



Fiscal Year 2026/27 Preliminary Budget
Finance Committee Review

Special Finance Committee Meeting June 3, 2026

Fiscal Year 2026/27
FINAL BUDGET COMPONENTS

FY 2026/27 FINAL BUDGET DEVELOPMENT FRAMEWORK

Following the adoption of the Preliminary Budget, District staff will continue evaluating financial assumptions, organizational priorities, strategic initiatives, capital needs, reserve funding strategies, and long-term financial sustainability considerations. The following activities will be completed and, as appropriate, incorporated into the Final Budget presented to the Board of Directors.

Budget Area	Review Item	Responsible Party	Expected Outcome	Final Budget Consideration
Revenue Review	Property Tax Revenue Forecasts	Administrative Division	Updated revenue assumptions	Revenue projections
Revenue Review	Benefit Assessment Revenue Forecasts	Administrative Division	Refined assessment estimates	Revenue projections
Revenue Review	CFD Revenues	Administrative Division	Updated CFD forecasts	Revenue projections
Revenue Review	AMR Contract Revenue	Administrative Division	Contract revenue validation	Revenue projections
Revenue Review	Interest Earnings	Administrative Division	Updated investment income estimates	Revenue projections
Expenditure Review	Salary & Benefit Projections	Administrative Division	Updated personnel cost estimates	Operating budget
Expenditure Review	Overtime Trends	Executive Staff	Projected overtime requirements	Operating budget
Expenditure Review	Workers' Compensation Costs	Administrative Division	Updated claims assumptions	Operating budget
Expenditure Review	Liability Insurance Costs	Administrative Division	Updated premium estimates	Operating budget
Expenditure Review	Inflationary Impacts	Administrative Division	Adjusted expenditure assumptions	Operating budget
Strategic Planning	District Goals & Objectives	Executive Staff	Alignment of resources with priorities	Strategic initiatives
Strategic Planning	Service Level Evaluation	Executive Staff	Assessment of service demands	Strategic initiatives
Strategic Planning	Community Expectations	Executive Staff	Identification of community priorities	Strategic initiatives
Strategic Planning	Strategic Initiative Development	Executive Staff	Recommended future initiatives	Strategic initiatives
CalPERS & Long-Term Planning	CalPERS Contribution Projections	Administrative Division	Updated retirement cost forecasts	Financial planning
CalPERS & Long-Term Planning	UAL Forecasts	Administrative Division	Long-term liability analysis	Financial planning

Budget Area	Review Item	Responsible Party	Expected Outcome	Final Budget Consideration
CalPERS & Long-Term Planning	ADP Analysis	Administrative Division	Evaluation of discretionary payments	Financial planning
CalPERS & Long-Term Planning	Multi-Year Financial Forecast	Administrative Division	Long-term fiscal outlook	Financial planning
Capital & Asset Management	Apparatus Replacement Schedule	Executive Staff	Prioritized replacement schedule	Capital plan
Capital & Asset Management	Capital Equipment Forecasting	Program Leads	Equipment lifecycle planning	Capital plan
Capital & Asset Management	Facilities Improvement Planning	Executive Staff	Facility project prioritization	Capital plan
Capital & Asset Management	Technology Replacement Planning	Administrative Division	Technology lifecycle planning	Capital plan
Program Lead Requests	Operational Needs	Program Leads	Identification of operational priorities	Budget requests
Program Lead Requests	Staffing Requests	Program Leads	Workforce planning recommendations	Budget requests
Program Lead Requests	Equipment Requests	Program Leads	Equipment needs assessment	Budget requests
Program Lead Requests	Training Requirements	Program Leads	Training and development priorities	Budget requests
Program Lead Requests	Grant Opportunities	Program Leads	Potential external funding sources	Budget requests
Reserve Fund Planning	Apparatus Replacement Fund	Administrative Division	Funding adequacy review	Reserve strategy
Reserve Fund Planning	Capital Equipment Fund	Administrative Division	Funding adequacy review	Reserve strategy
Reserve Fund Planning	Facilities Replacement Fund	Administrative Division	Funding adequacy review	Reserve strategy
Reserve Fund Planning	Contingency Reserve	Administrative Division	Reserve sustainability review	Reserve strategy
Reserve Fund Planning	Reserve Funding Strategies	Administrative Division	Long-term reserve recommendations	Reserve strategy

Final Budget Development Calendar

Timeline	Activity	Expected Outcome
June	Preliminary Budget Review	Finance Committee Review
June	Preliminary Budget Adoption	Board adoption of Preliminary Budget
June – August	Strategic Plan	Finalize Strategic Plan with budget assumptions
July	Revenue and Expenditure Review	Updated financial assumptions
July	Program Lead Budget Requests	Submission of operational and capital requests
July - August	Strategic Plan Development	Identification of organizational priorities
August	CalPERS and Long-Term Financial Review	Updated pension and liability projections
August	Capital and Reserve Planning Review	Updated capital and reserve strategies
August	Executive Staff Review	Prioritization of budget requests
July - August	Final Budget Preparation	Incorporation of updated information to the Finance Committee
July - August	Budget Workshop(s)	Board review and discussion
September	Final Budget Adoption	Adoption of Final Budget

The Board of Directors Policy Manual, Section 817—Comprehensive Budget/Balanced Budget, outlines a complete list of items required for inclusion in the final budget.

Fiscal Year 2026/27

**FINAL BUDGET CONSIDERATIONS &
REQUEST SUBMITTAL PROCESS**

Program Leads and Division Heads may submit requests for consideration during development of the Final Budget. Requests should clearly identify the problem being addressed, the desired outcome, and the benefit to the District. The objective of this process is to ensure budget requests are solution-oriented, strategically aligned, and supported by measurable needs.

Submission Requirement	Guiding Question	District Purpose	Required Information	Executive Review Consideration
Problem Statement	What problem are you trying to solve?	Identify the challenge.	Issue, data, operational impact.	Is the problem clearly defined?
Service Impact	How does this improve service delivery?	Evaluate benefit.	Expected outcome and service improvement.	Will service levels improve?
Risk Reduction	What risk does this reduce?	Assess risk mitigation.	Safety, liability, compliance impacts.	Does it reduce risk?
Strategic Alignment	Which goal does this support?	Connect to priorities.	Strategic goal or objective.	Does it align with District priorities?
Operational Efficiency	How does this improve efficiency?	Evaluate productivity gains.	Time savings or process improvements.	Will resources be used more effectively?
Financial Impact	What is the cost?	Determine affordability.	One-time and ongoing costs.	Is the cost sustainable?
Alternatives Considered	What other options were evaluated?	Ensure due diligence.	Alternative solutions.	Is this the best option?
Consequence of Deferral	What happens if it is not funded?	Assess urgency.	Operational impact of delay.	Can the request be deferred?
Funding Opportunities	Are grants available?	Identify offsets.	Alternative funding sources.	Can outside funding be utilized?
Implementation Timeline	When is it needed?	Support planning.	Timeline and milestones.	Can implementation be phased?

FINAL BUDGET REQUEST CATEGORIES

Category	Examples	Expected Outcome	Priority Considerations
Staffing	New positions, reclassifications	Improved service capacity	Service demand, succession planning
Equipment	Replacement or new equipment	Improved readiness	Safety and lifecycle needs
Technology	Software, hardware, cybersecurity	Efficiency and modernization	ROI and integration
Training	Certifications and leadership development	Workforce development	Compliance and operational need
Facilities	Repairs and capital improvements	Infrastructure sustainability	Risk and deferred maintenance
Strategic Initiatives	Programs and service enhancements	Advancement of goals	Strategic plan alignment

EXECUTIVE STAFF REVIEW FRAMEWORK

Requests will be reviewed and prioritized based upon organizational need, strategic alignment, risk reduction, service impacts, operational efficiencies, financial sustainability, available funding, and implementation timing. Recommendations may be incorporated into the Final Budget and presented to the Board of Directors for consideration.

Fiscal Year 2026/27
BUDGET WORKSHOPS &
PERSONNEL ENGAGEMENT

Collaborative Budget Planning Approach

BUDGET WORKSHOPS & STAFF ENGAGEMENT

San Miguel Fire & Rescue remains committed to a collaborative budget development process that engages personnel throughout the organization in discussions regarding operational needs, financial planning, capital investments, strategic priorities, and long-term sustainability.

Current Status

Budget workshops have been temporarily placed on hold while the District focuses on completion of the Master Plan and Strategic Plan processes. These efforts are intended to establish the District's long-term vision, service delivery objectives, organizational priorities, and future direction. The information and recommendations generated through these planning efforts will help guide future budget development and resource allocation decisions.

Future Budget Workshop Program

Workshop Topic	Purpose	Expected Outcome	Timing
Program Lead Requests	Discuss operational needs and enhancement requests	Recommendations for Executive Staff review	Annual
Budget Development Review	Review revenue and expenditure assumptions	Refined budget recommendations	Annual

Workshop Objectives

Objective	Description	Desired Outcome
Financial Transparency	Increase understanding of District finances	Improved organizational awareness
Personnel Engagement	Encourage participation in budget discussions	Broader operational input
Strategic Alignment	Align resources with organizational priorities	Improved resource allocation
Long-Term Planning	Focus on sustainability and future needs	Enhanced fiscal stability
Cross-Divisional Collaboration	Promote communication across divisions	Improved coordination

Next Steps

Following the adoption of the Strategic Plan, the Executive Staff will evaluate the timing, structure, and frequency of future budget workshops. Recommendations and feedback generated through the workshop process will continue to inform budget development, strategic initiatives, capital planning, reserve funding strategies, and long-term financial planning efforts.

FISCAL YEAR 2026/27
ECONOMIC, LEGISLATIVE & FINANCIAL
PLANNING CONSIDERATIONS

ECONOMIC, LEGISLATIVE & FINANCIAL PLANNING CONSIDERATIONS

The District continues to monitor economic conditions, legislative developments, pension obligations, labor market trends, and operational factors that may influence future financial planning, budget development, and service delivery decisions.

ECONOMIC OUTLOOK

Topic	FY 2026/27 Considerations	Potential Budget Impact
Inflation	Inflation has moderated but continues to impact construction, healthcare, apparatus, equipment, technology, and contracted services.	Increased operating and capital expenditures.
Interest Rates	Future Federal Reserve rate adjustments may impact investment earnings.	Potential reduction in interest revenue projections.
Property Tax Growth	Assessed valuation trends and local development activity continue to influence revenue forecasts.	Impacts long-term revenue assumptions.
Labor Market Conditions	Competition for qualified public safety personnel remains strong throughout California.	Recruitment, retention, and compensation pressures.
Construction Costs	Construction and facility improvement costs remain elevated.	Increased capital project costs.

FIRE SERVICE INDUSTRY TRENDS

Topic	FY 2026/27 Considerations	Potential Budget Impact
Apparatus Procurement	Apparatus lead times remain longer than historical norms.	Earlier planning and funding commitments may be required.
Equipment Costs	PPE, SCBA, hose, medical supplies, and specialty equipment continue to increase in cost.	Increased replacement and reserve funding needs.
Technology Investments	Ongoing investments in technology and improvements are being reviewed.	Increased technology expenditures.
Facility Planning	Long-term facility maintenance and improvement needs continue to grow.	Future capital improvement requirements.

LEGISLATIVE & REGULATORY ENVIRONMENT

Topic	FY 2026/27 Considerations	Potential Budget Impact
Labor & Employment Regulations	Continued changes to employment, leave administration, and workplace compliance requirements.	Additional administrative and compliance costs.
Transparency & Reporting Requirements	Increased reporting and public transparency obligations for local agencies.	Additional staff time and compliance resources.
Prevailing Wage & Public Works Compliance	Ongoing changes affecting public works administration and project delivery.	Increased project administration costs.
Grant Funding Programs	Federal and State grant opportunities continue to support equipment, training, workforce development, and capital projects.	Potential supplemental funding opportunities.

CALPERS & LONG-TERM LIABILITY MANAGEMENT

Topic	FY 2026/27 Considerations	Potential Budget Impact
Employer Contribution Rates	Retirement costs remain one of the District's largest long-term financial obligations.	Increased personnel expenditures.
Unfunded Accrued Liability (UAL)	Continued focus on managing long-term pension liabilities.	Long-term funding commitments.
Additional Discretionary Payments (ADPs)	Evaluation of opportunities to reduce future pension costs through discretionary payments.	Potential long-term savings.
Investment Performance	Future investment returns may impact employer contribution requirements.	Potential changes in future pension costs.
Actuarial Assumptions	Future changes in assumptions may affect projected liabilities and contribution rates.	Impacts long-range financial forecasts.

FINANCIAL SUSTAINABILITY STRATEGIES

Strategy	Focus Area	Expected Outcome
Multi-Year Financial Forecasting	Revenue and expenditure planning	Improved long-term decision making
Reserve Fund Planning	Capital and operational sustainability	Preservation of financial flexibility
Capital Improvement Planning	Facilities, apparatus, equipment, and technology	Proactive asset management
Revenue Diversification	Grants and alternative funding opportunities	Reduced reliance on a single revenue source
Pension Funding Strategies	Long-term liability management	Improved financial sustainability
Operational Efficiency Reviews	Service delivery and resource utilization	Enhanced organizational effectiveness

CALPERS & LONG-TERM LIABILITY MANAGEMENT

Item	Current Status	Budget Consideration
FY 2025/26 Investment Return	CalPERS has not yet released a preliminary investment return for FY 2025/26. The fiscal year closes June 30, 2026 and preliminary results are typically announced in July.	Updated actuarial projections will not be available until investment results are released.
Funded Status	CalPERS reported an estimated funded status of approximately 84% as of December 31, 2025.	Improved funding levels support long-term pension sustainability but do not eliminate future pension obligations.
Employer Contributions	Future employer contribution requirements remain dependent upon investment performance, demographic experience, actuarial assumptions, and future Board actions.	Pension costs remain one of the District's largest long-term financial obligations.
Pension Funding Strategies	The District will continue evaluating Additional Discretionary Payments (ADPs), pension stabilization strategies, and long-range funding approaches.	Supports long-term financial sustainability and liability management.

CALIFORNIA STATE BUDGET OUTLOOK

Item	Current Status	Budget Consideration
FY 2026/27 State Budget	Governor Newsom's May Revision proposes eliminating the State's structural deficit through July 2028 while maintaining reserves and core government services.	Improved State fiscal conditions may support future public safety and grant funding opportunities.
Revenue Growth	State revenues have exceeded earlier projections, driven largely by stock market performance and technology-sector growth.	Revenue growth has strengthened the State's near-term fiscal outlook but remains dependent on economic conditions.
Long-Term Outlook	While the Administration projects a balanced budget, long-term fiscal pressures remain beyond the current budget window.	Future funding opportunities and State programs should continue to be monitored.

INVESTMENT EARNINGS & INTEREST RATE ENVIRONMENT

Item	Current Status	Budget Consideration
California CLASS Yields	California CLASS Prime continues to generate yields above historical norms due to the current interest rate environment.	Investment earnings remain an important source of revenue for the District.
Interest Rate Environment	Interest rates remain significantly higher than pre-pandemic levels, supporting strong short-term investment earnings.	Supports current revenue projections for interest earnings.
Future Rate Outlook	Future Federal Reserve actions may result in lower short-term rates over the next several years.	Investment revenue projections should remain conservative in multi-year forecasts.
Cash Management	Maintaining liquidity while maximizing investment earnings remains a key component of the District's financial strategy.	Supports reserve funding and long-term financial sustainability.

CALPERS PENSION FUNDING, INVESTMENT STRATEGY & LONG-TERM FINANCIAL OUTLOOK

The District participates in the California Public Employees' Retirement System (CalPERS) for both Safety and Miscellaneous employees. The annual actuarial valuation serves as the basis for determining future employer contribution requirements and evaluating the long-term financial health of the District's pension plans.

UNDERSTANDING THE CALPERS VALUATION REPORT

CalPERS prepares an annual actuarial valuation using financial and demographic data as of June 30, 2024. The valuation establishes employer contribution requirements for Fiscal Year 2026–27 and incorporates assumptions regarding investment returns, salary growth, retirement behavior, mortality, inflation, and workforce demographics.

HOW PENSION FUNDING WORKS

The District's annual pension contribution consists of two primary components: Normal Cost and Unfunded Accrued Liability (UAL). The Normal Cost represents benefits earned by active employees during the current year, while the UAL represents pension obligations earned in prior years that are not yet fully funded.

SAFETY PLAN FUNDED STATUS

Based on the June 30, 2024 actuarial valuation, the Safety Plan reports approximately \$160.3 million in liabilities, \$135.9 million in assets, an unfunded accrued liability of approximately \$24.4 million, and a funded ratio of 84.8 percent. The District continues to maintain a funded status above many California public agencies while recognizing pension obligations remain one of the District's most significant long-term financial commitments.

FISCAL YEAR 2026–27 CONTRIBUTION REQUIREMENTS

For Fiscal Year 2026–27, the District's Safety Plan employer normal cost rate is approximately 26.37% for Classic members and 14.86% for PEPRA members. The required UAL contribution is approximately \$2.11 million. Future UAL payments are projected to exceed \$2.1 million annually and remain a significant budget consideration.

WHY INVESTMENT PERFORMANCE MATTERS

CalPERS assumes long-term investment returns of 6.8 percent. Investment performance directly impacts future pension costs. Returns above assumptions generally improve funded status and reduce future liabilities, while returns below assumptions can increase employer contribution requirements.

DISTRICT INVESTMENT STRATEGY

The District currently utilizes the California Cooperative Liquid Assets Securities System (CLASS) as its primary investment vehicle. Investment objectives continue to prioritize safety, liquidity, and yield while maintaining sufficient cash flow to support operations, reserve funding, capital replacement programs, and pension obligations.

INVESTMENT DIVERSIFICATION DISCUSSION

As part of the Final Budget process, staff will evaluate opportunities to diversify the District's investment portfolio while maintaining compliance with California Government Code requirements and the District's Investment Policy. Future discussions may include additional investment vehicles, reserve allocation strategies, liquidity management enhancements, and risk-adjusted return opportunities.

LONG-TERM FINANCIAL STRATEGIES

The District continues to evaluate pension stabilization funding, reserve adequacy, capital replacement planning, debt management, investment diversification, and multi-year financial forecasting. These discussions are intended to strengthen fiscal sustainability while maintaining operational readiness and protecting future service levels.

NEXT STEPS FOR FINAL BUDGET

Staff will continue reviewing updated CalPERS information, year-end investment performance, reserve balances, and cash flow projections following completion of Fiscal Year 2025–26 financial closeout activities. Recommendations related to pension stabilization, investment diversification, and long-term financial planning will be incorporated into the Final Budget presentation.

**FISCAL YEAR 2026/27
FINANCIAL RATIOS &
REVENUE ASSUMPTIONS/ BUDGETING**

To promote fiscal transparency and support responsible governance, the final Fiscal Year 2026–27 budget will include a set of key financial ratios. These ratios provide the Board of Directors, District staff, and community members with clear, measurable insights into the financial condition and operational efficiency of San Miguel Fire & Rescue. Including these indicators improves understanding of the District’s budget structure and supports informed decision-making. The Net Investment Yield Ratio and related indicators will be included in the final budget to evaluate the effectiveness of the District’s investment strategy in relation to actual financial benefit. These ratios will demonstrate how much investment income is realized after accounting for related expenses, and how investment earnings contribute to funding District operations.

Operating Margin Ratio

Formula: $(\text{Total Revenues} - \text{Total Expenses}) \div \text{Total Revenues}$

This ratio reflects the District’s ability to generate a surplus from its regular operations. A positive result indicates financial stability and the capacity to reinvest in facilities, equipment, and services.

Salary & Benefits as a Percentage of Total Expenses

Formula: $\text{Total Salaries \& Benefits} \div \text{Total Expenses}$

This shows the proportion of the budget dedicated to personnel costs. It helps evaluate whether staffing levels and compensation remain financially sustainable.

Reserve Fund Usage Ratio

Formula: $\text{Reserve Expenditures} \div \text{Total Reserve Revenues}$

This ratio helps assess how much of the District’s reserves are used in the fiscal year and whether reserve spending aligns with long-term priorities.

Revenue Growth Rate

Formula: $(\text{Current Year Revenues} - \text{Prior Year Revenues}) \div \text{Prior Year Revenues}$

This indicates the pace of revenue growth and whether income keeps up with rising operational demands and service costs.

Overtime as a Percentage of Base Salaries

Formula: $\text{Overtime Costs} \div \text{Regular Salaries}$

This ratio highlights the District’s reliance on overtime to meet staffing needs and may inform decisions related to hiring, training, or staffing models.

Debt Service Coverage Ratio (Pension & Bonds)

Formula: $(\text{Revenues} - \text{Operating Expenses}) \div \text{Debt Payments}$

This measures the District’s capacity to meet required pension and bond payments, supporting long-term fiscal responsibility.

Benefit-Cost Ratio

Formula: $\text{Employee Benefits} \div \text{Employee Salaries}$

This reflects the total cost of employee benefits compared to base salaries, helping to evaluate total compensation and manage benefit programs.

REVENUES

Line 1 Property Taxes:

San Miguel Fire & Rescue participates in the Teeter Plan, a property tax distribution method used by San Diego County. Under this plan, the County advances the full amount of secured property taxes to participating agencies, ensuring more predictable revenue flow. However, it is important to note that not all tax types are eligible for the Teeter buyout. The following are excluded and therefore collected on a cash basis:

- Possessory interest taxes
- Mobile home taxes
- Failure-to-file penalties
- Certain supplemental taxes

This means revenue from these sources is only distributed when collected and may result in residual receivables after the standard apportionment schedule. Additionally, while most supplemental taxes are distributed through scheduled apportionments, only those with due dates on or before June 30 are included in the Teeter buyout. Others are carried forward and distributed in the subsequent fiscal year when collected.

Revenue for Homeowner Exemption (HOE) reimbursements is typically distributed during the latter part of the fiscal year.

All funds due under this category are generally paid out in full by the final apportionments of the year, with no remaining receivable balance expected thereafter. By the close of the fiscal year, nearly 100% of secured property taxes and HOE allocations are distributed, while supplemental and unsecured collections may carry minor balances forward. The District monitors these items to align revenue recognition and year-end accruals accordingly.

Line 2 Benefit Assessments Revenue:

The Preliminary Budget reflects revenue from Benefit Assessments based on the resolutions adopted at the Regular Board Meeting on May 14, 2025. These revenue projections are developed through careful analysis and are reviewed with the Board of Directors prior to any formal approval of Benefit Assessment increases.

Line 3 AMR Contract and Other Miscellaneous Revenue:

This line item includes various forms of income, such as plan check fees, inspection fees, reimbursements from the AMR contract, and other miscellaneous sources. These revenues support day-to-day operational functions and cost recovery efforts. Due to the roll-up of the miscellaneous revenue, there is a difference between what is received and what is budgeted. This includes OES reimbursements and grant monies received.

Line 4 Interest Income:

Interest income is primarily derived from the County Investment Pool and the California Cooperative Liquid Assets Securities System (CLASS). The District continues to take a conservative approach in projecting interest earnings. Finance staff are responsible for managing the District's investment portfolio in accordance with adopted financial policies and risk tolerance levels.

FISCAL YEAR 2026/27

EXPENSE BUDGET NARRATIVE & ASSUMPTIONS

San Miguel Fire & Rescue 2026/2027 Proposed Budget Summary

	2025-2026 FINAL Budget	2025-2026 Actual thru 12/31/25 (Unaudited)	2026-2027 PROPOSED Budget	Budget \$ increase/ decrease	Budget % increase/ decrease
Operating Revenues					
1 Property Taxes	\$ 28,438,318	\$ 12,209,870	\$ 30,005,298	\$ 1,566,980	5.51%
2 Benefit Assessments	3,200,258	756,249	3,306,613	106,355	3.32%
Total Operating Revenues	31,638,576	12,966,119	33,311,911	1,673,335	5.29%
Non-Operating Revenues					
3 Miscellaneous Revenue	40,400	43,670	-	(40,400)	-100.00%
4 Plan Check Fees	163,600	122,433	163,600	-	0.00%
5 Inspections	81,900	74,680	81,900	-	0.00%
6 Weed Abatement	85,900	4,248	-	(85,900)	-100.00%
7 Community Facilities District Fee		18,850	40,000	40,000	-100.00%
8 AMR Contract	915,025	450,850	942,500	27,475	3.00%
9 OES Admin Reimbursement		86,451		-	-100.00%
10 OES Personnel Reimbursement	-	389,321	-	-	-100.00%
11 Rent - Facilities	162,200	53,396	162,200	-	0.00%
12 Interest Income	10,200	81,618	10,200	-	0.00%
Total Non-Operating Revenues	1,459,225	1,325,516	1,400,400	(58,825)	-4.03%
Total Revenues	\$ 33,097,801	\$ 14,291,635	\$ 34,712,311	\$ 1,614,510	4.88%
Operating Expenses					
Salaries and Benefits Costs					
13 Director Fees	14,600	6,071	14,600	-	0.00%
14 Prior Directors Benefits	17,333	9,748	17,333	-	0.00%

San Miguel Fire & Rescue

2026/2027 Proposed Budget Summary

	2025-2026 FINAL Budget	2025-2026 Actual thru 12/31/25 (Unaudited)	2026-2027 PROPOSED Budget	Budget \$ increase/ decrease	Budget % increase/ decrease
15 Retiree Benefits	970,000	542,121	970,000	-	0.00%
16 Employee Salaries	11,829,600	5,440,787	12,676,400	846,800	7.16%
17 Employee Overtime	4,506,300	2,270,906	5,122,560	616,260	13.68%
18 Employee Benefits	3,612,418	1,665,858	3,778,822	166,404	4.61%
19 Financial Emergency Plan	397,973	-	428,422	30,449	7.65%
20 UAL - Pension Payment	2,054,362	2,054,362	2,510,493	456,131	22.20%
21 Pension Bond	1,616,817	808,461	1,806,024	189,207	11.70%
22 Pension Restructuring – Reserve	983,183	-	793,976	(189,207)	-19.24%
Total Salaries and Benefits Costs	\$ 26,002,586	\$ 12,798,314	\$ 28,118,630	\$ 2,116,044	8.14%
Services and Supplies					
23 Professional Services	1,989,500	1,299,294	2,058,990	69,490	3.49%
24 Special District Expense	178,950	378,092	289,681	110,731	61.88%
25 Maintenance	1,084,000	531,796	1,105,680	21,680	2.00%
26 Insurance	1,106,429	947,150	1,106,429	-	0.00%
27 Equipment	932,600	286,158	800,400	(132,200)	-14.18%
28 Utilities	502,400	206,065	512,448	10,048	2.00%
29 Supplies	95,600	59,710	97,512	1,912	2.00%
30 Personnel Development	117,350	31,117	119,697	2,347	2.00%
31 Rents and Leases	48,470	23,790	49,439	969	2.00%
Total Service and Supplies	\$ 6,055,299	\$ 3,763,172	\$ 6,140,276	\$ 84,977	1.40%

San Miguel **Fire & Rescue** 2026/2027 Proposed Budget Summary

	2025-2026 FINAL Budget	2025-2026 Actual thru 12/31/25 (Unaudited)	2026-2027 PROPOSED Budget	Budget \$ increase/ decrease	Budget % increase/ decrease
Total Expenses	\$ 32,057,885	\$ 16,561,486	\$ 34,258,906	\$ 2,201,021	6.87%
Net Income before				-	
Reserve Related Activities	<u>\$ 1,039,916</u>	<u>\$ (2,269,851)</u>	<u>\$ 453,405</u>	<u>\$ (586,511)</u>	-56.40%
Fire Mitigation Revenue	\$ -	\$ 79,057	\$ -	\$ -	N/A
Miscellaneous Reserve Revenue	-	71,048	-	-	N/A
Interest Reserve Revenue	-	560,436	-	-	N/A
Total Reserve Revenues	-	710,542	-	-	N/A
Total Reserve Expenditures	5,047,000	2,478,072	-	(5,047,000)	N/A
Increase (Decrease) in Fund Balance	<u><u>\$ (4,007,084)</u></u>	<u><u>\$ (4,037,381)</u></u>	<u><u>\$ 453,405</u></u>	<u><u>\$ 4,460,489</u></u>	

*Budget % increase/ decrease is budget \$ increase/decrease divided by prior year final budget

PURPOSE AND BUDGET DEVELOPMENT

The Fiscal Year 2026–27 Proposed Budget was developed using historical expenditure trends, approved salary schedules, contractual obligations, operational requirements, strategic priorities, and long-term financial planning assumptions. Several categories remain preliminary pending final insurance renewals, election cost estimates, health insurance rates, and other variable expenditures. Trend analysis is being finalized and will be brought before the Finance Committee for review as part of the ongoing final budget discussions.

LINES 1–30 | SALARIES AND BENEFITS

Includes Director Fees, Retiree Benefits, Employee Salaries, Overtime, Employee Benefits, Financial Emergency Plan contributions, CalPERS obligations, and Pension Restructuring expenditures. Budget assumptions are based on authorized staffing, approved salary schedules, CalPERS projections, and operational staffing requirements.

LINES 31–43 | OPERATIONS, FACILITIES, AND INSURANCE

Includes communications, equipment maintenance, facilities maintenance, fuel, fleet maintenance, housekeeping supplies, medical supplies, and insurance. Final insurance costs will be updated upon receipt of renewal information.

LINES 44–61 | EQUIPMENT, TRAINING, AND WELLNESS

Includes minor equipment, technology, software, office supplies, personnel development, wellness services, workforce recovery initiatives, Employee Assistance Program services, and physical fitness equipment.

LINES 63–74 | PROFESSIONAL SERVICES AND PROPERTY TAX COSTS

Includes dispatching services, legal counsel, consulting, grants and planning support, training consortium costs, administrative support services, property tax refunds, and property tax administration charges.

LINES 75–100 | DISTRICT SUPPORT COSTS

Includes publications, media, rents and leases, PPE, uniforms, permits, memberships, subscriptions, recruitment costs, Explorer Program expenditures, CERT support, community outreach, reserve firefighter support, and election costs once finalized.

LINES 101–113 | MEETING, TRAVEL, AND UTILITIES

Includes professional development, meeting expenses, communications services, cellular services, and utility costs for all District facilities. Utility projections will be refined prior to budget adoption.



San Miguel Fire & Rescue 2026/2027 Proposed Budget

Priority	Division	Program	Account Description	2024/2025	2025/2026	2026/2027	Increase/ (Decrease)	Percent	Comments/Justification
				FINAL Budget	FINAL Budget	PROPOSED Budget	Budget FY 26 vs Budget FY 27 Amount		
			Director Fees (5020)	15,800	15,800	15,800	-	0.0%	
1	1	Board of Directors	Board of Directors Meetings	14,600	14,600	14,600	-	0.0%	
2	1	Board of Directors	Board of Directors Medicare/Social Security	1,200	1,200	1,200	-	0.0%	
			Prior Director Benefits (5010)	16,133	16,133	16,133	-	0.0%	
3	1	Salaries and Benefits	Salaries and Benefits Past Directors - Health Insurance	16,133	16,133	16,133	-	0.0%	
			Retiree Benefits (5012)	1,057,127	970,000	970,000	-	-8.2%	
4	1	Salaries and Benefits	Salaries and Benefits Health Insurance - Retirees	1,057,127	970,000	970,000	-	-8.2%	
			Employee Salaries (5050)	10,228,800	11,829,600	12,676,400	846,800	23.9%	
5	1	Salaries and Benefits	Salaries and Benefits Base Salaries - Safety	9,141,400	10,576,300	11,445,300	869,000	25.2%	
6	1	Salaries and Benefits	Salaries and Benefits Base Salaries - Non-Safety	891,500	1,020,300	977,200	(43,100)	9.6%	
7	1	Salaries and Benefits	Salaries and Benefits Medicare (District Portion - 1.45%)	195,900	233,000	253,900	20,900	29.6%	
			Employee Overtime (5040)	3,413,900	4,506,300	5,122,560	616,260	50.1%	
8	1	Salaries and Benefits	Salaries and Benefits Suppression Overtime	2,526,300	3,527,600	3,833,872	306,272	51.8%	
9	1	Salaries and Benefits	Salaries and Benefits Squad Overtime			283,727	283,727	-100.0%	
10	1	Admin Support Services	Community Outreach Community Outreach Overtime	10,000	10,000	20,000	10,000	100.0%	
11	1	Salaries and Benefits	Salaries and Benefits FLSA	470,600	531,700	547,961	16,261	16.4%	
12	3	Fire Prevention	Prevention Prevention Overtime	7,000	7,000	7,000	-	0.0%	
13	5	Board of Directors	Board of Directors Administrative Overtime	-	-	-	-	-100.0%	
14	2	Operations	Ops Management Facilities Overtime	10,000	40,000	40,000	-	300.0%	
15	3	Operations	Training Program District Training (All)	390,000	390,000	390,000	-	0.0%	
			Employee Benefits (5031)	1,773,500	1,265,000	1,295,332	30,332	-27.0%	
16	1	Salaries and Benefits	Salaries and Benefits Health Insurance - Employees	1,773,500	1,265,000	1,295,332	30,332	-27.0%	
			Employee Benefits (5032)	1,929,700	2,231,100	2,347,300	116,200	21.6%	
17	1	Salaries and Benefits	Salaries and Benefits Retirement - Safety - Classic	1,021,000	1,158,100	1,156,800	(1,300)	13.3%	
18	1	Salaries and Benefits	Salaries and Benefits Retirement - Safety - PEPRA	802,100	951,900	1,072,900	121,000	33.8%	
19	1	Salaries and Benefits	Salaries and Benefits Retirement - Non-Safety - Classic	58,600	66,000	66,800	800	14.0%	
20	1	Salaries and Benefits	Salaries and Benefits Retirement - Non-Safety - PEPRA	48,000	55,100	50,800	(4,300)	5.8%	
			Employee Benefits (5033)	90,549	91,518	111,390	19,872	23.0%	
21	1	Salaries and Benefits	Salaries and Benefits Dental Insurance	90,549	91,518	111,390	19,872	23.0%	
			Employee Benefits (5036)	71,000	-	-	-	0.0%	
22	1	Salaries and Benefits	Salaries and Benefits Uniform Allowance	71,000	-	-	-	0.0%	
			Employee Benefits (5037)	10,400	10,400	10,400	-	0.0%	
23	1	Salaries and Benefits	Salaries and Benefits Vision Insurance	10,400	10,400	10,400	-	0.0%	
			Employee Benefits (5038)	6,000	6,000	6,000	-	0.0%	
24	1	Salaries and Benefits	Salaries and Benefits Paramedic Recertification	6,000	6,000	6,000	-	0.0%	
			Employee Benefits (5039)	-	-	-	-	0.0%	
25	1	Salaries and Benefits	Salaries and Benefits Unemployment Expense	-	-	-	-	0.0%	

San Miguel Fire & Rescue 2026/2027 Proposed Budget

Priority	Division	Program	Account Description	2024/2025	2025/2026	2026/2027	Increase/ (Decrease)	Percent	Comments/Justification	
				FINAL Budget	FINAL Budget	PROPOSED Budget	Budget FY 26 vs Budget FY 27 Amount			
26	2	Salaries and Benefits	Salaries and Benefits	Financial Emergency Plan (5201)	332,500	397,973	428,422	30,449	28.8%	
				Financial Emergency Plan	332,500	397,973	428,422	30,449	28.8%	
27	1	Salaries and Benefits	Salaries and Benefits	Pension Benefit Costs (5030)	1,666,461	2,062,762	2,518,893	456,131	51.2%	
				UAL Payment - CalPERS	1,658,061	2,054,362	2,510,493	456,131	51.4%	
28	1	Salaries and Benefits	Salaries and Benefits	Retirement - 1959 Survivor Benefit	8,400	8,400	8,400	-	0.0%	
29	1	Salaries and Benefits	Salaries and Benefits	Pension Bond - Reserve (5030)	2,600,000	2,600,000	2,600,000	-	0.0%	
				Pension Restructuring - LRB	1,439,600	1,616,817	1,806,024	189,207	25.5%	
30	1	Salaries and Benefits	Salaries and Benefits	Pension Restructuring – Reserve	1,160,400	983,183	793,976	(189,207)	-31.6%	
31	1	Operations	Ops Management	Communications (6010)	260,000	268,000	273,360	3,160	5.1%	
				RCS Backbone Maint. & Fees	150,000	158,000	161,160	3,160	7.4%	
				Radio Equip. and Maint.	80,000	80,000	81,600	1,600	2.0%	
32	2	Operations	Ops Management	Computer Service & Equip.	30,000	30,000	30,600	600	2.0%	
34	4	Admin Support Services	Admin Management	Equipment Maintenance (6020)	101,000	110,000	112,200	2,200	11.1%	
				Scanner/Plotter Maint.	1,000	-	-	-	-100.0%	
35	2	Operations	Ops Management	Fire Equipment Maint.	100,000	110,000	112,200	2,200	12.2%	
36	2	Health & Safety	Facilities Management	Facilities Maintenance (6030)	189,000	219,000	223,380	4,380	18.2%	
				Facilities Maintenance	180,000	210,000	214,200	4,200	19.0%	
37	3	Health & Safety	Facilities Management	Station Improvement Program	9,000	9,000	9,180	180	2.0%	
38	1	Operations	Fleet Management	Fuel (6031)	300,000	300,000	306,000	6,000	2.0%	
				Fuel	300,000	300,000	306,000	6,000	2.0%	
39	1	Operations	Fleet Management	Fleet Maintenance (6040)	445,000	445,000	453,900	8,900	2.0%	
				Fleet Maint./Repairs Costs	445,000	445,000	453,900	8,900	2.0%	
40	3	Health & Safety	Facilities Management	Housekeeping Supplies (6050)	35,000	35,000	35,700	700	2.0%	
				Cleaning/Household Supplies (all)	35,000	35,000	35,700	700	2.0%	
41	1	Operations	Ops Management	Medical Supplies (6070)	35,000	35,000	35,700	700	2.0%	
				Medical Supplies	35,000	35,000	35,700	700	2.0%	
42	1	Admin Support Services	Admin Management	Insurance (6060)	907,260	1,106,429	1,106,429	-	22.0%	
				FAIRA (Fire, Liability, Collision)	307,260	406,429	406,429	-	32.3%	
43	1	Admin Support Services	Admin Management	PASIS (Workers' Compensation)	600,000	700,000	700,000	-	16.7%	
44	3	Admin Support Services	Admin Management	Minor Equipment (6080)	410,000	402,000	410,040	8,040	0.0%	
				I.T. Equipment	10,000	10,000	10,200	200	2.0%	
				ERP Software	71,000	71,000	72,420	1,420	2.0%	
				Fire Prevention Software	22,000	25,000	25,500	500	15.9%	
				Inventory & Analytics Software	50,000	50,000	51,000	1,000	2.0%	
				Appliance Replacement	10,000	10,000	10,200	200	2.0%	
				Landscape Maint. Equipment	1,000	1,000	1,020	20	2.0%	

San Miguel Fire & Rescue 2026/2027 Proposed Budget

Priority	Division	Program	Account Description	2024/2025	2025/2026	2026/2027	Increase/ (Decrease)	Percent	Comments/Justification
				FINAL Budget	FINAL Budget	PROPOSED Budget	Budget FY 26 vs Budget FY 27 Amount		
50	3	Operations	Training Program	35,000	35,000	35,700	700	2.0%	
51	5	Operations	Explorer Program	1,000	1,000	1,020	20	2.0%	
52	2	Operations	Ops Management	210,000	199,000	202,980	3,980	-3.3%	
Physical Fitness (6083)				15,000	15,000	15,300	300	2.0%	
53	4	Health & Safety	Facilities Management	15,000	15,000	15,300	300	2.0%	
Office Supplies (6090)				20,600	25,600	26,112	512	26.8%	
54	3	Admin Support Services	Admin Management	20,600	25,600	26,112	512	26.8%	
Personnel Development (6100)				69,350	69,350	70,737	1,387	2.0%	
55	1	Operations	Training Program	35,000	35,000	35,700	700	2.0%	
56	4	Operations	Training Program	25,000	25,000	25,500	500	2.0%	
57	5	Operations	Explorer Program	2,800	2,800	2,856	56	2.0%	
58	3	Health & Safety	Peer/Chaplain Support	6,550	6,550	6,681	131	2.0%	
Wellness Services (6105)				149,000	181,000	184,620	3,620	23.9%	
59	2	Health & Safety	Ops Management	127,000	127,000	129,540	2,540	2.0%	
60	5	Health & Safety	Ops Management		29,000	29,580	580	-100.0%	
61	1	Health & Safety	Facilities Management	22,000	25,000	25,500	500	15.9%	
62	1	Health & Safety	Facilities Management	-	-	-	-	#REF!	
Professional Services (6110)				1,321,500	1,495,400	1,467,390	(28,010)	11.0%	
63	1	Operations	Ops Management	903,000	990,000	1,039,500	49,500	15.1%	
64	1	Operations	Ops Management	25,000	10,000	10,200	200	-59.2%	
65	1	Admin Support Services	Admin Management	75,000	75,000	76,500	1,500	2.0%	
66	1	Admin Support Services	Admin Management		51,000	52,020	1,020	-100.0%	
67	2	Admin Support Services	Admin Management	100,000	100,000	102,000	2,000	2.0%	
68	1	Admin Support Services	Admin Management	80,000	50,000	51,000	1,000	-36.3%	
69	1	Operations	Ops Management	40,000	40,000	40,800	800	2.0%	
70	2	Operations	Training Program	85,000	80,000	81,600	1,600	-4.0%	
71	2	Operations	Training Program	13,500	13,500	13,770	270	2.0%	
72	2	Admin Support Services	Admin Management	-	85,900		(85,900)	#REF!	
Property Tax Refunds (6115)				200,000	200,000	204,000	4,000	2.0%	
73	1	Admin Support Services	Admin Management	200,000	200,000	204,000	4,000	2.0%	
Property Tax Admin Cost (6116)				250,000	250,000	255,000	5,000	2.0%	
74	1	Admin Support Services	Admin Management	250,000	250,000	255,000	5,000	2.0%	
Publications and Media (6120)				25,400	25,400	25,908	508	2.0%	
75	3	Admin Support Services	Admin Management	12,600	12,600	12,852	252	2.0%	
76	1	Fire Prevention	Prevention	8,500	8,500	8,670	170	2.0%	
77	1	Operations	Ops Management	500	500	510	10	2.0%	
78	3	Operations	Training Program	3,800	3,800	3,876	76	2.0%	
Rents and Leases (6130)				46,190	48,470	49,439	969	7.0%	

**San Miguel Fire & Rescue
2026/2027 Proposed Budget**

Priority	Division	Program	Account Description	2024/2025	2025/2026	2026/2027	Increase/ (Decrease)	Percent	Comments/Justification	
				FINAL Budget	FINAL Budget	PROPOSED Budget	Budget FY 26 vs Budget FY 27 Amount			
79	1	Admin Support Services	Admin Management	Equipment Rents & Leases	8,600	9,000	9,180	180	6.7%	
80	1	Admin Support Services	Admin Management	Station 19 Lease of Property (Rent)	37,590	39,470	40,259	789	7.1%	
				Safety Clothing (6140)	167,500	161,700	101,700	(60,000)	-39.3%	
81	1	Operations	Ops Management	Structure/Brush PPE Expense	152,000	160,000	100,000	(60,000)	-34.2%	Turnouts at 25 employees per year
82	5	Health & Safety	Peer/Chaplain Support	Wildland Gear	1,700	1,700	1,700	-	0.0%	

San Miguel Fire & Rescue 2026/2027 Proposed Budget

Priority	Division	Program	Account Description	2024/2025	2025/2026	2026/2027	Increase/ (Decrease)	Percent	Comments/Justification
				FINAL Budget	FINAL Budget	PROPOSED Budget	Budget FY 26 vs Budget FY 27 Amount		
Uniforms (6145)				29,200	17,400	124,900	107,500	327.7%	
83	5	Admin Support Services	Admin Management	Non Safety Uniforms	14,000	500	3,000	2,500	-78.6%
84	5	Fire Prevention	Prevention	Uniform Expense	4,500	4,500	4,500	-	0.0%
85	5	Operations	Ops Management	Class "A" Uniform Expense	7,500	7,500	112,500	105,000	1400.0%
86	5	Operations	Reserve FF Program	Uniform Expense	-	-	-	-	-100.0%
87	5	Health & Safety	Peer/Chaplain Support	Uniform Expense (Polos)	14,000	1,900	1,900	-	-86.4%
88	5	Operations	Explorer Program	Uniform Expense	3,000	3,000	3,000	-	0.0%
District Support Costs (6150)				137,050	92,050	93,891	1,841	-31.5%	
89	1	Operations	Fleet Management	Permits (HazMat, Fuel, etc.)	10,000	10,000	10,200	200	2.0%
90	1	Board of Directors	Board of Directors	Election Costs (estimate)	40,000	-	-	-	-100.0%
91	2	Admin Support Services	Admin Management	Memberships and Subscriptions	20,000	15,000	15,300	300	-23.5%
92	2	Fire Prevention	Prevention	Software & Subscriptions	500	500	510	10	2.0%
93	1	Operations	Ops Management	Operations Supplies	10,000	10,000	10,200	200	2.0%
94	5	Operations	Training Program	Recruitment Materials/Supplies	5,000	5,000	5,100	100	2.0%
95	5	Operations	Training Program	Miscellaneous Expenses	10,050	10,050	10,251	201	2.0%
96	4	Operations	Reserve FF Program	Reserve FF Expenses	19,700	19,700	20,094	394	2.0%
97	4	Operations	Explorer Program	Explorer Fees & Expenses	1,800	1,800	1,836	36	2.0%
98	5	Health & Safety	Peer/Chaplain Support	Supplies & Misc Expenses	2,000	2,000	2,040	40	2.0%
99	4	Admin Support Services	Community Outreach	Program Development	16,000	16,000	16,320	320	2.0%
100	4	Operations	CERT	Support Costs	2,000	2,000	2,040	40	2.0%
Meeting & Travel Expenses (6160)				51,100	51,100	52,122	1,022	2.0%	
101	5	Admin Support Services	Admin Management	Administrative Meetings	1,000	1,000	1,020	20	2.0%
102	4	Fire Prevention	Prevention	Southern California FPO Meetings	100	100	102	2	2.0%
103	1	Admin Support Services	Admin Management	Professional Development	50,000	50,000	51,000	1,000	2.0%
Utilities (6170)				500,500	502,400	512,448	10,048	2.4%	
104	2	Admin Support Services	Admin Management	iPad & IT	7,400	7,400	7,548	148	2.0%
105	1	Operations	Ops Management	Cell Phone Service & Equip	248,100	250,000	255,000	5,000	2.8%
106	1	Health & Safety	Facilities Management	Utilities - Station 14	30,000	30,000	30,600	600	2.0%
107	1	Health & Safety	Facilities Management	Utilities - Station 15	60,000	60,000	61,200	1,200	2.0%
108	1	Health & Safety	Facilities Management	Utilities - Station 16	25,000	25,000	25,500	500	2.0%
109	1	Health & Safety	Facilities Management	Utilities - Station 18	50,000	50,000	51,000	1,000	2.0%
110	1	Health & Safety	Facilities Management	Utilities - Station 19	15,000	15,000	15,300	300	2.0%
111	1	Health & Safety	Facilities Management	Utilities - Station 21	15,000	15,000	15,300	300	2.0%
112	1	Health & Safety	Facilities Management	Utilities - Station 22	30,000	30,000	30,600	600	2.0%
113	1	Health & Safety	Facilities Management	Utilities - Station 23	20,000	20,000	20,400	400	2.0%
Total Budget Expense				\$ 28,876,520	\$ 32,057,885	\$ 40,138,966	\$ 8,081,081	39.0%	
Total Expense by Division									
Board of Directors				55,800	15,800	15,800	-	-71.7%	
Salaries and Benefits				22,779,070	25,539,786	27,645,830	2,106,043	21.4%	
Admin Support Services				1,892,050	2,185,899	2,132,160	(53,739)	12.7%	
Fire Prevention				42,600	45,600	46,282	682	8.6%	
Operations				3,438,750	3,552,650	3,686,393	133,743	7.2%	

**San Miguel Fire & Rescue
2026/2027 Proposed Budget**

Priority	Division	Program	Account Description	2024/2025	2025/2026	2026/2027	Increase/ (Decrease)	Percent	<i>Comments/Justification</i>
				FINAL Budget	FINAL Budget	PROPOSED Budget	Budget FY 26 vs Budget FY 27 Amount		
			<i>Health & Safety</i>	668,250	718,150	732,441	14,291	9.6%	
			Total Budget Expense by Division/Program	\$ 28,876,520	\$ 32,057,885	\$ 34,258,906	\$ 2,201,021	18.6%	

FISCAL YEAR 2026/27

PRELIMINARY RESERVE

FUND REQUESTS

Reserve Fund Strategy

The Fiscal Year 2026–27 Preliminary Budget includes only reserve fund requests that require immediate Board consideration. Additional reserve fund requests will be evaluated following completion of the Fiscal Year 2025–26 financial closeout process, cash flow analysis, reserve balance review, and final budget development. Staff will return to the Board of Directors with any additional recommendations as part of the Final Budget adoption process.

Reserve Fund	Project	Estimated Cost	Recommendation
Vehicle Replacement Fund	Acquisition of Two KME Type I Apparatus from Lakeside Fire Protection District	\$50,000	Approval Requested
Capital Equipment Fund	Personal Protective Equipment (PPE) Outfitting (Replacement)	\$100,000	Approval Requested

Vehicle Replacement Fund Request

Funding Request Title: Acquisition of Two KME Type I Apparatus from Lakeside Fire Protection District

Total Cost: \$25,000

This request supports the acquisition of two surplus KME Type I fire apparatus from the Lakeside Fire Protection District. The acquisition provides the District with a cost-effective opportunity to strengthen fleet readiness, expand reserve apparatus capacity, and support long-term apparatus replacement planning. Staff recommends approval of this request to preserve the opportunity to acquire these units while available.

Capital Equipment Fund Request

Funding Request Title: Personal Protective Equipment (PPE) Outfitting

Estimated Cost: \$100,000

This funding request supports the purchase of structural Personal Protective Equipment (PPE) necessary to outfit approximately seventy-five (75) District employees. The final cost estimate will be developed following completion of a PPE inventory review, employee assignment analysis, vendor pricing updates, and final budget development. Staff will provide the Board with a final funding recommendation during the Final Budget adoption process.

Future Reserve Fund Requests

The remaining reserve fund requests are currently under review and will be evaluated following completion of Fiscal Year 2025/26 financial closeout activities. Project prioritization, available cash flow, reserve balances, grant opportunities, and operational requirements will be assessed before any additional reserve requests are presented to the Board of Directors.

SAN MIGUEL FIRE & RESCUE

2026/27 Proposed Reserve Fund Expenditures

THESE EXPENDITURES ARE COMMITTED IN THE BUDGET & PURCHASED THROUGHOUT THE YEAR
THERE IS NO GUARANTEE THESE ITEMS WILL BE PROCURED

	2024/2025 FINAL Budget	2025/2026 FINAL Budget	2026/2027 PROPOSED Budget	<u>Comments/Justification</u>
Contingency Reserve Fund				
Enterprise Resource Planning System (ERP) Implementation	100,000	-	-	
Total Contingency Reserve Expenditures	\$ 100,000	\$ -	\$ -	
Uncompensated Leave Fund				
No Expenditures	-	-	-	No Expenditures
Total Uncompensated Leave Expenditures	\$ -	\$ -	\$ -	
Vehicle Replacement Fund				
Type 1 Engine Refurbishment Outfitting	-	50,000	-	New Request for FY 2025-26
Type 1 Engine Refurbishment (Request for Refurbishment #4)	-	600,000	-	New Request for FY 2025-26
Type 1 Engine Refurbishment (Request for Refurbishment #3)	450,000	-	-	FISCAL YEAR 2024-25
(2) KME Apparatus Purchase (Lakeside FPD)	-	-	25,000	New Request for FY 2026-27
Apparatus - Major Repairs	50,000	50,000	50,000	Reoccurring Request for Emergency Repairs
Total Vehicle Replacement Expenditures	\$ 500,000	\$ 700,000	\$ 75,000	
Capital Equipment Fund				
(3) Zoll X Series Advanced Cardiac Monitors	150,000	100,000	-	Per Replacement Cycle
Personal Protective Equipment (PPE)	110,000	125,000	100,000	Year 3 of a 3-Year Purchase Cycle
Self-Contained Breathing Apparatus (SCBA) Replacement	-	80,000	-	Per Replacement Cycle
Scanner/Printer	10,000	-	-	FISCAL YEAR 2024-25
CradlePoint Equipment	50,000	-	-	FISCAL YEAR 2024-25
Total Capital Equipment Expenditures	\$ 320,000	\$ 305,000	\$ 100,000	
Fixed Equipment Fund				
Extractor Machine (Station 22)	-	35,000	-	New Equipment Request
Fire Alarm System Installation (Stations 14, 15, & 22)	-	100,000	-	Replacement Need
Hot Water Heater Replacement (Stations 14 & 23)	-	60,000	-	Replacement Need
Fuel Tanks (Stations 14 & 22)	-	200,000	-	New Equipment Request
Fixed Equipment Fund (Continued)				
Overhead Door Replacement	22,000	22,000	22,000	Emergency Replacement (if needed)
Asphalt/Concrete Work	30,000	30,000	30,000	Emergency Replacement (if needed)
Total Fixed Equipment Expenditures	\$ 725,325	\$ 447,000	\$ 52,000	

SAN MIGUEL FIRE & RESCUE 2026/27 Proposed Reserve Fund Expenditures

**THESE EXPENDITURES ARE COMMITTED IN THE BUDGET & PURCHASED THROUGHOUT THE YEAR
THERE IS NO GUARANTEE THESE ITEMS WILL BE PROCURED**

Facilities Replacement/Renovation Fund

Station 21 Physical Fitness Room/Wall Repair	50,000	-	-	FISCAL YEAR 2024-25
Station 23 Bathrooms Remodel	100,000	125,000	-	Was Not Able to Complete Last Fiscal Year
District Facilities Security (all stations)	55,000	250,000	-	Station 16 & 23 Perimeter Fences
Shop Dedication Project	5,000	-	-	FISCAL YEAR 2024-25
HQ/Station 15 - Exterior Renovation/Landscaping	150,000	120,000	-	Was Not Able to Complete Last Fiscal Year
Station 16 Renovation	390,000	250,000	-	In Progress From Last Fiscal Year
Facility - Major Repairs/Emergency Needs	200,000	200,000	200,000	For Major/Emergency Repairs
Station 18 Renovation	3,500,000	2,500,000	500,000	Final Phase
Total Facilities Replacement/Renovations Expenditures	\$ 4,450,000	\$ 3,445,000	\$ 700,000	

Fire Mitigation Fee Fund

Outfitted Command Vehicle	-	150,000	250,000	Approved through Fire Mitigation Fees
(2) Fire Prevention Vehicles	120,000	-	-	FISCAL YEAR 2024-25
Emergency Response Vehicle (Fully Outfitted, including lights)	75,000	-	-	FISCAL YEAR 2024-25
Total Fire Mitigation Fee Expenditures	\$ 195,000	\$ 150,000	\$ 250,000	

Total Reserve Fund Expenditures	\$ 6,290,325	\$ 5,047,000	\$ 1,177,000
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Per the Board of Director Policy Manual, Subsection 802.1 Fiscal Management and Responsibility, some Reserve Fund purchases require Board of Director approval prior to moving forward with the procurement process. These items have been placed on the agenda under "Action Item" for approval.

SAN MIGUEL FIRE & RESCUE



Fiscal Year 2026/27 Budget

Acknowledgments

Fire Chief Lawler and Executive Staff want to give a shout-out!

The budget process would not be possible without the following individuals/groups:

- ❖ Chief Officers Association
- ❖ San Miguel Firefighters Association Local 1434
 - ❖ Program/Committee Leads
 - ❖ Accounting Specialist Melissa Delgado
- ❖ Executive Assistant/Board Clerk Shayna Rians
 - ❖ Fire Services Officer Arthur Camarena

Special Thank You to the Communities we proudly serve!

SERVICE BEYOND EXPECTATIONS