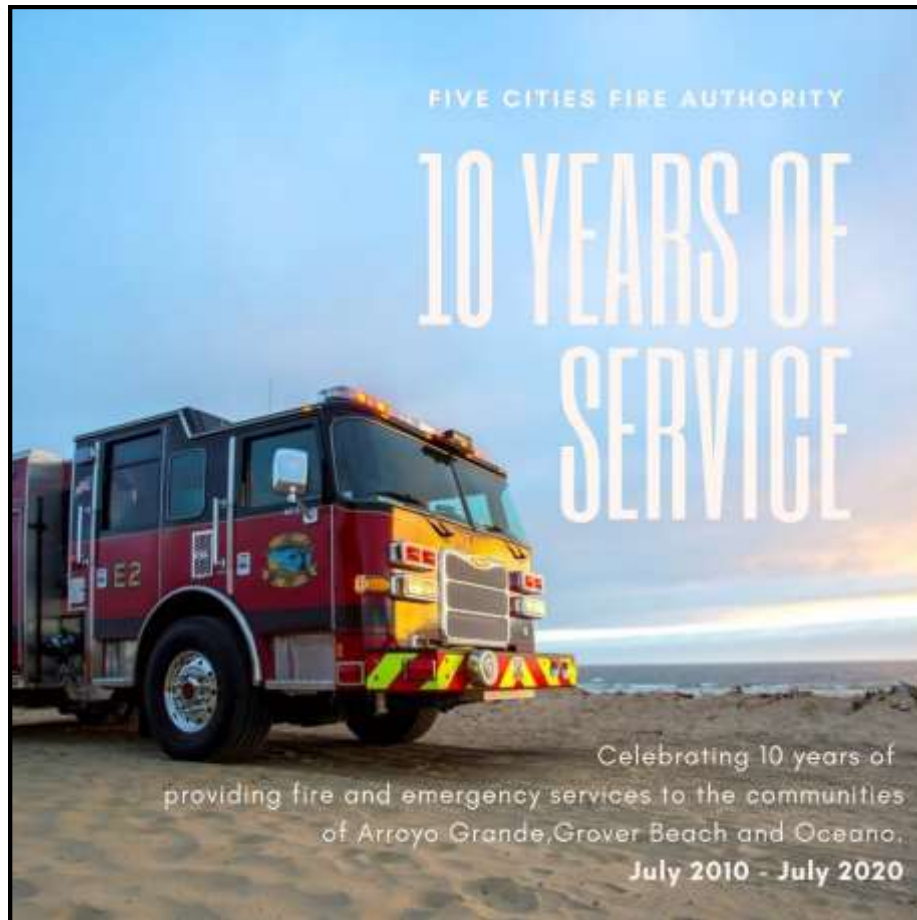


Five Cities Fire Authority

Budget

Fiscal Year 2021-22



Five Cities Fire Authority
140 Traffic Way
Arroyo Grande, California 93420
805.473.5490
fivecitiesfireauthority.org

Our Vision

The Five Cities Fire Authority is committed to serving our communities by providing emergency response, fire prevention and public education. We strive to accomplish this vision by ensuring that we will provide for all Fire Authority needs and professional development through a stable revenue source. We honor the respect we hold within our communities and are committed to maintaining that trust.

Our Mission

The Mission of the Five Cities Fire Authority is to provide the highest level of service possible by mitigating threats to life, property and the environment while meeting the growing needs of our communities.

Our Core Values

Serve with pride, professionalism and integrity;
Treat all people with respect and honor;
Maximize community service through efficient resource management; and
Strive for constant improvement.



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Five Cities Fire Authority at a Glance



In 2004, the cities of Arroyo Grande and Grover Beach collaboratively entered into an agreement to share one fire chief and training officer. This agreement was expanded over the next several years to include equipment sharing, a consolidation of the reserve firefighter program and the introduction of "boundary drops," meaning that the closest fire resource would be dispatched to a 9-1-1 call without consideration of community boundary. In 2009, the Oceano

Community Services District joined the other communities and on July 9 2010, a complete fire department consolidation took place, resulting in the creation of the Five Cities Fire Authority (FCFA).

As was anticipated in 2010, the communities have increased their demand for service, commercial and residential development projects have continued with multiple projects being three stories in height. Needed investment required to keep pace with the increased demand for service have placed an increased financial challenge upon the member communities. A third amendment to the Joint Powers Agreement is in place, essentially "locking" community member funding allocations for the next years, and allowing the Oceano Community Services District time to place a revenue measure on the June 2022 ballot.

Area Served: 10 square miles, encompassing the communities of Arroyo Grande, Grover Beach and Oceano

Population Served: 37,000

Number of Stations: 3

Call Volume (2020): 3,978 (includes Automatic and Mutual Aid responses outside of service area)
10.35% Increase over 2019 (adjusted for Automatic/Mutual Aid response)
Average Response Time – 7 minutes

Fire:	128	3.2%
Emergency Medical Services:	2,091	52.6%
Hazardous Conditions:	85	2.1%
Service and Good Intent:	1,497	37.7%
False Alarm:	169	4.2%
Other:	8	0.2%

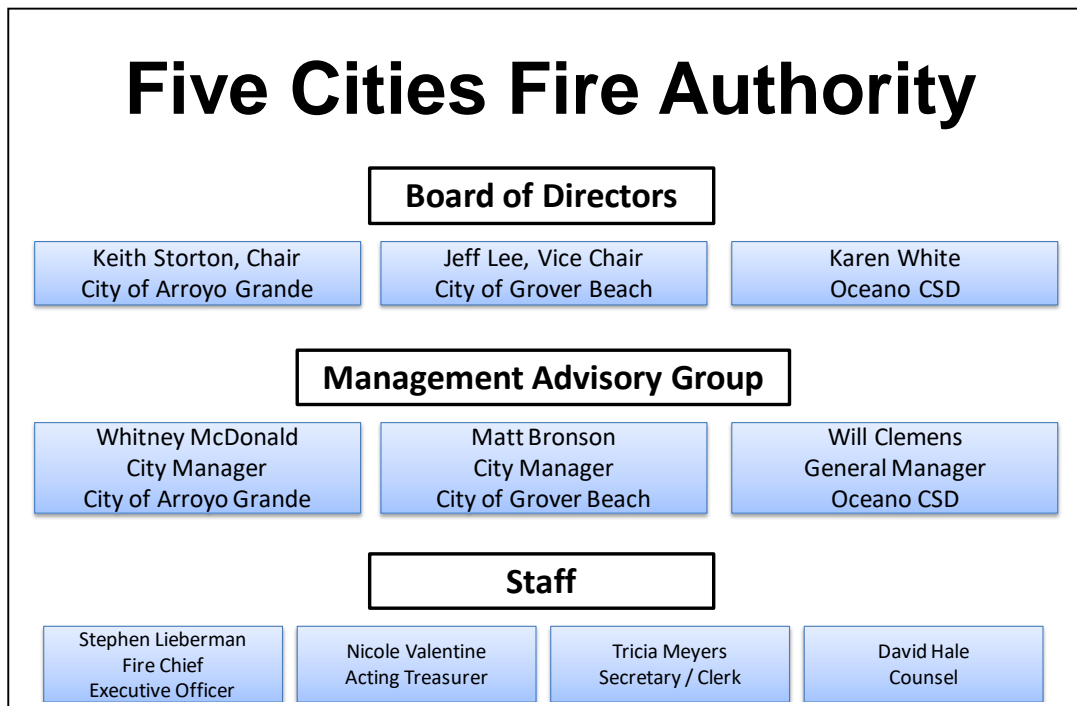
Organizational Structure

On July 9, 2010 the Five Cities Fire Authority was created. The Authority is administered by the Board of Directors, comprised of one Councilmember or alternate from the City of Arroyo Grande, one Council member or alternate from the City of Grover Beach, and one Board member or alternate from the Oceano Community Services District. Individuals serving as alternates must be elected officials from the participating communities.

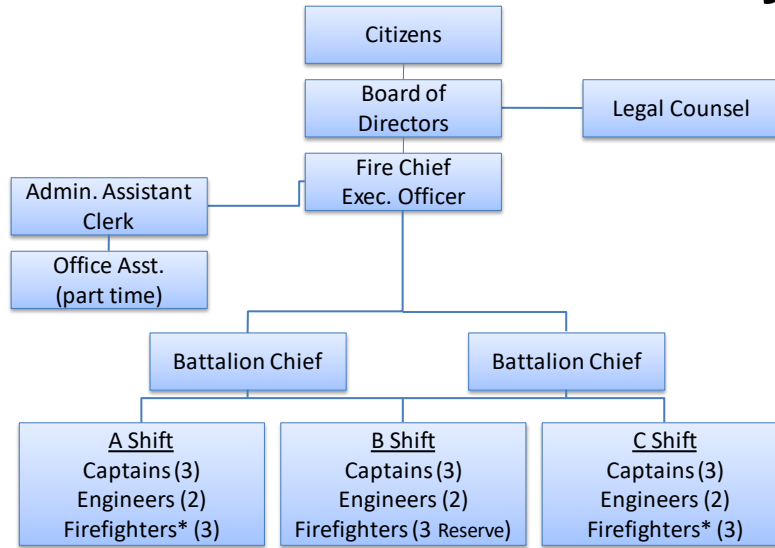


The Fire Chief reports to the Board of Directors and also serves as the Executive Officer for the Five Cities Fire Authority. The Administrative Services Director for the City of Arroyo Grande serves in the capacity of Treasurer to the Authority, and the Administrative Assistant for the Five Cities Fire Authority serves as Secretary/Clerk to the Board.

The Fire Chief may consult with the Executive Team, comprised of the managers from Arroyo Grande, Grover Beach and Oceano in order to discuss matters relevant to the communities or the Authority, and the managers may make recommendations to their Board members, based on matters discussed.



Five Cities Fire Authority



* Career/Full Time Firefighters

May 2021

Total Budgeted Headcount

Full Time	25
Part Time	1
Reserve Firefighters	3
Total	29

Fire Chief's Budget Message



Honorable members of the Board of Directors, the employees of the Five Cities Fire Authority are pleased to present the draft budget for fiscal years 2021-22. An operating budget is typically based upon a series of assumptions, driven by community expectation, policy direction, operational need, all balanced by available funding. This draft budget is based on a third amendment to the Five Cities Fire Authority Joint Powers Authority agreement. The most recent amendment limits member community funding levels to those identified in the Fiscal Year 2019-20 budget. The Fire Chief will make every effort to manage operating costs while acknowledging that some costs (i.e. insurance, worker's compensation, fuel and vehicle maintenance) can be "uncontrollable." Funding for a replacement Type III Wildland fire engine is being submitted to the member communities with an initial debt service payment due in July 2022.

The past year has impacted the entire planet. The COVID-19 pandemic impacted the member communities along with FCFA employees and their families. FCFA staff took every available precaution to minimize the impact to all personnel in an effort to maintain response readiness. Unanticipated costs for overtime, supplies, and personal protective equipment were incurred. Staff took advantage of no-cost PPE by requesting needed equipment through the State of California Office of Emergency Services, the Defense Logistics Agency (military surplus), and will pursue FEMA reimbursement. FCFA staff supported the construction and launch of mass-vaccination sites throughout the County by serving on the San Luis Obispo County Type III Incident Management Team or by staffing the clinics as vaccinators and support staff.

2020 also produced the worst wildland fire season in California history. FCFA staff and equipment were deployed across California multiple times. The Fire Chief supported a National Area Command Team and deployed to both California and Colorado. Significant unanticipated revenue nearing \$500,000 will defer costs and remaining revenues have been allocated to a vehicle replacement fund.

Weather and fuel moisture level models are indicating that drought conditions will worsen, and fire conditions will increase. 2021 appears to present a similar threat to California as did 2020. This will require a state-wide response from all public safety agencies.

Accomplishments

Listed below is a summary of accomplishments for the 2020-21 fiscal year:

- Successfully maintained response capacity with aggressive COVID-19 safety precautions and supported establishment of county-wide mass vaccination sites
- Responded to nearly 20 large scale wildland fire incidents across California and in Colorado
- Coordinated grant funded fuel mitigation project in Arroyo Grande open space with Fire Safe Council and City of Arroyo Grande Public Works Department
- Completed financial analysis of station costs and review of Pismo Beach / CAL FIRE contract as related to JPA work program
- Obtained State Off-Highway-Vehicle (OHV) Grant for UTV trailer
- Ordered Forcible Entry Door training prop funded by Friends of Five Cities Fire (\$7,500)
- Initiated work program on master fee schedule and consideration of new fee structure
- Administered Weed Abatement and Fourth of July Fireworks Program for all three jurisdictions



Budget Assumptions

Listed below are key assumptions applied to the development of the proposed 2021-22 fiscal budget:

- Maintain professional fire safety, emergency medical, and public assistance services
- Present a 12-month operating budget based on the third amendment to the Joint Powers Authority (JPA) agreement
- Anticipate fiscal impact of labor negotiations
- Maintain “Flat” Services, Supplies, Equipment Replacement, and Debt Service expenditures
- Replace 1995 Utility Pick-Up - \$44,000
- Cost Increase for Dispatch Services (based on increased calls for service) - \$21,000
- Replace end-of-life Gas Detection Monitors - \$15,000
- Replace end-of-life station computers (Stations 2 & 3) - \$5,400
- Account for OHV Grant Funded UTV Trailer (Expenditure and Revenue) - \$3,800
- Refurbish Surplus Defibrillator/Monitors for front line use - \$2,600
- Replacement Rescue Shoring, SCBA OSHA Monitoring, SCBA Thermal Imaging Cameras, Nozzles, and other equipment - \$23,300
- Place order for replacement Type III Wildland Engine - \$52,124 Annual Payment (7/1/2022) 10-year term (\$451,051 Purchase Price)



Goals & Objectives

Listed below is a summary of goals and objectives for fiscal year 2021-22:

- Keep our communities safe and prepared
- Maintain adequate staffing levels
- Support Board deliberation and member community goals related to Joint Powers Authority agreement revisions, revenue enhancement measures, and potential reorganization
- Update remaining components of Master Fee Schedule and utilize third party for enhanced cost recovery
- Pursue grant opportunities for needed equipment
- Partner with Fire Safe Council and allied agencies to develop Community Wildland Protection Plan and apply for fuel reduction grants as possible



Budget Summary

FIVE CITIES FIRE AUTHORITY
BUDGET SUMMARY
 For the Fiscal Year Ending June 30, 2022

	Actual		Approved Budget	Estimated Actuals	Proposed Budget	Variance Approved vs Proposed Better/(Worse)
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21	FY 2021-22	
Beginning Fund Balance	\$ 677,438	\$ 604,987	\$ 1,005,273	\$ 1,005,273	\$ 868,307	
Revenues	5,751,762	5,945,434	5,886,438	6,415,958	5,849,718	\$ (36,720)
Expenditures:						
Salaries & Benefits	4,601,137	4,620,501	4,891,090	5,365,410	5,182,700	\$ (291,610)
Services & Supplies	670,707	657,644	822,358	900,817	959,672	\$ (137,314)
Equipment Replacement	451,172	165,807	185,150	185,500	47,800	\$ 137,350
Debt Service	101,197	101,197	101,197	101,197	101,197	\$ -
Total Expenditures	<u>5,824,213</u>	<u>5,545,149</u>	<u>5,999,795</u>	<u>6,552,924</u>	<u>6,291,369</u>	<u>(291,574)</u>
Change in Fund Balance	<u>(72,451)</u>	<u>400,285</u>	<u>(113,357)</u>	<u>(136,966)</u>	<u>(441,651)</u>	
Ending Fund Balance	<u>\$ 604,987</u>	<u>\$ 1,005,273</u>	<u>\$ 891,916</u>	<u>\$ 868,307</u>	<u>\$ 426,656</u>	6.78%
Designated Reserve	\$ -	\$ -	\$ -	\$ 70,000	\$ 26,000	
Undesignated Fund Balance	<u>604,987</u>	<u>1,005,273</u>	<u>891,916</u>	<u>798,307</u>	<u>400,656</u>	
Total Fund Balance	<u>\$ 604,987</u>	<u>\$ 1,005,273</u>	<u>\$ 891,916</u>	<u>\$ 868,307</u>	<u>\$ 426,656</u>	6.37%

Revenue Detail

FIVE CITIES FIRE AUTHORITY
BUDGET
 For the Fiscal Year Ending June 30, 2022

ACT	ACCOUNT NAME	FY 2018-19	FY 2019-20	Approved	Adjusted	Proposed	Variance Approved vs Proposed Better/(Worse)
		Actual	Actual	Budget FY 2020-21	Budget FY 2020-21	Budget FY 2021-22	
REVENUES							
4301	INTEREST	\$ 11,645	\$ 10,159	\$ 700	\$ 700	\$ 700	\$ -
4422	ARROYO GRANDE FIRE REIMBURSEMENT	2,523,661	2,580,955	2,580,955	2,580,955	2,580,955	-
4428	FEMA REVENUE	-	-	-	-	-	-
4443	GROVER BEACH FIRE REIMBURSEMENT	1,798,108	2,015,115	2,015,115	2,015,115	2,015,115	-
4444	OCEANO FIRE REIMBURSEMENT	987,362	1,138,148	1,138,148	1,138,148	1,138,148	-
4458	STATE GRANT	-	-	28,520	28,520	3,800	(24,720)
4491	SAFER GRANT	-	-	-	-	-	-
4462	LOCAL GRANT	44,553	15,485	-	-	-	-
4705	INSPECTIONS	-	80,746	87,000	87,000	87,000	-
4726	FIRE IMPACT FEES	9,351	3,784	3,000	3,000	-	(3,000)
4729	FIRE-FIRST RESPONDER SUPPORT	23,520	24,331	24,000	24,000	24,000	-
4730	STRIKE TEAM REIMBURSEMENT	247,392	58,617	-	487,000	-	-
4803	SALES-EQUIPMENT/MATERIALS	-	-	-	42,520	-	-
4807	EXPENSE RECOVERY	106,169	2,447	-	-	-	-
4809	DONATIONS	-	15,647	9,000	9,000	-	(9,000)
4816	PROCEEDS FROM DEBT ISSUANCE	-	-	-	-	-	-
GRAND TOTAL REVENUES		\$ 5,751,762	\$ 5,945,434	\$ 5,886,438	\$ 6,415,958	\$ 5,849,718	\$ (36,720)

Expenditure Detail

FIVE CITIES FIRE AUTHORITY
BUDGET
 For the Fiscal Year Ending June 30, 2022

ACT	ACCOUNT NAME	FY 2018-19	FY 2019-20	Approved Budget	Adjusted Budget	Proposed Budget	Variance Approved vs Proposed
		Actual	Actual	FY 2020-21	FY 2020-21	FY 2021-22	Better/(Worse)
5101	SALARIES FULL-TIME	1,707,703	1,847,424	2,401,300	2,401,300	2,452,400	(51,100)
5102	SALARIES PERMANENT PART-TIME	19,476	16,857	37,100	10,100	31,400	5,700
5103	SALARIES TEMPORARY PART-TIME	313,654	150,367	131,400	131,400	147,500	(16,100)
5105	SALARIES OVERTIME	591,517	771,370	600,000	650,000	708,600	(108,600)
5106	SALARIES - STRIKE TEAM OVERTIME	213,078	63,237	-	487,000	-	-
5108	HOLIDAY PAY	107,571	108,086	105,500	105,500	116,600	(11,100)
5109	SICK LEAVE PAY	46,582	13,190	-	-	-	-
5110	ANNUAL LEAVE BUY BACK	45,206	8,307	10,000	10,000	9,000	1,000
5111	VACATION BUY BACK	29,073	30,451	31,000	31,000	40,000	(9,000)
5112	SICK LEAVE BUY BACK	2,012	1,247	2,000	2,000	2,000	-
5113	VACATION LEAVE PAY	43,265	50,806	-	-	-	-
5114	COMPENSATION PAY	43,841	48,621	-	-	-	-
5115	ANNUAL LEAVE	39,134	11,657	-	-	-	-
5121	PERS RETIREMENT	549,934	608,829	644,200	484,600	501,500	142,700
5122	SOCIAL SECURITY	223,377	222,111	202,700	202,700	208,500	(5,800)
5123	PARS RETIREMENT	1,955	309	600	600	500	100
5126	STATE DISABILITY INS. (SDI)	19,377	22,277	20,500	20,500	21,200	(700)
5127	DEFERRED COMPENSATION	3,183	3,019	3,000	3,000	3,000	-
5128	UAL (UNFUNDED ACCRUED LIABILITY)	-	-	-	123,920	188,900	(188,900)
5131	HEALTH INSURANCE	386,384	394,297	437,000	437,000	452,800	(15,800)
5132	DENTAL INSURANCE	22,502	23,285	25,200	25,200	25,200	-
5133	VISION INSURANCE	6,147	6,424	6,800	6,800	6,800	-
5134	LIFE INSURANCE	2,692	2,932	3,200	3,200	3,200	-
5135	LONG TERM DISABILITY INSURANCE	9,092	8,913	8,800	8,800	9,200	(400)
5136	RETIRES HEALTH INSURANCE	11,501	12,607	8,200	8,200	13,000	(4,800)
5141	WORKERS COMPENSATION	154,522	193,152	206,690	206,690	235,600	(28,910)
5142	UNEMPLOYMENT INSURANCE	7,632	-	5,000	5,000	5,000	-
5143	UNIFORM ALLOWANCE	-	-	-	-	-	-
5147	EMPLOYEE ASSISTANCE PROGRAM	727	727	900	900	800	100
	Subtotal Salaries & Benefits	4,601,137	4,620,501	4,891,090	5,365,410	5,182,700	(291,610)

Expenditure Detail

FIVE CITIES FIRE AUTHORITY
BUDGET
 For the Fiscal Year Ending June 30, 2022

ACT	ACCOUNT NAME	FY 2018-19	FY 2019-20	Approved Budget	Adjusted Budget	Proposed Budget	Variance Approved vs Proposed
		Actual	Actual	FY 2020-21	FY 2020-21	FY 2021-22	Better/(Worse)
5201	SUPPLIES - OFFICE	6,673	6,431	7,140	7,140	7,140	-
5206	SUPPLIES - EMS	14,237	17,987	15,300	20,000	18,800	(3,500)
5208	POSTAGE/MAILING	2,421	3,063	1,836	3,500	3,000	(1,164)
5255	SPECIAL DEPARTMENT SUPPLIES	23,509	40,943	18,480	18,480	18,480	-
5272	PROTECTIVE/SAFETY CLOTHING	39,107	50,529	52,100	55,000	38,100	14,000
5273	SMALL TOOLS	3,076	4,112	3,060	3,060	3,060	-
5276	UNIFORMS	24,058	25,026	30,500	30,500	30,500	-
5301	ADVERTISING	-	-	-	-	-	-
5303	CONTRACTUAL SERVICES	196,610	161,181	310,000	310,000	320,000	(10,000)
5306	PRINTING SERVICES	1,323	1,810	3,000	3,000	3,000	-
5315	PRE-EMPLOYMENT PHYSICALS	395	1,787	11,220	2,500	11,220	-
5316	JOB RECRUITMENT EXPENSE	-	1,902	-	-	-	-
5324	FORENSIC MANDATE SERVICES	224	46	1,000	-	1,000	-
5325	HAZMAT/SAFETY PROGRAM	13,557	14,055	15,800	15,800	15,800	-
5401	UTILITIES	50,655	55,467	50,000	50,000	50,000	-
5403	TELECOMMUNICATIONS	26,861	25,894	28,000	28,000	25,000	3,000
5501	CONFERENCE/TRAINING	8,137	4,173	12,240	12,240	14,240	(2,000)
5503	MEMBERSHIPS & SUBSCRIPTIONS	2,148	2,488	3,000	3,000	3,000	-
5504	PUBLIC RELATIONS	4,606	2,316	5,100	5,100	5,100	-
5508	MISC EXPENSE	2,467	1,193	2,000	2,000	2,000	-
5512	TRAVEL	3,648	2,620	2,100	2,100	2,100	-
5553	RENT-BUILDING AND LAND	15,000	15,000	15,000	15,000	15,000	-
5555	BANK CHARGES	-	4	306	1,800	1,006	(700)
5576	LIABILITY INSURANCE-JPA SHARE	14,199	13,947	19,300	23,051	19,300	-
5599	WEED ABATEMENT	29,085	5,103	12,240	12,240	12,240	-
5601	MAINTENANCE - VEHICLES	126,284	118,917	125,000	125,000	125,000	-
5602	MAINTENANCE - OFFICE EQUIPMENT	2,513	2,811	3,672	3,672	3,672	-
5603	MAINTENANCE - MACH & EQUIP	5,774	17,639	15,300	15,300	61,100	(45,800)
5604	MAINTENANCE - BUILDINGS	8,371	13,808	9,500	9,500	9,500	-
5605	MAINTENANCE - GROUNDS	351	320	1,000	1,000	1,000	-
5606	MAINTENANCE - RADIO COMMUNICATIONS	9,111	7,894	8,364	18,884	8,364	-
5607	MAINTENANCE - COMPUTER SOFTWARE	-	-	-	63,150	55,150	(55,150)
5608	GAS & OIL	36,307	39,179	40,800	40,800	40,800	-
5702	DATA PROCESSING EQUIPMENT	-	-	-	-	36,000	(36,000)
Subtotal Services & Supplies		670,707	657,644	822,358	900,817	959,672	(137,314)

Expenditure Detail

FIVE CITIES FIRE AUTHORITY
BUDGET
 For the Fiscal Year Ending June 30, 2022

ACT	ACCOUNT NAME	FY 2018-19	FY 2019-20	Approved Budget	Adjusted Budget	Proposed Budget	Variance
		Actual	Actual	FY 2020-21	FY 2020-21	FY 2021-22	Approved vs Proposed Better/(Worse)
5803	LEASE PURCHASE PAYMENTS	101,197	101,197	101,197	101,197	101,197	-
	Subtotal Debt Service	101,197	101,197	101,197	101,197	101,197	-
6101	DATA PROCESSING EQUIPMENT	29,364	5,432	32,000	32,000	-	32,000
6103	COMPUTER LICENSING SOFTWARE	34,585	43,092	63,150	-	-	63,150
6201	MACHINERY & EQUIPMENT	387,223	61,823	50,000	50,000	-	50,000
6301	VEHICLES	-	55,461	40,000	103,500	47,800	(7,800)
	FUTURE VEHICLE REPLACEMENT						-
	Subtotal Equip Replacement	451,172	165,807	185,150	185,500	47,800	137,350
	GRAND TOTAL EXPENDITURES	\$ 5,824,213	\$ 5,545,149	\$ 5,999,795	\$ 6,552,924	\$ 6,291,369	\$ (291,574)

- Reclassification from Capital Equipment to Operating Expenditure
- Reclassification from Capital Equipment to Operating Expenditure
- Reclassification from Capital Equipment to Operating Expenditure

Cost Allocation - Based on 3rd Amendment to the JPA Agreement

2019-20 Expenditure Budget	\$5,855,468
less costs recovered through fees/charges	(\$121,250)
less HazMat costs (allocate directly)	(\$12,000)
less debt service 2nd engine (allocate directly)	<u>(\$34,830)</u>
Expenditure budget to allocate to jurisdictions	\$5,687,388

33.3% of budget to allocate \$1,895,796

Funding Formula:

1) 33% based on proportion of population

Arroyo Grande	17,839	46.17%
Grover Beach	13,517	34.98%
OCSD	<u>7,286</u>	18.86%
Total Population	38,642	

Allocation:

Arroyo Grande	\$875,198
Grover Beach	\$663,140
OCSD	\$357,458

2) 33% based on current staffing levels

Arroyo Grande	37.5%
Grover Beach	37.5%
OCSD	25.0%

Allocation:

Arroyo Grande	\$710,924
Grover Beach	\$710,924
OCSD	\$473,949

Cost Allocation - Based on 3rd Amendment to the JPA Agreement

3) 33% based on proportion of service calls		
Arroyo Grande	1,845	52%
Grover Beach	1,145	32%
OCS D	544	15%
Total service calls	<u>3,534</u>	
Allocation:		
Arroyo Grande	\$989,834	
Grover Beach	\$614,108	
OCS D	\$291,854	
Haz Mat direct allocation		
Arroyo Grande	\$5,000	
Grover Beach	\$5,000	
OCS D	\$2,000	
Debt service - 2nd engine allocation		
Arroyo Grande	-	
Grover Beach	\$21,943	
OCS D	\$12,887	
Total Allocation		Allocation
Arroyo Grande	2,580,955	45.01%
Grover Beach	2,015,115	35.14%
OCS D	<u>1,138,148</u>	19.85%
	5,734,218	