

Resolution 26-40

A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Adopting the Final Budget for Fiscal Year 2026-2027

WHEREAS, the Board of Directors of the San Miguel Consolidated Fire Protection District, County of San Diego (hereinafter referred to as “District”) is required to adopt a preliminary budget, on or before July 1 of each year, as per Section 13890 of the Health and Safety Code; and

WHEREAS, the District, Finance Committee, Executive Staff, and Committee/Program Leads have made recommendations and submitted the proposed preliminary budget for review and adoption at a publicly noticed meeting; and

WHEREAS, a Public Hearing was conducted September 23, 2026, at a regular meeting of the Board of Directors; and

WHEREAS, the District has determined that there will be sufficient revenue and fund balance to adequately meet total expenditures for Fiscal Year 2026/2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Miguel Consolidated Fire Protection District, a public agency in the County of San Diego, California, that the Board hereby adopts the final budget for Fiscal Year 2026/2027 with a total expenditure requirement of \$34,421,704.

BE IT FURTHER RESOLVED that this Final Budget is being adopted prior to October 1, 2026, in accordance with California Government Code.

PASSED AND ADOPTED by the Board of Directors of the San Miguel Consolidated Fire Protection District this 23rd day of September 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President



SMFR
SAN MIGUEL FIRE RESCUE
SERVICE BEYOND EXPECTATIONS

PROPOSED FOR ADOPTION

Fiscal Year 2026/2027

Final Budget

BOARD OF DIRECTORS

Regular Meeting

September 23, 2026

SERVICE BEYOND EXPECTATIONS

SECTION

01

FY 2026/2027

Budget Overview and Financial Planning

A clear view of where we are and the work ahead

This opening section provides the context needed to understand the FY 2026/2027 budget, the District's service priorities, and the financial issues that will shape future decisions. It also introduces the expanded Budget and Financial Planning Report that will be completed over the next several months for the Board of Directors and the community.

IN THIS SECTION

Fire Chief Summary

Leadership perspective on service priorities, operational needs, financial decisions, and the year ahead.

Long-Term Planning

Multi-year forecasting, strategic priorities, capital needs, staffing, pensions, benefits, and potential financial pressures.

Financial Health and Indicators

Board-requested measures covering operating position, revenue strength, reserves, liquidity, cost trends, and long-term obligations.

Public Transparency

Plain-language explanations, service and performance information, policies, compliance documents, and supporting schedules.

The expanded report will be completed carefully and in phases as financial schedules, capital plans, actuarial information, service data, and policy updates are verified.

FY 2026/2027 Budget and Financial Planning Report

The FY 2026/2027 Final Budget provides the District's financial plan for the year ahead. Over the next several months, we will build on this foundation by completing the detailed Budget and Financial Planning Report for the Board of Directors and the community. This expanded report will bring the District's financial, operational, and long-term planning information together in one clear and accessible publication.

What the Expanded Report Will Include

Fire Chief Summary A direct overview of the year ahead, service priorities, major challenges, and the decisions shaping the District's financial plan.	Financial Health and Indicators The Board-requested measures of operating position, reserves, liquidity, revenue strength, expenditure trends, pension obligations, and long-term sustainability.
Capital Reserves and Replacement Planning Updated schedules for facilities, apparatus, vehicles, equipment, and technology.	Staffing Service Demand and Performance Authorized staffing, vacancies, overtime, workload, emergency-response demand, program activity, and meaningful measures of service delivery.

Our Commitment Going Forward

We will complete this work carefully and in phases as we verify financial schedules, capital plans, actuarial information, service data, and policy updates. We will provide progress updates to the Finance Committee and Board as the report is developed. The completed report will support annual budget decisions, strategic planning, public transparency, and more consistent year-to-year evaluation of the District's financial health.

Final Budget Components

FY 2026 27 Budget Development Framework

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

This work supports implementation of the Strategic Plan and the District's transition to a program-based budget structure and expanded financial analysis.

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
CalPERS & Long-Term Planning	ADP Analysis	Administrative Division	Evaluation of discretionary payments	Financial planning

Budget Area	Review Item	Responsible Party	Expected Outcome	Final Budget Consideration
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 adequacy review	Reserve strategy
Reserve Fund Planning	Reserve Funding Strategies	Administrative Division	Long-term reserve recommendations	Reserve strategy

Final Budget Development Calendar

The calendar identifies the major review, development, and adoption milestones supporting preparation of each budget.

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 - September	Final Budget Preparation	Incorporation of updated information to the Finance Committee
September	Final Budget Adoption	Adoption of Final Budget

The Board of Directors Policy Manual, Section 817 (Comprehensive Budget and Balanced Budget), outlines the items required for inclusion in the Final Budget.

Final Budget Considerations and Request Process

Program Leads and Division Heads may submit requests for consideration during Final Budget development. Requests should clearly identify the problem being addressed, the desired outcome, and the benefit to the District. This process ensures 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.	Can the cost be supported over time?
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

FY 2026 27 Budget Priorities

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 reliability	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 on organizational need, strategic alignment, risk reduction, service impacts, operational efficiencies, long-term financial impact, available funding, and implementation timing. Recommendations may be incorporated into the Final Budget and presented to the Board of Directors for consideration.

Program-Based Budgeting and Long-Term Planning

The FY 2026/27 budget marks the beginning of the District's transition to program-based budgeting. This approach connects funding decisions to District services, operational outcomes, and the priorities established in the Strategic Plan. It also provides a framework for evaluating immediate operating needs alongside long-term financial commitments rather than considering each request as a stand-alone item.

Long Term Planning Underway

Staff is reviewing capital improvement plans, apparatus and equipment replacement schedules, facility needs, technology investments, reserve funding levels, CalPERS obligations, and other long-term liabilities. The goal is to establish a coordinated, responsible long-term funding strategy that meets current service requirements while preparing for future financial commitments.

Assessment and Prioritization

Formal condition and needs assessments are necessary to document asset condition, remaining useful life, operational importance, safety and compliance considerations, risk, timing, and estimated replacement cost. The results will help staff rank priorities, distinguish immediate needs from future replacements, and recommend appropriate funding levels and implementation schedules. The District has invested in equipment, facilities, and fleet for the last 5 years, and it shows. Now it is time to reevaluate and continue to move the department forward.

Ongoing Development

This long-term project remains under development. The FY 2026/27 budget establishes the foundation for this work. As assessments, replacement schedules, and financial analyses are completed, the District will refine program costs, reserve targets, multi-year forecasts, and funding recommendations. Future budgets will be updated to reflect completed assessments, changing conditions, and Strategic Plan priorities.

Planning Areas Under Review

Capital Improvements	Apparatus and Equipment	Facilities and Technology	CalPERS and Liabilities	Reserves and Forecasting
Multi-year projects, timing, scope, and cost	Condition, useful life, readiness, and replacement cycles	Deferred needs, systems, security, and infrastructure	Pension obligations and other long-term commitments	Funding targets, cash flow, and multi-year projections

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 PEPRAs 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.

Program Discussions and Strategic Plan Focus

The formal budget workshop process was halted while developing the FY 2026/27 Final Budget. Instead, the District focused on individual program discussions and Strategic Plan development to evaluate operational needs, organizational priorities, capital requirements, and long-term financial considerations.

Individual Program Discussions

Executive Staff met individually with program leads and division representatives to review service demands, staffing, equipment, training, technology, facility needs, and proposed program improvements. This approach allowed each request to be considered within the program's specific operational context and supported a more focused evaluation of need, timing, cost, and expected service impact.

Strategic Plan Alignment

Future development will emphasize alignment with the Strategic Plan. The team reviewed program needs and funding requests against the District's long-term vision, service delivery objectives, organizational priorities, risk considerations, and future direction. This work provides the foundation for connecting program-based budget decisions to measurable District priorities.

Engagement Method	Primary Focus	Information Reviewed	Final Budget Use
Individual Program Discussions	Program needs and priorities	Service levels, staffing, equipment, training, technology, and facilities	Evaluate program requests and operating impacts
Strategic Plan Review	Alignment with District goals	Service priorities, organizational direction, risks, and long-term needs	Connect funding decisions to Strategic Plan priorities
Executive Staff Review	Districtwide prioritization	Need, service impact, timing, alternatives, and available funding	Develop recommendations for the Final Budget
Financial and Capital Analysis	Long-term financial planning	Revenue and expenditure assumptions, CalPERS, reserves, and replacement schedules	Support forecasts and multi-year funding plans

Ongoing Development

Staff will continue using individual program discussions, financial analysis, and Strategic Plan priorities to refine the program-based budget. Engagement methods may be adjusted as the new budget structure develops and as capital assessments, replacement schedules, reserve targets, and long-term forecasts are completed.

SECTION

02

FY 2026/2027

Budget Summary and Detail

The overall financial plan and the schedules supporting it

This section brings the major components of the FY 2026/27 budget together and then provides the detailed schedules supporting those totals. Readers can review the District's overall operating position, identify the primary revenue and expense drivers, and trace summarized amounts to individual budget lines and cost categories.

IN THIS SECTION

Financial Summary

Total revenue, total expense, operating position, year-over-year changes, and the distinction between recurring operations and one-time activity.

Revenue Summary and Detail

Major sources, forecast assumptions, taxes, assessments, contracts, fees, reimbursements, interest, and other receipts.

Expense Summary and Detail

Personnel, overtime, pensions, benefits, insurance, contracts, supplies, maintenance, and other operating costs by account and program.

Change Analysis and Assumptions

Dollar and percentage changes, material explanations, financial indicators, staffing assumptions, rates, contracts, inflation, vacancies, and timing.

FINAL EXPENSE BUDGET

NARRATIVE AND ASSUMPTIONS

PURPOSE AND BUDGET DEVELOPMENT

Staff is continuing to work through additional financial analytics to support more in-depth financial planning. This work includes program-level trend analysis, multi-year forecasting, capital improvement and replacement schedules, reserve adequacy, CalPERS and other long-term obligations, and separating ongoing costs from one-time expenditures. As these tools are completed, future budget materials will provide a more detailed view of long-term cost drivers, replacement priorities, and funding requirements.

FINAL BUDGET OVERVIEW

The Fiscal Year 2026/27 Final Expense Budget totals \$34,421,704. This is approximately \$2.364 million, or 7.4%, above the Fiscal Year 2025/26 Final Budget and \$37,040, or approximately 0.1%, below the Fiscal Year 2026/27 Proposed Budget. The year-over-year increase is concentrated in salaries and operational staffing, CalPERS costs, retiree benefits, insurance, professional services, uniforms, and targeted facility and employee-support needs.

The final budget continues the transition toward program-based budgeting. Staff reviewed expenditures by division and program, considered current operating requirements, and aligned funding with strategic priorities. Capital improvement plans and replacement schedules remain under development, and formal assessments will establish replacement timing, cost estimates, and funding priorities.

CHANGES FROM PROPOSED TO FINAL BUDGET

The final budget decreased by \$37,040 compared with the proposed budget. The principal revisions are summarized below.

Budget Item	Proposed	Final	Change	Final Budget Basis
Past directors health insurance	\$16,133	\$23,958	+\$7,825	Updated participant and premium estimate.
Retiree health insurance	\$970,000	\$1,101,991	+\$131,991	Updated retiree enrollment and premium projection.
Suppression overtime	\$3,733,872	\$3,833,872	+\$100,000	Additional provision for operational coverage requirements.
Employee health insurance	\$1,295,332	\$1,193,733	-\$101,599	Revised enrollment and rate projection.
Dental insurance	\$111,390	\$109,020	-\$2,370	Revised enrollment and rate projection.
Financial Emergency Plan	\$428,422	\$404,695	-\$23,727	Contribution recalculated using final budget assumptions.
Station 15 landscape maintenance	\$0	\$12,000	+\$12,000	Ongoing landscape service added to the final budget.
Physical fitness equipment	\$15,300	\$25,000	+\$9,700	Additional equipment replacement and acquisition capacity.
HCFA dispatching	\$1,039,500	\$1,042,640	+\$3,140	Updated service-cost projection.
Legal counsel	\$120,000	\$150,000	+\$30,000	Additional capacity for anticipated labor, employment, contract, and general counsel needs.
Property tax refunds	\$204,000	\$0	-\$204,000	Proposed provision removed from the Final Budget.

LINES 1 THROUGH 30 SALARIES AND BENEFITS

Salaries and benefits represent \$27,610,016 of the Final Budget. The division increases by approximately \$2.070 million, or 8.1%, compared with Fiscal Year 2025/26. This category remains the primary driver of overall expenditure growth.

- **Employee salaries:** Increase \$846,800, or 7.2%. Safety base salaries increase \$869,000, non-safety base salaries decrease \$43,100, and the District Medicare contribution increases \$20,900. The budget reflects authorized staffing and approved salary schedules.
- **Employee overtime:** Increase \$606,260, or 13.5%. This includes a \$306,272 increase in suppression overtime, \$283,727 for the Squad overtime program, and a \$16,261 increase in the FLSA premium. Other overtime categories remain unchanged.
- **Health, retirement, and dental:** Employee health insurance decreases \$71,267 after the final rate and enrollment projection. Employer retirement contributions increase \$116,200, driven primarily by Safety PEPRAs costs, and dental insurance increases \$17,502 year over year.
- **Retiree and prior director benefits:** Retiree health insurance increases \$131,991 and prior director health benefits increase \$7,825 based on the final benefit projection.
- **CalPERS unfunded accrued liability:** The annual UAL payment increases \$408,197, or 19.9%, based on the CalPERS payment requirement.
- **Pension restructuring:** The combined \$2.6 million allocation remains unchanged. The lease revenue bond payment increases \$189,207, with an equal reduction to the amount directed to the District liability reserve.
- **Financial Emergency Plan:** The final amount is \$404,695, an increase of \$6,722 from Fiscal Year 2025/26 but \$23,727 below the proposed budget after recalculation.

LINES 31 THROUGH 43 OPERATIONS FACILITIES AND INSURANCE

These accounts fund communications, equipment maintenance, facilities, fuel, fleet maintenance, supplies, and insurance. Most routine operating accounts include a 2.0% planning factor, with targeted adjustments where known costs differ.

- **Communications:** Increase \$14,200, primarily from the RCS backbone maintenance and fee estimate.
- **Facilities maintenance:** Increase \$52,000, including \$40,000 for general facilities maintenance and \$12,000 added in the final budget for Station 15 landscape maintenance.
- **Fuel and fleet:** Fuel increases \$6,000 and fleet maintenance increases \$8,900, each reflecting the 2.0% planning assumption.
- **Insurance:** Increase \$65,071, or 5.9%, including \$15,071 for fire, liability, and collision coverage and \$50,000 for the PASIS workers' compensation program.

LINES 44 THROUGH 62 EQUIPMENT TRAINING AND WELLNESS

Minor equipment increases \$8,040, office supplies increase \$512, and personnel development increases \$1,387, generally reflecting the 2.0% planning factor. Physical fitness equipment increases to \$25,000, which is \$10,000 above the prior-year budget and \$9,700 above the proposed budget. Wellness services increase \$53,620, primarily because the Final Budget establishes \$50,000 for pre-employment expenses; the remaining increase supports modest adjustments to wellness, workforce recovery, and Employee Assistance Program services.

LINES 63 THROUGH 74 PROFESSIONAL SERVICES AND PROPERTY TAX COSTS

Professional services total \$1,594,230, an increase of \$98,830, or 6.6%, compared with Fiscal Year 2025/26. The increase includes \$52,640 for HCFA dispatching, \$50,000 for legal counsel, and smaller 2.0% adjustments to consulting, grants and planning, administrative support, other professional services, the Heartland Training Facility assessment, and FTES tuition. These increases are partially offset by removal of the \$10,000 Nurse Navigator budget. The Final Budget also removes the \$200,000 property tax refund budget and increases property tax administration charges by \$5,000.

LINES 75 THROUGH 100 DISTRICT SUPPORT COSTS

District support accounts cover publications, leases, PPE, uniforms, elections, memberships, recruitment, and community programs. Publications and media increase \$508 and rents and leases increase \$2,710. Safety clothing decreases \$8,700, primarily from a \$10,000 reduction in structure and brush PPE, partly offset by a \$1,300 increase for wildland gear.

Uniforms increase \$124,000, reflecting \$117,000 in additional Operations uniform costs, \$6,000 for the Reserve Firefighter Program, and a \$1,000 increase for non-safety uniforms. District support costs increase \$41,841, primarily because the Final Budget restores a \$40,000 election cost estimate; the remaining program accounts generally receive 2.0% adjustments.

LINES 101 THROUGH 113 MEETING TRAVEL AND UTILITIES

Meeting and travel expenses increase \$1,022, or 2.0%. Utilities total \$507,448, an increase of \$5,048, or 1.0%. Most station utility accounts increase 2.0%, while cellular service and equipment remain unchanged at \$250,000.

EXPENSE GROWTH BY DIVISION

Division	FY 2026/27 Final	Increase	Percent	Primary Driver
Board of Directors	\$55,800	+\$40,000	253.2%	Election cost estimate added.
Salaries and Benefits	\$27,610,016	+\$2,070,230	8.1%	Salaries, overtime, UAL, and retiree benefits.
Administrative Support Services	\$2,117,372	-\$68,527	-3.1%	Property tax refund removal, partially offset by insurance and legal costs.
Fire Prevention	\$46,282	+\$682	1.5%	Primarily routine planning adjustments.
Operations	\$3,763,173	+\$210,523	5.9%	Uniforms, dispatching, communications, and operating costs.
Health and Safety	\$829,061	+\$110,911	15.4%	Facilities, wellness, pre-employment, and fitness equipment.

San Miguel Fire & Rescue 2026/2027 Proposed Budget Summary

	2024-2025 FINAL Budget	2024-2025 Actual thru 6/30/25 (Unaudited)	2025-2026 FINAL Budget	2025-2026 Actual thru 6/30/26 (Unaudited)	2026-2027 PRELIM Budget	2026-2027 FINAL Budget	Budget \$ increase/ decrease	Budget % increase/ decrease
Operating Revenues								
1 Property Taxes	\$ 26,247,700	\$ 27,953,298	\$ 28,238,318	\$ 29,313,093	\$ 30,201,298	\$ 30,405,298	\$ 2,166,980	7.67%
2 Benefit Assessments	3,039,151	3,113,204	3,200,258	3,210,214	3,306,613	3,306,613	106,355	3.32%
Total Operating Revenues	29,286,851	31,066,502	31,438,576	32,523,306	33,507,911	33,711,911	2,273,335	7.23%
Non-Operating Revenues								
3 Miscellaneous Revenue	-	-	40,400	424,568	-	40,400	-	0.00%
4 Plan Check Fees	151,500	245,679	163,600	177,769	180,000	180,000	16,400	10.02%
5 Inspections	75,800	72,196	81,900	196,393	90,000	90,000	8,100	9.89%
6 Weed Abatement	85,900	149,966	85,900	174,434	85,900	85,900	-	0.00%
7 Community Facilities District Fee	-	36,367	-	32,789	40,000	40,000	40,000	NEW
8 AMR Contract	860,500	888,374	915,025	909,147	942,500	942,500	27,475	3.00%
9 OES Admin Reimbursement	-	300,234	-	108,014	-	-	-	0.00%
10 OES Personnel Reimbursement	-	1,267,570	-	521,376	-	-	-	0.00%
11 Rent - Facilities	162,200	98,491	162,200	92,437	100,000	100,000	(62,200)	-38.35%
12 Interest Income	10,200	212,659	10,200	172,822	10,200	10,200	-	0.00%
Total Non-Operating Revenues	1,346,100	3,271,535	1,459,225	2,809,750	1,448,600	1,489,000	29,775	2.04%
Total Revenues	\$ 30,632,951	\$ 34,338,038	\$ 32,897,801	\$ 35,333,056	\$ 34,956,511	\$ 35,200,911	\$ 2,303,110	7.00%
Operating Expenses								
Salaries and Benefits Costs								
13 Director Fees	14,600	16,040	14,600	16,140	14,600	14,600	-	0.00%
14 Prior Directors Benefits	17,333	4,880	17,333	7,638	17,333	25,158	7,825	45.14%
15 Retiree Benefits	1,057,127	959,778	970,000	978,042	970,000	1,101,991	131,991	13.61%
16 Employee Salaries	10,228,800	10,478,811	11,829,600	11,328,106	12,676,400	12,676,400	846,800	7.16%
17 Employee Overtime	3,413,900	4,422,779	4,506,300	4,369,168	5,012,560	5,112,560	606,260	13.45%
18 Employee Benefits	3,889,549	3,458,652	3,612,418	3,408,148	3,778,822	3,674,853	62,435	1.73%
19 Financial Emergency Plan	332,500	-	397,973	-	428,422	404,695	6,722	1.69%
20 UAL - Pension Payment	1,658,061	1,658,061	2,054,362	2,054,362	2,462,559	2,462,559	408,197	19.87%
21 Pension Bond	1,439,600	1,439,590	1,616,817	1,616,817	1,806,024	1,806,024	189,207	11.70%
22 Pension Restructuring – Reserve	1,439,600	1,160,400	983,183	-	793,976	793,976	(189,207)	-19.24%
Total Salaries and Benefits Costs	\$ 23,491,070	\$ 23,598,991	\$ 26,002,586	\$ 23,778,422	\$ 27,960,696	\$ 28,072,816	\$ 2,070,230	7.96%

San Miguel Fire & Rescue 2026/2027 Proposed Budget Summary

	2024-2025 FINAL Budget	2024-2025 Actual thru 6/30/25 (Unaudited)	2025-2026 FINAL Budget	2025-2026 Actual thru 6/30/26 (Unaudited)	2026-2027 PRELIM Budget	2026-2027 FINAL Budget	Budget \$ increase/ decrease	Budget % increase/ decrease
Services and Supplies								
23 Professional Services	1,720,500	1,905,318	1,789,500	2,079,097	1,912,790	1,945,930	156,430	8.74%
24 Special District Expense	128,200	743,303	122,400	708,092	346,181	346,181	223,781	182.83%
25 Maintenance	1,045,000	1,190,614	1,084,000	1,174,904	1,141,300	1,153,300	69,300	6.39%
26 Insurance	907,260	856,988	1,106,429	1,288,831	1,171,500	1,171,500	65,071	5.88%
27 Equipment	852,500	566,308	846,700	834,763	946,440	956,140	109,440	12.93%
28 Utilities	500,500	366,051	502,400	368,129	507,448	507,448	5,048	1.00%
29 Supplies	125,600	106,702	130,600	169,013	97,512	97,512	(33,088)	-25.34%
30 Personnel Development	117,350	57,268	117,350	111,629	119,697	119,697	2,347	2.00%
31 Rents and Leases	46,190	38,211	48,470	35,300	51,180	51,180	2,710	5.59%
Total Service and Supplies	\$ 5,443,100	\$ 5,830,762	\$ 5,747,849	\$ 6,769,759	\$ 6,294,048	\$ 6,348,888	\$ 601,039	10.46%
Total Expenses	\$ 28,934,170	\$ 29,429,754	\$ 31,750,435	\$ 30,548,180	\$ 34,254,744	\$ 34,421,704	\$ 2,671,268	8.41%
Net Income before							-	
Reserve Related Activities	\$ 1,698,781	\$ 4,908,284	\$ 1,147,366	\$ 4,784,876	\$ 701,767	\$ 779,207	\$ (368,158)	-32.09%

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

San Miguel Fire & Rescue 2026/2027 Proposed Budget

Priority	Division	Program	Account Description	2024/2025	2025/2026	2026/2027	2026/2027	Increase/ (Decrease) Budget FY 26 vs Budget FY 27 Amount	Percent
				FINAL Budget	FINAL Budget	PROPOSED Budget	FINAL Budget		
			Director Fees (5020)	15,800	15,800	15,800	15,800	-	0.0%
1	1	Board of Directors	Meetings	14,600	14,600	14,600	14,600	-	0.0%
2	1	Board of Directors	Medicare/Social Security	1,200	1,200	1,200	1,200	-	0.0%
			Prior Director Benefits (5010)	16,133	16,133	16,133	23,958	7,825	48.5%
3	1	Salaries and Benefits	Past Directors - Health Insurance	16,133	16,133	16,133	23,958	7,825	48.5%
			Retiree Benefits (5012)	1,057,127	970,000	970,000	1,101,991	131,991	13.6%
4	1	Salaries and Benefits	Health Insurance - Retirees	1,057,127	970,000	970,000	1,101,991	131,991	13.6%
			Employee Salaries (5050)	10,228,800	11,829,600	12,676,400	12,676,400	846,800	7.2%
5	1	Salaries and Benefits	Base Salaries - Safety	9,141,400	10,576,300	11,445,300	11,445,300	869,000	8.2%
6	1	Salaries and Benefits	Base Salaries - Non-Safety	891,500	1,020,300	977,200	977,200	(43,100)	-4.2%
7	1	Salaries and Benefits	Medicare (District Portion - 1.45%)	195,900	233,000	253,900	253,900	20,900	9.0%
			Employee Overtime (5040)	3,413,900	4,506,300	5,012,560	5,112,560	606,260	13.5%
8	1	Salaries and Benefits	Suppression Overtime	2,526,300	3,527,600	3,733,872	3,833,872	306,272	8.7%
9	1	Salaries and Benefits	Squad Overtime			283,727	283,727	283,727	NEW
10	1	Admin Support Services	Community Outreach Overtime	10,000	10,000	10,000	10,000	-	0.0%
11	1	Salaries and Benefits	FLSA	470,600	531,700	547,961	547,961	16,261	3.1%
12	3	Fire Prevention	Prevention Overtime	7,000	7,000	7,000	7,000	-	0.0%
13	5	Board of Directors	Administrative Overtime	-	-	-	-	-	0.0%
14	2	Operations	Facilities Overtime	10,000	40,000	40,000	40,000	-	0.0%
15	3	Operations	District Training (All)	390,000	390,000	390,000	390,000	-	0.0%
			Employee Benefits (5031)	1,773,500	1,265,000	1,295,332	1,193,733	(71,267)	-5.6%
16	1	Salaries and Benefits	Health Insurance - Employees	1,773,500	1,265,000	1,295,332	1,193,733	(71,267)	-5.6%
			Employee Benefits (5032)	1,929,700	2,231,100	2,347,300	2,347,300	116,200	5.2%
17	1	Salaries and Benefits	Retirement - Safety - Classic	1,021,000	1,158,100	1,156,800	1,156,800	(1,300)	-0.1%
18	1	Salaries and Benefits	Retirement - Safety - PEPRA	802,100	951,900	1,072,900	1,072,900	121,000	12.7%
19	1	Salaries and Benefits	Retirement - Non-Safety - Classic	58,600	66,000	66,800	66,800	800	1.2%
20	1	Salaries and Benefits	Retirement - Non-Safety - PEPRA	48,000	55,100	50,800	50,800	(4,300)	-7.8%
			Employee Benefits (5033)	90,549	91,518	111,390	109,020	17,502	19.1%
21	1	Salaries and Benefits	Dental Insurance	90,549	91,518	111,390	109,020	17,502	19.1%
			Employee Benefits (5036)	71,000	-	-	-	-	0.0%
22	1	Salaries and Benefits	Uniform Allowance	71,000	-	-	-	-	0.0%
			Employee Benefits (5037)	10,400	10,400	10,400	10,400	-	0.0%
23	1	Salaries and Benefits	Vision Insurance	10,400	10,400	10,400	10,400	-	0.0%
			Employee Benefits (5038)	6,000	6,000	6,000	6,000	-	0.0%
24	1	Salaries and Benefits	Paramedic Recertification	6,000	6,000	6,000	6,000	-	0.0%
			Financial Emergency Plan (5201)	332,500	397,973	428,422	404,695	6,722	1.7%

San Miguel Fire & Rescue 2026/2027 Proposed Budget

					2024/2025	2025/2026	2026/2027	2026/2027	Increase/ (Decrease) Budget FY 26 vs Budget FY 27 Amount	Percent
Priority	Division	Program	Account Description		FINAL Budget	FINAL Budget	PROPOSED Budget	FINAL Budget		
25	2	Salaries and Benefits	Salaries and Benefits	Financial Emergency Plan	332,500	397,973	428,422	404,695	6,722	1.7%
				Pension Benefit Costs (5030)	1,666,461	2,062,762	2,470,959	2,470,959	408,197	19.8%
26	1	Salaries and Benefits	Salaries and Benefits	UAL Payment - CalPERS	1,658,061	2,054,362	2,462,559	2,462,559	408,197	19.9%
27	1	Salaries and Benefits	Salaries and Benefits	Retirement - 1959 Survivor Benefit	8,400	8,400	8,400	8,400	-	0.0%
				Pension Bond - Reserve (5030)	2,600,000	2,600,000	2,600,000	2,600,000	-	0.0%
28	1	Salaries and Benefits	Salaries and Benefits	Pension Restructuring - LRB	1,439,600	1,616,817	1,806,024	1,806,024	189,207	11.7%
29	1	Salaries and Benefits	Salaries and Benefits	Pension Restructuring – Reserve	1,160,400	983,183	793,976	793,976	(189,207)	-19.2%
				Communications (6010)	260,000	268,000	282,200	282,200	14,200	5.3%
30	1	Operations	Ops Management	RCS Backbone Maint. & Fees	150,000	158,000	170,000	170,000	12,000	7.6%
31	2	Operations	Ops Management	Radio Equip. and Maint.	80,000	80,000	81,600	81,600	1,600	2.0%
32	1	Operations	Ops Management	Computer Service & Equip.	30,000	30,000	30,600	30,600	600	2.0%
				Equipment Maintenance (6020)	101,000	110,000	112,200	112,200	2,200	2.0%
33	4	Admin Support Services	Admin Management	Scanner/Plotter Maint.	1,000	-	-	-	-	
34	2	Operations	Ops Management	Fire Equipment Maint.	100,000	110,000	112,200	112,200	2,200	2.0%
				Facilities Maintenance (6030)	189,000	219,000	259,000	271,000	52,000	23.7%
35	2	Health & Safety	Facilities Management	Facilities Maintenance	180,000	210,000	250,000	250,000	40,000	19.0%
36	2	Operations	Ops Management	Station 15 Landscape Maintenance				12,000	12,000	NEW
37	3	Health & Safety	Facilities Management	Station Improvement Program	9,000	9,000	9,000	9,000	-	0.0%
				Fuel (6031)	300,000	300,000	306,000	306,000	6,000	2.0%
38	1	Operations	Fleet Management	Fuel	300,000	300,000	306,000	306,000	6,000	2.0%
				Fleet Maintenance (6040)	445,000	445,000	453,900	453,900	8,900	2.0%
39	1	Operations	Fleet Management	Fleet Maint./Repairs Costs	445,000	445,000	453,900	453,900	8,900	2.0%
				Housekeeping Supplies (6050)	35,000	35,000	35,700	35,700	700	2.0%
40	3	Health & Safety	Facilities Management	Cleaning/Household Supplies (all)	35,000	35,000	35,700	35,700	700	2.0%
				Medical Supplies (6070)	35,000	35,000	35,700	35,700	700	2.0%
41	1	Operations	Ops Management	Medical Supplies	35,000	35,000	35,700	35,700	700	2.0%
				Insurance (6060)	907,260	1,106,429	1,171,500	1,171,500	65,071	5.9%
42	1	Admin Support Services	Admin Management	FAIRA (Fire, Liability, Collision)	307,260	406,429	421,500	421,500	15,071	3.7%
43	1	Admin Support Services	Admin Management	PASIS (Workers' Compensation)	600,000	700,000	750,000	750,000	50,000	7.1%
				Minor Equipment (6080)	410,000	402,000	410,040	410,040	8,040	2.0%
44	3	Admin Support Services	Admin Management	I.T. Equipment	10,000	10,000	10,200	10,200	200	2.0%
45	4	Admin Support Services	Admin Management	ERP Software	71,000	71,000	72,420	72,420	1,420	2.0%
46	2	Fire Prevention	Prevention	Fire Prevention Software	22,000	25,000	25,500	25,500	500	2.0%
47	4	Operations	Ops Management	Inventory & Analytics Software	50,000	50,000	51,000	51,000	1,000	2.0%
48	4	Health & Safety	Facilities Management	Appliance Replacement	10,000	10,000	10,200	10,200	200	2.0%
49	4	Health & Safety	Facilities Management	Landscape Maint. Equipment	1,000	1,000	1,020	1,020	20	2.0%

San Miguel Fire & Rescue 2026/2027 Proposed Budget

				2024/2025	2025/2026	2026/2027	2026/2027	Increase/ (Decrease) Budget FY 26 vs Budget FY 27 Amount	Percent	
Priority	Division	Program	Account Description	FINAL Budget	FINAL Budget	PROPOSED Budget	FINAL Budget			
50	3	Operations	Training Program	35,000	35,000	35,700	35,700	700	2.0%	
51	5	Operations	Explorer Program	1,000	1,000	1,020	1,020	20	2.0%	
52	2	Operations	Ops Management	210,000	199,000	202,980	202,980	3,980	2.0%	
				Physical Fitness (6083)	15,000	15,000	15,300	10,000	66.7%	
53	4	Health & Safety	Facilities Management	Physical Fitness Equip.	15,000	15,000	15,300	25,000	10,000	66.7%
				Office Supplies (6090)	20,600	25,600	26,112	26,112	512	2.0%
54	3	Admin Support Services	Admin Management	Office Supplies/Equip.	20,600	25,600	26,112	26,112	512	2.0%
				Personnel Development (6100)	69,350	69,350	70,737	70,737	1,387	2.0%
55	1	Operations	Training Program	Education Reimb - All Employees	35,000	35,000	35,700	35,700	700	2.0%
56	4	Operations	Training Program	Discretionary Training Offset	25,000	25,000	25,500	25,500	500	2.0%
57	5	Operations	Explorer Program	Enrollment Fees & Training	2,800	2,800	2,856	2,856	56	2.0%
58	3	Health & Safety	Peer/Chaplain Support	Training & Outreach	6,550	6,550	6,681	6,681	131	2.0%
				Wellness Services (6105)	149,000	181,000	234,620	234,620	53,620	29.6%
59	2	Health & Safety	Ops Management	Wellness Program	127,000	127,000	129,540	129,540	2,540	2.0%
60	5	Health & Safety	Ops Management	Workforce Recovery Services		29,000	29,580	29,580	580	2.0%
61	1	Health & Safety	Facilities Management	Employee Assistance Program	22,000	25,000	25,500	25,500	500	2.0%
62	1	Health & Safety	Facilities Management	Pre Employment Expenses	-	-	50,000	50,000	50,000	NEW
				Professional Services (6110)	1,321,500	1,495,400	1,561,090	1,594,230	98,830	6.6%
63	1	Operations	Ops Management	HCFA Dispatching	903,000	990,000	1,039,500	1,042,640	52,640	5.3%
64	1	Operations	Ops Management	Nurse Navigator	25,000	10,000	-	-	(10,000)	-100.0%
65	1	Admin Support Services	Admin Management	Consulting Costs (All)	75,000	75,000	76,500	76,500	1,500	2.0%
66	1	Admin Support Services	Admin Management	Grants & Planning		51,000	52,020	52,020	1,020	2.0%
67	2	Admin Support Services	Admin Management	Legal Counsel	100,000	100,000	120,000	150,000	50,000	50.0%
68	1	Admin Support Services	Admin Management	Administrative Support Services	80,000	50,000	51,000	51,000	1,000	2.0%
69	1	Operations	Ops Management	Professional Services	40,000	40,000	40,800	40,800	800	2.0%
70	2	Operations	Training Program	HTF Annual Assessment	85,000	80,000	81,600	81,600	1,600	2.0%
71	2	Operations	Training Program	FTES Tuition	13,500	13,500	13,770	13,770	270	2.0%
72	2	Admin Support Services	Admin Management	Weed Abatement	-	85,900	85,900	85,900	-	0.0%
				Property Tax Refunds (6115)	200,000	200,000	204,000	-	(200,000)	-100.0%
73	1	Admin Support Services	Admin Management	Refunds - Property Taxes	200,000	200,000	204,000	-	(200,000)	-100.0%
				Property Tax Admin Cost (6116)	250,000	250,000	255,000	255,000	5,000	2.0%
74	1	Admin Support Services	Admin Management	Property Tax - Admin Charges	250,000	250,000	255,000	255,000	5,000	2.0%
				Publications and Media (6120)	25,400	25,400	25,908	25,908	508	2.0%
75	3	Admin Support Services	Admin Management	Publication & Media Needs	12,600	12,600	12,852	12,852	252	2.0%
76	1	Fire Prevention	Prevention	Publication & Media Needs	8,500	8,500	8,670	8,670	170	2.0%
77	1	Operations	Ops Management	Publication & Media Needs	500	500	510	510	10	2.0%
78	3	Operations	Training Program	Publication & Media Needs	3,800	3,800	3,876	3,876	76	2.0%
				Rents and Leases (6130)	46,190	48,470	51,180	51,180	2,710	5.6%

San Miguel Fire & Rescue 2026/2027 Proposed Budget

					2024/2025	2025/2026	2026/2027	2026/2027	Increase/ (Decrease) Budget FY 26 vs Budget FY 27 Amount	Percent
Priority	Division	Program	Account Description	FINAL Budget	FINAL Budget	PROPOSED Budget	FINAL Budget			
79	1	Admin Support Services	Admin Management	Equipment Rents & Leases	8,600	9,000	9,180	9,180	180	2.0%
80	1	Admin Support Services	Admin Management	Station 19 Lease of Property (Rent)	37,590	39,470	42,000	42,000	2,530	6.4%
Safety Clothing (6140)					167,500	161,700	153,000	153,000	(8,700)	-5.4%
81	1	Operations	Ops Management	Structure/Brush PPE Expense	152,000	160,000	150,000	150,000	(10,000)	-6.3%
82	5	Health & Safety	Peer/Chaplain Support	Wildland Gear	1,700	1,700	3,000	3,000	1,300	76.5%
Uniforms (6145)					29,200	17,400	141,400	141,400	124,000	712.6%
83	5	Admin Support Services	Admin Management	Non Safety Uniforms	14,000	500	1,500	1,500	1,000	200.0%
84	5	Fire Prevention	Prevention	Uniform Expense	4,500	4,500	4,500	4,500	-	0.0%
85	5	Operations	Ops Management	Uniform Expense	7,500	7,500	124,500	124,500	117,000	1560.0%
86	5	Operations	Reserve FF Program	Uniform Expense	-	-	6,000	6,000	6,000	NEW
87	5	Health & Safety	Peer/Chaplain Support	Uniform Expense (Polos)	14,000	1,900	1,900	1,900	-	0.0%
88	5	Operations	Explorer Program	Uniform Expense	3,000	3,000	3,000	3,000	-	0.0%
District Support Costs (6150)					137,050	92,050	133,891	133,891	41,841	45.5%
89	1	Operations	Fleet Management	Permits (HazMat, Fuel, etc.)	10,000	10,000	10,200	10,200	200	2.0%
90	1	Board of Directors	Board of Directors	Election Costs (estimate)	40,000	-	40,000	40,000	40,000	NEW
91	2	Admin Support Services	Admin Management	Memberships and Subscriptions	20,000	15,000	15,300	15,300	300	2.0%
92	2	Fire Prevention	Prevention	Software & Subscriptions	500	500	510	510	10	2.0%
93	1	Operations	Ops Management	Operations Supplies	10,000	10,000	10,200	10,200	200	2.0%
94	5	Operations	Training Program	Recruitment Materials/Supplies	5,000	5,000	5,100	5,100	100	2.0%
95	5	Operations	Training Program	Miscellaneous Expenses	10,050	10,050	10,251	10,251	201	2.0%
96	4	Operations	Reserve FF Program	Reserve FF Expenses	19,700	19,700	20,094	20,094	394	2.0%
97	4	Operations	Explorer Program	Explorer Fees & Expenses	1,800	1,800	1,836	1,836	36	2.0%
98	5	Health & Safety	Peer/Chaplain Support	Supplies & Misc Expenses	2,000	2,000	2,040	2,040	40	2.0%
99	4	Admin Support Services	Community Outreach	Program Development	16,000	16,000	16,320	16,320	320	2.0%
100	4	Operations	CERT	Support Costs	2,000	2,000	2,040	2,040	40	2.0%
Meeting & Travel Expenses (6160)					51,100	51,100	52,122	52,122	1,022	2.0%
101	5	Admin Support Services	Admin Management	Administrative Meetings	1,000	1,000	1,020	1,020	20	2.0%
102	4	Fire Prevention	Prevention	Southern California FPO Meetings	100	100	102	102	2	2.0%
103	1	Admin Support Services	Admin Management	Professional Development	50,000	50,000	51,000	51,000	1,000	2.0%
Utilities (6170)					500,500	502,400	507,448	507,448	5,048	1.0%
104	2	Admin Support Services	Admin Management	iPad & IT	7,400	7,400	7,548	7,548	148	2.0%
105	1	Operations	Ops Management	Cell Phone Service & Equip	248,100	250,000	250,000	250,000	-	0.0%
106	1	Health & Safety	Facilities Management	Utilities - Station 14	30,000	30,000	30,600	30,600	600	2.0%
107	1	Health & Safety	Facilities Management	Utilities - Station 15	60,000	60,000	61,200	61,200	1,200	2.0%
108	1	Health & Safety	Facilities Management	Utilities - Station 16	25,000	25,000	25,500	25,500	500	2.0%
109	1	Health & Safety	Facilities Management	Utilities - Station 18	50,000	50,000	51,000	51,000	1,000	2.0%
110	1	Health & Safety	Facilities Management	Utilities - Station 19	15,000	15,000	15,300	15,300	300	2.0%
111	1	Health & Safety	Facilities Management	Utilities - Station 21	15,000	15,000	15,300	15,300	300	2.0%
112	1	Health & Safety	Facilities Management	Utilities - Station 22	30,000	30,000	30,600	30,600	600	2.0%
113	1	Health & Safety	Facilities Management	Utilities - Station 23	20,000	20,000	20,400	20,400	400	2.0%
Total Budget Expense					\$ 28,876,520	\$ 32,057,885	\$ 34,458,744	\$ 34,421,704	\$ 2,363,818	7.4%

San Miguel Fire & Rescue
2026/2027 Proposed Budget

Priority	Division	Program	Account Description	2024/2025	2025/2026	2026/2027	2026/2027	Increase/ (Decrease) Budget FY 26 vs Budget FY 27 Amount	Percent
				FINAL Budget	FINAL Budget	PROPOSED Budget	FINAL Budget		
			Total Expense by Division						
			<i>Board of Directors</i>	55,800	15,800	55,800	55,800	40,000	253.2%
			<i>Salaries and Benefits</i>	22,779,070	25,539,786	27,497,896	27,610,016	2,070,229	8.1%
			<i>Admin Support Services</i>	1,892,050	2,185,899	2,291,372	2,117,372	(68,527)	-3.1%
			<i>Fire Prevention</i>	42,600	45,600	46,282	46,282	682	1.5%
			<i>Operations</i>	3,438,750	3,552,650	3,748,033	3,763,173	210,523	5.9%
			<i>Health & Safety</i>	668,250	718,150	819,361	829,061	110,911	15.4%
			Total Budget Expense by Division/Program	\$ 28,876,520	\$ 32,057,885	\$ 34,458,744	\$ 34,421,704	\$ 2,363,818	7.4%

SECTION

03

FY 2026/2027

Reserve Budget

Planned use of resources accumulated for specific needs

This section presents reserve balances, planned projects, and special-fund activity separately from recurring operations. The separation helps readers understand why fund balance may decrease when the District uses previously accumulated resources for capital, replacement, mitigation, or other one-time purposes.

IN THIS SECTION

Reserve Balances

Beginning resources, planned additions and uses, projected balances, and the purpose of each reserve.

Capital Projects

Facility, apparatus, vehicle, equipment, and technology projects funded in whole or in part from reserves.

Reserve Cash Schedule (Current Budget Requests)

Reserve Fund	CLASS 6/30/26	County 6/30/26	Beginning Total	FY26 Uses	FY26 Transfer In	FY27 Projects	Projected 6/30/27	FY27 Transfer In	Projected 6/30/28
Contingency Reserve	\$11,684,975	\$9,210	\$11,694,185	-	-	(\$200,000)	\$11,494,185	-	\$11,494,185
Uncompensated Leave	\$1,151,354	\$11,980	\$1,163,334	-	-	-	\$1,163,334	-	\$1,163,334
Workers' Compensation	-	\$572,739	\$572,739	(\$86,583)	-	-	\$486,156	-	\$486,156
Vehicle Replacement	\$3,011,732	\$48,427	\$3,060,159	(\$1,275,565)	\$1,205,700	(\$150,000)	\$2,840,294	\$1,205,700	\$4,045,994
Capital Equipment	-	\$1,176,259	\$1,176,259	(\$333,186)	\$432,368	(\$455,000)	\$820,441	\$432,368	\$1,252,809
Fixed Equipment Replacement	-	\$347,761	\$347,761	(\$31,000)	\$209,426	(\$70,000)	\$456,187	\$209,426	\$665,613
Facilities Replacement / Renovation	\$4,859,395	\$62,482	\$4,921,877	(\$5,330,661)	\$2,075,404	(\$1,235,000)	\$431,620	\$2,075,404	\$2,507,024
TOTAL RESERVES	\$20,707,456	\$2,228,858	\$22,936,314	(\$7,056,995)	\$3,922,898	(\$2,110,000)	\$17,692,217	\$3,922,898	\$21,615,115

Reserve Fund Line-Item Detail

This schedule supports the FY 2026/27 Reserve Fund Expenditure budget and documents the purpose, operational outcome, deferral considerations, and funding approach for each proposed line item. The adopted budget authorizes up to \$2,360,000; individual purchases and projects remain subject to operational need, procurement requirements, and applicable Board authorization.

Line Item	Amount	Executive Review Detail
Contingency Reserve Fund		
Squad Outfitting of Equipment	\$200,000	Category: Equipment Need and expected outcome: Outfits the squad with the equipment needed for deployment and supports the District's readiness and service-capacity priorities. Review considerations: Deferral would delay placing the squad into full operational service. The \$200,000 is a one-time Contingency Reserve allocation approved by the Board, with procurement planned during FY 2026/27.
Vehicle Replacement Fund		
(2) KME Apparatuses Purchases from Lakeside FPD	\$25,000	Category: Equipment (PURCHASED DURING PRELIMINARY BUDGET) Need and expected outcome: Acquire two KME apparatuses to support fleet capacity and readiness. The purchase advances lifecycle planning while separating acquisition cost from later refurbishment and outfitting costs. Review considerations: Alternatives include continued use of the existing fleet, deferral, or future apparatus acquisition. Deferral would maintain pressure on current fleet availability. The one-time purchase is planned for FY 2026/27.
KME Refurbishment Equipment Purchase	\$75,000	Category: Equipment Need and expected outcome: Prepares the acquired KME apparatus for District service through necessary refurbishment and equipment purchases, improving reliability and operational usefulness. Review considerations: Deferral would delay deployment of the acquired units. Work may be phased based on inspection results and operational priority. The \$75,000 one-time allocation will be managed separately from the \$25,000 acquisition cost.
Apparatus Major Repairs	\$50,000	Category: Equipment Need and expected outcome: Provides capacity to address major or unplanned apparatus repairs that exceed routine maintenance and help preserve emergency-response availability. Review considerations: Deferral will depend on safety, mechanical condition, and service impact; a critical repair may not be deferrable. Repair versus replacement will be evaluated case by case. Funding is used only as needs arise during FY 2026/27.

Reserve Fund Line Item Detail | Continued

Line Item	Amount	Executive Review Detail
Capital Equipment Fund		
Personal Protective Equipment	\$100,000	Category: Equipment Need and expected outcome: Completes year three of the District's three-year PPE purchase cycle and supports firefighter safety, compliance, and planned lifecycle replacement. Review considerations: Deferral could extend the use of aging protective equipment and increase safety or compliance risk. The phased replacement program is the selected alternative to a single-year purchase. The \$100,000 allocation is planned for FY 2026/27.
Rescue Gear	\$150,000	Category: Equipment Need and expected outcome: Purchases or replaces rescue equipment needed to maintain effective rescue capability, responder safety, and operational readiness. Review considerations: Deferral may limit capability or require continued reliance on aging equipment. The department will evaluate final specifications, alternatives, and lifecycle value during procurement. The purchase may be phased if operationally appropriate.
Fire Prevention Portable Radios and Accessories	\$55,000	Category: Technology Need and expected outcome: Provides Fire Prevention personnel with portable radios and accessories needed for reliable field communication and compatibility with District systems. Review considerations: Deferral could leave communication gaps during inspections, investigations, or emergency support. We will review equipment compatibility and lifecycle value before purchase. This is a one-time FY 2026/27 allocation.
VHF and Portable Radios	\$150,000	Category: Technology Need and expected outcome: Supports reliable and interoperable emergency communications through the purchase or replacement of VHF and portable radios. Review considerations: Deferral may increase the risk of equipment failure, communication limitations, or continued use of aging units. Replacement priorities may be phased based on condition and operational need during FY 2026/27.
Fixed Equipment Fund		
Overhead Door Replacement	\$40,000	Category: Facilities Need and expected outcome: Provides contingent funding to replace an overhead door if failure or deterioration affects apparatus access, safety, or station operations. Review considerations: A critical failure could delay response or create property and personnel risk and may not be deferrable. Use the \$40,000 only if a qualifying need occurs during FY 2026/27.
Asphalt and Concrete Work	\$30,000	Category: Facilities Need and expected outcome: Addresses urgent asphalt or concrete conditions that affect safe access, vehicle movement, drainage, or pedestrian use at District facilities. Review considerations: Deferral may allow damage or safety concerns to worsen. Projects will be prioritized by condition and operational impact and may be phased. The allocation will be used only as needs arise.

Reserve Fund Line Item Detail | Continued

Line Item	Amount	Executive Review Detail
Facilities Replacement and Renovation Fund		
Facility Major Repairs and Emergency Needs	\$200,000	Category: Facilities Need and expected outcome: Provides financial capacity for major repairs and unforeseen building needs that cannot be addressed through routine maintenance, supporting safe and continuous station operations. Review considerations: Deferral decisions will be based on urgency, safety, liability, and operational impact; emergency work may not be deferrable. Funds will be used only as qualifying needs arise during FY 2026/27.
Station 18 Renovation	\$1,000,000	Category: Facilities Need and expected outcome: Completes the final phase of the Station 18 renovation, protects the District's prior investment in the project, and advances infrastructure sustainability. Review considerations: Deferral would prolong incomplete work and may increase future costs or operational disruption. The \$1,000,000 is a one-time allocation to complete the remaining project scope in FY 2026/27.
Station 14 Flooring Project	\$35,000	Category: Facilities Need and expected outcome: Addresses the identified flooring need at Station 14 and supports a safe, serviceable facility while reducing deferred-maintenance exposure. Review considerations: Deferral may allow the condition to deteriorate and increase future repair needs. The \$35,000 project is planned for FY 2026/27 and will follow applicable public-works and procurement requirements.
Fire Mitigation Fee Fund		
Outfitted Command Vehicle	\$250,000	Category: Equipment Need and expected outcome: Provides a fully outfitted command vehicle to strengthen incident command, field coordination, and emergency-response capacity as service demands grow. Review considerations: Alternatives include continued use of existing resources or deferral; either may limit command capacity. The one-time \$250,000 cost will use eligible fire mitigation fee revenue and includes acquisition and outfitting for FY 2026/27 deployment.
Total Reserve Fund Expenditures	\$2,360,000	

Budget and procurement note. Items requiring Board authorization under Board Policy Manual Subsection 802.1 will be returned to the Board for approval by resolution. Facilities work will follow applicable prevailing-wage, procurement, and competitive-procurement requirements. Unspent appropriations remain in the applicable reserve fund.

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	Comments/Justification
Contingency Reserve Fund				
Enterprise Resource Planning System (ERP) Implementation	100,000	-	-	
Squad Outfitting of Equipment			200,000	Resolution 26-06 (Approved 09/11/26)
Total Contingency Reserve Expenditures	\$ 100,000	\$ -	\$ 200,000	
Vehicle Replacement Fund				
Type 1 Engine Refurbishment Outfitting	-	50,000	-	Previous Fiscal Year
Type 1 Engine Refurbishment (Request for Refurbishment #4)	-	600,000	-	Previous Fiscal Year
Type 1 Engine Refurbishment (Request for Refurbishment #3)	450,000	-	-	FISCAL YEAR 2024-25
(2) KME Apparatus Purchase (Lakeside FPD)	-	-	25,000	Resolution 26-27 (Approved 09/10/26)
Equipment Purchase KME Refurbishment			75,000	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	\$ 150,000	
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
Rescue Gear	-	-	150,000	New Request for FY 2026-27
Radios (Portable & Accessories - Fire Prevention)	-	-	55,000	New Request for FY 2026-27
Radios (VHF & Portables)	-	-	150,000	New Request for FY 2026-27
Total Capital Equipment Expenditures	\$ 320,000	\$ 305,000	\$ 455,000	
Fixed Equipment Fund				
Extractor Machine (Station 22)	-	35,000	-	Previous Fiscal Year
Fire Alarm System Installation (Stations 14, 15, & 22)	-	100,000	-	Previous Fiscal Year
Hot Water Heater Replacement (Stations 14 & 23)	-	60,000	-	Previous Fiscal Year
Fuel Tanks (Stations 14 & 22)	-	200,000	-	Previous Fiscal Year
Fixed Equipment Fund (Continued)				
Overhead Door Replacement	22,000	22,000	40,000	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	\$ 70,000	

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	-	Previous Fiscal Year
District Facilities Security (all stations)	55,000	250,000	-	Previous Fiscal Year
Shop Dedication Project	5,000	-	-	FISCAL YEAR 2024-25
HQ/Station 15 - Exterior Renovation/Landscaping	150,000	120,000	-	Previous Fiscal Year
Station 16 Renovation	390,000	250,000	-	Previous 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	1,000,000	Final Phase
Station 14 Flooring Project			35,000	New Request for FY 2026-27
Total Facilities Replacement/Renovations Expenditures	\$ 4,450,000	\$ 3,445,000	\$ 1,235,000	

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	\$ 2,360,000
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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.

Finance Committee Acknowledgment

San Miguel Fire and Rescue thanks the Finance Committee for its careful review as we developed the FY 2026/27 Final Budget. The Committee's participation helped the District evaluate current program needs while maintaining a clear focus on the financial and operational work ahead.

Budget Review

The final budget review focused on individual program discussions and alignment with the Strategic Plan. The Committee's questions and feedback helped connect funding decisions to service priorities, operational readiness, risk, affordability, and the District's long-term commitments.

Work Ahead

The FY 2026/27 Final Budget is a foundation for continued program-based budgeting and multi-year financial planning. Staff will continue reviewing capital improvement plans; replacement schedules for apparatus, vehicles, equipment, technology, and facilities; reserve targets; CalPERS obligations; and other long-term costs. Condition and needs assessments will help establish replacement priorities, timing, risk, and estimated costs. As this work is completed, staff will refine forecasts and bring forward recommendations for future budget review.

Finance Committee Members

Jeff Nelson	Christopher Pierce	Jesse Robles
Director	Director	Chair



ACKNOWLEDGMENTS

Fiscal Year 2026/27 Final Budget

This budget reflects the collaborative efforts and dedication of District personnel, employee organizations, program leaders, and community stakeholders.

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

With appreciation to the residents, businesses, and community partners who continue to place their trust in San Miguel Fire & Rescue.

SERVICE BEYOND EXPECTATIONS