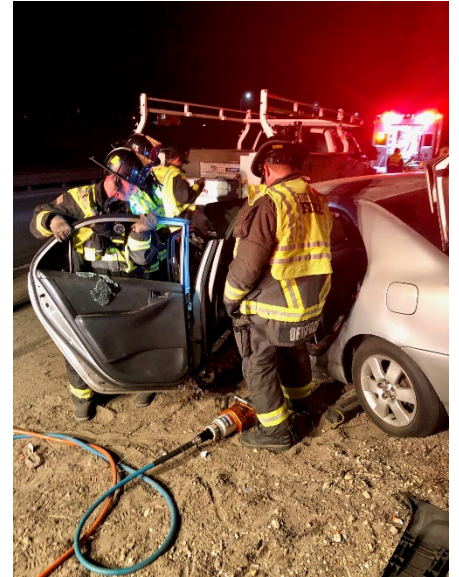


Five Cities Fire Authority

Budget

Fiscal Year 2020-2021



Five Cities Fire Authority
140 Traffic Way
Arroyo Grande, California 93420
805.473.5490
fivocitiesfireauthority.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 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), a California Joint Powers Authority (JPA). The Five Cities Fire Authority was created to increase service levels to citizens and visitors, to ensure consistent and professional training standards, and to increase operational efficiencies. During the formation of the organization, the member communities contributed their existing vehicles and capital equipment.

As was anticipated in 2010, over the past 10 years the communities have increased their demand for service, commercial and residential development projects have continued with multiple projects being multiple stories in height. The member communities have supported additional investment to replace needed equipment and to stabilize staffing levels. These investments have placed an increased financial challenge upon the member communities. A Memorandum of Agreement is currently in place, allowing the communities to re-evaluate the funding allocation methodology and other needed revisions to the original agreement. The Oceano Community Services District attempted a revenue measure that failed by 10 votes in 2020, and the District is considering another ballot measure in 2022.

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 (2019): 3,413 (excludes Automatic and Mutual Aid responses outside of service area)

Fire:	71	2.1%
Emergency Medical Services:	2,110	61.8%
Hazardous Conditions:	103	3.0%
Service and Good Intent:	944	27.7%
False Alarm:	177	5.2%
Other:	8	0.2%

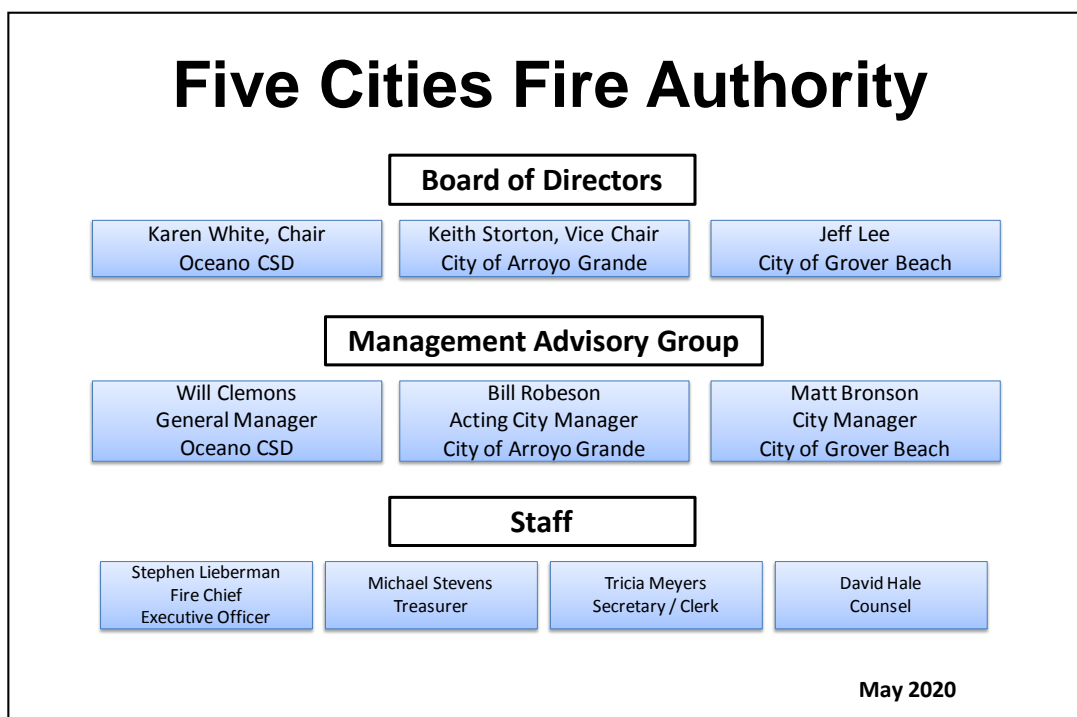
Organizational Structure

The Authority is administered by the Board of Directors, comprised of one Council Member 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.

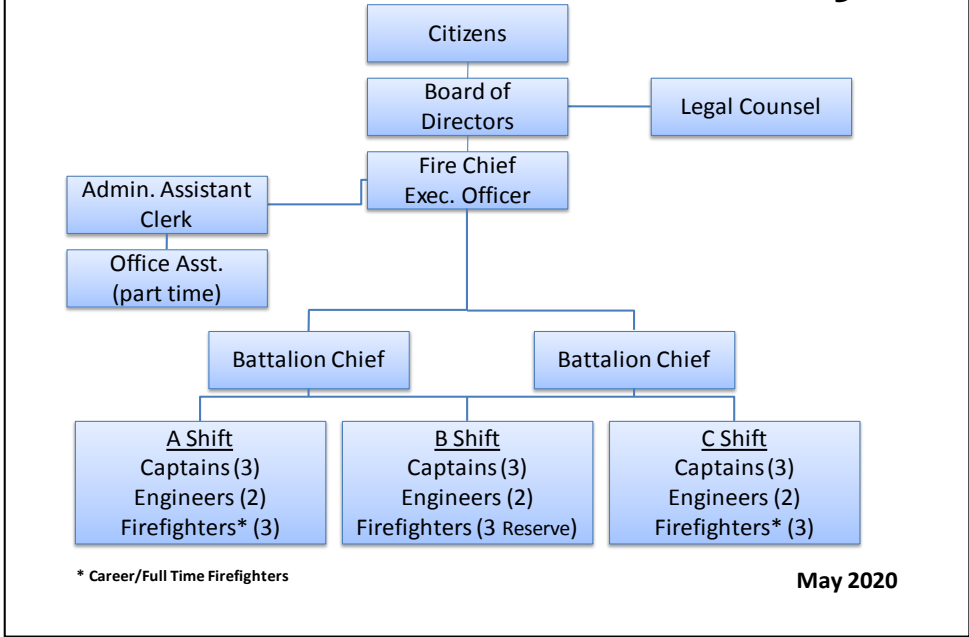


The Fire Chief reports to the Board of Directors and also serves as the Executive Officer for the Five Cities Fire Authority. The Administrative Services Director for the City of Arroyo Grande serves in the capacity of Treasurer to the Authority, and the Administrative Assistant for the Five Cities Fire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



Total Budgeted Headcount

Full Time	25
Part Time	2
Reserve Firefighters	3
Total	30

Fire Chief's Budget Message

Honorable members of the Board of Directors, the employees of the Five Cities Fire Authority present this proposed budget for fiscal year 2020-2021. The budget is largely defined by the existing Second Amendment to the JPA agreement via a Memorandum of Agreement, wherein funding from the member communities would remain fixed for both fiscal years 2019-2020 and 2020-2021. The member communities will likely consider a Third Amendment to the JPA to allow additional time for Oceano to hold a 2022 election in a second attempt to raise needed revenues. Assuming the Third Amendment is approved, the FCFA operating budget would in essence be fixed for a four-year period (extended through fiscal year 2022-2023). The Fire Chief would manage the limited fund balance (accumulated reserves) to offset needed expenditures during this four-year period.



The fund balance consists of a combination of budget savings, reimbursement for mutual aid response outside of San Luis Obispo County, and fees for service. Through careful management of the FCFA budget, the fund balance has increased to the point that the replacement of an obsolete Type III / Wildland Fire Engine could be facilitated without requesting additional financial contributions from the member agencies for the fire time since inception of the FCFA. Unfortunately, the current fiscal situation has overshadowed any immediate consideration of replacement apparatus, and staff will be returning to the Board of Directors with a draft policy related to the future management of the FCFA fund balance (future vehicle replacement, minimum emergency reserves, etc.).

This organization could not have anticipated the emergence of a virus initially detected in Asia that ultimately impacted the entire planet. In February, FCFA took an early leadership role in planning and coordination with the member communities and allied agencies to prepare for the impacts of the COVID-19 virus and the ensuing pandemic. FCFA personnel continue to treat suspected patients of the disease with compassion and skill, but unanticipated costs have been incurred to acquire personal protective equipment (PPE), and other required supplies. FCFA is carefully tracking these costs and will request reimbursement through either the State of California or FEMA. As previously mentioned, FCFA remains sensitive to the economic impacts suffered by our neighbors, our businesses, and our local government partners.

The foundational assumption that drives the budget continues to be a commitment to provide a consistent and professional level of service to the communities served by the Five Cities Fire Authority. The Five Cities Fire Authority has been adapting to best serve the communities given an increasing volume of calls for service, increased development with multi-story construction, an aging population, aging equipment, and employee recruitment and retention challenges over the past ten years.

In addition to being vigilant in terms of cost containment, one of the goals of this fiscal year will be to review and revise the existing master fee schedule in an effort to fully recover costs when appropriate and possible, including the consideration of new fees to related to emergency response.



Stephen C. Lieberman
Fire Chief / Executive Officer

Budget Assumptions

Listed below are key assumptions applied to the development of the proposed 2020-2021 fiscal budget:

- Maintain professional fire safety, emergency medical, and public assistance services
- Present a 12-month operating budget in coordination with member communities; consistent with the requirements of the existing Memorandum of Agreement (no increased community contribution)
- Replacement of non-supported and obsolete Thermal Imaging Cameras (4) - \$28,000
- Replacement of obsolete Mobile Data Computers (8) - \$25,000
- Increase Vehicle Maintenance – \$25,000
- Retain PERS Actuarial related to amended JPA work plan - \$25,000
- Acquisition of 100% grant funded Utility Task Vehicle (UTV) - \$ 38,000



Accomplishments

Listed below is a summary of accomplishments for the 2019-2020 fiscal year:

- Promoted three Career Firefighters
- Developed a Public Safety Power Shutoff (PSPS) Emergency Management tool for member communities
- Engaged in early planning and coordinated response to COVID-19



Pandemic with member communities and county partners. Unanticipated expenditures related to Personal Protective Equipment (PPE), disinfecting chemicals and the development of a mass decontamination solution

- Administered Weed Abatement and Fourth of July Fireworks Program for all three jurisdictions
- Performed routine business and multi-family dwelling inspections
- Performed plan review and related construction inspections (Oceano and Grover Beach)
- Responded to several large scale incidents including the Kincade, Lopez, Tick fires, and Contra Costa County cover assignment
- Participated in member community working groups (Development Review, Special Events, Safety, Emergency Management)
- Supported special events including Strawberry Festival, Harvest Festival, Holiday Parades, Season of Hope
- Continued focused on public safety awareness, emergency preparedness with a Public Safety Power Shutoff emphasis, and "hands only CPR" training through public education

Goals & Objectives

Listed below is a summary of goals and objectives for fiscal year 2020-2021:

- Keep our communities safe and prepared
- Remain vigilant and respond to impacts of COVID-19
- Maintain adequate staffing levels
- Continue to support Board deliberation and member community goals related to Joint Powers Agreement revisions, revenue enhancement measures and potential reorganization
- Work with FCFA Treasurer to complete master fee schedule review utilize third party for enhanced cost recovery
- Consider new fees associated with emergency response
- Pursue grant opportunities for needed equipment
- Continue to partner with FireSafe Council and allied agencies to develop Community Wildland Protection Plan and apply for fuel reduction grants as possible



FIVE CITIES FIRE AUTHORITY
BUDGET SUMMARY - PROPOSED
For the Fiscal Year Ending June 30, 2020

	Actual		Approved Budget	Estimated Actuals	Proposed Budget	Variance Proposed vs Approved
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21	19-20 v 20-21
Beginning Fund Balance	\$ 381,290	\$ 677,440	\$ 604,989	\$ 604,989	\$ 1,043,187	
Revenues	5,047,681	5,751,762	5,855,468	5,932,293	5,886,438	30,970 0.5%
Expenditures:						
Salaries & Benefits	4,001,715	4,601,137	4,710,800	4,523,052	4,891,090	(180,290)
Services & Supplies	518,451	670,707	853,288	679,697	822,358	30,930
Equipment Replacement	130,168	451,172	190,150	190,150	185,150	5,000
Debt Service	101,197	101,197	101,230	101,197	101,197	33
Total Expenditures	<u>4,751,531</u>	<u>5,824,213</u>	<u>5,855,468</u>	<u>5,494,095</u>	<u>5,999,795</u>	<u>(144,327)</u> -2.5%
Change in Fund Balance	296,150	(72,451)	-	438,198	(113,357)	N/A
Ending Fund Balance	<u>\$ 677,440</u>	<u>\$ 604,989</u>	<u>\$ 604,989</u>	<u>\$ 1,043,187</u>	<u>\$ 929,830</u>	<u>N/A</u>

**FIVE CITIES FIRE AUTHORITY
PROPOSED BUDGET - REVENUES**

For the Fiscal Year Ending June 30, 2020

ACT	ACCOUNT NAME			Approved Budget	Estimated Actuals	Proposed Budget	Variance Proposed vs Approved
		FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20	FY 2019-20	FY 2020-21	19-20 v 20-21
	REVENUES						
4301	INTEREST	\$ 6,732	\$ 11,645	\$ 700	\$ 4,000	\$ 700	\$ -
4422	ARROYO GRANDE FIRE REIMBURSEMENT	2,223,604	2,523,661	2,580,955	2,580,955	2,580,955	-
4428	FEMA REVENUE	-	-	-	-	-	-
4443	GROVER BEACH FIRE REIMBURSEMENT	1,608,407	1,798,108	2,015,115	2,015,115	2,015,115	-
4444	OCEANO FIRE REIMBURSEMENT	873,719	987,362	1,138,148	1,138,148	1,138,148	-
4458	STATE GRANT	-	-	-	-	28,520	28,520
4491	SAFER GRANT	-	-	-	-	-	-
4462	LOCAL GRANT	11,859	44,553	-	59,052	-	-
4705	INSPECTIONS	-	-	-	65,152	87,000	87,000
4726	FIRE IMPACT FEES	4,205	9,351	3,000	208	3,000	-
4729	FIRE-FIRST RESPONDER SUPPORT	22,712	23,520	21,300	24,331	24,000	2,700
4730	STRIKE TEAM REIMBURSEMENT	243,899	247,392	-	28,411	-	-
4803	SALES-EQUIPMENT/MATERIALS	12,700	-	-	-	-	-
4807	EXPENSE RECOVERY	39,844	106,169	96,250	1,275	-	(96,250)
4809	DONATIONS	-	-	-	15,647	9,000	9,000
4816	PROCEEDS FROM DEBT ISSUANCE	-	-	-	-	-	-
	GRAND TOTAL REVENUES	\$ 5,047,681	\$ 5,751,762	\$ 5,855,468	\$ 5,932,293	\$ 5,886,438	\$ 30,970

FIVE CITIES FIRE AUTHORITY

BUDGET - EXPENDITURES

For the Fiscal Year Ending June 30, 2020

ACT	ACCOUNT NAME	FY 2017-18 Actual	FY 2018-19 Actual	Approved Budget	Estimated Actuals	Proposed Budget	Variance Proposed vs Approved
				FY 2019-20	FY 2019-20	FY 2020-21	19-20 v 20-21
	EXPENDITURES						
5101	SALARIES FULL-TIME	1,439,985	1,707,703	2,360,100	1,881,214	2,401,300	(41,200)
5102	SALARIES PERMANENT PART-TIME	16,591	19,476	46,400	21,572	37,100	9,300
5103	SALARIES TEMPORARY PART-TIME	366,708	313,654	131,400	147,770	131,400	-
5105	SALARIES OVERTIME	516,636	591,517	445,600	758,943	600,000	(154,400)
5106	SALARIES - STRIKE TEAM OVERTIME	184,635	213,078	-	44,880	-	-
5108	HOLIDAY PAY	85,973	107,571	106,900	103,882	105,500	1,400
5109	SICK LEAVE PAY	49,498	46,582	-	21,000	-	-
5110	ANNUAL LEAVE BUY BACK	9,088	45,206	7,000	8,307	10,000	(3,000)
5111	VACATION BUY BACK	24,558	29,073	45,000	30,451	31,000	14,000
5112	SICK LEAVE BUY BACK	2,085	2,012	4,000	1,247	2,000	2,000
5113	VACATION LEAVE PAY	73,913	43,265	-	43,878	-	-
5114	COMPENSATION PAY	29,840	43,841	-	49,856	-	-
5115	ANNUAL LEAVE	27,224	39,134	-	12,056	-	-
5121	PERS RETIREMENT	459,345	549,934	571,300	512,267	644,200	(72,900)
5122	SOCIAL SECURITY	183,345	223,377	231,200	218,823	202,700	28,500
5123	PARS RETIREMENT	6,414	1,955	700	311	600	100
5126	STATE DISABILITY INS. (SDI)	16,593	19,377	19,700	21,866	20,500	(800)
5127	DEFERRED COMPENSATION	2,936	3,183	3,000	3,018	3,000	-
5131	HEALTH INSURANCE	341,963	386,384	520,900	393,761	437,000	83,900
5132	DENTAL INSURANCE	20,890	22,502	28,900	23,283	25,200	3,700
5133	VISION INSURANCE	5,398	6,147	7,500	6,423	6,800	700
5134	LIFE INSURANCE	2,298	2,692	3,300	2,932	3,200	100
5135	LONG TERM DISABILITY INSURANCE	8,561	9,092	8,800	8,912	8,800	-
5136	RETIRES HEALTH INSURANCE	8,835	11,501	8,200	12,521	8,200	-
5141	WORKERS COMPENSATION	113,626	154,522	155,000	193,152	206,690	(51,690)
5142	UNEMPLOYMENT INSURANCE	4,050	7,632	5,000	-	5,000	-
5143	UNIFORM ALLOWANCE	-	-	-	-	-	-
5147	EMPLOYEE ASSISTANCE PROGRAM	727	727	900	727	900	-
	Subtotal Salaries & Benefits	4,001,715	4,601,137	4,710,800	4,523,052	4,891,090	(180,290)
5201	SUPPLIES - OFFICE	6,446	6,673	7,140	6,000	7,140	-
5206	SUPPLIES - EMS	7,428	14,237	15,300	18,000	15,300	-
5208	POSTAGE/MAILING	1,878	2,421	1,836	2,500	1,836	-
5255	SPECIAL DEPARTMENT SUPPLIES	21,809	23,509	22,480	34,000	18,480	4,000
5272	PROTECTIVE/SAFETY CLOTHING	42,144	39,107	52,100	52,100	52,100	-
5273	SMALL TOOLS	2,558	3,076	3,060	4,250	3,060	-
5276	UNIFORMS	18,797	24,058	30,500	30,500	30,500	-
5301	ADVERTISING	-	-	1,020	-	-	1,020
5303	CONTRACTUAL SERVICES	96,817	196,610	357,100	184,100	310,000	47,100
5306	PRINTING SERVICES	953	1,323	4,080	2,500	3,000	1,080
5315	NFPA PHYSICALS	6,826	395	11,220	3,000	11,220	-
5316	JOB RECRUITMENT EXPENSE	420	-	2,040	2,040	-	2,040
5324	FORENSIC MANDATE SERVICES	-	224	1,836	100	1,000	836
5325	HAZMAT/SAFETY PROGRAM	13,141	13,557	15,810	15,810	15,800	10
5401	UTILITIES	47,890	50,655	45,900	50,000	50,000	(4,100)
5403	TELECOMMUNICATIONS	25,051	26,861	30,600	27,000	28,000	2,600
5501	CONFERENCE/TRAINING	7,362	8,137	12,240	5,000	12,240	-

**FIVE CITIES FIRE AUTHORITY
BUDGET - EXPENDITURES**

For the Fiscal Year Ending June 30, 2020

ACT	ACCOUNT NAME			Approved Budget	Estimated Actuals	Proposed Budget	Variance Proposed vs Approved
		FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20	FY 2019-20	FY 2020-21	19-20 v 20-21
5503	MEMBERSHIPS & SUBSCRIPTIONS	2,108	2,148	3,774	3,774	3,000	774
5504	PUBLIC RELATIONS	5,666	4,606	5,100	1,500	5,100	-
5508	MISC EXPENSE	1,899	2,467	2,550	2,550	2,000	550
5512	TRAVEL	7,470	3,648	4,080	3,000	2,100	1,980
5553	RENT-BUILDING AND LAND	15,000	15,000	15,300	15,000	15,000	300
5555	BANK CHARGES	-	-	306	50	306	-
5576	LIABILITY INSURANCE-FAIRA	12,775	14,199	18,360	13,947	19,300	(940)
5599	WEED ABATEMENT	6,589	29,085	12,240	12,240	12,240	-
5601	MAINTENANCE - VEHICLES	92,590	126,284	100,000	110,000	125,000	(25,000)
5602	MAINTENANCE - OFFICE	4,888	2,513	3,672	3,672	3,672	-
5603	MAINTENANCE - MACH & EQUIP	20,709	5,774	15,300	15,300	15,300	-
5604	MAINTENANCE - BUILDINGS	9,699	8,371	8,160	12,000	9,500	(1,340)
5605	MAINTENANCE - GROUNDS	376	351	1,020	600	1,000	20
5606	MAINTENANCE - RADIO COMMUNICATIONS	5,201	9,111	8,364	8,364	8,364	-
5608	GAS & OIL	33,961	36,307	40,800	40,800	40,800	-
	Subtotal Services & Supplies	518,451	670,707	853,288	679,697	822,358	30,930
5803	LEASE PURCHASE PAYMENTS	101,197	101,197	101,230	101,197	101,197	33
	Subtotal Debt Service	101,197	101,197	101,230	101,197	101,197	33
6101	DATA PROCESSING EQUIPMENT	13,748	29,364	18,000	6,000	32,000	(14,000)
6103	COMPUTER LICENSING SOFTWARE	24,617	34,585	63,150	48,150	63,150	-
6201	MACHINERY & EQUIPMENT	31,560	387,223	49,000	76,000	50,000	(1,000)
6301	VEHICLES	60,243	-	60,000	60,000	40,000	20,000
	FUTURE VEHICLE REPLACEMENT						-
	Subtotal Equip Replacement	130,168	451,172	190,150	190,150	185,150	5,000
	GRAND TOTAL EXPENDITURES	\$ 4,751,531	\$ 5,824,213	\$ 5,855,468	\$ 5,494,095	\$ 5,999,795	\$ (144,327)

Five Cities Fire Authority

PROPOSED BUDGET - COST ALLOCATIONS *

For the Fiscal Year Ending June 30, 2020

** Per Second Amendment to the JPA, Funding Contributions remain fixed from FY 2019-2020*

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)	(34,830)
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%
OCS D	7,286	18.86%
Total Population	38,642	

Allocation:

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

2) 33% based on current staffing levels

Arroyo Grande	37.5%
Grover Beach	37.5%
OCS D	25.0%

Allocation:

Arroyo Grande	\$710,924
Grover Beach	\$710,924
OCS D	\$473,949

Five Cities Fire Authority

PROPOSED BUDGET - COST ALLOCATIONS *

For the Fiscal Year Ending June 30, 2020

* Per Second Amendment to the JPA, Funding Contributions remain fixed from FY 2019-2020

3) 33% based on proportion of service calls

Arroyo Grande	1,845	52%
Grover Beach	1,145	32%
OCSD	544	15%
Total service calls	3,534	

Allocation:

Arroyo Grande	\$989,834
Grover Beach	\$614,108
OCSD	\$291,854

Regional Hazardous Materials Team Direct Allocation

Arroyo Grande	\$5,000
Grover Beach	\$5,000
OCSD	\$2,000

Debt service - 2nd engine allocation

Arroyo Grande	\$0
Grover Beach	\$21,943
OCSD	\$12,887

Total Allocation		Allocation %
Arroyo Grande	\$2,580,955	45.01%
Grover Beach	\$2,015,115	35.14%
OCSD	\$1,138,148	19.85%
	\$5,734,218	