



Preliminary Budget

FY 2023/24

- May 25, 2023 -

Presented by:

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Chief Financial Officer



BUDGET BRIEFING AGENDA

- 1. Recap of Midyear 2022/23 Budget**
- 2. Preliminary 2023/24 Budget Overview**
- 3. General Fund Revenues**
- 4. General Fund Expenditures**
- 5. Long-Term Forecast (FY 2023/24 – FY 2027-28)**
- 6. Capital Improvement Program Finance**
- 7. Questions & Comments**



FY 2022/23 MIDYEAR BUDGET RECAP

➤ Key Midyear Budget Features

- No budget reductions
- Implemented first six months of 2023 & 2024 MOU agreement, and PPGEMT program
- Restored \$1.1 million transferred from the Capital Facilities Fund to General Fund
- Workers' Compensation Reserve untouched
- Structural budget challenges noted (workers' compensation, constant staffing, and non-General Fund fund balance)
- **Projected General Fund reserve amount on June 30, 2023: \$36.1 million, or 13.4 percent.**



PRELIMINARY BUDGET OVERVIEW

FY 2023/24 Preliminary Budget

	<i>General Fund</i>	<i>All Funds</i>
Revenues	266,404,288	309,902,931
Expenditures	285,952,572	347,192,607
Net Transfers	17,303,549	14,780,634
<i>Change in Fund Balance</i>	<i>\$ (2,244,735)</i>	<i>\$ (22,509,042)</i>

Projected General Fund reserve (June 30, 2024):

\$33.9 million (11.6%)



PRELIMINARY BUDGET OVERVIEW: ALL FUNDS

FY 2023/24 PRELIMINARY BUDGET OVERVIEW: ALL FUNDS

	GENERAL FUND	CAPITAL FACILITIES FUND	LEASED PROPERTIES FUND	GRANTS FUND	DEVELOP- MENT IMPACT FEES FUND	IGT FUND	SPECIAL PROJECTS FUND-ZINF TRNG SITE	TOTALS
Beginning Fund Balance, July 1, 2023	\$ 36,106,304	\$ 6,384,036	\$ 713,381	\$ 201,786	\$ 4,190,315	\$ -	\$ 12,800,000	\$ 60,395,822
Revenues	266,404,288	-	1,190,694	4,077,780	1,300,000	36,930,169	-	309,902,931
Expenditures	(285,952,572)	(16,825,701)	(638,273)	(4,245,472)	(12,680,000)	(14,050,589)	(12,800,000)	(347,192,607)
Net Transfers	17,303,549	12,046,665	-	-	8,310,000	(22,879,580)	-	14,780,634
Change in Fund Balance	(2,244,735)	(4,779,036)	552,421	(167,692)	(3,070,000)	-	(12,800,000)	(22,509,042)
Ending Fund Balance, June 30, 2024	33,861,569	1,605,000	1,265,802	34,094	1,120,315	-	-	\$ 37,886,780



PRELIMINARY BUDGET OVERVIEW: GENERAL FUND

General Fund Budget: FY 2022/23 Midyear to FY 2023/24 Preliminary

	<i>FY 2022/23</i>	<i>FY 2023/24 Preliminary Budget</i>	<i>Difference</i>
Beginning General Fund Balance	\$ 34,728,019	\$ 36,106,302	\$ 1,378,283
Revenues	254,544,195	266,404,288	11,860,093
Other Sources	15,832,578	22,879,580	7,047,002
Revenues, TOTAL	270,376,773	289,283,868	18,907,095
Expenditures	264,772,187	285,952,572	21,180,385
Other Uses	4,226,303	5,576,031	1,349,728
Expenditures, TOTAL	268,998,490	291,528,603	22,530,113
Net Change	1,378,283	(2,244,735)	(3,623,018)
Ending General Fund Balance	\$ 36,106,302	\$ 33,861,567	\$ (2,244,735)
Reserves as a % Expenditures	13.4%	11.6%	-1.8%

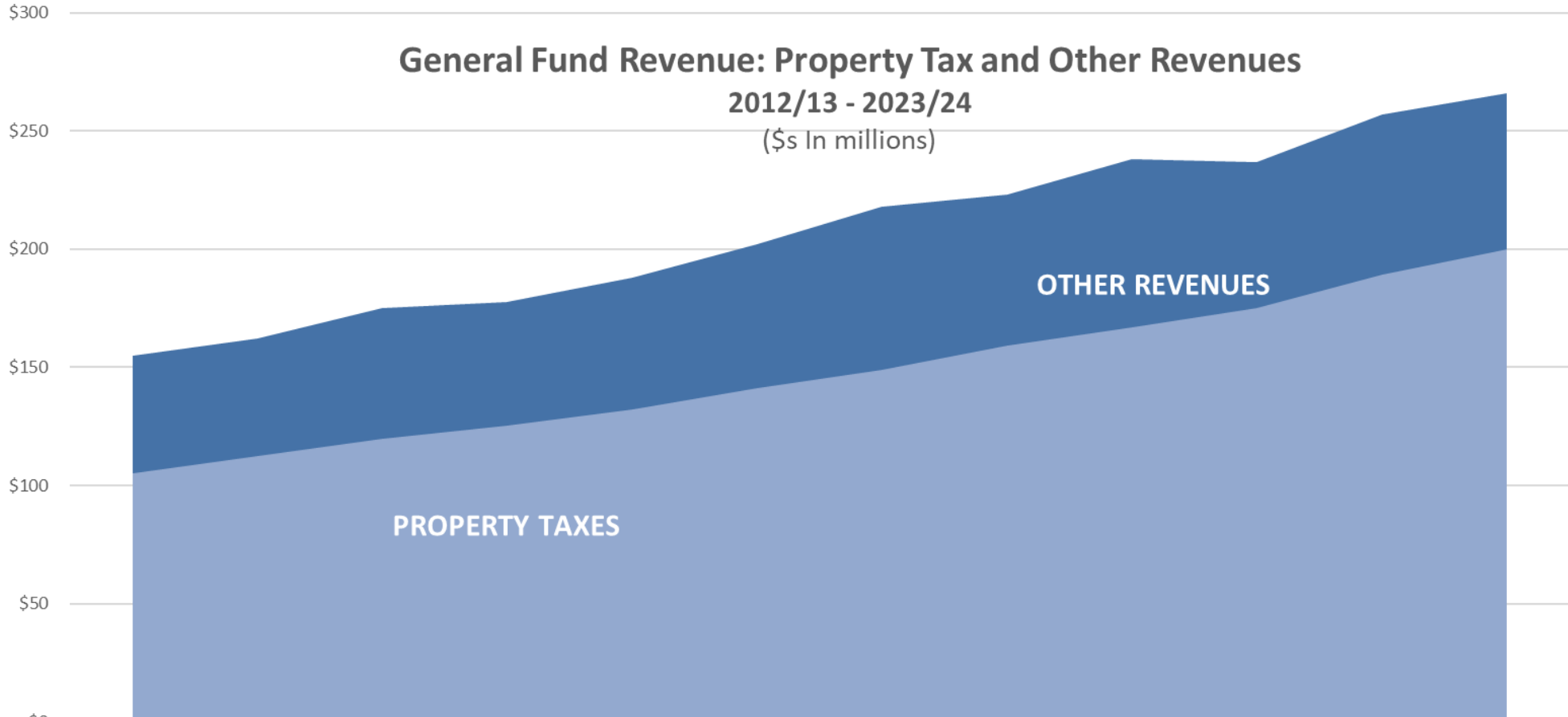


PRELIMINARY BUDGET – GENERAL FUND REVENUES

- **Projected General Fund Revenue of \$266.4 million, an \$11.9 million increase from FY 2022/23**
 - Property taxes: \$199.6 million, a \$10.6 million increase
 - Charges for services: \$61.6 million, a \$1.8 million increase, including:
 - EMS (Medic) fees: \$46.9 million, a \$2.4 million increase, including fee increase.
- **Comparing FY 2023/24 revenue to FY 2021-22 actuals:**
 - Property taxes: \$21.6 million increase
 - Charges for services: \$4.6 million increase, including:
 - EMS (Medic) fees: a \$2.1 million increase
- **Net IGT revenue transferred to General Fund: \$22.9 million, a \$7.1 million increase**
- **Total revenues and other financing sources: \$289.3 million, a \$18.9 million increase**



PRELIMINARY BUDGET – GENERAL FUND REVENUES



	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Midyear 2022/23	Prelim 2023/24
■ TOTAL REVENUE	\$155	\$162	\$175	\$178	\$188	\$202	\$218	\$223	\$238	\$237	\$257	\$266
■ PROPERTY TAXES	\$105	\$112	\$120	\$125	\$132	\$141	\$149	\$159	\$167	\$175	\$189	\$200



PRELIMINARY BUDGET – GENERAL FUND REVENUES

IGT Programs

➤ Voluntary Rate Range Program (VRRP)

- VRRP is an intergovernmental transfer program, where District funds are transferred to the State DHCS, who combines local agency funds to pull down federal funds to provide medical transport services for the uninsured and Medi-Cal beneficiaries.
- Revenues of \$17.0 million, IGT \$6.7 million, **Net income \$10.3 million**

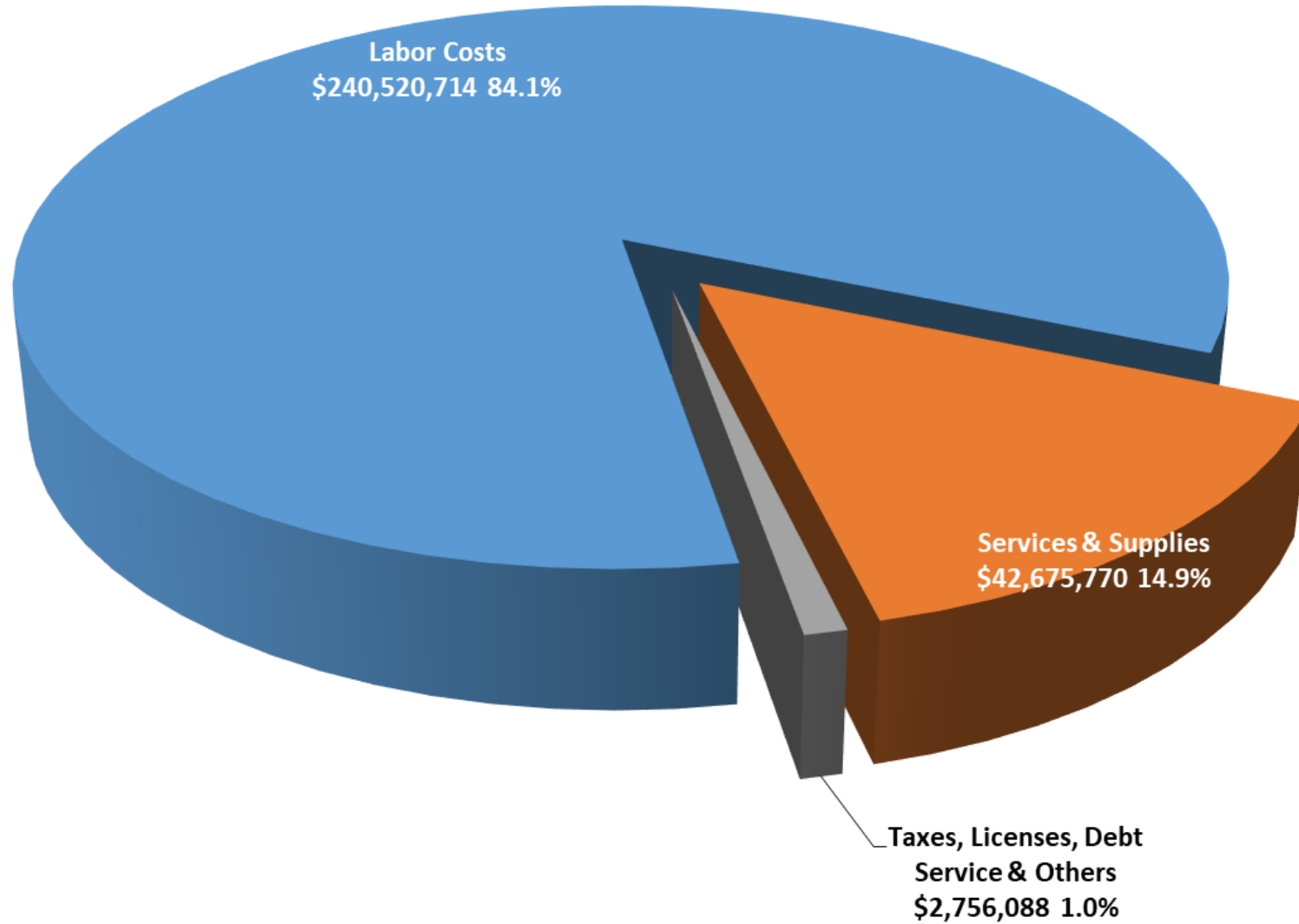
➤ Public Provider Ground Emergency Medical Transport (PPGEMT) Program

- PPGEMT Program established under AB 1705 (2019). Supports certain Medi-Cal beneficiaries, replacing former GEMT program with a flat payment per Medi-Cal transport of \$1065 (approximately \$947 higher than previous rate).

PP-GEMT Estimate for FY 202/23 and FY 2023/24		
	2022/23	FY 2023/24
Revenues: Payments to SMFD	\$ 9,952,000	\$ 19,903,000
Expenses: IGT Transfers to DHCS, including administrative share	3,695,000	7,391,000
DIFFERENCE	6,257,000	12,512,000
Offsets:		
Loss of GEMT program	1,400,000	2,800,000
Member behavioral wellness incentive	-	2,821,000
Net Income	4,857,000	\$ 6,891,000



PRELIMINARY BUDGET – GENERAL FUND EXPENDITURES





PRELIMINARY BUDGET – GENERAL FUND EXPENDITURES

- **Projected General Fund Expenditures of \$286.0 million, a \$21.2 million increase from FY 2022/23 (+8.0%)**
- **Labor Budget Compensation and Benefits: \$240.5 million, \$17.8 million higher than FY 2022/23 (+8.0%).**
 - Labor costs projected to reach 84.1% of expenditures and 90.5% of revenues.
- **Services and Supplies Cost: \$42.7 million, \$4.3 million higher than FY 2022/23 (+11.2%)**



GENERAL FUND EXPENDITURES: LABOR

- **Total Compensation: \$134.7 million**, \$12.7 million more than FY 2022/23. Includes:
 - Wages \$9.4 million higher
 - Constant staffing (overtime) \$3.1 million lower
 - Incentive pays for EMT, paramedic, education, haz-mat, and longevity \$2.7 million higher
 - Employee behavioral wellness incentive (Medicare Cost Reimbursement) of \$2.8 million

- **Total Benefits: \$105.9 million**, \$5.1 million more than FY 2022/23. Includes:
 - Increased CalPERS pension contributions (Safety and Misc.) of \$4.0 million
 - Increased employee medical costs of \$2.0 million
 - Decreased workers compensation costs of \$3.6 million
 - Increased SCERS contribution for retirees of \$1.8 million



GENERAL FUND EXPENDITURES: SERVICES & SUPPLIES

- **Service and Supplies budget totals \$42.7 million, \$4.3 million higher than FY 2022/23 (+11.2%). Increases include:**
 - \$2.4 million for services, mainly attributable to increased AMR ambulance services
 - \$334,000 increase for insurance premium costs, including liability and workers compensation
 - \$363,000 in safety clothing supplies
 - \$318,000 in computer services
 - \$140,000 increase for vehicle maintenance supplies



GENERAL FUND EXPENDITURES: Debt Service, Assessments and Contributions

- **General Fund Debt Service, Assessments and Contributions budget totals \$2.8 million, \$880,000 less than FY 2022/23. Changes include:**
 - Reduction of \$1.8 million for assessment paid to State DHCS for GEMT QAF.
 - \$2.6 million assessment paid to County for property tax administration
 - GF Debt service payments on lease revenue bonds of \$267,000



CAPITAL OUTLAY SUMMARY

- **Total of \$36.7 million, including \$11.4 million committed from the Capital Facilities Fund.**
- Major capital outlay projects funded using capital facilities funds include:
 - Five Type 1 engines: \$4.1 million
 - Six ambulances (new): \$1.6 million
 - Six ambulance remounts: \$1.2 million
 - Three ambulance replacements: \$824,000
 - Type V engine: \$207,000
- Major capital outlay projects funded using capital facilities funds:
 - Grant Line 220 Land Acquisition: \$2.4 million Development Impact Fees Fund
 - Vineyard Springs Station Build: \$10.2 million Development Impact Fees Fund
 - Zinfandel Training Center: \$12.7 million Special Projects Fund

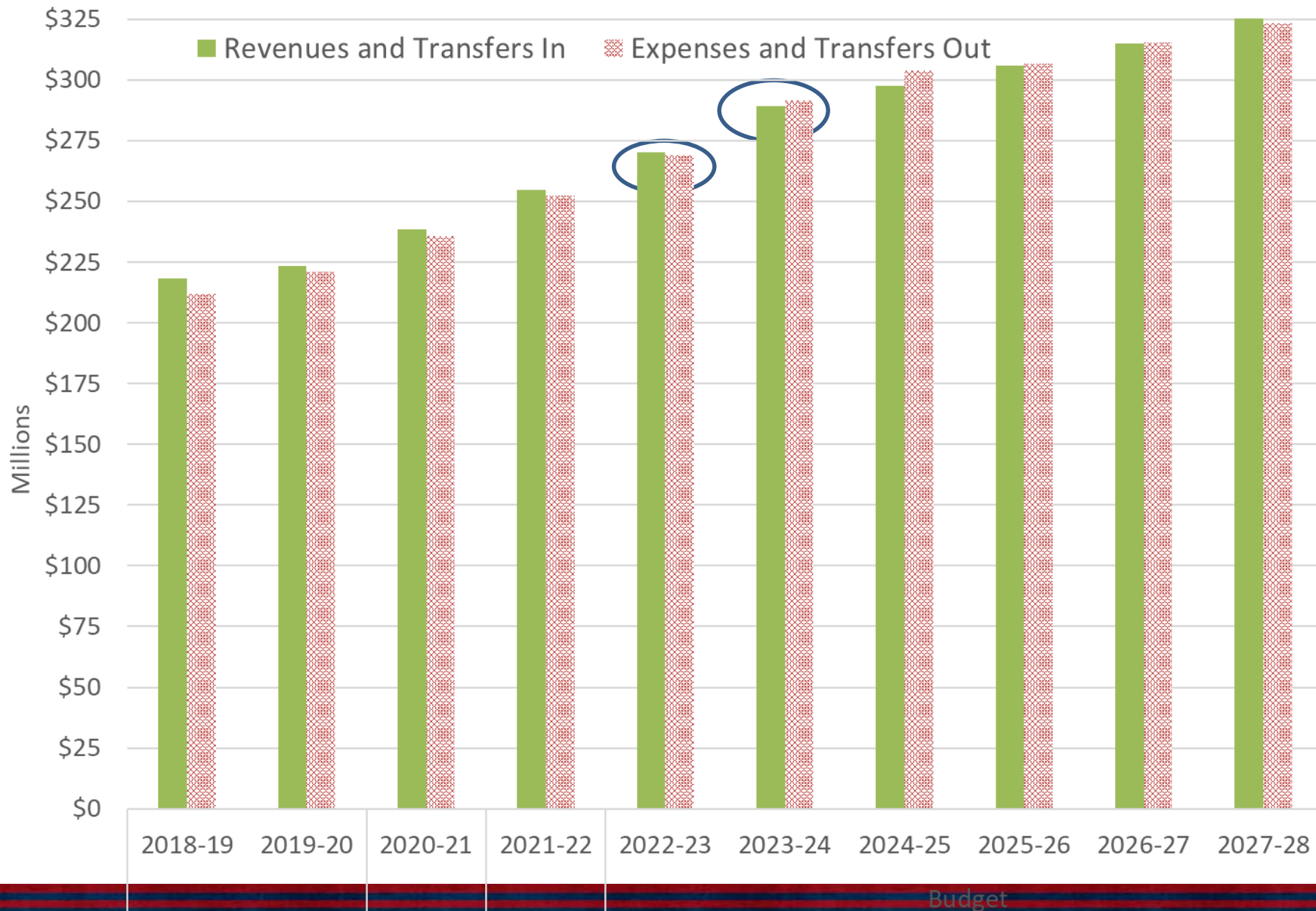


Key Assumptions:

- Incorporates independent property tax consultant projections
- Current MOU costs and two percent annual compensation increase beginning 2025/26
- Current PGEMT and VRRP with two percent annual growth
- Pension cost shares unchanged
- Inflation 8.3%; declining 1% annually
- Borrowing rate 4.5%; gradually declining

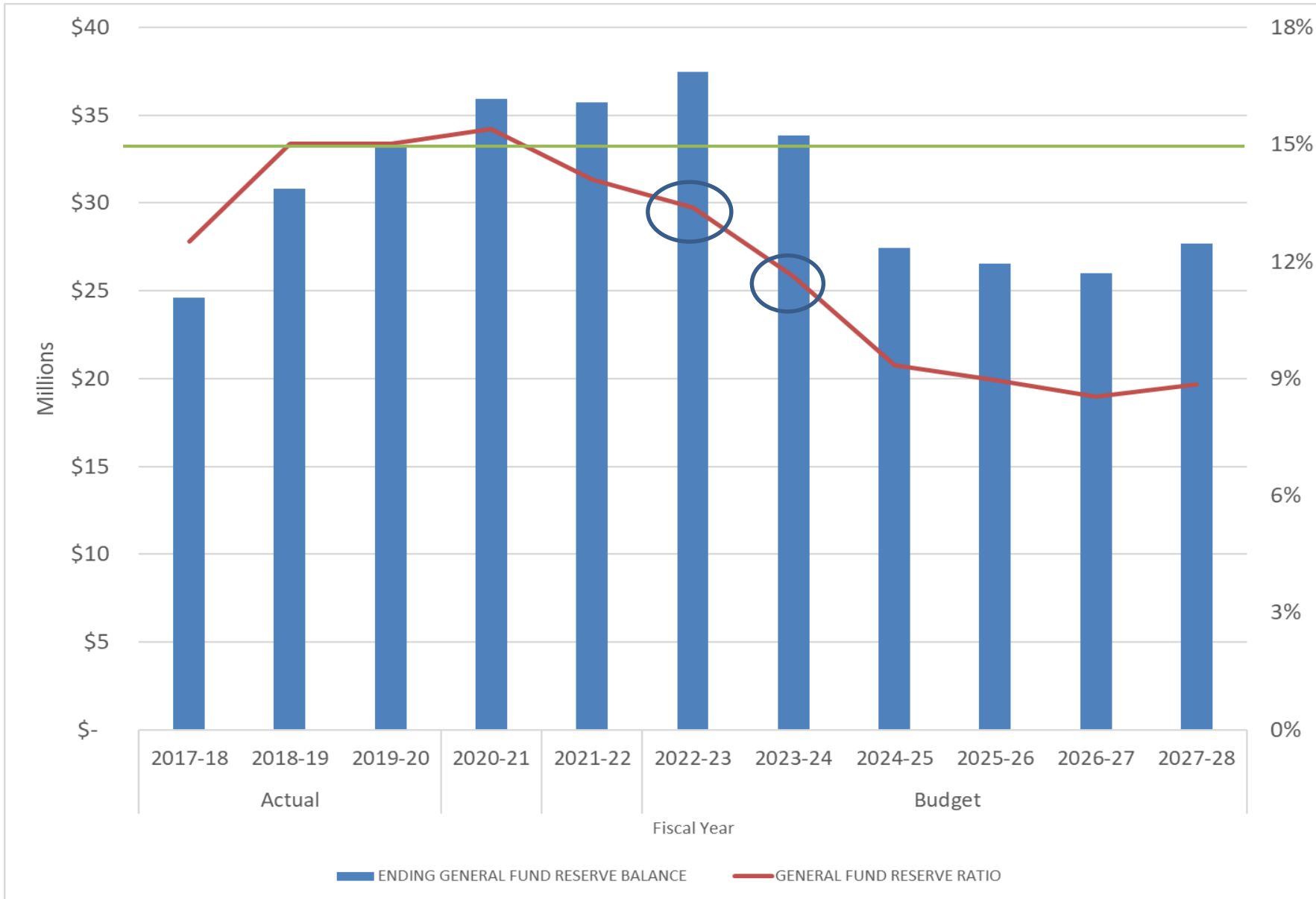


FORECAST: General Fund Revenues and Expenditures Overview





FORECAST: General Fund Reserves





CAPITAL IMPROVEMENT PROGRAM: FINANCING PLAN

- Financing for the CIP Plan includes \$38.6 million in spending from FY 2023/24 to FY 2025/26 on 14 projects: 5 new CIP projects and 9 carryover projects.
- Spending makeup: Special Projects Fund (36 percent) Capital Facilities Fund (35 percent), General fund (16 percent), and Development Impact Fee Fund (13 percent).

Project Type	Project Title	Status	Project Cost
Land Acquisition	Grantline 220 Land Acquisition	Carryover	\$ 2,400,000
New Construction	Vineyard Springs Station	Carryover	10,690,000
New Construction	Zinfandel Training Facility - Phase 3	Carryover	12,800,000
Apparatus & Equipment	Type I Engine Replacement 2023	Carryover	4,265,963
Apparatus & Equipment	Ambulance Replacement 2023	Carryover	1,833,268
Apparatus & Equipment	Support Vehicle Replacement 2023	Carryover	370,260
Apparatus & Equipment	Boardroom Equipment Replacement	Carryover	66,500
Apparatus & Equipment	Apparatus/Vehicle Replacement 2022	Carryover	1,349,239
Apparatus & Equipment	Squad Vehicle Acquisition	Carryover	663,520
Apparatus & Equipment	Ambulance Replacement	New	3,117,120
Personal Protective Equipment	Annual Turnout Replacement	New	425,000
Personal Protective Equipment	Recruit Academy PPE	New	282,000
Facilities Repair/Replacement	Station 41 Frontage Improvements R&R	New	125,000
Miscellaneous	Station Access Control - Phase 3	New	199,990
		Total	14 projects \$ 38,587,860



PRELIMINARY BUDGET SUMMARY

- District expenditures from all sources expected to reach \$347.2 million, with \$309.9 million in revenues and \$14.8 million in net transfers in.
- PPGEMT and VRRP add a net \$22.9 million to the District budget (or \$17.2 million including offsets)
- 2023 MOU agreement fully funded in FY 2023/24
- Investments in emerging debts made:
 - Workers' compensation spending \$1.2 million higher than prior year and reserve preserved;
 - SCERS contribution increased \$1.8 million
- Persistent budget pressures forecasted if property tax growth slows and labor cost growth continues, significantly reducing capacity to address other needs.
- Projected General Fund reserve as of June 30, 2024 is \$33.9 million (11.6%), down from \$36.1 million (13.4%) projected for June 30, 2023.



BIMONTHLY FISCAL REPORT

Questions and Comments

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