

MONTECITO FIRE PROTECTION DISTRICT

Finance Committee Meeting Agenda

June 20, 2022 at 2:00 p.m.

Montecito Fire Protection District Headquarters
595 San Ysidro Road
Santa Barbara, CA 93108

The Finance Committee meeting will be held in person and via teleconference connection in accordance with the requirements set out in Government Code section 54953 (e) and pursuant to the findings and authority set out in Montecito Fire Protection District Resolution No. 2022-07.

Members of the public will be able to observe the Finance Committee meeting and provide public comments via Zoom: <https://us06web.zoom.us/j/84991161007>, or by calling 1-669-900-6833, meeting ID: 849 9116 1007. Any member of the public who would like to provide public input on an item listed on the agenda may utilize the "Raise Hand" feature through the Zoom App or enter "*9" if participating by telephone only. The host will be notified and you will be recognized to speak on the agenda item in the order such requests are received by the District.

Agenda Items May Be Taken Out of the Order Shown

1. Public comment: Any person may address the Finance Committee at this time on any non-District; 30 minutes total time is allotted for this discussion.
2. Consider making recommendation to approve Resolution 2022-12, Adoption of the Preliminary Budget for FY 2022-23.
3. Fire Chief's Report.
4. Requests for items to be included in the next Finance Committee Meeting.
5. Adjournment. The next meeting is scheduled for Monday, August 15, 2022 at 2:00 p.m.

This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of the posting is June 16, 2022.



Kevin Taylor, Fire Chief

Agenda

Item #2



STAFF REPORT

To: Montecito Fire Protection District Finance Committee
From: Kevin Taylor, Fire Chief *KT*
Prepared by: Araceli Nahas, Accountant *AN*
Date: June 20, 2022
Topic: Recommended Preliminary Budget for Fiscal Year 2022-23

Summary

The recommended Preliminary Budgets are presented for Finance Committee review and recommendation for approval. This revised draft reflects changes to Salaries and Benefits based on the tentative agreement with the District's two labor groups.

Budget Summary

The following table is an overview of the balanced budgets for each fund and a consolidated total. (Changes from the Preliminary Budget presented in May are reflected in blue font in the table below and on the financial budget document.)

	GENERAL FUND	CAPITAL RESERVES	LAND & BUILDING	TOTAL
Property taxes	20,562,000	-0-	-0-	20,562,000
Other revenue	<u>2,511,500</u>	<u>265,000</u>	<u>265,000</u>	<u>3,041,500</u>
Total Revenue	23,073,500	465,000	265,000	23,603,500
Salaries and benefits	19,507,500	-0-	-0-	19,507,500
Services and supplies	2,175,000	-0-	500,000	2,675,000
Other charges	124,300	-0-	-0-	124,300
Capital assets	175,000	970,000	1,279,500	2,309,500
Transfers/LT debt payments	<u>1,383,500</u>	<u>-0-</u>	<u>-0-</u>	<u>1,383,500</u>
Total Expenses	<u>23,250,300</u>	<u>970,000</u>	<u>1,779,500</u>	<u>25,999,800</u>
Use/(add) of carryover funds¹	<u>176,800</u>	<u>705,000</u>	<u>1,514,500</u>	<u>2,396,300</u>
Net financial impact	-0-	-0-	-0-	-0-
Est. fund balance at 6/30/23	8,139,000	2,648,000	1,486,000	12,273,000

¹ Carryover funds are included as a budgetary resource (like revenue) to eliminate a projected excess of expenditures over expected revenues. Carryover funds are an accumulation of unanticipated revenue, unspent funds, or Board-assigned reserves. The use of all funds is subject to Board approval.

Discussion

The proposed Preliminary Budget provides anticipated revenues and expenses for fiscal year 2022-23, and it is presented along-side the adopted budget for the current fiscal year (2021-22) for comparison purposes. The budget was presented to the Board in May, and has since been updated with the changes listed below as a result of a reaching a tentative agreement with the District's two labor groups.

General Fund Expenditures – Salaries & Employee Benefits

- Changes to all the Salaries & Employee Benefits line items are a result of the tentative agreements with the Montecito Firefighter's Association and Members of Staff.

Capital Reserves (Fund 3652)

- Expenditures: Capital Assets
 - 8300 Equipment - the change from the previous budget is an increase of \$15,000 for a carryover expense for the final upfit (lights/sirens package) for the new Prevention 94 vehicle. The installation and delivery vehicle is delayed until mid-July. These funds will carryover from the FY22 budget.

Conclusion

Staff recommends that the Finance Committee recommend approval of Resolution 2022-12, Adoption of the Preliminary Budget for the FY 2022-23.

Attachments

1. Resolution 2022-12, Adoption of the Preliminary Budget for the FY 2022-23
2. Proposed Budgets for Fiscal Year 2022-23

Strategic Plan Reference

Strategic Plan Goal #8, Ensure Financial Accountability & Transparency

RESOLUTION NO. 2022-12

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MONTECITO FIRE PROTECTION DISTRICT
IN THE MATTER OF THE ADOPTION OF THE
PRELIMINARY BUDGET FOR THE FISCAL YEAR 2022-23**

WHEREAS, Section 13890 of the Health and Safety Code requires that the District Board adopt a preliminary budget conforming to the Accounting Procedures for Special Districts and Budgeting Procedures for Special Districts, as described, on or before June 30 of each year; and

WHEREAS, Section 13893 of the Health and Safety Code requires that the District Board publish a notice on or before June 30 of each year stating: (1) that it has adopted a preliminary budget which is available for inspection at a time and place within the District specified in the notice; and (2) the date, time and place when the Board will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items; and

WHEREAS, Section 13893 of the Health & Safety Code further provides that said notice shall be published in at least one newspaper of general circulation in the District, the first publication to be at least two weeks before the date of the meeting; and

WHEREAS, the Board of Directors met at a meeting on June 27, 2022, to consider the District's preliminary budget for fiscal year 2022-23 as described by and recommended for approval by the Fire Chief;

NOW, THEREFORE, BE IT AND IT IS HEREBY ORDERED AND RESOLVED AS FOLLOWS:

1. That the Board of Directors adopts the 2022-23 preliminary budget for the Montecito Fire Protection District in the form recommended by the Fire Chief at the Board's meeting on June 27, 2022.

In summary, the preliminary budget provides as follows:

<u>Fund 3650 – General Fund</u>	
Salaries & Employee Benefits	\$ 19,507,500
Services & Supplies	2,175,000
Other charges	124,300
Capital Assets	60,000
Other Financing Uses	<u>1,383,500</u>
	\$ 23,250,300
<u>Fund 3652 – Capital Outlay</u>	
Capital Assets	\$ 970,000
<u>Fund 3653 – Land & Building</u>	
Services & Supplies	\$ 500,000
Capital Assets	<u>1,279,500</u>
	\$ 1,779,500

Copies of the approved budget are on file with District records.

2. The adopted preliminary budget shall be available for inspection Monday through Friday, between 8:00 a.m. and 5:00 p.m. at the Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, California and on the District's website.

3. The Board of Directors will meet on September 26, 2022, at 2:00 p.m. at the Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, California, to consider and adopt the final budget as required by law and any person may appear at that time and be heard regarding any item in the budget or regarding the addition of other items.

4. The Secretary is directed to cause to be published the notice attached to this resolution as Exhibit A in the *Santa Barbara News Press* in accordance with Health and Safety Code Section 13893 on or before June 30, 2022.

PASSED AND ADOPTED by the Governing Board of the Montecito Fire Protection District this 27th day of June, 2022, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

President of the Board of Directors
MONTECITO FIRE PROTECTION DISTRICT

ATTEST:

Secretary of the Board of Directors
MONTECITO FIRE PROTECTION DISTRICT

EXHIBIT A

PUBLIC NOTICE

Montecito Fire Protection District
in the Matter of the Preliminary Budget for Fiscal Year 2022-23
Health and Safety Code Section 13893

NOTICE IS HEREBY GIVEN that the preliminary budget of the Montecito Fire Protection District for fiscal year 2022-23 was adopted by the Board of Directors of said District on June 27, 2022, and is available for inspection Monday through Friday, between 8:00 a.m. and 5:00 p.m. at the Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, California.

NOTICE IS ALSO GIVEN that on September 26, 2022 at 2:00 p.m., the Board of Directors will meet at the Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, California, for the purpose of adopting the District's final budget at which time and place any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

This Notice shall be published in accordance with California Health & Safety Code Section 13893.

By order of the Board of Directors of the Montecito Fire Protection District, State of California, this 27th day of June, 2022.

Judith Ishkanian, Secretary

Montecito Fire Protection District
Preliminary Budget for Fiscal Year 2022-23

FUND 3650 - GENERAL FUND	Proposed Budget FY 2023	Amended Budget FY 2021-22	Difference from Prelim
REVENUES			
Property Taxes			
3010 Property Tax - Secured (+4.7%)	\$ 19,387,500	\$ 18,517,000	870,500
3011 Property Tax - Unitary	175,500	175,500	-
3020 Property Tax - Unsecured (+4.7%)	639,500	611,000	28,500
3050 Property Tax - Prior Unsecured	13,500	13,500	-
3054 Supplemental Property Tax - Current	<u>346,000</u>	<u>346,000</u>	<u>-</u>
Total Taxes Revenue	20,562,000	19,663,000	899,000
Use of Money and Property			
3380 Interest Income	19,000	25,000	(6,000)
3409 Rental Property Income	<u>31,000</u>	<u>20,000</u>	<u>11,000</u>
Total Use of Money and Property	50,000	45,000	5,000
Intergovernmental Revenue - State			
3750 State-Emergency Assistance (Fire Asgmt)	1,000,000	1,550,000	(550,000)
4220 Homeowners Property Tax Relief	79,500	79,500	-
4310 State Grant (Cal Fire - Prevention)	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total Intergovernmental Revenue - State	1,229,500	1,779,500	(550,000)
Intergovernmental Revenue - Federal			
4476 Federal Emergency Assistance (Fire Asgmt)	<u>1,000,000</u>	<u>2,050,000</u>	<u>(1,050,000)</u>
Total Intergovernmental Revenue - Federal	1,000,000	2,050,000	(1,050,000)
Charges for Services			
5105 Reimbursement for District Services	<u>221,500</u>	<u>215,000</u>	<u>6,500</u>
Total Charges for Services	221,500	215,000	6,500
Miscellaneous Revenue			
5768 Safety Member Reimbursement	-	60,000	(60,000)
5909 Other - Miscellaneous Revenue	<u>10,500</u>	<u>9,500</u>	<u>1,000</u>
Total Miscellaneous Revenue	10,500	69,500	(59,000)
TOTAL REVENUES	<u><u>\$ 23,073,500</u></u>	<u><u>\$ 23,822,000</u></u>	<u><u>\$ (748,500)</u></u>

Montecito Fire Protection District
Preliminary Budget for Fiscal Year 2022-23

FUND 3650 - GENERAL FUND

		<u>Proposed Budget</u> <u>FY 2023</u>	<u>Amended Budget</u> <u>FY 2021-22</u>	<u>Difference</u> <u>from Prelim</u>
EXPENDITURES				
Salaries & Employee Benefits				
6100	Regular Salaries	\$ 10,251,500	\$ 9,729,000	522,500
6300	Overtime	202,000	193,000	9,000
6301	Overtime - Fire Reimbursable	2,000,000	3,000,000	(1,000,000)
6310	Overtime - Constant Staffing	1,047,000	997,000	50,000
6400	Retirement Contributions	2,688,000	2,418,000	270,000
6550	FICA/Medicare	192,500	172,000	20,500
6600	Insurance Contributions	2,467,000	2,226,000	241,000
	Health Insurance	2,234,000	2,000,000	
	Dental, Vision, Life Insurance	233,000	226,000	
6700	Unemployment Insurance	5,500	6,000	(500)
6900	Workers Compensation Insurance	654,000	620,000	34,000
	Total Salaries & Employee Benefits	19,507,500	19,361,000	146,500
Services & Supplies				
7030	Clothing and PPE	56,000	70,500	(14,500)
	Operational	56,000	51,000	
	Ballistic gear	-	19,500	
7050	Communications	115,000	115,000	-
	Operational	115,000	115,000	
7060	Food	3,000	2,500	500
7070	Household Supplies	36,000	33,000	3,000
	Operational	36,000	33,000	
7090	Insurance: Liability/Auto/Prop.	89,000	81,000	8,000
7120	Equipment Maintenance (Operations)	50,000	58,000	(8,000)
	Operational	50,000	50,000	
	Fuel tank repairs and spill kit	-	8,000	
7200	Structure and Ground Maintenance	42,000	38,500	3,500
	Operational	42,000	38,500	
7205	Fire Defense Zone (Hazard Mitigation)	435,000	435,000	-
	Operational	385,000	385,000	
	Structure Hardening Grant Program	50,000	50,000	
7322	Consulting and Management Fees	2,000	2,000	-
7324	Audit and Accounting Fees	30,000	30,000	-
7348	Instruments & Equipment	21,000	291,900	(270,900)
	Hose equipment and maintenance	6,000	6,000	
	Rope rescue equipment and maint	5,000	5,000	
	USAR equipment maintenance	10,000	10,000	
	Mobile radios fleet replacement	-	260,000	
	Flowmeter kit	-	6,200	
	High Pressure Hose Reel	-	4,700	
7363	Equipment Maintenance (Vehicles)	140,000	80,000	60,000
	Operational	140,000	80,000	
7400	Medical & First Aid Supplies	47,000	43,000	4,000
	Operational	47,000	43,000	
7430	Memberships	16,000	14,000	2,000

Montecito Fire Protection District
Preliminary Budget for Fiscal Year 2022-23

FUND 3650 - GENERAL FUND		Proposed Budget FY 2023	Amended Budget FY 2021-22	Difference from Prelim
7450	Office Expense	20,000	20,000	-
	Operational	20,000	20,000	
7456	IT Hardware < \$5,000	7,500	17,500	(10,000)
	Operational	7,500	7,500	
	iPad and laptop replacements	-	10,000	
7460	Professional and Special Services	324,000	565,000	(241,000)
	Operational	279,000	283,500	
	Vegetation Mgmt Programmatic EIR (carryover)	25,000	100,000	
	Facilities Project Manager	20,000	20,000	
	Debris Flow Risk Map update	-	76,500	
	Evacuation Analysis	-	60,000	
	Telecommunications Engineering	-	25,000	
7507	ADP Payroll Fees	8,500	8,500	-
7510	Contractual Services	120,500	132,100	(11,600)
7530	Publications & Legal Notices	6,000	6,000	-
7540	Rents & Leases - Equipment	5,500	4,000	1,500
7546	Administrative Tax Expense	240,000	200,000	40,000
7580	Rents & Leases - Structure (Gibraltar)	12,500	9,500	3,000
7630	Small Tools & Instruments	14,000	14,000	-
	Operational	11,000	11,000	
	HazMat team equipment	3,000	3,000	
7650	Special District Expense	38,000	20,500	17,500
	Operational (permits, fees, LAFCO, other)	30,500	20,500	
	Board elections	7,500	-	
7671	Special Projects	17,500	17,500	-
	Prevention mailers	10,000	10,000	
	Public Education materials	7,500	7,500	
7730	Transportation and Travel	60,000	60,000	-
7731	Gasoline/Oil/Fuel	69,000	60,000	9,000
7732	Training	90,000	80,000	10,000
	Operational	90,000	80,000	
7760	Utilities	60,000	60,000	-
	Total Services & Supplies	2,175,000	2,569,000	(394,000)
Other Charges				
7830	Interest Expense (POB)	124,300	92,800	31,500
	Total Other Charges	124,300	92,800	31,500
Capital Assets				
8200	Structures & Improvements	30,000	170,000	(140,000)
	Station 91: Loft upgrades (carryover)			
8300	Equipment	30,000	60,000	(30,000)
	ALS equipment - cardiac monitor	30,000	60,000	-
	Total Capital Assets	60,000	230,000	(170,000)
	TOTAL EXPENDITURES	21,866,800	22,252,800	(386,000)

**Montecito Fire Protection District
Preliminary Budget for Fiscal Year 2022-23**

FUND 3650 - GENERAL FUND	Proposed Budget FY 2023	Amended Budget FY 2021-22	Difference from Prelim
Other Financing Uses			
Financing Uses			
7901 Tfr To Capital Reserves Fund (3652)	250,000	450,000	(200,000)
7910 Long Term Debt Principal Repayment (POB)	<u>1,133,500</u>	<u>1,157,300</u>	<u>(23,800)</u>
Total Other Financing Uses	1,383,500	1,607,300	(223,800)
TOTAL OTHER FINANCING SOURCES & USES	<u>(1,383,500)</u>	<u>(1,607,300)</u>	<u>223,800</u>
Changes to Fund Balances			
Decrease to Residual Fund Balance			
9601 Residual Fund Balance	<u>-</u>	<u>38,100</u>	<u>(38,100)</u>
Decrease to Residual Fund Balance	-	38,100	(38,100)
Increase to Residual Fund Balance			
9601 Residual Fund Balance	<u>(176,800)</u>	<u>-</u>	<u>(176,800)</u>
Increase to Residual Fund Balance	(176,800)	-	(176,800)
TOTAL CHANGES TO FUND BALANCES	<u>(176,800)</u>	<u>(38,100)</u>	<u>(138,700)</u>
Net Financial Impact	\$ -	\$ -	\$ -
Fund 3650 Fund Balance Detail			
Fund Balance - Restricted (by County)	\$ -	\$ 2,484	
*Reserves: Catastrophic	2,860,000	2,860,000	
*Reserves: Economic Uncertainties	4,825,000	4,825,000	
Fund Balance - Unrestricted Residual (est. at end of FY)	<u>453,798</u>	<u>630,598</u>	
Projected Fund Balance at Year End	\$ 8,138,798	\$ 8,318,082	

*Reserve levels are established by the Board-adopted Financial Policies.

**Montecito Fire Protection District
Preliminary Budget for Fiscal Year 2022-23**

FUND 3652 - CAPITAL RESERVES FUND	Proposed Budget FY 2023	Adopted Budget FY 2021-22	Difference from Prelim
REVENUES			
Use of Money and Property			
3380 Interest Income	15,000	15,000	-
Total Use of Money and Property	15,000	15,000	-
Other Financing Sources			
5910 Transfer from General Fund (3650)	250,000	450,000	(200,000)
Total Other Financing Sources	250,000	450,000	(200,000)
TOTAL REVENUES	\$ 265,000	\$ 465,000	\$ (200,000)
EXPENDITURES			
Capital Assets			
8300 Equipment			
Vehicle (Division 91) - carryover	80,000	80,000	-
Type 1 Engine (Engine 92) - carryover	875,000	875,000	-
Vehicle (Prevention 94) - carryover	15,000	65,000	(50,000)
Vehicle (Battalion Chief 96)	-	17,000	(17,000)
Total Capital Assets	970,000	1,037,000	(67,000)
TOTAL EXPENDITURES	970,000	1,037,000	(67,000)
Changes to Fund Balances			
Decrease to Assigned			
9901 Purpose of Fund	705,000	572,000	133,000
Decrease to Assigned	705,000	572,000	133,000
TOTAL CHANGES TO FUND BALANCES	705,000	572,000	133,000
Net Financial Impact	\$ -	\$ -	\$ -
Fund 3652 Fund Balance Detail			
Fund Balance - Nonspendable	\$ -	\$ 853,000	
Fund Balance - Assigned	2,648,000	2,500,000	
Projected Fund Balance at Year End	\$ 2,648,000	\$ 3,353,000	

Montecito Fire Protection District
Preliminary Budget for Fiscal Year 2022-23

FUND 3653 - LAND & BUILDING FUND	Proposed Budget FY 2023	Adopted Budget FY 2021-22	Difference from Prelim
REVENUES			
Use of Money and Property			
3380 Interest Income	15,000	15,000	-
Total Use of Money and Property	15,000	15,000	-
Miscellaneous Revenue			
5780 Insurance Proceeds	250,000	102,000	148,000
Total Other Financing Sources	250,000	102,000	148,000
TOTAL REVENUES	\$ 265,000	\$ 117,000	\$ 148,000
EXPENDITURES			
Services and Supplies			
7460 Professional Services	500,000	500,000	-
Total Services and Supplies	500,000	500,000	-
Capital Assets			
8200 Structures and Improvements			
Rental property rebuild	1,000,000	750,000	250,000
Solar project infrastructure	279,500	279,500	-
Total Capital Assets	1,279,500	1,029,500	250,000
TOTAL EXPENDITURES	1,779,500	1,529,500	250,000
Changes to Fund Balances			
Decrease to Assigned			
9901 Purpose of Fund	1,514,500	1,412,500	102,000
Decrease to Assigned	1,514,500	1,412,500	102,000
TOTAL CHANGES TO FUND BALANCES	1,514,500	1,412,500	102,000
Net Financial Impact	\$ -	\$ -	\$ -
Fund 3653 Fund Balance Detail			
Fund Balance - Assigned	\$ 3,000,000	\$ 3,000,000	
Less: Fund Balance - Assigned for FY	(1,514,500)	-	
Projected Fund Balance at Year End	\$ 1,485,500	\$ 3,000,000	

