



ADAM A. HOUSE  
Fire Chief

# Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 • Mather, California 95655 • Phone (916) 859-4305 • Fax (916) 859-3715

## FINANCE AND AUDIT COMMITTEE – REGULAR MEETING AGENDA

THURSDAY, MAY 23, 2024 – 5:00 PM

Sacramento Metropolitan Fire District

10545 Armstrong Avenue, Boardroom, 2<sup>nd</sup> Floor

Mather, California


&

Remotely Via Zoom

Webinar ID: 827 3461 0232 #

Passcode: metro2101

Phone: 1 (669) 444-9171 or 1 (669) 900 6833

 Passcode: 838771796 #

<https://us06web.zoom.us/j/82734610232?pwd=SFILQ1Znd25RSmlhdXZVQVh4d1VWZz09>

### COMMITTEE MEMBERS

Director Gay Jones – Chair

Director Robert Webber – Vice Chair

Director D’Elman Clark

Director Ted Wood - Alternate

### CALL TO ORDER

### PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN COMMITTEE'S SCOPE INCLUDING ITEMS ON OR NOT ON AGENDA

### CONSENT ITEMS

*The Consent Agenda is acted upon with one motion unless a committee member requests separate discussion and/or action.*

#### 1. Action Summary Minutes

Page No.

2

**Recommendation:** Approve the Action Summary Minutes for the Regular Meeting of April 25, 2024.

### PRESENTATION ITEMS

#### 1. FY 2024/25 Capital Improvement Program Plan

4

(Admin Analyst Erin Castleberry)

\*\*  Separate Attachment

**Recommendation:** Receive presentation.

#### 2. FY 2024/25 Preliminary Budget (CFO Dave O’Toole)

18

**Recommendation:** Receive presentation.

\*\*  Separate Attachment

### ADJOURNMENT

Posted on May 20, 2024



Marni Rittburg, CMC, CPMC  
Clerk of the Board



ADAM A. HOUSE  
Fire Chief

# Sacramento Metropolitan Fire District

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**ACTION SUMMARY MINUTES  
FINANCE AND AUDIT COMMITTEE – REGULAR MEETING  
THURSDAY, APRIL 25, 2024 – 5:00 PM  
Sacramento Metropolitan Fire District  
10545 Armstrong Avenue  
Board Room – Second Floor  
Mather, California  
&  
Remotely Via Zoom**

**COMMITTEE MEMBERS**

**Director Gay Jones - Chair  
Director Robert Webber – Vice Chair  
Director D’Elman Clark  
Director Ted Wood– Alternate**

**CALL TO ORDER**

The meeting was called to order at 5:31 p.m. by Chair Jones. Committee members present: Clark, Jones and Webber. Committee members absent: None. Staff present: Fire Chief House and Board Clerk Marni Rittburg.

**PUBLIC COMMENT:**

Public Comment Was Not Received.

**CONSENT AGENDA**

**Action:** Moved by Director Webber, seconded by Director Clark, and carried unanimously by members present to adopt the Consent Calendar as follows:

- 1. Action Summary Minutes**  
**Recommendation:** Approve the Action Summary Minutes for the Regular Meeting of February 22, 2024.  
**Action:** Approved the Action Summary Minutes.
- 2. Quarterly Investment Report**  
**Recommendation:** Receive and file the investment report for the 3<sup>rd</sup> quarter of Fiscal Year 2023-24.  
**Action:** Received and filed.

## PRESENTATION ITEMS

### 1. **Bimonthly Fiscal Report Through February**

*(CFO Dave O'Toole)*

**Recommendation:** Receive presentation and file report.

**Action:** Presentation received and filed. Controller Ron Empedrad presented a status update of the 22 fraud risk assessment recommendations.

## **ADJOURNMENT**

The meeting adjourned at 5:50 p.m.

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Director Jones, Chair

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Marni Rittburg, CMC, CPMC  
Board Clerk





# Capital Improvement Plan FY2024/25 – FY2028/29

Presented by:  
Erin Castleberry, Administrative Analyst

May 23, 2024



## PURPOSE OF CIP

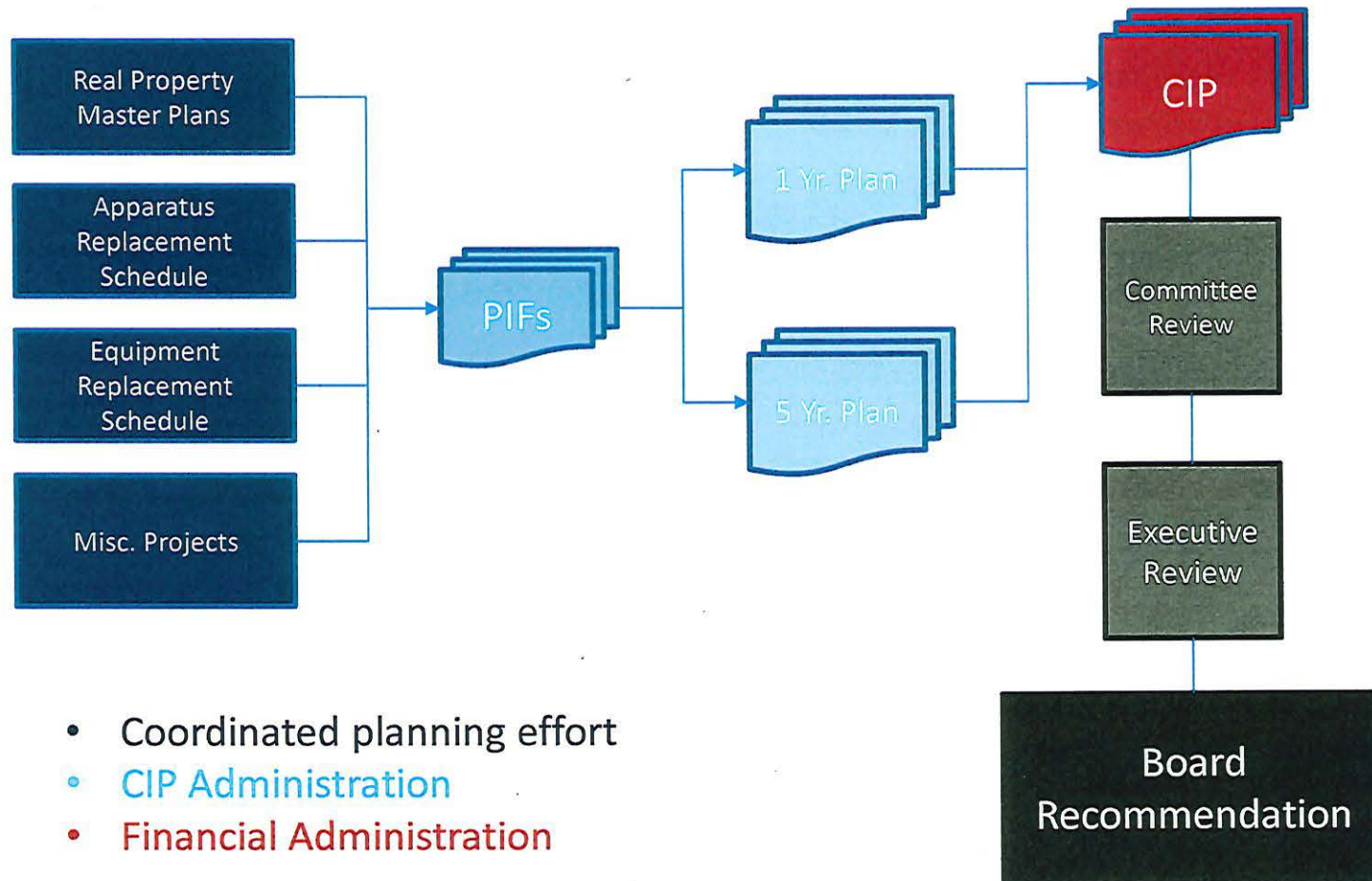
*To organize, facilitate, and memorialize capital needs and goals in order to efficiently and transparently develop and support the physical infrastructure of the District.*

- **IDENTIFY** the District's capital needs that are required to support the District's mission to provide professional and compassionate protection, education and service to our community
  - **Facilities, infrastructure, apparatus, equipment, PPE**
- **PLAN** for the funding of capital projects to ensure that existing and future capital needs are met in accordance with the District's strategic plan





# CIP DEVELOPMENT PROCESS



- Coordinated planning effort
- CIP Administration
- Financial Administration



# FIVE-YEAR SUMMARY

FY24/25

**\$179.3M**

FY28/29

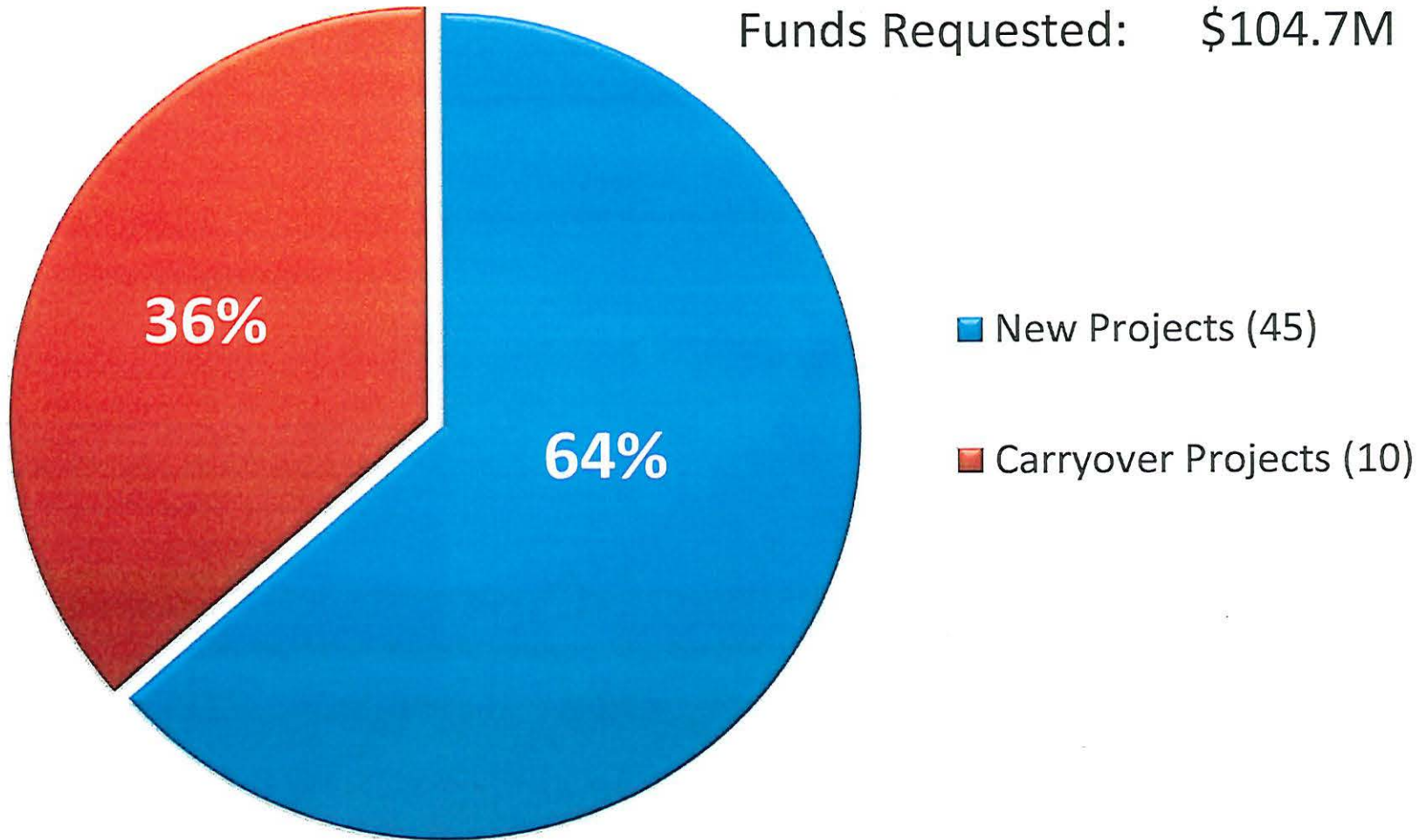
Apparatus & Equipment	\$73.4M
New Construction	\$38.1M
Station Remodel/Expansion	\$24.3M
Facilities Repair & Replacement	\$31.3M
Land Acquisition	\$2.4M
Personal Protective Equipment	\$8.2M
Miscellaneous	\$522K



# FY24/25 CIP PROJECT SUBMISSION

Projects Submitted: 55

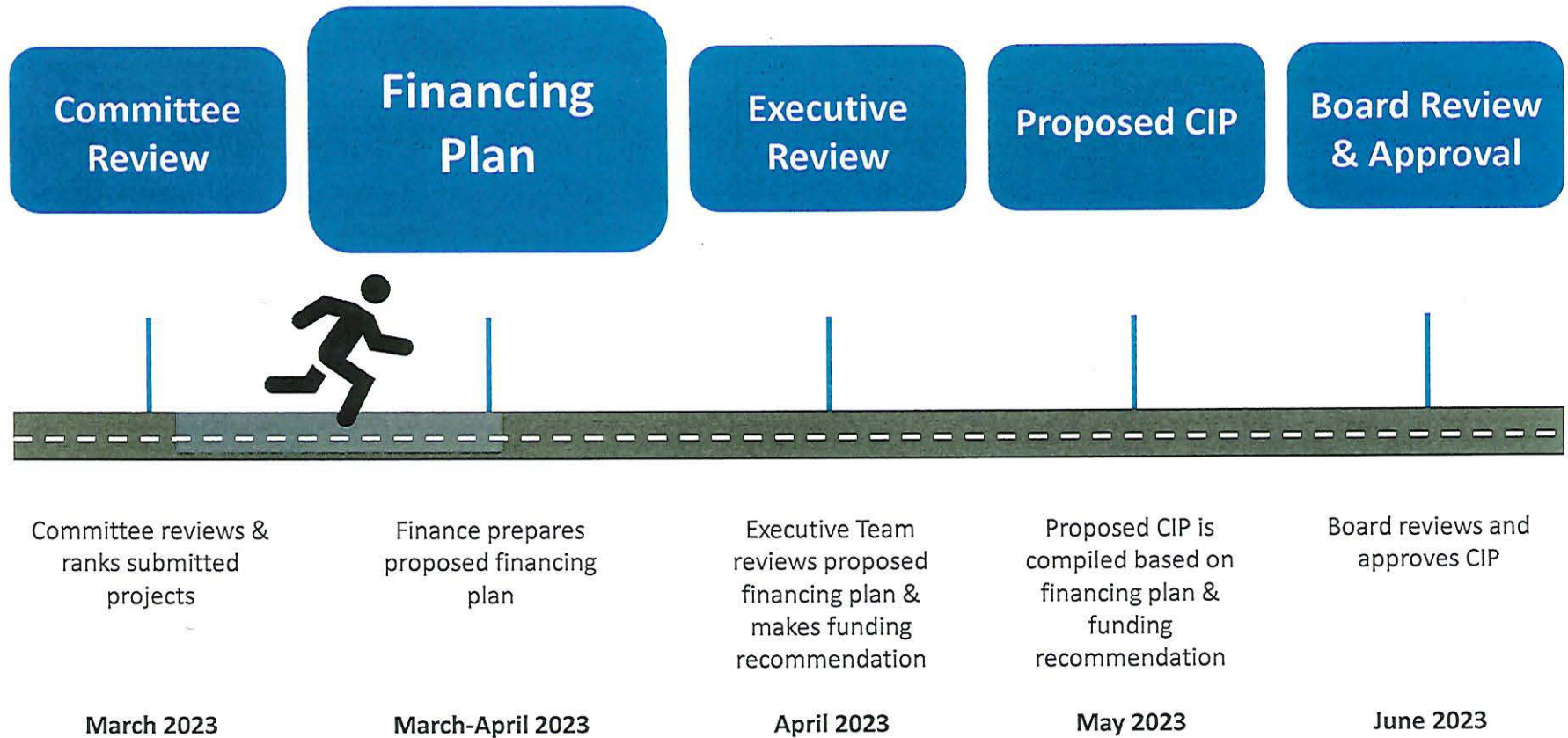
Funds Requested: \$104.7M





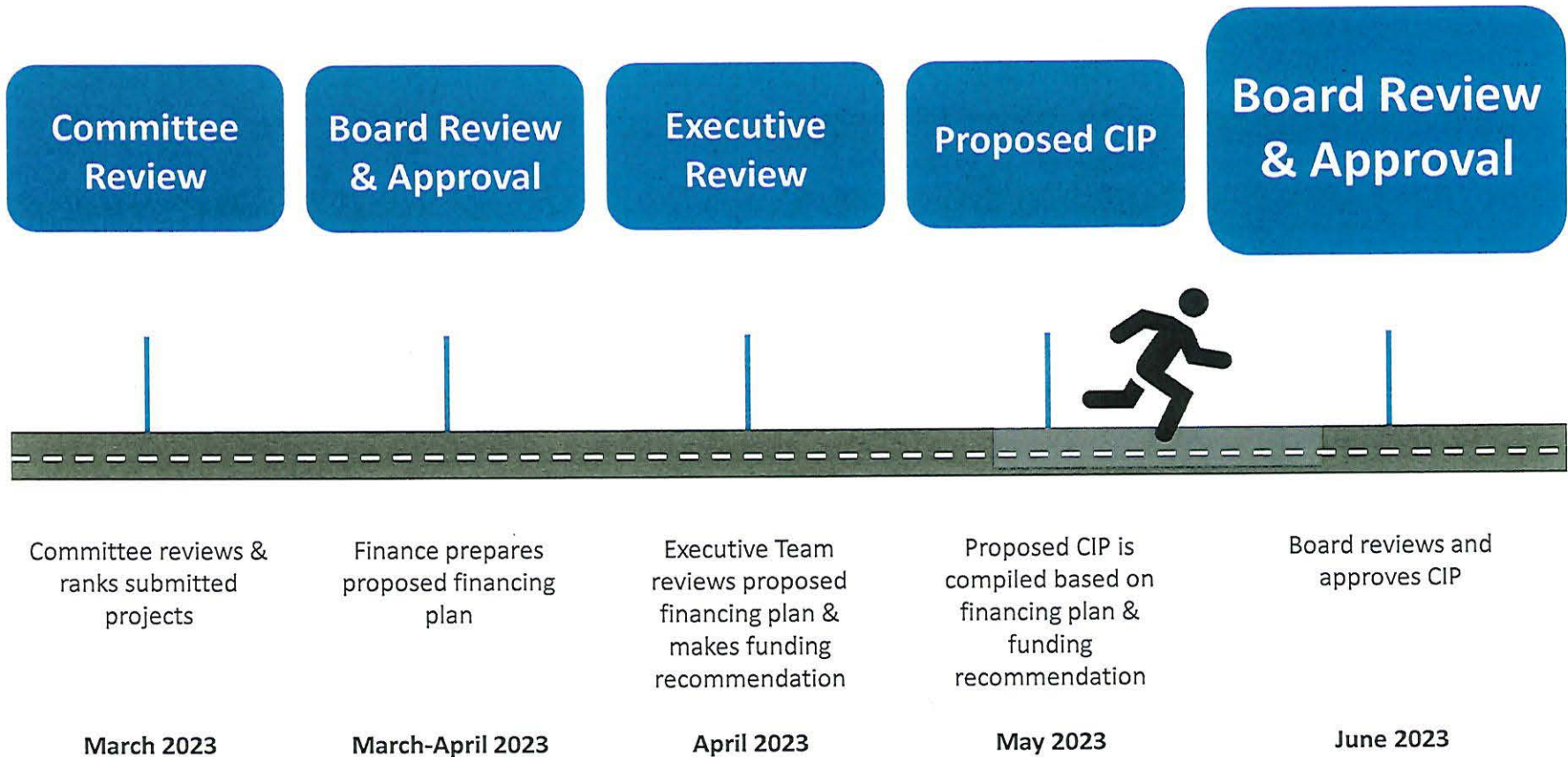


# CIP DEVELOPMENT PROCESS





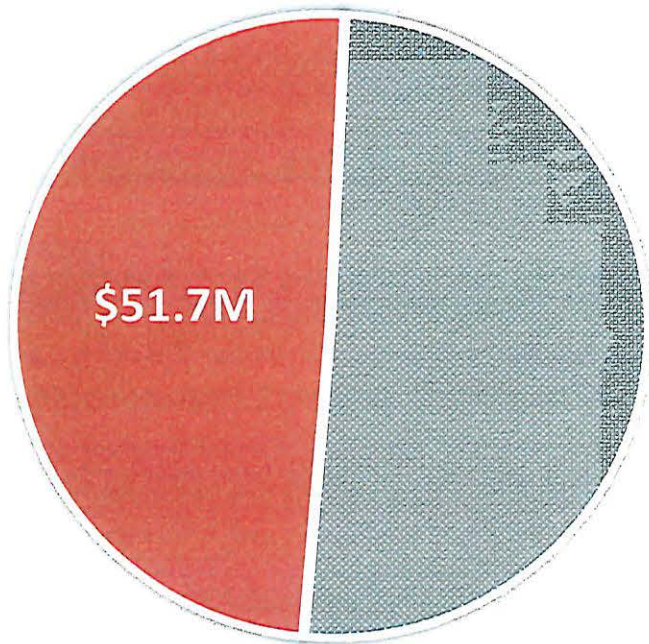
# NEXT STEPS







# FY24/25 RECOMMENDED PROJECTS



Projects Submitted: 55

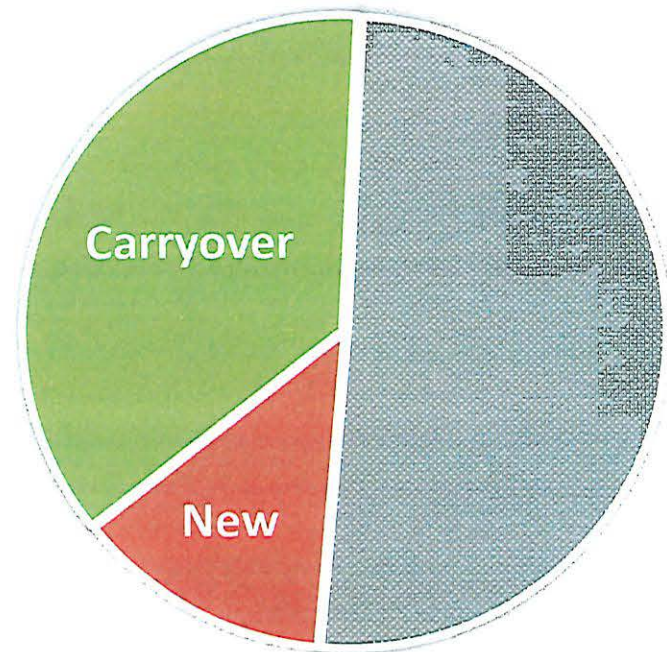
**Projects Recommended: 28**

Funding Requested: \$104.7M

**Funding Recommended: \$51.7M**

Carryover Projects: \$38.1M

New Projects: \$13.6M







## FY 24/25 RECOMMENDED PROJECTS

**Carryover Projects: 10**  
**Recommended Funding: \$38.1M**

**New Construction \$27.1M**

- Vineyard Springs Station
- Zinfandel Phase 3 Buildout

**Apparatus & Equipment Replacement \$8.1M**

- (5) Type I Engines
- (6) Ambulances
- (8) Ambulance Remounts
- (4) Squad Vehicles

**Land Acquisition \$2.4M**

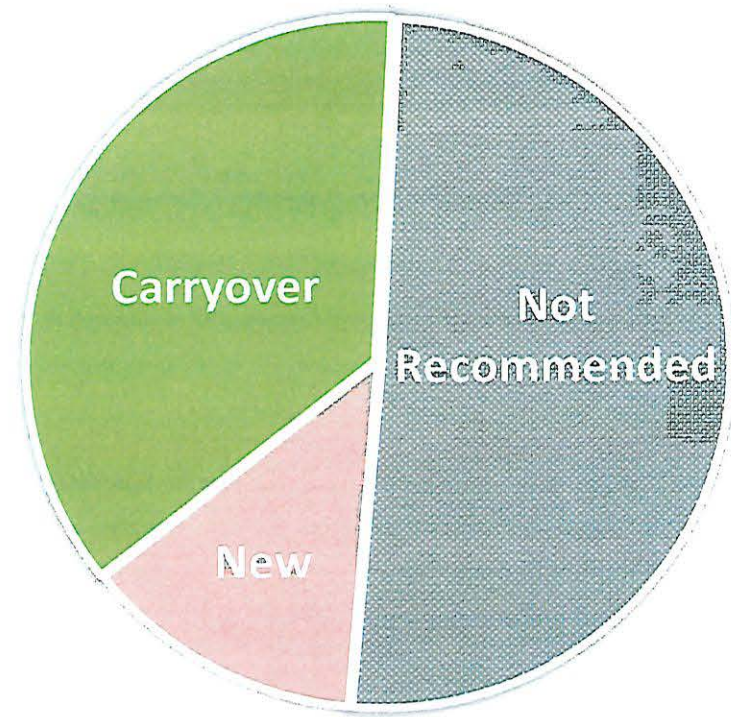
- Grantline 220

**Facilities Repair/Replacement \$259K**

- Station 41 Frontage R&R
- Zinfandel Gate Operator

**Miscellaneous \$199K**

- Station Access Control – Phase 3





# FY24/25 RECOMMENDED PROJECTS

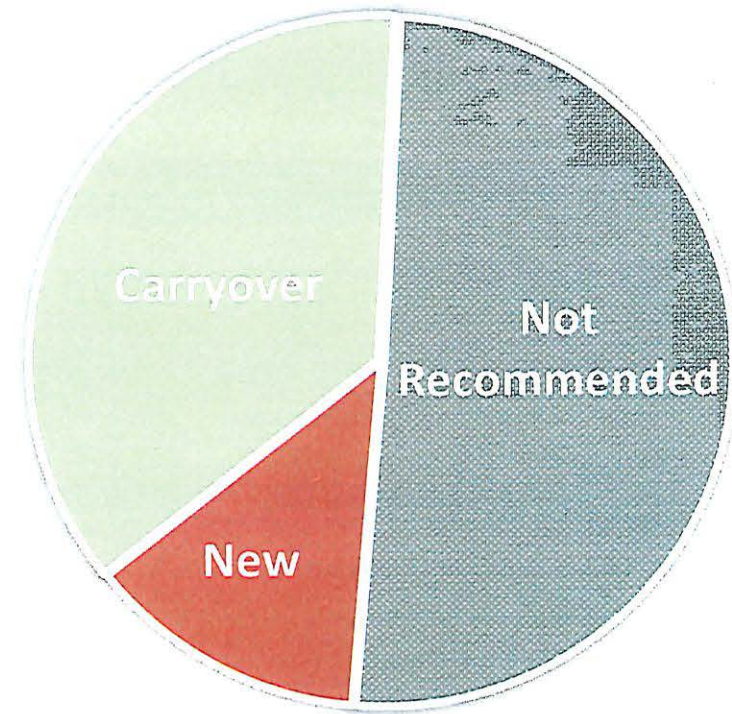
**New Projects: 18**  
**Recommended Funding: \$13.6M**

**Apparatus & Equipment Replacement \$11.9M**

- (3) Automatic Chest Compression Devices
- (95) MDC Hardware Kits
- (2) IT Storage Appliances
- (45) Thermal Imaging Cameras
- (5) Type I Engines
- (4) Type III Engines
- (1) Ladder Truck
- (4) Ambulances
- (2) Fleet Service Trucks
- Copter 1 Hoist Rebuild

**Personal Protective Equipment \$805K**

- Annual Turnout Replacement (50 sets)
- Wildland Turnout Replacement (110 sets)
- Annual Structure Helmet Replacement
- Recruit Academy PPE



**Facilities Repair/Replacement \$495K**

- HQ Roof Rehab
- Flooring Replacement (Stations 31, 53, 108)
- Station 108 Frontage R&R

**Miscellaneous \$322K**

- Firefighting Foam Replacement
- Station Cellular Conversion

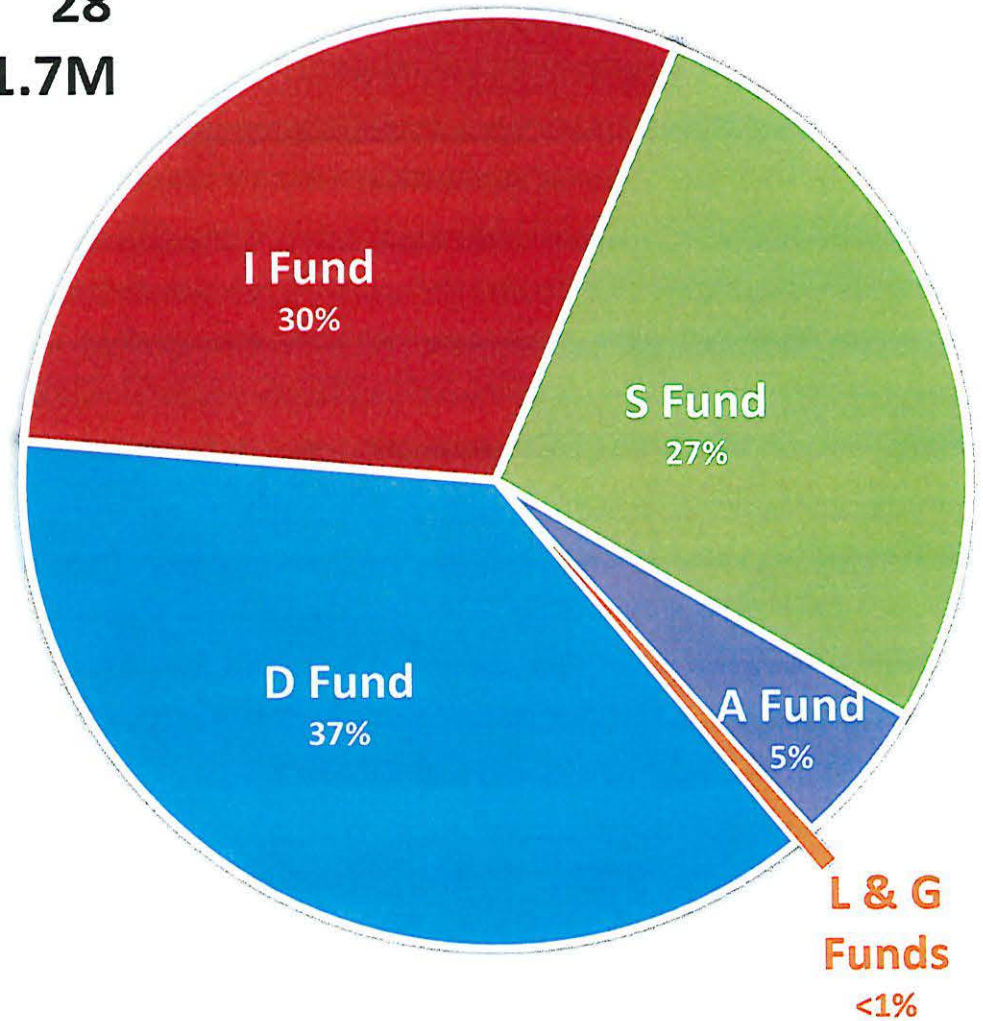




# FUND SOURCES

**Total Projects: 28**  
**Recommended Funding: \$51.7M**

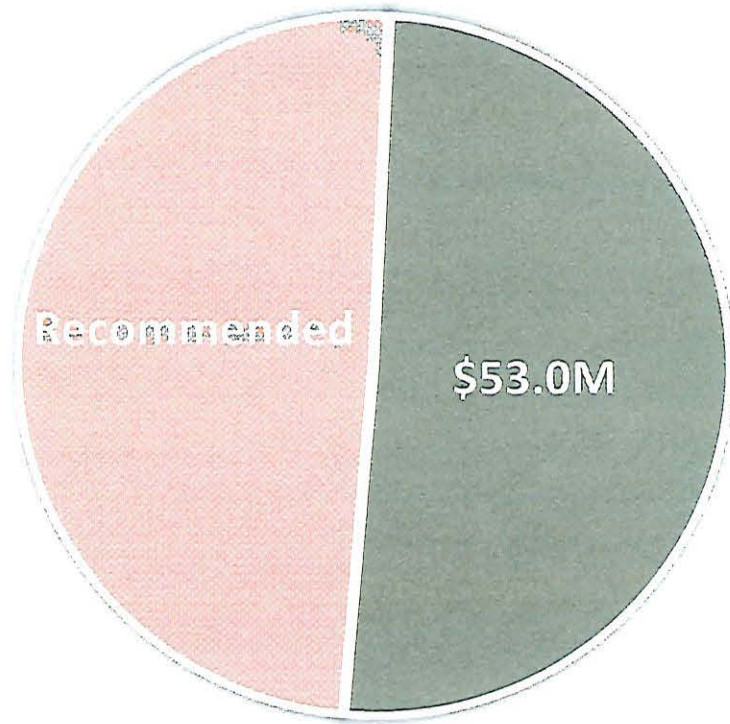
<b>General Fund</b>	<b>\$2.6M</b>
<b>Capital Facilities Fund</b>	<b>\$19.3M</b>
<b>Development Impact Fee Fund</b>	<b>\$15.5M</b>
<b>Grants Fund</b>	<b>\$199K</b>
<b>Leased Properties Fund</b>	<b>\$135K</b>
<b>Special Projects Fund</b>	<b>\$14.0M</b>







# UNFUNDED PROJECTS



**Projects Not Recommended: 27**  
**Unfunded Need: \$53.0M**

**Apparatus & Equipment Replacement \$22.7M**

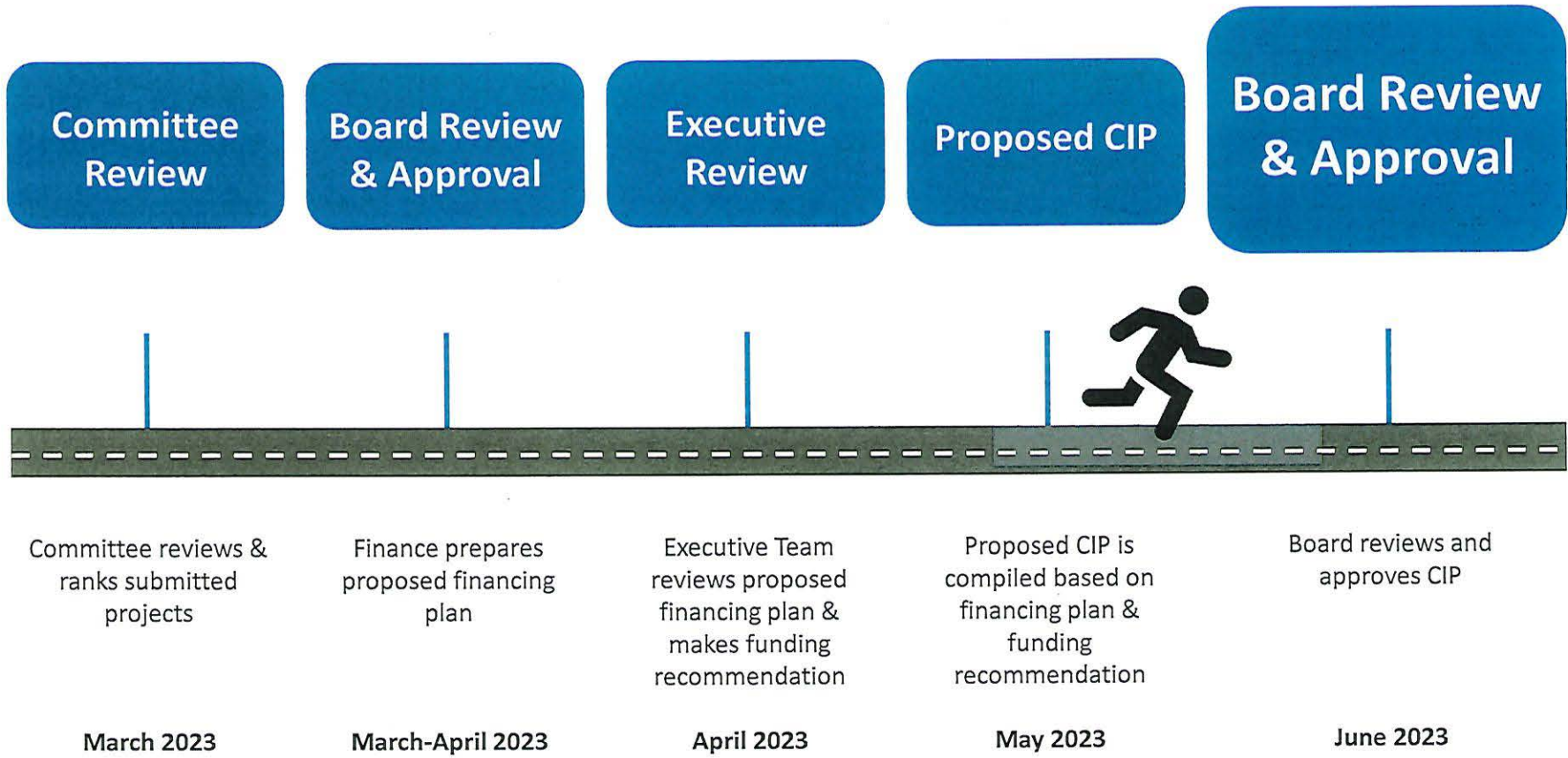
**Facilities Repair & Replacement \$16.6M**

**New Construction \$12.0M**

**Personal Protective Equipment \$1.7M**



# NEXT STEPS





**QUESTIONS?**





# FY 2024/25 PRELIMINARY BUDGET

*- May 23, 2024 -*

**Presented by:**  
**Dave O'Toole**  
**Chief Financial Officer**



## **BUDGET BRIEFING AGENDA**

- 1. Fiscal Year 2024/25 Preliminary Budget Overview**
- 2. General Fund Revenues**
- 3. General Fund Expenditures**
- 4. Long-Term Forecast (FY 2024/25 – FY 2028/29)**
- 5. Capital Improvement Program Financing**
- 6. Recommendation & Questions**





## PRELIMINARY BUDGET OVERVIEW

<b>FY 2024/25 Preliminary Budget</b>		
	<i>General Fund</i>	<i>All Funds</i>
Revenues	280,811,108	322,106,767
Expenditures	304,464,175	373,852,383
Net Transfers	16,871,568	17,369,542
<b>Change in Fund Balance</b>	<b>\$ (6,781,499)</b>	<b>\$ (34,376,074)</b>
<i>Projected General Fund Reserve Transfers</i>	<i>\$ 6,781,499</i>	<i>\$ (27,594,575)</i>

Projected General Fund reserve balance on June 30, 2025:  
**\$34.7 million (11.3%)**



## PRELIMINARY BUDGET OVERVIEW: ALL FUNDS

### FY 2024/25 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
<b>Beginning Fund Balance, July 1, 2023</b>	\$ 41,511,914	\$ 5,451,079	\$ 1,477,671	\$ -	\$ 9,570,042	\$ -	\$ 13,831,877	\$ 71,842,583
Revenues	280,811,108	-	1,190,694	1,998,168	3,000,000	34,846,797	260,000	322,106,767
Expenditures	304,464,175	25,261,471	782,994	2,002,304	15,241,918	12,007,644	14,091,877	373,852,383
Other Financing Sources (Net Fund Transfers In & Out)	16,871,568	20,661,115	-	4,136	2,671,876	(22,839,153)	-	17,369,542
Change in Fund Balance	(6,781,499)	(4,600,356)	407,700	-	(9,570,042)	-	(13,831,877)	(34,376,074)
<b>Ending Fund Balance, June 30, 2024</b>	<b>\$ 34,730,415</b>	<b>\$ 850,723</b>	<b>\$ 1,885,371</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,466,509</b>
<i>Not shown: Pension Obligation Bond Fund Revenue</i>								





## PRELIMINARY BUDGET – GENERAL FUND REVENUES

- **Projected General Fund Revenue of \$280.8 million, a \$8.6 million increase from FY 2023/24 Midyear Budget, including:**
  - Property taxes: \$210.4 million, a \$7.5 million increase
  - Charges for services: \$65.4 million, a \$2.8 million increase, including:
    - EMS (Medic) fees: \$49.7 million, a \$2.3 million increase
    - CRRD fees: \$4.8 million, an \$860,000 increase
  - Offsetting revenues are lower deployment revenues (\$950,000 decrease) and GEMT admin revenues (\$1.6 million)
- **Net IGT revenue transferred to General Fund: \$22.8 million, a \$177,000 reduction from FY 2023/24**



## PRELIMINARY BUDGET – GENERAL FUND REVENUES

### IGT Fund 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.
- FY 2024/25 revenues of \$14.8 million, IGT transfer of \$5.8 million to DHCS, ***Net income \$9.0 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).
- FY 2023/24 revenues of \$20 million, IGT transfer of \$6.2 million to DHCS, ***Net income \$13.8 million.***





## PRELIMINARY BUDGET – GENERAL FUND EXPENDITURES

- Projected General Fund expenditures of \$304.4 million, a \$17.2 million (6.0%) increase from FY 2023/24
- Labor Budget (compensation and benefits): **\$257.8 million**, \$15.7 million (6.5%) higher than FY 2023/24
  - Labor costs will be 84.9% of General Fund revenues and net IGT transfers in
- Services and Supplies Cost: **\$42.3 million**, \$850,000 (2.0%) higher than FY 2023/24



## GENERAL FUND EXPENDITURES: LABOR

- **Total Compensation: \$143.9 million**, \$9.8 million (7.3%) more than FY 2023/24. Includes:
  - Wages \$8.8 million (11.4%) higher
  - Constant staffing (overtime) \$428,000 (-1.6%) lower
  - Incentive pays for EMT, paramedic, education, haz-mat, and longevity \$551,000 (4.5%) higher
  - Employee behavioral wellness incentive \$2.9 million continues
- **Total Benefits: \$113.9 million**, \$5.9 million (5.4%) more than FY 2023/24. Includes:
  - Increased CalPERS pension contributions (Safety and Misc.) of \$7.5 million (14.1%)
  - Increased employee medical costs of \$1.6 million (9.8%)
  - Decreased workers compensation costs of \$2.0 million (-32.5%)
  - Deferment of plan to establish a Section 115 pension trust, saving \$1 million





## GENERAL FUND EXPENDITURES: SERVICES & SUPPLIES

- **Service and Supplies budget totals \$42.3 million. Increases include:**
  - \$629,000 decrease for liability and property insurance premiums
  - \$339,000 increase in fire equipment servicing
  - \$418,000 increase in Dispatch services, mainly related to a new contract for Dispatch employees.
  - \$606,000 decrease in medical equipment servicing, mainly related to the prior year replacement of gurneys and power loader
  - \$335,000 decrease in communication equipment supplies



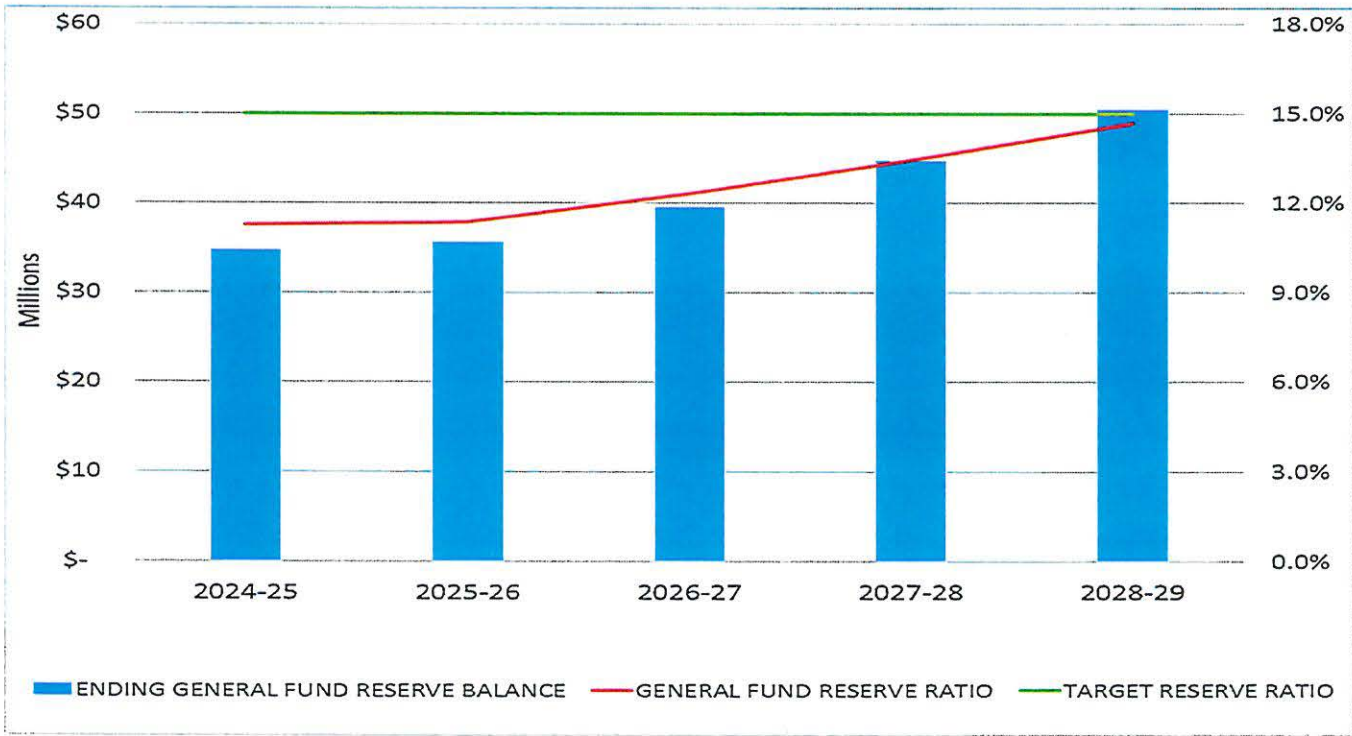
## CAPITAL OUTLAY SUMMARY

- **Total spending of \$51.1 million, including \$25.3 million committed from the Capital Facilities Fund.**
- Major capital outlay projects funded using capital facilities funds include:
  - Ladder truck replacement, \$1.7 million
  - Four new ambulance replacements, \$1.2 million
  - Five Type I engine replacements: \$5.4 million
  - Four Type III engine replacements: 2.2 million
  - Technology storage appliance replacements, \$415,000
- Major capital outlay facilities projects funded with other funds:
  - Grant Line 220 Land Acquisition: \$2.4 million Development Impact Fees Fund
  - Vineyard Springs Station Build: \$10.0 million Development Impact Fees Fund
  - Zinfandel Training Center: \$16.8 million Special Projects Fund





# FORECAST: General Fund Reserves & Property Tax Growth



Property Tax Growth, FY 2024/25 - FY 2028/29					
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Property Tax (\$)	\$ 210,359,783	\$ 218,634,167	\$ 227,415,381	\$ 236,198,499	\$ 245,281,457
Percent Change (Year over Year)	3.7%	3.9%	4.0%	3.9%	3.8%



## CAPITAL IMPROVEMENT PROGRAM: FINANCING PLAN

- Funding for the Preliminary Budget CIP Plan includes \$51.1 million for 28 projects: 18 new projects (\$12.9 million) and 10 carryover projects (\$38.2 million).
- Funding components of FY 2024/25 CIP Financing Plan:
  - Capital Facilities Fund, \$19.3 million (37 percent of total)
  - Development Impact Fee Fund, \$15.5 million (30 percent)
  - Special Projects Fund, \$14.1 million (27 percent)
  - General Fund, \$2.6 million (5 percent)
  - Grants Fund, \$200,000 (<1 percent)
  - Leased Properties fund, \$135,000 (<1 percent)





## PRELIMINARY BUDGET SUMMARY

- District's budget is balanced by anticipated reserve transfer, reducing General Fund reserve by \$6.8 million.
- Preliminary Budget decreases forecasted General Fund reserve from 13.4 percent in FY 2023/24 Midyear Budget to 11.3 percent.
- Revenue growth, including net transfers, is budgeted 3.5 percent higher than prior year.
- Expenditure growth is budgeted 6.0 percent higher than prior year.
- PPGEMT and VRRP add a net \$22.8 million to the District's budget.
- Five-year forecast shows reserve borrowing likely one-time and gradual property tax growth will lead to steady increase in General Fund reserve—subject to property tax trends and labor cost commitments.



## FY 2024/25 PRELIMINARY BUDGET

# *Questions and Comments*

Dave O'Toole

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