



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**San Miguel Consolidated Fire District  
California**

For the Fiscal Year Beginning

**July 01, 2024**

*Christopher P. Morrill*

Executive Director

**Resolution 24-45**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Adopting the Final Budget for Fiscal Year 2024-2025**

**WHEREAS**, the Board of Directors of the San Miguel Consolidated Fire Protection District, County of San Diego (hereinafter referred to as "District") is required to adopt a preliminary budget, on or before July 1 of each year, as per Section 13890 of the Health and Safety Code; and

**WHEREAS**, the District, Finance Committee, Executive Staff, and Committee/Program Leads have made recommendations and submitted the proposed preliminary budget for review and adoption at a publicly noticed meeting; and

**WHEREAS**, a Public Hearing was conducted September 25, 2024 at a regular meeting of the Board of Directors; and

**WHEREAS**, the District has determined that there will be enough revenue and fund balance to meet total expenditures for Fiscal Year 2024-2025 adequately.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District, a public agency in the County of San Diego, California, does hereby adopt the final budget for the Fiscal Year 2024-2025 with a total expenditure requirement of \$28,876,520.

**BE IT FURTHER RESOLVED** that this Final Budget is being adopted prior to October 1, 2024, in accordance with California Government Code.

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District this 25<sup>th</sup> day of September 2024, by the following vote:

AYES: **Directors Muns, Nelson, Pierce, Raddatz, Robles and Woodruff**


NOES: **Director McKenna**

ABSTAIN: **None**

ABSENT: **None**

ATTEST

  
\_\_\_\_\_  
Shayna Rians, Board Clerk

  
\_\_\_\_\_  
Jesse A. Robles, Board President



**SAN MIGUEL**



**FIRE & RESCUE**

*Service Beyond Expectations*

Fiscal Year 2024-2025  
Adopted Final Budget

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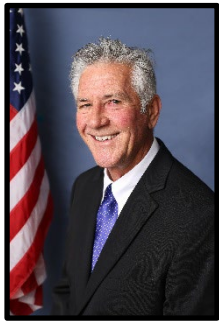
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# Board of Directors

San Miguel Fire & Rescue is governed by a 7-member Board of Directors as an independent Fire District. These individuals meet monthly to discuss District business and make decisions by a majority vote.

Our current Directors are:



Jeff Nelson  
Division 1



Kim Raddatz  
Division 2



Harry Muns  
Division 3



Christopher Pierce  
Division 4



Theresa McKenna  
Division 5



Jesse A. Robles  
Division 6



Ed Woodruff  
Division 7

## ***HISTORY OF SAN MIGUEL***



San Miguel Consolidated Fire Protection District is one of the largest Fire Districts in San Diego County, formed on July 1, 1988 through a merger of the Spring Valley and Grossmont/Mt. Helix Fire Protection Districts, and again on July 3, 2008 with the East County Fire Protection District.

The District serves nearly 140,000 residents in the communities of Bostonia, Casa de Oro, Crest, Grossmont/Mt. Helix, La Presa, Rancho San Diego, Spring Valley and the unincorporated areas of El Cajon and La Mesa.

San Miguel's 90 full-time employees provide suppression, prevention and emergency medical services. Crews respond to approximately 15,000 calls for service annually covering various commercial and industrial operations, single-family residences, large multi-unit apartments and condominium projects, and an extensive urban/wildland interface area.

# Mission & Vision

## *Service Beyond Expectations*

Dedicated professionals committed to excellent service with compassion and pride, providing for the health and safety of the communities we serve

### Core Values

### Guiding Principles

**S**

*Sacrifice*

Act selflessly to benefit the community and strive to adapt to our situation

**E**

*Empathy*

Build understanding and compassion for all individuals

**R**

*Respect*

Invest time, knowledge, and understanding at all levels

**V**

*Valor*

Dedicate our efforts to the protection of others despite great personal risk

**I**

*Integrity*

Build and instill trust wherever possible, as it is of the utmost importance in public safety

**C**

*Collaboration*

Listen to others and actively exchange ideas in pursuit of common goals

**E**

*Excellence*

Strive to always exceed expectations

### COMMITMENT

to service that is guided by our shared goals and values

### COMPASSION

for others and a willingness to assist those who need us most

### COMMUNITY

involvement to inspire others and lead by example

# A MESSAGE FROM THE FIRE CHIEF

Since 2017, the District has maintained flexibility and adaptability to a quickly evolving fire service. The sources of these changes are multifaceted, but they clearly have created management challenges when developing short and long-term models specific to budgeting.

The “post-Covid” era is quickly blamed as a common theme when discussing supply chain delays for goods and services and challenges with recruitment and retention in public safety. However, it should be noted that state and federal legislative mandates, sky-rocketing insurance rates, and “nuclear” employee claim verdicts favorable to plaintiffs place increased responsibilities on public safety entities without clear, accessible funding sources.

The District has several key platform areas moving forward, which consist of the health and safety of our personnel, effective response readiness, short and long-term fiscal sustainability, and security of the District for our personnel, facilities, and cyber threats.

We have also placed a heavy focus on replacement cycles for all equipment, which includes our light and heavy fleet. Due to aging facilities identified in a 2023 facilities conditions report, we are placing increased attention on facility refurbishment and replacement cycles.



Below are a few of our specific focused areas with examples of associated challenges specific to cost:

Health & Safety	
Personal Protective Equipment	Doubled in cost and acquisition due to supply chain issues, “post covid”. Polyfluoroalkyl (PFAS) identified in PPE, potentially cancer causing to Firefighters. Causing fire departments to buy additional sets of non-PFAS gear for responses.
Mental Health	Increased suicide rates Call from unions, federal and state legislation to establish peer support, chaplain, and psychological support services. Funding sources have been limited and difficult to access, forcing fire departments to identify internal funding sources. Anticipated increase in workers compensation claims for PTSD.
Facility Refurbishment and Replacement	Aging facilities identified in 2023 report for potential health and safety risks. Mandated prevailing wage causing 30-40% cost increased. Mandated RFP process with very few contractors bidding, “post covid.” 50-75% increases in building materials.
Response Readiness	
Apparatus	30-50% increases in apparatus cost, manufacturer dependent, “supply chain, post covid.” Triple the timeframe in apparatus delivery, “post-covid.” This is causing difficulties in forecasting replacement cycles. Clean cab (cancer rates) concepts forcing further customization.

# FIRE CHIEF'S MESSAGE CONTINUED

While there have been challenges, the District is proud to have made strides in many categories:

## Health & Safety:

- Establishment of a District peer support program.
- Maintained a strong Chaplain program that has been utilized by the zone as well as the County of San Diego.
- Participation and development of a Serious Incident Response Team in coordination with the County of San Diego.

## Facility Refurbishment and Replacement:

- Entered the final phases of the construction of new Station 18.  
*Groundbreaking Oct. 11, 2024. Completion December 2025.*
- Established a 3-year phased approach to construct new Station 19.
- Of the 250 items identified in the 2023 Facilities Condition Report, almost all Health & Safety issues have been mitigated. The remaining items are cosmetic in nature.



## Response Readiness:

- Outdated alerting system upgraded, 90% completed.
- Three frontline Type 1 apparatus on order as well as a type 3 (partial grant funding).
- Nurse Navigator to go into effect September 2024. This will appropriately route patients to the appropriate care destination.
- We are now receiving monthly reports to ensure our transport contractor is meeting the response times of 11:59, 90% of the time.

## Political and Community Group Partnerships:

- We have met and continue to meet with all local, state, and federal politicians that govern within the San Miguel District. In the past year, those relationships have yielded the District \$1,750,000.00.
- In the last 8 months, we have engaged all formalized community groups within the District. We have partnered with these group in the development of the District's new Strategic Plan.

## Legislative Involvement:

- District staff is actively engaged in the California Special Districts Association (CSDA), Fire Districts Association of California (FDAC), and National Special Districts Coalition (NSDC). Staff is taking an active role in monitoring and contributing to current and anticipated, local, state and federal legislation through these organizations.

## Succession Planning:

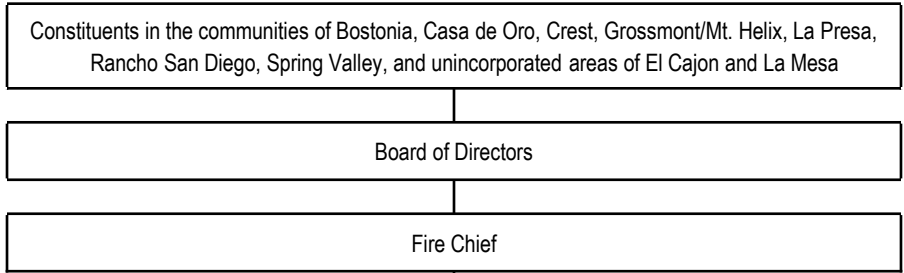
- In 2024, the District conducted a succession planning survey of our personnel to anticipate future needs. This document will assist the District in identifying any gaps that would inhibit District personnel growth.

The District is looking to optimize our response model into the future, which may include an increased number of first responders as well as support staff. The District will accomplish this goal through alternative funding mechanisms. We will always strive to deliver **Service Beyond Expectations**.

Andy Lawler, Fire Chief



# San Miguel Fire & Rescue Organizational Structure

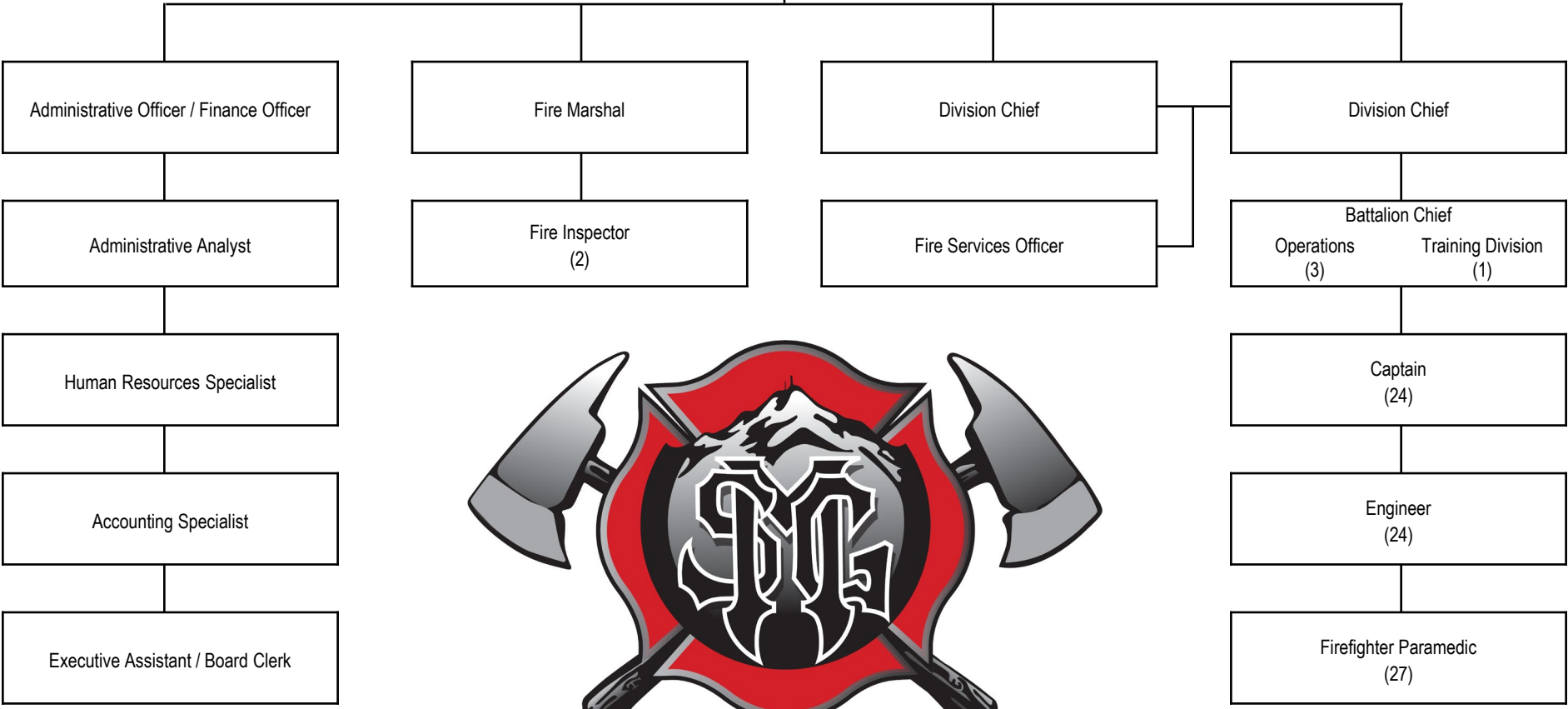


## ADMINISTRATIVE SUPPORT SERVICES

## FIRE PREVENTION

## HEALTH & SAFETY / EMS

## OPERATIONS



# DISTRICT PERSONNEL

## SUMMARY OF PERSONNEL (BY POSITION)

	FY2023	FY2024	FY2025
Fire Chief	1	1	1
Division Chief	2	2	2
Admin/Finance Officer	1	1	1
Battalion Chief - Training/EMS	1	1	1
Battalion Chief Paramedic - Operations		2	1
Battalion Chief - Operations	3	1	2
Captain Paramedic		13	13
Captain	24	11	11
Engineer Paramedic		14	14
Engineer	24	10	10
Firefighter/Paramedic	27	26	27
Fire Marshal		1	1
Deputy Fire Marshal	1		
Fire Inspector	2	2	2
Administrative Analyst	1	1	1
Human Resources Specialist	1	1	1
Accounting Specialist	1	1	1
Executive Assistant/Board Clerk	1	1	1
Fire Services Officer	1	1	1

## ***ROLES & RESPONSIBILITIES***

The **Fire Chief** is appointed by the Board of Directors and oversees all aspects of the District, working closely with the Division Chiefs and the Administrative Officer/Finance Officer.

The **Division Chief** oversees one of two divisions (Operations or Health & Safety/EMS) and ensures everything within their divisional scope is managed.

The **Administrative Officer/Finance Officer** oversees all Administrative staff and is tasked with balancing the budget. Large expenditures (like building a new fire station) require the AO/FO's advanced budgeting and planning expertise.

The **Battalion Chief** supervises all crews at all stations during their shift, responding to critical incidents within our service area and working as "Incident Commander" to manage large-scale events. There is one Battalion Chief on duty per shift, with the District employing a total of three Battalion Chiefs.

The **Training Battalion Chief** manages the Training Division, ensuring all personnel are up-to-date on critical licensure and certifications.

The **Captain** works at one of our eight stations during their shift and manages the Engineer and Firefighter under them. They can be seen in the front passenger seat when a truck or engine is responding to an incident, and they may maintain their paramedic licensure, although it is not mandatory. There are eight Captains working on any given shift (one at each station).

The **Engineer** manages and operates the truck or engine. You will find them in the driver's seat, and operating the pumping mechanism on any incidents requiring the use of water. They may maintain their paramedic licensure, although it is not mandatory. There are eight Engineers working on any given shift (one at each station).

The **Firefighter Paramedic** is first in action to render medical aid. The Engineer and Captain assist, but the Firefighter Paramedic quickly acts to assess injuries and patient needs, and must maintain paramedic licensure while in the Firefighter Paramedic rank. There are eight Firefighter Paramedics working on any given shift (one at each station).

The **Fire Marshal** oversees the Fire Prevention Division, and supervises two Fire Inspectors. The Fire Prevention Division is responsible for conducting state-mandated inspections, new constructions inspections, plan reviews, and enforcing the District's weed abatement standards.

The **Fire Inspector** conducts inspections in the field and reviews building plans for conformance to fire code. When conducting inspections that result in violations, Fire Inspectors work with property owners and managers to ensure life-safety measures, like smoke detectors, are in place. The District employs two Fire Inspectors.

The **Administrative Analyst** performs professional-level analytical support and Finance/Human Resources work in conducting comprehensive analyses. Prepares, analyzes, and maintains a variety of finance, accounting, and human resources work.

The **Human Resources Specialist** assists with coordinating the implementation of recruitment and selection activities and new hire orientation, administers the Department of Transportation (DOT) pull program, and participates in the development of policies and procedures. Assists in the oversight of workers' compensation claims, along with reviewing and developing recommendations regarding the impact of State, Federal, and local legislation on assigned areas.

The **Accounting Specialist** processes accounts payable and accounts receivable entries for the District and tracks reimbursable expenditures, such as strike team deployments. Assists in the tracking of budget and expenditures related to specific divisions, programs, and projects.

The **Executive Assistant/Board Clerk** performs a wide variety of administrative support and technical duties for the District. They also prepare agendas, minutes, resolutions, ordinances, and supporting documents for the Board of Directors.

The **Fire Services Officer** is the District's subject matter expert on compliance, inventory, and logistics items. From generator permits and supplies to turnouts and equipping personnel for strike team deployments, the FSO ensures every position in the District has the tools they need.

## The District must adhere to California Code, Government Code - GOV § 61110

- Follow all local, state, and federal guidelines and Generally Accepted Accounting Principles & Governmental Accounting Principles
- Must break out certain expenditures by category
  - *Salaries & Benefits*
  - *Capital Outlay*
  - *Services and Supplies*
  - *Designated Reserves*
- Preliminary budget must be approved by June 30 of each year & final adoption must be completed at a regularly scheduled meeting with a hearing by October 1 of each year.



# Gann Limit State Appropriations Limit

The Gann Limit (Proposition 4 and Proposition 111) establishes spending limitations of tax revenue on all government agencies. This limit is based on increases in population and per capita personal income and is adjusted every year.

The limit for the fiscal year 2024-2025 is \$40,771,899, an increase of 3.79%





**Resolution 24-18**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Establishing the Limit for Appropriations of Proceeds of Tax  
Subject to Limitation for Fiscal Year 2024/2025**

**IT IS HEREBY RESOLVED**, by the Board of Directors of the San Miguel Consolidated Fire Protection District, as follows:

1. The calculated maximum limit applicable to the 2024/2025 appropriations of proceeds of tax subject to limitation established in compliance with Article XIII B of the Constitution of the State of California is \$40,771,899.
2. The population and cost of living per capita income increase, provided by the State of California Department of Finance, used to determine the above limitation under Article XIII B of the Constitution of the State of California, were on file and available for public inspection as of June 1, 2023.

Determination of Appropriation Limitation: 2024/2025

2023/2024 Appropriation Limitation:	\$39,225,918
Adjustments:	
Per Capita Personal Income:	1.0362
Population Change:	1.0031
Adjustment Factor:	1.0394
(per capita population change)	
2024/2025 Appropriation Limitation:	\$40,771,899

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District this 12<sup>th</sup> day of June, 2024, by the following vote:

AYES: **Directors McKenna, Muns, Nelson, Raddatz, Robles and Woodruff**

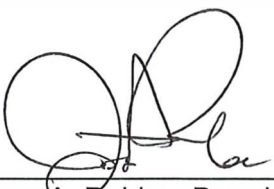
NOES: **None**

ABSTAIN: **None**

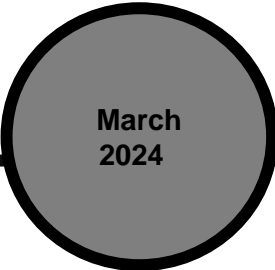
ABSENT: **Director Pierce**

ATTEST

  
Shayna Rians, Board Clerk

  
Jesse A. Robles, Board President

# Budget Process Timeline



March  
2024

## Phase I

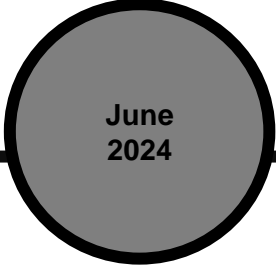
*Implementation  
of new fiscal  
year's  
budgetary  
workbook*



May  
2024

## Phase II

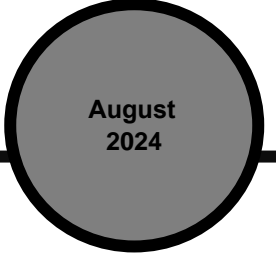
*Draft  
preliminary  
budget  
submitted to  
Finance  
Committee for  
review*



June  
2024

## Phase III

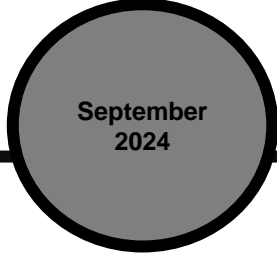
*Preliminary Budget  
adoption and  
Fiscal Year  
closeout  
completion*



August  
2024

## Phase IV

*Revenue Forecasting  
completed.  
Projections reviewed  
and approved by the  
Fire Chief*



September  
2024

## Phase V

*Final Budget  
reviewed by  
Finance Committee  
& approved by BOD*

# Budget Discussion



The District has multiple funds that keep designations for public money organized and transparent. Each major division has a line-item budget that tracks every dollar spent on personnel, operating, and equipment costs (broken down further into more detail by program).

The District has been working to improve its local government budgeting, moving toward the best practices of the Government Finance Officers Association (GFOA). Establishing a budget that follows these recommended practices allows the budget process to be consistent with our goals, policies, and plans.

# Budget Priorities Overview

The District began prioritizing expenditure line items in the 2019/2020 budget. Five categories have been established; however, the prioritization of line items continues to be reviewed, and a budget committee will be developed to help with this process, with other budgetary discussions as part of the process.

This is one facet focused on allocating financial resources based on the District's most critical needs, such as emergency response, wildfire prevention, and public safety initiatives. It involves identifying and ranking services and programs by their importance to the community, ensuring that essential functions like staffing, equipment maintenance, and training, receive the highest priority.

This approach ensures that limited funds are directed toward achieving the district's core goals, aligning spending with strategic priorities, and enhancing service efficiency and effectiveness, particularly in areas with high fire risk.

# Budget's Mission

To help decision-makers make informed choices about providing services and capital assets and promote stakeholder participation in the process.



An internal and external plan to allocate government resources toward the outcomes desired by the community and the entity being served.





# The District's Ultimate Goal

1. Establish Broad Goals
  - Broad goals that provide overall directions for the District and serve as a basis for decision-making
    - The District is developing the budget around the Strategic Plan
2. Develop Approaches to Achieve Goals
  - Specific policies, plans, programs, and management strategies to define how it will achieve long-term goals
3. Develop a Budget Consistent with the Approaches to Achieve the Goals
  - A financial plan that moves toward the achievement of goals within the constraints of available resources
4. Evaluate Performance and Adjust
  - Program and financial performance should be monitored, and adjustments made to encourage continuous progress

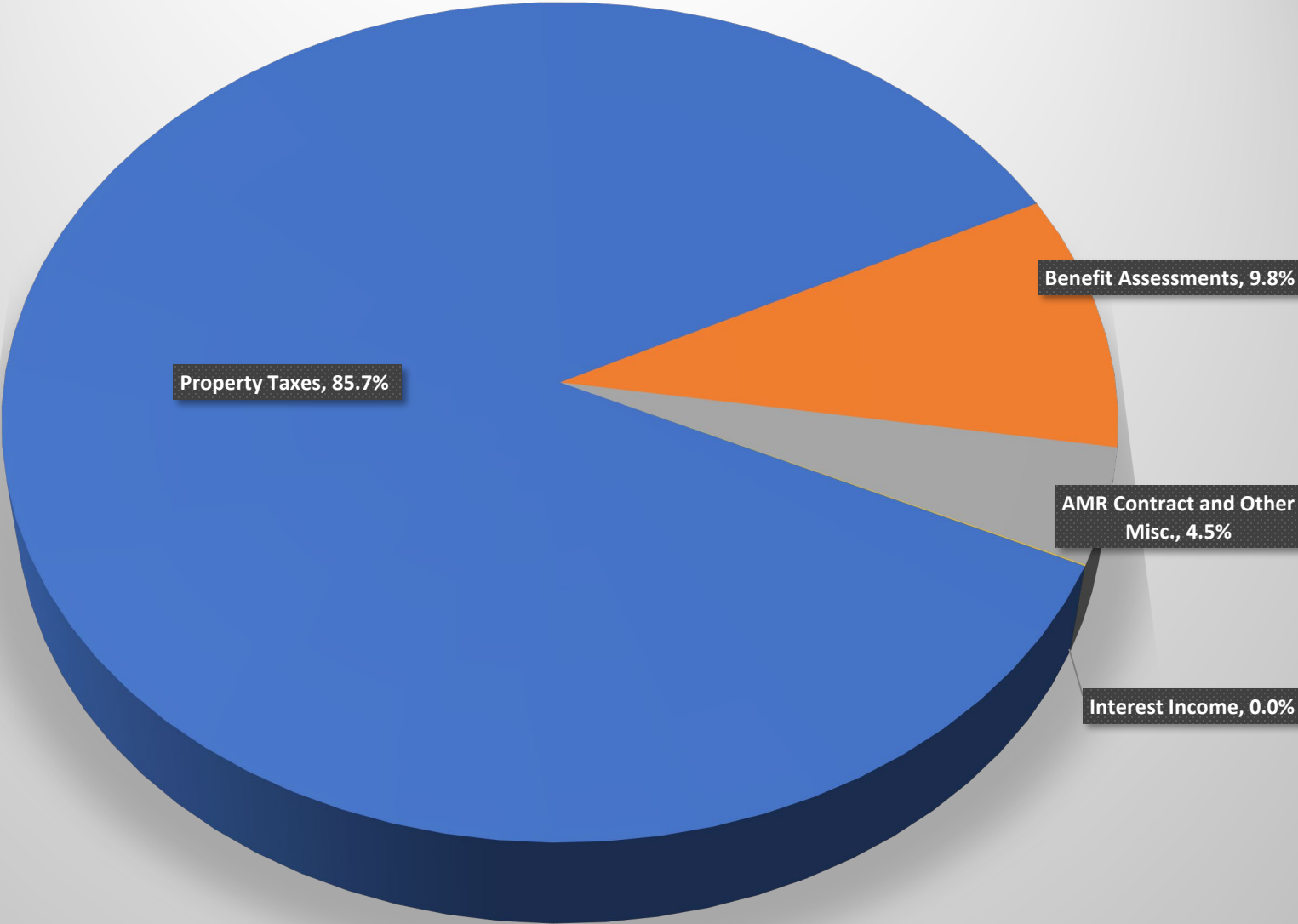


# District Revenues

You can reference the Financial Management Policy for a complete breakdown of District Revenues.

- Property Taxes
- Special Taxes/Benefit Assessments
- Mitigation Fees/Community Facility District Fees
- Contracts
- Interest Earned
- Miscellaneous Revenue

# FY 25 Budgeted Revenues by Source

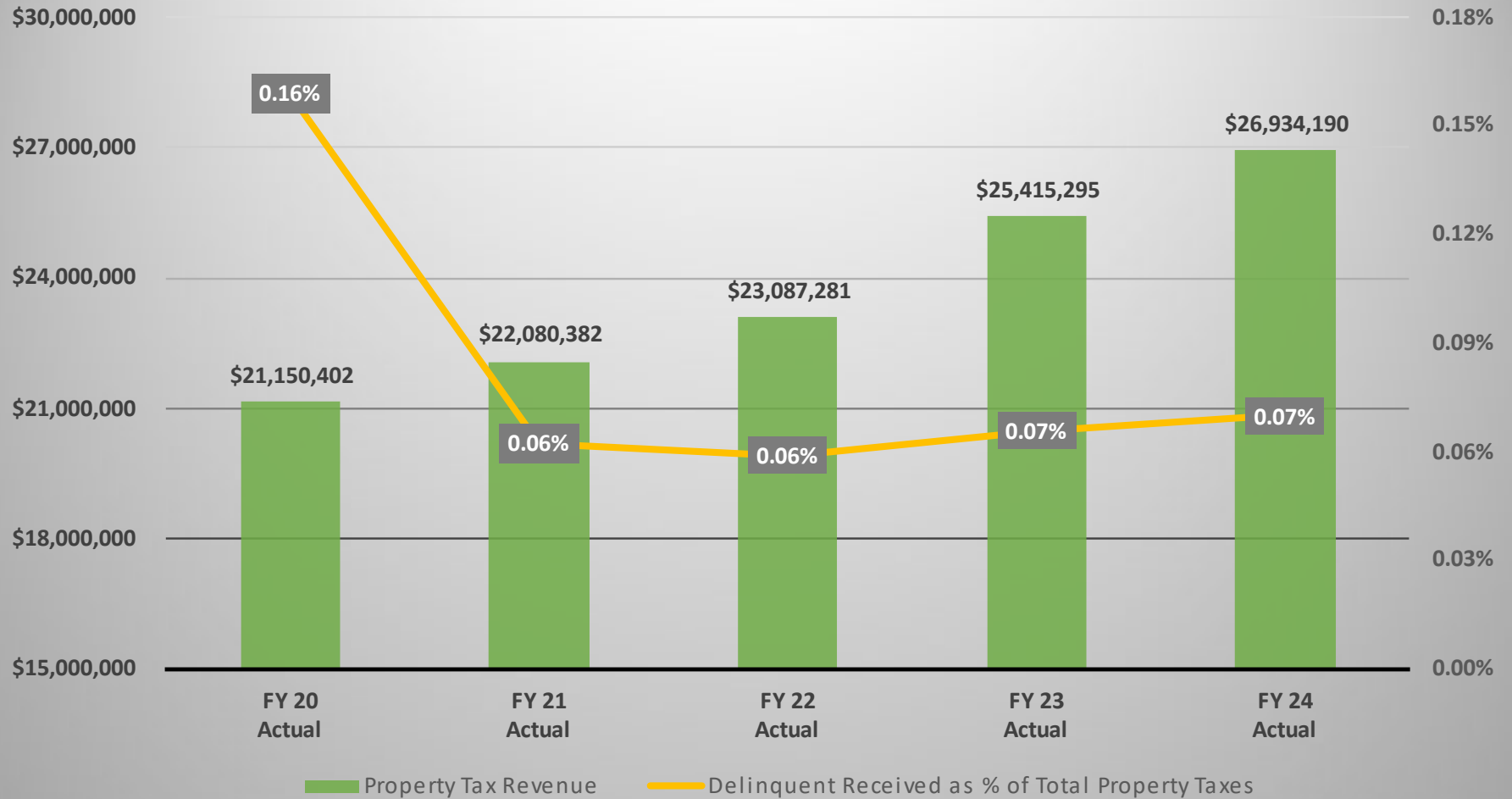


# Property Taxes

Property tax revenue is a primary funding source for San Miguel Fire & Rescue, which serves areas of San Diego County. Property owners within the District pay an annual tax based on their property's assessed value, which is allocated to the Fire District. These funds are essential for covering operational costs, including staffing, equipment, and maintaining fire stations and capital improvements like new fire stations and upgraded response vehicles.

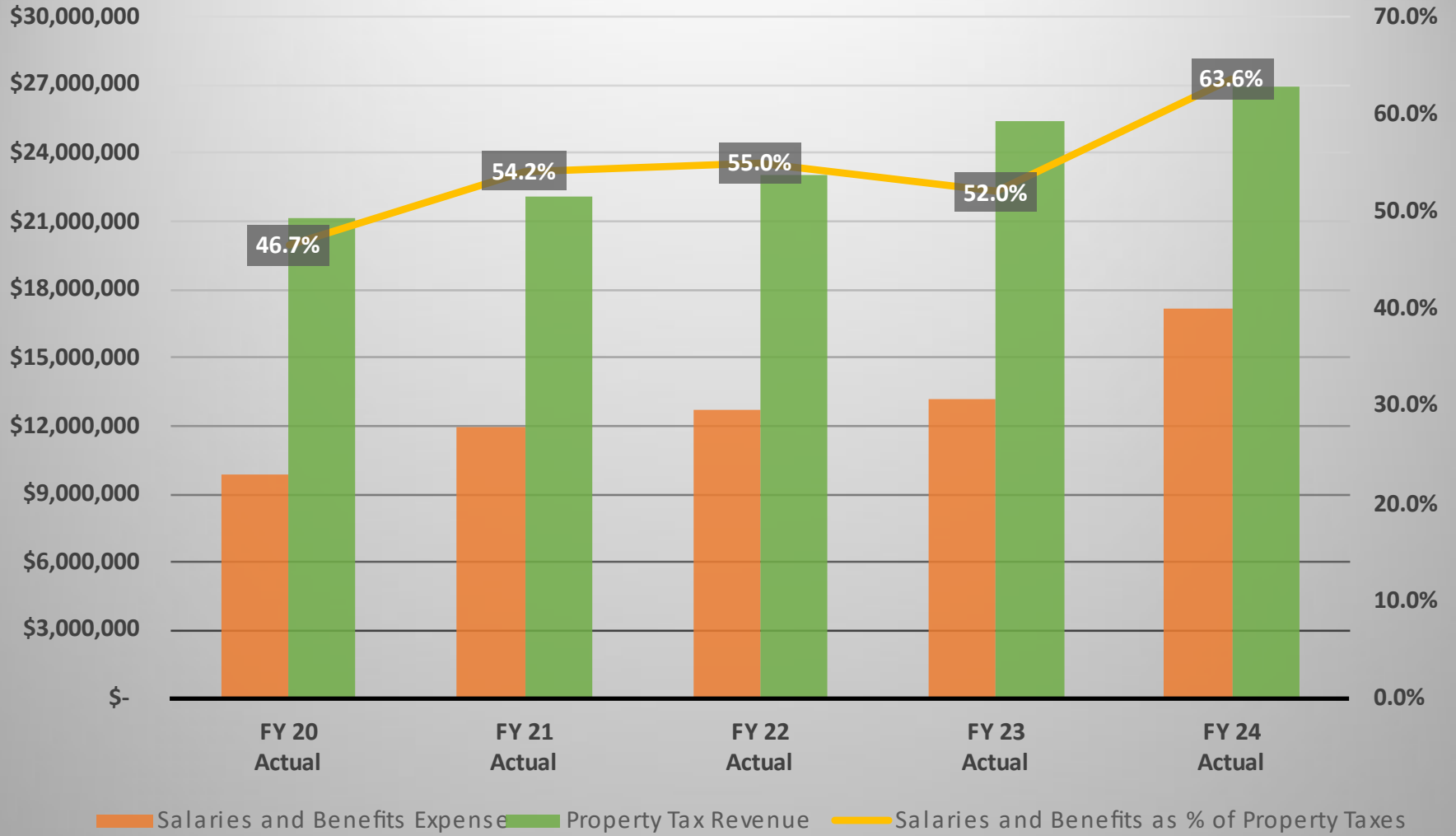
In California, Proposition 13 limits the growth of property tax revenue by capping annual property value increases, which can restrict the fire district's revenue growth over time. To supplement this, Fire Districts may seek voter approval for additional assessments or bonds to meet rising operational costs and expanding service needs. Property tax revenue ensures that San Miguel Fire & Rescue can continue providing critical fire suppression, emergency medical, and rescue services to the community.

## DELINQUENT PROPERTY TAXES AS A % OF TOTAL

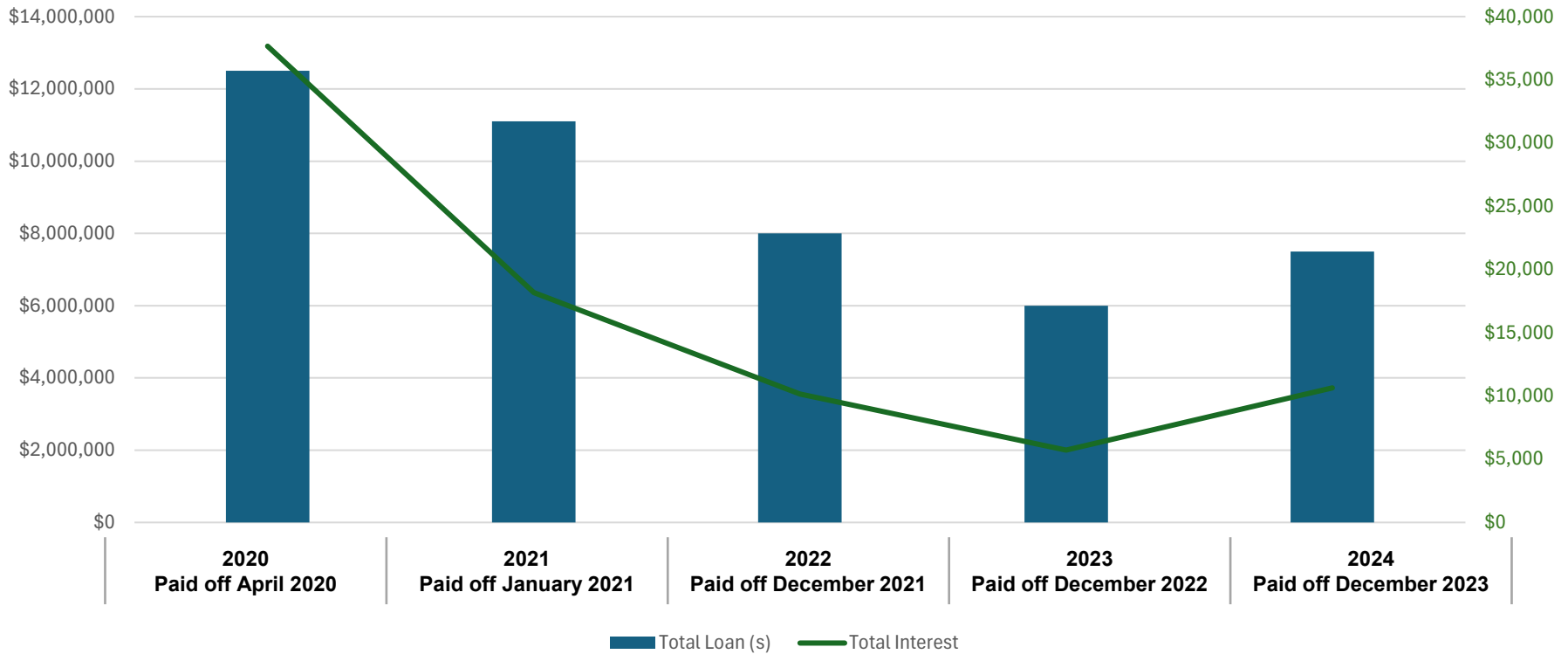




# PROPERTY TAX V. SALARIES AND BENEFITS



# County Loan Trend Analysis





California  
**CLASS**

# California Cooperative Liquid Assets Securities System

California CLASS is a Joint Powers Authority investment pool for public agencies. Participants are offered safety, daily and next-day liquidity, and optimized returns. These investments have proven to yield higher interest rates than those received at other institutions. Three accounts are held: Contingency Funds, District Liabilities Funds, and Compensated Absences Funds.

**Average Yield  
for FY2024:**

**5.45%**

Average Yield, Local Agency Investment Fund:  
3.927% (State of California, Local Investment  
Fund)

The FOMC (Federal Open Market Committee) voted on Sept. 19, 2024, to cut the Fed Funds Target Rate by 50 basis points. This cut will likely impact California CLASS yields.

# Revenue Forecasting

Analysis of revenue trends is an important tool for forecasting and looking at any potential economic downturns. Staff will be monitoring these trends on a quarterly basis. Property tax is not the only revenue source that will be reviewed. The District has begun looking at all revenue sources and analyzing the potential for future use of these revenues. We are looking at the whole picture when it comes to the financial standing of the district.

Property taxes have been trending up for the past 5 years. Delinquent payments have been a part of this increase, and those payments have started to decrease throughout the years. The District now has a forecasting tool to help break down the County Valuation Report to extract important property tax data for trends that will impact decision-making in the future.

# Reserves and Long-Term Forecasts

A process of developing a long-term financial plan for the District that combines financial forecasting with strategizing is in the final stages of review, and a request to have the Finance Committee, along with Employee Associations, be part of the final discussions, is being sought. The District will use forecasts to provide insight into future financial capacity to develop strategies to achieve long-term sustainability while considering any financial challenges.

Long-term financial planning also includes a recession plan that prioritizes expenditures, forecasts revenue and confronts an economic downturn early.



# Unfunded Liabilities

The District has two main unfunded liabilities that are continuously being reviewed.

- CalPERS Unfunded Annual Liability (UAL)
- Other Post-Employment Benefits (OPEB)

The District has a Liability Fund specific for the use of controlling liability costs.



# California Public Employees' Retirement System (CalPERS)



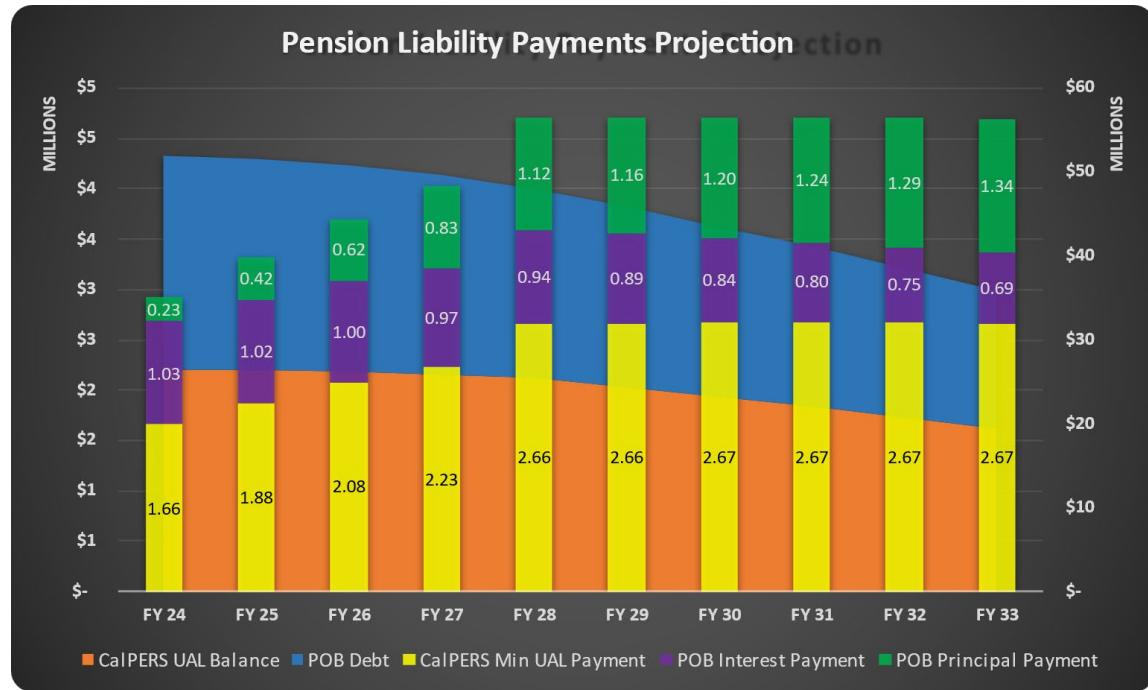
Our pension system, which provides retirement and health benefits to our employees, is CalPERS. CalPERS manages retirement assets to ensure retirement security for our employees.

The UAL (Unfunded Annual Liability) is the gap between assets available to pay retirement benefits and the actual projected liability.

The normal cost is the annual cost of benefits accrued by employees for the current year.

# Unfunded Annual Liability

The BOD approved a Pension Obligation Bond with a private bank in 2022 as a strategy to decrease its long-term liability. However, additional strategies still must be considered for the District's sustainability.



# Other Post-Employment Benefits (OPEB) Liability



The District currently manages its health costs monthly. Prefunding programs are available, which can reduce unfunded liabilities and future contributions while improving financial reporting outcomes. Though this liability is on the District's radar, a full analysis has not started. It has been determined that the pension liability is a higher priority for review at this time. The OPEB liability is currently at approximately \$24 Million.



# June 30<sup>th</sup> Comparisons

This section of the budget provides the readers with a comparison of financial information for the period ending June 30<sup>th</sup> of each Fiscal Year beginning with Fiscal Year 2019-2020.



**San Miguel Fire & Rescue**  
**Statement of Revenues and Expenses**  
**(Unaudited)**

	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20
1 Operating Revenues	\$ 30,022,751	\$ 28,230,332	\$ 25,802,449	\$ 24,719,905	\$ 23,773,818
2 Non-Operating Revenues	2,689,451	2,011,576	5,568,905	3,082,419	2,026,487
3 Total Revenues	32,712,202	30,241,908	31,371,354	27,802,324	25,800,305
4 Total Expenses	(26,854,670)	(25,014,208)	(24,705,418)	(22,874,741)	(20,354,450)
<b>Net Income Before</b>					
5 <b>Reserve Related Expenditures</b>	<b>\$ 5,857,532</b>	<b>\$ 5,227,700</b>	<b>\$ 6,665,935</b>	<b>\$ 4,927,583</b>	<b>\$ 5,445,855</b>
6 Total Reserve Revenues	1,887,877	710,478	459,127	887,850	507,409
7 Total Reserve Expenditures	(4,615,940)	(3,086,059)	(988,036)	(1,327,018)	(926,357)
8 <b>Increase (Decrease) in Fund Balance</b>	<b>\$ 3,129,470</b>	<b>\$ 2,852,118</b>	<b>\$ 6,137,026</b>	<b>\$ 4,488,415</b>	<b>\$ 5,026,907</b>

*Preliminary - does not include all year end adjustments*

*No assurance is provided on these financial statements.*

*The financial statements do not include a statement of cash flows.*

*Substantially all disclosures required by accounting principles generally accepted in the United States are not included.*



**San Miguel Fire & Rescue**  
**Detail Statement of Revenues and Expenses Comparison**  
**(Unaudited)**

	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20
<b>1 Operating Revenues</b>					
2 Property Taxes	\$ 27,059,534	\$ 25,415,295	\$ 23,087,281	\$ 22,080,382	\$ 21,150,402
3 Benefit Assessments	2,963,217	2,815,037	2,715,168	2,639,523	2,623,416
<b>4 Total Operating Revenues</b>	<b>30,022,751</b>	<b>28,230,332</b>	<b>25,802,449</b>	<b>24,719,905</b>	<b>23,773,818</b>
<b>5 Non-Operating Revenues</b>					
6 Community Facilities District Fees	53,190	11,572	-	-	-
7 AMR Contract	884,835	852,442	839,018	871,772	839,858
8 CARES Act			2,129,691		
9 OES Reimbursement	680,514	215,247	1,491,461	1,398,101	240,666
10 Other Miscellaneous	875,012	834,983	1,087,348	780,573	889,297
11 Interest Income	195,900	97,332	21,387	31,973	56,667
<b>12 Total Non-Operating Revenues</b>	<b>2,689,451</b>	<b>2,011,576</b>	<b>5,568,905</b>	<b>3,082,419</b>	<b>2,026,487</b>
<b>13 Total Revenues</b>	<b>32,712,202</b>	<b>30,241,908</b>	<b>31,371,354</b>	<b>27,802,324</b>	<b>25,800,305</b>
<b>14 Operating Expenses</b>					
<b>15 Salaries and Benefits</b>					
16 Director Fees	13,575	15,142	11,968	15,128	12,954
17 Prior Director Benefits	25,697	26,180	25,396	23,274	13,741
18 Retiree Benefits	1,085,638	916,354	-	-	-
19 Employee Salaries	9,490,628	10,108,666	8,827,124	8,559,243	7,749,414
20 Employee Overtime	3,252,472	3,112,270	3,866,025	3,406,488	2,117,332
21 Employee Benefits	3,259,938	3,160,247	3,880,360	3,606,779	2,968,620
22 UAL - Pension Payment	1,159,708	1,417,754	3,460,697	3,027,616	2,758,252
23 Pension Bond	1,179,211	1,058,847	-	-	-
24 Pension Savings Reserve	1,339,300	-	-	-	-
<b>25 Total Salaries and Benefits</b>	<b>20,806,168</b>	<b>19,815,461</b>	<b>20,071,570</b>	<b>18,638,529</b>	<b>15,620,313</b>





**San Miguel Fire & Rescue**  
**Detail Statement of Revenues and Expenses Comparison**  
**(Unaudited)**

	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20
26 <b>Services and Supplies</b>					
27 Professional Services	2,445,951	1,715,086	1,934,706	1,972,366	1,786,812
28 Special District Expense	428,437	422,867	334,294	360,315	464,350
29 Maintenance	921,306	788,752	627,439	534,204	576,148
30 Insurance	975,070	984,855	792,152	691,399	870,117
31 Equipment	602,036	583,698	356,255	287,530	573,144
32 Utilities	475,896	469,989	402,357	253,054	221,745
33 Supplies	101,166	101,082	95,638	70,813	154,014
34 Personnel Development	57,737	88,747	48,685	27,557	42,611
35 Rents and Leases	40,903	43,670	42,322	38,974	45,194
36 <b>Total Service and Supplies</b>	<b>6,048,502</b>	<b>5,198,747</b>	<b>4,633,848</b>	<b>4,236,212</b>	<b>4,734,137</b>
37 <b>Total Expenses</b>	<b>26,854,670</b>	<b>25,014,208</b>	<b>24,705,418</b>	<b>22,874,741</b>	<b>20,354,450</b>
<b>Net Income Before</b>					
38 <b>Reserve Related Activities</b>	<b>\$ 5,857,532</b>	<b>\$ 5,227,700</b>	<b>\$ 6,665,935</b>	<b>\$ 4,927,583</b>	<b>\$ 5,445,855</b>
39 Fire Mitigation Revenue	\$ 366,686	\$ 259,217	\$ 170,452	\$ 328,815	\$ 169,486
40 Miscellaneous Reserve Revenue	618,000	103,120	220,715	446,739	175,579
41 Interest Reserve Revenue	903,192	348,142	67,961	112,296	162,344
42 <b>Total Reserve Revenues</b>	<b>1,887,877</b>	<b>710,478</b>	<b>459,127</b>	<b>887,850</b>	<b>507,409</b>
43 <b>Total Reserve Expenditures</b>	<b>4,615,940</b>	<b>3,086,059</b>	<b>988,036</b>	<b>1,327,018</b>	<b>926,357</b>
44 <b>Increase (Decrease) in Fund Balance</b>	<b>\$ 3,129,470</b>	<b>\$ 2,852,118</b>	<b>\$ 6,137,026</b>	<b>\$ 4,488,415</b>	<b>\$ 5,026,907</b>

\*YTD - Year to Date

*Preliminary - does not include all year end adjustments*

*No assurance is provided on these financial statements.*

*Substantially all disclosures required by accounting principles generally accepted in the United States are not included.*



**San Miguel Fire & Rescue  
Balance Sheet Comparison  
(Unaudited)**

	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20
<b>Assets</b>					
Cash in County - General	\$ 10,043,583	\$ 9,658,001	\$ 9,718,910	\$ 8,995,428	\$ 5,965,908
Cash in County - Fund Reserves	23,398,716	18,604,475	16,793,777	11,387,177	9,084,362
Fire Mitigation Fund	699,648	265,444	504,030	248,217	331,453
Restricted Cash and Investments	544,421	533,109	545,771	354,783	527,821
Cash in CB&T	1,178,416	1,894,577	-	-	-
Accounts Receivable	387,077	164,180	43,398	496,132	305,612
Fixed Assets	15,593,615	13,404,910	13,394,186	13,361,222	14,074,086
<b>Total Assets</b>	<b>51,845,474</b>	<b>44,524,695</b>	<b>41,253,118</b>	<b>35,481,461</b>	<b>30,692,208</b>
<b>Liability</b>					
Current Liabilities	28,958,311	29,112,443	2,878,362	3,036,226	4,340,615
Net Pension Liability	41,576,272	30,031,222	53,964,863	51,495,820	(1,739,390)
Deferred Revenue	13	2	1	1	6
Accounts Payable	1,140,058	903,316	(88,678)	582,328	(710,221)
<b>Total Liability</b>	<b>71,674,654</b>	<b>60,046,984</b>	<b>56,754,549</b>	<b>55,114,376</b>	<b>1,891,010</b>
<b>Fund Balance</b>	<b>(19,829,180)</b>	<b>(15,522,289)</b>	<b>(15,501,431)</b>	<b>(19,632,915)</b>	<b>28,801,198</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 51,845,474</b>	<b>\$ 44,524,695</b>	<b>\$ 41,253,118</b>	<b>\$ 35,481,461</b>	<b>\$ 30,692,208</b>

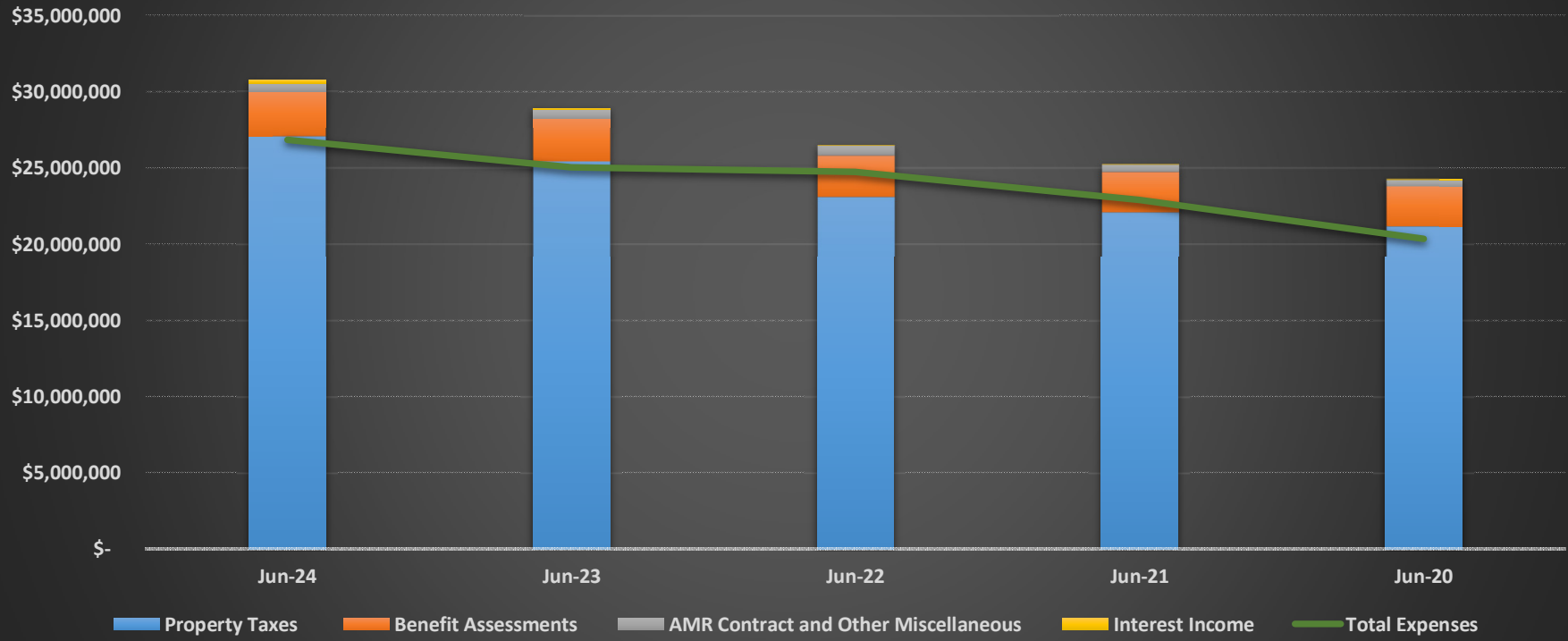
*Preliminary - does not include all year end adjustments*

*No assurance is provided on these financial statements.*

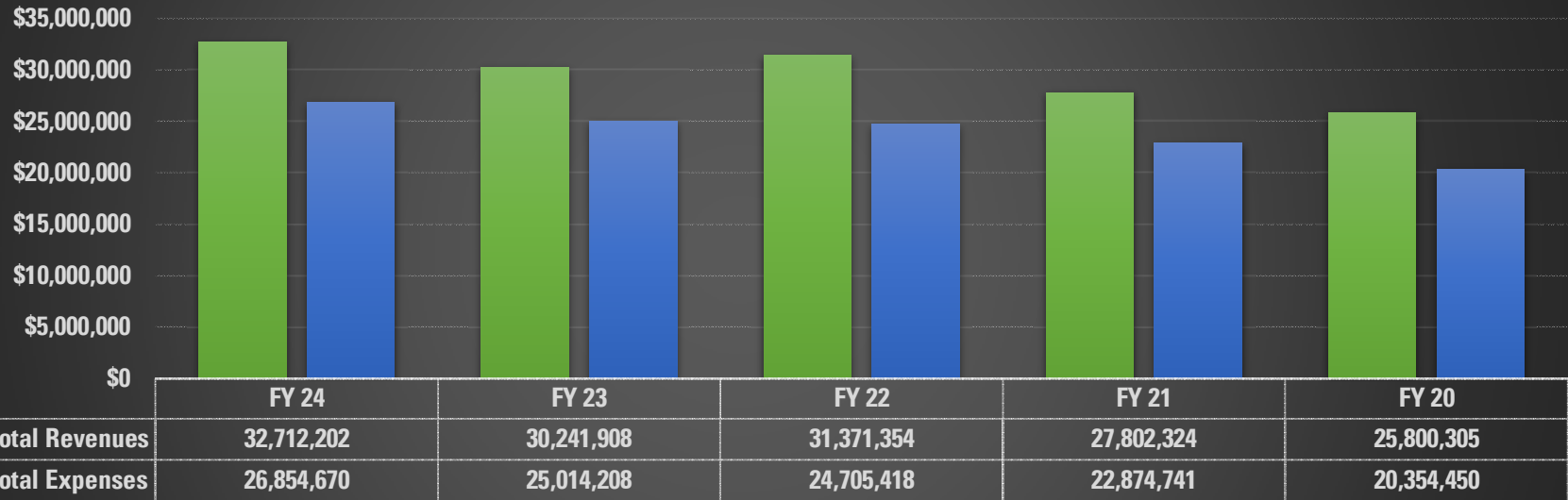
*The financial statements do not include a statement of cash flows.*

*Substantially all disclosures required by accounting principles generally accepted in the United States are not included.*

## Revenues vs Total Expense



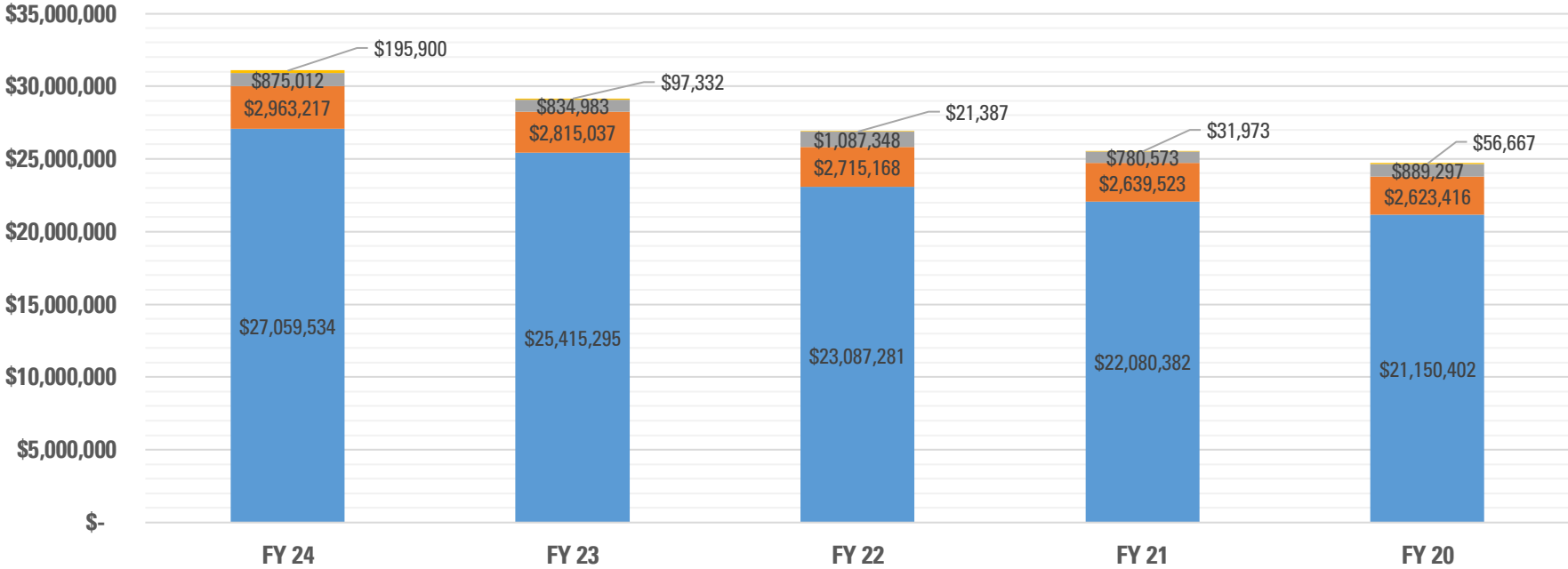
## Total Revenues & Expense - Year to Year Comparison



■ Total Revenues   
 ■ Total Expenses

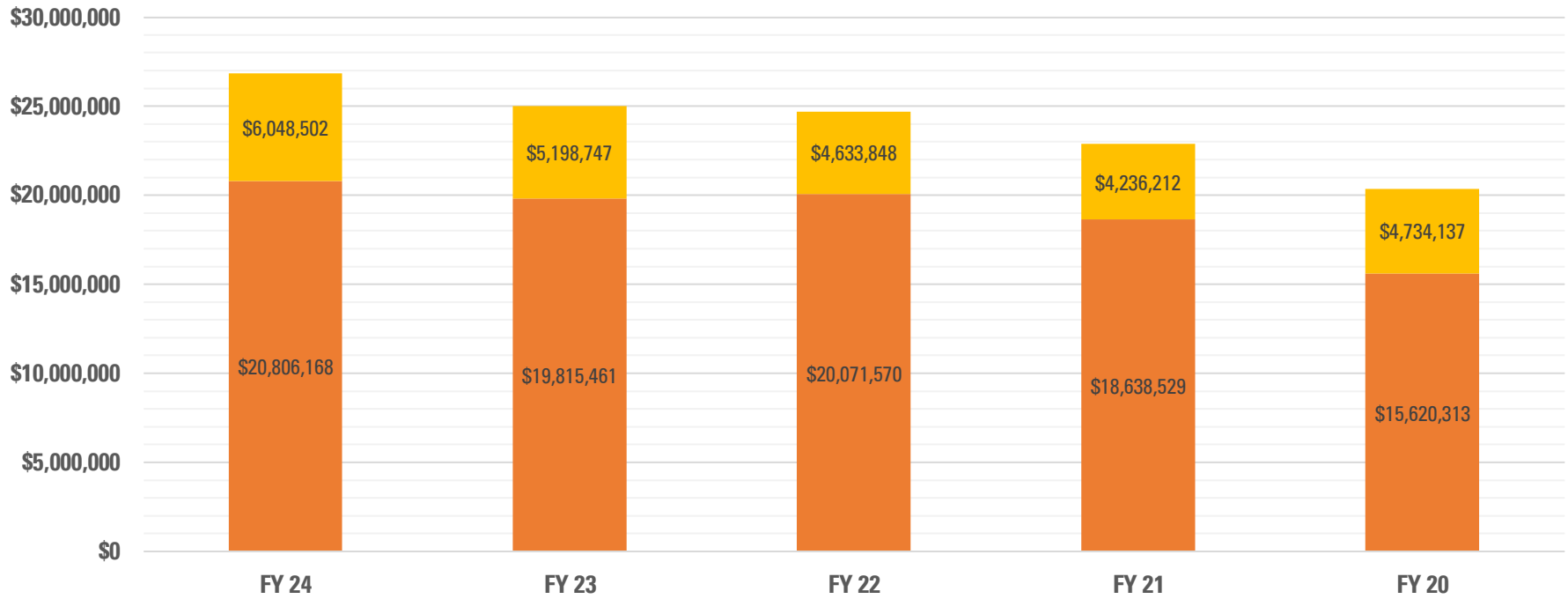
# Revenue Detail by Fiscal Year

■ Property Taxes    
 ■ Benefit Assessments    
 ■ Other Miscellaneous    
 ■ Interest Income



# Expense Detail by Fiscal Year

■ Total Salaries and Benefits    ■ Total Service and Supplies







# Draft Final Budget Summary

This section of the budget provides the readers with a summary comparison of the previous Fiscal Year's Final Budget and the Draft Final Budget for Fiscal Year 2024-2025.

## San Miguel Fire & Rescue 2024/2025 Proposed Budget Summary

Proposed

	2022-2023 FINAL Budget	2023-2024 FINAL Budget	2024-2025 PROPOSED Budget	Budget \$ increase/ decrease	Budget % increase/ decrease
<b>Operating Revenues</b>					
1 Property Taxes	\$ 23,749,500	\$ 25,198,200	\$ 26,447,700	\$ 1,249,500	5.0%
2 Benefit Assessments	2,814,800	2,932,000	3,039,151	107,151	3.7%
<b>Total Operating Revenues</b>	<b>26,564,300</b>	<b>28,130,200</b>	<b>29,486,851</b>	<b>1,356,651</b>	<b>4.8%</b>
<b>Non-Operating Revenues</b>					
3 AMR Contract and Other Miscellaneous	1,311,000	1,361,000	1,376,300	15,300	1.1%
4 Interest Income	10,000	10,000	10,200	200	2.0%
<b>Total Non-Operating Revenues</b>	<b>1,321,000</b>	<b>1,371,000</b>	<b>1,386,500</b>	<b>15,500</b>	<b>1.1%</b>
<b>Total Revenues</b>	<b>\$ 27,885,300</b>	<b>\$ 29,501,200</b>	<b>\$ 30,873,351</b>	<b>\$ 1,372,151</b>	<b>4.7%</b>
<b>Operating Expenses</b>					
<b>Salaries and Benefits Costs</b>					
5 Director Fees	20,000	20,000	14,600	(5,400)	-27.0%
6 Prior Directors Benefits	21,700	24,000	17,333	(6,667)	-27.8%
7 Retiree Benefits	1,032,300	1,503,100	1,057,127	(445,973)	-29.7%
8 Employee Salaries	9,566,633	10,072,950	10,228,800	155,850	1.5%
9 Employee Overtime	2,134,200	2,736,100	3,413,900	677,800	24.8%
10 Employee Benefits	3,154,200	3,553,600	3,889,549	335,949	9.5%
11 Financial Emergency Plan	208,705	332,500	332,500	-	0.0%
12 UAL - Pension Payment	1,416,775	1,420,000	1,658,061	238,061	16.8%
13 Pension Bond	1,058,850	1,260,700	1,439,600	178,900	14.2%
14 Pension Restructuring – Reserve	1,541,150	1,339,300	1,160,400	(178,900)	-13.4%
<b>Total Salaries and Benefits Costs</b>	<b>\$ 20,154,513</b>	<b>\$ 22,262,250</b>	<b>\$ 23,211,870</b>	<b>\$ 949,620</b>	<b>4.3%</b>

## San Miguel Fire & Rescue 2024/2025 Proposed Budget Summary

Proposed

	2022-2023 FINAL Budget	2023-2024 FINAL Budget	2024-2025 PROPOSED Budget	Budget \$ increase/ decrease	Budget % increase/ decrease
<b>Services and Supplies</b>					
15 Professional Services	2,071,600	2,138,100	1,920,500	(217,600)	-10.2%
16 Special District Expense	312,410	285,950	184,750	(101,200)	-35.4%
17 Maintenance	560,550	654,750	1,045,000	390,250	59.6%
18 Insurance	870,000	907,260	907,260	-	0.0%
19 Equipment	573,400	659,800	852,500	192,700	29.2%
20 Utilities	274,800	404,700	500,500	95,800	23.7%
21 Supplies	75,560	90,560	90,600	40	0.0%
22 Personnel Development	80,800	95,800	117,350	21,550	22.5%
23 Rents and Leases	43,300	44,400	46,190	1,790	4.0%
<b>Total Service and Supplies</b>	<b>\$ 4,862,420</b>	<b>\$ 5,281,320</b>	<b>\$ 5,664,650</b>	<b>\$ 383,330</b>	<b>7.3%</b>
<b>Total Expenses</b>	<b>\$ 25,016,934</b>	<b>\$ 27,543,571</b>	<b>\$ 28,876,520</b>	<b>\$ 1,332,949</b>	<b>4.8%</b>
<b>Net Income before Reserve Related Activities</b>					
	<b>\$ 2,868,366</b>	<b>\$ 1,957,629</b>	<b>\$ 1,996,831</b>	<b>\$ 39,202</b>	<b>2.0%</b>
Fire Mitigation Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Miscellaneous Reserve Revenue	-	-	-	-	0.0%
Interest Reserve Revenue	-	-	-	-	0.0%
<b>Total Reserve Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Reserve Expenditures</b>	<b>3,504,000</b>	<b>5,263,000</b>	<b>5,602,000</b>	<b>339,000</b>	<b>6.4%</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (635,634)</b>	<b>\$ (3,305,371)</b>	<b>\$ (3,605,169)</b>	<b>\$ (299,798)</b>	

\*Budget % increase/ decrease is budget \$ increase/decrease divided by prior year final budget



# Draft Final Budget Detail

This section of the budget provides readers with a detailed line-item view of the budget, which fully reveals what is budgeted by categories. It also includes a final breakdown by Division and Program.





The Final Budget is being presented with an increase of 4.8% or approximately \$1,332,949 in General Fund expenditures from the previous years budget.

# SAN MIGUEL FIRE & RESCUE



## Pending/Deferred Budget Requests

Finance Staff met with Executive Staff and Program/Committee Leads throughout March and April regarding budgetary requests. These one-on-one meetings helped staff look at the current and future needs of the department from different perspectives. From there, the District held its first All Personnel Budget Workshop on May 15 & 16, 2024. It included an overview of the budgetary process from a regulation standpoint and a comprehensive look at the internal budgeting process, including a review of all budget requests. From here, the District will conduct future budgetary workshops earlier in next year's budget process to discuss in-depth revenue, expense line items, reserve funds, etc.

**Below is a list of items that were considered in the preliminary budget. It was determined that more information is needed for these requests. Executive Staff and the requestors will meet in October/November to review and prepare for the Fiscal Year 2025/2026 budget process.**

DIVISION	REQUEST
Health and Safety	Cold Plunge
Health and Safety	Infrared Sauna
Health and Safety	Ballistic Equipment
Reserve Firefighter Program	Paramedic School Sponsorship for Reserve Program
Training	Firefighter / Academy Sponsorship
Explorer Program	EMT Scholarship for Explorer Program
To Be Determined	New Position (Classification Unknown)

All other items brought forward during the budget process were included in the preliminary budget. Many requests were added to current line items and did not need to be separated. Those consisted of an increase in overtime for training and development of Programs/Committees and support costs for the Peer Support, Community Outreach, and CERT Programs. A new position has been considered for the past two years. Fire Chief Lawler has determined that a Staff Capacity Assessment is needed to determine what type of position would be most beneficial at this time for the District as a whole. The goal is to complete this assessment for each classification and determine high-level priorities and intent for each, including a workload review and Division Assessment for staffing increase needs. There is a current need for additional staffing, and the request will be brought forward through the appropriate channels. An amended budget will be needed for including any salary increases.



# SAN MIGUEL FIRE & RESCUE



## *Budget Summary Revenue Narrative*

**Line 1 Property Taxes:** Many discussions have been held throughout the year regarding property tax revenue. The District completed a comprehensive property tax analysis, and it was determined that the Preliminary Budget's property tax revenue could be based on actual trends. Once valuation assessments are completed and analyzed, this will be updated during the final budget. Finance Staff will be breaking this line item out in the Quarterly Financial Updates to show delinquent assessments. The District will see a decrease in property tax by approximately \$52,000 due to the January 2024 flooding in San Diego.

**Line 2 Benefit Assessments Revenue:** The Preliminary Budget is based on the approved resolutions at the May 8, 2024, Regular Board Meeting. These revenues are analyzed and provided to the Board of Directors before any Benefit Assessment increase is approved.

**Line 3 AMR Contract and Other Miscellaneous Revenue:** Includes plan check fees, inspection fees, AMR contract and miscellaneous reimbursements.

**Line 4 Interest Income:** This income mainly consists of the County Investment Pool and the Public Agency Self-Insurance System (PASIS).

# SAN MIGUEL FIRE & RESCUE



## *Detailed Expense Budget Narrative*

The Detailed Expense Budget is shown by Division and account code to help pull actual expenditure data into the budget. This format will be beneficial in moving forward with continued transparency, allowing Finance Staff to analyze trends and determine the financial information needed to implement the new accounting software.

**Line 1-2 Director Fees:** Meeting fees for the Board of Directors and Medicare/Social Security payroll liabilities. Decrease of budget due to budgeting based on trends.

**Line 3 Prior Director Benefits:** Past Directors' Health Insurance costs have decreased due to actual benefit payments in the year.

**Line 4 Retiree Benefits:** Retiree health insurance costs have decreased due to Retirees enrolling in Medicare and some coming off the planar.

**Line 5-6 Employee Salaries:** Based on approved Salary Schedules for FY 2023/2024 through the MOUs and Terms of Employment. This line item is based on salaries only and not a rolled-up cost. No significant increases will be seen until new salary rates are determined. Salaries are budgeted as actuals based on each employee.

**Line 7-13 Employee Overtime:** Increases in overtime due to budget requests from the Peer/Chaplain Support Program and the Community Outreach Program for annual meetings. Fire Prevention overtime increased due to work completed yearly for mandatory inspections outside of regular working periods. The Finance Staff moved FLSA out of employee salaries to better track actual costs and increased overtime based on a trend analysis considering an average of three years of overtime usage, excluding any COVID-19 overtime and strike team/overhead assignments. The District assists the State of California during major wildfires and emergency responses throughout California. These costs are reimbursed and offset through the Overtime Trend Analysis included in the Quarterly Financial Statements.

**Line 14 Employee Benefits (Health Insurance):** Health Insurance costs are averaged by yearly increases based on actual CalPERS costs.

**Line 15-18 Employee Benefits (Retirement – Normal Costs):** Increases/Decreases are based on salaries related to Classic and PEPRAs classifications and the CalPERS rates for the year. As Classic members retire, the normal costs will decrease, and the PEPRAs costs will increase with attrition. Finance staff will code these costs separately to present accurate information.

**Line 19 Employee Benefits (Dental Insurance):** Dental Insurance costs increase/decrease based on actuals.

**Line 20 Employee Benefits (Uniform Allowance):** Uniform Allowance per Memorandum of Understanding for employees.

**Line 21 Employee Benefits (Vision Insurance):** Vision Insurance costs increase/decrease based on actuals.

**Line 22 Employee Benefits (Paramedic/EMT Recertification):** Paramedic/EMT Recertification per Memorandum of Understanding for employees.

**Line 23 Financial Emergency Plan:** This line item assists in planning for economic downturns and is tied to the Emergency Financial Plan. For more information, see the Board of Director Financial Management Policy. This amount will change with the 2024/2025 Salary Schedules as a rolled-up cost.

**Line 24-25 UAL-Pension Payment:** These costs are associated with the annual required payments to CalPERS for the Unfunded Annual Liability (UAL) and 1959 Survivor Benefits. The CalPERS Valuation Report for the District provides more detailed information. These documents are located on our website under District Financial Information. Approved by Resolution during Preliminary Budget Adoption (Resolution 24-32).

**Line 26-27 Pension Bond – Reserve:** These costs are associated with the strategy to pay off part of the CalPERS UAL through a private Lease Revenue Bond to help stabilize increasing annual pension costs. The District continues researching strategies to ensure long-term financial stability for pension costs.

**Line 28-30 Communications:** This includes increased fees/equipment costs for radios and computer service equipment. Equipment is being replaced on an ongoing basis.

**Line 31-32 Equipment Maintenance:** This includes maintaining all fire equipment at the stations and apparatus.

**Line 33-34 Facilities Maintenance:** This includes the ongoing maintenance of all station facilities (eight fire stations and HQ Administrative Building).

**Line 35 Fuel:** This includes the fuel expense for all District operations. The increase is based on trend analysis and future cost assumptions per economic monitoring.

**Line 36 Fleet Maintenance:** This includes the costs for all fleet maintenance and repairs for the District. Line item 36 has increased due to the shift of the expenses from professional services (the fleet maintenance contract ended). These costs will be monitored and analyzed monthly.

**Line 37 Housekeeping Supplies:** Based on actuals and trend analysis.

**Line 38 Medical Supplies:** Based on actuals and trend analysis.

**Line 39-40 Insurance:** The final budget will provide Liability insurance rates reflecting any premium increases anticipated for the year. The District continues to monitor and assess its need to increase the budget for Workers' Compensation. The District uses a trend of three years of actuals spent for this line item. FAIRA and PASIS JPA continue to provide the most competitive rates and the best coverage for Fire/EMS services.

**Line 41-49 Minor Equipment:** Administrative Staff requests an increase in line item 43 due to the Enterprise Resource Planning System request, which will allow one system for all administrative needs. No other analytical platform would be needed for Administrative Support Services. Fire Prevention Software (line 44) and Operations Analytics Software (line 45) do not have an increase in the line item from last year; however, for better line-item acknowledgment, we moved the software costs under minor equipment and out of line item 85 & 86 Memberships and Subscriptions. The request for line 50 to be increased is based on replacement costs on an as-needed basis for fire service equipment.

**Line 50 Physical Fitness Equipment:** All stations have been assessed, and each station will be put on a replacement schedule for the equipment—no increase is being requested.

**Line 51 Office Supplies:** Office supplies for all District needs. The division/Program/Committee does not separate these costs because it does not need those analytics separated.

**Line 52-55 Personnel Development:** Personnel Development includes education/tuition reimbursements, discretionary training for all personnel, and training for programs/committees when approved.

**Line 56-57 Wellness Services:** Costs associated with the Wellness Program, available to all employees, and the Employee Assistance Program, which provides services for all employees through several different avenues. Wellness in the fire service continues to be at the forefront of discussions within the District and throughout California.

**Line 58-65 Professional Services:** These services include dispatching, legal counsel, audit fees, support services costs (i.e., fees paid to the COSD, scanning projects), monitoring fees for bond issuance, training annual assessments, and training fees. Line 63 did include the previous fleet maintenance contract but was removed, and fleet costs are now under Line 36 Fleet Maintenance. A new line item has been included for Nurse Navigator (line 59). The entire Central Zone is adopting Nurse Navigator, becoming a nationally recognized program. The purpose of the Nurse Navigator is to divert non-emergency calls to a nurse so that the 9-11 System is not overstressed. This will help reduce call volumes throughout the Central Zone. Approved by Resolution during Preliminary Budget Adoption (Resolution 24-31).

**Line 66 Property Tax Refunds:** This line item accounts for any refund fees reduced from property tax received through the County of San Diego Tax Apportionment. These costs are separated to ensure accurate reporting of property tax revenue.

**Line 67 Property Tax Administrative Cost:** This line item accounts for any administrative fees reduced from property tax received through the County of San Diego Tax Apportionment. These costs are separated to ensure accurate reporting of property tax revenue.

**Line 68-71 Publications and Media:** Required publications (public notices and hearings) and media necessities (flyers, programs) separated by Division. The District is working to transition some administrative management items into the correct division (i.e., RFP notice costs for facilities will be moved into the Health & Safety Division under the Facilities Management Program).

**Line 72-73 Rents and Leases:** Equipment rent and leases for miscellaneous equipment (copier/printer) and Station 19 Lease of Property, which has a 5% CPI increase.

**Line 74-76 Safety Clothing:** No increase in safety clothing budget per trend analysis and yearly needs.

**Line 77-81 Uniforms:** Uniform Reimbursement per Memorandum of Understanding and Terms of Employment for employees. Line item #79 was decreased based on actuals.

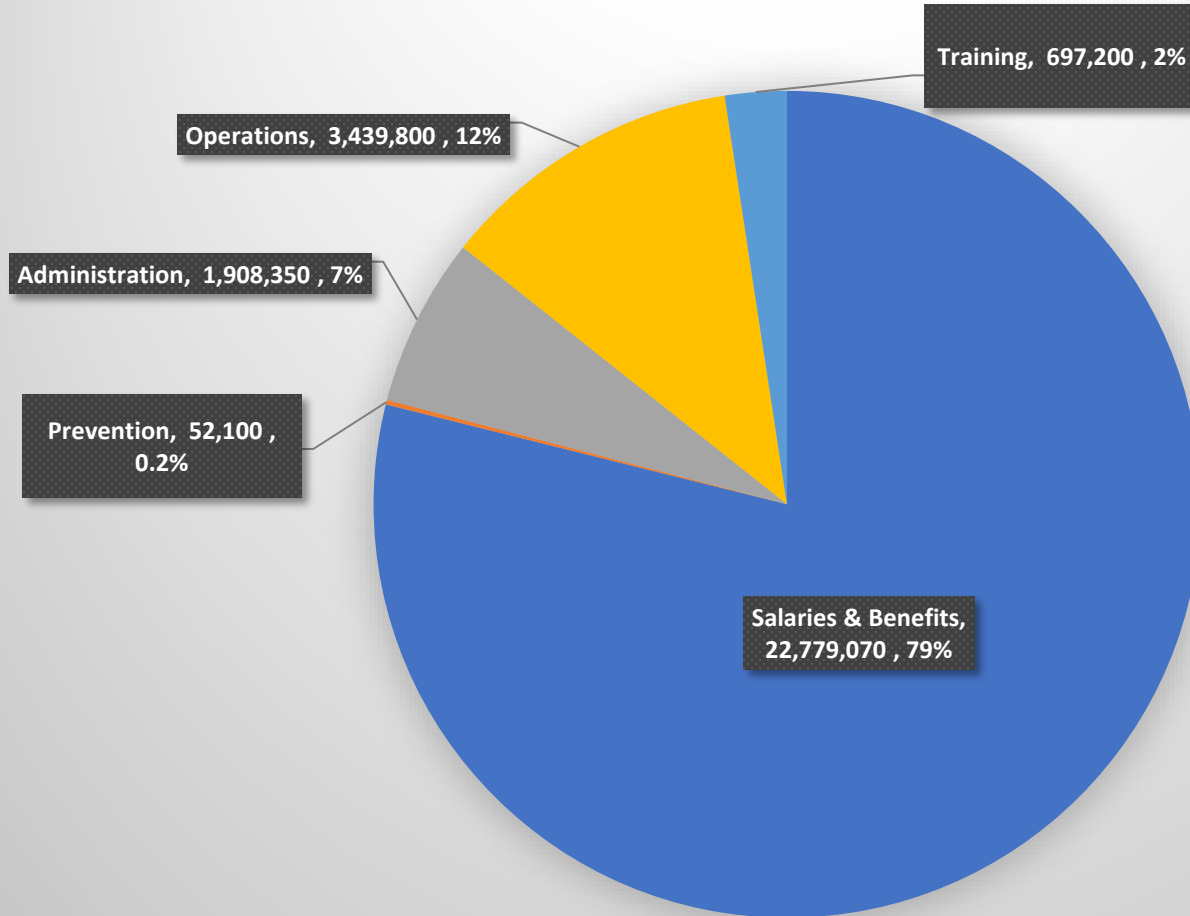
**Line 82-93 District Support Costs:** Miscellaneous support costs for providing necessary services for each division of the District. These include permitting fees, election costs, membership and subscription fees, and recruitment materials.

**Line 94-96 Travel Expenses:** These line items are for meeting costs associated with miscellaneous associations that personnel are assigned to and travel costs for professional development for conferences for all divisions. This line item has been put into one line item for better tracking of the expenses, and a member of the Executive Staff must approve all travel.

**Line 97-106 Utilities:** The increase is based on actuals and trend analysis. Finance Staff are separating all utilities per station for continued trend analysis based on actuals.



## FY 25 Budgeted Expenses by Division





## ADMINISTRATION

The Administrative Division of San Miguel Fire & Rescue is responsible for all adjunct services supporting fire personnel, the District's citizens, and businesses. It integrates the goals and objectives established by the Board of Directors and Fire Chief for all divisions of the District, manages monetary and human resources, and establishes department policies and procedures in accordance with state and local laws. This division shows what dedicated public servants can do to make a local government successful.

### Administrative Services:

Oversees all administrative functions within the department and plays a key role in support services for Operations, Health and Safety/EMS, and Fire Prevention.

### Fiscal Oversight:

Responsible for the oversight of fiscal management and policies and procedures related to finances. Dedicated to long-term financial planning and continuously reviewing strategies that will assist in sustainability for the District. Proper use of taxpayer's dollars is of the utmost importance. Administration monitors revenues and expenditures to ensure that funds are allocated efficiently and spent in accordance with approved financial plans. This division ensures that public resources are managed responsibly, identifying any discrepancies or financial risks and recommending adjustments to maintain fiscal sustainability.

### Enterprise Resource Planning:

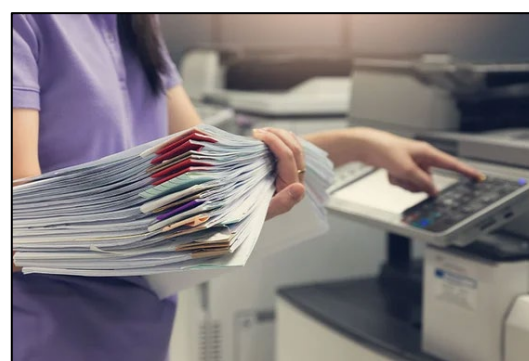
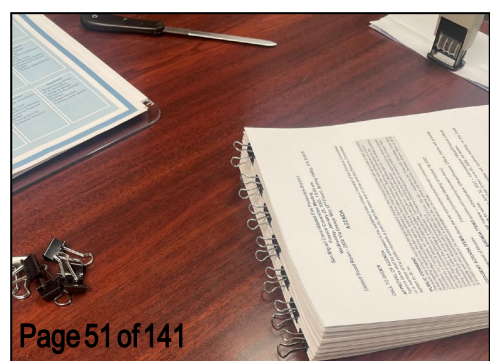
The implementation of an Enterprise Resource Planning (ERP) system is currently being configured. This type of software helps the District manage its day-to-day operations and includes expense management and reporting tools. It will streamline processes and allow us to deliver better and faster administrative assistance to the public with greater transparency and accessibility. It will also allow the administrative professionals who proudly service San Miguel Fire & Rescue to have sustainable office practices and consistency in process management.

### Human Resources:

Manages employee recruitment, hiring, and onboarding processes, ensuring that the workforce aligns with community needs and organizational goals. Oversees employee relations, benefits administration, and compliance with labor laws to maintain a positive and legally sound work environment. Administration plays a critical role in staff development, training, and performance management to enhance the efficiency and effectiveness of public service daily.

### Budget Management:

The Operations Division also plays a significant role in managing a portion of the District's budget. We carefully allocate resources to ensure that all employees have the tools, firefighting gear, and training they need to perform their duties safely, aggressively, and efficiently.



## FIRE PREVENTION

The Fire Prevention Division (FP) continues to work on multiple aspects of reducing risks in our jurisdiction including:

### **State-Mandated Inspections:**

Fire Prevention is tasked with conducting inspections of Educational Group E and Residential Group R occupancies. During the period of June 14, 2023 – June 5, 2024, FP inspected all 321 of these occupancies in the District, which is a 100% rate of compliance.

### **Weed Abatement:**

San Miguel Fire District continues to partner with Fire Prevention Services, Inc. to enforce FP's weed abatement standards, ensuring property owners with hazardous dry brush do not pose a hazard to neighboring properties. Out of the District's entire service area of over 50 square miles, only 21 vacant parcels and 15 improved parcels failed to get into compliance and went into forced abatement.

### **Plan Review and New Construction:**

During Fiscal Year 2023/2024, FP conducted 605 plan reviews. Just a couple months into FY2024/2025, FP has already completed 146 plan reviews. Year over year, the number of construction projects coming across our front counter continues to steadily increase.

### **Community Facilities District:**

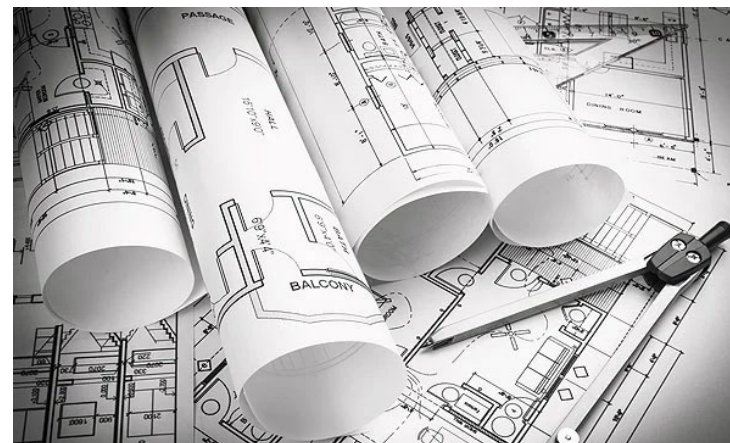
Incoming construction plans for certain occupancies, like commercial buildings and multi-family dwellings, pose an increase in potential 9-1-1 responses. To offset this growth and increase in dwellings and people potentially needing Fire services, these properties must annex into the Community Facilities District, where the annual tax levied on the property helps to offset the added emergency responses. Since CFD 2022-1's establishment in 2022, the District has seen 6 annexations (annexation numbers 5 and 6 are being finalized tonight).

### **Cost Recovery / Cost Neutrality:**

FP continues to adjust fees as the cost for providing services steadily increases. The largest source of offsetting FP costs comes from County Fire Mitigation Program Fees and in-house plan review fees. Both County and in-house fees are assessed annually and increased based on multiple factors.

### **Modernization:**

FP strives to work efficiently and accurately. By implementing new software programs, streamlining processes, and investing on new and reliable vehicles, we are utilizing all of the tools available to keep up with the increasing workload.



## OPERATIONS

The Operations Division of the San Miguel Fire District plays a critical role in ensuring that the operational needs of our District and employees are met with the highest standards of professionalism and efficiency. Our Division is responsible for a wide range of essential functions that keep our department running smoothly and effectively.

### **Fleet Management and Maintenance:**

Operations oversees the procurement, maintenance, and repair of all District apparatus and vehicles. We work closely with our fleet mechanic to manage the replacement cycle and determine the needs of our fleet, ensuring that our vehicles are always in optimal condition to respond to emergencies.

### **Training and Development:**

The Operations Division also manages the Training Division, led by a Battalion Chief and supported by a cadre of Training Officers. This team is tasked with hiring, promoting, evaluating, and testing personnel. We track certifications and licenses, develop training programs, and create training tracks for succession planning. Our goal is to ensure that every member of the San Miguel Fire District has the skills and knowledge to perform their duties safely and efficiently.

### **Vendor Contracts and Dispatch Coordination:**

We ensure that reliable contracts are established with vendors and work closely with dispatch to maintain industry-standard on-scene times of 8 minutes or less, 90% of the time. This collaboration is vital in providing timely and effective responses to emergencies.

### **Resource Management and Staffing:**

Operations ensures that staffing levels are adequate and that the deployment of resources - whether within our local area, across San Diego County, statewide, or even out-of-state - is timely, manageable, and effective. We continuously assess and adjust our resource allocation to meet the dynamic needs of our community.

### **Budget Management:**

The Operations Division also plays a significant role in managing a portion of the District's budget. We carefully allocate resources to ensure that all employees have the tools, firefighting gear, and training they need to perform their duties safely, aggressively, and efficiently.

The Operations Division remains committed to enhancing the capabilities of our District and ensuring that all operational aspects of the San Miguel Fire District are executed to the highest standards.



## HEALTH & SAFETY/EMS

The Health and Safety (H&S) Division works to ensure every aspect of the District is progressing smoothly and follows all current OSHA laws and regulations. Most budgetary outlay is associated with maintaining a safe and clean working environment for our employees. The H&S Division oversees and is responsible for several programs, and their budgets, within the organization.

**Facilities:**

San Miguel has eight fire stations with a wide range of construction age and types. Housing fire crews 24 hours a day increases the wear and tear on facilities. Keeping up with current workplace safety practices also adds a challenge to our staff.

**Peer Support:**

H&S oversees a team of peer support members that are tasked with serving as a resource to all employees as it pertains to mental wellness. San Miguel is active in the zone and region with critical incident stress diffusion at the scene of traumatic incidents.

**EMS Cadre:**

H&S oversees all aspects of the EMS delivery system. Working closely with Operations, the EMS Cadre ensures the citizens of San Miguel are receiving the best pre-hospital care possible. Medical devices are costly and are the most utilized pieces of equipment on our apparatus. A well-designed replacement plan has been developed for most devices. Repairs remain a high cost of providing care to the citizens.

**Community Outreach:**

H&S oversees all aspects of community outreach, working to accurately and efficiently deliver information to the community. Community Outreach focuses on school visits and station tours, and is currently working to expand our social media reach.

**Recruitment:**

H&S oversees recruitment teams that attend career days at local high schools, colleges and paramedic schools, making valuable contact with potential future



Station Open House



In-house EMS Training



## San Miguel Fire & Rescue 2024/2025 Proposed Budget

Priority	Division	Program	Account Description	2022/2023	2023/2024	2024/2025	Increase/ (Decrease)	Percent
				FINAL Budget	FINAL Budget	PROPOSED Budget	Budget FY 24 vs Budget FY 25 Amount	
			<b>Director Fees (5020)</b>	<b>21,700</b>	<b>21,700</b>	<b>15,800</b>	<b>(5,900)</b>	<b>-27.2%</b>
1	1	Board of Directors	Meetings	20,000	20,000	14,600	(5,400)	-27.0%
2	1	Board of Directors	Medicare/Social Security	1,700	1,700	1,200	(500)	-29.4%
			<b>Prior Director Benefits (5010)</b>	<b>20,000</b>	<b>22,300</b>	<b>16,133</b>	<b>(6,167)</b>	<b>-27.7%</b>
3	1	Salaries and Benefits	Past Directors - Health Insurance	20,000	22,300	16,133	(6,167)	-27.7%
			<b>Retiree Benefits (5012)</b>	<b>1,032,300</b>	<b>1,503,100</b>	<b>1,057,127</b>	<b>(445,973)</b>	<b>-29.7%</b>
4	1	Salaries and Benefits	Health Insurance - Retirees	1,032,300	1,503,100	1,057,127	(445,973)	-29.7%
			<b>Employee Salaries (5050)</b>	<b>9,566,633</b>	<b>10,072,950</b>	<b>10,228,800</b>	<b>155,850</b>	<b>1.5%</b>
5	1	Salaries and Benefits	Base Salaries - Safety	8,600,580	9,087,580	9,141,400	53,820	0.6%
6	1	Salaries and Benefits	Base Salaries - Non-Safety	800,553	810,500	891,500	81,000	10.0%
			<b>Employee Overtime (5040)</b>	<b>2,134,200</b>	<b>2,736,100</b>	<b>3,413,900</b>	<b>677,800</b>	<b>24.8%</b>
7	1	Salaries and Benefits	Suppression Overtime	1,728,800	2,109,800	2,526,300	416,500	19.7%
8	1	Admin Support Services	Community Outreach Overtime	7,000	10,000	10,000	-	0.0%
9	1	Salaries and Benefits	FLSA	220,700	218,800	470,600	251,800	115.1%
10	3	Fire Prevention	Prevention Overtime	2,500	2,500	7,000	4,500	180.0%
11	5	Board of Directors	Administrative Overtime	500	500	-	(500)	-100.0%
12	2	Operations	Facilities Overtime	10,000	10,000	10,000	-	0.0%
13	3	Operations	District Training (All)	164,700	384,500	390,000	5,500	1.4%
			<b>Employee Benefits (5031)</b>	<b>1,306,200</b>	<b>1,425,700</b>	<b>1,773,500</b>	<b>347,800</b>	<b>24.4%</b>
14	1	Salaries and Benefits	Health Insurance - Employees	1,306,200	1,425,700	1,773,500	347,800	24.4%
			<b>Employee Benefits (5032)</b>	<b>1,688,200</b>	<b>1,947,800</b>	<b>1,929,700</b>	<b>(18,100)</b>	<b>-0.9%</b>
15	1	Salaries and Benefits	Retirement - Safety - Classic	955,500	1,174,300	1,021,000	(153,300)	-13.1%
16	1	Salaries and Benefits	Retirement - Safety - PEPRA	652,300	677,700	802,100	124,400	18.4%
17	1	Salaries and Benefits	Retirement - Non-Safety - Classic	34,800	54,200	58,600	4,400	8.1%
18	1	Salaries and Benefits	Retirement - Non-Safety - PEPRA	45,600	41,600	48,000	6,400	15.4%

## San Miguel Fire & Rescue 2024/2025 Proposed Budget

Priority	Division	Program	Account Description	2022/2023	2023/2024	2024/2025	Increase/ (Decrease)	Percent	
				FINAL Budget	FINAL Budget	PROPOSED Budget	Budget FY 24 vs Budget FY 25 Amount		
19	1	Salaries and Benefits	Salaries and Benefits	<b>Employee Benefits (5033)</b>	<b>84,300</b>	<b>84,300</b>	<b>90,549</b>	<b>6,249</b>	<b>7.4%</b>
				Dental Insurance	84,300	84,300	90,549	6,249	7.4%
20	1	Salaries and Benefits	Salaries and Benefits	<b>Employee Benefits (5036)</b>	<b>56,700</b>	<b>71,000</b>	<b>71,000</b>	-	<b>0.0%</b>
				Uniform Allowance	56,700	71,000	71,000	-	0.0%
21	1	Salaries and Benefits	Salaries and Benefits	<b>Employee Benefits (5037)</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	-	<b>0.0%</b>
				Vision Insurance	10,400	10,400	10,400	-	0.0%
22	1	Salaries and Benefits	Salaries and Benefits	<b>Employee Benefits (5038)</b>	-	<b>6,000</b>	<b>6,000</b>	-	<b>0.0%</b>
				Paramedic Recertification	-	6,000	6,000	-	0.0%
23	2	Salaries and Benefits	Salaries and Benefits	<b>Financial Emergency Plan (5201)</b>	<b>208,705</b>	<b>332,500</b>	<b>332,500</b>	-	<b>0.0%</b>
				Financial Emergency Plan	208,705	332,500	332,500	-	0.0%
24	1	Salaries and Benefits	Salaries and Benefits	<b>Pension Benefit Costs (5030)</b>	<b>1,425,175</b>	<b>1,428,400</b>	<b>1,666,461</b>	<b>238,061</b>	<b>16.7%</b>
				UAL Payment - CalPERS	1,416,775	1,420,000	1,658,061	238,061	16.8%
25	1	Salaries and Benefits	Salaries and Benefits	Retirement - 1959 Survivor Benefit	8,400	8,400	8,400	-	0.0%
26	1	Salaries and Benefits	Salaries and Benefits	<b>Pension Bond - Reserve (5030)</b>	<b>2,600,000</b>	<b>2,600,000</b>	<b>2,600,000</b>	-	<b>0.0%</b>
				Pension Restructuring - LRB	1,058,850	1,260,700	1,439,600	178,900	14.2%
27	1	Salaries and Benefits	Salaries and Benefits	Pension Restructuring – Reserve	1,541,150	1,339,300	1,160,400	(178,900)	-13.4%
28	1	Operations	Ops Management	<b>Communications (6010)</b>	<b>196,000</b>	<b>240,000</b>	<b>260,000</b>	<b>20,000</b>	<b>8.3%</b>
				RCS Backbone Maint. & Fees	119,000	135,000	150,000	15,000	11.1%
				Radio Equip. and Maint.	52,000	80,000	80,000	-	0.0%
29	2	Operations	Ops Management	Computer Service & Equip.	25,000	25,000	30,000	5,000	20.0%
30	1	Operations	Ops Management						
31	4	Admin Support Services	Admin Management	<b>Equipment Maintenance (6020)</b>	<b>95,300</b>	<b>101,700</b>	<b>101,000</b>	<b>(700)</b>	<b>-0.7%</b>
				Scanner/Plotter Maint.	600	1,000	1,000	-	0.0%
32	2	Operations	Ops Management	Fire Equipment Maint.	94,700	100,700	100,000	(700)	-0.7%

## San Miguel Fire & Rescue 2024/2025 Proposed Budget

Priority	Division	Program	Account Description	2022/2023	2023/2024	2024/2025	Increase/ (Decrease)	Percent
				FINAL Budget	FINAL Budget	PROPOSED Budget	Budget FY 24 vs Budget FY 25 Amount	
			<b>Facilities Maintenance (6030)</b>	<b>176,200</b>	<b>189,000</b>	<b>189,000</b>	<b>-</b>	<b>0.0%</b>
33	2	Health & Safety	Facilities Management	167,200	180,000	180,000	-	0.0%
34	3	Health & Safety	Facilities Management	9,000	9,000	9,000	-	0.0%
			<b>Fuel (6031)</b>	<b>175,000</b>	<b>250,000</b>	<b>300,000</b>	<b>50,000</b>	<b>20.0%</b>
35	1	Operations	Fleet Management	175,000	250,000	300,000	50,000	20.0%
			<b>Fleet Maintenance (6040)</b>	<b>114,050</b>	<b>114,050</b>	<b>445,000</b>	<b>330,950</b>	<b>290.2%</b>
36	1	Operations	Fleet Management	114,050	114,050	445,000	330,950	290.2%
			<b>Housekeeping Supplies (6050)</b>	<b>30,000</b>	<b>35,000</b>	<b>35,000</b>	<b>-</b>	<b>0.0%</b>
37	3	Health & Safety	Facilities Management	30,000	35,000	35,000	-	0.0%
			<b>Medical Supplies (6070)</b>	<b>25,000</b>	<b>35,000</b>	<b>35,000</b>	<b>-</b>	<b>0.0%</b>
38	1	Operations	Ops Management	25,000	35,000	35,000	-	0.0%
			<b>Insurance (6060)</b>	<b>870,000</b>	<b>907,260</b>	<b>907,260</b>	<b>-</b>	<b>0.0%</b>
39	1	Admin Support Services	Admin Management	270,000	307,260	307,260	-	0.0%
40	1	Admin Support Services	Admin Management	600,000	600,000	600,000	-	0.0%
			<b>Minor Equipment (6080)</b>	<b>216,900</b>	<b>237,300</b>	<b>410,000</b>	<b>172,700</b>	<b>72.8%</b>
41	3	Admin Support Services	Admin Management	10,000	10,000	10,000	-	0.0%
42	4	Admin Support Services	Admin Management	10,000	-	71,000	71,000	100.0%
43	2	Fire Prevention	Prevention	300	300	22,000	21,700	7233.3%
44	4	Operations	Ops Management	10,000	10,000	50,000	40,000	400.0%
45	4	Health & Safety	Facilities Management	10,000	10,000	10,000	-	0.0%
46	4	Health & Safety	Facilities Management	1,000	1,000	1,000	-	0.0%
47	3	Operations	Training Program	24,000	35,000	35,000	-	0.0%
48	5	Operations	Explorer Program	1,000	1,000	1,000	-	0.0%
49	2	Operations	Ops Management	150,600	170,000	210,000	40,000	23.5%



## San Miguel Fire & Rescue 2024/2025 Proposed Budget

Priority	Division	Program	Account Description	2022/2023	2023/2024	2024/2025	Increase/ (Decrease)	Percent	
				FINAL Budget	FINAL Budget	PROPOSED Budget	Budget FY 24 vs Budget FY 25 Amount		
50	4	Health & Safety	Facilities Management	<b>Physical Fitness (6083)</b>	8,000	15,000	15,000	-	0.0%
				Physical Fitness Equip.	8,000	15,000	15,000	-	0.0%
51	3	Admin Support Services	Admin Management	<b>Office Supplies (6090)</b>	20,560	20,560	20,600	40	0.2%
				Office Supplies/Equip.	20,560	20,560	20,600	40	0.2%
52	1	Operations	Training Program	<b>Personnel Development (6100)</b>	50,200	65,200	69,350	4,150	6.4%
				Education Reimb - All Employees	20,000	35,000	35,000	-	0.0%
53	4	Operations	Training Program	Discretionary Training Offset	25,000	25,000	25,000	-	0.0%
54	5	Operations	Explorer Program	Enrollment Fees & Training	2,800	2,800	2,800	-	0.0%
55	3	Health & Safety	Peer/Chaplain Support	Training & Outreach	2,400	2,400	6,550	4,150	172.9%
56	2	Health & Safety	Facilities Management	<b>Wellness Services (6105)</b>	145,600	149,000	149,000	-	0.0%
				Wellness Program	123,600	127,000	127,000	-	0.0%
57	1	Health & Safety	Facilities Management	Employee Assistance Program	22,000	22,000	22,000	-	0.0%
58	1	Operations	Ops Management	<b>Professional Services (6110)</b>	1,526,000	1,589,100	1,321,500	(267,600)	-16.8%
				HCFA Dispatching	841,100	860,000	903,000	43,000	5.0%
59	1	Operations	Ops Management	Nurse Navigator	-	-	25,000	25,000	100.0%
60	1	Admin Support Services	Admin Management	Consulting Costs (All)	75,000	75,000	75,000	-	0.0%
61	2	Admin Support Services	Admin Management	Legal Counsel	80,000	100,000	100,000	-	0.0%
62	1	Admin Support Services	Admin Management	Administrative Support Services	110,600	80,600	80,000	(600)	-0.7%
63	1	Operations	Ops Management	Professional Services	334,800	387,000	40,000	(347,000)	-89.7%
64	2	Operations	Training Program	HTF Annual Assessment	71,000	73,000	85,000	12,000	16.4%
65	2	Operations	Training Program	FTES Tuition	13,500	13,500	13,500	-	0.0%
66	1	Admin Support Services	Admin Management	<b>Property Tax Refunds (6115)</b>	150,000	150,000	200,000	50,000	33.3%
				Refunds - Property Taxes	150,000	150,000	200,000	50,000	33.3%
67	1	Admin Support Services	Admin Management	<b>Property Tax Admin Cost (6116)</b>	250,000	250,000	250,000	-	0.0%
				Property Tax - Admin Charges	250,000	250,000	250,000	-	0.0%

## San Miguel Fire & Rescue 2024/2025 Proposed Budget

Priority	Division	Program	Account Description	2022/2023	2023/2024	2024/2025	Increase/ (Decrease)	Percent	
				FINAL Budget	FINAL Budget	FINAL Budget	Budget FY 24 vs Budget FY 25 Amount		
<b>Publications and Media (6120)</b>				<b>24,560</b>	<b>25,400</b>	<b>25,400</b>	<b>-</b>	<b>0.0%</b>	
68	3	Admin Support Services	Admin Management	Publication & Media Needs	600	12,600	12,600	-	0.0%
69	1	Fire Prevention	Prevention	Publication & Media Needs	6,260	8,500	8,500	-	0.0%
70	1	Operations	Ops Management	Publication & Media Needs	500	500	500	-	0.0%
71	3	Operations	Training Program	Publication & Media Needs	17,200	3,800	3,800	-	0.0%
<b>Rents and Leases (6130)</b>				<b>43,300</b>	<b>44,400</b>	<b>46,190</b>	<b>1,790</b>	<b>4.0%</b>	
72	1	Admin Support Services	Admin Management	Equipment Rents & Leases	8,600	8,600	8,600	-	0.0%
73	1	Admin Support Services	Admin Management	Station 19 Lease of Property (Rent)	34,700	35,800	37,590	1,790	5.0%
<b>Safety Clothing (6140)</b>				<b>152,500</b>	<b>167,500</b>	<b>167,500</b>	<b>-</b>	<b>0.0%</b>	
74	1	Operations	Ops Management	Structure/Brush PPE Expense	137,000	152,000	152,000	-	0.0%
75	3	Operations	Reserve FF Program	Reserve Firefighter PPE Expense	13,800	13,800	13,800	-	0.0%
76	5	Health & Safety	Peer/Chaplain Support	Wildland Gear	1,700	1,700	1,700	-	0.0%
<b>Uniforms (6145)</b>				<b>31,000</b>	<b>37,300</b>	<b>29,200</b>	<b>(8,100)</b>	<b>-21.7%</b>	
77	5	Admin Support Services	Admin Management	Non Safety Uniforms	-	6,300	14,000	7,700	122.2%
78	5	Fire Prevention	Prevention	Uniform Expense			4,500	4,500	100.0%
79	5	Operations	Ops Management	Class "A" Uniform Expense	31,000	31,000	7,500	(23,500)	-75.8%
80	5	Health & Safety	Peer/Chaplain Support	Uniform Expense (Polos)			200	200	100.0%
81	5	Operations	Explorer Program	Uniform Expense			3,000	3,000	100.0%
<b>District Support Costs (6150)</b>				<b>253,750</b>	<b>220,150</b>	<b>137,050</b>	<b>(83,100)</b>	<b>-37.7%</b>	
82	1	Operations	Fleet Management	Permits (HazMat, Fuel, etc.)	-	-	10,000	10,000	100.0%
83	1	Board of Directors	Board of Directors	Election Costs (estimate)	40,000	40,000	40,000	-	0.0%
84	2	Admin Support Services	Admin Management	Memberships and Subscriptions	104,700	70,700	20,000	(50,700)	-71.7%
85	2	Fire Prevention	Prevention	Software & Subscriptions	19,700	21,700	500	(21,200)	-97.7%
86	1	Operations	Ops Management	Memberships and Subscriptions	36,100	36,100	10,000	(26,100)	-72.3%
87	5	Operations	Training Program	Recruitment Materials/Supplies	200	200	5,000	4,800	2400.0%
88	5	Operations	Training Program	Miscellaneous Expenses	10,050	10,050	10,050	-	0.0%
89	4	Operations	Reserve FF Program	Reserve FF Expenses	21,700	19,700	19,700	-	0.0%
90	4	Operations	Explorer Program	Explorer Fees & Expenses	1,400	1,800	1,800	-	0.0%
91	5	Health & Safety	Peer/Chaplain Support	Supplies & Misc Expenses	2,000	2,000	2,000	-	0.0%

## San Miguel Fire & Rescue 2024/2025 Proposed Budget

Priority	Division	Program	Account Description	2022/2023	2023/2024	2024/2025	Increase/ (Decrease)	Percent	
				FINAL Budget	FINAL Budget	FINAL Budget	Budget FY 24 vs Budget FY 25 Amount		
92	4	Admin Support Services	Community Outreach	Program Development	17,000	17,000	16,000	(1,000)	-5.9%
93	4	Operations	CERT	Support Costs	900	900	2,000	1,100	122.2%
				<b>Meeting &amp; Travel Expenses (6160)</b>	<b>33,700</b>	<b>33,700</b>	<b>51,100</b>	<b>17,400</b>	<b>51.6%</b>
94	5	Admin Support Services	Admin Management	Administrative Meetings	1,000	1,000	1,000	-	0.0%
95	4	Fire Prevention	Prevention	Southern California FPO Meetings	100	100	100	-	0.0%
96	1	Admin Support Services	Admin Management	Professional Development	32,600	32,600	50,000	17,400	53.4%
				<b>Utilities (6170)</b>	<b>274,800</b>	<b>404,700</b>	<b>500,500</b>	<b>95,800</b>	<b>23.7%</b>
97	2	Admin Support Services	Admin Management	iPad & IT	7,400	7,400	7,400	-	0.0%
98	1	Operations	Ops Management	Cell Phone Service & Equip	267,400	248,100	248,100	-	0.0%
99	1	Health & Safety	Facilities Management	Utilities - Station 14	-	26,300	30,000	3,700	14.1%
100	1	Health & Safety	Facilities Management	Utilities - Station 15	-	41,600	60,000	18,400	44.2%
101	1	Health & Safety	Facilities Management	Utilities - Station 16	-	18,600	25,000	6,400	34.4%
102	1	Health & Safety	Facilities Management	Utilities - Station 18	-	14,200	50,000	35,800	252.1%
103	1	Health & Safety	Facilities Management	Utilities - Station 19	-	8,500	15,000	6,500	76.5%
104	1	Health & Safety	Facilities Management	Utilities - Station 21	-	7,400	15,000	7,600	102.7%
105	1	Health & Safety	Facilities Management	Utilities - Station 22	-	21,700	30,000	8,300	38.2%
106	1	Health & Safety	Facilities Management	Utilities - Station 23	-	10,900	20,000	9,100	83.5%
<b>Total Budget Expense</b>					<b>\$ 25,016,933</b>	<b>\$ 27,543,570</b>	<b>\$ 28,876,520</b>	<b>\$ 1,332,950</b>	<b>4.8%</b>
<b>Total Expense by Division</b>									
<i>Board of Directors</i>					62,200	62,200	55,800	(6,400)	-10.3%
<i>Salaries and Benefits</i>					19,948,113	21,833,050	22,779,070	946,020	4.3%
<i>Admin Support Services</i>					1,790,360	1,796,420	1,892,050	95,630	5.3%
<i>Fire Prevention</i>					28,860	33,100	42,600	9,500	28.7%
<i>Operations</i>					2,810,500	3,264,500	3,452,550	188,050	5.8%
<i>Health &amp; Safety</i>					376,900	554,300	654,450	100,150	18.1%
<b>Total Budget Expense by Division/Program</b>					<b>\$ 25,016,933</b>	<b>\$ 27,543,570</b>	<b>\$ 28,876,520</b>	<b>\$ 1,332,950</b>	<b>4.8%</b>



# Reserve Fund Information

This section of the budget provides the readers with detailed information related to budget forecasting and Cash Reserve Projections, along with the Draft Final Budget requests for the Fiscal Year 2024-2025 for all Reserve Funds.

# District Reserve Fund Expenditures

Expenses that come out of the Reserve Funds are budgeted differently than General Fund expenditures. These expenditures follow specific replacement schedules and cannot be budgeted unless there is money set aside for the purchase in its assigned account.

Accounting for  
Governmental &  
Nonprofit Entities

Seventeenth Edition

Financial Policies

Government Finance Officers Association  
Capital Project  
Planning and Evaluation  
Expanding the Role  
of the Finance Officer



# Reserve Fund Balances FY 2024-2025

	Contingency	Long-Term Liabilities	Uncompensated Leave	GRAND TOTAL OF CASH BALANCES
Cash Balance 06/30/24	\$11,103,803	\$1,555,237	\$1,063,883	<b>\$13,722,923</b>
Year End Transfers In (06/30/24)	<b>Currently Under Review for Finalization</b>			<b>\$0</b>
Year End Transfers Out (06/30/24)	(\$410,800)			<b>(\$410,800)</b>
Misc. Revenue 07/01/24	\$885,696 *			<b>\$885,696</b>
Budgeted Expenses 2024/2025	(\$100,000)			<b>(\$100,000)</b>
Cash Balance 06/30/25	\$11,478,699	\$1,555,237	\$1,063,883	<b>\$14,097,819</b>

\* ARPA Funds



# Reserve Fund Balances FY 2024-2025

	Community Facilities Fund	Fixed Equipment	Capital Equipment	Facilities	Vehicle	Workers' Compensatio n	Fire Mitigation Fees	GRAND TOTAL OF CASH BALANCES
Cash Balance 06/30/24	\$8,911	\$1,293,512	\$805,326	\$4,155,314	\$2,888,672	\$532,969	\$699,648	<b>\$10,384,352</b>
Year End Transfers In (06/30/24)	<b>Currently Under Review for Finalization</b>							<b>\$0</b>
Year End Transfers Out (06/30/24)		(\$212,000)	(\$149,800)	(\$752,400)	(\$401,500)			<b>(\$1,515,700)</b>
Misc. Revenue 07/01/24				\$300,004 *	\$31,000 **			<b>\$331,004</b>
Budgeted Expenses 2024/2025		(\$725,325)	(\$320,000)	(\$4,450,000)	(\$500,000)		(\$195,000)	<b>(\$6,190,325)</b>
Cash Balance 06/30/25	\$8,911	\$356,187	\$335,526	-\$747,082	\$2,018,172	\$532,969	\$504,648	<b>\$3,009,331</b>

\* ARPA Funds

\*\* Vehicle Surplus



# Contingency Fund Balance



As of June 30, 2024.....	\$10,693,003
FY 2024-25 Budgeted General Fund Expenses.....	\$28,876,520
<b>Contingency Fund Percentage of Budgeted Expenses .....</b>	<b>37.03%</b>

# SAN MIGUEL FIRE & RESCUE



## *Reserve Fund Expenditure Narrative*

Per the Board of Director Policy Manual, Subsection 802.1 Fiscal Management and Responsibility, some Reserve Fund purchases require Board of Director approval prior to moving forward with the procurement process. These items will be placed on the agenda under "Action Item" for approval.

All Facilities Replacement/Renovation Requests are per the Facilities Condition Assessment and must be bid at prevailing wage. These items will follow the formal bid process and be sent out as a Request For Proposal ("RFP").

### **Contingency Reserve Fund:**

The Administrative Division is transitioning its Accounting Software to an Enterprise Resource Planning System (ERP) approved by the BOD in Fiscal Year 2022-2023. After multiple demos, research, and discussions with other special districts, it was determined that a consultant would be needed to implement the system. This cost includes the implementation fees from the software vendor as well. The new system will also reduce software costs in other administrative areas within the budget. The yearly amount of this system is approximately \$71,000, which has been budgeted through the General Fund. This system will move many manual related tasks to be completed in the system, including, but not limited to, the following: time off requests, timesheet approvals, requisition requests/approvals, online payment source for customers, line-item budgetary tracking to actuals, forecasting trends, budgetary request submission, human resources components, grant tracking, workers' compensation claim tracking, more automation in payroll processing, including the overtime analysis. All these components are currently being done using spreadsheets by administrative staff. Expenditures for this request will be on an as-needed basis, not to exceed \$100,000.

### **Vehicle Replacement Fund:**

Type I Engine Refurbishment – Approved by Resolution during Preliminary Budget Adoption (Resolution 24-25).

Emergency Command Vehicle – Approved by Resolution during Preliminary Budget Adoption (Resolution 24-26).

Staff Vehicles (Fire Prevention) – Approved by Resolution during Preliminary Budget Adoption (Resolution 24-27).

Apparatus – Major Repairs are budgeted ongoing for emergency repairs if needed throughout the year to stabilize the General Fund.

### **Capital Equipment Fund:**

(3) Zoll X Series Advanced Cardiac Monitors – Approved by Resolution during Preliminary Budget Adoption (Resolution 24-28).

Personal Protective Equipment (PPE) – Approved by Resolution during Preliminary Budget Adoption (Resolution 24-29).

A scanner/printer is being requested to replace outdated equipment and allow plans to be scanned as the district progresses toward a fully digitized plan check process.

### **Capital Equipment Fund (Continued):**

CradlePoint Equipment and Services is a new request to the budget. CradlePoint R1900 router with (5G modems) is the standard for wireless routers and modems used in the emergency industry. This product improves the speed and coverage of our communication between the engines and Central Dispatch, with real-time monitoring, remote repair, and state-of-the-art security provided with NET Cloud Mobile monitoring. This will upgrade the abilities of the engine to receive and transfer information up to 3x faster, improve their WIFI coverage by 35%, and the product is warranty for three years with options to continue the warranty for up to nine years.

### **Fixed Equipment Fund:**

Station HVAC System Upgrades (Stations 14, 15, 16, & 22) have been added to the final budget. The recent heat wave stressed several air conditioning units in the district at four of our stations. An evaluation was performed by our A/C service provider. It was determined that the cost of repairs would be a poor investment due to the age of the units as they approach the end of their service life. Climate-controlled living and sleeping areas are a basic necessity for our employees.

Solar Equipment installation was budgeted for Fiscal Year 2023/2024; however, this project is still ongoing. The budgetary request is based on the approved contract in Fiscal Year 2023-2024.

Station Alerting Upgrades was budgeted for Fiscal Year 2023/2024; however, this project is still ongoing.

If needed, Overhead Door Replacement and Asphalt/Concrete Work is based on emergency replacement.

### **Facilities Replacement/Renovations Fund:**

**\*\* With the ongoing Facilities Replacement and Renovations, the District will have dropped below its minimum funding reserve amount for Fiscal Year 2024/2025. There is enough money for the requested budgeted items; however, it brings the reserve fund to less than \$250,000. This is before any end-of-the-year transfers occurring for Fiscal Year 2023/2024. Chief Lawler is working on funding opportunities for facilities replacement/renovations.**

Station 21 Physical Fitness Room/Wall Repair – Approved by Resolution during Preliminary Budget Adoption (Resolution 24-30).

Station 23's Bathrooms need to be remodeled per the Facilities Condition Assessment. This request is being reviewed and will be brought forward for consideration of an RFP at a later date.

District Facilities Security (all stations) Project to review and provide additional security measures for the stations. This request is being reviewed and will be brought forward for consideration of an RFP at a later date.

Shop Dedication Project for Bob Houston, San Miguel Mechanic. Mechanic Bob Houston was a pillar in the fire mechanic industry, and the shop's dedication will allow his memory to be honored.

HQ/Station 15 Landscaping is a request to finish the renovation. This request is being reviewed and will be brought forward for consideration of an RFP at a later date.

Station 18 Renovation Final Phase of II, beginning phases of III & IV.

Facility Major Repairs/Emergency Needs are done on an as-needed basis.

## SAN MIGUEL FIRE & RESCUE

### 2024/2025 Proposed Reserve Fund Expenditures

**THESE EXPENDITURES ARE COMMITTED IN THE BUDGET & PURCHASED THROUGHOUT THE YEAR  
THERE IS NO GUARANTEE THESE ITEMS WILL BE PROCURED**

	2023/2024 FINAL Budget	2024/2025 PROPOSED Budget	<u>Comments/Justification</u>
<b>Contingency Reserve Fund</b>			
Enterprise Resource Planning System (ERP) Implementation		100,000	Approved in Preliminary Budget
Board Room & Conference Room IT Equipment	200,000	-	
<b>Total Contingency Reserve Expenditures</b>	<b>\$ 200,000</b>	<b>\$ 100,000</b>	
<b>Vehicle Replacement Fund</b>			
Type 1 Engine Refurbishment (Request for Refurbishment #3)		450,000	Approved in Preliminary Budget
Apparatus Type 1 Engine	975,000	-	
Type 1 Engine Equipment	300,000	-	
Emergency Response Vehicle (Fully Outfitted, including lights)	130,000	-	
Type 1 Engine Refurbishment (Requested in FY 22/23)	325,000	-	
Type 1 Engine Refurbishment (New Request)	350,000	-	
Apparatus - Major Repairs	50,000	50,000	Approved in Preliminary Budget
<b>Total Vehicle Replacement Expenditures</b>	<b>\$ 2,130,000</b>	<b>\$ 500,000</b>	
<b>Capital Equipment Fund</b>			
(3) Zoll X Series Advanced Cardiac Monitors	135,000	150,000	Approved in Preliminary Budget
Personal Protective Equipment (PPE)		110,000	Approved in Preliminary Budget
Scanner/Printer		10,000	Approved in Preliminary Budget
CradlePoint Equipment		50,000	New request
<b>Total Capital Equipment Expenditures</b>	<b>\$ 135,000</b>	<b>\$ 320,000</b>	
<b>Fixed Equipment Fund</b>			
Station HVAC System Upgrade (Stations 14, 15, 16 & 22)	40,000	115,000	New Request - Based on Current Assessment
Solar Equipment (Stations 14)	80,000	176,070	Approved Contract in FY 2023-24
Solar Equipment (Stations 22)	80,000	156,935	Approved Contract in FY 2023-24
Solar Equipment (Stations 23)	40,000	87,910	Approved Contract in FY 2023-24
Station Alerting Replacement (Stations 14,15,19,21,22,23)	300,000	137,410	Remaining Balance of Project
Overhead Door Replacement	22,000	22,000	Emergency Replacement (if needed)
Asphalt/Concrete Work	15,000	30,000	Emergency Replacement (if needed)

## SAN MIGUEL FIRE & RESCUE 2024/2025 Proposed Reserve Fund Expenditures

**THESE EXPENDITURES ARE COMMITTED IN THE BUDGET & PURCHASED THROUGHOUT THE YEAR  
THERE IS NO GUARANTEE THESE ITEMS WILL BE PROCURED**

**Fixed Equipment Fund Continued**

Lease Payment - Solar Equipment	236,000	-	Paid off in Last Fiscal Year
<b>Total Fixed Equipment Expenditures</b>	<b>\$ 813,000</b>	<b>\$ 725,325</b>	

**Facilities Replacement/Renovation Fund**

Station 21 Physical Fitness Room/Wall Repair	50,000		Per Facilities Condition Assessment
Station 23 Bathrooms Remodel	100,000		Per Facilities Condition Assessment
District Facilities Security (all stations)	55,000		Upgrade Security Measures
Shop Dedication Project	5,000		Request to Complete Dedication Project
HQ/Station 15 - Exterior Renovation/Landscaping	150,000		Request to finish HQ/Station 15 Renovation
Station 16 Renovation	1,000,000	390,000	In Progress From Last Fiscal Year
Facility - Major Repairs/Emergency Needs	100,000	200,000	For Major/Emergency Repairs
Station 23 Kitchen Remodel	75,000	-	Completed in FY 2023-24
Station 18 Renovation	810,000	3,500,000	Phase II, III, and IV - Estimated Cost
<b>Total Facilities Replacement/Renovations Expenditures</b>	<b>\$ 1,985,000</b>	<b>\$ 4,450,000</b>	

**Fire Mitigation Fee Fund**

(2) Fire Prevention Vehicles		120,000	Approved by BOD through Fire Mitigation Fee Plan
Emergency Response Vehicle (Fully Outfitted, including lights)		75,000	Approved by BOD through Fire Mitigation Fee Plan
<b>Total Fire Mitigation Fee Expenditures</b>	<b>\$ -</b>	<b>\$ 195,000</b>	

**Total Reserve Fund Expenditures**      **\$ 5,263,000**      **\$ 6,290,325**

**Per the Board of Director Policy Manual, Subsection 802.1 Fiscal Management and Responsibility, some Reserve Fund purchases require Board of Director approval prior to moving forward with the procurement process. These items have been placed on the agenda under "Action Item" for approval.**

## San Miguel Fire & Rescue Replacement Schedule

Class	Asset Description	Original Purchase Price	Replacement Life	Current Est. Replacement Cost	2024	2025	2026	2027
Fixed Equipment	0 1000 gal. Fuel Tank / FS-15 GAS	\$ 15,000	35	\$ 60,000	-	-	73,767	-
Fixed Equipment	0 500 Gal. Fuel Tank / FS-18 DIESEL	\$ 32,625	35	\$ 60,000	-	-	-	-
Fixed Equipment	0 500 gal. Fuel Tank / FS-15 DIESEL	\$ 9,250	35	\$ 60,000	-	-	73,767	-
Fixed Equipment	0 500 gal. Fuel Tank / FS-23 DIESEL	\$ 9,250	35	\$ 60,000	-	-	73,767	-
Fixed Equipment	0 500 gal. Fuel Tank / FS-16 DIESEL	\$ 9,250	35	\$ 60,000	-	-	73,767	-
Fixed Equipment	0 Cabinets / PPE FS-21	\$ 10,033	40	\$ 15,000	-	-	-	-
Fixed Equipment	0 Diesel Exhaust System (Station 21)	\$ 21,875	15	\$ 45,000	49,896	-	-	-
Fixed Equipment	0 Diesel Exhaust System Station 22)	\$ 21,875	15	\$ 45,000	49,896	-	-	-
Fixed Equipment	0 Diesel Exhaust System (Station 23)	\$ 41,715	15	\$ 65,000	72,073	-	-	-
Fixed Equipment	0 Diesel Exhaust System (Station 18)	\$ 20,395	15	\$ 45,000	49,896	-	-	-
Fixed Equipment	0 Diesel Exhaust System (Station 19)	\$ 27,915	15	\$ 45,000	49,896	-	-	-
Fixed Equipment	0 Diesel Exhaust System (Station 15)	\$ 70,000	15	\$ 70,000	-	-	-	-
Fixed Equipment	0 Diesel Exhaust System (Station 14)	\$ 19,682	15	\$ 45,000	-	-	-	-
Fixed Equipment	0 Diesel Exhaust System (Station 16)	\$ 19,682	15	\$ 45,000	-	-	-	-
Fixed Equipment	0 PPE-Extractor / FS-15	\$ 8,838	12	\$ 15,000	-	-	-	-
Fixed Equipment	0 PPE-Extractor / FS-14	\$ 8,768	12	\$ 15,000	-	-	-	-
Fixed Equipment	0 PPE-Extractor / FS-16	\$ 9,613	12	\$ 15,000	-	-	-	-
Fixed Equipment	0 HVAC Control System (Station 15)	\$ 21,900	20	\$ 50,000	-	-	-	-
Fixed Equipment	0 HVAC Control System (Station 14)	\$ 10,000	20	\$ 25,000	-	-	-	-
Fixed Equipment	0 HVAC Control System (Station 16)	\$ 10,000	20	\$ 30,000	33,264	-	-	-
Fixed Equipment	0 HVAC Control System (Station 18)	\$ 10,000	20	\$ 30,000	33,264	-	-	-
Fixed Equipment	0 HVAC Control System (Station 19)	\$ 10,000	20	\$ 30,000	33,264	-	-	-
Fixed Equipment	0 HVAC Control System (Station 21)	\$ 10,000	20	\$ 30,000	33,264	-	-	-
Fixed Equipment	0 HVAC Control System (Station 22)	\$ 10,000	20	\$ 30,000	33,264	-	-	-
Fixed Equipment	0 HVAC Control System (Station 23)	\$ 10,000	20	\$ 30,000	-	-	-	-
Fixed Equipment	0 Voting/Recording System (HQ)	\$ 5,450	25	\$ 150,000	166,321	-	-	-
Capital Equipment	0 Thermal Imaging Cameras (FLIR-K65)	\$ 22,346	10	\$ 24,000	-	-	-	-
Capital Equipment	0 Thermal Imaging Cameras (FLIR-K65)	\$ 16,861	10	\$ 16,000	-	-	-	-
Capital Equipment	0 Thermal Imaging Cameras (FLIR-K65)	\$ 16,861	10	\$ 16,000	-	-	-	-
Capital Equipment	0 Thermal Imaging Cameras (FLIR-K65)	\$ 7,428	10	\$ 8,000	-	-	-	-
Capital Equipment	0 Thermal Imaging Cameras (FLIR-K65)	\$ 7,428	10	\$ 8,000	-	-	-	-
Capital Equipment	0 Thermal Imaging Cameras (FLIR-K65)	\$ 7,428	10	\$ 8,000	-	-	-	-
Capital Equipment	0 SENSIT Gas Monitor / Serial # 56180	\$ 3,858	8	\$ 5,000	-	-	-	6,473
Capital Equipment	0 SENSIT Gas Monitor / Serial # 56182	\$ 3,858	8	\$ 5,000	-	-	-	6,473
Capital Equipment	0 SENSIT Gas Monitor / Serial # 52892	\$ 3,858	8	\$ 5,000	-	-	-	-
Capital Equipment	0 SENSIT Gas Monitor / Serial # 56183	\$ 3,858	8	\$ 5,000	-	-	-	-
Capital Equipment	0 SENSIT Gas Monitor / Serial # 56185	\$ 3,858	8	\$ 5,000	-	-	-	-
Capital Equipment	0 SENSIT Gas Monitor / Serial # 56184	\$ 3,858	8	\$ 5,000	-	-	-	-
Capital Equipment	0 SENSIT Gas Monitor / Serial # 56649	\$ 3,858	8	\$ 5,000	-	-	-	-
Capital Equipment	0 SENSIT Gas Monitor / Serial # 56181	\$ 3,858	8	\$ 5,000	-	-	6,147	-
Capital Equipment	0 SENSIT Gas Monitor / Serial # 56648	\$ 3,858	8	\$ 5,000	-	-	6,147	-



## San Miguel Fire & Rescue Replacement Schedule

Class	Asset Description	Original Purchase Price	Replacement Life	Current Est. Replacement Cost	2024	2025	2026	2027
Fixed Equipment	1 Alerting System - FS-14	\$ 5,555	20	\$ 45,000	53,465	-	-	-
Fixed Equipment	1 Alerting System - FS-15	\$ 5,555	20	\$ 60,000	71,286	-	-	-
Fixed Equipment	1 Alerting System - FS-16	\$ 5,555	20	\$ 45,000	53,465	-	-	-
Fixed Equipment	1 Alerting System - FS-18	\$ 5,555	20	\$ 45,000	53,465	-	-	-
Fixed Equipment	1 Alerting System - FS-19	\$ 5,555	20	\$ 45,000	53,465	-	-	-
Fixed Equipment	1 Alerting System - FS-21	\$ 5,555	20	\$ 45,000	53,465	-	-	-
Fixed Equipment	1 Alerting System - FS-22	\$ 5,555	20	\$ 45,000	53,465	-	-	-
Fixed Equipment	1 Alerting System - FS-23	\$ 5,555	20	\$ 45,000	53,465	-	-	-
Fixed Equipment	1 B/A Compressor (MAKO) (Station 18)	\$ 12,000	15	\$ 60,000	-	-	-	-
Fixed Equipment	1 B/A Compressor (BAUER) (Station 14)	\$ 50,388	15	\$ 60,000	-	-	-	-
Fixed Equipment	1 Emergency Backup Generator FS-14 Diesel	\$ 40,000	35	\$ 75,000	-	-	105,869	-
Fixed Equipment	1 Emergency Backup Generator FS-15 Diesel	\$ 30,000	35	\$ 75,000	-	-	105,869	-
Fixed Equipment	1 Emergency Backup Generator FS-16 Diesel	\$ 30,000	35	\$ 75,000	-	-	105,869	-
Fixed Equipment	1 Emergency Backup Generator FS-19 LPG	\$ 38,102	45	\$ 75,000	-	-	-	-
Fixed Equipment	1 Emergency Backup Generator FS-18 Diesel	\$ 10,000	35	\$ 75,000	-	-	-	-
Fixed Equipment	1 Emergency Backup Generator FS-21 LPG	\$ 38,102	45	\$ 75,000	-	-	-	-
Fixed Equipment	1 Emergency Backup Generator FS-22 Disel	\$ 30,000	35	\$ 75,000	-	-	105,869	-
Fixed Equipment	1 Emergency Backup Generator FS-23 LPG	\$ 38,102	45	\$ 75,000	-	-	-	-
Capital Equipment	1 Rescue Tool Gas Power (Halmatro)1131-1132	\$ 47,380	15	\$ 50,000	-	-	-	-
Capital Equipment	1 Rescue Tool Gas Power (Holmatro)1113-14-15	\$ 20,326	15	\$ 50,000	-	64,751	-	-
Capital Equipment	1 Rescue Tool Battery Power (Holmatro)1136-1137	\$ 34,211	18	\$ 50,000	-	-	-	-
Capital Equipment	1 Rescue Tool Gas Power (Holmatro)1135	\$ 28,133	15	\$ 25,000	-	-	-	-
Capital Equipment	1 Rescue Tool Gas Power (Holmatro)1112	\$ 7,800	15	\$ 25,000	-	-	-	-
Capital Equipment	1 Scott airpac X-3(2018 edition)	\$ 568,695	10	\$ 651,000	-	-	-	-
Capital Equipment	1 Scott 30 min Cylinders (4500)	\$ 15,810	15	\$ 18,000	-	-	-	-
Capital Equipment	1 Scott Voice Amplifiers	\$ 19,050	15	\$ 20,000	-	-	-	-
Fleet	2 2010 FORD Pick Up(CERT)(1023)	\$ 27,842	25	\$ 75,000	-	-	-	-
Fleet	2 2003 FERRARA (RERSRVE) 1120	\$ 385,000	17		-	-	-	-
Fleet	2 2004 FERRAEA (RESERVE) 1121	\$ 385,000	17		-	-	-	-
Fleet	2 2023 KME	\$ 880,000	7	\$ 960,000	-	-	-	-
Fleet	2 2023 KME	\$ 880,000	7	\$ 960,000	-	-	-	-
Fleet	2 102 x 20 SuperCoachTrailer (CERT-1024)	\$ 18,492	25	\$ 45,000	-	-	-	-
Fleet	2 1997 International Navistar(BR46) (1111)	\$ 270,126	20		-	-	-	-
Fleet	2 2005 Pierce FRONT LINE (E-23)(1115)	\$ 438,196	17	\$ 960,000	-	-	-	-
Fleet	2 2005 Pierce (RESERVE) (1113)	\$ 385,296	17		-	-	-	-
Fleet	2 2005 Pierce (RESERVE)(1114)	\$ 438,196	17		-	-	-	-
Fleet	2 2006 Expedition (log46)(1019)	\$ 15,000	25	\$ 60,000	-	-	-	-
Fleet	2 2007 Pierce FRONT LINE (E21)(1116)	\$ 438,852	20	\$ 960,000	-	-	-	1,546,090
Fleet	2 2007 Pierce FRONT LINE (E22)(1117)	\$ 438,852	20	\$ 960,000	-	-	-	1,546,090
Fleet	2 2008 Ford F350 (Service Truck)(1016)	\$ 26,994	25	\$ 135,000	-	-	-	-
Fleet	2 2012 Chevrolet (1025)	\$ 31,085	25	\$ 135,000	-	-	-	-



## San Miguel Fire & Rescue Replacement Schedule

Class		Asset Description	Original Purchase Price	Replacement Life	Current Est. Replacement Cost	2024	2025	2026	2027
Fleet	2	2014 4x4 Brush Engine (BR14)(1130)	\$ 270,121	17	\$ 650,000	-	-	-	-
Fleet	2	2014 4x4 Brush Engine (BR23)(1129)	\$ 270,121	17	\$ 650,000	-	-	-	-
Fleet	2	2016 F-250 4WD XLT (B6 Reserve-R1)	\$ 55,509	17	\$ 145,000	-	-	-	-
Fleet	2	2017 Ford Focus (admin)(1030)	\$ 24,887	20	\$ 50,000	-	-	-	-
Fleet	2	2017 Ford Police Interceptor (1029)	\$ 26,888	17	\$ 135,000	-	-	-	-
Fleet	2	2017 Spartan (E18)(1132)	\$ 576,260	17	\$ 960,000	-	-	-	-
Fleet	2	2017 Spartan (E19)(1131)	\$ 576,260	17	\$ 960,000	-	-	-	-
Fleet	2	2018 Chevrolet Tahoe (4603)(1031)	\$ 60,330	17	\$ 145,000	-	-	-	-
Fleet	2	2019 F250 4X4 (B6) (1033)	\$ 133,231	17	\$ 145,000	-	-	-	-
Fleet	2	2019 Ford Explorer( Fire-P) (1032)	\$ 31,243	17	\$ 70,000	-	-	-	-
Fleet	2	2019 Pierce (E14) (1133)	\$ 814,526	17	\$ 960,000	-	-	-	-
Fleet	2	2019 Pierce (E16)(1134)	\$ 814,526	17	\$ 960,000	-	-	-	-
Fleet	2	2021 Chevrolet Tahoe (4602)(1034)	\$ 55,109	17	\$ 135,000	-	-	-	-
Fleet	2	1999 PIERCE LADDER TRUCK 215(1112)	\$ 528,162	20		-	-	-	-
Fleet	2	2019 PIERCE LADDER TRUCK-15 (1135)	\$ 650,000	17	\$ 1,100,000	-	-	-	-
Fleet	2	2023 Chevy Silverado Z-71 1036	\$75,000	17	\$ 135,000	-	-	-	-
Fleet	2	1996 EONE LIGHT & AIR 1109	\$ 305,000	30	\$ 600,000	-	-	878,460	-
Capital Equipment	3	(2) X-Series Zoll Monitors	\$ 72,795	10	\$ 90,000	-	-	-	-
Capital Equipment	3	(2) X-Series Zoll Monitors	\$ 71,295	10	\$ 90,000	-	-	-	-
Capital Equipment	3	X Series Zoll Monitor	\$ 225,600	10	\$ 360,000	416,025	-	-	-
Capital Equipment	3	X Series Defibrillator Monitor	\$ 28,200	10	\$ 45,000	-	-	-	-
Capital Equipment	3	Stryker LUCAS 3 Chest Compression System	\$ 90,000	10	\$ 90,000	-	-	-	-
Capital Equipment	3	PPE Bulk Replacement	\$ 720,000	10	\$ 950,000	-	-	-	1,363,848
Facilities		Fire Station 22			4,966,270	66,548	-	-	-
Facilities		Fire Station 19			563,150	8,383	-	-	-
Facilities		Fire Station 16 Storage			79,394	1,905	-	-	-
Facilities		Fleet Maintenance Building			5,407,248	161,136	-	-	-
Facilities		Fire Station 19 App Bay			150,063	6,136	-	-	-
Facilities		Fire Station 23			2,979,401	137,648	-	-	-
Facilities		Fire Station 14			5,864,515	277,567	-	-	-
Facilities		HQ/Fire Station 15			22,229,630	1,200,400	-	-	-
Facilities		Fire Station 16			6,165,259	347,891	-	-	-
Facilities		Fire Station 21			1,686,874	96,557	-	-	-
Facilities		Fire Station 18 App Bay			369,011	30,407	-	-	-
Facilities		Fire Station 18 Admin/Living Quarters			1,382,494	138,457	-	-	-
Facilities		Fire Station 23 Storage			11,872	11,872	-	-	-
Facilities		FCA Reinvestment Scenario 3				-	1,776,434	1,835,057	1,895,614

## San Miguel Fire & Rescue Replacement Schedule

INFORMATIONAL DATA	Current Est. Replacement Cost	2024	2025	2026	2027	
<b>TOTAL</b>	<b>\$ 69,809,181</b>	<b>\$ 3,956,842</b>	<b>\$ 1,847,260</b>	<b>\$ 3,450,434</b>	<b>\$ 6,370,668</b>	
Fleet	\$ 13,050,000	\$ -	\$ -	\$ 878,460	\$ 3,092,179	
Fixed Equipment	\$ 2,265,000	\$ 1,049,838	\$ -	\$ 718,544	\$ -	
Capital Equipment	\$ 2,639,000	\$ 416,025	\$ 64,751	\$ 12,295	\$ 1,376,794	
Facilities	\$ 51,855,181	\$ 2,484,907	\$ 1,776,434	\$ 1,835,057	\$ 1,895,614	
	<i>AVERAGE (Rolling 10 years for budget)</i>	<b>3,925,328</b>	<b>3,925,328</b>	<b>3,925,328</b>	<b>3,925,328</b>	
<p><i>These amounts are based on several CPI Factors with historical data calculated. All Reserve Accounts have been averaged based on a rolling 10 years for equalization of the amounts put into the reserve accounts yearly. This tool will be adjusted every 4 years and data will be updated on a yearly basis with analytical data received from expenditure trends and CPI factors.</i></p>		<b>Fleet</b>	<b>1,205,700</b>	1,205,700	1,205,700	1,205,700
		<b>Fixed Equipment</b>	<b>209,426</b>	209,426	209,426	209,426
		<b>Capital Equipment</b>	<b>432,368</b>	432,368	432,368	432,368
		<b>Facilities</b>	<b>2,075,404</b>	2,075,404	2,075,404	2,075,404



# Approved Purchasing Resolutions

This section of the budget provides the readers with the resolutions related to purchases that require additional review and approval per the District's Financial Management Policies.

**Resolution 24-25**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Approving the Expenditure of Funds for Purchase of  
Type I Apparatus Refurbishment**

**WHEREAS**, the District is working on maintaining the fleet replacement schedule;

**WHEREAS**, the fleet industry is experiencing significant delays in the build process, not expecting delivery 2-3 years after order placement; and

**WHEREAS**, the District has two previous refurbishments in process; and

**WHEREAS**, the cost to refurbish a Type I apparatus will be \$450,000, which has been accounted for in the FY2024/2025 preliminary budget; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District hereby approve the expenditure of funds, not to exceed \$450,000.00, for the refurbishment of a Type I apparatus.

**BE IT FURTHER RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District authorizes the Fire Chief or designee to enter into and execute the necessary procurement process.

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District on this 12<sup>th</sup> day of June 2024, by the following vote:

AYES: **Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles and Woodruff**


NOES: **None**

ABSTAIN: **None**

ABSENT: **None**

ATTEST

  
\_\_\_\_\_  
Shayna Rians, Board Clerk

  
\_\_\_\_\_  
Jesse A. Robles, Board President

**Resolution 24-26**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Approving the Expenditure of Funds for Purchase of a Command Vehicle and  
Granting the Fire Chief Authority to Enter into Procurement Process**

**WHEREAS**, the District maintains multiple Command Vehicles including a primary Battalion 6, a Reserve Battalion 6, and a Training Chief vehicle; and

**WHEREAS**, the necessity for a new Command Vehicle assigned to the Training Battalion Chief has been identified; and

**WHEREAS**, the cost to purchase the new Command Vehicle will be approximately \$100,000.00, which has been accounted for in the FY2024/2025 preliminary budget; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District hereby approve the expenditure of funds, not to exceed \$100,000.00, for the purchase of a new Command Vehicle.

**BE IT FURTHER RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District authorizes the Fire Chief or designee to enter into and execute the necessary procurement process.

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District on this 12<sup>th</sup> day of June 2024, by the following vote:

AYES: **Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles and Woodruff**


NOES: **None**

ABSTAIN: **None**

ABSENT: **None**

ATTEST

  
\_\_\_\_\_  
Shayna Rians, Board Clerk

  
\_\_\_\_\_  
Jesse A. Robles, Board President

**Resolution 24-27**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Approving the Expenditure of Funds for the Purchase of (2) Fire  
Prevention Vehicles and Granting the Fire Chief Authority to  
Enter into Procurement Process**

**WHEREAS**, the District currently maintains one Fire Prevention vehicle, and has been utilizing other division's vehicles, due to the surplus of previous vehicles due to age and maintenance costs; and

**WHEREAS**, the necessity for two (2) vehicles assigned to the Fire Prevention Division has been identified; and

**WHEREAS**, the cost to purchase the new Command Vehicle will be approximately \$120,000, which has been accounted for in the FY2024/2025 preliminary budget; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District hereby approve the expenditure of funds, not to exceed \$120,000, for the purchase of two (2) new Fire Prevention Division vehicles.

**BE IT FURTHER RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District authorizes the Fire Chief or designee to enter into and execute the necessary procurement process.

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District on this 12<sup>th</sup> day of June 2024, by the following vote:

AYES: **Directors McKenna, Muns, Pierce, Raddatz, Robles and Woodruff**

NOES: **Director Nelson**

ABSTAIN: **None**

ABSENT: **None**

ATTEST

  
\_\_\_\_\_  
Shayna Rians, Board Clerk

  
\_\_\_\_\_  
Jesse A. Robles, Board President

**Resolution 24-28**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Approving the Expenditure of Funds for Purchase of Zoll X Cardiac Monitors and  
Granting the Fire Chief Authority to Enter into Procurement Process**

**WHEREAS**, the District maintains Zoll X Cardiac Monitor Defibrillators on all frontline apparatus, and four reserve monitors; and

**WHEREAS**, the District has a replacement schedule that calls for the replacement of Zoll X Cardiac Monitor Defibrillators after ten (10) years; and

**WHEREAS**, the District is now in Phase 2 of a three-year staggered purchase plan, looking to purchase three (3) monitors in Fiscal Year 2024-2025; and

**WHEREAS**, the cost to purchase the replacement equipment will be approximately \$143,000.00, which has been accounted for in the FY2024/2025 preliminary budget; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District hereby approve the expenditure of funds, not to exceed \$150,000.00, for the purchase of Zoll X Cardiac Monitor Defibrillators.

**BE IT FURTHER RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District authorizes the Fire Chief or designee to enter into and execute the necessary procurement process.

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District on this 12<sup>th</sup> day of June 2024, by the following vote:

AYES: **Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles and Woodruff**


NOES: **None**

ABSTAIN: **None**

ABSENT: **None**

ATTEST

  
\_\_\_\_\_  
Shayna Rians, Board Clerk

  
\_\_\_\_\_  
Jesse A. Robles, Board President



**Resolution 24-29**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Approving the Expenditure of Funds for Purchase of Personal Protective  
Equipment (Structure Gear) and Granting the Fire Chief Authority to  
Enter into Procurement Process**

**WHEREAS**, the District adheres to NFPA 1971 industry standard that each suppression employee be issued two sets of structure gear; and

**WHEREAS**, the District has a replacement schedule that calls for the replacement of Personal Protective Equipment after 10 years, or earlier if damaged beyond repair, and the last major purchase of this equipment occurred in 2017; and

**WHEREAS**, ongoing manufacturer and production delays continue to create challenges in obtaining necessary equipment in a timely manner; and

**WHEREAS**, the cost to purchase the replacement equipment will be approximately \$110,000.00, which has been accounted for in the FY2024/2025 preliminary budget; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District hereby approve the expenditure of funds, not to exceed \$105,000.00 for the purchase of Personal Protective Equipment (Structure Gear) through All Star Fire Equipment, Inc.

**BE IT FURTHER RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District authorizes the Fire Chief or designee to enter into and execute the necessary procurement process.

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District on this 12<sup>th</sup> day of June 2024, by the following vote:

AYES: **Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles and Woodruff**

NOES: **None**

ABSTAIN: **None**

ABSENT: **None**

ATTEST

  
\_\_\_\_\_  
Shayna Rivas, Board Clerk

  
\_\_\_\_\_  
Jesse A. Robles, Board President

**Resolution 24-30**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Approving the Expenditure of Funds for Station 21 Retaining Wall Repair and  
Granting the Fire Chief Authority to Enter into Request for Proposal Process**

**WHEREAS**, the retaining wall on the west side of Station 21 has been identified as posing a health and safety risk; and

**WHEREAS**, the existing wall will be fortified and repaired through a Request for Proposal process; and

**WHEREAS**, the cost of wall repairs should not exceed \$50,000, which has been accounted for in the FY2024/2025 preliminary budget; and

**WHEREAS**, should the existing wall not be salvageable, an updated request and Resolution shall be brought before the Board; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District hereby approve the expenditure of funds, not to exceed \$50,000, for the repair of the west side retaining wall at Station 21.

**BE IT FURTHER RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District authorizes the Fire Chief or designee to enter into and execute the necessary proposal process.

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District on this 12<sup>th</sup> day of June 2024, by the following vote:

AYES: **Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles and Woodruff**

NOES: **None**

ABSTAIN: **None**

ABSENT: **None**

ATTEST

  
Shayna Rians, Board Clerk

  
Jesse A. Robles, Board President

**Resolution 24-31**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Approving the New Program Nurse Navigator and  
Granting the Fire Chief Authority to Enter into Procurement Process**

**WHEREAS**, the District began utilizing ProQA through dispatching services in September 2022; and

**WHEREAS**,; the District has discussed a program called Nurse Navigator through the last couple of years and has reviewed a comprehensive report on the program that was implemented with the City of El Cajon; and

**WHEREAS**, Central Zone agencies discussed the program and unanimously expressed their desire to move forward with the Nurse Navigator Program as a one (1) year pilot program; and

**WHEREAS**, the annual cost to be part of the Nurse Navigator program is \$25,000, which has been accounted for in the FY2024/2025 preliminary budget; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District hereby approve the expenditure of funds, not to exceed \$25,000 to enter into a one (1) year pilot program agreement for Nurse Navigator.

**BE IT FURTHER RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District authorizes the Fire Chief or designee to enter into and execute the necessary procurement process.

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District on this 12<sup>th</sup> day of June 2024, by the following vote:

AYES: **Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles and Woodruff**

NOES: **None**

ABSTAIN: **None**

ABSENT: **None**

ATTEST

  
\_\_\_\_\_  
Shayna Rians, Board Clerk

  
\_\_\_\_\_  
Jesse A. Robles, Board President

**Resolution 24-32**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Approving the CalPERS Unfunded Annual Liability Payment as a Lump Sum**

**WHEREAS**, the Board of Directors of the San Miguel Consolidated Fire Protection District, County of San Diego (hereinafter referred to as "District") is required to make yearly payments to CalPERS to offset the cost of the Unfunded Annual Liability (UAL) either as a lump sum payment or monthly payments; and

**WHEREAS**, the District's Finance staff reviewed the interest costs versus interest earned in investing to see if there was a positive financial impact on keeping the money paid to CalPERS in July for Fiscal Year 2024/2025 in the investment fund; and

**WHEREAS**, the District's Finance staff has determined that continuing to pay the CalPERS UAL as one lump sum at the beginning of the fiscal year provides the most benefit to the department.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District hereby approve the expenditure of funds of \$1,658,061 for the payment to CalPERS for all four retirement classifications.

**BE IT FURTHER RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District authorizes the payment through the necessary procurement process.

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District this 12<sup>th</sup> day of June 2024, by the following vote:

AYES: **Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles and Woodruff**

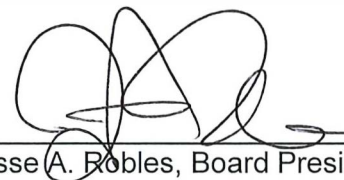
NOES: **None**

ABSTAIN: **None**

ABSENT: **None**

ATTEST

  
\_\_\_\_\_  
Shayna Rians, Board Clerk

  
\_\_\_\_\_  
Jesse A. Robles, Board President

**Resolution 24-33**

**A Resolution of the Board of Directors of the  
San Miguel Consolidated Fire Protection District  
Adopting the Preliminary Budget for Fiscal Year 2024-2025**

**WHEREAS**, the Board of Directors of the San Miguel Consolidated Fire Protection District, County of San Diego (hereinafter referred to as "District") is required to adopt a preliminary budget, on or before July 1 of each year, as per Section 13890 of the Health and Safety Code; and

**WHEREAS**, the District, Finance Committee, Executive Staff, and Committee/Program Leads have made recommendations and submitted the proposed preliminary budget for review and adoption at a publicly noticed meeting; and

**WHEREAS**, the District has determined that there will be enough revenue and fund balances to meet total expenditures for Fiscal Year 2024/2025 adequately.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Miguel Consolidated Fire Protection District, a public agency in the County of San Diego, California, does hereby adopt the preliminary budget for the Fiscal Year 2024/2025 with a total expenditure requirement of \$28,900,020.

**BE IT FURTHER RESOLVED** that the Final Budget will be adopted in accordance with California Government Code prior to October 1, 2024.

**PASSED AND ADOPTED** by the Board of Directors of the San Miguel Consolidated Fire Protection District this 12<sup>th</sup> day of June 2024, by the following vote:

AYES: **Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles and Woodruff**


NOES: **None**

ABSTAIN: **None**

ABSENT: **None**

ATTEST

  
\_\_\_\_\_  
Shayna Rians, Board Clerk

  
\_\_\_\_\_  
Jesse A. Robles, Board President



# Financial Management Policy

This section of the budget provides the readers with the comprehensive Financial Management Policy, which was approved on July 12, 2023.



## Chapter 8 - Financial Management

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## Financial Management Scope and Purpose

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 801.1 INTRODUCTION

The District has established, by resolution, the following policies, and practices to help guide the District's financial management practices and efforts towards achieving its mission and strategic goals. This document has been prepared by the District's Governing Body, Finance Committee, and Executive Staff. These policies and practices will be used to help ensure that the financial resources of the District are managed in a manner consistent with the District's vision, mission, and goals.

#### 801.1.1 PURPOSE

The District strives to attain and maintain a structurally sound, thoughtful, and balanced approach to financial management and budgeting within statutory and local government requirements. The following Policy is established to provide a comprehensive plan to deliver efficient and effective services to residents and stakeholders of the District in a fiscally responsible manner. Furthermore, this Policy will act as a guide in the formulation and consideration of financial discussions and decisions.

This Financial Management Policy will be reviewed periodically to address potential policy gaps and/or revise it as appropriate if changes are made to the District's budget practices, industry best practice approaches, and applicable laws. Recommended changes shall be presented to the Board of Directors for consideration and approval as part of the annual budget process.

#### 801.1.2 SCOPE

The Financial Management Policy shall apply to all funds of the District which are accounted for in the District's Comprehensive Annual Financial Report ("CAFR"), which will be completed by an external auditor each year after the closing of a fiscal year

## Fiscal Management and Responsibility

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 802.1 FISCAL MANAGEMENT AND RESPONSIBILITY

The primary responsibility for the District's fiscal soundness lies with the elected Board of Directors. Fiscal plans must have a long-term focus – beyond the four-year election cycle. The District shall only spend its resources in accordance with its Mission. The Board of Director's Mission is to operate within available means and with optimal debt, seek funding opportunities to enhance service levels, adopt balanced budgets, enforce budgetary controls, and make financial responsibility a District-wide responsibility.

Good fiscal management requires the Board of Directors to think about the future using proactive careful planning with prudent forecasting. The District shall operate in a predictable fiscal environment where expenditures are controlled and, in good times, a reasonable portion of the District's revenues shall be put aside in reserves to cope with swings in revenue and unanticipated expenditures. A reasonable portion of the District's reserve transfers is determined by replacement schedules and best practices for the District's entity type (i.e., Special District, Local Government, Fire District). Good fiscal management requires the District to regularly evaluate its fixed assets and proactively set aside sufficient funds to facilitate maintaining and enhancing the District's fixed assets to fulfill its mission.

Fiscal responsibility and program priorities are closely intertwined. Fiscal plans must consider the effects of fiscal policy in all areas. The Board of Directors must be proactive rather than reactive. This approach includes an element of risk-taking in order to be innovative to respond to new opportunities.

## Financial Management Policy Changes

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### **803.1 FINANCIAL MANAGEMENT POLICY CHANGES**

Only with an affirmative vote by a supermajority of the Board can the Financial Management Policy be changed. A supermajority is defined as a 5-2 final vote whereas; a majority vote is defined as a 4-3 final vote.

## Financial Accountability

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 804.1 FINANCIAL ACCOUNTABILITY

The purpose of this section is to ensure financial accountability and responsible use of taxpayer funds by requiring the District to consider the best product service for the funds expended. The policy mandates accurate recordkeeping, measuring outcomes and results, and periodic audits of financial controls.

The District is accountable to its primary customers, the taxpayers. The question, "Are the taxpayers receiving the best service for the funds expended by the District?" must be a part of every financial allocation authorized by the Board of Directors.

In addition to accurate recordkeeping of what monies are spent by the District, governmental financial accountability requires measuring the outcome and results of spending the taxpayers' money.

## Basis of Accounting

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 805.1 BASIS OF ACCOUNTING

Table 1.1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain Table 1.1 Major Features of the District-Wide and Fund Financial Statement

<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary, such as fire and ambulance services
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>· Statement of Net Position</li> <li>· Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>· Balance Sheet</li> <li>· Statement of Revenues, Expenditures &amp; Changes in Fund Balances</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resource focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter



## District-wide Planning

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### **806.1 DISTRICT-WIDE PLANNING**

The Board of Directors recognizes excellent fiscal planning as a key factor in attaining the District's goals and priorities. The Board seeks to engage in thorough advanced planning of budgets to devise expenditures that achieve the greatest returns given the District's available resources.

Reserve Funds, like other savings plans, are a mechanism for accumulating cash for future capital outlays and other allowable purposes. The practice of planning ahead and systematically saving for capital acquisitions and other contingencies is considered prudent management. Saving for future capital needs can reduce or eliminate interest and other costs associated with debt issuances (i.e., leasing equipment).

Planning today and saving incrementally for expected future events can help mitigate the financial impact of major, nonrecurring, or unforeseen expenditures on the annual operating budget.

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## Fiscal Sustainability

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 807.1 FISCAL SUSTAINABILITY

Maintaining sustainable spending on programs is important to the District and there is a need to find the appropriate balance between tax levels, fees, and services. Wherever and whenever appropriate, programs providing specific services should recover the cost of the District providing those services.

Fiscal sustainability requires the Board of Directors to establish and maintain sufficient financial reserves to indemnify unfunded liabilities and provide for future anticipated and unanticipated expenditures. The Board of Directors shall establish benchmarks for such reserves and prioritize general fund expenditures to include maintaining or obtaining sufficient reserve balances. Reserve funds shall only be used for singular nonrecurring expenditures.

Prior to authorizing or implementing any new program expenditure or commencing a new task, a source of funding and/or allocation of District resources must be identified.

Prior to authorizing or implementing any new ongoing program expenditure or commencing a new prolonged task, a source of ongoing sustainable funding and/or ongoing allocation of District resources must be identified. The cost of any ongoing program expenditure must include both anticipated increases in appreciable expenses as well as reserves for unanticipated expenses for all resources attributable to sustaining the program throughout the duration of the commitment.

Prior to authorizing or implementing any change in an existing program expenditure or expanding the scope of a task, a source of funding and/or allocation of District resources must be identified to support the change.

Prior to authorizing or implementing any change in an ongoing program expenditure or expanding the scope of a prolonged task, a source of ongoing sustainable funding and/or ongoing allocation of District resources must be identified to support the change. The cost of any change of an ongoing program expenditure must include both anticipated increases in appreciable expenses as well as reserves for unanticipated expenses for all resources attributable to sustaining the change of the program throughout the duration of the commitment.

At no time shall an allocation of District funding and/or resources diminish the mission of the District.

Fiscal Responsibility includes:

- All tasks and programs must conform to the District's Mission.

# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Fiscal Sustainability*

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- Roles and responsibilities of all members of the District must be clearly defined and understood.
- All tasks and programs must have clearly defined priorities and expectations.
- Being proactive rather than reactive.
- Abandoning personal agendas for the welfare of the District.
- Cooperation of partnerships and relationships, internally and externally, to promote and improve efficiency and maximize effectiveness.
- Involving all members of the District in the budget process. Ultimately, everyone is responsible for the fiscal soundness of the District.

## Economic/Financial Crises Policy

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 808.1 ECONOMIC/FINANCIAL CRISES POLICY

The Board of Directors has a responsibility to ensure a sustainable and fiscally responsible operating environment for the District during normal times. This policy provides a framework for the creation and activation of an Emergency Financial Plan (EFP), including triggers, discussions, and procedures required for its implementation. This policy also establishes guidelines for the use of Contingency Reserve Funds.

Furthermore, this Policy outlines the responsibilities of the Board and Staff during the activation of an EFP. While certain factors that may impact the District's financial stability are beyond the control of the District or Board, it is crucial that the Board understands how these factors may affect the District at any given time. To this end, triggers must be established to allow for the use of Contingency Reserve Funds in emergency situations, and the Board must be aware of the vulnerability of the General Fund to revenue reductions.

Economic crises can take many forms including, but not limited to, one, or a combination of, the following:

1. Formal economic recessions, as defined by the National Bureau of Economic Research.
2. Two consecutive quarters of negative gross domestic product growth, as determined by the Bureau of Economic Analysis.
3. General bear market conditions, indicated by a correction of 10% or more in any of the major United States indices, or periods during which the United States Federal Reserve is engaged in quantitative easing. Internal factors negatively impacting revenues/expenses as further defined in section 800.10

### 808.2 PURPOSE

The purpose of this policy is to establish a framework for the Board of Directors to prepare for and respond to financial or economic crises, through the creation and activation of an Emergency Financial Plan (EFP).

### 808.3 SCOPE

The Economic Crises policy reviews the District's operating environment and the impacts of external economic risks on revenues and expenditures and provides guidance on financial impacts.

## Definitions

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 809.1 DEFINITIONS

- Emergency Financial Plan (EFP): A plan developed by the Board of Directors to address financial crises and minimize the impact on the District's operations.
- Triggers: Specific indicators or events that signal the need to activate the EFP or utilize Contingency Reserve Funds to mitigate a crisis.
- Funding Priority: A system used to determine which expenses are considered priorities for the District and should be prioritized for funding during financial crises.
- Cost-Sharing, Cost-Saving, and Cost-Reduction Opportunities (CSSR): Opportunities to reduce costs and increase efficiency in operations through partnerships, procurement efficiency, and other means.

## Taking Action During an Economic Crisis

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 810.1 TAKING ACTION DURING AN ECONOMIC CRISIS

If a Director, Fire Chief, or Executive Staff believes there is an impending or ongoing crisis, they may request the Board formally discuss the District's financial health and the need for activation of an Emergency Financial Plan per Policy 500 – Board Meeting Agendas Section 5.1 Agenda Preparation and Distribution.

When discussing the possible activation of an EFP, the Board should discuss, at minimum, the following:

(a). Revenue Reductions/Restrictions

- What revenues are trending negative?
- What restrictions are limiting, or pose a threat to, traditional revenue streams?
- What are the Short-Term and Long-Term Deficits the Board can anticipate because of the decrease in revenues?

(b). Contingency Fund - What triggers the ability to use the Contingency Fund monies

- Only with an affirmative vote by a supermajority of the Board can Contingency Funds Segregated for Economic Downturns money be spent.
- An Economic Crisis as defined above should serve as a necessary "trigger" to prompt discussion for the discussion and vote for using Contingency Funds Segregated for Economic Downturns.
- Directors shall be notified when disbursements are made from the Contingency Fund.

(c). Freezing Spending - It is appropriate to freeze spending?

- When considering freezing any type of normal expenditures, the Fire Chief should use the Funding Priority system to determine which expenses are considered priorities for the District and report out to the Board of Directors.
- Tie loss of revenue to percentages based on priorities.

(d). Requirements and Accounting Practices - What are the requirements and accounting practices that must be followed to ensure continued compliance?

(e). Cost-Saving, Cost-Sharing, Cost-Reduction Opportunities (CSSR)

1. Are there any immediate CSSR opportunities available to the District?



# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Taking Action During an Economic Crisis*

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2. Directors and Staff should review expenditures and attempt to reduce costs by any means possible including, but not limited to:

- Reviewing the District's Purchasing Efficiency at all levels of procurement
- Creating greater economies of scale by partnering with other agencies

#### (f). Financing Strategies

1. Are there any financing strategies or opportunities to manage short- or long-term finances including the use of loans and lines of credit?

2. In the event the Board votes to approve the use of Contingency Funds for an economic crisis, the entire Board of Directors shall be notified when outflows are made from Contingency Funds.

#### (g). Staff Responsibilities

1. Staff will provide the Board of Directors a Financial Update at every regular meeting until the EFP is rescinded. The Update shall contain at least:

- A summary of the impacts from enacting the EFP, including historical financial information
- Status report on formal CSSR efforts
- Confirmation of ongoing compliance with federal, state, and local grant eligibility and maintenance requirements.

#### (h). Board Responsibilities

1. Should an EFP be activated, the Board is responsible for:

- Ensuring the EFP is communicated to all relevant community members stakeholders, including personnel and partners, if applicable.
- Monitor the implementation and effectiveness of the EFP and make adjustments as needed.
- Ensure that all decisions related to the EFP are made in the best interests of the District and its stakeholders.
- Hold regular meetings to discuss progress and make decisions related to the EFP.
- Ensuring that the EFP is rescinded in a timely and responsible manner once the crisis has passed and the District's financial health has been stabilized.

If there is consensus by the Board of Directors, an EFP will be activated and implemented.

## Emergency Financial Plan In Action

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### **811.1 EMERGENCY FINANCIAL PLAN IN ACTION**

The purpose of this section is to establish the framework for creating and implementing an Emergency Financial Plan (EFP) in the event of a financial crisis within the District. The Board of Directors shall create an EFP to be used in the event of a financial crises impacting the District. The EFP shall be created based on the criteria in Policy Section 800.12 – Development of the EFP and shall be reviewed and updated annually to ensure its effectiveness

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## Development of the EFP

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 812.1 DEVELOPMENT OF THE EFP

The EFP shall be developed by the Board of Directors, in consultation with the Fire Chief, Executive Staff, and any District financial and/or legal advisors. The EFP shall include, at a minimum, the following components:

- A summary of the current financial situation and the anticipated impact of the crisis
- Strategies for reducing costs, increasing revenue, and managing cash flow.
- Criteria for prioritizing expenditures and freezing spending
- Financing strategies, including the use of loans or lines of credit, if necessary
- Review of the Contingency Fund Plan, including triggers for accessing funds and notification requirements
  - These triggers will be reviewed on a case-by-case basis dependent on the crisis at hand.
- Staff responsibilities, including regular meetings to discuss progress and make decisions related to the EFP; including the development of a clear path to rescind the EFP.
- A plan for communicating the EFP to the communities served, personnel, and stakeholders.

## Approval and Implementation of the EFP

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 813.1 APPROVAL AND IMPLEMENTATION OF THE EFP

The Board of Directors shall review and approve the EFP prior to its implementation. Once approved, the EFP shall be communicated to all relevant communities served, personnel, and stakeholders. The Fire Chief and Administrative Officer/Finance shall both be responsible for implementing and monitoring the EFP and providing regular reports to the Board of Directors on its effectiveness.

## Rescinding the EFP

<b>Effective Date:</b>	07/12/2023
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<b>Issuing Authority:</b>	SMFR

### **814.1 RESCINDING THE EFP**

Once the financial crisis has passed and the District's financial health has stabilized, the Board of Directors shall review and rescind the EFP in a timely and responsible manner.

## Budgeting Policy

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 815.1 BUDGETING POLICY

The District's budgeting practices are governed by applicable federal, state, and local laws, regulations, and Generally Accepted Accounting Principles and has been developed based upon recommendations from the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA).

## Budgetary Controls

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 816.1 BUDGETARY CONTROLS

The Board is responsible for budgetary controls approved through this Policy. Budgetary control is maintained at the fund and division level. Budget accountability rests primarily with the operating divisions of the District, with oversight of the Fire Chief.



## Comprehensive Budget /Balanced Budget

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 817.1 COMPREHENSIVE BUDGET /BALANCED BUDGET

The District is required by law to have a "balanced budget". However, the law does not distinguish between a budget that is balanced using short-term fixes and a budget that is structurally balanced for the long-term. By defining our own balanced budget policy, the District is ensuring that we maintain a strong financial foundation for our communities for years to come.

The District will adopt a structurally balanced budget. A structurally balanced budget has two important qualities. First, ongoing expenses should be covered by ongoing revenues. Ongoing revenues are revenues that can be expected to continue year-to-year. Property taxes are an example of recurring revenue. Ongoing expenses can also be expected to continue year-to-year. Staff salaries for services the District provides is an example of a recurring expense.

The second quality of a structurally balanced budget is that one-time or short-term revenues are used to fund one-time or short-term expenses. An example of this is a grant with a term limit. An example of a short-term expense could be contractors hired to provide the service that the grant funds.

In accordance with California Statute, the District must adopt a balanced budget each year. A structurally sound balanced budget means that recurring resources must equal recurring expenditures. More specifically:

- It is appropriate to use unrestricted reserve fund balances for one-time expenditures and ongoing replacement schedule costs. However, as part of the District's pursuit for a structurally balanced budget, reserve fund balances shall not be used as a way to balance general fund expenditures due to day-to-day operations as a long-term approach to balancing the budget.
- New programs shall not be budgeted or implemented until the full annual cost and the financial impact can be reasonably projected and the Board of Directors approves the program. New or expanded services appropriations should be implemented simultaneously with an associated off-setting new revenue, and existing revenue source increase and/or other expenditure reduction.

The District will be efficient in its business practices and share resources between tasks and programs whenever possible. The District shall consistently scrutinize expenditures of its resources. At all times, both the financial and labor components of tasks and programs shall be closely monitored to assure there is a link between payment for resources and the use of those resources. A mechanism of measuring the accountability and outcomes of tasks and programs

# San Miguel Fire & Rescue District

Board of Directors Manual

## *Comprehensive Budget /Balanced Budget*

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shall accompany all expenditures to ensure tasks and programs accomplish their goals and objectives with a favorable return on the investment of the District's resources.

Fiscal soundness is affected by the volatility of the District's primary revenue resource and changing demographics. The District is dependent on the Legislature of the State of California to designate an annual apportionment from local property tax assessments. The long-term effects of an aging community, expanding and changing commercial areas, and increasing residential density contributes to financial pressures on the District's limited resources.

To ensure transparency to the communities served, and its members, the District will be open and accountable and maintain good record keeping.

## Budget Criteria

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 818.1 BUDGET CRITERIA

#### Operating Budget Criteria

- Table of Contents
- District's Vision/Mission
- District Goals (one year & long-term)
- Long-term forecasting & strategies
- Long-term planning
- Fund Management Descriptions
- Budget Message or Transmittal Letter
  - Highlight policy, economic and/or legislative issues facing the District and their impact on the budget and any recommended actions included to resolve these issues
  - Highlight major changes in the budget from the current year regarding service and/or funding levels
  - Highlight major organization priorities and their funding sources
- Basis for budgeting described and explained
- District's Prop 4 (GANN) Appropriation Limit
- Budget process explained
- District-wide organizational chart
  - Summary of personnel (headcount) as a District
  - Personnel/staffing levels listed for each detail budget division
  - Organizational charts included in document
  - Description of personnel/staffing level changes & justification
  - Including prior two years
- Key revenue estimates described
- Discussion of General Fund, special revenue funds, and a listing of all other funds used in the jurisdiction (debt service and capital project funds)

# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Budget Criteria*

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- Budget Summary that displays at least the proposed budget year and at least two prior years for both revenue and expenditures
- Budget Detail Pages
  - Description of the division
  - Analytics of budgetary information
  - Trends
  - Priorities
  - % breakdown by division
  - Justifications
- Reserve Fund Discussion
  - Cash Flow
  - Expenditures
  - Five year replacement schedule breakdown
- Discussion of liabilities with strategies
- Budget level control
- Budget is presented as a complete document
- Budget numbers and format are accurate and consistent throughout the document
- Budget document displays an effective use of graphics, artwork and charts
- In-Depth Description of revenue sources and basis for estimates
  - Forecasting of three years for revenue sources
- District profile, review of community demographics, location, and economic outlook
- Adopted resolution included
- Basis of accounting described
- Description of financial/budget policies, which govern finance and budget development such as reserves, debt management, and revenue projections
- Budget detail highlighting recent accomplishments
- Budget detail highlighting gaps in organization & needs
- Budget detail identifying performance measures such as workload and/or efficiency or effective indicators
- Discussion of employee compensation and benefits
  - Description of fire service compensation
  - Overtime discussion
- Description of debt obligations

# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Budget Criteria*

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- List of acronyms used and defined
- Glossary of terms
- Financial trend indicators and associated analysis explained
- Comparison of financial status to other jurisdictions
- Display exceptional format clarity and presentation effectiveness

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## Budget Adoption

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 819.1 BUDGET ADOPTION

The District's annual budget is prepared for the fiscal year beginning July 1st and ending June 30th of the following year. The operating budget represents the financial plan for the District and serves as a policy document for the distribution of District resources in alignment with the long-term vision, Mission, and goals of the District. The four uses of a budget document are: Policy Document, Financial Plan, Operations Guide, and Communications Device. More specifically

- As a Policy Document, the budget must, at minimum, provide a coherent statement of the organizational-wide strategic goals and strategies to address short- and long-term concerns.
- As a Financial Plan, the budget document must, at minimum, include a summary of major revenues and expenditures, financing sources and uses; and explain the long-range financial plans and the effect upon the budget.
- As an Operational Guide, the budget document must, at minimum, include an organization-wide chart; schedule or table summary of personnel or position counts (prior, current, and budgeted year); described services and include goals and objectives of the divisions.
- As a Communication Device, the budget document must, at minimum, include a comprehensive table of contents and provide an overview of significant budgetary issues.

Annually, the Fire Chief and Executive Staff shall submit to the District's Board of Directors a proposed preliminary budget for the upcoming fiscal year based on operational needs and the approved Strategic Plan. Prior to the final adoption of the budget, and in accordance with State statutes, the District shall hold a public hearing where the public is allowed to make comments. During the hearing, the Board of Directors may make revisions to the budget by majority vote. Upon final adoption the budget is in effect for the ensuing fiscal year and becomes the authority for various divisions to expend funds subject to controls established by this Policy and California Statutes.

## District Revenues

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 820.1 DISTRICT REVENUES

The District needs to continue researching ongoing revenue stream opportunities for the continued success of the District. The majority of the District's revenue comes from property taxes, which is approximately 80+% of all revenue for all services provided by the District.

### 820.2 RECURRING REVENUES

Recurring revenues are funds received throughout the fiscal year on a continuing basis. The District currently receives three types of recurring revenue: property taxes, interest earnings and miscellaneous revenue. Property taxes are collected by the County of San Diego and deposited into the General Fund. Interest earnings are received from the County of San Diego and placed directly into the individual funds that generate interest. The District collects miscellaneous revenue from various sources, primarily ALS reimbursement and fire prevention fees.

### 820.3 NONRECURRING REVENUE

Nonrecurring revenues are funds that are received one time. Fire Mitigation Fees are restricted one time revenue. All other nonrecurring revenues are those received in prior fiscal years and then held on account for specific purposes. These include transfers from the General Fund and interest earnings on non-discretionary funds. Other than specifically designated funds, nonrecurring revenues shall not be used to fund ongoing expenses.

### 820.4 DISTRICT FINANCIAL FUNDS

The District shall give the highest priority in the use of nonrecurring revenues to the funding of capital assets or other nonrecurring expenditures. The use of nonrecurring revenues to fund ongoing expenditures results in incurring annual expenditure obligations that may be unfunded in future years. Using nonrecurring revenues to fund capital assets or other nonrecurring expenditures better enables future administrations and directors to cope with financial problems when these revenue sources are discontinued, since these types of expenditures can more easily be eliminated.

Funds allocated to long-term commitments such as bond payments for capital improvements, facilities, and equipment, including lease payments, shall be considered fiduciary obligations to maintaining the District's infrastructure. As bonds mature and payments expire, those funds previously allocated to the District's long-term well-being shall continue to be allocated to the



# San Miguel Fire & Rescue District

## Board of Directors Manual

### *District Revenues*

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Districts long-term infrastructure needs. If long-term infrastructure requirements have not been specifically identified as requiring reallocation, the amount of such funds or amount not reallocated to long-term infrastructure requirements shall be annually deposited in a reserve account restricted to the long-term infrastructure needs of the District.

Prudent fiscal responsibility requires the Board of Directors to establish financial reserves to accommodate anticipated and unanticipated District expenditures. The Board of Directors shall maintain reserve accounts and set appropriate funding levels for the following accounts:

- (a). Contingency Reserve Fund
  - 1. Stabilization Fund Subcategory
  - 2. Recovery Fund Subcategory
  - 3. Emergency Fund Subcategory
- (b). District Liabilities Fund
- (c). Uncompensated Leave Fund
- (d). Vehicle Replacement Fund
- (e). Facilities Replacement/Renovation Fund
- (f). Capital Equipment Fund
- (g). Fixed Equipment Replacement Fund
- (h). Workers' Compensation Fund

Additional reserve accounts and their respective funding levels may be established as necessary to ensure the long-term fiscal health of the District. All funding levels will be reviewed annually. These funding plans are to be maintained and presented with the Final Annual Budget.

Transfers into reserve funds will take place after July 1st of each Fiscal Year to ensure adequate fund balance for the Districts' annual audit. The priority order of transfers will be:

- (a). Contingency Reserve Fund
  - 1. Stabilization Fund Subcategory
  - 2. Recovery Fund Subcategory
  - 3. Emergency Fund Subcategory
- (b). District Liabilities Fund
- (c). Uncompensated Leave Fund
- (d). Vehicle Replacement Fund
- (e). Facilities Replacement/Renovation Fund
- (f). Capital Equipment Fund

# San Miguel Fire & Rescue District

## Board of Directors Manual

### *District Revenues*

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(g). Fixed Equipment Replacement Fund

(h). Workers' Compensation Fund

The Fire Mitigation Fund and Community Facilities District Fund (CFDs) are restricted funds of the District and do not have a priority within the transfers. The funds are required to be transferred per the statute they fall under.

If any funds remain after the transfers into the various reserve funds, those funds should be transferred into the Contingency Reserve Fund until goal funding is met. After goal funding is met in the Contingency Reserve Fund, any funds remaining should be discussed with the Finance Committee to bring a recommendation back to the Board for approval.

## Guidelines and Definitions

<b>Effective Date:</b>	07/12/2023
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<b>Issuing Authority:</b>	SMFR

### 821.1 GUIDELINES AND DEFINITIONS

The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It also is intended to preserve flexibility throughout the Fiscal Year to make adjustments in funding for programs approved in connection with the annual budget.

Fund Balance consists of five categories: Non-Spendable, Restricted, Committed, Assigned, and Unassigned.

### 821.2 NON-SPENDABLE FUND BALANCE

Amounts that are not in a spendable form (such as inventory) or funds that legally or contractually must be maintained intact.

It is the responsibility of the Administrative Officer/Finance Officer to report all Non-spendable Funds appropriately in the District's Financial Statements.

### 821.3 RESTRICTED FUND BALANCE

Amounts that are constrained by external parties, Constitutional provisions or enabling legislation.

Restricted funds are those funds that have constraints placed on their use either:

- Externally by creditors, grantors, contributors, or laws or regulations or other governments
- By law through Constitutional provisions or enabling legislation.

It is the responsibility of the Administrative Officer/Finance Officer to report all Restricted Funds appropriately in the District's Financial Statements.

### 821.4 COMMITTED FUND BALANCE

Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

The Board of Directors has the authority to set aside funds for a specific purpose. Any funds set aside as a Committed Fund Balance requires the passage of a resolution by a simple majority

# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Guidelines and Definitions*

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vote. The passage of a resolution must take place prior to June 30th of the applicable fiscal year. If the actual amount of the commitment is not available by June 30th, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

#### **821.5 ASSIGNED FUND BALANCE**

Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an individual authorized by the governing body.

Upon passage of the Fund Balance Policy, authority is given to the Administrative Officer/Finance Officer to assign funds for specific purposes. Any funds set aside as Assigned Fund Balance must be reported to the District's Board of Directors at their next regular meeting. The Board of Directors has the authority to remove or change the assignment of the funds with a simple majority vote.

The District's Board of Directors has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as Assigned Fund Balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment.

#### **821.6 UNASSIGNED FUND BALANCE**

Amounts that are available for any purpose; these amounts are reported only in the General Fund.

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned Fund Balance should be maintained in the General Fund. An appropriate level is determined as the remaining balance after the amounts for the non-spendable, restricted, committed and assigned classifications have been identified. For the General Fund, unassigned fund balance may represent either a positive or negative balance per generally accepted and governmental accounting requirements.

## Classifying Fund Balance Amounts

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### **822.1 CLASSIFYING FUND BALANCE AMOUNTS**

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

## Financial Reserve Funding Levels

<b>Effective Date:</b>	07/12/2023
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<b>Issuing Authority:</b>	SMFR

### 823.1 FINANCIAL RESERVE FUNDING LEVELS

The Board of Directors shall periodically review the funding levels established for each reserve account and make adjustments as necessary to ensure the long-term fiscal health of the District. Funding levels are determined for each reserve fund based on classification. **Funding levels are determined by best practices for Special Districts, auditor recommendations, internal needs, and replacement schedules.** To facilitate determining appropriate funding levels, the District shall perform an annual audit of the following critical elements of the District's operations, at a minimum:

- Future cost of new facilities and equipment needs based on projection for year of implementation for each identified facility and equipment acquisition.
- Replacement cost of existing facilities based on projection for year of implementation for each identified facility.
- Facilities maintenance cost with assessment of maximizing the serviceable life of facilities.
- Frontline vehicles and equipment inventory and replacement costs.
- Reserve vehicles and equipment inventory and replacement costs.
- Administrative equipment and other assets and replacement costs.
- Technology and infrastructure upgrades and acquisition costs.
- Cost of sustaining and obtaining grant funding and associated programs.
- Each reserve account shall show current and desired funding levels in the annual budget.

### 823.2 GENERAL FUND (AN UNASSIGNED FUND)

This fund is used to finance the ongoing, day- to-day operations of the District. Sources of operating funds include property taxes, interest earnings and miscellaneous revenue. The desired minimum beginning cash balance for the General Fund is \$500,000 after all transfers have been considered.

# San Miguel Fire & Rescue District

## Board of Directors Manual

### Financial Reserve Funding Levels

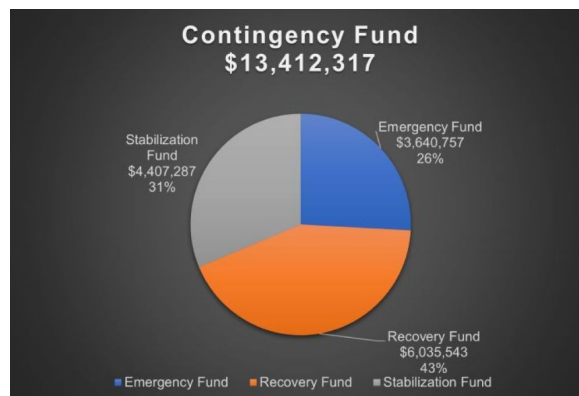
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#### 823.3 CONTINGENCY RESERVE FUND (A COMMITTED FUND)

This fund is used as the District's unallocated contingency reserve to cover unexpected expenditures that may be necessary to fund Board approved expenses, maintain operational service (including salaries and benefits based on Emergency Financial Plan budgeting of 2%), and liquidity for dry yield cash flow interruptions in the event revenues are delayed or reduced significantly and impacting day-to-day operations. This fund is used to fiscally stabilize funds to cover budgetary shortfalls that arise when public revenues fall, thus allowing specific public services to be safeguarded. These funds can promote fiscal discipline by restricting the procyclicality and volatility of public spending.

The Contingency Reserves fund targeted level should be maintained in an amount equal to at least 50% of the annual General Fund Budget, respectively, each year. This amount, once the 50% is attained, can range from \$500,000 – \$750,000. As the General Fund expenditures increase, the amount needed each year to fund the targeted level will rise, respectively. Sources of funding consist of interest earnings and transfers from other funds. This fund consists of the following breakdown:

- Stabilization – To provide a safeguard against unknown economic shocks and revenue declines to ensure sustainability during an economic downturn. To promote fiscal discipline by restricting the procyclicality and volatility of District liabilities and expenditures. This breakdown of the Contingency Reserve shall have a targeted level of 31% of the 50% total target level. Recovery – To provide funding during the recovery phase of an economic downturn. The recovery phase is the cycle following downturns in the economy or a disaster that is normally characterized by a sustained period of improving and returning to normal operations. During an economic recovery, the economy undergoes a process of adaptation and adjustment to new conditions, including the factors that triggered the downturn/disaster in the first place. The recovery phase lasts longer than the stabilization phase. This breakdown of the Contingency Reserve shall have a targeted level of 43% of the 50% total target level.
- Emergency Expenses – To provide cash flow for unknown expenses that are related to operating and maintain day-to-day services for the communities we serve. This breakdown of the Contingency Reserve shall have a targeted level as of June 30th and December 31st of at least 60 days' operating expenses.



# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Financial Reserve Funding Levels*

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A spreadsheet will be maintained by the Administrative Officer/Finance with the breakdown of the Contingency Reserve Fund, including dollar amounts, percentages, and charts.

This fund should be looked at on an annual basis. The reserve amounts are established by determining the level of financial risk associated with the economy. It should be noted that the Board of Directors are aware that we are currently under the 40% recommended funding level. Each year, until the funding measurement is met, a minimum of \$500,000 should be put into this fund. This Funding Plan will be part of the Annual Budget.

#### **823.4 DISTRICT LIABILITIES FUND (A COMMITTED FUND)**

Fund was established to fund liabilities that show a risk in the sustainability of ongoing cash flow for the District. These liabilities include, but are not limited, to pension costs and Other Post-Employment Benefits (OPEB), other than pension distributions, such as health insurance. The targeted level for this fund is dependent on the outstanding liability costs and the strategies being used by the District to address them. The Administrative Officer/Finance Officer, at the direction of the Board of Directors, continually analyzes the needs of the District related to this fund.

#### **823.5 UNCOMPENSATED LEAVE FUND (AN ASSIGNED FUND)**

Fund was established to fund the cash value of all employees' accrued annual and sick leave. The goal level on this fund is 100% of the previous June 30 book value of all leave credits. Sources of funding are interest earnings and transfers from the General Fund. The annual transfer amount into this fund is the difference between the current balance and the June 30 book value of leave credits.

#### **823.6 VEHICLE REPLACEMENT FUND (AN ASSIGNED FUND)**

This fund was established to replace existing staff vehicles and emergency apparatus. Sources of funding are interest earnings and transfers from the General Fund. The Board of Directors adopts, reviews, and when necessary, modifies the emergency apparatus and staff vehicle plans. The replacement schedules should normally be reviewed every year to allow for cost-of-living increases and other impacts that may affect the needed deposits in this fund. The goal level of this fund is based upon the current fleet replacement schedule. This Funding Plan will be part of the Annual Budget.

#### **823.7 FACILITIES REPLACEMENT/RENOVATION FUND (AN ASSIGNED FUND)**

This fund was established to replace and restore existing facilities. Sources of funding are interest earnings and transfers from the General Fund. The District needs essential services buildings in order to carry out the mission and strategic objectives as directed by the Board. An in-depth Facilities Condition Assessment was completed and has been incorporated into the replacement schedule under an approved funding scenario per the assessment. The Facilities Replacement/Renovation Reserve Study must be reviewed at least every 5 years to determine the ongoing funding needs per year. This Funding Plan will be part of the Annual Budget.



# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Financial Reserve Funding Levels*

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#### **823.8 CAPITAL EQUIPMENT FUND (AN ASSIGNED FUND)**

This fund was established to cover the cost of purchasing capital equipment (breathing apparatus, radios, mobile data computers, Personal Protective Equipment (PPE), etc.) Sources of funding consist of interest earnings and transfers from the General Fund. The District needs to purchase equipment in order to carry out the Mission and strategic objectives as directed by the Board. The replacement schedules should normally be reviewed every year to allow for cost-of-living increases and other impacts that may affect the needed deposits in this fund. The goal level of this fund is based upon the current capital equipment replacement schedule. This Funding Plan will be part of the Annual Budget.

#### **823.9 FIXED EQUIPMENT REPLACEMENT FUND (AN ASSIGNED FUND)**

This fund was established to cover the cost of ongoing fixed equipment replacement (HVAC, vehicle exhaust extractors, generators, etc.). Sources of funding consist of interest earnings and transfers from the General Fund or other funds. The District needs to maintain fixed equipment in order to carry out the Mission and strategic objectives as directed by the Board. The replacement schedules should normally be reviewed every year to allow for cost-of-living increases and other impacts that may affect the needed deposits in this fund. The goal level of this fund is based upon the current fixed equipment replacement schedule. This Funding Plan will be part of the Annual Budget.

#### **823.10 WORKERS' COMPENSATION FUND (AN ASSIGNED FUND)**

Workers' Compensation Fund (an assigned fund). This fund was established to help offset impact of the General Fund when a significant injury occurs.

Funding level is established based off the District's Self-Insurance Retention (SIR) per a single incident occurrence (1-2 employees) with a current minimum funding level of \$300,000 and a goal funding level of \$600,000.

#### **823.11 FIRE MITIGATION FEE FUND (A RESTRICTED FUND)**

This fund was established by the County of San Diego. Sources of funding consist of interest earnings and fire mitigation fees collected by the County for all types of new construction. The District must receive approval from the County's Fire Mitigation Fee Review Committee prior to the expenditure of this fund.

#### **823.12 COMMUNITY FACILITIES DISTRICT FUND (A RESTRICTED FUND)**

This fund was established by the County of San Diego. Sources of funding consist of interest earnings and fire mitigation fees collected by the County for all types of new construction. The District must receive approval from the County's Fire Mitigation Fee Review Committee prior to the expenditure of this fund.

## Replacement Schedules & 5-Year Plans Established by the District

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 824.1 REPLACEMENT SCHEDULES & 5-YEAR PLANS ESTABLISHED BY THE DISTRICT

The intent of this section is to outline the development of the plans to guide asset management practices that are supported by both finance and operational expertise. These plans will require a complete inventory and periodic measurement of the physical condition and existence of capital equipment, fixed equipment, fleet, and facilities.

Maintaining inventory with an asset tagging system will be essential in pulling information for the plans and ensuring the District has effective control over tangible assets. Inventory will contain essential information, including, but not limited to:

- Asset Description
- Location
- Physical Dimensions (if applicable)
- "As-Built" documents
- Warranties
- Condition Rating
- Maintenance History
- Replacement Costs
- Operating Costs
- Usage Statistics (if applicable)
- Date Placed In Service
- Original Useful Life
- Impairments

Replacement Schedules will be established and maintained for Fleet, Capital Equipment and Fixed Equipment. A Facilities Replacement/Renovation Reserve Study will be established and maintained. Spreadsheets and/or other documents/reports will be implemented to show the following information:

# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Replacement Schedules & 5-Year Plans Established by the District*

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- Budget Assumptions and Recommendations
- 5-Year Forecasting Funding Plans
- Fully Funded Plan Projections

A well-formulated Capital Improvement Plan (CIP) is rooted in consistent planning for major expenditures and in anticipation of the "just-in-time" replacement of apparatus, equipment, and facilities. CIPs are most effectively done in 5-year increments in which the current year drops into the annual operating budget and off the 5-year plan. Then the CIP is replaced by a new fifth year, so that it is a continuous process that is tied directly to normal annual budget preparations. Supported by an appropriate funding stream and thoughtful analysis and forecasting by staff, the CIP is a powerful instrument for managing the District's level of service.

Major capital improvements may include the following:

- Apparatus: Purchase and/or refurbishment/replacement of Type I engines; ladder truck; command vehicles; brush engines; and light vehicles or sedans.
- Major Equipment: Purchase and/or replacement of Personal Protective Equipment (PPE); Self-Contained Breathing Apparatus (SCBAs); rescue tools; and Advanced Life Support (ALS) cardiac monitoring.
- Facilities: New construction and/or renovation of stations/administrative buildings.

This financial strategy will provide an analysis and recommendations for the ongoing operations and staffing to have the District represented in the most efficient and cost-effective manner and within available resources to the District. These plans are designed to be living documents and utilized along with thoughtful analysis and forecasting by staff, allows the Board of Directors and management to effectively plan and approve a sustainable budget by being proactive.

# Mitigating Negative Fiscal Impacts Caused by Future Development

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

## 825.1 MITIGATING NEGATIVE FISCAL IMPACTS CAUSED BY FUTURE DEVELOPMENT

Subject to limited exceptions, Section 65589.5(o)(1) of the California Government Code provides that a housing development project is subject only to the ordinances, policies, and standards adopted and in effect when a preliminary application was submitted by the housing development project. The purpose of this policy is to ensure that all future development that causes a negative fiscal impact to the San Miguel Consolidated Fire Protection District (the "District")'s provision of services is required to offset such negative fiscal impacts,

notwithstanding Section 65589.5(o)(1) of the California Government Code. This policy may be amended or supplemented by resolution of the Board of Directors of the District at any time.

The requirement to Mitigate Negative Fiscal Impacts

All future development, including, but not limited to, housing development projects as defined in Section 65589.5(h)(2) of the California Government Code, shall be required to offset any negative fiscal impact such development has on the provision of service by the District. Such fiscal impact shall be determined based on a fiscal impact analysis prepared by or on behalf of the District. A development may meet this requirement by forming or annexing into a community facilities district or by entering into some other arrangement that is agreeable to both the District and the developer.

Exceptions to this Policy:

The District may find that a waiver of any of the provisions of this policy is reasonable given identified District benefits to be derived from such waiver. Such waivers only will be granted by action of the Board of Directors.

# Local Goals and Policies for Community Facility District

## 826.1 PURPOSE

Section 53312.7(a) of the California Government Code requires that a district's Board of Directors consider and adopt local goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (the "Act"), prior to the initiation of proceedings on or after January 1, 1994, to establish a new community facilities district (CFD) under the Act. These goals and policies may be amended or supplemented by resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District (the "District") at any time.

## 826.2 GOALS

The Goal of the CFD is the following

### 826.2.1 SERVICES

It is the goal of the District that new development generates sufficient additional revenues to fund the District's costs of providing the public services required by that development. The Board of Directors will consider the use of the Act to provide a portion of the required revenues.

### 826.2.2 FACILITIES

The Board of Directors will consider the use of the Act for financing public facilities and refinancing existing liens levied or bonds issued to finance public facilities, only in connection with the prospective development of land in the District or as otherwise referenced in a development agreement to which the District is a party. Any request for a CFD which is not integral to the development of land will require amendment of these goals and policies and will be considered on a case-by-case basis.

### 826.2.3 COSTS

All District and non-contingent consultant costs incurred in the evaluation and establishment of new CFDs and annexations to existing CFDs will be paid by the proponents of the formation/annexation. With respect to CFDs that finance facilities, the District shall use all reasonable efforts to reimburse all CFD formation/annexation costs from CFD bond proceeds when CFD bonds are issued. Expenses incurred by the District that are not chargeable to the CFD shall be borne by the proponent of the CFD.

## 826.3 ELIGIBLE PUBLIC SERVICES AND FACILITIES

### 826.3.1 SERVICES

The specific services to be funded shall include all services authorized under both Section 53313 of the Government Code and Section 13862 of the Health and Safety Code including, but not limited to, fire protection and suppression services, and ambulance and paramedic services and

# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Local Goals and Policies for Community Facility District*

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operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the District or by another local agency pursuant to agreement;

#### **826.3.2 FACILITIES**

The improvements eligible to be financed by a CFD must be owned by a public agency or public utility and must have a useful life of at least five (5) years, except that up to five percent of the proceeds of a debt issue may be used for facilities owned and operated by a privately-owned public utility. The improvements must be consistent with any relevant specific plan approvals. A CFD shall not vest any rights to future land use on any properties, including those which are responsible for paying special taxes.

The list of public facilities eligible to be financed by a CFD include all facilities authorized under Government Code section 53313.5 and include, without limitation:

- Fire stations
- Administrative facilities
- Training facilities
- Emergency response equipment
- Firefighting apparatuses

The funding of public facilities to be owned and operated by public agencies other than the District shall be considered on a case-by-case basis. If the proposed facilities are appropriate for financing by a CFD and are consistent with approved land use plans or other governmental approvals for the property, the District may consider entering into a joint community facilities agreement in order to finance these facilities. A joint agreement with the public agency that will own and operate any such facility must be entered into prior to the adoption of the resolution of formation, a resolution of change altering the CFD, or a resolution authorizing the issuance of bonds, except as otherwise permitted under the Act.

#### **826.4 PRIORITIES FOR CFD FINANCING**

Priority for CFD financing shall be given to public facilities and services which are necessary for development, or otherwise required to satisfy any conditions of development.

#### **826.5 CREDIT QUALITY REQUIREMENTS FOR CFD BOND ISSUES**

All CFD bond issues should have at least a three-to-one property value-to-public lien ratio after calculating the value of the financed public improvements to be installed and any private improvements for which financing is reasonable assured, unless the Board of Directors finds and determines that the proposed bonds do not present any unusual credit risk or, by a four-fifths vote, that the proposed bond issue should proceed for specified public policy reasons. Property value may be based on either an appraisal, or assessed values as indicated on the county assessor's tax roll. Any appraiser shall be selected by the District, and the appraisal shall be based on the definitions, standards and assumptions as described in "Appraisal

# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Local Goals and Policies for Community Facility District*

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Standards for Land Secured Financings," published by the California Debt and Investment Advisory Commission dated May 1994, as revised and as may be amended from time to time. The appraisal must be dated within three months of the date the bonds are issued. The public lien amount shall include the bond issue currently being sold plus any public indebtedness secured by a fixed lien on real property currently existing against the properties to be taxed.

A reserve fund equal to the lesser of:

- ten percent of the original proceeds of the bond issue,
- the maximum annual debt service on the bonds, or
- one hundred twenty-five percent of the average annual debt service on the bonds is considered as appropriate for any bond issue where less than seventy-five percent of the buildable acreage has been developed.

A smaller reserve fund may be appropriate for bond issues in CFDs where over a significant percentage of the buildable acreage has been developed. The reserve fund may be maintained by or on behalf of a public financing authority, if such an authority purchases the CFD bonds, and need not be held under the fiscal agent agreement pursuant to which the CFD bonds are issued. Less than a three-to-one property value-to- public lien ratio, excessive tax delinquencies, or projects of poor economic viability may cause the District to disallow the sale of bonds or require credit enhancement prior to bond sale.

If the District requires letters of credit or other security in connection with the issuance of bonds for a CFD, the credit enhancement shall be issued by an institution, in a form and upon terms and conditions satisfactory to the District. Any security required to be provided may be discharged by the District upon the opinion of a qualified appraiser, retained by the District (at the expense of the CFD or the applicable land owner), that a value-to-lien ratio of three to one has been attained. As an alternative to providing other security, a portion of the bond proceeds may be placed in escrow with a corporate agent in an amount sufficient to assure a value-to-lien ratio of at least three to one on the outstanding proceeds, or other appropriate release requirements.

#### **826.6 DISCLOSURE REQUIREMENTS**

##### Disclosure Requirements for Developers

- Developers who are selling lots or parcels that are within a CFD shall provide disclosure notice to prospective purchasers that complies with all the requirements of Section 53341.5 of the Government Code. The disclosure notice must be provided to prospective purchasers of property at or prior to the time the contract or deposit receipt for the purchase of property is executed. Developers shall keep an executed copy of each disclosure document as evidence that disclosure has been provided to all purchasers of property within a CFD, and shall provide the District with a copy of each such disclosure document.

##### Disclosure Requirements for the Resale of Lots

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## Board of Directors Manual

### *Local Goals and Policies for Community Facility District*

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- The District's Business Services Manager or designee shall provide a notice of special taxes to sellers of property (other than developers) which will enable them to comply with their notice requirements under Section 1102.6 of the Civil Code et seq. This notice shall be provided by the Business Services Manager or designee within five working days of receiving a written request for the notice, unless otherwise permitted under the Act. A reasonable fee may be charged for providing the notice, not to exceed any maximum fee specified in the Act.

#### **826.7 EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES**

Special tax formulas for CFDs shall provide for minimum special tax levels which satisfy the following expenses of a CFD:

- 10 percent gross debt service coverage for all CFD bonded indebtedness.
- The cost of providing the authorized service.
- The projected administrative expenses of the CFD.

Additionally, the special tax formula may provide for the following:

- Any amounts required to establish or replenish any reserve fund established in association with the indebtedness of the CFD.
- The accumulation of funds reasonably required for future debt service.
- Amounts equal to projected delinquencies of special tax payments.
- The costs of remarketing, credit enhancement and liquidity facility fees.
- The cost of acquisition, construction, furnishing or equipping of facilities.
- Lease payments for existing or future facilities.
- Costs associated with the release of funds from an escrow account.
- Any other costs or payments permitted by the Act and applicable law.

The special tax formula shall be reasonable and equitable in allocating the costs of the services and the public facilities financed by the CFD to parcels within the CFD, unless otherwise agreed to by at least the owners of two-thirds of the property to be subject to the special tax.

Exemptions from the special tax may be given to parcels which are publicly owned, are held by a property owners' association, are used for a public purpose such as open space or wetlands, are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easements, or have insufficient value to support bonded indebtedness.

The total projected property tax levels for any CFD shall not exceed any maximum specified in the Act. The annual increase, if any, in the maximum special tax for any parcel shall not exceed any maximum specified in the Act. The increase in the special tax levied on any parcel as a consequence of delinquency or default by the owner of any other parcel shall not exceed any maximum specified in the Act.

The District shall retain a special tax consultant to prepare a report which:



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## Board of Directors Manual

### *Local Goals and Policies for Community Facility District*

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- Recommends a special tax for the proposed CFD.
- Evaluates the special tax proposed to determine its ability to adequately fund the identified services and /or public facilities, CFD administrative costs, and other related expenditures. Such analysis shall also address the resulting aggregate tax burden of all proposed special taxes plus existing special taxes, ad valorem taxes and assessments on the properties within the CFD.

#### **826.8 APPRAISALS**

The definitions, standards and assumptions to be used for appraisals shall be determined by District staff on a case-by-case basis, with input from District consultants and CFD proponents, and by reference to relevant materials and information promulgated by the State of California. In any event, the value-to-lien ratio shall be determined based upon an appraisal by an independent MAI appraiser of the proposed CFD. The appraisal shall be coordinated by and under the direction of the District. All costs associated with the preparation of the appraisal report shall be paid by the proponents of the CFD through an advance deposit mechanism. The District shall have discretion to retain a consultant to prepare a report to verify market absorption assumptions and projected sales prices of the properties which may be subject to the maximum special tax in the CFD.

#### **826.9 TERMS AND CONDITIONS OF BONDS**

All terms and conditions of any CFD bonded indebtedness shall be established by the District, after consultation with the District's consultants, District staff and the proponents of the CFD. The District will control, manage and invest, or cause to be controlled, managed and invested, all CFD bond proceeds. Each bond issue shall be structured so as to eliminate any adverse impact on the bonding capacity or credit rating of the District. The Board of Directors shall at all times retain the discretion as to if and when any bonds shall be issued for a CFD. All statements and material related to the sale of bonds shall emphasize and state that neither the faith, nor general credit of the District is pledged to security or repayment of the bonds. The sole source of pledged revenues to repay CFD bonds shall be the special taxes, bond proceeds and reserve funds held under the bond document, and the proceeds of foreclosure proceedings and additional security instruments provided at the time of bond issuance, unless otherwise specifically agreed to in writing by the District.

#### **826.10 CFD INITIAL COSTS**

All District and consultant costs incurred in the evaluation of CFD applications and the establishment of CFDs or annexation into an existing CFD will be paid by the proponents of the CFD by advance deposit increments. The District shall use reasonable efforts not to incur any non-reimbursable expenses for processing and administering CFDs. In general, expenses not chargeable to the CFD shall be directly borne by the proponents of the CFD.

# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Local Goals and Policies for Community Facility District*

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#### **826.11 USE OF CONSULTANTS**

The District shall select all consultants necessary for the formation of (or annexation to) and administration of a CFD and the issuance of bonds, including the underwriter(s), bond counsel, financial advisors, appraiser, any market absorption consultant and the special tax consultant. Prior consent of any proponent of a CFD shall not be required in the determination by the District of the consulting and financing team.

#### **826.12 CONTINUING DISCLOSURE**

By being allowed to participate in a Mello-Roos proceeding, each owner of land therein must be willing to provide information deemed by the District and its financing team to be needed in order for the District and the underwriter to comply with applicable Federal and state securities laws, including continuing disclosure requirements imposed by SEC Rule 15c2-12.

#### **826.13 EXCEPTIONS TO THESE POLICIES**

The District may find that a waiver of any of the above stated policies is reasonable given identified District benefits to be derived from such waiver. Such waivers only will be granted by action of the Board of Directors

## Debt Issuance and Management Policy

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 827.1 DEBT ISSUANCE AND MANAGEMENT POLICY

The purpose of this Debt Policy is to establish guidelines and parameters for the effective governance, management and administration of debt and other financing obligations issued by the District and its related entities (such as, but not exclusive to, any special districts and any entities for which the Board serves as the governing board or legislative body). This Debt Policy is intended to improve and direct decision making, assist with the structure of debt issuance, identify policy goals, and demonstrate a commitment to long-term financial planning, including the District's Capital Improvement Program. Adherence to a debt policy helps to ensure the District's debt is issued and managed prudently in order to maintain a sound financial position and credit worthiness. When used in this Debt Policy, "debt" refers to all indebtedness and financing obligations of the and its related entities (together referred to as "District").

This Debt Policy is intended to comply with the requirements of Senate Bill 1029 (SB 1029), codified as part of California Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the District. The primary objectives of the District's debt and financing related activities are to:

Maintain the District's sound financial position;

- Ensure the District has the flexibility to respond to possible changes in future service obligations, revenues, and operating expenses;
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers, and residents/visitors within the boundaries of the District and its service areas;
- Minimize debt service commitments through efficient planning and cash;
- Protect the District's credit worthiness and achieve the highest practical credit ratings, when applicable; and
- Ensure the District is in compliance with all relevant State and Federal securities laws and other applicable laws and regulations.

## Acceptable Uses of Debt Proceeds

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 828.1 ACCEPTABLE USES OF DEBT PROCEEDS

The District will consider the use of debt financing primarily for assets and capital projects only if the term of debt shall not exceed the asset(s) or project's useful life or will otherwise comply with Federal tax law requirements. An exception to this long-term driven focus is the issuance of short-term instruments, such as tax and revenue anticipation notes, which are to be used for reasonable cash management purposes, as described below. Bonded debt should not be issued to finance normal operating expenses. General Fund debt will not normally be issued to support ongoing operational costs unless such debt issuance achieves net operating cost savings and such savings are verified by independent analysis.

### 828.2 LONG-TERM DEBT.

Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment, and land to be owned and/or operated by the District. Long-term debt financing are appropriate when any of the following conditions exist:

- When the project to be financed is necessary to provide basic municipal services;
- When the project to be financed will provide benefit to the District's constituents over a duration of more than one year;
- When the total debt financing would not impose an unreasonable burden on the District and its taxpayers and/or ratepayers, as applicable; or
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to benefit from debt restructuring.

The District may use long-term debt financings subject to each of the following conditions:

- The project to be financed has been or will be considered and approved by the Board;
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%;
- The District estimates that sufficient revenues will be available to service the debt through its maturity; and
- The District determines that the issuance of the debt will comply with the applicable requirements of State and Federal law.

# San Miguel Fire & Rescue District

## Board of Directors Manual

### *Acceptable Uses of Debt Proceeds*

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#### **828.3 SHORT-TERM DEBT**

Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance the District's short-lived capital projects, such as undertaking lease-purchase financing for equipment.

#### **828.4 FINANCINGS ON BEHALF OF OTHER ENTITIES**

The District may also issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of the District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed, the financial solvency of any borrower, and that the issuance of such debt is consistent with the policies set forth herein.

- The project to be financed has been or will be considered and approved by the Board;
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%;
- The District estimates that sufficient revenues will be available to service the debt through its maturity; and
- The District determines that the issuance of the debt will comply with the applicable requirements of State and Federal law.

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## Standards for Use of Debt Financing

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### **829.1 STANDARDS FOR USE OF DEBT FINANCING**

The District recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, costs, and risks. The District will consider debt issuance only in those cases where public policy, equity, and economic efficiency favor debt financing over cash funding. Prior to the issuance of debt or other financing obligations, the District will carefully consider the overall long-term affordability of the proposed debt issuance by conducting an objective analysis of the District's ability to support additional debt service payments. The District will consider its long-term revenue and expenditure trends, the impact on operational flexibility and the overall debt burden on the taxpayers/ratepayers. The evaluation process shall include a review of generally accepted measures of affordability and will strive to achieve and/or maintain debt levels consistent with its current operating and capital needs.

## Types of Debt

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 830.1 TYPES OF DEBT

In order to maximize the financial options available to benefit the public, it is the District's policy to allow the consideration of issuing all generally accepted types of debt, on a public or private placement basis, including, but not exclusive to the following:

- **Joint Powers Authority (JPA) Lease Revenue Bonds/Certificates of Participation.** The District may obtain financing through the issuance of debt by a joint exercise of powers agency or through the execution and delivery of certificates of participation with such debt payable from amounts paid by the District under a lease, installment sale agreement, or contract of indebtedness.
- **General Obligation (GO) Bonds.** GO Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. All GO bonds shall be authorized by the requisite number of voters in order to pass.
- **Loans/Equipment Leases.** The District is authorized to enter into loans, leases, equipment leases, installment payment obligations, or other similar funding structures secured by a prudent source or sources of repayment.
- **Other Fire Protection District Debt.** The District may issue any and all other types of debt and enter into any and all other types of financings permitted under the Fire Protection District Law of 1987 (being part 2.7 of Division 12 of the California Health and Safety Code).
- **Short-Term Debt.** Short-term borrowing, such as commercial paper, Tax and Revenue Anticipation Notes (TRANS), and lines of credit, may be considered as an interim source of funding in anticipation of long-term borrowing and may be issued to generate funding for cash flow needs. The final maturity of the debt issued to finance the project shall be consistent with the useful life of the project. Short-term debt may also be used to finance short-lived capital projects such as lease-purchase financing for equipment.
- **Refunding Bonds.** The District shall refinance debt pursuant to the authorization that is provided under California law including, but not limited to, Articles 9, 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, as market opportunities arise. Refunding's may be undertaken in order:
  - To take advantage of lower interest rates and achieve debt service costs savings;
  - To eliminate restrictive or burdensome bond covenants; or

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## Board of Directors Manual

### *Types of Debt*

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- To restructure debt to lengthen the duration of repayment, relieve debt service spikes, reduce volatility in interest rates or free up reserve funds

Generally, the District shall strive to achieve a minimum of 3% net present value savings. The net present value assessment shall factor in all costs, including issuance, escrow, and foregone interest earnings of any contributed funds on hand. Refunding's which produce a net present value savings of less than 3% will be considered on a case-by-case basis. Upon the advice of the Fire Chief and with the assistance of a financial advisor and bond counsel, the District will consider undertaking refunding's for other than economic purposes based upon a finding that such a restructuring is in the District's overall best financial interest.

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in that circumstance.



## Relationship to Capital Improvement Program and Operating Budget

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### **831.1 RELATIONSHIP TO CAPITAL IMPROVEMENT PROGRAM AND OPERATING BUDGET**

The District intends to issue debt for the purposes stated in this Debt Policy and the decision to incur new indebtedness should be integrated with the Board-adopted annual Operating Budget and Capital Improvement Program Budget, if any. Prior to issuance of debt, a reliable revenue source shall be identified to secure repayment of the debt and the annual debt service payments shall be included in the Operating Budget.

The District shall integrate its debt issuances with the goals of its Capital Improvement Program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

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## Policy Goals Related to Planning Goals and Objectives

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 832.1 POLICY GOALS RELATED TO PLANNING GOALS AND OBJECTIVES

This Debt Policy has been adopted to assist with the District's goal of financial sustainability and financial prudence. In following this Debt Policy, the District shall pursue the following policy goals:

- The District is committed to financial planning, maintaining appropriate reserves levels, and employing prudent practices in governance, management, and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual Operating Budget;
- It is a policy goal of the District to protect taxpayers, ratepayers, and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings, if applicable, and the lowest practical borrowing costs;
- It is a policy goal of the District to reduce the unfunded liabilities for employee pension and Other Post-Employment Benefits (OPEB);
- The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, and charges; and
- When refinancing debt, it shall be the policy goal of the District to achieve, whenever possible and subject to any overriding non-financial policy, minimum aggregate net present value debt service savings of at least 3% of the refunded principal amount.

## Internal Control Procedures

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 833.1 INTERNAL CONTROL PROCEDURES

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- Federal securities law, including any continuing disclosure undertakings under SEC Rule 15c2-12, as amended;
- Any federal tax compliance requirements including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- The District's investment policies as they relate to the investment of bond proceeds; and
- Government Code section 8855(k) and the annual reporting requirements therein.

The District shall be vigilant in using bond proceeds in accordance with the stated purpose at the time that such debt was issued. The Fire Chief, the Administrative Officer/Finance Officer or designee will monitor the expenditure of bond proceeds to ensure they are used only for the purpose and authority for which the bonds were issued. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the Fire Chief, the Administrative Officer/Finance Officer, or designee.

## Amendment and Waivers of Debt Policy

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 834.1 AMENDMENT AND WAIVERS OF DEBT POLICY

This Debt Policy will be reviewed and updated periodically as needed. Any amendments to this Debt Policy are subject to specific Board approval.

While adherence to this Debt Policy is required in all applicable circumstances, on rare occasions there might be circumstances when strict adherence to a provision of this Debt Policy is not possible or not in the best interest of the District. If the District staff has determined that a waiver of one or more provisions of this Debt Policy should be considered by the Board, it will prepare an analysis for the Board describing the rationale for the waiver and the impact of the waiver on the proposed debt issuance and on taxpayers, if applicable. Upon a majority vote of the Board, one or more provisions of this Debt Policy may be waived for a debt financing.

The failure of a debt financing to comply with one or more provisions of this Debt Policy shall in no way affect the validity of any debt issued by the District in accordance with applicable laws.

## SB 1029 Compliance

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b> SMFR	

### 835.1 SB 1029 COMPLIANCE

SB 1029, signed by the Governor on September 12, 2016, and enacted as Chapter 307, Statutes of 2016, requires issuers to adopt debt policies addressing each of the five items below:

- The purposes for which the debt proceeds may be used. Section 4 (Acceptable Uses of Debt Proceeds) addresses the purposes for which debt proceeds may be used.
- The types of debt that may be issued. Section 6 (Types of Debt) provides information regarding the types of debt that may be issued.
- The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable. Section 7 (Relationship to Capital Improvement Program and Operating Budget) provides information regarding the relationship between the District's debt and Capital Improvement Program and annual Operating Budget.
- Policy goals related to the issuer's planning goals and objectives. Section 3 (Debt Policy Objective) and Section 8 (Policy Goals Related to Planning Goals and Objectives) address some of the District's policy goals and how this Debt Policy has implemented them.
- The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use. Section 9 (Internal Control Procedures) provides information regarding the District's internal control procedures designed to ensure that the proceeds of its debt issues are spent as intended.

This Debt Policy, as written, complies with and meets the requirements of SB 1029.

## References

<b>Effective Date:</b>	07/12/2023
<b>Revised Date:</b>	07/12/2023
<b>Issuing Authority:</b>	SMFR

### 836.1 REFERENCES

The Following documents have been reviewed and used to guide this policy

Shayne C. Kavanaugh, Financial Policies, Third Edition, Copyright 2023 by the Government Finance Officers Association of the United States and Canada.

Mark H. Moore, Creating Public Value: Strategic Management in Government (Cambridge, MA: Harvard University Press, 1997). Government Finance Officers Association GFOA Best Practices at [www.gfoa.org](http://www.gfoa.org)

California Special Districts Association CSDA, Special District Reserve Guidelines – A Guide to Developing a Prudent Reserve, Second Edition at [www.csda.net](http://www.csda.net)

California Society of Municipal Finance Officers CSMFO Resources and Budget Awards Program [www.csmfo.org](http://www.csmfo.org)

# SAN MIGUEL FIRE & RESCUE



## *Fiscal Year 2024-2025 Final Budget*

### ***Acknowledgments***

**Fire Chief Lawler and Executive Staff want to give a shout-out!**

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- ❖ Human Resources Specialist Brittanie Jacobson
  - ❖ Fire Services Officer Arthur Camarena

**Special Thank You to the Communities we proudly serve!**

***SERVICE BEYOND EXPECTATIONS***