

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the Meeting of May 14, 2025

To: Board Of Directors

From: Dan Mahoney, Fire Chief
Jeff Zuba, Finance Director

Subject: Fiscal Year 2025-2026 Proposed Budget

RECOMMENDATION:

Staff recommends that the Board review and consider the proposed Fiscal Year 2025-2026 budget and provide recommendations to staff. Any recommended changes by the Board will be incorporated into the final budget that will be submitted for approval at the June meeting.

DISCUSSION/ANALYSIS:

The Ross Valley Fire Department Joint Powers Agreement (JPA) requires that, no later than June 1st of each year, the Executive Officer and Fire Chief present a recommended budget to the Board for the upcoming fiscal year. The Board must adopt a final budget no later than June 15th. The proposed budget has been discussed with the Management team at several meetings.

This year's budget document includes summary pages for the General Fund and all other funds. Each summary provides an overview of projected revenues and expenditures, along with beginning and ending fund balances.

The FY 2025-2026 budget was prepared by staff using revenue and expense projections for the next fiscal year. The total proposed General Fund operating budget for FY 2025-2026 is \$15,433,332 which includes \$15,045,407 for the General Fund and a fund transfer of \$387,925 for the Vehicle/SCBA Fund. The Operating Budget is funded by member contributions based on the cost-sharing percentages are as follows:

Prior Authority:

Town of San Anselmo	52.90%
Town of Fairfax	30.40%
Sleepy Hollow Fire Protection District	16.70%

Expanded Authority:

Town of San Anselmo	40.53%
Town of Fairfax	23.30%
Town of Ross	23.37%
Sleepy Hollow Fire Protection District	12.80%

The proposed FY 2025–26 budget includes implementation of the Third Amendment to the RVFD JPA. Section 24.5 of the amendment addresses the operational impacts related to the planned closure of the Ross Fire Station, effective July 1, 2025.

As outlined in the Third Amendment, the Authority’s annual operating costs will be reduced through the removal of one fire engine from the vehicle replacement schedule and the reclassification of three (3) Captain positions and three (3) Engineer positions to six (6) Firefighter/Paramedic positions. The cost savings from these personnel changes will be determined at the time of each transition, based on the differential in salary and fully burdened benefit costs between the affected classifications.

It is important to note that the current savings estimate of \$323,283 (see Attachment #1, Page 5 Fire Service Cost by Agency) for the Town of Ross reflects the implementation of five (5) of the six (6) planned personnel transitions, along with the removal of one fire engine from the vehicle replacement schedule. The full savings associated with all six transitions will not be realized immediately, as the timing depends on the resignation or retirement of incumbent employees. Final transitions are expected to be completed in early 2026. Additionally, the projected savings remain contingent on the successful negotiation and implementation of successor Fire Chief Officers Association and Firefighters Association Memorandum of Understandings (MOU) effective July 1, 2025. The savings amount is spread to the other members of the JPA based on the priority authority formula.

The Operating Budget is funded by member contributions of \$3,554,197 from Fairfax, \$2,595,544 from Ross, \$6,182,889 from San Anselmo, and \$1,952,511 from Sleepy Hollow. Outside revenues are estimated at \$1,148,190.

Vehicle/SCBA Fund: The proposed Apparatus Replacement contribution from the member agencies is \$387,925. There is one new acquisition planned in FY2025-2026 in addition to the fourth installment of loan repayment of \$169,117 to PNC Equipment Lease for 2022 Pierce Enforcer 1500 GPM Pumper.

Total General Fund expenses have increased by \$525,860 from the Adopted 2024-2025 budget (a 3.53% increase). The following items have contributed to the increase, including:

Items impact the Budget approved by the Board

- Estimated increases have been included in salaries and benefits as negotiations are still in progress.

Items impact the Budget outside the control of the Department

- Marin County Fire Department dispatch contract increasing 4.0% due to an increase to RVFD call volume.
- Employer Contribution Rates for both Classic and PEPRAs employees have increased.
- Increases in the Prior Authority Unfunded Liability payment to CalPERS affecting Fairfax, San Anselmo, and Sleepy Hollow Fire Protection District

- Estimated health insurance premiums increased for 6 months.
- Estimated premium increases for liability and workers' compensation insurance.
- During the budget development, in consideration of the increased expenses, staff and management have made considerable efforts to limit cost increases for FY2025-2026.

In addition, the Department also developed a five-year financial forecast for operating during the budget process. The goal is to provide perspective and analysis of what will happen if current financial decisions and operational practices continue into the future. The financial forecast illustrates the impacts on each of its member agencies and will help the Board and member agencies understand their ability to fund the current level of services and determine if it is likely to be sustainable.

Ross Valley Fire Department Five-Year Financial Forecast

Item	Projected FY2024-25	Projected FY2025-26	Projected FY2026-27	Projected FY2027-28	Projected FY2028-29	Projected FY2029-30
Prior Year Credit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenue	\$15,134,835	\$15,433,331	\$16,218,509	\$17,317,117	\$18,315,180	\$19,070,528
Total Expense	\$15,654,066	\$15,433,331	\$16,218,509	\$17,317,117	\$18,315,180	\$19,070,528
Surplus/(Gap)	(\$519,231)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Member Contrib.						
Fairfax	\$3,310,424	\$3,554,197	\$3,749,878	\$4,017,214	\$4,266,663	\$4,487,196
Ross	2,826,207	2,595,544	2,717,738	2,903,777	3,058,636	3,218,252
San Anselmo	5,758,752	6,182,889	6,523,310	6,988,376	7,422,338	7,805,979
Sleepy Hollow	1,818,595	1,952,511	2,060,009	2,206,871	2,343,906	2,465,057
Sub-Total	\$13,718,798	\$14,285,142	\$15,050,934	\$16,116,238	\$17,091,544	\$17,976,484
% Change from Prior Year		4.16%	5.36%	7.08%	6.05%	5.18%

Attachment II shows a more detailed listing of revenues and expenses from FY2025- 26 through FY2029- 30.

FISCAL IMPACT:

The total proposed General Fund operating budget for FY 2025-2026 is \$15,433,332, including \$15,045,407 for the General Fund and a fund transfer of \$387,925 for the Vehicle/SCBA Fund. The Operating Budget is funded by member contributions of \$3,554,197 from Fairfax, \$2,595,544 from Ross, \$6,182,889 from San Anselmo, and \$1,952,511 from Sleepy Hollow. Outside revenues are estimated at \$1,148,190. Member contribution increases include: \$243,773 for Fairfax, (\$230,663) for Ross, \$424,137 for San Anselmo, and \$133,916 for Sleepy Hollow.

The estimated total beginning fund balance for FY 2025-2026 is \$3,831,775, of which \$251,122 is Apparatus Replacement, \$3,125,351 is Unassigned, \$28,300 is non-spendable, \$200,593 is Compensated Absences, \$106,409 is Technology, and \$120,000 is Breathing Apparatus.

Estimated ending fund balance is \$3,982,438 of which \$401,785 is Apparatus Replacement, \$3,125,351 is Unassigned, \$28,300 is non-spendable, \$200,593 is Compensated Absences, \$106,409 is Technology, and \$120,000 is Breathing Apparatus.

ATTACHMENTS:

Attachment #1: FY2025-26 Proposed Budget

Attachment #2: Five-Year Financial Forecast from FY2025-26 through FY2029-30