

DISCUSSION ITEM

1. Fiscal Year 2024-2025 Preliminary Draft Budget Discussion

Chief Willis opened the meeting stating there is a new budget template being presented today. He mentioned this template was reviewed at the March 12th Finance Committee where it was requested to be used for the upcoming Board workshop.

Director of Business Services Mandolini presented the 2024-2025 preliminary draft budget. She stated the new template is easier to identify revenues, where it is coming from, and how it is spent. Ms. Mandolini reviewed each revenue and expense line item for each department and category. Those categories include Operations, Ambulance, Air Ops, Prevention, Mutual Aid, Debt Service, Grants, and Capital. She stated page two through four of the draft budget provides detail as to what is included under each category.

Within the 2024-2025 preliminary draft budget, the property tax revenues are budgeted at \$13.8 million. She stated when combined with service charges and use of money and property, budget revenue in the operations department is approximately \$14 million. She mentioned this revenue funds suppression, administration, retiree benefits, and overhead related to suppression. Ms. Mandolini said that total operations expenditures are \$12.7 million, with \$1,374,682 remaining.

In the ambulance department, the draft budget is projecting \$3.8 million in revenue, and \$4.3 million in expenses for a deficit of \$521,054. Ms. Mandolini stated this category shows improvement from previously having a deficit of one million prior to the adoption of the ambulance operator model.

Total revenue projected for 2024-2025 is \$20,227,875, total expenses are \$20,044,833, leaving the department with \$182,992 to contribute towards reserves.

Ms. Mandolini mentioned the CalPERS (PERS) Unfunded Liability for the retired Big Bear City Community Services District (BBCCSD) firefighters increased by 76% in one year at an amount of \$350,000. Mandolini called on Isabel Safie from Best Best and Krieger to further explain this large increase. Ms. Safie explained that when the fire agencies consolidated, part of the process to consolidate the pension benefits involved dealing with PERS to avoid triggering a withdrawal or termination of the fire safety contracts held by BBCCSD, which would have resulted in a staggering liability. The solution was to convert the safety plans held by BBCCSD into inactive status. Those that were still active transferred over to the SBCERA plan under the Big Bear Fire Authority contract. The inactive plans consist of three plans. First Tier Safety Plan, Second Tier Safety Plan, and PEPR. PERS calculates liability the same way they calculate ongoing plans. When transferred to inactive, CalPERS selected a 15-year amortization period, meaning over 15 years, the expectation was the unfunded liability would be paid off. The significant increase identified is contributed to the assumed rate of return which is 6.8-6.9%, which

did not happen. Instead, during the evaluation year of June 30, 2022, PERS experienced a 6.1% loss. This has now created a significant increase.

Discussion ensued regarding how PERS justifies a big loss during the current climate and if this may happen again. It was asked if its possible to anticipate a return to previously seen rates.

Staff responded to questions from the Board members. Board members provided comment.

Ms. Mandolini mentioned there was an error found in the Full Time Employment (FTE) chart. The Board Secretary position is a 0.5-time position. Otherwise, there is no change to the FTE chart.

Battalion Chief Luke Wagner provided a presentation regarding the budget request for the roof replacement of Fire Station 282. He mentioned the estimated age of the current roof is around 30 years. This is a budget request rolled over from the previous budget year with an estimated amount of \$150,000.

Battalion Chief Wagner provided a presentation regarding Fire Station 282 exterior paint. Due to the harsh weather and direct sunlight, there are spots where the paint is peeling and exposing the wood underneath. This budget request is estimated to be \$9,925.

Battalion Chief Wagner provided a presentation regarding Fire Station 282 asphalt replacement. He stated this includes the public parking as well as the back for employees and apparatus pulling into the back garage. Due to harsh weather, it is turning grey and severally cracked. This budget request is estimated to be \$60,000.

Battalion Chief Brian Parham provided a presentation regarding the budget request for the Stryker MX-pro Manual Ambulance Cot, also known as a gurney. He stated this gurney would be placed on medic ambulance 281, with the current gurney being placed on the reserve ambulance. The gurney purchase is estimated at \$10,000.

Battalion Chief Dan Rogers provided a presentation regarding Fire Station 283 exterior/interior bay paint. As previously stated, with the harsh weather and direct sunlight, the current paint is cracking which exposes and ruins the wood underneath. This budget request is estimated at \$14,575. Chief Rogers mentioned he walked the bay with the crew and noticed the walls do not need paint, but a thorough cleaning. With that finding, this budget request is reduced to \$9,750.

Battalion Chief Dan Rogers provided a presentation regarding the purchase of a snowblower for Fire Station 281. He mentioned this is the same model that station 282 and 283 use, therefore it will have the same safety operating procedures. This purchase would replace the current 2009 snowblower, which would be moved to Station 284 where there is no snow blower being utilized at this time. This budget request is estimated at \$4,000.

Discussion ensued regarding what is needed this year vs what could be rolled over to the next budget year. It was suggested a maintenance schedule be created to keep track of the big projects with estimated cost. It was suggested to create a reserve policy that works with a maintenance schedule.

Public Comment:

Patrice Duncan, Sugarloaf: questioned if we have a regular maintenance program to keep track of the big projects. She also requested the Fire Chief look into the expense of the power outage failure at station 283. She mentioned it is a manual turn over for the generator during a power outage, therefore the garage doors cannot open. She stated this is a community safety issue and asked this be placed into the budget as well.

Discussion ensued regarding each fire station being able to manually open garage doors if needed as well as battery backup lights to light up the major walkways throughout each fire station.

Director Rowe stepped out at 6:22 p.m., returning at 6:25 p.m.

It was requested to bring a discussion item to the June regular board meeting regarding a reserve policy and to start a maintenance schedule.

A break was taken at 6:41 p.m., returning at 6:47 p.m.

Discussion ensued regarding the increase in property taxes and the increase to the salaries and benefits.

Public Comment:

Andrew Crane: mentioned in the 2024-2025 budget, it includes the 76% increase to the retiree unfunded liability expense. He stated there is potential that expense can be reduced in the future and excess to the fund balance, Additionally, in 2026 a recently purchased fire engine will be paid off..

Chief Willis reviewed the fleet replacement schedule with the Board. He stated the Fire Chief vehicle and the S-282 vehicle will be in their first year of deferral replacement. The battalion chief vehicle will be in its second-year of deferral. He mentioned MA-281A and ME-281 are planned for discharge. Regarding the planned purchase of the new ambulance, it is within this year's budget for purchase which includes outfitting a patient area, radios, gurney, cardiac monitor, and an autopulse.

Discussion ensued regarding if the department were to wait too long on the deferred vehicles, it would add up quickly. It was mentioned to find grant opportunities to assist with other purchases to allow purchase of vehicles.

Staff responded to questions from the Board members. Board members provided comment.

Public Comment:

Patrice Duncan, Sugarloaf: mentioned the local fire safe council can assist with grant funding like the Mountain Rim Fire Safe Council with the current chipping grant.

It was agreed by those in attendance, if Ms. Mandolini could meet with Vice Chair Segovia and Director Eagleson to discuss the 2024-2025 preliminary draft budget, then the scheduled May workshop could be canceled.

The Board authorized the public hearing for the draft budget to be noticed in the newspaper.

ADJOURNMENT

There being no further business to come before the Fire Authority at this session, Board Chair Walsh adjourned the meeting at 7:31p.m.



Chardelle Smith
Board Secretary

APPROVED AT THE MEETING OF JUNE 11, 2024