overall FTE count was not impacted by this reclassification, and the position roster has been updated for FY26-27 as noted above.

Integrated Hazardous Fuel Reduction Program Specialist: (.50FTE) (New Reclassified/FTE Reorganized Position)
The Integrated Hazardous Fuel Reduction (IHFR) Program Specialist is a part-time position added in FY25-26 reporting to the PPG Manager and assisting the District team with planning, implementing, and evaluating IHFR projects and Community Outreach and Education projects, resulting in better service delivery and participant satisfaction. Under general direction, the IHFR Program Specialist is proactive and self-managed, able to work independently or collaboratively with the District team to complete projects. The IHFR Program Specialist brings knowledge and experience in geographic information systems (GIS), data management, documentation, administrative tasks, and community outreach. Overall FTE count was not impacted by this reclassification, and the position roster has been updated for FY26-27 as noted above.

Temporary & Seasonal Employees
This account facilitates the hiring of temporary and seasonal positions to support community readiness projects including: 1) community events; 2) emergency preparedness fairs; 3) coordination with the Town of Los Altos Hills regarding residential concerns about fire hazards, hydrant issues involved with development of property, weed and vegetation mitigation; 4) CERT volunteer training, programs, and drills; 5) personnel to assist with the HIZ Program; and 6) coordination with Firewise USA Communities and neighborhood evacuation practice and drills.

Position titles in FY25-26, some of which provided an effective pathway to recruitment and permanent employment, included Community Risk Reduction Specialist I (rates of $40.00-$65.00/hr.) Community Risk Reduction Specialist II (rate of $65.00 -$80.00/hr.), Program Specialist I (rates of $30.00-$55.00/hr.), and Program Specialist II (rates of $56.00-$85.00/hr.) This account remains to address the support needs and demands expected with the full implementation of the I-280 Project while maintaining momentum on high impact life and property safety projects and programs. With permanent staffing at full capacity, this allocation provides flexibility and the ability to scale resources in response to changing operational demands. These positions receive no benefits.

Temporary & Seasonal Employees	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Temporary & Seasonal Employees	103,924	63,176	50,225	175,000	140,000	175,000
Annual Growth %	-	-39.21%	-20.50%	248.43%	-20.00%	25.00%
% Over (Under) Prior Year Budget						0.00%

BENEFITS (Permanent Employees)

This line item reflects the fully implemented employee benefits for the District’s permanent staff positions to fortify resource recruitment and retention. Health Reimbursement Account reimbursements and Deferred Compensation contributions were formally introduced in FY24-25 and have been adjusted in the current Budget based on the employee’s selected benefit level.

Benefits	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Employee Benefits	-	-	254,201	351,150	298,500	311,600
Annual Growth %	-	-	-	38.14%	-14.99%	4.39%
% Over (Under) Prior Year Budget						-11.26%

OPERATING EXPENDITURES

Liability Insurance (FAIRA)

The District entered an insurance policy with the Fire Agencies Insurance Risk Authority (FAIRA), which provides comprehensive assets and liability coverage. In FY21-22, costs increased with a rise in the current value assessment of the El Monte Fire Station. The FY26-27 Budget anticipates valuation increases associated with staffing levels, optimizing infrastructure risk management, and the addition of District vehicle fleet coverage.

Liability Insurance (FAIRA)	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Liability Insurance (FAIRA)	20,672	22,953	26,094	65,000	30,000	77,000
Annual Growth %	-10.44%	11.03%	13.68%	149.10%	-53.85%	156.67%
% Over (Under) Prior Year Budget						18.46%

Workers’ Comp. - Special Districts

The District maintains Workers’ Compensation coverage through the State Compensation Insurance Fund (SCIF). This account tracks Workers’ Compensation expenditures for employees. Coverage costs are projected to increase in FY26-27 due to full staffing levels and higher classification rates associated with expanded field operations and project activity.

Workers Comp (State Comp Insurance Fund)	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Workers Comp (State Comp Insurance Fund)	19,474	48,899	44,089	80,000	87,000	125,000
Annual Growth %	61.46%	151.10%	-9.84%	81.45%	8.75%	43.68%
% Over (Under) Prior Year Budget						56.25%

Commissioners Fee

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

Commission Fee	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Commission Fee	9,500	8,200	9,100	18,000	13,500	18,000
Annual Growth %	18.75%	-13.68%	10.98%	97.80%	-25.00%	33.33%
% Over (Under) Prior Year Budget						0.00%

Maintenance – Structures & Grounds

This account includes the monthly landscaping services and maintenance for the El Monte Fire Station and District parcel. These costs have been reclassified as operating allocations.

Maint. - Structure & Grounds	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Maint. - Structure & Grounds	9,744	23,689	7,037	18,500	13,900	19,000
Annual Growth %	89.39%	143.11%	-70.29%	162.90%	-24.86%	36.69%
% Over (Under) Prior Year Budget						2.70%

Office Expenses

This account includes amounts spent on postage, copier expenses, shredding, Commissioner meeting accommodation, business cards and letterhead, and other typical office expenses. In recent years, this line item was adjusted to exclude employee stipends, now reflected under the payroll category. Office costs are expected to increase in FY26-27 due to full staffing.

Office Expenses	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Office Expenses	36,934	57,116	23,725	17,830	26,200	35,000
Annual Growth %	72.98%	54.64%	-58.46%	-24.85%	46.94%	33.59%
% Over (Under) Prior Year Budget						96.30%

Workshops, Conferences & Seminars

This account covers expenditures for employee development, training, and continuing education. Expenditure levels have increased to support expanded staff training and professional development for both existing and newly hired staff. This continued allocation reflects the strategic need for staff development, subject matter expertise, continuing education, and certification.

Workshops, Conferences & Seminars	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Workshops, Conferences & Seminars	23,916	24,565	14,373	107,120	60,700	91,000
Annual Growth %	266.47%	2.71%	-41.49%	645.31%	-43.33%	49.92%
% Over (Under) Prior Year Budget						-15.05%

Professional Services - Internal

This account covers an administrative processing fee paid to the County related to property tax processing.

Professional Services - Internal	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Professional Services - Internal	462	231	-	500	-	500
Annual Growth %	100.00%	-50.00%	-100.00%	-	-100.00%	-
% 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, included as of the latest February projections, of the fee as part of its revenue projections.

Property Tax Admin Fee	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Property Tax Admin Fee	125,590	119,360	134,640	138,000	141,000	134,000
Annual Growth %	8.69%	-4.96%	12.80%	2.50%	2.17%	-4.96%
% Over (Under) Prior Year Budget						-2.90%

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. The District expects increased activity in this cost area in FY26-27.

Publications and Legal Notices	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Publications and Legal Notices	5,014	4,035	1,016	7,700	3,100	10,000
Annual Growth %	-44.15%	-19.53%	-74.82%	657.87%	-59.74%	222.58%
% Over (Under) Prior Year Budget						29.87%

IC – Cost Allocation Plan

Beginning FY21-22, this account covers overhead allocation costs as calculated by the County’s Cost Management Unit included as of the latest February projections.

IC - Cost Allocation Plan	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
IC - Cost Allocation Plan	78,934	28,151	5,843	41,134	41,200	35,046
Annual Growth %	31.57%	-64.34%	-79.24%	603.99%	0.16%	-14.94%
% Over (Under) Prior Year Budget						-14.80%

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. FY26-27 reflects an increase in cost trends.

Self Insurance Claim (Wkr Comp Los Altos)	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Self Insurance Claim (Workers Comp Los Altos)	1,424	8,181	177	10,000	2,500	8,000
Annual Growth %	-30.72%	474.64%	-97.84%	5552.91%	-75.00%	220.00%
% Over (Under) Prior Year Budget						-20.00%

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 funding for unexpected costs in the operating expenditure category.

Miscellaneous/Operations Contingency	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Miscellaneous/Operations Contingency	20,634	29,995	35,962	50,000	35,000	40,000
Annual Growth %	274.01%	45.36%	19.89%	39.04%	-30.00%	14.29%
% Over (Under) Prior Year Budget						-20.00%

SCCCFPD CONTRACT SERVICES

Fire & Emergency Medical Response

Beginning January 1, 2017, the District renegotiated its contract with SCCCFPD 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. Thia adopted budget includes the renewed ten-year agreement that as executed and approved by the LAHCFD Commission on February 17, 2026. This renewal, along with the Battalion Chief augmented services renewal noted below, add critical continuity and cost control levels through 2031.

DISTRICT AUGMENTED LIFE & SAFETY SERVICES

SCCCFPD Service Contract	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
SCCCFPD Service Contract	5,492,616	5,764,998	6,023,250	6,353,560	6,353,560	6,671,240
Annual Growth %	4.04%	4.96%	4.48%	5.48%	0.00%	5.00%
% Over (Under) Prior Year Budget						5.00%

Battalion Chief Services

Battalion 14 services are part of the contract with SCCCFPD and are recorded in a separate account to better track expenditures. Battalion 14 covers 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 receives 1/15th credit of the adjusted base amount for Battalion Chief services. The budget reflects allocations based on the ten-year contract renewal noted above and approved and executed on February 17, 2026.

Battalion Chief Services	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Battalion Chief Services	1,330,638	1,396,626	1,459,188	1,539,210	1,539,210	1,616,170
Annual Growth %	4.04%	4.96%	4.48%	5.48%	0.00%	5.00%
% Over (Under) Prior Year Budget						5.00%

ADDITIONAL STAFFING & FIRE SAFETY SERVICES

SCCCFPD Supplies, Maintenance & Reimbursements

This account covers all reimbursements made to SCCCFPD, including monthly station communications costs and fire station upkeep and maintenance.

SCCCFPD Supplies, Maint & Reimbursements	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
SCCCFPD Supplies, Maint. & Reimbursements	2,799	2,993	3,272	4,000	4,000	4,000
Annual Growth %	6.55%	6.93%	9.32%	22.25%	0.00%	0.00%
% Over (Under) Prior Year Budget						0.00%

Extra Fire Season Staff

Prior to FY19-20, the District contracted SCCCFPD for three additional firefighters, nine hours per day during high fire hazard periods, as designated by Cal Fire. Starting FY20-21, the District coordinated with SCCCFPD to modify this policy to provide extra patrol staff on "high risk" fire days as needed.

Extra Fire Season Staff	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Extra Fire Season Staff	-	-	-	100,000	-	100,000
Annual Growth %	-	-	-	-	-100.00%	-
% Over (Under) Prior Year Budget						0.00%

Type 3 Fire Engine Rental

Under the contract with SCCCFPD the District rents a Type 3 Engine during the 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 SCCCFPD 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 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Type 3 Fire Engine Rental	-	-	-	50,000	-	50,000
Annual Growth %	-	-	-	-	-100.00%	-
% Over (Under) Prior Year Budget						0.00%

Palo Alto Fire Station #8

The District entered into a joint-agreement with SCCCFPD and the City of Palo Alto in FY21-22 to staff firefighters at the Palo Alto-owned Foothills Park Fire Station #8, which borders the District, during the fire season. This preventative and proactive funding is continued, adjusted for inflation, and, in the FY25.26 Budget, increased to allow for an additional month of service as high fire season patterns emerge. Over the past two years the District has paid for an additional month of coverage. Most recently, this agreement was renewed in January 2026, and the Budget estimates reflect the contractual amounts.

Palo Alto Fire Station #8	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Palo Alto Fire Station #8	435,752	434,172	620,218	623,950	623,950	640,000
Annual Growth %	11.49%	-0.36%	42.85%	0.60%	0.00%	2.57%
% Over (Under) Prior Year Budget						2.57%

Fire Protection Hand Crews

The Budget provides for collaboration with SCCCFPD fuels management crews on projects to improve resilience from wildfire and other disasters that affect overlapping and adjacent service areas. This account has been moderated for historical trends while the overall Budget still preserves attention on evacuation routes and fire roads.

Fire Protection Hand Crews	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Fire Protection Hand Crews	-	-	-	105,000	-	105,000
Annual Growth %	-	-	-	-	-100.00%	-
% Over (Under) Prior Year Budget						0.00%

.

Contract Services Contingency

The Budget includes funding to cover additional contract services that may be necessary to assist with fuel reduction programs, mitigate wildland fire exposure, implement CWPP best practices, assess firefighter requirements for hydrant relocation and additions, and address other areas requiring specialized fire service expertise. This account was moderated last year for historical trends.

Contract Services Contingency	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Contract Services Contingency	-	-	-	200,000	-	200,000
Annual Growth %	-	-	-	-	-100.00%	-
% Over (Under) Prior Year Budget						0.00%

FUNDING OF SCCCFPD APPARATUS

SCCCFPD Apparatus & Enhancements

The District funds SCCCFPD apparatus and related enhancements that directly benefit SCCCFPD's ability to keep the community safe and maintain disaster response. In FY20-21, funds were reimbursed to SCCCFPD for one fire water tender. The FY23-24 Budget included $2.125M in reimbursement funding for one fire truck to SCCCFPD. The County approved a mid-year Budget adjustment in FY24-25 to fund two additional fire engines at an estimated cost of $2.3M. Both the fire truck and two engines remain pending delivery and payment given supply chain delays. This Budget projects payment and use of committed reserves of $1.95M to fund one fire truck in FY26-27 (3rd /4th FY Qtr.) with the use of obligated and committed reserves. Payment of the $2.3M for two contractually committed fire engines is projected to take place in FY27-28. The Water Tender is in route and scheduled for delivery by August 2026, undergoing final equipping, and will be in service shortly thereafter.

SCCCFPD Apparatus & Enhancements	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
SCCCFPD Apparatus & Enhancements	-	-	-	-	-	-
Annual Growth %	-100.00%	-	-	-	-	-
% Over (Under) Prior Year Budget						-

SCCCFPD Fire Engine Water Tender	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
SCCCFPD Fire Engine Water Tender	-	-	-	-	-	-
Annual Growth %	-100.00%	-	-	-	-	-
% Over (Under) Prior Year Budget						-

LIFE & SAFETY PROJECTS & PROGRAMS

IHFR Defensible Space Brush Chipping & Debris Removal

The District funds on-site monthly IHFR Defensible Space Brush Chipping & Debris Removal service to reduce excess fuel loads from residential properties. Program service requests continue to increase with drier weather conditions and elevated wildfire risk from hazardous brushes, limbs, and branches. Allocations were increased in FY24-25, reflecting the growth in service demands and the large volume of chipping requests, with FY25-26 maintaining this momentum. This program is managed under contract by SCCFSC, with planning overseen by District staff. The prior year Budget was increased last year with funding for outreach and communications, as well as the introduction of contracted biomass disposal services in the range of $200K

IHFR Defensible Space Chipping & Debris Removal	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
IHFR Defensible Space Chipping & Debris Removal	734,615	788,602	805,064	1,044,125	872,000	1,050,250
Annual Growth %	71.21%	7.35%	2.09%	29.69%	-16.49%	20.44%
% Over (Under) Prior Year Budget						0.59%

IHFR Defensible Space Debris Monthly Dropoff

The District funds this program, which allows residents to drop off brush debris and other combustible plant materials once per month associated with property clean-up activities. The District reimburses the Town of Los Altos Hills, who contracts debris hauling services with Green Waste Recovery. The Town's contract was renewed in FY21-22, and the Budget reflects program costs enhanced for newly introduced biomass disposal services, consistent with chipping demand trends and expanded outreach and communications

IHFR Defensible Space Debris Monthly Dropoff	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
IHFR Defensible Space Debris Monthly Dropoff	56,178	77,741	68,232	80,350	73,000	73,500
Annual Growth %	1.14%	38.38%	-12.23%	17.76%	-9.15%	0.68%
% Over (Under) Prior Year Budget						-8.53%

IHFR Home Ignition Zone Assessment and Rebate (HIZ) Program

In contract with SCCFSC, the District provides HIZ assessment services and rebates for homeowners. Through this program, a trained representative from the District or SCCFSC visits participating homes to evaluate defensible space conditions and recommends measures for protecting the home from hazardous ignition and fuels. The program was temporarily halted in FY20-21 given COVID-19 social distancing requirements. FY26-27 projections include an increase of $191K, reflecting increased community participation and successful program activity. Staff projects a material increase in both demand and coverage in line with community response and added staffing and resources. The District is evaluating a potential enhancement (noted above) and increase in the rebate amount, subject to further study, analysis and County approval.

IHFR Home Ignition Zone (HIZ) Program	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
IHFR Home Ignition Zone (HIZ) Program	8,015	93,676	121,961	300,000	199,000	600,000
Annual Growth %	-51.39%	1068.76%	30.19%	145.98%	-33.67%	201.51%
% Over (Under) Prior Year Budget						100.00%

.

IHFR Evacuation Route & Vegetation Management

In FY19-20, the District entered a contract with SCCFSC to manage and oversee the IHFR Evacuation Route & Vegetation Management Program. This work removes hazardous vegetation along roadways to help reduce wildfire progress, creates defensive areas for firefighters to attack and suppress fires, and creates egress routes for resident evacuations and ingress routes for firefighters and emergency personnel. As was the case in FY25-26 allocations anticipate completion of six to eight evacuation routes per year. This line item now includes an additional $110K for the Flashy Fuel Pilot Program launched last year.

IHFR Evacuation Route & Veg. Management	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
IHFR Evacuation Route & Veg. Management	230,434	571,305	752,247	818,200	843,000	990,000
Annual Growth %	-15.59%	147.93%	31.67%	8.77%	3.03%	17.44%
% Over (Under) Prior Year Budget						21.00%

IHFR Open Space Fuel Break Program

This account was added in FY21-22 for creation of fuel breaks and vegetation reduction in the open space and high-risk wildfire areas within the District and adjoining territories. FY26-27 Budget allocations were moderated to allow for additional analysis and review of regional jurisdictional considerations and partnerships prior to initiating field work.

IHFR Open Space Fuel Break Program	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
IHFR Open Space Fuel Break Program	-	9,788	-	118,260	-	29,000
Annual Growth %	-100.00%	-	-100.00%	-	-100.00%	-
% Over (Under) Prior Year Budget						-75.48%

IHFR I-280 Fuel Break Project

This account supports the 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. This corridor is a critical evacuation route and to serve as a fuel break in the event of wildfire, earthquake, or other disasters. The District originally applied for two Cal OES/FEMA grants to assist with financing the multi-million-dollar project, but information gathered shifted the approach to dedicate internal funding using available reserves . The FY26-27 Budget allocations of $3.15M (an increase of $400K over the prior year) reflect the third, and anticipated final, year of the three-year phasing of this project initially estimated at $6M and adjusted for inflation in this Budget to $6.9M. The FY24-25 allocation of $1M was approved for County roll-forward, and staff also secured an additional $2.75M allocation for FY25-26. The need for internal professional services to manage this project was the primary driver of added resource requests in the prior year. LAHCFD realized with the solicitation and selection of TRC Solutions to design and manage the project. Ongoing vegetation maintenance will be necessary after completion of the project and staff will project these costs in future forecasts.

As noted above, the original grant-based cost estimate, updated for inflation in this Budget to $6.9M, is currently undergoing detailed engineering review and remains subject to material change as contract engineers finalize their independent cost analysis. A final project cost will not be established until the expected field project solicitation request is issued and completed. Engineering estimates have been finalized, with RFP results and award expected in May, June, and July 2026. Should project cost estimates exceed current allocations, staff will present decision points to the Commission for discussion of scope and cost considerations.

IHFR I-280 Fuel Break Project	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
IHFR I-280 Fuel Break Project	51,146	-	59,233	2,750,000	584,000	3,150,000
Annual Growth %	-	-100.00%	-	4542.68%	-78.76%	439.38%
% Over (Under) Prior Year Budget						14.55%

IHFR Goat Grazing Program

The District annually contracts for goats grazing with Ecosystem Concepts, Inc., to reduce hazardous fuel loads through prescriptive grazing, usually provided at the end of the fiscal year in May. FY26-27 allocations are increased to include the possibility of goat grazing in additional locations and the anticipation of increases in contract costs.

IHFR Goat Grazing Program	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
IHFR Goat Grazing Program	27,179	26,008	28,904	32,800	31,000	35,000
Annual Growth %	9.03%	-4.31%	11.14%	13.48%	-5.49%	12.90%
% Over (Under) Prior Year Budget						6.71%

Emergency/CERT/ARK Supplies

This account covers costs relating to management of the CERT and Teen CERT programs, training and drill activities, and maintenance of the emergency supply ARK. FY26-27 allocations support the purchase of supplies for readiness of effort and anticipate equipment replacement and repairs.

Emergency/CERT/ARK Supplies	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Emergency/CERT/ARK Supplies	31,444	49,713	62,401	80,220	57,000	81,750
Annual Growth %	-16.65%	58.10%	25.52%	28.56%	-28.95%	43.42%
% Over (Under) Prior Year Budget						1.91%

Vegetation and Response Equipment & Maintenance

This account was created for the purchase and maintenance of an equipped utility truck with the capacity to haul equipment and emergency trailers to support staff in managing evacuation routes and vegetation mitigation projects. Starting FY23-24, major equipment purchases were broken out into distinct capital accounts noted in the following sections. This account now covers maintenance costs for the District’s vehicles and response equipment.

Vegetation and Response Equipment & Maint.	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Vegetation and Response Equipment & Maint.	-	-	1,400	35,000	5,000	40,000
Annual Growth %	-	-	-	2400.00%	-85.71%	700.00%
% Over (Under) Prior Year Budget						14.29%

Hydrant/Infrastructure Repair, Maintenance & Additions

This account covers repair, replacement, and maintenance costs for District-owned hydrants and laterals within the Purissima Hills Water District service area. In prior years, this account expanded to

Hydrant/Infrastructure Repair, Maint. & Additions	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Hydrant/Infrastructure Repair, Maint. & Additions	137,108	50,440	15,038	223,800	103,000	170,000
Annual Growth %	-0.33%	-63.21%	-70.19%	1388.23%	-53.98%	65.05%
% Over (Under) Prior Year Budget						-24.04%

include the cost of hydrant and related infrastructure relocation and additions to provide better service coverage to the community. The District retained an engineering consulting firm to provide specialized services related to District-owned fire hydrants and associated infrastructure. FY26-27 allocations have been moderated to reflect actual trends while still allowing for the possibility of addressing larger scale Water District events and projects.

Neighborhood Evac. Drills and Outreach

The Neighborhood Evacuation Drills and Outreach Program encourage LAHCFD residents to improve community emergency preparedness through neighborhood evacuation drills, and related education and training. FY26-27 allocations anticipate expanded activity in the coming year.

Neighborhood Evac. Drills and Outreach	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Neighborhood Evac. Drills and Outreach	-	113	-	27,000	27,000	27,000
Annual Growth %	-	-	-100.00%	-	0.00%	0.00%
% Over (Under) Prior Year Budget						0.00%

Firewise USA Communities

Firewise USA 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 USA Community." Continuing from the prior year, participation is expected to increase due to enhanced education, integration with related projects, evolving state requirements, and heightened wildfire awareness. FY26-27 allocations have been moderated to reflect actual trends.

Firewise Communities	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Firewise Communities	12,752	38,252	51,078	103,100	86,000	90,000
Annual Growth %	-24.61%	199.97%	33.53%	101.85%	-16.59%	4.65%
% Over (Under) Prior Year Budget						-12.71%

Temporary Refuge Areas

This account was added to support collaboration with local agencies in identifying and developing temporary refuge areas for residents and emergency service workers during emergencies and disasters. FY26-27 allocations have been eliminated pending further study and research on the jurisdictional considerations in coordination with County guidance.

Temporary Refuge Areas	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Temporary Refuge Areas	-	-	-	75,000	-	-
Annual Growth %	-	-	-	-	-100.00%	-
% Over (Under) Prior Year Budget						-100.00%

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 supports activities such as project management and supervision, research of fire prevention and detection methods, and community education and engagement. FY26-27 allocations have been increased in line with overall increases in key program and project activity District-wide.

Planning, Project Mgmt. & Programs Oversight	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Planning, Project Management & Programs Oversight	39,462	49,885	36,010	118,125	63,000	70,000
Annual Growth %	39.64%	26.41%	-27.81%	228.03%	-46.67%	11.11%
% Over (Under) Prior Year Budget						-40.74%

Communications & Outreach

This account was added in FY21-22 to support the Strategic Plan goals and objectives and to strengthen communication tools and District outreach to residents and the community. FY26-27 allocations have been increased for enhanced professional service resources that may be needed with increased activity in both the I-280 Project and the HIZ Program, and to sustain momentum for public wildfire events, magazine publications and supporting digital materials.

Communications & Outreach	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Communications & Outreach	17,862	95,224	76,286	108,830	96,000	156,900
Annual Growth %	-1.55%	433.11%	-19.89%	42.66%	-11.79%	63.44%
% Over (Under) Prior Year Budget						44.17%

Emergency Access Roads

This funds emergency road repairs and maintenance. FY26-27 allocations reflect District expectations of an increased review and analysis with enhanced staffing resources in place. Trends in this account reflect the challenges that exist in defining easement and jurisdictional boundaries and provide for continued evaluation and clarification of those parameters.

Emergency Access Roads	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Emergency Access Roads	-	-	-	81,000	-	81,000
Annual Growth %	-	-	-	-	-100.00%	-
% Over (Under) Prior Year Budget						0.00%

Projects & Programs Contingency

This line-item allocation covers unexpected Projects and Programs expenses, such as change orders, additional services, or emergency needs. FY26-27 allocations allow for the operational and contingent resource demands that are expected as the I-280 Project enters full implementation and pulls on other supporting needs. The decrease in this account reflects the transfer, now recorded in the Evacuation Route Program, of $175,000 added in the prior year for the Flashy Fuels Pilot Program.

Projects & Programs Contingency	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Projects & Programs Contingency	-	-	-	775,000	-	600,000
Annual Growth %	-	-	-	-	-100.00%	-
% Over (Under) Prior Year Budget						-22.58%

CAPITAL EQUIPMENT

Capital Equipment

In the past two years, the District began breaking out capital purchases to clarify the extent and nature of infrastructure investments, comply with accounting best practices, and enhance transparency. It also has developed an inventory of District funded, owned, and managed assets. The purchases directly align with the Strategic Plan focus on equipping staff with the resources necessary to realize service delivery. FY26-27 specific capital asset purchases include:

FY2026-2027	**FY2025-2026**
$175,000 – Facility Health & Safety Main	$175,000 – Facility Health & Safety Main
$ 45,000 – IT Equipment and Software	$45,000 – IT Equipment and Software
$ 40,000 – Web Site, Transparency portals, and Document Management System enhancements (addition to roll forward)	$ 7,500 – Document Management Systems (subscription)
$ 6,500 – In Home Printers (maintenance)	$25,800 – In Home Printers (as needed)
$ 8,500 – Commercial Star Link (subscription)	$60,000 – Commercial Star Link -Hardware
$ 2,500 - Staff & field power banks	$ 9,000 - Staff power banks
	$ 2,500 – Disaster Facility Equipment
	$ 2,500 – Video/Audio Equipment
	$ 750 – Field Power Banks

Capital allocation in prior years included three vehicles (bringing the District to an owned fleet of three), which have now been procured and are in full operation on a pooled basis. The FY24-25 allocation of $250,000 for County fire detection AI technology system currently under review has been rolled forward by the County, along with $75,000 for website and systems enhancements.

Capital Equipment	**Act 22-23**	**Act 23-24**	**Act 24-25**	**Bdgt 25-26**	**Est 25-26**	**Bdgt 26-27**
Capital Equipment	-	67,697	152,046	328,050	157,300	277,500
Annual Growth %	-	-	124.60%	115.76%	-52.05%	76.41%
% Over (Under) Prior Year Budget						-15.41%

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. A contract update is anticipated in FY26-27 and has been budgeted slightly lower to reflect actual trends and scope edits while allowing for a modest contract increase.

Annual Audit Charter	**Act 22-23**	**Act 23-24**	**Act 24-25**	**Bdgt 25-26**	**Est 25-26**	**Bdgt 26-27**
Annual Audit Charter	17,000	26,015	28,095	50,900	28,000	46,000
Annual Growth %	-15.34%	53.03%	8.00%	81.17%	-44.99%	64.29%
% Over (Under) Prior Year Budget						-9.63%

Accounting Services

Vargas Company provides the District with financial consulting services including general ledger entry, invoice and credit card processing, County data submission and reconciliations, staff inquiries, monthly reports, budget support and monitoring, and audit support and preparation. Accounting services are currently contracted at a set annual rate. The FY26-27 Budget increase reflects the anticipated need for an upcoming contract revision to include an additional range of hours of support. This need reflects full staffing levels, conversion to a new general ledger system now that financial systems have been successfully migrated to the cloud, enhancement and integration of the newly upgraded payroll system, implementation of employee benefits practices and processes, and ongoing development of policies, procedures, and internal controls.

Accounting Services	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Accounting Services	41,200	46,000	50,000	55,200	70,000	86,000
Annual Growth %	4.04%	11.65%	8.70%	10.40%	26.81%	22.86%
% Over (Under) Prior Year Budget						55.80%

Legal Fees

Beginning in FY22-23, 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 and advice pertaining to human resources, employee hiring, personnel policies, contract review, and the drafting of legal documents. FY26-27 anticipates an increased level of service associated with full staffing, the I-280 Project, a potential new fire facility study, and the professional service agreements and contracts associated with those efforts.

Legal Fees	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Outside Legal Fees	56,656	81,311	133,170	182,500	217,500	200,000
Annual Growth %	-23.35%	43.52%	63.78%	37.04%	19.18%	-8.05%
% Over (Under) Prior Year Budget						9.59%

Outside Professional Services

The District uses general outside business consultants to assist with operations, including website maintenance and content development, Strategic Plan development, records retention, GIS services, videography, human resources support, and design of District publications and materials. The outside professional services Budget recognizes the addition of services related to a potential fire facility study to improve District response time, human resources development, District parcel design services, and a CWPP District-wide supporting EIR.

Key allocations include the items listed below in comparative format to the prior year:

FY2026-2027	FY2025-2026
Anticipated County roll forward	$715K Fire facility assessment at the El Monte Station in support of SCCCFPD in addition to the existing $350K FY24-25 allocation. (Subject to roll forward)
Anticipated County roll forward	$250K Performance of District wide EIR to streamline IHFR progress/project management in addition to the existing $100K FY24-25 allocation. (Subject to roll forward)
$172K IT management services, software licensing, services, and subscriptions (on	$183K IT management services, software licensing, services, and subscriptions (on going)

going)	
$ 90K HR support services (on going)	$ 95K HR support services (on going)
$ 36K General finance-IT professional services contingency to offset resource demands given the large scale operational and technology projects anticipated for FY25-26.	$ 55K General Finance-IT professional services contingency to offset resource demands given the large scale operational and technology projects anticipated for FY25-26.
$ 45K Additional prior year allocation for a new web based Financial Budget System and community transparency portal (subject to roll forward)	$ 55K New web based Financial Budget System and community transparency portal (subject to roll forward)
$ 40K GIS mapping services & software	$ 42K GIS mapping services & software
$ 26K Photography and graphic services	$ 28K Photography and graphic services

Outside Professional Services	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Outside Professional Services	191,748	196,579	281,521	1,435,440	340,200	410,990
Annual Growth %	92.01%	2.52%	43.21%	409.89%	-76.30%	20.81%
% Over (Under) Prior Year Budget						-71.37%

Professional and Specialized Services Contingency

The District allocates $226,000 to cover additional professional services necessary to address Strategic Plan goals and objectives. This contingency line-item covers businesses providing services to the District. A separate Contract Services (Consultants) contingency line-item, noted below, covers independently contracted individuals providing services for the District. Allocations were increased in the prior year to provide additional, and flexible, contingency resources given expected high demand and major projects. This resource allocation also seeks to address the unknown ramification of the Southern California Fires on overall state and regional fire prevention and suppression services.

Professional & Specialized Serv. Contingency	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Professional & Specialized Serv. Contingency	-	-	-	226,000	-	226,000
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. FY26-27 was increased in recognition of full staffing levels, the enhanced level of life and property safety project and program activity, and additional key initiatives including IT enhancements, website redesign, infrastructure assessments, and other emerging continual improvement efforts.

Independent Contractor - Consultants	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Professional & Specialized Serv. Contingency	74,892	59,363	58,826	166,000	124,700	227,510
Annual Growth %	-35.67%	-20.74%	-0.90%	182.19%	-24.88%	82.45%
% Over (Under) Prior Year Budget						37.05%

Contract Services (Consultants) Contingency

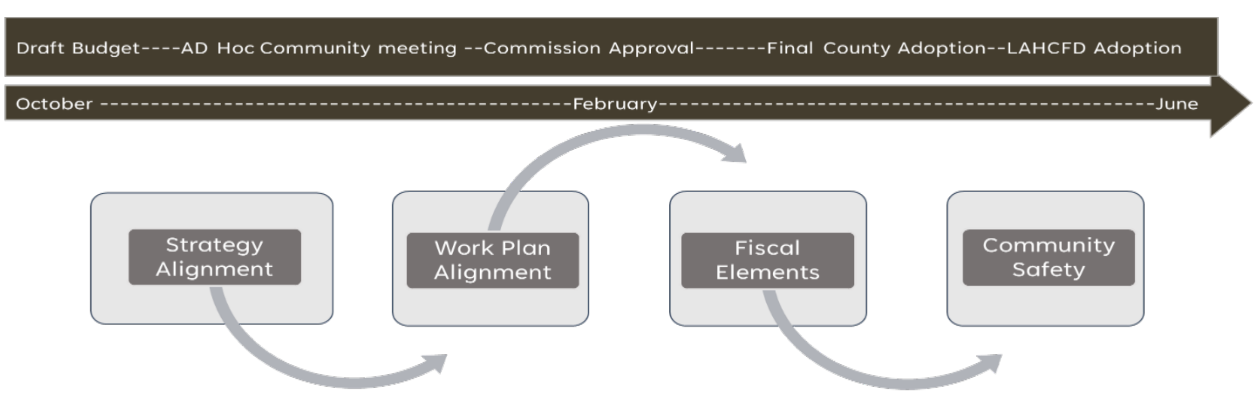
The District maintained a budget allocation of $50,000 to cover additional independent contractor consultant services that may be necessary given Strategic Plan goals, adherence to Management Audit Report recommendations, and other projects such as GIS mapping and records retention. The increase this year places a particular emphasis on professional development, support, and training as the District continues to expand and adapt its operational framework.

Contract Serv. (Consultants) Contingency	Act 22-23	Act 23-24	Act 24-25	Bdgt 25-26	Est 25-26	Bdgt 26-27
Professional & Specialized Serv. Contingency	-	-	-	50,000	-	50,000
Annual Growth %	-	-	-	-	-100.00%	-
% Over (Under) Prior Year Budget						0.00%

SUMMARY

In conclusion, as the reader peruses the District FY26-27 Adopted Budget, it is critical to note that it is foundationally based on the 2023-2027 Strategic Plan, updated in the first calendar quarter of 2023, and posted on the District website. Additionally, the introduction of a District-wide operational Workplan provides an action-based roadmap to achieving the goals outlined in the Strategic Plan. Lastly, the Adopted Budget connects financial resource allocations to the Workplan. The prior year budget was designed to integrate with the longer-term Strategic Plan and was built on its main theme "to provide the District with those resources necessary" to optimize delivery of critical life and safety projects and programs to the community. The FY26-27 Adopted Budget goes further in providing a pragmatic and realistic plan for reaching defined deliverables and places a strong focus on the realization of planned large-scale projects of both local and regional benefit. It continues the District's fiduciary obligation to keep finances strong, to maintain operational continuity, to take proactive measures to maintain community safety, and to keep the community and District prepared for unforeseen disasters. With its sound fiscal strength, this Budget establishes a strong plan for future years while continuing to enhance community services. Core SCCCFPD fire and emergency medical services have realized a ten-year extension and remain firmly in place, along with the District's array of life and safety risk-mitigation projects, community education, and outreach. As mentioned throughout, the two key assumptions put forth in this Adopted Budget projection relate to defining the ultimate engineering base costing of the I-280 Project, an amount to be quantified in the coming months, and the delivery and payment of the three funded Fire apparatus in FY26-27 & Fy27-28. A key message in the budget reporting this year is the secured continuity of the fire contract agreement with SCCCFPD, beyond its renewal date of December 2026, through 2031 providing core service stability and steady state cost levels.

Regionalization is underscored with the I-280 Fuel Break Project in both FY25-26 adopted and FY26-27 Adopted Budget allocations, the prominence of the HIZ Program, the continuation of proactive fire mitigation services, and the significant presence of roll-forward allocations to assess the possibility of a new District fire and community facility to bolster response time and overall readiness.



ADDENDUM FY26-27 AUTHORIZED POSITION ROSTER

Projected As of 06-30-2026

POSITION TITLES	BOC APPROVAL	COMP SALARY	HOURLY RATE	COUNT	FILLED	UNFILLED	NOTES
General Manager	11/18/2025	$ 310,000.00		1.000	1.000	0.000	
Community Ed. & Risk Red. Mgr	4/21/2026	$ 220,646.00		1.000	1.000	0.000	
Prog., Planning & Grants Mgr	3/17/2026	$ 209,185.60		1.000	1.000	0.000	
Field Manager	6/23/2026	$ 187,333.00		1.000	1.000	0.000	
Finance & Info Tech Mgr	6/23/2026	$ 137,280.00		0.700	0.550	0.150	Partially filled
Operations & Admin Manager *	6/24/2025	$ 123,760.00		0.884	0.500	0.384	Partially filled
Community Events Specialist	Vacant			1.000	0.000	1.000	Open
Administrative Specialist	10/21/2025		$ 88.40	0.800	0.800	0.000	
CERR Specialist	9/16/2025		$ 80.00	0.508	0.508	0.000	
District Clerk	8/19/2025		$ 70.72	0.500	0.500	0.000	
Finance Program Specialist	11/18/2025		$ 88.40	0.500	0.500	0.000	
General Analyst	6/23/2026		$ 73.00	1.000	1.000	0.000	
IHFR Specialist	6/23/2026		$ 50.00	0.500	0.500	0.000	
Operations Project Manager	4/21/2026		$ 90.31	0.600	0.600	0.000	
Project Specialist Risk Red.	10/21/2025		$ 83.20	1.000	1.000	0.000	
Technical Analyst/Project Mgr	8/19/2025		$ 91.52	0.508	0.508	0.000	
Technical Data Analyst	6/23/2026		$ 73.00	1.000	1.000	0.000	
				13.50	**11.97**	**1.53**	

ADDENDUM– FY26-27 SERVICE AREA ADOPTED BUDGET