



Big Bear Fire Authority

**BIG BEAR FIRE AUTHORITY
SPECIAL WORKSHOP MEETING NOTICE & AGENDA
MARCH 20, 2019**

To: Chairman Bill Jahn
Vice Chairman John Green
Director David Caretto
Director Rick Herrick
Director Bob Jackowski
Director Karyn Oxandaboure
Director Randall Putz
Director John Russo
Director Larry Walsh
Director Al Ziegler

Fire Chief Jeff Willis
Senior Finance Officer Kristin Mandolini
Assistant Chief Mike Maltby
Authority Counsel Jeff Ferre
Authority Counsel Joseph Sanchez
Local Media

NOTICE IS HEREBY GIVEN, that a Special Workshop Meeting of the Big Bear Fire Authority will be held on Wednesday, March 20, 2019 at 4:30 p.m. This meeting will be held at the Big Bear Fire Department, Station 281 located at 41090 Big Bear Boulevard, Big Bear Lake, CA; said meeting being called pursuant to Section 54956 of the Government Code of the State of California to consider the following matters:

OPEN SESSION

MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE

ROLL CALL

GENERAL PUBLIC COMMENT – Public comment is permitted only on items not on the posted agenda that are within the subject matter jurisdiction of the Authority. Please note that State law prohibits the Fire Authority from taking any action on items not listed on the agenda. There is a three-minute maximum time limit when addressing the Board during this time period.

DISCUSSION ITEMS

1. Feasibility of Forming a Community Facilities District within the Authority's Service Area
2. Fiscal Year 2019-2020 Preliminary Draft Budget Discussion

ADJOURN

I hereby certify under penalty of perjury, under the laws of the State of California, that the foregoing agenda was posted in accordance with the applicable legal requirements. Dated this 19th day of March 2019.

Dawn E. Marschinke

Dawn Marschinke, Board Secretary

The Big Bear Fire Authority wishes to make all its public meetings accessible to the public. If you need special assistance to participate in this meeting, please contact Board Secretary Dawn Marschinke at (909) 866-7566. Notification as early as possible prior to the meeting will enable the Fire Authority to make reasonable arrangements to ensure accessibility to this meeting.



BIG BEAR FIRE AUTHORITY AGENDA REPORT

Item No. 1

MEETING DATE: March 20, 2019

TO: Chairman and Members of Big Bear Fire Authority Board

FROM: Jeff Willis, Fire Chief *JW*

PREPARED BY: Dawn Marschinke, Administrative Analyst/PIO *DM*

SUBJECT: **FEASIBILITY OF FORMING A COMMUNITY FACILITIES DISTRICT WITHIN THE AUTHORITY'S SERVICE AREA**

BACKGROUND

The Authority is currently analyzing the feasibility of forming a community facilities district within the Authority's service area. A community facilities district is a flexible financing mechanism that would allow the Authority to distribute the costs of its services across all of those that the Authority provides services to, including the tourism and hospitality industries. The Authority's goal is to establish a mechanism that would continue to fund important services that the Authority provides, including public safety, but to make sure that all property uses contribute to such costs and share the burden, including recreational facilities such as ski resorts, and hotels as well. A community facilities district allows the Authority to levy a special parcel tax, which can be calculated using a variety of methodologies. Currently, the Authority is considering methodologies that would include a tax on hotels and ski resorts, as well as other property uses.

DISCUSSION

A community facilities district is formed under specific provisions of the Government code. Prior to the levy of any tax, the proposed methodology will be presented to the Authority's qualified electors, and the tax will only be imposed if 2/3 of the qualified electors voting on the measure approve it. Currently, the Authority is only considering the feasibility of such a district. However, if the Authority determines to move forward, a measure may be placed on the ballot later this year.

RECOMMENDATION

Staff recommends the board receive presentation.



BIG BEAR FIRE AUTHORITY AGENDA REPORT

Item No. 2

MEETING DATE: March 20, 2019

TO: Chairman and Members of Big Bear Fire Authority Board

FROM: Jeff Willis, Fire Chief *JW*

SUBJECT: **FISCAL YEAR 2019-2020 PRELIMINARY DRAFT BUDGET DISCUSSION**

BACKGROUND

The Fire Authority is nearing the close of its first fiscal year as a consolidated entity. Current projections indicate that the 2018-19 fiscal year will close better than budget.

DISCUSSION

Staff has prepared two budgets for the Board's consideration for the 2019-20 fiscal year.

Budget "A" considers a significant service level reduction and deferral of major capital needs but does fall within available revenue.

Budget "B" maintains existing service level and allows for the purchase of an ambulance and a lease purchase of a Type 1 fire engine. Budget B requires use of \$2.1 million of fund balance.

RECOMMENDATION

Board to receive presentation and provide further direction to staff.

BIG BEAR FIRE AUTHORITY 2019-2020 CONSOLIDATED BUDGET

Station 283 Closure - Budget A

	Operating Fund	Capital Fund	Grant Fund	Total Budget
<i>Revenue</i>				
Property Tax Revenues	\$ 9,986,700			\$ 9,986,700
Services Charges	\$ 4,127,127			\$ 4,127,127
Intergovernmental Revenue	\$ 645,922			\$ 645,922
Use of Money and Property	\$ 97,100			\$ 97,100
Other Revenue	\$ 20,700	\$ 42,071	\$ 375,512	\$ 438,283
Total Revenue	\$ 14,877,549	\$ 42,071	\$ 375,512	\$ 15,295,132
<i>Expenses</i>				
Salaries and Benefits	\$ 12,169,216			\$ 12,169,216
Supplies	\$ 277,620			\$ 277,620
Professional Services	\$ 853,326			\$ 853,326
Maintenance and Equipment	\$ 680,092			\$ 680,092
Utilities	\$ 120,590			\$ 120,590
Other Expenditures	\$ 683,343	\$ 42,071	\$ 426,803	\$ 1,152,217
Total Expenses	\$ 14,784,187	\$ 42,071	\$ 426,803	\$ 15,253,061
<i>Interfund Transfers</i>				
Transfer from Operating to Capital Fund	\$ 42,071			\$ 42,071
Transfer from Operating to Grant Fund	\$ 51,291		\$ (51,291)	\$ -
Total Interfund Transfers	\$ 93,362	\$ -	\$ (51,291)	\$ 42,071
Total Use of Fund Balance	\$ (0)	\$ -	\$ -	\$ -
Estimated Combined Fund Balance at 6/30/2019				\$ 7,013,087
Less 2018-2019 Use of Fund Balance				\$ -
Estimated Combined Fund Balance at 6/30/2020				\$ 7,013,087

BIG BEAR FIRE AUTHORITY
OPERATING BUDGET COMPARATIVE ANALYSIS
Fiscal Years 2018-2019 and 2019-2020

	Projected 2018-2019	Proposed 2019-2020	Total Change
<i>Revenue</i>			
Property Tax Revenues	9,689,209	9,986,700	297,491
Services Charges	3,806,508	4,127,127	320,619
Use of Money and Property	47,684	97,100	49,416
Mutual Aid Reimbursements	883,255	645,922	(237,333)
Other Revenue	20,700	20,700	0
Total Revenue	14,447,355	14,877,549	430,194
<i>Operating Expenses</i>			
Salaries and Benefits	11,798,148	10,722,162	(1,075,985)
Other Payroll Expenses	1,593,703	1,447,054	(146,649)
Supplies	270,487	277,620	7,133
Professional Services	740,592	853,326	112,734
Maintenance and Equipment	666,582	680,092	13,510
Utilities	168,408	120,590	(47,818)
Other Expenditures	665,059	734,634	69,575
Total Operating Expenses	15,902,979	14,835,478	(1,067,500)
<i>Revenue Less Expenses</i>	(1,455,623)	42,071	1,497,694
Less: Capital Expenditures	(421,000)	(42,071)	378,929
Use of Fund Balance	(1,876,623)	(0)	1,876,623

BIG BEAR FIRE AUTHORITY
3 Year Fund Balance Projection*
Fiscal Years 18/19, 19/20, 20/21

	2019-2020	2020-2021	2021-2022
<i>Revenue</i>			
Property Tax Revenue	9,986,700	10,186,434	10,390,163
Services Charges	4,127,127	4,209,670	4,293,863
Intergovernmental Revenue	645,922	658,840	672,017
Use of Money and Property	97,100	99,042	101,023
Other Revenue	20,700	21,114	21,536
Total Revenue	14,877,549	15,175,100	15,478,602
<i>Operating Expenses</i>			
Salaries and Benefits	12,169,216	12,473,446	12,785,283
Supplies	277,620	283,172	288,836
Professional Services	853,326	870,393	887,800
Maintenance and Equipment	680,092	693,694	707,568
Utilities	120,590	123,002	125,462
Other Expenditures	683,343	697,010	710,950
Total Operating Expenses	14,784,187	15,140,717	15,505,898
<i>Revenue Less Expenses</i>	93,362	34,383	(27,296)
<i>Interfund Transfers</i>			
Capital Expenditures	(42,071)	(42,912)	(43,771)
Matching Grant Expenditures	(51,291)	(52,317)	(53,363)
Use of Fund Balance	0	(8,529)	(71,067)
Projected Beginning Fund Balance	7,013,087	7,013,087	7,004,557
Less: Use of Fund Balance	0	(8,529)	(71,067)
Projected Ending Fund Balance	7,013,087	7,004,557	6,933,490

*Assuming no additional tax funds are secured through the passing of a tax measure.

BIG BEAR FIRE AUTHORITY 2019-2020 CONSOLIDATED BUDGET

Maintain Current Service Levels - Budget B

Revenue

Property Tax Revenues	\$ 9,986,700		\$ 9,986,700
Services Charges	\$ 4,127,127		\$ 4,127,127
Intergovernmental Revenue	\$ 645,922		\$ 645,922
Use of Money and Property	\$ 97,100		\$ 97,100
Other Revenue	\$ 20,700	\$ 332,070	\$ 375,512
Total Revenue	\$ 14,877,549	\$ 332,070	\$ 15,585,131

Expenses

Salaries and Benefits	\$ 13,936,252		\$ 13,936,252
Supplies	\$ 277,620		\$ 277,620
Professional Services	\$ 853,326		\$ 853,326
Maintenance and Equipment	\$ 680,092		\$ 680,092
Utilities	\$ 175,700		\$ 175,700
Other Expenditures	\$ 683,343	\$ 332,070	\$ 426,803
Total Expenses	\$ 16,606,333	\$ 332,070	\$ 17,365,206

Interfund Transfers

Transfer from Operating to Capital Fund	\$ 332,070		\$ 332,070
Transfer from Operating to Grant Fund	\$ 51,291	\$ (51,291)	\$ -
Total Interfund Transfers	\$ 383,361	\$ -	\$ 332,070

Total Use of Fund Balance	\$ (2,112,145)	\$ -	\$ (2,112,145)
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Estimated Combined Fund Balance at 6/30/2019			\$ 7,013,087
Less 2018-2019 Use of Fund Balance			\$ (2,112,145)
Estimated Combined Fund Balance at 6/30/2020			\$ 4,900,941

BIG BEAR FIRE AUTHORITY
OPERATING BUDGET COMPARATIVE ANALYSIS
Fiscal Years 2018-2019 and 2019-2020

	Projected 2018-2019	Proposed 2019-2020	Total Change
<i>Revenue</i>			
Property Tax Revenues	9,689,209	9,986,700	297,491
Services Charges	3,806,508	4,127,127	320,619
Use of Money and Property	47,684	97,100	49,416
Mutual Aid Reimbursements	883,255	645,922	(237,333)
Other Revenue	20,700	20,700	0
Total Revenue	14,447,355	14,877,549	430,194
<i>Operating Expenses</i>			
Salaries and Benefits	11,798,148	12,000,337	202,189
Other Payroll Expenses	1,593,703	1,935,915	342,212
Supplies	270,487	277,620	7,133
Professional Services	740,592	853,326	112,734
Maintenance and Equipment	666,582	680,092	13,510
Utilities	168,408	175,700	7,292
Other Expenditures	665,059	734,634	69,575
Total Operating Expenses	15,902,979	16,657,624	754,645
<i>Revenue Less Expenses</i>	(1,455,623)	(1,780,075)	(324,452)
Less: Capital Expenditures	(421,000)	(332,070)	88,930
Use of Fund Balance	(1,876,623)	(2,112,145)	(235,522)

BIG BEAR FIRE AUTHORITY
3 Year Fund Balance Projection*
Fiscal Years 18/19, 19/20, 20/21

	2019-2020	2020-2021	2021-2022
<i>Revenue</i>			
Property Tax Revenue	9,986,700	10,186,434	10,390,163
Services Charges	4,127,127	4,209,670	4,293,863
Intergovernmental Revenue	645,922	658,840	672,017
Use of Money and Property	97,100	99,042	101,023
Other Revenue	20,700	21,114	21,536
Total Revenue	14,877,549	15,175,100	15,478,602
<i>Operating Expenses</i>			
Salaries and Benefits	13,936,252	14,149,927	14,033,083
Supplies	277,620	283,172	288,836
Professional Services	853,326	870,393	887,800
Maintenance and Equipment	680,092	693,694	707,568
Utilities	175,700	179,214	182,798
Other Expenditures	683,344	697,011	710,951
Total Operating Expenses	16,606,334	16,873,411	16,811,036
<i>Revenue Less Expenses</i>	(1,728,785)	(1,698,311)	(1,332,434)
<i>Interfund Transfers</i>			
Capital Expenditures	(332,070)	(338,711)	(345,486)
Matching Grant Expenditures	(51,291)	(52,317)	(53,363)
Use of Fund Balance	(2,112,146)	(2,037,022)	(1,677,920)
Projected Beginning Fund Balance	7,013,087	4,900,941	2,863,918
Less: Use of Fund Balance	(2,112,146)	(2,037,022)	(1,677,920)
Projected Ending Fund Balance	4,900,941	2,863,918	1,185,999

*Assuming no additional tax funds are secured through the passing of a tax measure.