



Central Fire District of Santa Cruz County

BUDGET DOCUMENT
FY 25/26



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BUDGET MESSAGE

To the Board of Directors of the Central Fire District of Santa Cruz County:

I am pleased to present the Fiscal Year 2025-26 Budget for Central Fire District of Santa Cruz County. The District's primary objective is to provide the highest possible level of service to our communities while demonstrating fiscal responsibility and providing adequate reserves.

This budget has been prepared to provide a realistic financial plan, ensuring the District will continue to deliver exceptional, yet cost-effective fire protection, emergency medical services, and community risk reduction services, while remaining receptive to our community and the current economy. As pension, healthcare, and workers compensation costs continue to rise over time, the District is committed to good financial stewardship through efficient operational and budgetary management processes, including cutting costs whenever feasible. Ultimately, it is the District's goal to present and maintain a balanced budget while addressing changes to our operational needs.

Fiscal Year 2024-25 Accomplishments

There have been many achievements and challenges that the organization has focused on over the past fiscal year. We have applied our efforts to the goals and objectives outlined in our Master and Strategic Plans. Although we have not met all our goals, we continue to evaluate our current situation against what we think is likely to happen in the future. The Fire District's focus has been on fire station relocation outside of flood and tsunami inundation zones.

This effort highlighted our attempts to purchase property, establish long-term funding mechanisms to develop facilities, and position the organization to continue serving the public for the next 50 years. The District sponsored Measure R, a general obligation bond designed to provide funding for capital improvements, apparatus, and life-saving equipment replacement. Although Measure R failed to achieve the required 66.6% of the vote, there were lessons learned for institutional knowledge throughout the process. Furthermore, the District was competing in a highly competitive real estate market, attempting to purchase property for future station relocation to sites that were strategically advantageous for response considerations and natural disaster vulnerability. This fiscal year we are currently looking at alternative funding sources to accomplish this goal, with the realization that this will be a multi-year project.

For the first time in decades, the Fire District added a fire unit to the response matrix. Working with the firefighters' union, the District staffed Engine 3543, a Type 6 fire engine, with one Firefighter/Paramedic and one Firefighter to augment the response of our existing resources. This trial deployment was met with challenges and opportunities. Thanks to the resilience and positive mindsets of our staff, we worked through the challenges and demonstrated that adding another resource was cost effective, provided increased resilience in our emergency response, and offered our staff an opportunity to develop leadership skills daily. Below are several other accomplishments, some of which we would like to highlight.

- Coordinated the purchase of land located at 3845 Soquel Ave for future development of a fire station as outlined in the District's Strategic Plan.
- Completion of the Fleet Services improvement project which consisted of upgrading our existing Fleet facilities to address structural defects and expansion of workspace for mobile repairs.
- Collaborated with Santa Cruz Regional 911 for emergency service radio communications and ongoing partnership with County of Santa Cruz to address radio system challenges by installing a new fire station Alerting System.

BUDGET MESSAGE

- Led countywide training exercises in Special Operations, Engine Operations, Wildland Fire, Truck Operations, and Active Shooter scenarios. Also collaborated with training chiefs from local agencies and CAL FIRE to identify other cost-effective training opportunities.
- Increased outreach efforts in aiding homeowners through the FIREWISE certification process, providing home hardening information, and implementing the weed abatement program. The collaborative efforts significantly improved the resilience of homes against wildfires, as residents learned to take proactive measures to protect their properties.

Fiscal Year 2025-26 Goals

The District has developed a 20-Year Master Plan along with a 5-Year Strategic Plan. These plans, in conjunction with the annual budget, will serve as foundational documents to guide the District's direction in the coming years. Presented below are the District's goals for the current fiscal year, reflecting our commitment to achieving the objectives outlined in the Strategic Plan.

- Continue to work on the development of a long-term facilities plan and determine funding options for relocating and improving fire stations.
- Conduct Fire Impact Fee Nexus Study to establish the legal and policy basis for the collection of a new fire impact fee ("Fee") on new developments within the District's boundaries and determine potential future revenue.
- Enhance emergency response capabilities by upgrading the District's radio infrastructure for use during natural disasters and special events. Additionally, improve District GIS and data analytics by selecting and implementing a Resource Management System (RMS), updating district maps to aid in disaster response, and developing a county Technical Rescue/Special Operations resource list and response plan.
- Increase recruitment efforts for underrepresented groups in the Fire Service by hosting Girls Fire Camp, continuing career fairs at local high schools and colleges, and increasing involvement with the "Your Future is Our Business" group.
- Develop role of Health & Safety Officer (HSO)/ Designated Infection Control Officer (DICO) to better serve our 7 – station District. Partner with the Health & Wellness Program to improve the effectiveness of the Safety Committee. Better define the role and responsibilities of the HSO/DICO and identify training opportunities for individuals filling that position.
- Enhance capital replacement schedules to address current supply chain challenges within the industry. Capital replacement schedules are typically forecasted over a 10-year period and outline the District's equipment needs. Additionally, funding considerations are made to ensure adequate replacement of equipment as it reaches the end of its useful life.
- Continue to work with County elected officials to increase the allocation of ½ of 1% of voter approved Proposition 172, the Local Public Safety Protection, and Improvement Act of 1993, to fire services in Santa Cruz County, specifically for special fire protection districts.

The District develops its budget and long-term financial projections based on local external environment data, economic forecasts, and historical trends. These factors are continuously monitored to evaluate how economic changes may affect our services. During development, we follow fiscal policies and strive to maintain a strong financial position for the future.

BUDGET MESSAGE

Economic Factors and Fiscal Uncertainties

- Supply Chain Issues & Inflationary Conditions – Supply chain issues and current inflationary conditions are expected to generally result in delays in receiving products, supplies, and equipment, while associated prices are likely to rise. The District has incorporated known and anticipated price increases into the FY 2025-26 budget, as well as the potential impacts of supply chain delays, both operationally and in estimated timing. Anticipated assembly line delays for fire apparatus, for example, require detailed planning and careful consideration regarding fleet management, with build-out time estimated to be 18 months or longer. Tariffs on imported goods will significantly affect the fire service, particularly in terms of cost and supply chain issues. Increased costs of raw materials, such as steel and aluminum, can increase the price of fire-related equipment and components, potentially leading to higher prices. Supply chain disruptions can also result in delays and make it harder to secure necessary equipment promptly. In anticipation of these issues, the District has updated capital replacement schedules to account for these cost increases and supply chain issues to ensure timely receipt of equipment.
- Increase in Housing Development – The County of Santa Cruz is actively increasing its housing development to meet California's state-mandated goals and address its own housing needs. The County plans to add thousands of new housing units, including student housing, downtown high-rises, and other projects. This increased housing supply aims to address the high cost of living and a shortage of affordable housing. The state of California has set Regional Housing Needs Allocation (RHNA) targets for the County of Santa Cruz, requiring plans for a significant increase in housing units. The plan, known as the housing element, is a state-mandated blueprint required of cities and counties across California to address the state's increasingly imbalanced housing supply and demand ratio. The state, in conjunction with the regional agency Association of Monterey Bay Area Governments, determined that the County of Santa Cruz must plan to accommodate over 4,000 units between 2023 and 2031. In anticipation of an increase in housing, the District is considering an impact fee study for new construction within District boundaries. This will bring in an additional source of revenue for the District. Regarding service, we will investigate the possibility of adding more fire units like Engine 3543 to improve response times and handle the projected increased demand for service due to more housing.
- Continue Development of a Long-term Facilities Plan – As part of the District's 5-Year Strategic Plan, one of the primary goals is to develop a comprehensive long-term facilities plan to identify needed capital improvements. Although the District has been proactive in setting aside funding for apparatus and capital replacement, large scale capital improvements are quite costly and challenging to fund from existing operating revenues. In August 2023, the District established a capital funding plan that prioritized capital needs and considered funding options. The District collaborated with a municipal advisor to identify funding options. In 2024, the District decided on a General Obligation Bond to fund this plan. The District proposed Measure R, which would authorize \$221,000,000 in bonds at legal rates, levying \$29 per \$100,000 of assessed property valuation. The bond would be used to maintain 911 response times, protect local medical emergency and fire protection services; and prepare for wildfires, floods, and earthquakes by upgrading and repairing aging lifesaving equipment and stations. However, Measure R did not pass in the 2024 election. With the purchase of land this past fiscal year, and the need to relocate or upgrade our existing facilities, the District will need to explore alternative funding sources to begin construction and improvements.

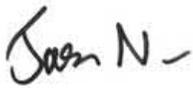
BUDGET MESSAGE

Major changes in service levels, fees, and taxes

- Property assessed valuation is projected to increase modestly. We have forecasted a 4.36 percent assessed valuation growth for the 2025-26 fiscal year. Over the past five years, the tax base within the District has exhibited consistent and modest growth, averaging a 4 percent annual increase. Residential and commercial construction remains robust and competitive. In Santa Cruz County, the median home price reached \$1.42 million in April 2024, nearly triple the \$495,000 recorded in January 2010. Additionally, the unsold inventory index has consistently remained around 3%, which has been the main factor in driving up current home prices.
- The District's call volume remained stable with 8,994 calls reported in 2024 compared to 9,055 calls reported in 2023. The call volume is distributed across seven stations, with Live Oak Station being the busiest location. Staff continue to analyze incident statistics to ensure the deployment of the most appropriate resources based on the nature of the incidents.
- The Consumer Price Index (CPI) tracks variations in the cost of living by evaluating prices for common goods and services. Historically, the Bay Area Index (used as a benchmark for Santa Cruz County) has exhibited higher inflation rates than the national average, primarily due to rising housing and energy costs. Inflation peaked at 5.6% in 2022, then dropped to 3.7% in 2023, and further declined to 2.8% in 2024. Despite these improvements, the Bay Area continues to face higher inflation rates compared to the previous decade, with ongoing cost pressures still impacting household budgets and public service delivery.

In conclusion, I am pleased with the collaborative approach we have employed in developing our budget. I extend my gratitude to the District Program Leads, Program Managers, and supporting staff for their ongoing efforts in enhancing the budget process and preparing the annual budget document. Furthermore, I would like to acknowledge the Board of Directors and management staff for their exemplary leadership, guidance, and initiative, as well as their dedication and commitment to serving the community. I encourage you to examine this budget to gain insight into the District and our unwavering commitment to delivering outstanding service to the communities we serve.

Sincerely,



Jason Nee
Fire Chief

BUDGET IN BRIEF



BUDGET IN BRIEF

This Budget in Brief document is intended to provide a general overview of the District’s Fiscal Year 2025-26 Adopted Budget. This document highlights key initiatives for the upcoming budget year which align with the District’s 5-Year Strategic Plan and summarizes economic and fiscal uncertainties that could influence future budget development. It also provides an overview of major revenue sources and how those revenues are spent through expenditures.

Fiscal Year 2025-26 Budget Goals

-  Continue to work on the development of a long term facilities plan and determine funding options for relocating and improving fire stations.
-  Conduct Fire Impact Fee Nexus Study to establish the legal and policy basis for the collection of a new fire impact fee (“Fee”) on new developments within the District’s boundaries and determine potential future revenue.
-  Enhance emergency response capabilities by upgrading the District’s radio infrastructure for use during natural disasters and special events.
-  Increase recruitment efforts for underrepresented groups in the Fire Service.
-  Develop role of Health & Safety Officer (HSO)/ Designated Infection Control Officer (DICO) to better serve our 7 – station District.
-  Enhance capital replacement schedules to address current supply chain challenges within the industry.
-  Continue to work with County elected officials to increase the allocation of ½ of 1% of voter approved Proposition 172 to fire services in Santa Cruz County, specifically for special fire protection districts.

Economic Factors and Fiscal Uncertainties



BUDGET IN BRIEF

Revenue Overview

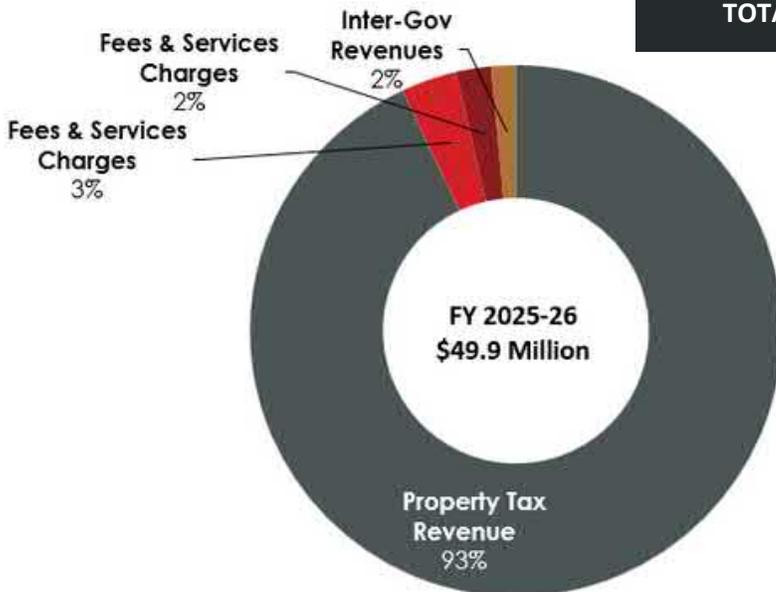
Property taxes account for more than 90% of the District’s total revenue and serve as its principal funding source. Additional revenue is generated through fees, service charges, miscellaneous income, and intergovernmental revenue.

Where the Money Comes From: \$49.9 MILLION IN TOTAL REVENUE



Revenue Sources

Property Tax Revenue	\$46,428,380
Fees & Services Charges	\$1,697,199
Other Revenue	\$1,062,676
Inter-Gov Revenues	\$741,465
TOTAL	\$49,929,719



BUDGET IN BRIEF

Property Tax – 93% of Total Revenues

Property tax revenue is projected to increase 4.36% from the prior year. In recent years, property tax revenue has increased modestly due to annual valuation changes, the projected addition of new developments to the tax rolls, and other property tax adjustments.

Fees and Service Charges – 3% of Total Revenues

Fees and service charges are primarily derived from our Fleet Services and charges for services related to inspections and plan checks by the Community Risk Reduction Division.

Other Revenue – 2% of Total Revenues

Other revenue is derived from interest income. The District earns interest from its funds deposited in the County of Santa Cruz and California Class. Other revenue also consists of miscellaneous income.

Intergovernmental Revenue – 2% of Total Revenues

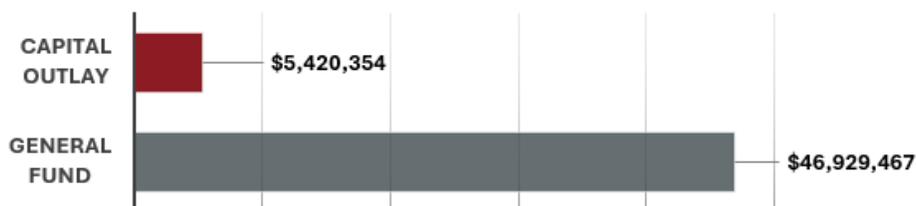
Intergovernmental revenue is derived from mutual aid recoveries associated with Strike Team reimbursements from the California Governor’s Office of Emergency Services (OES), which fluctuate annually. Revenue from this source is typically not projected due to its unpredictability. Other sources include homeowner property tax relief, and redevelopment pass through income.

Expenditure Overview

The District's expenditures are allocated across two District funds: the General Fund and the Capital Outlay Fund. The General Fund is designated for day-to-day operations, whereas the Capital Outlay Fund is designated for significant capital expenditures, including capital equipment, facility improvements, or the acquisition of land and buildings.

Where the Money Goes: \$52.3 MILLION IN TOTAL EXPENDITURES

Expenditures by Fund Type	
General Fund	\$46,929,467
Capital Outlay	\$5,420,354
Total	\$52,349,821

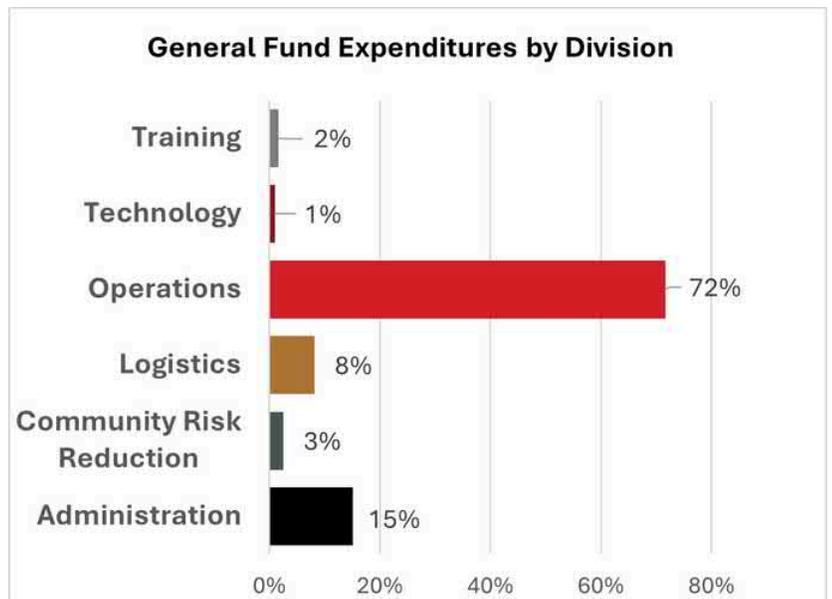
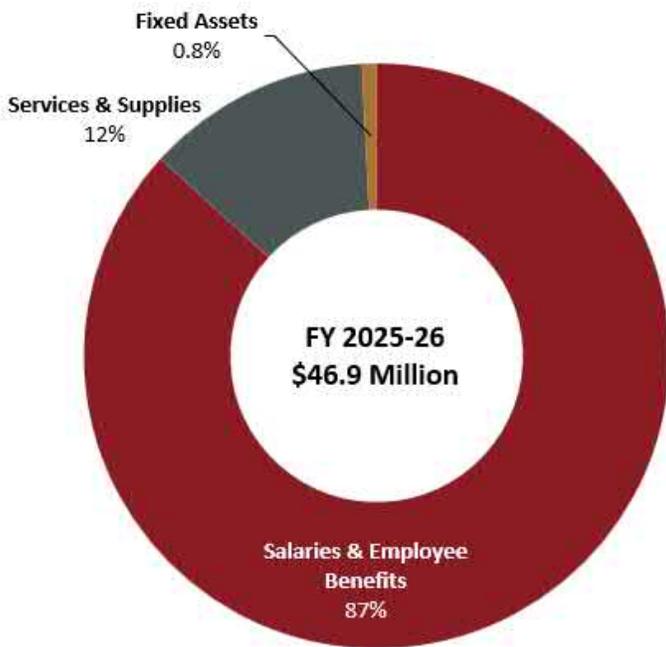


BUDGET IN BRIEF

General Fund

The General Fund is used to account for the day-to-day operations of the District. It includes categories such as salary and benefits, services and supplies, and fixed assets. Expenditures from the General Fund are further distributed across six divisions, each fulfilling distinct functions within the organization while collaborating to support the District’s overall goals and objectives.

General Fund Expenditures by Category	
Salaries & Employee Benefits	\$40,725,965
Services & Supplies	\$5,820,831
Fixed Assets	\$382,672
Total	\$46,929,467



Salaries and Employee Benefits – 87% of General Fund Expenditures

Personnel costs represent the District’s largest expenditure. This consists of projected wage increases, pension costs, healthcare costs, and workers’ compensation costs. Personnel costs are projected to increase 7.48% from prior year.

Services and Supplies – 12% of General Fund Expenditures

These costs consist of supplies, equipment maintenance, fuel, utilities, training, and other operational costs.

Fixed Assets – .8% of General Fund Expenditures

One-time capital purchases of over \$5,000 not included in the Capital Outlay Fund, due to their infrequent occurrence or small amount, can be covered by the General Fund.

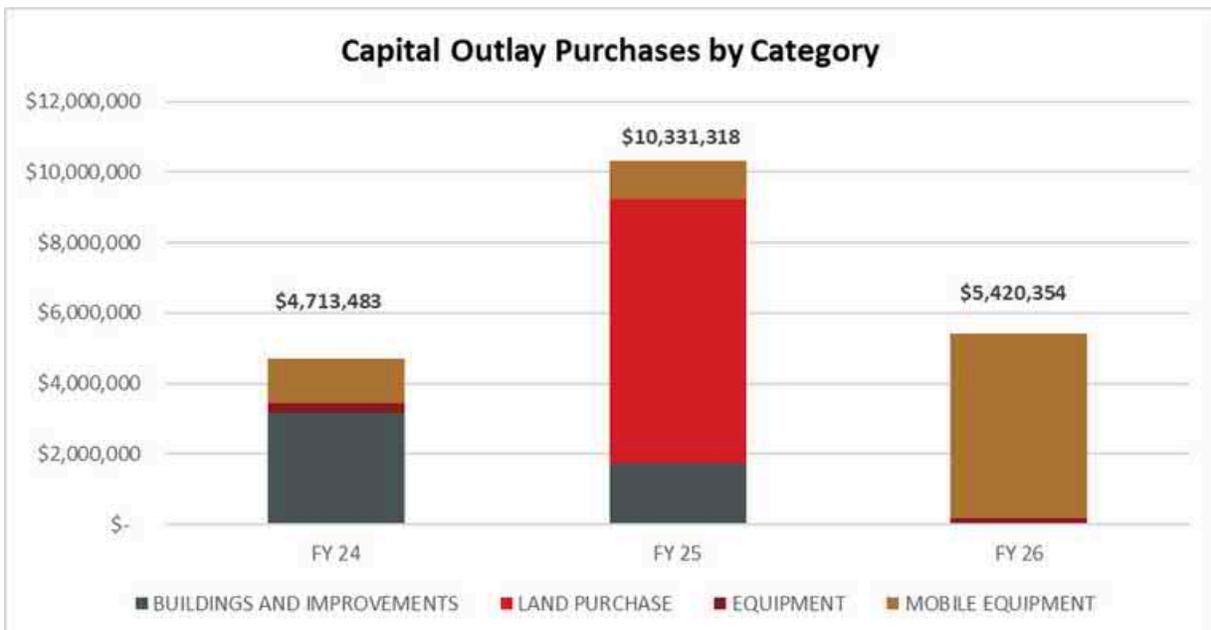
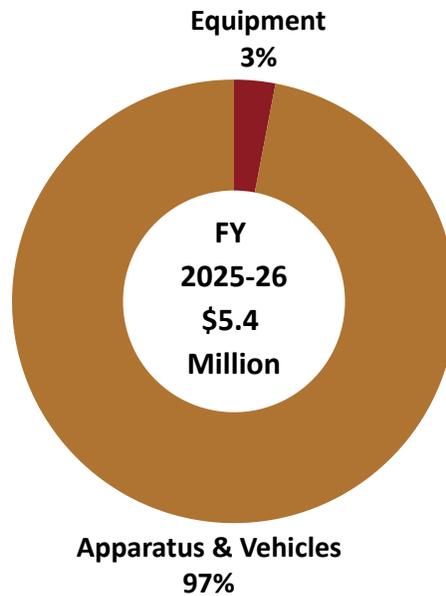
BUDGET IN BRIEF

Capital Outlay Fund

The Capital Outlay Fund is used to account for financial resources related to capital assets which include the acquisition of equipment, machinery, apparatus, vehicles, building construction, building improvements, and land.

Capital Outlay Expenditures

Apparatus & Vehicles	\$5,250,746
Equipment	\$169,608
Total	\$5,420,354



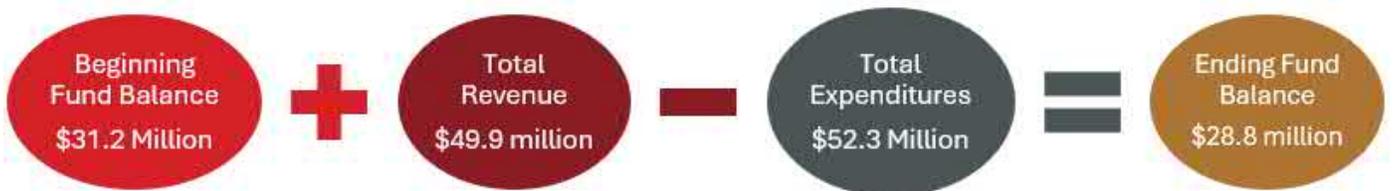
BUDGET IN BRIEF

Fund Balance

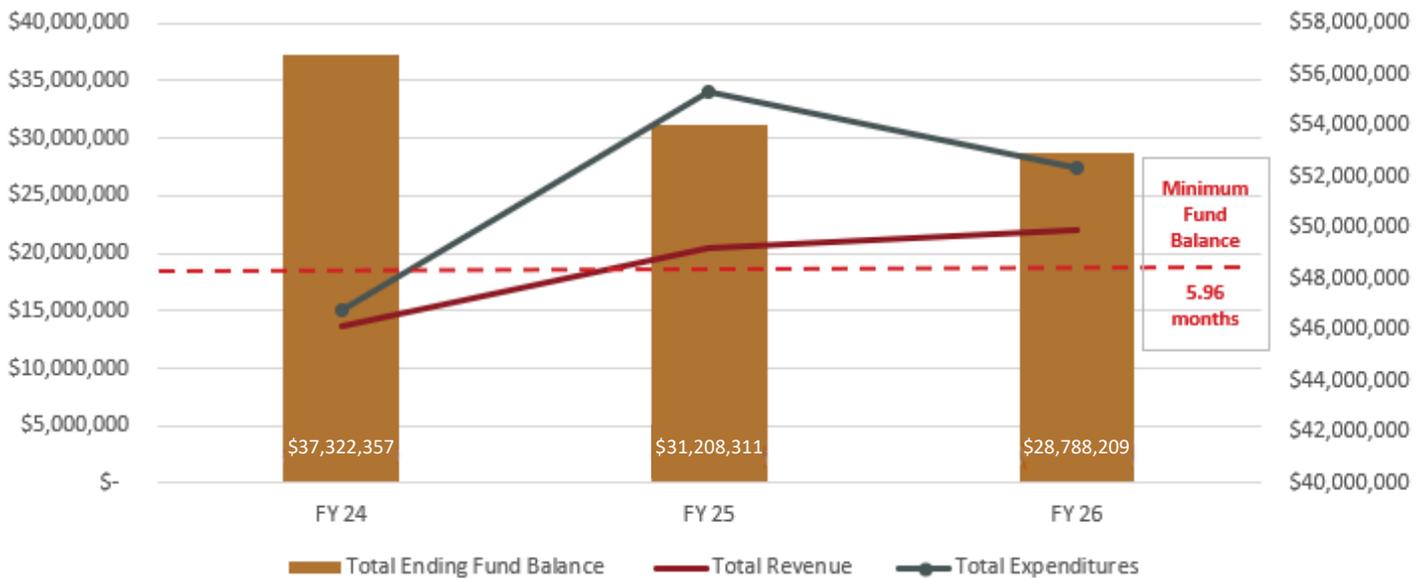
Fund balance refers to the difference between a fund’s assets and liabilities in accounting. This year, total expenditures were \$2.4 million greater than total revenue primarily due to major capital purchases for new apparatus and vehicles. As planned, the District will use its fund balance from the capital reserves set aside specifically for this purpose.

The District’s reserve policy requires a minimum fund balance of five months of expenditures. The FY 2025-26 budget projects a 5.96-month reserve, meeting this requirement. Although the fund balance has declined in recent years due to capital purchases, the District remains financially stable by adhering to its reserve policy.

Planned use of Fund Balance: \$2.4 MILLION



Revenue, Expenditures & Ending Fund Balance



INTRODUCTION



READERS GUIDE

The District’s budget presents a thorough overview of its annual financial and operating plan. It is an official document, approved by the District’s Board of Directors, that dictates budgetary spending required to ensure operational efficiency and effectiveness. Additionally, this document provides a higher level of transparency, as it highlights the District’s processes and policies regarding the spending of public funds. It integrates both the District’s Master Plan and the 5-Year Strategic Plan, which are further reflected in the District’s annual goals and objectives. These objectives specify how funds are being utilized and how resources are being allocated in support of the District’s long-term goals and strategic initiatives. The District’s annual budget is organized into the following sections:

- 1. Introduction** — This section provides an overview of the District and its service area, including organizational structure, stations and facilities, personnel information, and a comprehensive District profile.
- 2. Budget Overview** — This section provides essential details related to the development of the budget. It covers a summary of financial policies, the process for developing the budget, a calendar outlining important budget dates and the structure of funds.
- 3. Strategic Plan** — This section outlines the District’s 5-Year Strategic Plan, serving as a roadmap for future development. The plan includes setting long-term objectives, identifying strategies to reach those targets, and developing a budget that aligns financial goals with resource allocation. This approach helps ensure the District remains financially viable and responsive to changing circumstances. Essential elements of the plan involve establishing the mission and vision statements, performing a SWOT analysis, and defining strategic goals and objectives.
- 4. Financial Summaries** — This section contains an overview of the District’s revenues and operating expenses. This includes a breakdown of revenues and expenditures by fund for FY 2024, FY 2025, and the proposed FY 2026 budget with percentage changes. It covers beginning and end balances, fund projections, year-to-year budget impacts, and information on the District’s long-range financial planning.
- 5. General Fund** — This section contains comprehensive revenue and expenditure information on the District’s major fund.
- 6. Division Program Budgets** — This section provides details about the District’s divisions and respective program budgets. It describes each division’s primary mission and indicates the number of personnel allocated to each division. The program budgets outlines salary and benefit expenses required to operate the division and funds allocated for services and supplies necessary to achieve the division’s annual goals and objectives, which are aligned with both the Master Plan and Strategic Plan.
- 7. Capital Outlay Fund** — This section includes information on the District’s capital outlays with line-item breakdowns and description of purchases.
- 8. Supplementary Information** — This section contains statistical and supplemental data about the District, its community, and population. It also provides relevant background information related to the services provided. The glossary of terms can also be found in this section.

DISTRICT OVERVIEW

In 1987, Central Fire Protection District was created from the consolidation of the Capitola, Live Oak, and Soquel Fire Districts.

In 1986, Aptos Fire District and La Selva Beach Fire District also consolidated, to become the Aptos/La Selva Fire Protection District. By 2018, Aptos/La Selva FPD and Central FPD entered into a Shared Services Agreement, combining services with their Administrative and Community Risk Reduction Divisions.

In February of 2021, Central Fire Protection District and Aptos/La Selva Fire Protection District consolidated into Central Fire District of Santa Cruz County.

Central Fire District serves the communities of Aptos, Capitola, La Selva Beach, Live Oak, Rio Del Mar, and Soquel.

The resident population is approximately 90,500, with a seasonal influx during the summer, and covers an area of 55 square miles. The District responds to requests for service for fire, water rescue, emergency medical services, hazardous materials calls, and assorted alarms.

The District operates seven fire stations, an Administrative Office, Community Risk Reduction Division, Training Division, and Fleet Services Facility. The District has several robust program areas including Community Risk Reduction, Community Education, Emergency Medical Services, Water Rescue, Fire Investigation, Hazardous Materials, Technical Rescue, and Training.

Central Fire District has a publicly elected Board of Directors consisting of five members who are elected to four-year, staggered terms.

OUR MISSION

The Mission of Central Fire District of Santa Cruz County is to preserve quality of life for the citizens and visitors of the communities we serve by protecting lives, property, and the environment through emergency response, community risk reduction, and education.

OUR VALUES

Safety

We value safety as a priority in all our actions and take appropriate steps to maintain and improve the well-being of the community and our personnel.

Service

We value service by being prepared to serve with respect and compassion at any moment with knowledgeable and committed personnel.

Professionalism

We value professionalism through our readiness, leadership, and work ethic to provide the highest standards of service with dedication, teamwork, and respect.

OUR VISION

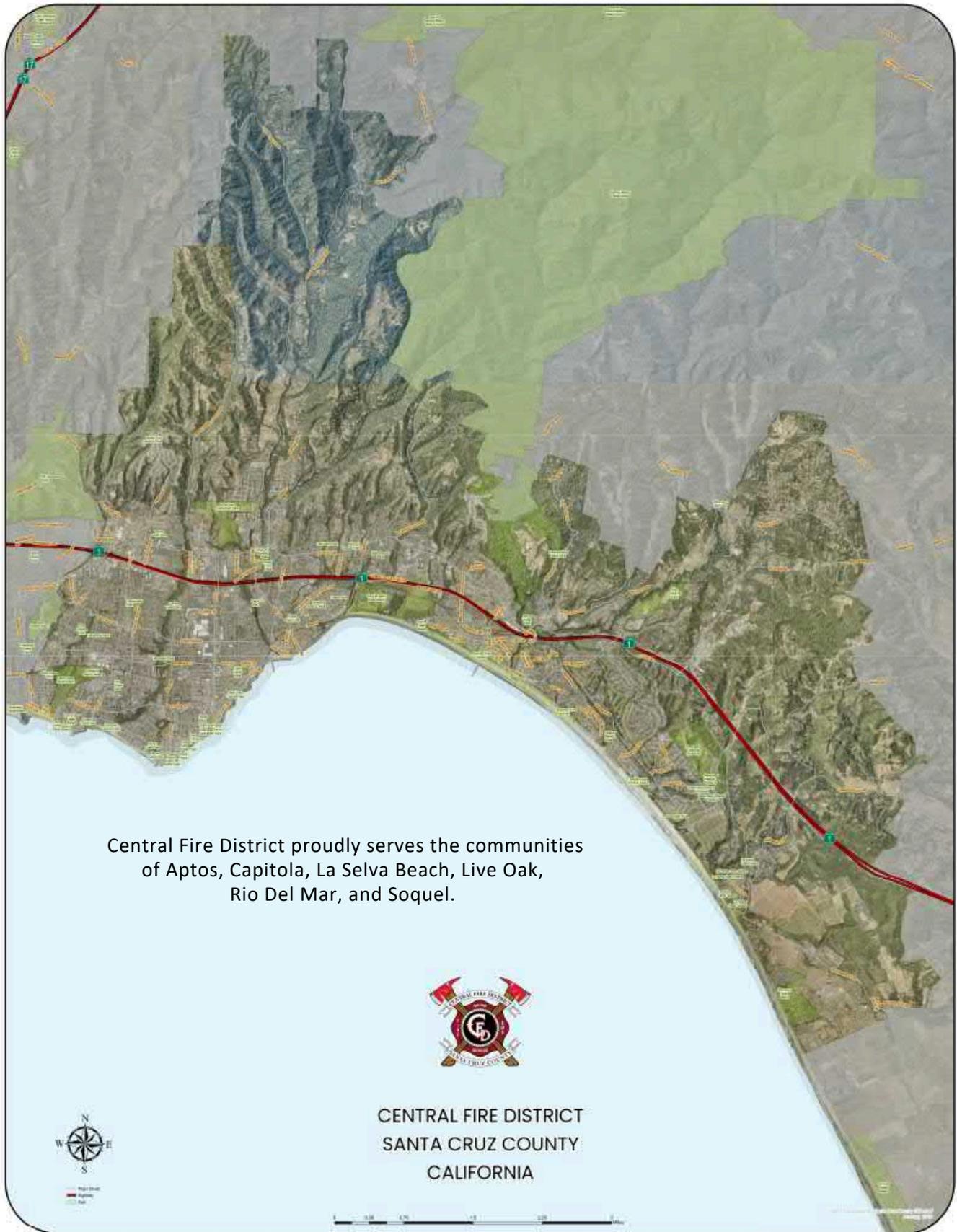
It is the Vision of Central Fire District of Santa Cruz County to:

Position the Fire District securely (operationally, financially, and politically) through and beyond economic uncertainty while creating a resilient, predictable, and sustainable future.

Be a leader in the fire service, respected for our excellence in service delivery, our dedication to the community, and our commitment to our personnel.

Provide exemplary customer service, be fiscally responsible, and support a regional approach to collaboration and progressive innovation.

DISTRICT BOUNDARIES MAP



STATIONS AND FACILITIES



Live Oak Station 1
930 17th Avenue
Santa Cruz, CA 95062



Thurber Station 2
3445 Thurber Lane
Santa Cruz, CA 95065



Soquel Station 3
4747 Soquel Drive
Soquel, CA 95073



Capitola Station 4
405 Capitola Avenue
Capitola, CA 95010



Aptos Station 5
6934 Soquel Drive
Aptos, CA 95003



Rio Del Mar Station 6
300 Bonita Drive
Aptos, CA 95003



La Selva Beach Station 7
312 Estrella Avenue
La Selva Beach, CA 95076



Administration & CRR Division
930 17th Avenue
Santa Cruz, CA 95062



Training Division
6934 Soquel Drive
Aptos, CA 95003



Fleet Services
410 Kennedy Drive
Capitola, CA 95010

BOARD OF DIRECTORS



John Lucchesi
Term of Office
2022 - 2026



Michael Hushaw
Term of Office
2022 - 2026



Lani Faulkner
Term of Office
2025 - 2029



Jake Hess
Term of Office
2025 - 2029



Don Littlefield
Term of Office
2025 - 2029

EXECUTIVE STAFF



Jason Nee
Fire Chief



Nigel Miller
Administration Division Chief



Ernst Bauen
Operations Division Chief



Patrick Winters
Logistics Division Chief



Nancy Dannhauser
Finance Director



Gena Finch
Human Resources Director



Ryan Peters
Battalion Chief
Training & Safety



Scott Vahradian
EMS Chief EMSIA



Derek Staley
Battalion Chief
A Shift



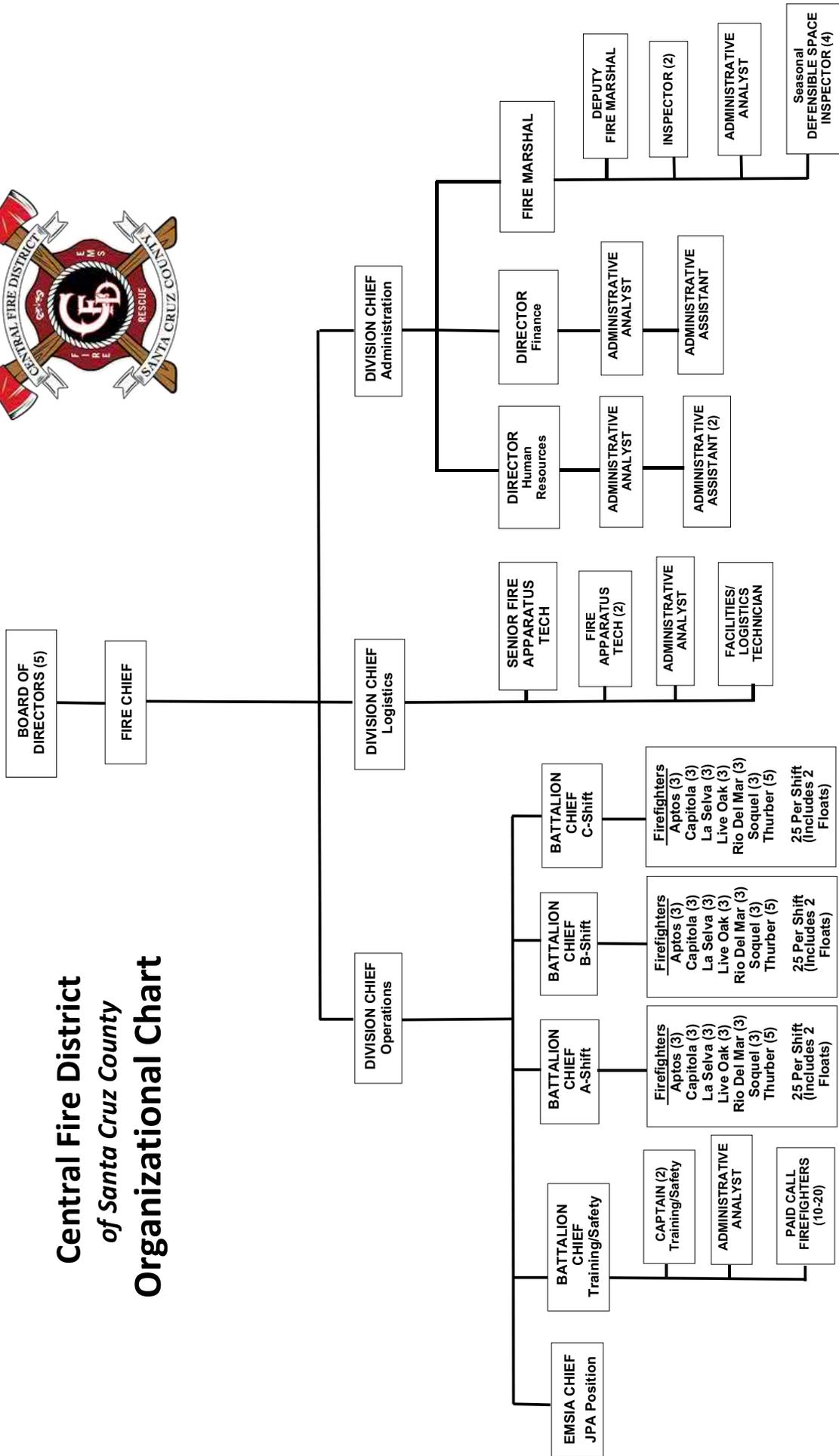
Jacek Kokot
Battalion Chief
B Shift



Richard MacDonald
Battalion Chief
C Shift



Central Fire District of Santa Cruz County Organizational Chart

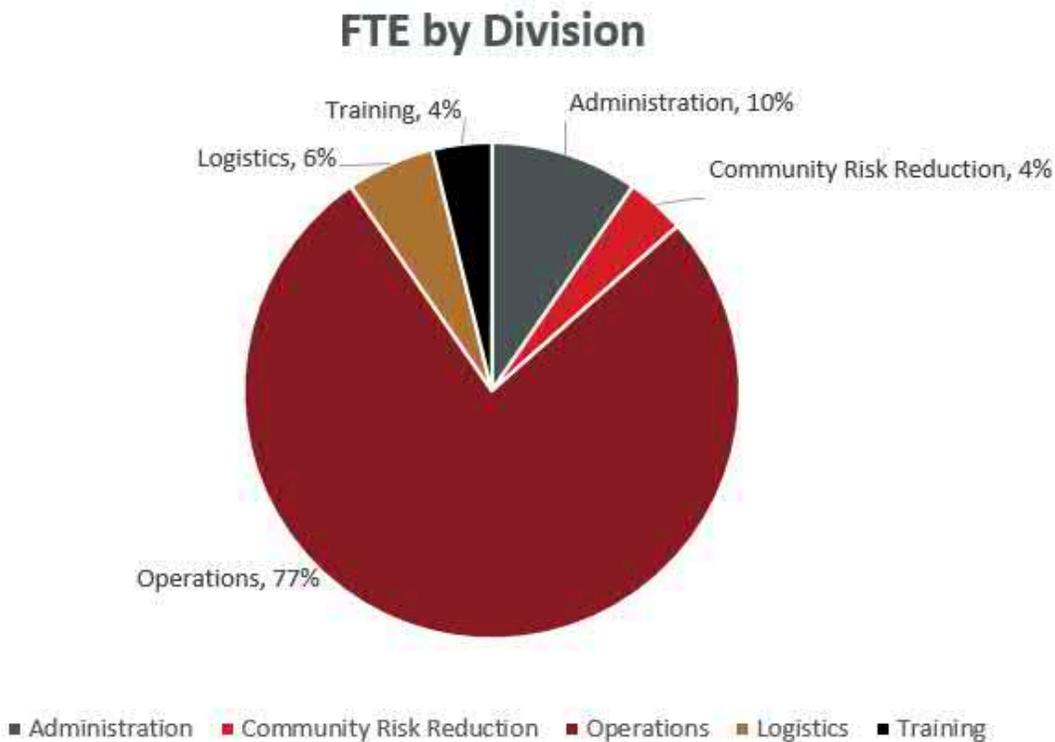


PERSONNEL SUMMARY

FULL-TIME EQUIVALENT STAFF SUMMARY

In FY 2025-26, the District anticipates several staffing changes. Under Administration, the Assistant Chief role was reclassified as Division Chief of Administration, responsible for Human Resources, Finance, and Community Risk Reduction. This realignment supports the District's succession planning needs. Now, three Division Chiefs each oversee key areas—Operations, Support Services, and Administration—with the plan to rotate these individuals through different assignments, giving them a broader understanding of the organization. Additionally, a new Executive Assistant position will be created to provide high level administrative support to the Fire Chief.

Following the Fire Marshal's retirement earlier this year under Community Risk Reduction, the District initiated a shared services arrangement with a neighboring agency to carry out Fire Marshal duties and responsibilities. The District is planning to hire a Deputy Fire Marshal to supplement oversight and leadership over this Division, with both positions to be shared between the two Districts.

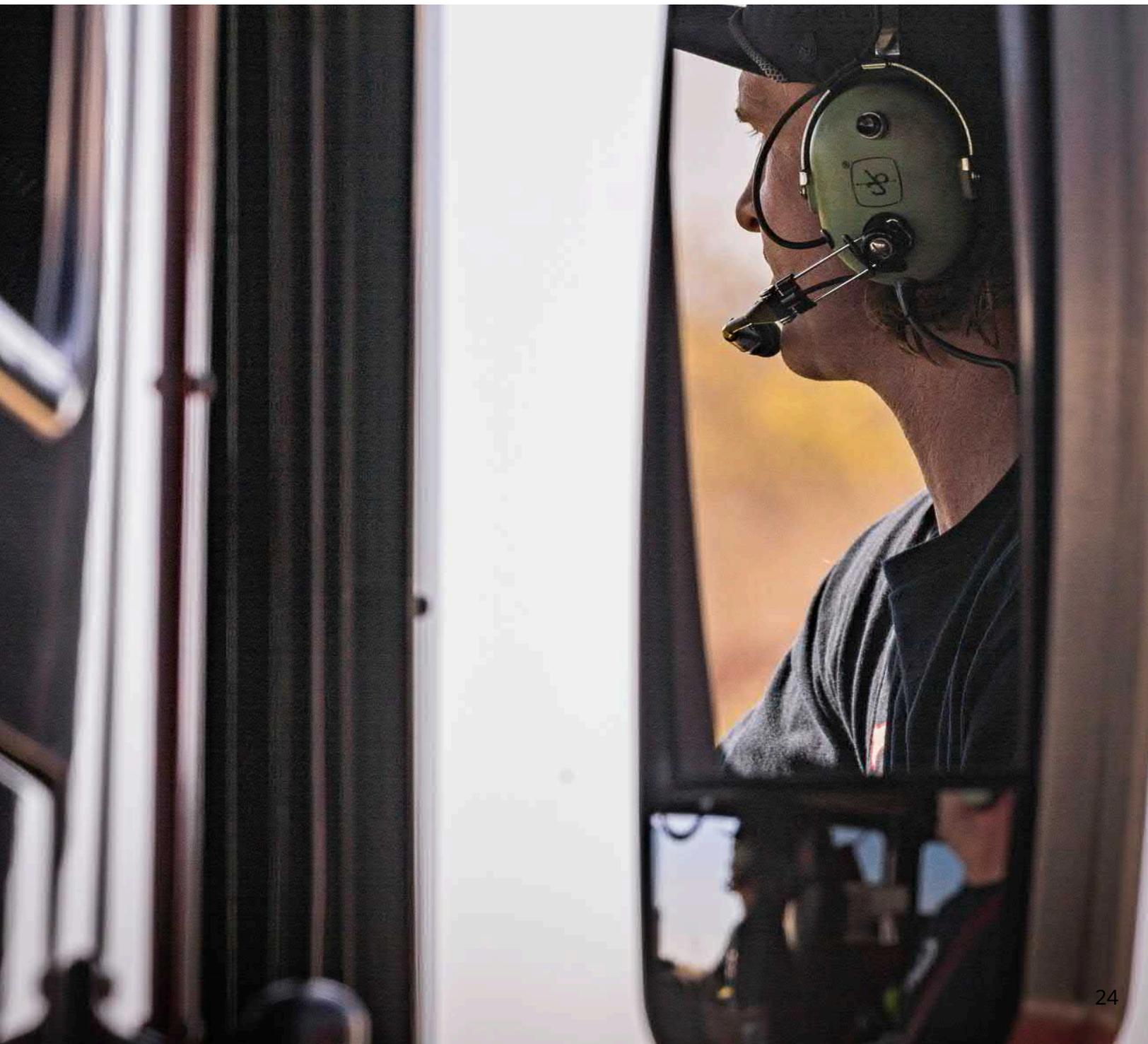


PERSONNEL SUMMARY

Central Fire District of Santa Cruz County Personnel Listing

Full-Time Equivalent Staffing	FY24	FY25	FY26	Change FY25 to FY26
Administration				
Fire Chief	1	1	1	
Assistant Chief	1	1	0	-1
Division Chief	0	0	1	1
Finance Director	1	1	1	
HR Director	1	1	1	
Administrative Analyst	2	2	2	
Administrative Assistant	3	3	3	
Executive Assistant	0	0	1	1
Total Administration	9	9	10	1
Community Risk Reduction				
Fire Marshal	1	1	0	-1
Deputy Fire Marshal	0	0	1	1
Fire Inspector*	2	2	2	
Administrative Analyst	1	1	1	
Total Community Risk Reduction	4	4	4	0
* One (1) vacant fire inspector from FY24 - FY26				
Logistics & Fleet				
Division Chief	1	1	1	
Senior Fire Apparatus Technician	1	1	1	
Fire Apparatus Technician	2	2	2	
Administrative Analyst	1	1	1	
Logistics Technician	1	1	1	
Total Logistics	6	6	6	-
Operations				
Division Chief	1	1	1	
EMS Chief	1	1	1	
Battalion Chief	3	3	3	
Captain	21	21	21	
Firefighter/Paramedic	35	35	35	
Firefighter	19	19	19	
Total Operations	80	80	80	-
Training				
Battalion Chief	1	1	1	
Captain	1	1	1	
Firefighter	1	1	1	
Administrative Analyst	1	1	1	
Total Training	4	4	4	-
GRAND TOTAL	103	103	104	1

BUDGET OVERVIEW



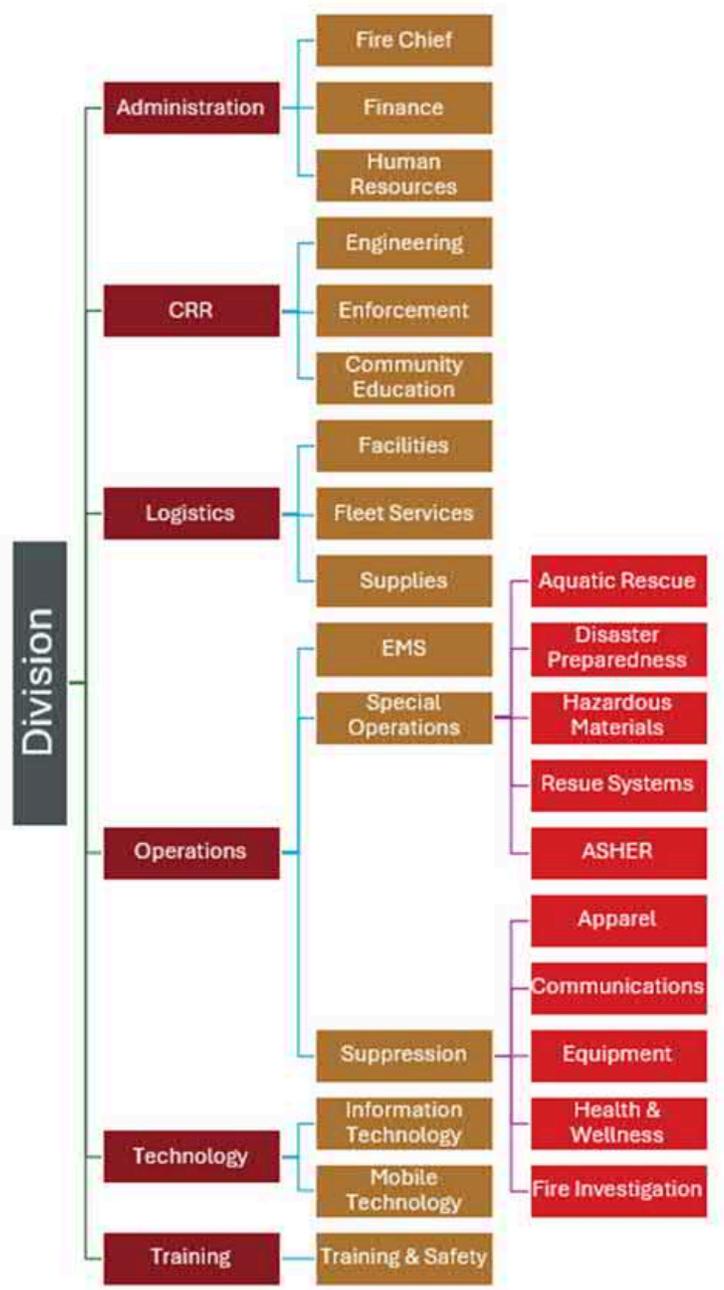
BUDGET OVERVIEW

Budget Process and Calendar

The annual budget is a financial plan that authorizes local government spending, justifies property tax levies, and ensures that planning aligns with available funds. The District strives to maintain a balanced budget, ensuring that total resources are equivalent to total expenditures and the ending fund balance.

The budget planning process for the new fiscal year begins each January. Formulation of the budget is based on historical and current financial data, along with projections for the upcoming fiscal year. Additionally, the District integrates its Strategic Plan into the budget document.

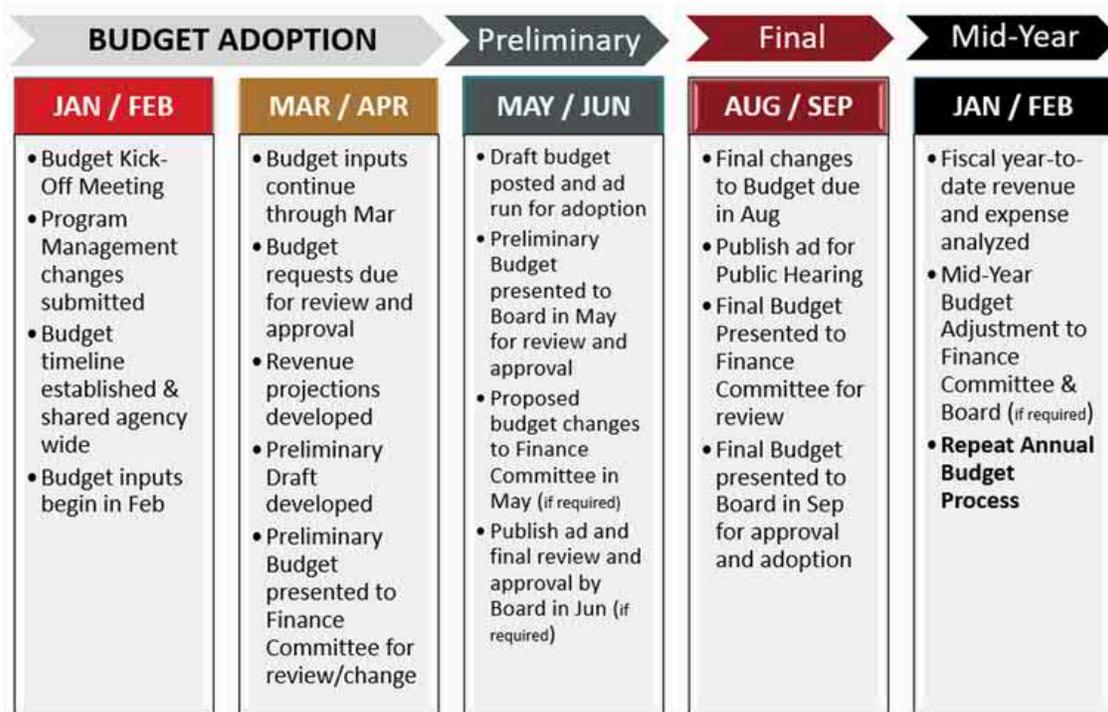
The District has adopted a 5-Year Strategic Plan that outlines objectives and critical tasks necessary to achieve the goals defined within the plan. Desired outcomes are specified to provide a measurable framework guiding existing plans and programs. Each strategy is assigned to the relevant Division, which is responsible for developing objectives in line with these goals. These objectives are dynamic and task oriented. Program Leads and Program Managers are designated to oversee a program or sub-program within a Division to accomplish these objectives and tasks. Depicted to the right is the current budget structure of the District.



BUDGET OVERVIEW

Below is an illustration of the District’s budget cycle on a calendar basis. The budget cycle typically starts in January and ends with the budget adoption in September. A mid-year budget is done in January for the current fiscal year if required, and the new fiscal year process begins again.

Budget Cycle



Proposed Budget (Preliminary Budget): The District typically approves a proposed budget that is approved in May or June of each year before it adopts its final budget in September. A majority of recurring costs are carried over from the previous year’s budget to the current budget, with assumptions of increases based on inflationary costs and new estimates. Projects that have been completed or those with costs that are no longer necessary are removed from the budget. All Program Managers submit new budget requests to their Program Leads for approval. If approved, these requests are then reviewed by the Fire Chief and Division Chiefs. After receiving all requests and conducting meetings with Program Leads and Managers, a balanced budget is achieved through revisions made by the Fire Chief and Command Staff.

Once the balanced budget has been developed, it is presented to the Finance Committee, which consists of two members from the Board of Directors. The Finance Committee reviews the budget documents, makes any necessary changes, and subsequently approves the budget to be presented before the Board of Directors during the regular Board Meeting in May/June. Once the preliminary budget is approved, the public is notified on the District’s website and in the local newspaper of the District’s proposed budget. The budget is available for viewing on the District’s website and copies may be requested or seen in person at the Administrative office.

Budget Adoption: In September each year, the budget is refined and adopted by the Board of Directors along with the GANN limit at a Public Hearing, which is typically held on the second Thursday. The public is notified two weeks in advance of the public hearing and may attend to discuss any item contained in the budget or suggest additions to the budget.

BUDGET OVERVIEW

The GANN limit, also known as the State Appropriations Limit (SAL), is a California constitutional restriction that limits the amount of tax revenue that state and local governments can spend annually. Established by Proposition 4 in 1979, it is adjusted annually for changes in population, inflation, and other factors. The purpose of the limit is to maintain real (inflation-adjusted) per-person government spending at levels consistent with 1978-79. Following the Board of Directors' adoption of the budget, the necessary documents are submitted to the Santa Cruz County Assessor. Budgets are adopted based on General Accepted Accounting Principles "GAAP" (refer to fasb.org for more information).

Budget Amendments: There are two methods to modify the District's adopted budget due to unforeseen circumstances. First, the Board of Directors may transfer appropriations within a fund through a resolution. Second, they can authorize supplemental appropriations by adopting a mid-year budget via resolution. This approach is typically done if there are significant changes in revenue or expenditures throughout the year. The budget is monitored through budget-to-actual financial reports, which are prepared and presented at regular monthly Board meetings. All transactions are approved by the Board of Directors through the consent agenda.

FY 2025-26 Budget Calendar	End Date
Budget Timeline sent via email SPECIAL INTEREST MEMO / Attach Program Management report	February 6th
Schedule budget meeting to update Program Budget files & Divison Budget Template	February 10th - April 11th
Update Capital Replacement Schedules	Week of April 14th
All Budget Requests to Program Leads for review/approval	April 18th
Submit Budget Request to Finance for review/tracking	April 25th
Chiefs to review preliminary budget roll-up	Week of April 28th
Chiefs to meet with Program Managers & Program Leads to approve/deny requests	May 5th - May 16th
Budget Request Form Log updated with Approval Status	Week of May 19th
Proposed Budget presented to the Finance Committee for review	Week of June 2nd
Preliminary Budget presented to the Board for review/approval	June 12th
Final Changes to Budget Due	Mid August
Final Budget & Appropriation limit to the Finance Committee for review	End of August
Public Hearing held regarding FY 2025-26 Budget Adoption and Appropriations	Sept 11th

BUDGET OVERVIEW

Budget and Financial Policies

Basis of Budgeting and Accounting: The District's financial records adhere to generally accepted accounting principles (GAAP), as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is recognized as the authoritative body for establishing governmental accounting and financial reporting principles. The District's Annual Comprehensive Financial Report (ACFR) includes government-wide financial statements prepared on an accrual basis; alongside governmental fund financial statements prepared on a modified accrual basis. As a single purpose fire authority, the District operates two governmental funds: the General Fund and Capital Outlay Fund. All unrestricted financial and budgetary activities of the District are reported within this General Fund. Both budgeted and actual revenues and expenditures are recorded using a modified accrual basis. Revenues are recognized in the accounting period when they become susceptible to accrual, meaning they are measurable and available to finance current period expenditures. Expenditures are recognized when liability is incurred if it is measurable.

Balanced Budget: The District shall maintain a structurally balanced budget whereby recurring revenues are equal to or greater than recurring expenditures in the adopted budget. District policy allows for the use of reserves to balance the budget when a temporary shortfall (deficit) occurs. When using reserves, the District does so only to meet non-recurring obligations that are non-operating in nature.

Summary of Financial Policies: The following policies were established by the District with the intent of prudent and judicious management of public funds. The District's finances are managed in a manner which will (1) continue to provide for the delivery of quality services, (2) maintain and enhance service delivery as the community grows, (3) guarantee a balanced budget annually assuring that the District is always living within its means, and (4) establish reserves and designations necessary to meet known and unknown future obligations.

A. GENERAL POLICIES

- The District will manage its financial resources in a conservative manner.
- The District will maintain sound financial practices in accordance with State law and direct its financial resources toward meeting the District's long-term goals.
- The District will maintain accounting practices and systems in conformance with generally accepted accounting principles.

B. REVENUE POLICIES

- The District will aggressively pursue revenue collection and auditing to ensure that monies due to the District are accurately received in a timely manner.
- The District will work proactively to monitor legislation that may impact the District financially.
- The District will maintain and further develop methods to track major revenue sources and evaluate financial trends.
- The District will continue to work with County elected officials to increase the allocation of ½ of 1% of voter approved Proposition 172, the Local Public Safety Protection, and Improvement Act of 1993, to fire services in Santa Cruz County, specifically for special fire protection districts.

BUDGET OVERVIEW

- The District will impose fees when appropriate; will adopt a Fee Policy which establishes desired levels of cost recovery and determines the minimum frequency of fee reviews; and will set the fees and charges at a level that fully supports the total direct and indirect cost of the activity, including administrative overhead.
- The District will prepare quarterly financial reports for review by the District Board of Directors and the public to provide information on the status of the District's financial condition.
- The District will establish methods to maximize the accuracy of revenue forecasts.
- The District will seek Federal and State grants and reimbursements for mandated costs whenever possible.

C. RESERVE POLICIES

- The District may establish specific reserves or designations which include, but are not limited to, the following:
 - o Depreciation and replacement of vehicles and major equipment.
 - o Major maintenance, building improvements, and purchasing property.
 - o Cash flow purposes.
 - o Economic uncertainties.
 - o Unfunded liabilities related to pension and other post-employment benefits "OPEB."

D. FUND BALANCE POLICIES

- The District will establish and maintain fund balances to ensure adequate financial resources to protect against unforeseen events such as revenue fluctuations, unanticipated expenditures and similar circumstances.
- The District will establish a procedure for reviewing fund balances and making necessary changes to achieve the desired level of funding by establishing anticipated expenses, target reserve levels, and methodology for calculating reserve levels.
- The District will properly classify the District's fund balances per Government Accounting Standards Board (GASB) Statement No. 54; Fund Balance Reporting and Governmental Fund Type Definitions which classifies fund balances based on the purpose for which the specified amounts can be spent. Beginning with the most restrictive constraints, fund balance amounts will be reported in the following categories:
 - o Nonspendable fund balance - amounts that are not in a spendable form or are legally or contractually required to be maintained intact (e.g., prepaid items and deposits on file with other agencies).
 - o Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants, donations or funds held in a trust).
 - o Committed fund balance - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors, through ordinance or resolution.
 - o Assigned fund balance - amounts intended to be used by the District for specific purposes. Intent is expressed by the Board of Directors or by a designee to whom the governing body delegates authority.
- The District will be responsible for the oversight of all District fund accounts and balances. Changes to the existing fund balances, establishing new fund accounts, and authorizing expenditures for fund balances shall require action by the Board of Directors.
- The District's Reserve Fund Designations and Funding Levels are as follows:
 - o Capital Outlay Fund: An "Assigned" fund for the purpose of funding acquisitions, replacements, or improvements of capital assets. Capital outlay is defined as a tangible or intangible fixed asset with a value over \$5,000 that has an initial useful life extending beyond one year. Fund balance requirements shall be based on the Capital Improvement Plan (CIP).

BUDGET OVERVIEW

- o Minimum Fund Balance: It is the goal of the District to achieve and maintain an unassigned fund balance in the General Fund at a minimum of five (5) months of budgeted operating expenditures to provide adequate cash flow and avoid short-term borrowing in the subsequent fiscal year.
- The District will address Reserve Fund Expenditures and Replenishment by the following:
 - o The Fire Chief or designee shall review fund balances and recommend changes to fund balances for the upcoming fiscal year to be presented to the full Board of Directors prior to the adoption of the final budget.
 - o All expenditures or transfers between reserve funds shall be approved by the Board of Directors unless pre-designated; the Fire Chief or designee can approve such transactions.
 - o If the unassigned minimum fund balance at fiscal year-end falls below the goal, the District shall develop a restoration plan to achieve and maintain the minimum fund balance. Should the unassigned minimum fund balance ever exceed the minimum range, the District will consider such fund balance surpluses for one-time expenditures that are non-recurring in nature and will not require additional expense outlays for maintenance, additional staffing, or other recurring expenditures.

E. BUDGETING POLICIES

- The operating budget will be prepared to fund current year expenditures with current year revenue. However, surplus fund balances may be used to increase reserves, fund capital improvement projects, or be carried forward to fund future years' operating budgets when necessary to stabilize services and fund capital outlay.
- The budget will state the objectives of the operating programs, and identify the service and resources being provided to accomplish the specified objectives.
- The budget will reflect support for the work force through providing negotiated benefits, training, work environment enhancements, and timely equipment maintenance and replacement.
- The District will prepare a five-year forecast each year.
- The District will annually update replacement and maintenance financing plans and incorporate them into the budget and forecast.

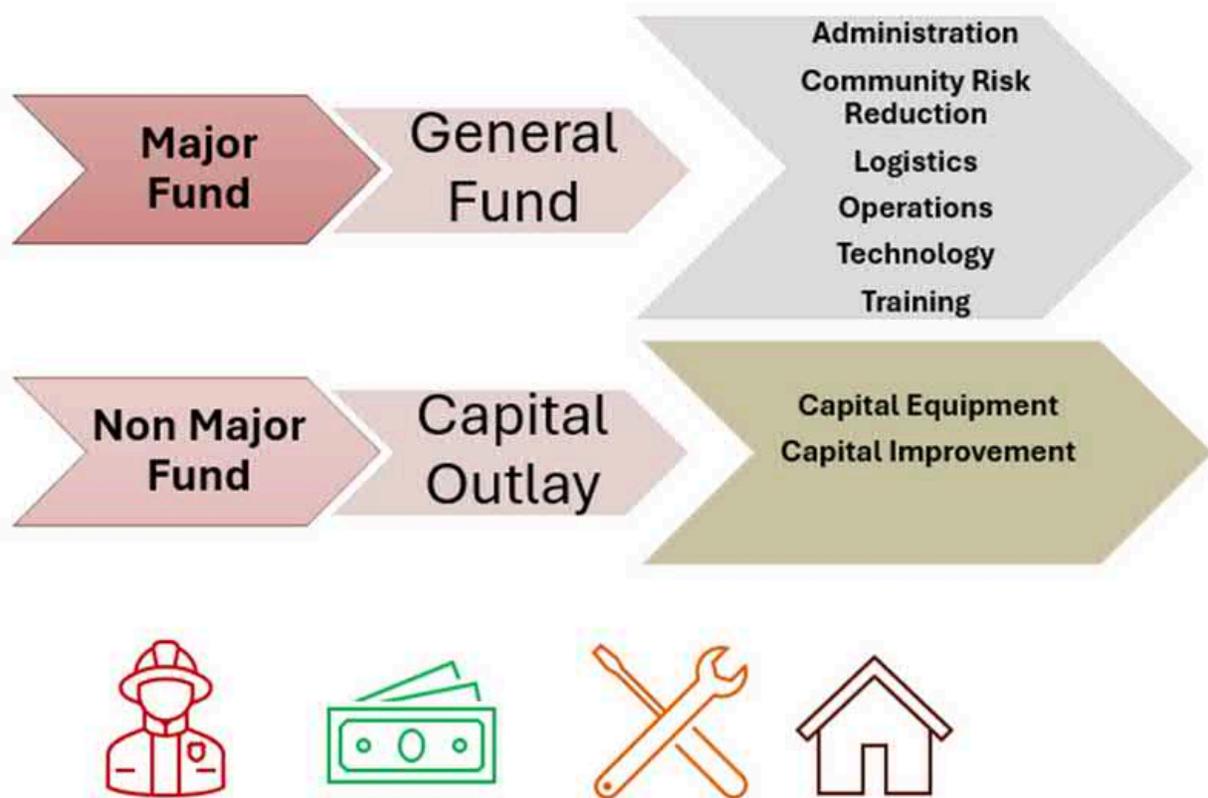
F. DEBT POLICIES

- The District will limit long-term borrowing to capital projects that cannot be financed from current revenues.
- When capital projects are financed, the District will amortize the debt within a period not to exceed the expected useful life of the project.
- The District will use short-term borrowing only to support temporary cash flow needs.

BUDGET OVERVIEW

Fund Structure

The District utilizes two primary funds for tracking revenues, expenditures, and assets: the General Fund and the Capital Outlay Fund. A major fund is defined as any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures in the appropriated budget. The General Fund is classified as a major fund, and the Capital Fund is classified as a non-major fund; both are included in the audited financial statement and are considered governmental funds.



General Fund

The General Fund is the main operating fund for the District. It is used to account for all resources utilized to finance District services, except for those required to be accounted for in other fund types (e.g., Capital Outlay Fund). The purpose of the General Fund is to account for the day-to-day operations of the District. It includes appropriation categories like salary and benefits, services and supplies, operating contingency, inter-fund transfers, and ending fund balance. Within the fund, the District has allocated six distinct divisions, each maintaining a unique set of accounts within the salaries and benefits, as well as services and supplies classifications.

BUDGET OVERVIEW

Capital Outlay Fund

The Capital Outlay Fund is used to track financial resources to be used for the acquisition or construction of capital assets. A capital asset is defined by the District as any item with an extended useful life of two (2) years or more whose purchase price (or value if donated) is \$5,000 or more. The use of a Capital Outlay Fund allows the District to set aside funds in anticipation of future needs rather than having to finance purchases and pay interest on the loans. The Capital Outlay Fund consists of two sub-funds: one used for the replacement of capital equipment, which includes fire apparatus, vehicles, and fire equipment; and the other sub-fund is dedicated to capital improvement, which consists of the acquisition, construction, or improvement of capital facilities. The Capital Outlay Fund's primary source of funding comes from financing revenues, with any shortfall covered by operating transfers from the General Fund.

Division / Fund Relationship Matrix

The following matrix shows the correlation between the District's functional divisions and how they relate to the major and non-major funds. This fund structure is used for budgeting, accounting and financial reporting purposes. All functional divisions are budgeted in the General Fund, with some having expenditures budgeted within the Capital Fund.

Divisions	General Fund	Capital Fund
Administration	X	
Community Risk Reduction	X	
Logistics	X	X
Operations	X	X
Technology	X	
Training	X	

STRATEGIC PLAN



STRATEGIC PLAN

The District’s adopted 2023 Strategic Plan is the overarching document that provides direction for the organization. Nine strategic initiatives identify what is critically important and the level of service the District desires to deliver for the community. Under each initiative are goals and objectives that are identified to support the success of the initiative. The initiatives and goals remain consistent with the plan; however, the tasks may change with the fiscal year and typically drive budget development. Some tasks will have cost impacts and others may have minimal impact.

Following the completion of the District’s Long-Range Master Plan and its adoption at the Board of Directors meeting on January 12, 2023, staff began developing the District’s 5-Year Strategic Plan. This planning process concluded in March 2023 and was presented to the Central Fire Board of Directors on April 13, 2023.

To develop the Strategic Plan, input was solicited from the public to gather comments, concerns, and general information from involved citizens throughout the community. An online survey that was conducted resulted in 294 responses. Public input was crucial for the strategic planning process as it helps understand the community's expectations regarding fire district services. In February 2023, the District formed a strategic planning committee composed of District administrative and line personnel to review the community input and develop goals and objectives for the next five years.

The strategic planning document was developed using information from the public input survey, a member survey, internal expertise, and external recommendations and guidance. Staff then started implementing the objectives outlined in the Strategic Plan. You can [view the Strategic Plan](#) and the [Master Plan on our website](#).



STRATEGIC PLAN

Two years have passed since the adoption and implementation of the Strategic Plan. It is recommended that the plan undergoes annual evaluation to verify whether the established goals remain appropriate or require modifications or removal, and to assess the District's progress towards each goal. When evaluating progress towards accomplishing the goals, timelines may need adjustment to reflect changes in the organization's needs, environment, and resources.

On January 7, 2025, Central Fire Division heads convened to review their division goals for 2025 and integrate the Strategic Plan into the budgeting process. These goals were presented to the Board of Directors and the public to provide information on the priorities of District leadership and their incorporation into the budget. The goals and objectives are dynamic and serve as a living task plan for District leadership to identify, track, and report on the progress toward those initiatives.

Strategic goals and objectives, along with performance measures, become the focus of the organization's efforts. Adherence to these goals and objectives provides structure and guidance while reducing obstacles and distractions and facilitating smooth transitions. The strategic planning committee prioritized specific goals and objectives, listed in descending order of priority. Below are the District's nine primary goals and objectives.

- 1 DEVELOP A LONG-TERM FACILITIES PLAN
- 2 DEVELOP A DISTRICT-WIDE SUCCESSION PLAN
- 3 IMPROVE INTERNAL COMMUNICATIONS
- 4 IMPROVE OVERALL DEPARTMENT SAFETY
- 5 ACHIEVE ACCREDITATION
- 6 EVALUATE AND IMPROVE DISASTER PREPAREDNESS AND RESILIENCY
- 7 DEVELOP AND IMPLEMENT COMPREHENSIVE POLICIES, PROCEDURES, AND GUIDELINES
- 8 ENHANCE EMERGENCY RESPONSE
- 9 CREATE A COMMUNITY RISK REDUCTION PLAN

STRATEGIC PLAN

	DEVELOP A LONG-TERM FACILITIES PLAN
Goal 1	1A Complete standards of cover 1B Complete a current facilities assessment 1C Work with architectural firm and realtor to plan and design facility and locate appropriate property 1D Develop plan to secure financing/funding 1E Develop plan to purchase appropriate property 1F Plan for building of station/stations
	DEVELOP A DISTRICT-WIDE SUCCESSION PLAN
Goal 2	2A Develop/revise position task books for all positions 2B Develop mentorship program for all positions 2C Provide cross-training at all appropriate positions 2D Enhance recruitment with a focus on diversity 2E Set clear expectations for all employees
	IMPROVE INTERNAL COMMUNICATIONS
Goal 3	3A Identify existing breakdowns in communications 3B Evaluate available technological solutions 3C Foster a culture of information sharing and transparency
	IMPROVE OVERALL DEPARTMENT SAFETY
Goal 4	4A Improve and ensure employee safety 4B Develop incident safety officer (ISO) program 4C Review facility health and wellness issues
	ACHIEVE ACCREDITATION
Goal 5	5A Select accreditation manager and team 5B Register agency 5C Applicant agency 5D Candidate agency 5E CPSE hearings
	EVALUATE AND IMPROVE DISASTER PREPAREDNESS AND RESILIENCY
Goal 6	6A Conduct a community risk analysis 6B Determine available resources 6C Determine and close identified gaps in current capabilities
	DEVELOP AND IMPLEMENT COMPREHENSIVE POLICIES, PROCEDURES, AND GUIDELINES
Goal 7	7A Review/access current and needed policies, procedures, and guidelines 7B Update and re-write policies, procedures, and guidelines as needed 7C Approve drafts and finalize updated/rewritten policies, procedures, and guidelines 7D Implement updated/rewritten policies, procedures, and guidelines 7E Evaluate updated/rewritten policies, procedures, and guidelines for effectiveness
	ENHANCE EMERGENCY RESPONSE
Goal 8	8A Ensure staffing meets community needs 8B Ensure training meets community needs 8C Ensure equipment meets current and future needs in the communities we serve
	CREATE A COMMUNITY RISK REDUCTION PLAN
Goal 9	9A Community risk assessment (CRA) 9B Public education 9C Engine company participation 9D Wildland urban interface hazard mitigation



FINANCIAL SUMMARIES



FINANCIAL SUMMARIES

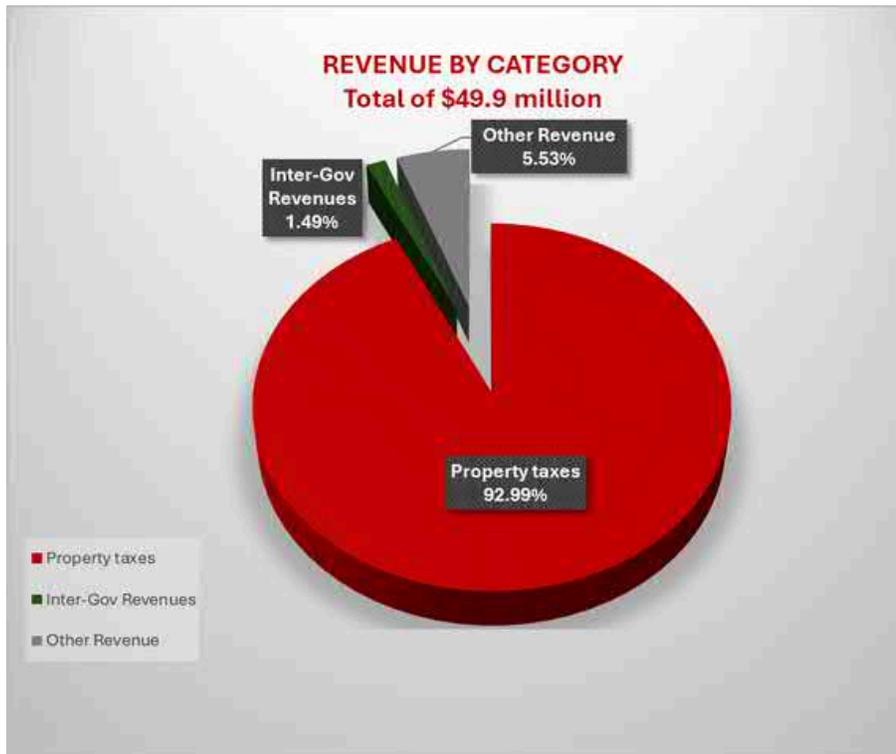
Major Revenue Sources

The District’s primary source of revenue is property taxes. Other sources include intergovernmental revenue, which is derived from homeowner’s property tax relief, Redevelopment Agency (RDA) pass through, mutual aid recoveries (strike team reimbursements) and grants. Additionally, other revenue consists of fleet service fees, plan checks, inspection fees, and miscellaneous revenue.

The next chart illustrates the District’s dependency on property tax revenue. Property taxes are the most significant source of the District’s revenues, representing over 92.99 percent of total revenues. Inter-Governmental revenues and all other non-tax related sources comprises of 7 percent of total revenue.

FY 2024-25 vs FY 2025-26

REVENUES	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Property taxes	\$41,568,555	\$44,488,053	\$46,428,380	\$1,940,327	4.36%
Inter-Gov Revenues	\$687,819	\$1,654,443	\$741,465	\$ (912,978)	-55.18%
Other Revenue	\$3,895,718	\$3,083,399	\$2,759,875	\$ (323,524)	-10.49%
Total Revenues	\$46,152,092	\$49,225,894	\$49,929,719	\$703,825	1.43%



FINANCIAL SUMMARIES

Property Tax

The District's tax revenue is levied through the County of Santa Cruz and distributed according to the teeter plan: 50% in December, 45% in April, and the remaining 5% in June. In recent years, property tax revenue has increased modestly due to annual valuation changes, the projected addition of new developments to the tax rolls, and other property tax adjustments. Property tax revenue experienced a growth rate of 3.23% in 2024, followed by rates of 7.02% in 2025 and 4.36% in 2026.

FY 2024-25 vs FY 2025-26

Property Tax Revenue	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Property Tax - Secured	\$ 36,412,439	\$ 38,605,193	\$ 40,535,452	\$ 1,930,260	5.00%
Residual Distribution	\$ 3,766,695	\$ 4,236,085	\$ 3,982,000	\$ (254,085)	-6.00%
Property Tax - Unsecured	\$ 723,814	\$ 786,085	\$ 825,390	\$ 39,304	5.00%
Property Tax - Prior Unsecured	\$ 85,671	\$ 69,104	\$ 90,000	\$ 20,896	30.24%
Supplemental Property Tax	\$ 436,621	\$ 649,066	\$ 855,000	\$ 205,934	31.73%
Fire Protection Tax	\$ 130,823	\$ 132,482	\$ 130,000	\$ (2,482)	-1.87%
Delinquent Taxes / Other	\$ 12,494	\$ 10,038	\$ 10,538	\$ 500	4.98%
Total	\$ 41,568,555	\$ 44,488,053	\$ 46,428,380	\$ 1,940,327	4.36%
\$ Net Change Year over Year	\$ 1,299,588	\$ 2,919,498	\$ 1,940,327		
% Net Change Year over Year	3.23%	7.02%	4.36%		



PROPERTY TAX REVENUE TREND						
FY 22 Actual	FY 23 Actual	FY 24 Actual	FY 25 Actual	FY 26 Budget	FY 27 Projected	FY 28 Projected
\$37,217,438	\$40,277,993	\$41,568,555	\$44,488,053	\$46,428,380	\$48,285,515	\$50,216,935

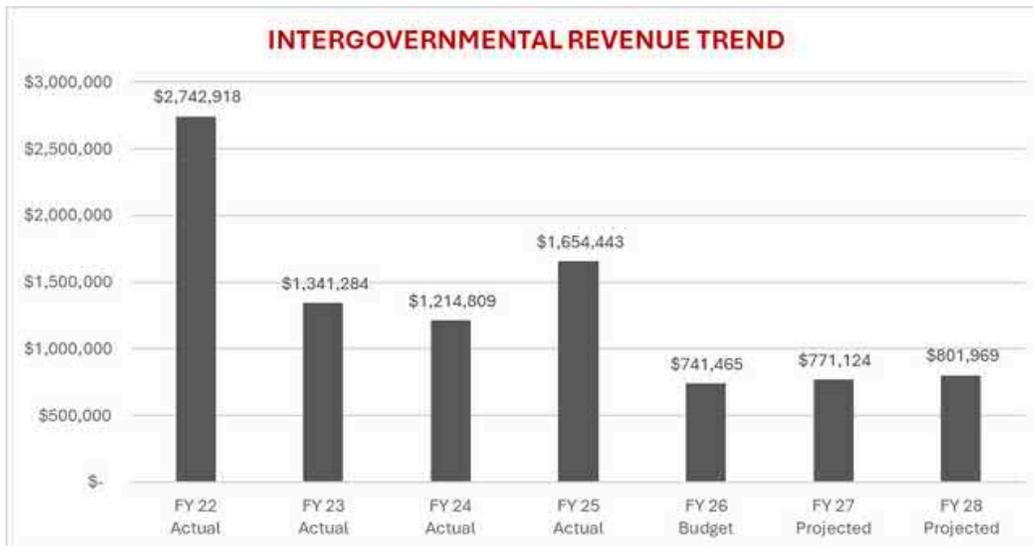
FINANCIAL SUMMARIES

Intergovernmental Funds

Intergovernmental funds are projected to decrease by \$(913k) primarily due to the exclusion of strike team reimbursements. Homeowner property tax relief, which provides a \$7,000 exemption on the value of owner-occupied homes, is expected to remain unchanged compared to the previous year. As previously mentioned, mutual aid recoveries are associated with strike team reimbursements from the California Governor’s Office of Emergency Services (OES), which fluctuate annually. Revenue from this source is typically not projected due to its unpredictability. RDA pass through revenue is projected based on an average of the past three years.

FY 2024-25 vs FY 2025-26

Intergovernmental Revenues	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Homeowners Property Tax Relief	\$ 173,664	\$ 173,248	\$ 191,465	\$ 18,217	10.51%
Mutual Aid Recoveries & Grants	\$ 288,075	\$ 985,638	\$ -	\$ (985,638)	-100.00%
RDA Pass Throughs	\$ 226,079	\$ 495,557	\$ 550,000	\$ 54,443	10.99%
Total	\$ 687,819	\$ 1,654,443	\$ 741,465	\$ (912,978)	-55.18%
\$ Net Change Year over Year	\$ (653,466)	\$ 966,624	\$ (912,978)		
% Net Change Year over Year	-48.72%	140.53%	-55.18%		



INTERGOVERNMENTAL REVENUE TREND						
FY 22 Actual	FY 23 Actual	FY 24 Actual	FY 25 Actual	FY 26 Budget	FY 27 Projected	FY 28 Projected
\$2,742,918	\$1,341,284	\$1,214,809	\$1,654,443	\$741,465	\$771,123	\$801,968

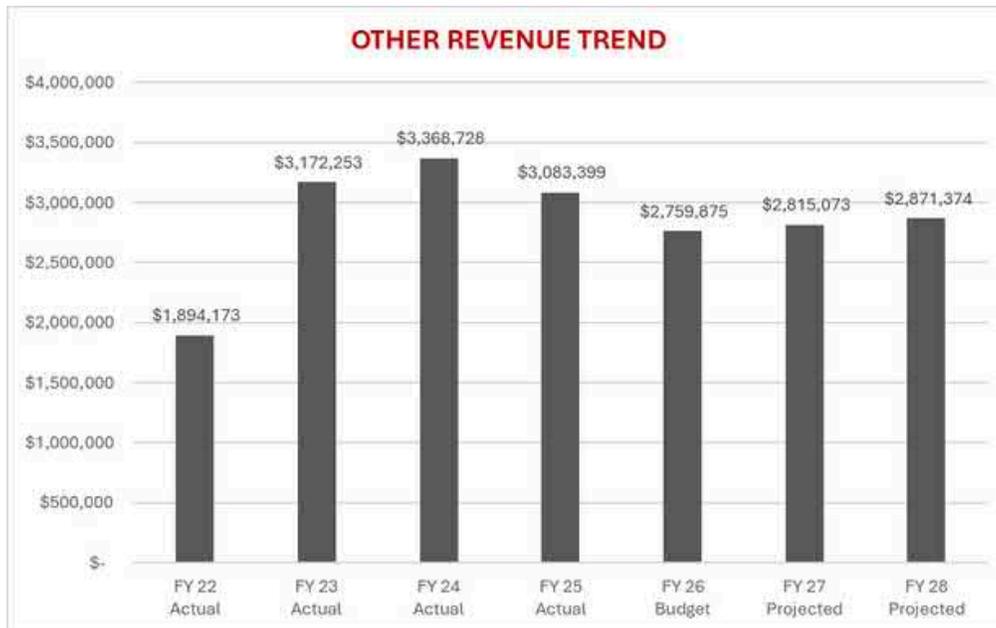
FINANCIAL SUMMARIES

Other Revenue

Other revenue is primarily derived from our Fleet Services and charges for services related to inspections and plan checks by Community Risk Reduction. This year, other revenue decreased primarily due to the exclusion of insurance proceeds related to workers' compensation claims, which are typically non-recurring. Additionally, there was a decrease in miscellaneous income of \$(324k) as interest income is expected to level off this fiscal year.

FY 2024-25 vs FY 2025-26

Other Revenue	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Charges for Services	\$ 1,440,805	\$ 1,594,504	\$ 1,697,199	\$ 102,696	6.44%
Insurance Proceeds	\$ 594,721	\$ 67,380	\$ -	\$ (67,380)	-100.00%
Misc Revenue	\$ 1,860,192	\$ 1,421,516	\$ 1,062,676	\$ (358,840)	-25.24%
Total	\$ 3,895,718	\$ 3,083,399	\$ 2,759,875	\$ (323,524)	-10.49%
\$ Net Change Year over Year	\$ 1,626,110	\$ (812,319)	\$ (323,524)		
% Net Change Year over Year	71.65%	-20.85%	-10.49%		



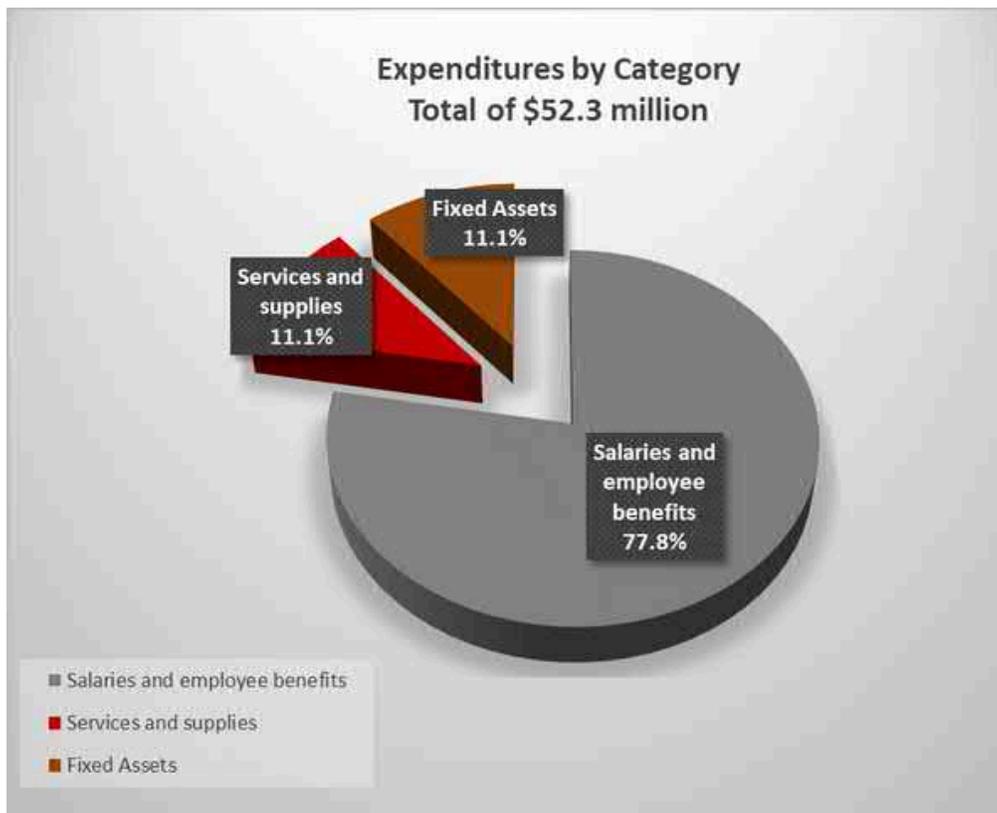
OTHER REVENUE TREND						
FY 22 Actual	FY 23 Actual	FY 24 Actual	FY 25 Actual	FY 26 Budget	FY 27 Projected	FY 28 Projected
\$1,894,173	\$3,172,253	\$3,368,728	\$3,083,399	\$2,759,875	\$2,842,671	\$2,927,951

FINANCIAL SUMMARIES

Expenditure Summary

Total expenditures are projected to decrease from \$55.3 million in FY 2024-25 to \$52.3 million for the 2025-26 budget – mainly due to non-recurring purchase of land located at 3845 Soquel Ave, which totaled \$7.5 million. Salary and benefits increased by \$2.8 million due to an increase in salary and benefit costs reflected in Memorandums of Understanding (MOUs) for all bargaining units. Below is an illustration of expenditures by category with salaries and benefits representing 77.8% of total expenditures, services and supplies representing 11%, and operating transfers to other reserves and designations representing 11% of total expenditures.

EXPENDITURES	FY 2024-25 vs FY 2025-26				
	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Salaries and employee benefits	\$ 35,727,918	\$ 37,892,590	\$ 40,725,965	\$ 2,833,374	7.48%
Services and supplies	\$ 5,687,363	\$ 6,140,187	\$ 5,820,831	\$ (319,356)	-5.20%
Fixed Assets	\$ 5,344,387	\$ 11,307,163	\$ 5,803,026	\$ (5,504,137)	-48.68%
Total Expenditures	\$ 46,759,668	\$ 55,339,940	\$ 52,349,821	\$ (2,990,118)	-5.40%



FINANCIAL SUMMARIES

Salary and Benefits

The 2025-26 Budget reflects an increase in salary costs due to projected wage increases, higher pension expenses, and healthcare costs. Workers' compensation costs decreased from the previous year because the District changed providers and adjusted the payout structure for future claims, which lowered the annual premium.

SALARY & BENEFITS	FY 2024-25 vs FY 2025-26				
	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Regular Salary	\$ 15,605,986	\$ 15,939,318	\$ 17,012,897	\$ 1,073,579	6.74%
Holiday, Taxes, Extra Help, Etc	\$ 2,549,914	\$ 2,270,628	\$ 2,699,522	\$ 428,894	18.89%
Overtime	\$ 3,363,233	\$ 3,767,420	\$ 3,535,601	\$ (231,819)	-6.15%
PERS	\$ 7,584,890	\$ 8,435,856	\$ 9,800,963	\$ 1,365,107	16.18%
Health Benefit	\$ 4,871,608	\$ 5,467,313	\$ 5,863,085	\$ 395,772	7.24%
Workers Compensation	\$ 1,752,287	\$ 2,012,055	\$ 1,813,896	\$ (198,159)	-9.85%
Total	\$ 35,727,918	\$ 37,892,590	\$ 40,725,965	\$ 2,833,374	7.48%
\$ Net Change Year over Year	\$ 1,765,568	\$ 2,164,672	\$ 2,833,374		
% Net Change Year over Year	5.20%	6.06%	7.48%		

Services and Supplies

The budget for 2025-26 shows a decrease of \$(5.8 million) in expenditures for services and supplies compared to the previous year. This reduction is attributed to a one-time land purchase, as previously mentioned, and the revision of the capital equipment replacement schedule. The revised schedule spreads out the costs of capital equipment and bulk purchases over several years instead of expensing them all in one fiscal year, thereby preventing inflated total costs and skewed spending trends from year to year.

SERVICES & SUPPLIES	FY 2024-25 vs FY 2025-26				
	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Services and supplies	\$ 5,687,363	\$ 6,140,187	\$ 5,820,831	\$ (319,356)	-5.20%
Fixed Assets*	\$ 5,344,387	\$ 11,307,163	\$ 5,803,026	\$ (5,504,137)	-48.68%
Total	\$ 11,031,750	\$ 17,447,350	\$ 11,623,857	\$ (5,823,493)	-33.38%
\$ Net Change Year over Year	\$ 2,964,141	\$ 6,415,600	\$ (5,823,493)		
% Net Change Year over Year	36.74%	58.16%	-33.38%		

* Includes assets from Capital Outlay Fund

FINANCIAL SUMMARIES

Financial Schedules

Consolidated Financial Schedule

The FY 2025-26 budget includes projected operating revenues of \$49.9 million and expenditures of \$52.3 million, resulting in a deficit of \$(2.4 million), with an estimated ending fund balance of \$28.8 million. The deficit this year is mainly due to spending out of capital reserves, which the District has been setting aside to fund these large expenditures over the past several years.

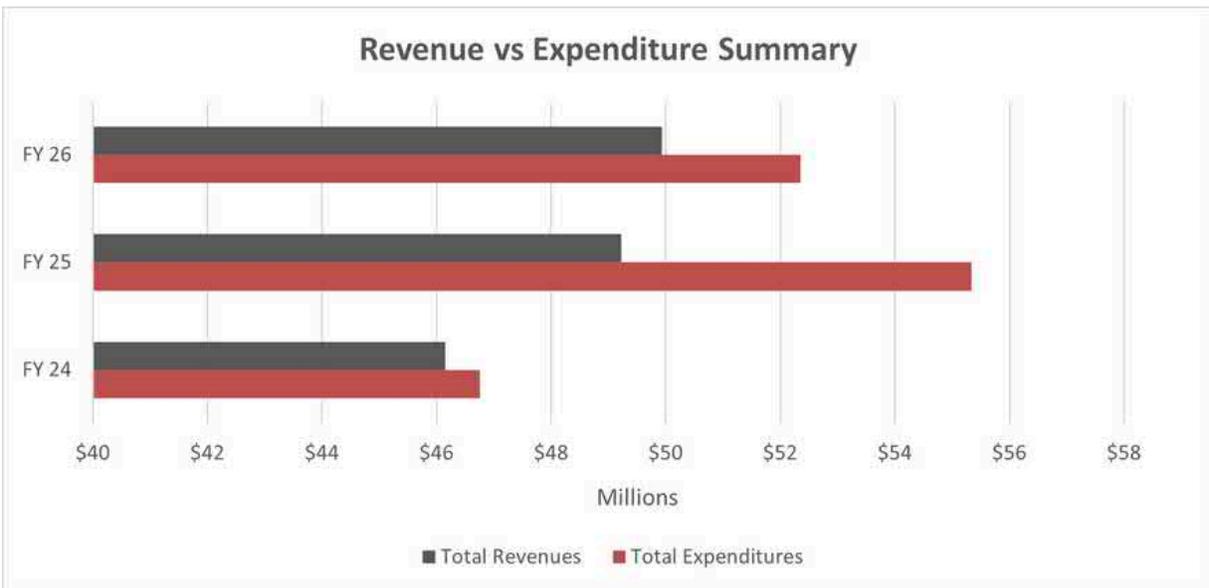
FISCAL YEAR 2026			
BUDGET SUMMARY	GENERAL FUND	CAPITAL OUTLAY	TOTAL
BEGINNING FUND BALANCE			
July 1, 2025	\$ 26,143,874	\$ 5,064,438	\$ 31,208,311
REVENUE			
Property taxes	\$ 46,428,380	\$ -	\$ 46,428,380
Inter-Gov Revenues	\$ 741,465	\$ -	\$ 741,465
Other Revenue	\$ 2,659,875	\$ 100,000	\$ 2,759,875
Total Revenues	\$ 49,829,719	\$ 100,000	\$ 49,929,719
EXPENDITURES			
Salaries and employee benefits	\$ 40,725,965	\$ -	\$ 40,725,965
Services and supplies	\$ 5,820,831	\$ -	\$ 5,820,831
Fixed Assets	\$ 382,672	\$ 5,420,354	\$ 5,803,026
Operating Transfers - OUT / (IN)	\$ 2,900,252	\$ (2,900,252)	\$ -
Total Expenditures	\$ 49,829,719	\$ 2,520,102	\$ 52,349,821
NET CHANGE IN FUND BALANCE	\$ -	\$ (2,420,102)	\$ (2,420,102)
PROJECTED ENDING FUND BALANCE			
June 30, 2026	\$ 26,143,874	\$ 2,644,336	\$ 28,788,209

FINANCIAL SUMMARIES

The following table reflects the 2025-26 budget, prior year 2024-25 and 2023-24 actual results. FY 2024-25 resulted in a deficit of \$(6.1 million), mainly driven by the purchase of land located at 3845 Soquel Drive totaling \$7.5 million. The purchase of land is incorporated into the District’s Strategic Plan for developing a long-term facilities plan to build or relocate its aging facilities. Fiscal year 2023-24 resulted in a deficit of \$(608K) which was due to capital spending related to the purchase of fire apparatus.

FY 2024-25 vs FY 2025-26

TOTAL FUNDS	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Beginning Fund Balance	\$ 37,929,933	\$ 37,322,357	\$ 31,208,311	\$ (6,114,046)	-16.38%
Property taxes	\$ 41,568,555	\$ 44,488,053	\$ 46,428,380	\$ 1,940,327	4.36%
Inter-Gov Revenues	\$ 687,819	\$ 1,654,443	\$ 741,465	\$ (912,978)	-55.18%
Other Revenue	\$ 3,895,718	\$ 3,083,399	\$ 2,759,875	\$ (323,524)	-10.49%
Total Revenues	\$ 46,152,092	\$ 49,225,894	\$ 49,929,719	\$ 703,825	1.43%
EXPENDITURES					
Salaries and employee benefits	\$ 35,727,918	\$ 37,892,590	\$ 40,725,965	\$ 2,833,374	7.48%
Services and supplies	\$ 5,687,363	\$ 6,140,187	\$ 5,820,831	\$ (319,356)	-5.20%
Fixed Assets	\$ 5,344,387	\$ 11,307,163	\$ 5,803,026	\$ (5,504,137)	-48.68%
Total Expenditures	\$ 46,759,668	\$ 55,339,940	\$ 52,349,821	\$ (2,990,118)	-5.40%
Ending General Fund Balance	\$ 37,322,357	\$ 31,208,311	\$ 28,788,209		
NET CHANGE IN FUND BALANCE	\$ (607,576)	\$ (6,114,046)	\$ (2,420,102)	\$ 3,693,944	-60.42%



FINANCIAL SUMMARIES

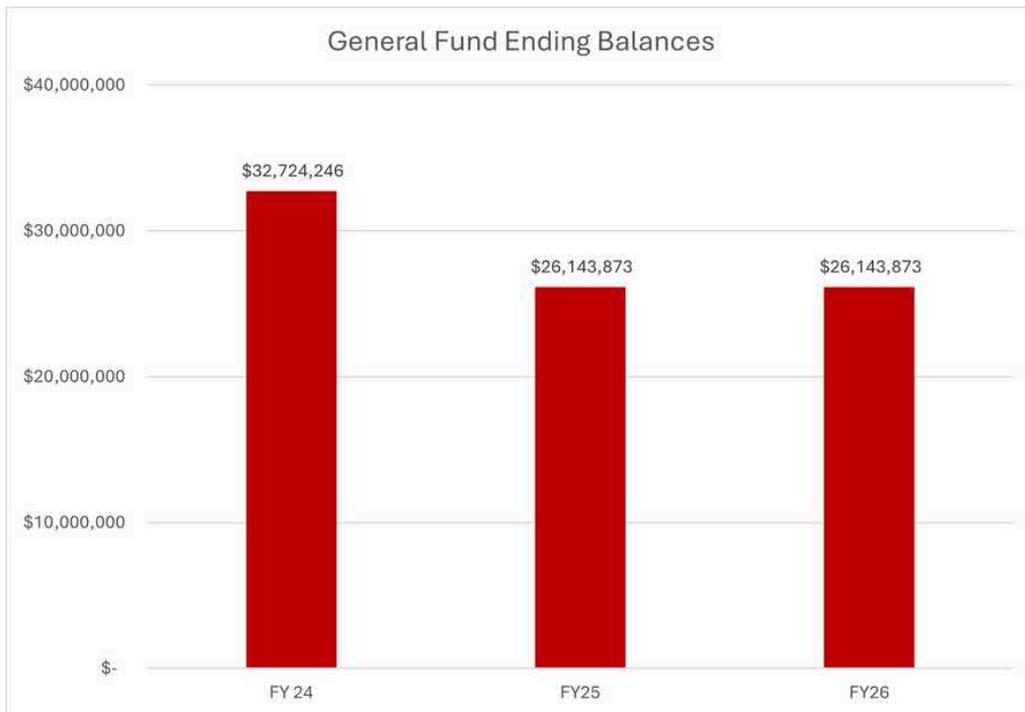
Fund Balance

A fund balance refers to the surplus of a fund’s assets over its liabilities, representing the accumulated net worth of a government agency. It is determined by calculating assets minus liabilities and serves as an indicator of the fund’s financial health; a positive balance indicates a surplus, while a negative balance reflects a deficit. The fund balance may be used to cover expenditures and plays a crucial role in managing cash flow as well as unexpected costs. Maintaining an adequate fund balance is essential for ensuring sufficient cash flow to meet expenditures as they arise. A fund balance reserve supports the District's cash flow needs while awaiting property tax revenue collected through the County. Additionally, the fund balance serves as a safeguard against unforeseen circumstances such as natural disasters or loss of revenue during economic downturns.

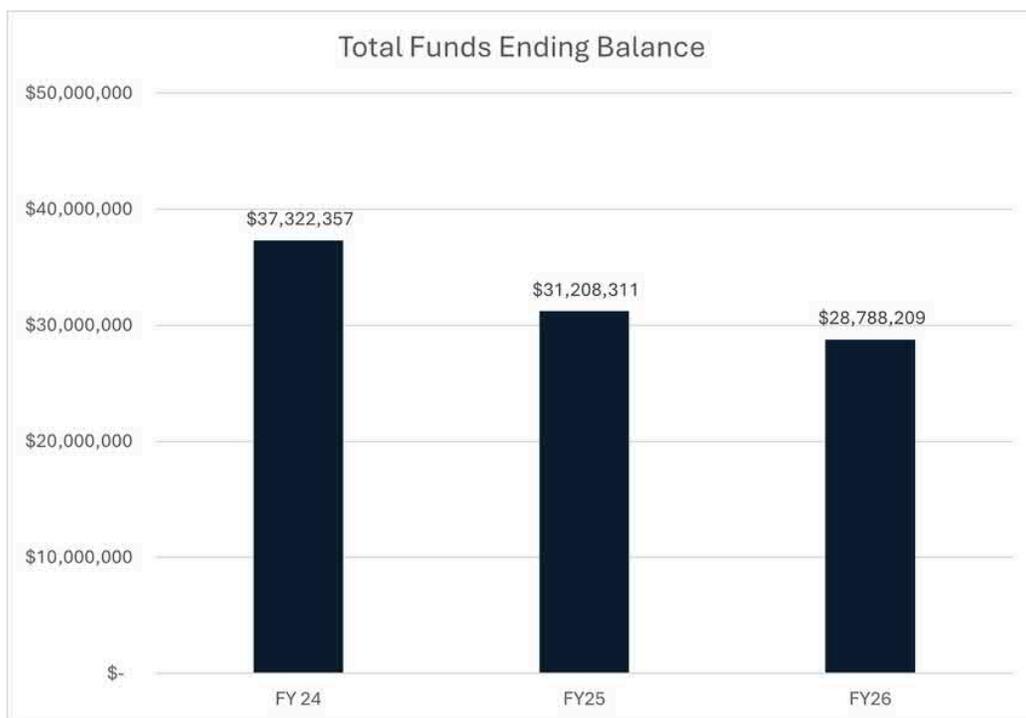
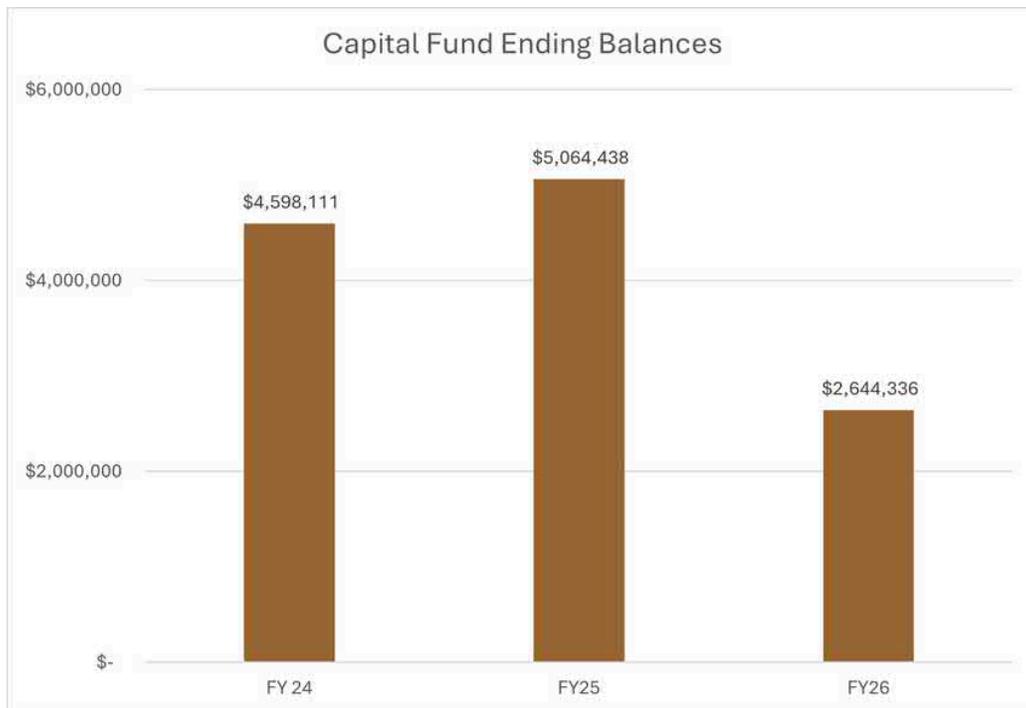
Fund Projections

FUND BALANCES	Fund Balance					Fund Balance 6-30-2026
	7-1-2025	Revenues	Expenditures	Transfer Out	Transfer In	
General Fund	\$ 26,143,874	\$ 49,829,719	\$ (46,929,467)	\$ (2,900,252)	\$ -	\$ 26,143,874
Capital Outlay Fund	\$ 5,064,438	\$ 100,000	\$ (5,420,354)	\$ -	\$ 2,900,252	\$ 2,644,336
Total	\$ 31,208,311	\$ 49,929,719	\$ (52,349,821)	\$ (2,900,252)	\$ 2,900,252	\$ 28,788,209

Changes in Fund Balances



FINANCIAL SUMMARIES



FINANCIAL SUMMARIES

The District has experienced a decrease in its total fund balance from FY24 to FY26, primarily due to capital purchases detailed below. These acquisitions were made using reserve funds. Building and improvement expenses are associated with the Fleet Services building improvement project, while the land purchase was undertaken as part of the 5-Year Strategic Plan to develop a comprehensive long-term facilities strategy. Lastly, mobile equipment purchases align with the scheduled replacement of apparatus and vehicles, determined by their age and condition.

CAPITAL PURCHASES	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26
BUILDINGS AND IMPROVEMENTS	\$ 3,158,070	\$ 1,734,886	\$ -
LAND PURCHASE	\$ -	\$ 7,500,000	\$ -
EQUIPMENT	\$ 294,222	\$ -	\$ 169,608
MOBILE EQUIPMENT	\$ 1,261,191	\$ 1,096,432	\$ 5,250,746
Total Capital Spent	\$ 4,713,483	\$ 10,331,318	\$ 5,420,354

Fund Classification

The District’s ending fund balance is \$28.8 million. It is the goal of the District to achieve and maintain an unassigned fund balance in the General Fund at a minimum of five (5) months of the General Fund Operating Expenditures at the end of each fiscal year to ensure the District has adequate cash flow and avoids short-term borrowing during the “Dry Tax Period,” which typically occurs from July to December. For FY 2025-26, the minimum fund balance is projected at 5.96 months, this does not include the \$3.1 million in California CLASS, which is surplus funds above and beyond the District’s operational needs. The District has invested a total of \$10 million of its surplus funds with California CLASS which is a California public agency investment pool with the intent to improve yield returns of its surplus funds. These funds were used for the land purchase in FY 2025 for \$7.5 million, therefore the remaining balance is \$3.1 million, including interest earnings.

FUND BALANCES	Fund Balance					Fund Balance
	7- 1-2025	Revenues	Expenditures	Transfer Out	Transfer In	6-30-2026
NONSPENDABLE:						
Deposits & Prepaid items	\$ 500					\$ 500
ASSIGNED:						
Capital Fund	\$ 5,064,438	\$ 100,000	\$ (5,420,354)	\$ -	\$ 2,900,252	\$ 2,644,336
UNASSIGNED:						
Minimum Fund Balance	\$ 19,710,376	\$ -	\$ -	\$ -	\$ -	\$ 19,710,376
General Fund	\$ 3,328,971	\$ 49,829,719	\$ (46,929,467)	\$ (2,900,252)	\$ -	\$ 3,328,971
California CLASS	\$ 3,104,026	\$ -	\$ -	\$ -	\$ -	\$ 3,104,026
Total	\$ 31,208,311	\$ 49,929,719	\$ (52,349,821)	\$ (2,900,252)	\$ 2,900,252	\$ 28,788,209

Minimum Fund Balance	Total Months
Per Fiscal Policy	5.00
Projected Balance	5.96 * does not include CA Class

FINANCIAL SUMMARIES

The District's Fund Balance Reporting Policy was developed in conjunction with the Government Accounting Standards Board (GASB) Statement No. 54 to clearly articulate the use of the District's existing fund balances and provide a structured approach to funding levels. The Fund Balance Policy is designed to strengthen the District's oversight of its reserve funds to ensure adequate financial resources and its long-term financial health in economic downturns. Classifications of fund balance maintained by the District per policy are set forth as follows:

NON-SPENDABLE FUND BALANCE – amounts that are not in a spendable form or are legally or contractually required to be maintained intact (e.g., prepaid items and deposits on file with other agencies).

1. Deposit & Prepaid Items – Imprest Cash Amount to be used as either a Change Drawer (make change for customers); or a Petty Cash Drawer (make small purchases and later replenish the cash through A/P). Petty cash totals \$500.

ASSIGNED FUND BALANCE – amounts intended to be used by the government for specific purposes. Intent is expressed by the Board of Directors or by a designee to whom the governing body delegates authority.

1. Capital Fund – for the purpose of providing funds for the replacement of apparatus and support vehicles, funding capital improvement projects and acquisitions and improvement of capital equipment utilized in the delivery of emergency services. Fund balance requirements shall be based on the Replacement Schedules and reviewed biennially by the Fire Chief and Finance Committee to determine the proper level of funding. For FY 2025-26, a total of \$5.4 million will be expensed.

UNASSIGNED FUND BALANCE – includes all amounts not contained in other classifications and is the residual classification of the General Fund.

1. Minimum Fund Balance – It is the goal of the District to achieve and maintain an unassigned fund balance in the General Fund at a maximum of five (5) months of the General Fund Operating Expenditures at the end of each fiscal year to ensure the District has adequate cash flow and avoid short-term borrowing during the "Dry Tax Period," which typically occurs from July to December. For FY 2025-26, the minimum fund balance is projected at 5.96 months, this does not include the \$3.1 million in California CLASS, which is surplus funds above and beyond the District's operational needs.

2. California CLASS – In July of 2023, the Board approved an amendment to Board Policy 1205, granting the Fire Chief the authority to invest surplus funds in a manner that provides the highest investment return while meeting the daily cash flow demands of the District. The District has invested a total of \$10 million of its surplus funds with California CLASS, which is a California public agency investment pool with the intent to improve yield returns of its surplus funds. These funds were used for the land purchase in FY 2025 for \$7.5 million, therefore the remaining balance is \$3.1 million, including interest earnings.

FINANCIAL SUMMARIES

Summary of Budget Changes

The District adjusted the proposed budget approved in June, resulting in a total increase of \$100,525 in the adopted budget. The change was related to a carryover from the Fleet improvement project.

TOTAL DISTRICT FUNDS	Proposed Budget	Adopted Budget	Increase / (Decrease)	Percentage Change
	FY 2025-26	FY 2025-26	\$	%
REVENUES	\$ 51,359,918	\$ 52,829,971	\$ 1,470,053	2.86%
EXPENDITURES	\$ 53,880,272	\$ 55,250,073	\$ 1,369,801	2.54%
CHANGE IN FUND BALANCE	\$ (2,520,354)	\$ (2,420,102)	\$ 100,252	-3.98%

Long-Range Financial Forecast

The District utilizes long-range financial forecasting to help prevent budget shortfalls and keep revenue aligned with expenditures. Long-range forecasting is one of several methods the District uses to maintain fiscal responsibility and effective budgeting. It also supports the District’s strategic goals by enabling informed decisions through accurate budgeting practices. With financial planning, the District can identify potential challenges ahead of time and address them appropriately, which promotes both accountability and transparency. These projections incorporate financial implications of the FY26 budget, as well as significant revenues and expenditures over the next five years, including capital replacement, the projected impacts of budgetary and financial policies, cash management, as well as the projections for pension obligations and unfunded actuarial liabilities. Revenue projections are generally conservative in nature, and expenditures are realistically forecasted based on historical trends, anticipated future changes, and the fiscal impacts of the Strategic Plan.

Assumptions

Property Tax Revenue – These projections are updated every year after the property tax roll is updated by the County Assessor in January and during the budget development for the ensuing fiscal year. Property taxes account for over 90 percent of the District’s total operating revenue, so future projections are critical for maintaining existing services and planning for future growth. Based on California Prop 13, which limits annual property tax increases based on the purchase price, not market value, a maximum 2% increase is allowed for each property per year. Exceptions to this are new construction or significant improvements, which provide for greater tax revenue than 2%. In times of economic recession when the real market value of a property declines below the property’s assessed valuation, an assessment below 2% could occur, resulting in a decrease in tax revenue. Based on the past few years, property tax revenue has been steadily increasing by an average of 4%. Based on this historical trend, revenue is conservatively forecasted at 4% each year, then trends down to 2% in year five.

FINANCIAL SUMMARIES

Intergovernmental Funds – Homeowners property tax relief and RDA pass throughs represent a majority of this revenue category. These two revenue streams historically align with property tax revenue increases; therefore, the assumptions are similar to these projections. The District does not forecast for one-time funds such as strike team reimbursements which fluctuate annually, so these projections are excluded from the forecast.

Other Revenue – Charges for services, fleet service revenue, and interest earned on reserve funds represent a majority of other revenue. Projections for this category are based on historical trends and consistent growth, reflecting an anticipated 3% increase in these key areas year over year.

Salaries and Benefits – Costs were projected utilizing a labor costing tool which forecasts increases to salaries and benefits for labor negotiations and budget calculations. This year, two labor groups— the District’s largest group, Local 3535, and the Chief Officers Association (COA)—have contracts up for renewal. Increases in salaries and benefits costs include calculations from tentative agreements, which were used in the forecast.

Services and Supplies – Increases are projected at 3%. This projection is slightly higher than the Bay Area Consumer Price Index (CPI), through August 2025, which was 2.5%. The slightly higher percentage accounts for rising costs from inflation and the effects of tariffs.

Capital Outlay Expenditures – These costs are linked to the capital replacement schedules which forecast costs over the next 10 years. The replacement schedules were recently updated to reflect cost increases related to supply-chain issues and inflationary conditions. Increased costs of raw materials such as steel and aluminum have impacted fire related equipment and components. These cost increases were accounted for in the forecast.

FINANCIAL SUMMARIES

5 YEAR FORECAST

Budget	1		2		3		4		5		Assumption		Assumption	
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30				
Beg Fund Balances														
GENERAL FUND	\$ 26,143,873	\$ 26,143,873	\$ 25,245,394	\$ 24,126,159	\$ 23,458,563	\$ 23,807,171	n/a							
CAPITAL OUTLAY	\$ 5,064,438	\$ 2,644,336	\$ 1,397,476	\$ 3,717,155	\$ 5,963,250	\$ 8,532,844	n/a							
Total Beginning Balances	\$ 31,208,311	\$ 28,788,209	\$ 26,642,870	\$ 27,843,314	\$ 29,421,813	\$ 32,340,015								

REVENUES

General Fund Revenues														
Property taxes	\$46,428,380	\$48,285,515	\$50,216,935	\$51,723,443	\$53,275,147	\$54,340,650	4.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.00%
Intergovernmental	\$741,465	\$771,123	\$801,968	\$826,027	\$850,808	\$867,824	4.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.00%
Other revenue	\$2,659,875	\$2,739,672	\$2,821,862	\$2,906,518	\$2,993,713	\$3,083,524	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
GENERAL FUND REVENUES	\$ 49,829,719	\$ 51,796,310	\$ 53,840,765	\$ 55,455,988	\$ 57,119,668	\$ 58,291,998								
Capital Fund Revenues														
Capital Outlay (Interest)	\$ 100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Total Revenues	\$ 49,929,719	\$ 51,899,310	\$ 53,946,855	\$ 55,565,261	\$ 57,232,219	\$ 58,407,926								

EXPENDITURES

General Fund Expenditures														
Salary and employee benefits	\$ 40,725,965	\$ 43,505,181	\$ 45,578,703	\$ 46,544,849	\$ 46,988,963	\$ 47,533,426	6.82%	4.77%	2.12%	0.95%	1.16%			
Services and Supplies	\$ 6,203,503	\$ 6,389,608	\$ 6,581,296	\$ 6,778,735	\$ 6,982,097	\$ 7,191,560	3.00%	3.00%	3.00%	3.00%	3.00%			
TOTAL GENERAL FUND EXPENDITURES	\$ 46,929,467	\$ 49,894,789	\$ 52,160,000	\$ 53,323,584	\$ 53,971,060	\$ 54,724,986								
Capital Outlay Expenditures														
Buildings & Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%			
Apparatus & Vehicles	\$ 5,250,746	\$ 4,114,117	\$ 512,107	\$ 643,397	\$ -	\$ -	-21.65%	-87.55%	25.64%	-100.00%	0.00%			
Equipment	\$ 169,608	\$ 35,743	\$ 74,304	\$ 19,781	\$ 342,957	\$ 2,153,527	-78.93%	107.89%	-73.38%	1633.79%	527.93%			
CAPITAL OUTLAY EXPENDITURES	\$ 5,420,354	\$ 4,149,860	\$ 586,411	\$ 663,178	\$ 342,957	\$ 2,153,527	-23.44%	-85.87%	13.09%	-48.25%	527.93%			
Total Expenditures	\$ 52,349,821	\$ 54,044,649	\$ 52,746,411	\$ 53,986,762	\$ 54,314,017	\$ 56,878,513								

TRANSFERS

Transfers Out of General Fund	\$ (2,900,252)	\$ (2,800,000)	\$ (2,800,000)	\$ (2,800,000)	\$ (2,800,000)	\$ (2,800,000)	-3.46%	0.00%	0.00%	0.00%	0.00%			
General Fund to Capital Outlay	\$ 2,900,252	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	-3.46%	0.00%	0.00%	0.00%	0.00%			
Total Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								

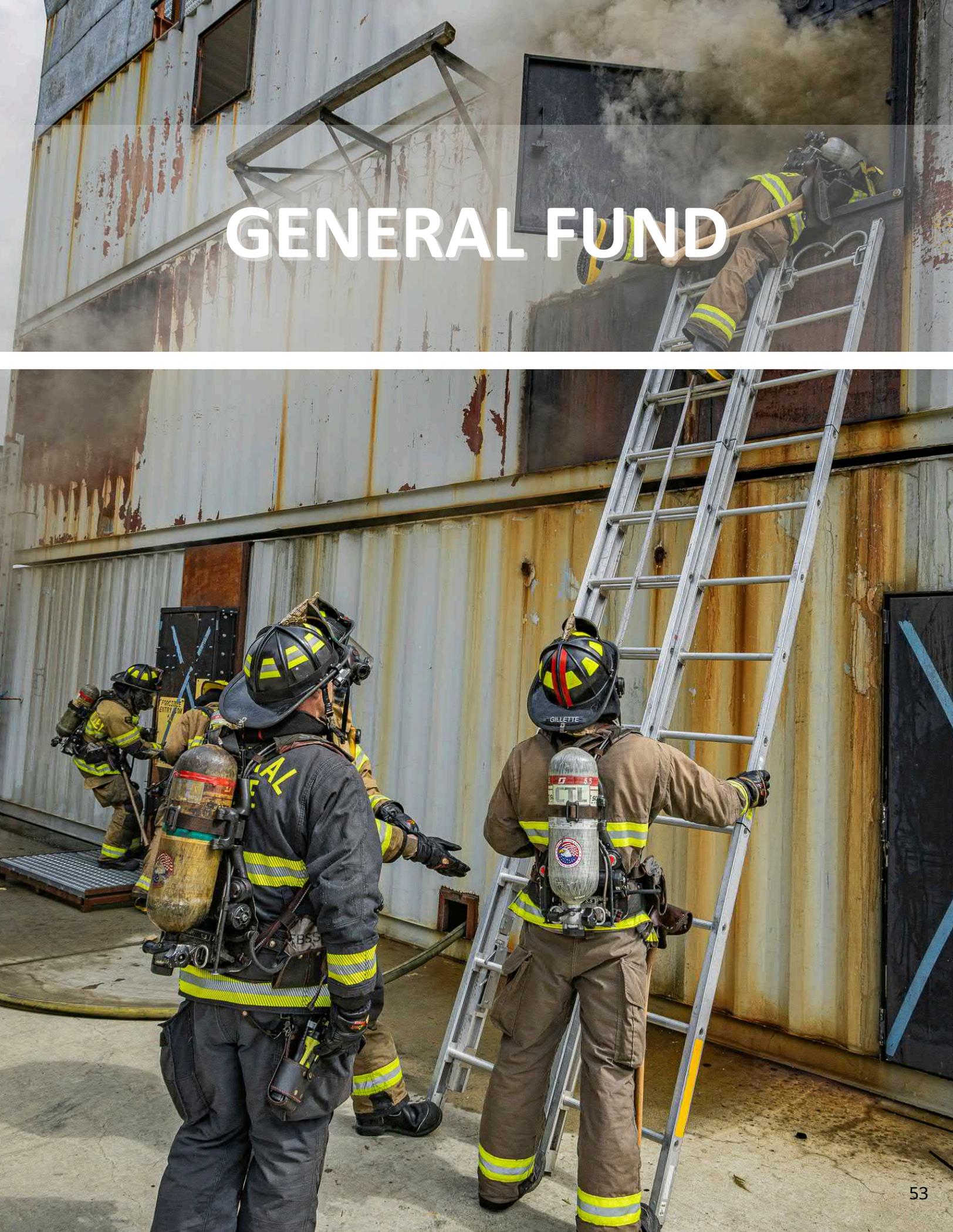
Ending Fund Balances

GENERAL FUND	\$ 26,143,873	\$ 25,245,394	\$ 24,126,159	\$ 23,458,563	\$ 23,807,171	\$ 24,574,182	n/a	n/a	n/a	n/a	n/a			
CAPITAL OUTLAY	\$ 2,644,336	\$ 1,397,476	\$ 3,717,155	\$ 5,963,250	\$ 8,532,844	\$ 9,295,245	n/a	n/a	n/a	n/a	n/a			
Total Ending Balances	\$ 28,788,209	\$ 26,642,870	\$ 27,843,314	\$ 29,421,813	\$ 32,340,015	\$ 33,869,427								

Net Change \$ (2,420,102) \$ (2,145,339) \$ 1,200,445 \$ 1,578,499 \$ 2,918,202 \$ 1,529,413

Minimum Fund Balance 6.69 6.29 5.81 5.43 5.22 5.22

GENERAL FUND



GENERAL FUND

Fund Description

The General Fund is used to account for the day-to-day operations of the District. It includes categories such as salary and benefits, services and supplies, operating contingency, inter-fund transfers, and ending fund balance. The District has allocated six (6) divisions within the fund, each with its own specific set of accounts under the salary and benefits, as well as services and supplies classifications.

Fund Summary

The following table reflects a summary of General Fund requirements:

GENERAL FUND	FY 2024-25 vs FY 2025-26				
	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Beginning General Fund Balance	\$ 31,108,537	\$ 32,724,246	\$ 26,143,873	\$ (6,580,373)	-20.11%
Revenue					
Property Tax Revenue	\$ 41,568,555	\$ 44,488,053	\$ 46,428,380	\$ 1,940,327	4.36%
Intergovernmental Revenues	\$ 687,819	\$ 1,654,443	\$ 741,465	\$ (912,978)	-55.18%
Charges for Services	\$ 1,440,805	\$ 1,594,504	\$ 1,697,199	\$ 102,696	6.44%
Other Revenue	\$ 1,684,307	\$ 1,146,564	\$ 962,676	\$ (183,888)	-16.04%
Total Operating Revenue	\$ 45,381,485	\$ 48,883,563	\$ 49,829,719	\$ 946,156	1.94%
Expenditures					
Administration	\$ 5,777,631	\$ 6,233,018	\$ 7,078,137	\$ 845,119	13.56%
Community Risk Reduction	\$ 1,040,415	\$ 891,107	\$ 1,184,500	\$ 293,393	32.92%
Logistics	\$ 3,716,974	\$ 3,975,801	\$ 3,821,399	\$ (154,401)	-3.88%
Operations	\$ 30,135,038	\$ 32,635,682	\$ 33,633,445	\$ 997,763	3.06%
Technology	\$ 382,254	\$ 345,195	\$ 449,772	\$ 104,577	30.30%
Training	\$ 613,464	\$ 577,881	\$ 762,214	\$ 184,332	31.90%
Total Expenditures	\$ 41,665,775	\$ 44,658,684	\$ 46,929,467	\$ 2,270,783	5.08%
Interfund Transfers (Out)					
Transfer to Capital Outlay Fund	\$ 2,100,000	\$ 10,805,251	\$ 2,900,252	\$ (7,904,999)	-73.16%
Ending General Fund Balance	\$ 32,724,246	\$ 26,143,873	\$ 26,143,873	\$ (0)	0.00%

GENERAL FUND

Budgeted Resources

General Fund Revenues

As illustrated below, property taxes are the dominant revenue stream for the General Fund, which is expected to increase 4.36%. Intergovernmental revenue as well as other revenue decreased due to exclusion of non-recurring revenue. Overall, revenue is expected to increase 1.94%.

FY 2024-25 vs FY 2025-26

REVENUE	Actual .FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Property Tax Revenue	\$ 41,568,555	\$ 44,488,053	\$ 46,428,380	4.36%	93.17%
Intergovernmental Revenues	\$ 687,819	\$ 1,654,443	\$ 741,465	-55.18%	1.49%
Charges for Services	\$ 1,440,805	\$ 1,594,504	\$ 1,697,199	6.44%	3.41%
Other Revenue	\$ 1,684,307	\$ 1,146,564	\$ 962,676	-16.04%	1.93%
Total General Fund Revenue	\$ 45,381,485	\$ 48,883,563	\$ 49,829,719	1.94%	100.00%

Expenditure Appropriations

General Fund Expenses

Below are the expenditures reflected by category. As previously discussed, salary and benefits increased slightly due to cost-of-living adjustments (COLA) and rising healthcare costs as reflected in the Memorandum of Understanding (MOU) for employee groups. This increase was partially offset by some vacant positions this fiscal year, mainly a Fire Marshal in Community Risk Reduction and Assistant Chief (reclassified to Division Chief), primarily due to retirements. Services and supplies also decreased due to the completion of major projects in the prior year and the revision of the capital equipment replacement schedule. The revised schedule distributes the costs of capital equipment and bulk purchases over several years instead of expensing them all in one fiscal year. This approach prevents inflated total costs and skewed spending trends from year to year.

FY 2024-25 vs FY 2025-26

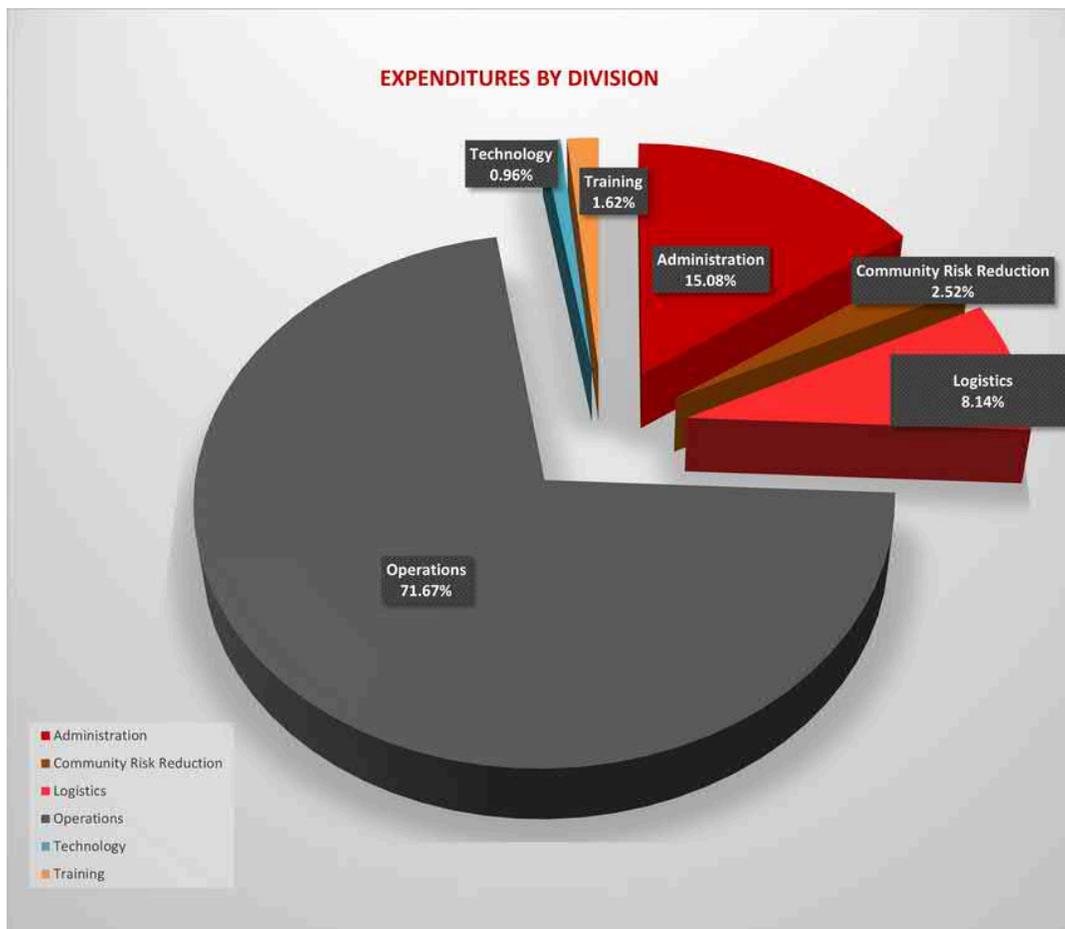
EXPENDITURES	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Salaries and employee benefits	\$ 35,727,918	\$ 37,892,590	\$ 40,725,965	7.48%	86.78%
Services and supplies	\$ 5,937,858	\$ 6,766,094	\$ 6,203,503	-8.31%	13.22%
Total General Fund Expenditures	\$ 41,665,776	\$ 44,658,684	\$ 46,929,467	5.08%	100.00%

GENERAL FUND

Expenditures by Division

The District’s General Fund is organized into functional divisions, each clearly delineating the purpose of the appropriated funds. The services and supplies budget is primarily structured through a Program Management approach, which prioritizes outcomes to enhance cost control and achieve District objectives. Allocation of services and supplies is determined by divisions, with each fulfilling a specific function within the District. The following illustration demonstrates the proportion of services and supplies expenditures allocated to each division.

EXPENDITURES	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	FY 2024-25 vs FY 2025-26	
				Increase / (Decrease)	Percentage Change
Administration	\$ 5,777,631	\$ 6,233,018	\$ 7,078,137	13.56%	15.08%
Community Risk Reduction	\$ 1,040,415	\$ 891,107	\$ 1,184,500	32.92%	2.52%
Logistics	\$ 3,716,974	\$ 3,975,801	\$ 3,821,399	-3.88%	8.14%
Operations	\$ 30,135,038	\$ 32,635,682	\$ 33,633,445	3.06%	71.67%
Technology	\$ 382,254	\$ 345,195	\$ 449,772	30.30%	0.96%
Training	\$ 613,464	\$ 577,881	\$ 762,214	31.90%	1.62%
Total General Fund Expenditures	\$ 41,665,775	\$ 44,658,684	\$ 46,929,467	5.08%	100.00%



DIVISION PROGRAM BUDGETS





The Administration Division provides essential support services that enable the District to function efficiently. The Division includes programs dedicated to the Fire Chief, Human Resources, and Finance. It manages strategic planning, policy development, personnel management, risk management, budget development, and fiscal oversight, serving as the support system for various key functions within the organization.

The Fire Chief serves as the Chief Executive Officer, providing leadership, oversight, coordination, and overall support to the District's operations. Human Resources (HR) administers employee benefits and compensation and oversees workforce recruitment. HR is also responsible for risk management, including employment practices liability and property insurance. Finance manages the District's financial resources prudently encompassing budgeting, financial planning, and expenditure management to ensure the District operates within its budget while accomplishing strategic objectives. Additionally, Finance supervises funding opportunities, ensuring effective allocation of resources to fulfill the District's mission.

Administration Budget Summary:

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Salaries & Benefits	\$4,529,975	\$4,523,142	\$5,227,760
Services & Supplies	\$1,247,656	\$1,709,877	\$1,850,377
Total	\$5,777,631	\$6,233,018	\$7,078,137

Administration Personnel Summary:

POSITION	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Fire Chief	1	1	1
Assistant Chief	1	1	0
Division Chief	0	0	1
HR Director	1	1	1
Finance Director	1	1	1
Administrative Analyst	2	2	2
Administrative Assistant	3	3	3
Total	9	9	9

Administration Budget Highlights:

- Continue to work on the development of a long-term facilities plan and determine funding options for relocating and improving fire stations.
- Conduct Fire Impact Fee Nexus Study to establish the legal and policy basis for the collection of a new fire impact fee (“Fee”) on new developments within the District’s boundaries and determine potential future revenue.
- Increase recruitment efforts for underrepresented groups in the Fire Service by hosting Girls Fire Camp, and continuing career fairs at local high schools and colleges.
- Reclassify existing Assistant Chief position to Division Chief of Administration to enhance succession planning and establish clearer lines of authority. The Division Chief will streamline administrative processes, implement best practices, and ensure efficient resource utilization to gain strategic alignment. The Division Chief will play a crucial role in integrating administrative functions with the organization's overall strategic objectives.

Prior Year Accomplishments:

- Processed over \$20 million in payroll, over the course of 26 pay periods.
- Created agenda packets for 22 Board and Committee meetings including backup documentation, resulting in approximately 180 hours total.
- Conducted four recruitments, with new hire and promotional testing for the positions of: Battalion Chief, Firefighter/Paramedic, Paid Call Firefighter, and Facilities/Logistics Technician. Hired three Firefighter/Paramedics. Promoted six employees which included: One Battalion Chief, three Captains, and two Firefighter/Paramedics.
- Completed over 600 hours of continuing education which included recruitment and retention, Board of Directors and Brown Act compliance, employment law, leadership, workers’ compensation, FMLA/CFRA, government accounting, employee benefits and retirement.
- Chosen by the US Department of Labor to participate in data collection related to employment in the fire service, 15 employees were selected at random to participate in the process. The information gathered will be used by groups such as schools, students, and researchers throughout the US. HR Director received the Executive Leadership Certification from the Public Section Human Resources Association, and a California Employing Abilities at Work Certification.
- Initiated a classification and compensation study to use for future staffing and salary planning.
- Implemented Roth contribution options for all employees.
- Created a Social Media Committee to assist in content creation and providing information to the public. Sent out a total of 521 posts across our social media channels for community engagement.

Administration Division Goals and Objectives

<u>GOAL</u>	<u>GOAL 1: DEVELOP A LONG-TERM FACILITIES PLAN</u>	<u>Target Completion</u>
Strategy	1D: Develop plan to secure financing/funding	
Task1	Contract with municipal advisor to secure funding totaling \$20,000	In Progress
Task2	Hire program manager from architect firm for the design and build of future stations totaling \$50,000	In Progress
Task3	Contract with real estate development company and conduct site analysis totaling \$10,000	FYE 2026

<u>GOAL</u>	<u>GOAL 2: DEVELOP A DISTRICT-WIDE SUCCESSION PLAN</u>	<u>Target Completion</u>
Strategy	2C: Provide cross-training at all appropriate positions	
Task1	Identify gaps and which positions are able to cross-train	In Progress
Task2	Develop plan to expose / train and build depth within the organization	In Progress
Strategy	2D: Enhance recruitment with a focus on diversity	
Task1	HR outreach to get a variety of applicants through Girls Camp, ROP and career fairs totaling \$15,000	In Progress

<u>GOAL</u>	<u>GOAL 7: DEVELOP AND IMPLEMENT COMPREHENSIVE POLICIES, PROCEDURES, AND GUIDELINES</u>	<u>Target Completion</u>
Strategy	7A: Review/access current and needed policies, procedures, and guidelines	
Task1	Conduct a Fire Impact Fee Nexus Study to establish legal and policy basis for the collection of a new fire impact fees on new developments within the District	FYE 2026

ADMINISTRATION

Administration Performance Measurements and Targets

<u>TYPES OF TRANSACTIONS</u>	<u>FY 2024 Actual</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Budget</u>
Accounts Payable Transactions	1,917	1,903	1,960
Payroll Disbursement (includes ACH)	2,258	1,623	1,500
Purchase Orders Issued	3	6	5
Promotions and Recruitments	7	7	5

<u>EFFECTIVENESS MEASURES</u>	<u>FY 2024 Actual</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Budget</u>
Financial reporting- Provide accurate financial reports on a monthly basis at Board Meetings	100%	100%	100%
Number of Audit Findings	0	0	0
Receipt of District Transparency Certificate of Excellence from Special Districts Leadership Foundation "SDLF"	N/A	N/A	Awarded
Number of Employee Cross Training Hours	N/A	10	15

ADMINISTRATION



Central Fire District’s Community Risk Reduction Division is dedicated to enhancing public safety through proactive risk management and fire prevention efforts. This Division is responsible for life safety inspections, community outreach, public information, and plan reviews, ensuring that residents, businesses, and developments adhere to fire and life safety standards.

Through a comprehensive approach that includes education, engineering, and code enforcement, the Division conducts emergency response pre-planning, building plan review and permitting, facility inspections, and defensible space inspections. Additionally, it plays a key role in fuels mitigation projects and promotes community fire safety awareness programs, such as the establishment of Firewise communities. These efforts help reduce wildfire risk, improve structural safety, and enhance overall community resilience against fire and other hazards.

Community Risk Reduction Division Budget Summary:

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Salaries & Benefits	\$955,668	\$792,022	\$1,014,680
Services & Supplies	\$84,747	\$99,084	\$169,820
Total	\$1,040,415	\$891,107	\$1,184,500

Community Risk Reduction Division Personnel Summary:

POSITION	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Fire Marshal	1	1	0
Deputy Fire Marshal	0	0	1
Fire Inspector*	2	2	2
Administrative Analyst	1	1	1
Total	4	4	4

*One (1) vacant fire inspector from FY24-FY26

Community Risk Reduction Division Budget Highlights:

- Salary and benefits decreased due to the Fire Marshal position being vacant after a recent retirement. The District plans to fill this role in the second half of the fiscal year. The Deputy Fire Marshal and vacant fire inspector positions will be reassessed once a new Fire Marshal is hired.
- Each year, CRR allocates funds for community events such as the Trunk or Treat and Open House. A total of \$30,000 has been allocated for community events and education.

Prior Year Accomplishments:

- Lowered costs for Annual Open House while boosting attendance
- Engaged in 20+ community outreach events
- Goal 9 - Weed abatement program implemented
- Received and processed 475 plans
- Processed 182 backyard burn permits
- Completed 1,224 fire inspections

Community Risk Reduction Division Goals and Objectives

GOAL	GOAL 9: CREATE A COMMUNITY RISK REDUCTION PLAN	Target Completion
Strategy	9A: Community Risk Assessment (CRA)	
Task1	Evaluate funding needs	In Progress
Task2	Acquire software to assist with identifying community risks	In Progress
Task3	Establish goals and objectives for risk reduction	Ongoing

Community Risk Reduction Division Goals and Objectives

GOAL	GOAL 9: CREATE A COMMUNITY RISK REDUCTION PLAN	Target Completion
Strategy	9B: Public Education	
Task1	Develop and fill Fire Prevention Specialist position	On Hold
Task2	Adopt and implement NFPA's Learn Not To Burn curriculum	On Hold
Task3	Re-start and support community CPR program	Ongoing
Task4	Improve relationship with CERT	Complete

GOAL	GOAL 9: CREATE A COMMUNITY RISK REDUCTION PLAN	Target Completion
Strategy	9C: Engine Company Participation	
Task1	Identify existing building hazards	Ongoing
Task2	Establish and update building preplans	In Progress
Task3	Refer life hazards to inspectors for code enforcement	Ongoing
Task4	Integrate software between divisions	In Progress
Task5	Improve communication between CRR and Operations	Ongoing

GOAL	GOAL 9: CREATE A COMMUNITY RISK REDUCTION PLAN	Target Completion
Strategy	9D: Wildland Urban Interface Hazard Mitigation	
Task1	Home defense software acquisition	In Progress
Task2	Fill and train Defensible Space Inspectors	In Progress
Task3	Increase home inspections	Complete
Task4	Increase Firewise participation	Ongoing
Task5	Assist homeowners with fuel reduction	Ongoing
Task6	Attend more community events	Goal

Community Risk Reduction Division Performance Measurements and Targets

<u>TYPES OF TRANSACTIONS</u>	<u>FY 2024 Actual</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Budget</u>
Inspections	1,224	1,295	1,400
Public Education Events	22	12	15
Defensible Space Inspections	2,572	3,364	3,300
Community Bystander CPR Classes	12	12	12
Plan Reviews	475	489	500

<u>EFFECTIVENESS MEASURES</u>	<u>FY 2024 Actual</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Budget</u>
State Mandated Inspections	100%	100%	100%
Inspections for A,F,H, S Occupancies	100	100	100
Inspections for B Occupancies	35	35	35

COMMUNITY RISK REDUCTION



The Fleet Services Division’s mission is to support the District’s operational readiness by maintaining the District’s vehicles and fire apparatus in a safe, effective, and reliable working order. Moreover, it extends its expertise by offering contract services for fleet maintenance to neighboring fire agencies in both Santa Cruz and Monterey Counties. This is achieved through comprehensive fleet management practices encompassing the acquisition, inspection, maintenance, repair, testing, recordkeeping, and retirement of vehicles. Situated in the City of Capitola, our Fleet Services Facility ensures compliance with all applicable state, local and federal laws and regulations, and serves on several of the District’s oversight and apparatus specification committees. The Fleet Services Facility proudly holds the certification as a California Green Business. We prioritize environmentally responsible practices in the maintenance and utilization of our fleet, equipment, and facilities, ensuring a safe and cost-effective operation. The entire team diligently ensures our commitment to service, expertise, and sustainability year after year.

Fleet Division Budget Summary:

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Salaries & Benefits	\$742,547	\$808,168	\$926,333
Services & Supplies	\$693,754	\$948,941	\$975,574
Intrafund Transfer	\$(453,119)	\$(715,322)	\$(736,071)
Total	\$983,182	\$1,041,788	\$1,165,836

Fleet Division Personnel Summary:

POSITION	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Senior Fire Apparatus Technician	1	1	1
Fire Apparatus Technician	2	2	2
Administrative Analyst	1	1	1
Total	4	4	4

Fleet Division Budget Highlights:

- Fleet Services is a sub-fund of the General Fund, which receives an intra-fund transfer each year to cover costs not reimbursed through internal or external repairs. The intra-fund transfer has increased over the previous two fiscal years due to the Fleet improvement project which upgraded and expanded facilities. This impacted Fleet repairs as the facility was under construction.
- The budget for services and supplies this fiscal year accounts for cost increases attributed to inflation and the recent implementation of tariffs.

Prior Year Accomplishments:

- Placed two new type 3 engines into service.
- Placed Ford Maverick into service for the Community Risk Reduction Division.
- Placed F-150 Hybrid into service for the Training Division.
- Ordered the following vehicles: Type 1 (3), Type 3 (1), Battalion Chief vehicle (1).
- Provided mobile response services.
- Maintained services with significant disruption to workflow during Fleet facilities upgrade.
- Invoiced 457 repair orders.
- Both fire apparatus technicians completed their California Fire Service Training and Education System and are now Emergency Vehicle Technician I (EVT).
- Fire Apparatus Technician Mettalia completed his ASE Master Technician Certification.
- Fire Apparatus Technician Mettalia completed driver training and obtained his Commercial Driver License Class B.
- Storm Drainage Issue: Installed pump and 2nd pump drain line to keep storm water from flooding into the Fleet building.

Fleet Division Goals and Objectives

<u>GOAL</u>	<u>GOAL 1: DEVELOP A LONG-TERM FACILITIES PLAN</u>	<u>Target Completion</u>
Strategy	1B: Complete a current facilities assessment	
Task1	Complete Fleet improvement project	Jun. 2025

Fleet Division Goals and Objectives

GOAL	GOAL 3: IMPROVE INTERNAL COMMUNICATIONS	Target Completion
Strategy	3B: Evaluate available technological solutions	
Task1	Improve CFA software program interaction with PS Trax	Aug. 2025
Task2	Establish Repair Time Standards in Fleet Software System (CFA); technicians can work more efficiently and manage their workload effectively. Accurate repair time estimates help with pricing and profitability, and minimizes misunderstandings and potential disputes between the shop and customer	Dec. 2026

GOAL	GOAL 7: DEVELOP AND IMPLEMENT COMPREHENSIVE POLICIES, PROCEDURES, AND GUIDELINES	Target Completion
Strategy	7D: Implement updated / rewritten policies, procedures, and guidelines	
Task1	Review and revise Fleet service rates	Jul. 2025
Task2	Plan and implement workflow with fleet infrastructure upgrades with a focus on efficiency and organization	Jun. 2026
Task3	Update Fleet policies - Lexipol	Dec. 2025

GOAL	GOAL 8: ENHANCE EMERGENCY RESPONSE	Target Completion
Strategy	8C: Ensure equipment meets current and future needs in the communities we serve	
Task1	Coordinate with apparatus committee specifications for Tower 3572 replacement	Dec. 2025
Task2	Place into service 1 BC vehicle	Jul. 2025
Task3	Place into service 2 Type 1 Engines	Feb. 2026
Task4	Place into service 1 Water Tender	Oct. 2025
Task5	Surplus two Type 3 Engines	Mar. 2026

Fleet Division Performance Measurements and Targets

<u>TYPES OF TRANSACTIONS</u>	<u>FY 2024 Actual</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Budget</u>
Total Invoice Amount for Central Fire Apparatus	\$559,442	\$718,094	\$570,000
Total Invoice Amount for Contract Agencies (Note: FY2024 had large repairs, engine re-build, brakes, transmission and pump re-builds causing a higher than normal \$ amount of repairs)	\$426,801	\$344,444	\$435,000
Total Factor Productivity (Hours invoiced divided by straight hours worked)	54%	55%	65%

<u>EFFECTIVENESS MEASURES</u>	<u>FY 2024 Actual</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Budget</u>
Number of Repair Invoices for Central Fire	237	262	257
Number of Repair Invoices for Contracted Agencies	220	186	230
Pump Tests	32	42	37
PMs (Annual Service, 90 Day Service, Inspections)	252	171	270

FLEET SERVICES



The Logistics Division serves as the central hub for warehouse operations, managing District supplies and equipment. It also oversees facilities maintenance, repairs, and developments across all seven fire stations, the Administrative Headquarters, the Fleet Division, and the Training Facility. The Logistics Technician is responsible for a variety of duties related to both the Logistics Division and the Fleet Services Division. These duties include ordering, receiving, storing, distributing, and controlling the inventory of station and administration equipment and supplies. Additionally, the Logistics Technician coordinates and manages the maintenance, repair, construction, and modification of Central Fire District buildings and equipment.

Logistics Division Budget Summary:

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Salaries & Benefits	\$537,593	\$551,861	\$691,857
Services & Supplies	\$2,196,199	\$2,382,152	\$1,963,706
Total	\$2,733,792	\$2,934,013	\$1,165,836

Logistics Division Personnel Summary:

POSITION	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Division Chief	1	1	1
Logistics Technician	1	1	1
Total	2	2	2

Logistics Division Budget Highlights:

- Budget total of \$930,000 for the repairs and maintenance for the upkeep of all facilities.
- Budget of \$975,000 for the maintenance of the District’s fleet, which includes internal repairs conducted by the District’s Fleet services.

Prior Year Accomplishments:

- Historically, our annual improvement efforts have typically focused on one station each year. In 2023, Station 3 in Soquel underwent significant upgrades, while in 2024, the renovations were shared between Station 1 in Live Oak and Station 2 on Thurber Lane, both of which received comprehensive renovations.
- Station 1 in Live Oak underwent major renovations due to storm damage sustained in January 2023 from the severe winds and rain. A significant flaw was identified, as water leaked through the windows due to improper flashing, resulting in extensive water damage. To address this, all windows were replaced with the correct flashing, and repairs were made to one of the stairwells that had significant water damage, which included a complete stairwell replacement.
- Meanwhile, Station 2 on Thurber Lane also benefited from essential repairs and enhancements. Key improvements included relocating the gym from the upper level to the lower level, successfully preventing damage to the office ceiling caused by heavy weights being dropped. The day room has been moved upstairs, while the cardio room has been relocated into the old gym. New carpets and flooring on the interior stairs have also been installed, and the HVAC systems have been upgraded to ensure optimal comfort and performance. These enhancements have fostered a better working environment for our personnel and significantly improved overall station operations.
- Additionally, Station 5 Aptos, Station 6 Rio Del Mar, and Station 7 La Selva Beach, have all updated their signage to signify the 2021 merger between Central Fire and Aptos/La Selva Fire, now representing the new Central Fire District of Santa Cruz County.
- Implemented PS Trax, a digital platform for inventorying and logging apparatus inspections and tracking repairs for apparatus defects.

Logistics Division Goals and Objectives

<u>GOAL</u>	<u>GOAL 2: DEVELOP A DISTRICT-WIDE SUCCESSION PLAN</u>	<u>Target Completion</u>
Strategy	2B: Develop mentorship program for all positions	
Task1	Train Logistic Technician	Jun. 2025
Task2	Obtain class B drivers license	Jun. 2025

<u>GOAL</u>	<u>GOAL 3: IMPROVE INTERNAL COMMUNICATIONS</u>	<u>Target Completion</u>
Strategy	3B: Evaluate available technological solutions	
Task1	Improve implementation of PS Trax	Ongoing
Task2	Complete inventory of supplies	Dec. 2025

Logistics Division Goals and Objectives

<u>GOAL</u>	<u>GOAL 4: IMPROVE OVERALL DEPARTMENT SAFETY</u>	<u>Target Completion</u>
Strategy	3B: Evaluate available technological solutions	
Task1	Complete Bryx Station alerting system installation	Jul. 2025
Task2	Provide access control security system to Administration Building, keycard/mobile access system, improved hardware, cloud monitoring	Jun. 2025

<u>GOAL</u>	<u>GOAL 6: EVALUATE AND IMPROVE DISASTER PREPAREDNESS AND RESILIENCY</u>	<u>Target Completion</u>
Strategy	6C: Determine and close identified gaps in current capabilities	
Task1	Provide emergency power supply capable of opening apparatus bay doors during power outages at stations 1 and 2	Dec. 2026

<u>GOAL</u>	<u>GOAL 7: DEVELOP AND IMPLEMENT COMPREHENSIVE POLICIES, PROCEDURES, AND GUIDELINES</u>	<u>Target Completion</u>
Strategy	7E: Evaluate updated / rewritten policies, procedures, and guidelines for effectiveness	
Task1	Evaluate and implement updated Logistics policies (i.e. Supply Purchasing, Program Manager Purchasing)	Jun. 2026

<u>GOAL</u>	<u>GOAL 8: ENHANCE EMERGENCY RESPONSE</u>	<u>Target Completion</u>
Strategy	8B: Determine available resources	
Task1	Spec and install a fixed SCBA filling appliance at Station 1	Mar. 2026
Task2	Apparatus Replacement	
Task3	Place into service 2 Type 1 Engines	Feb. 2026
Task4	Place into service 1 Water Tender	Oct. 2025
Task5	Place into service 1 BC vehicle	Jul. 2025
Task6	Coordinate with apparatus committee specifications for Tower 3572 replacement	Dec. 2025
Task7	Surplus two Type 3 Engines	Mar. 2026

Logistics Division Performance Measurements and Targets

<u>TYPES OF TRANSACTIONS</u>	<u>FY 2024 Actual</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Budget</u>
Waste reduction; measure to track and reduce waste of supplies. Annual expense of supplies.	\$39,514	\$37,031	\$46,460
Number of work orders for maintenance repairs & facility upgrades	N/A	60	70

<u>EFFECTIVENESS MEASURES</u>	<u>FY 2024 Actual</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Budget</u>
Active Work Orders: The number of facility maintenance requests completed within 60 days or less.	N/A	90%	95%
Preventive Maintenance Compliance: The percentage of preventive maintenance tasks Completed on schedule.	93%	100%	100%
Integration of PSTRax and Safety Improvement: The percentage of facilities preventative maintenance tasks automated into PSTRax as a trackable checklist.	0%	20%	100%



The primary goal of the Operations Division is to protect life, property, and the environment. The Division, consisting of 80 well-trained, sworn personnel, maintains the skill set needed to handle the demands of the district. The Operations Division handles the daily emergency response activities of the district and is responsible for: staffing, scheduling, special operations, training and safety. Daily operational staff are 26 personnel. Under the general guidance of the Division Chief, the daily operations are managed by three (3) line Battalion Chiefs and one Training Battalion Chief.

Encompassed within the Operations Division is Special Operations. Programs falling under Special Operations include Aquatic Response, Technical Rescue, Active Shooter/Hostile Event, Hazardous Materials, Health and Wellness, Peer Support, and Fire Investigation. These programs include members participating in specialized training and maintaining specific certifications and qualifications to ensure operational readiness. Special Operations is another example of Central Fire District meeting the demands of being an all-risk fire agency.

Operations Division Budget Summary:

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Salaries & Benefits	\$28,563,818	\$30,721,679	\$32,604,519
Services & Supplies	\$1,571,220	\$1,914,003	\$1,028,927
Total	\$30,135,038	\$32,635,682	\$33,633,445

Operations Division Personnel Summary:

POSITION	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Division Chief	1	1	1
EMS Chief	1	1	1
Battalion Chief	3	3	3
Captain	21	21	21
Firefighter/Paramedic	35	35	35
Firefighter	19	19	19
Total	80	80	80

Operations Division Budget Highlights:

- Total budget of \$83,000 for EMS-related costs and supplies.
- Total budget of \$304,000 for Special Operations includes costs for programs such as aquatic rescue, disaster preparedness, hazardous materials, and rescue techs.
- Suppression costs consist of apparel, communication, required suppression equipment, and health & wellness. The total budget is \$854,000.

Aquatic Rescue Response Team (ARRT)

- Provided event safety staffing featuring a Rescue Water Craft (RWC) and a paddleboard, with Santa Cruz City lifeguards for the Ironman Triathlon event.
- Provided a 40-hour United States Lifeguard Association (USLA) compliant academy for four new ARRT members.
- On 12/23/2024, members of the ARRT responded to approximately 12 water rescue incidents inside and outside the district through automatic/mutual aid due to a substantial swell event. ARRT responded to 49 water-rescue incidents in 2024.
- Completed monthly joint training exercises with the Santa Cruz City Marine Division.
- Worked with Santa Cruz Harbor Patrol and California State Parks to participate in joint training sessions across all three shifts.
- Worked with non-ARRT members to ensure communication, expectations, and District policy and procedures were understood and met.

Health and Wellness

- Relocated the station 2 gym downstairs for a safer gym area that is a more functional workout space and prevents further damage to the station. This includes the installation of new ergonomic gym flooring which will reduce impact and injuries.
- New exercise equipment was purchased including an exercise bike to replace aging equipment.

Peer Support

- Five new peer support team members joined the team in 2024.
- Team and family members revitalized the spouse support network to strengthen family support.
- The District facilitated six Critical Incident Stress Debriefings. In doing so, we have helped our employees, local law enforcement, AMR personnel, and dispatchers process traumatic events.

Central Fire Investigation Unit (CFIU)

- Investigation report completed of the Lawn Way Christmas incident. (Explosion)
- Investigation of 2165 41st Avenue business complex. (Structure Fire)
- CFIU leads have drafted a proposal for a 24/7 on-call investigation team response plan.

Technical Rescue Team (TRT)

- Met recruitment and retainment goals for 2024.
- Expanded level of available training.
- Purchased and adopted equipment and training associated with confined space operations.

Operations Division Goals and Objectives

<u>GOAL</u>	<u>GOAL 2: DEVELOP A DISTRICT-WIDE SUCCESSION PLAN</u>	<u>Target Completion</u>
Strategy	2B: Develop mentorship program for all positions	
Task1	Team member recruitment and retainment	In Progress
Task2	Support annual Rescue Watercraft (RWC) and entry-level academies	In Progress
Task3	Continuation of ARRT and RWC task Books	In Progress

<u>GOAL</u>	<u>GOAL 6: EVALUATE AND IMPROVE DISASTER PREPAREDNESS AND RESILIENCY</u>	<u>Target Completion</u>
Strategy	6C: Determine and close identified gaps in current capabilities	
Task1	Provide education and training to TRT members	In Progress
Task2	Specialty Courses-Low Frequency/ High-Risk	2026
Task3	Meet annual requirements	In Progress

Operations Division Goals and Objectives

GOAL	<u>GOAL 7: DEVELOP AND IMPLEMENT COMPREHENSIVE POLICIES, PROCEDURES, AND GUIDELINES</u>	<u>Target Completion</u>
Strategy	7D: Implement updated / rewritten policies, procedures, and guidelines	
Task1	Develop internal policy/SOP addressing Rapid Intervention Personnel (RIP)	2025
Task2	Improve communications with law enforcement counter parts and strengthen unified command	In Progress
Task3	Standardize Response/ Operations (SOP)	2025
Task4	Improve Agency Relations-internal/external/stakeholders	In Progress

GOAL	<u>GOAL 8: ENHANCE EMERGENCY RESPONSE</u>	<u>Target Completion</u>
Strategy	8A: Ensure staffing meets community needs	
Task1	Addition of 5 new members to the TRT	2027
Task2	Support program sustainability	In Progress
Task3	Increased the number of available members per shift	2027
Task4	Recruitment for 3-5 additional CFIU members	2027
Task5	Craft Policy/ SOP to support 24/7 investigator coverage plan	2025
Task6	Provide District-wide training	2025
Task7	Recruitment for 3-5 additional CFIU members	2027

Operations Division Goals and Objectives

<u>GOAL</u>	<u>GOAL 8: ENHANCE EMERGENCY RESPONSE</u>	<u>Target Completion</u>
Strategy	8B: Ensure training meets community needs	
Task1	Continue to provide high-level education and training to team members	In Progress
Task2	Emphasis on member safety	In Progress
Task3	Ensure equipment and PPE are working	In Progress

<u>GOAL</u>	<u>GOAL 8: ENHANCE EMERGENCY RESPONSE</u>	<u>Target Completion</u>
Strategy	8C: Ensure equipment meets current and future needs in the communities we serve	
Task1	Ensure essential equipment is ready and available	In Progress
Task2	Network with stakeholders and local businesses	In Progress
Task3	Procure adequate funding required to support equipment needs	In Progress

<u>GOAL</u>	<u>GOAL 9: CREATE A COMMUNITY RISK REDUCTION PLAN</u>	<u>Target Completion</u>
Strategy	9B: Public Education	
Task1	Reduce annual water rescue call volume	In Progress
Task2	Identify methods for improved public outreach and messaging	In Progress
Task3	Network with community stakeholders and small business owners	In Progress

Operations Division Performance Measurements and Targets

<u>TYPES OF TRANSACTIONS</u>	<u>FY 2024</u> <u>Actual</u>	<u>FY 2025</u> <u>Actual</u>	<u>FY 2026</u> <u>Budget</u>
Clothing and personal supplies (ARRT)	\$8,364	\$5,946	\$7,500
Gas, Fuel, Oil (ARRT)	\$1,021	\$822	\$900
Subscription, books, educational materials (ARRT)	\$100	\$100	\$100
Professional & specialty services - other (Health & Wellness)	\$14,658	\$14,005	\$15,500
Inventoriable items (Health & Wellness)	\$9,028	\$8,122	\$12,208
Maintenance other equipment services (Health & Wellness)	\$2,723	\$5,125	\$6,000

<u>EFFECTIVENESS MEASURES</u>	<u>FY 2024</u> <u>Actual</u>	<u>FY 2025</u> <u>Actual</u>	<u>FY 2026</u> <u>Budget</u>
Water rescue call volume (ARRT)	48	50	50+
Number of rescues performed (ARRT)	36	37	38+

OPERATIONS



The Technology Division is responsible for supporting the District’s data management and computing infrastructure, which connects all District facilities, including local area networks, wide area networks, and wireless networks. The Technology Division oversees the security and backup of all District information systems and manages the District’s computer workstations, servers, file systems, email system, network equipment, cloud storage, phone systems, internet access, audio/visual equipment, and all software and database programs. Additionally, it manages communications equipment, including mobile data computers, mobile and portable radios, and cellular phones.

The Division also maintains proper licensing and maintenance contracts for District-owned software and hardware. The Division partners with all divisions to evaluate technology requirements and helps determine the best solutions to meet both immediate and long-term needs. Furthermore, the IT Division maintains antivirus protection and additional security-related components to safeguard against external security threats. It also designs and supports systems that ensure continuity of operations in the event of a system failure.

Technology Division Budget Summary:

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Salaries & Benefits	\$912	\$339	\$1,500
Services & Supplies	\$381,342	\$344,856	\$448,272
Total	\$382,254	\$345,195	\$449,772

Technology Division Personnel Summary:

POSITION	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Information Technology Contractor	1	1	1
Total	1	1	1

Technology Division Budget Highlights:

- Total technology budget \$450,000, approximately \$148,000 for PC software and applications for the District and \$231,000 in professional and specialized services for an IT contractor.

Prior Year Accomplishments:

- Replaced servers and hardware in Administration, Fleet Services, and Training.
- Managed a cloud-based data backup system along with additional network security measures.
- Upgraded network infrastructure, internet connections, and firewalls across multiple District facilities.
- Successfully migrated all files and folders from the network server to a cloud-based server, ensuring accessibility for fire personnel who are unable to access servers from fire stations.
- Provided desktop computer support to over 100+ users.
- Continued to maintain network security to prevent infections or hacking of District technology systems.

Technology Division Goals and Objectives

<u>GOAL</u>	<u>GOAL 3: IMPROVE INTERNAL COMMUNICATIONS</u>	<u>Target Completion</u>
Strategy	3B: Evaluate available technological solutions	
Task1	Research other agencies’ methods of sharing information	Ongoing
Task2	Contact private sector technology providers and evaluate their systems	Ongoing
Task3	Conduct online research for software solutions with multiple platforms that can utilized District-wide	Ongoing

TECHNOLOGY

Technology Division Performance Measurements and Targets

<u>TYPES OF TRANSACTIONS</u>	<u>FY 2024 Actual</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Budget</u>
Maintain Computer Workstations/Laptops	58	59	59
Tablets and Secondary Devices	34	29	29
Mobile Devices and Phones	132	147	147
Network Servers	5	5	5



The Training and Safety Division directly oversees, plans, coordinates, and manages all aspects of training and education for both safety and non-safety employees. This Division, along with its staff, provides and supports programs designed to ensure operational safety and efficiency while also addressing the health, wellness, and success of all employees.

The Training and Safety Division is responsible for delivering new and ongoing educational programs, policies, and practices that are mandated at the local, state, and federal levels. Additionally, the Division supports staff educational planning, career development, required ongoing training, and job succession-related educational requirements annually, as needed. The Division also collaborates with neighboring agencies and Training Officers across the county and region to coordinate and plan interagency training opportunities.

Training Division Budget Summary:

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Salaries & Benefits	\$178,922	\$198,746	\$259,316
Services & Supplies	\$434,542	\$379,135	\$502,898
Total	\$613,464	\$577,881	\$762,214

Training Division Personnel Summary:

POSITION	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET
Battalion Chief	1	1	1
Captain	1	1	1
Firefighter	1	1	1
Administrative Analyst	1	1	1
Total	4	4	4

Training Division Budget Highlights:

- Total budget of \$762,000 with \$357,000 dedicated to employee education and training.
- The Training Division includes one full-time Administrative Analyst. Battalion Chiefs, Captains, and Firefighters are assigned to the Division on a 40-hour rotational basis to gain administrative management skills to enhance career development.

Prior Year Accomplishments:

- District personnel logged nearly 17,000 hours of collective training and education.
- Battalion Chiefs coordinated and delivered quarterly Command and Control training across all three shifts.
- Specialty teams (aquatic response, technical rescue, hazardous materials, fire investigators, truck cadre, and active shooter/hostile event) completed all annual mandated training while introducing new updates to respective curriculums.
- Supported each member in their educational pathways and goals to develop leadership and ensure depth for future job succession and organizational planning.
- Collaboratively worked and coordinated with neighboring agencies to deliver first ever Battalion Chiefs Academy hosted by Central Fire.
- Maintained and built partnerships across the region to help develop and deliver needed interagency training and education.
- Emphasized new safe driving practices and new safety standards for operation of all District vehicles, apparatus, and equipment.
- Training staff worked to support candidates for promotional processes by providing clear professional certification tracks, special training sessions, and developed personal training/educational plans for individuals working towards promotions into leadership positions.

Training Division Goals and Objectives

<u>GOAL</u>	<u>GOAL 2: DEVELOP A DISTRICT-WIDE SUCCESSION PLAN</u>	<u>Target Completion</u>
Strategy	2A: Develop/revise position task books for all positions	
Task1	Support Professional Development	In Progress
Task2	Develop and maintain position specific task books	In Progress
Task3	Host and facilitate attendance of position specific education	In Progress
Task4	Coordinate and support ongoing District and Regional Academies	In Progress
Task5	Add depth to current instructor/evaluator pool	In Progress
Task6	Recruit	In Progress
Task7	Provide direction & training	In Progress

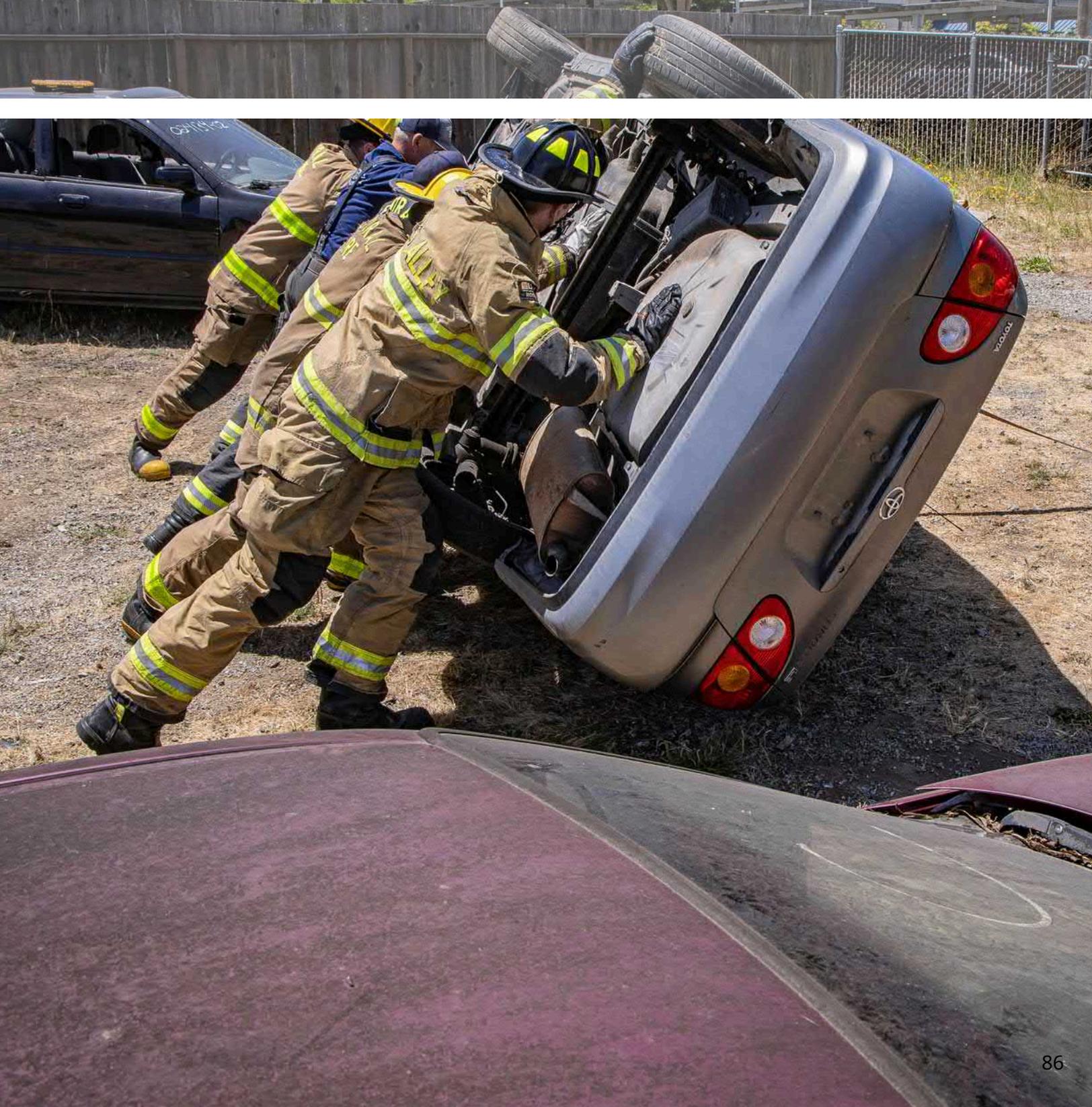
<u>GOAL</u>	<u>GOAL 4: IMPROVE OVERALL DEPARTMENT SAFETY</u>	<u>Target Completion</u>
Strategy	4B: Develop Incident Safety Officer (ISO) program	
Task1	Develop role of Health & Safety Officer/DICO to better serve 7 station district	In Progress
Task2	Partner with Health & Wellness program to improve the effectiveness of the Safety Committee	In Progress
Task3	Provide ongoing training and education to District members	In Progress
Task4	Create, host, and support training programs, classes, and secondary education	In Progress

<u>GOAL</u>	<u>GOAL 8: ENHANCE EMERGENCY RESPONSE</u>	<u>Target Completion</u>
Strategy	8B: Ensure training meets community needs	
Task1	Identify and provide training for high risk, low frequency events and/or new threats.	In Progress
Task2	Innovate to meet new challenges	In Progress
Task3	Evaluate training facilities	In Progress
Task4	Identify whether current training facilities will meet future needs	In Progress
Task5	Investigate feasibility of a centrally located regional training center	In Progress

Training Division Performance Measurements and Targets

<u>TYPES OF TRANSACTIONS</u>	<u>FY 2024 Actual</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Budget</u>
Classes Attended (Job Required and Career Progression)	232	250	250
Probationary Firefighters & Firefighter/Paramedics Supported	12	15	15
Large Scale Training Exercises (Multi-Company Drills)	13	15	15
ISO Training Hours	17,000	19,812	19,812

CAPITAL OUTLAY FUND



CAPITAL OUTLAY FUND

Fund Description

The Capital Outlay Fund is used to account for financial resources that are restricted, committed, or assigned for the acquisition of equipment, machinery, apparatus, vehicles, building construction, building improvements, and land acquisition. A capital expenditure is defined as a tangible or intangible fixed asset with a value of over \$5,000 that is used in operations of the District and that has an initial useful life extending beyond one year. Primary revenue sources are transfers from the General Fund; however, the fund will also receive loans or grant proceeds.

The Capital Replacement Schedule dictates the annual budgeted expenditures. This schedule is reviewed annually and revised if needed during the budget. Transfers from the General Fund provide funding for the budgeted requirements. The capital replacement schedule identifies a committed minimum transfer amount each fiscal year to meet targeted expenditures. Capital expenditures considered routine in nature are those that are identified in the capital replacement schedule and planned out ten years for replacement, based on their expected life span and rotation schedule.

Under the Capital Equipment Fund, total expenditures of \$5.4 million are primarily due to the purchase of new apparatus and vehicles. There are no expenses budgeted under the Capital Improvement Fund for this fiscal year, as the completion of the Fleet building floor and mezzanine project was finished in the prior year, and there are no other projects budgeted for the future. On the following page is a five-year forecast for upcoming replacement purchases by category.

Fund Summary

The following table reflects a summary of Capital Fund requirements:

CAPITAL OUTLAY	Actual FY 2023-24	Actual FY 2024-25	Budget FY 2025-26	Increase / (Decrease)	Percentage Change
Beginning Capital Fund Balance	\$ 6,821,396	\$ 4,598,111	\$ 5,064,438	\$ 466,327	10.14%
Revenue				\$ -	
Transfer in from General Fund	\$ 2,100,000	\$ 10,805,251	\$ 2,900,252	\$ (7,904,999)	-73.16%
Misc Revenue (Interest)	\$ 770,607	\$ 342,331	\$ 100,000	\$ (242,331)	-70.79%
Total Capital Outlay Revenue	\$ 2,870,607	\$ 11,147,583	\$ 3,000,252	\$ (8,147,331)	-73.09%
Expenditures					
Budgeted Expenditures (Capital)	\$ 5,093,892	\$ 10,681,255	\$ 5,420,354	\$ (5,260,901)	-49.25%
Ending Capital Fund Balance	\$ 4,598,111	\$ 5,064,438	\$ 2,644,336	\$ (2,420,102)	-47.79%

CAPITAL OUTLAY FUND

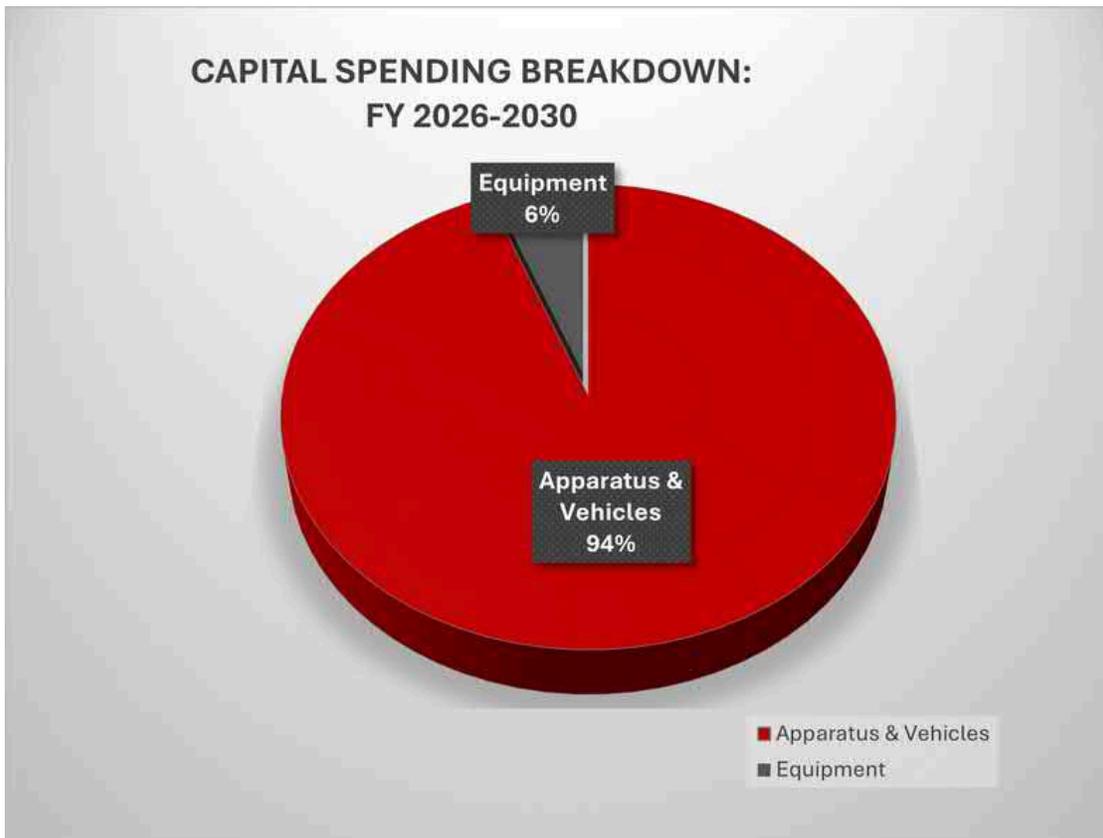
5 Year Capital Fund Projections

Fiscal Year		2025-26
Beginning Fund Balance	\$	5,064,438
Annual Contribution	\$	2,800,000

	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Year 5 2030
Beginning Fund Balance	\$ 5,064,438	\$ 2,644,336	\$ 1,244,224	\$ 3,507,813	\$ 5,694,635
Transfers in from General Fund	\$ 2,900,252	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
Other Revenue*	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Expenditures	\$ 5,420,354	\$ 4,149,860	\$ 586,411	\$ 663,178	\$ 342,957
Ending Fund Balance	\$ 2,644,336	\$ 1,344,476	\$ 3,507,813	\$ 5,694,635	\$ 8,201,678

*surplus, loans, grants, strike team

Capital Expenditures by Category	2026	2027	2028	2029	2030
Apparatus & Vehicles	\$ 5,250,746	\$ 4,114,117	\$ 512,107	\$ 643,397	\$ -
Equipment	\$ 169,608	\$ 35,743	\$ 74,304	\$ 19,781	\$ 342,957
Total Expenditures	\$ 5,420,354	\$ 4,149,860	\$ 586,411	\$ 663,178	\$ 342,957



CAPITAL OUTLAY FUND

Capital Replacement Schedules

Equipment Replacement Schedule

Description	Type	Useful Life	Age	Replace	Per Unit	# of Units	2026	2027	2028	2029	2030
Front Line Monitors (LP15)	EMS	10	2023	2033	\$ 48,000	17	\$ -	\$ -	\$ -	\$ -	\$ -
Treadmill	Fitness	15	2017	2032	\$ 9,974	9	\$ 10,473	\$ 10,996	\$ 11,546	\$ 12,123	\$ 12,730
Pump Tester Draft Commander - Fleet	Mobile	20	2017	2037	\$ 138,037	1	\$ -	\$ -	\$ -	\$ -	\$ -
Turnouts - 1 of 2 (42 sets)	PPE	10	2018	2028	\$ 6,000	0	\$ -	\$ -	\$ 7,293	\$ -	\$ -
Turnouts - 2 of 2 (43 sets)	PPE	10	2019	2029	\$ 6,000	0	\$ -	\$ -	\$ -	\$ 7,658	\$ -
Portable Radios	Radios	10	2021	2031	\$ 4,000	140	\$ -	\$ -	\$ -	\$ -	\$ -
Extraction Tools - Battery powered	Rescue	10	2021	2031	\$ 24,501	5	\$ -	\$ -	\$ -	\$ -	\$ -
Res Q Tec Lifting Bag (combine with air bags)	Rescue	10	2020	2030	\$ 17,500	2	\$ -	\$ -	\$ -	\$ -	\$ 41,792
Water Craft - Kawasaki Ultra - Training ski	Rescue	10	2018	2027	\$ 22,000	1	\$ -	\$ 24,747	\$ -	\$ -	\$ -
Water Craft - Yamaha	Rescue	10	2021	2030	\$ 22,000	1	\$ -	\$ -	\$ -	\$ -	\$ 27,837
SCBA Bottles	SCBA	15	2021	2036	\$ 1,631	125	\$ -	\$ -	\$ -	\$ -	\$ -
SCBA Compressor (Bauer) Station 5	SCBA	20	2010	2030	\$ 150,000	1	\$ -	\$ -	\$ -	\$ -	\$ 119,405
SCBA Compressor (Bauer) Station 1	SCBA	20	2010	2026	\$ 150,000	1	\$ 159,135	\$ -	\$ -	\$ -	\$ -
SCBA Packs	SCBA	10	2021	2031	\$ 8,900	75	\$ -	\$ -	\$ -	\$ -	\$ -
Thermal Cameras - Personal	TIC	10	2018	2028	\$ 1,317	36	\$ -	\$ -	\$ 55,465	\$ -	\$ -
Thermal Imaging Cameras	TIC	10	2020	2030	\$ 8,780	12	\$ -	\$ -	\$ -	\$ -	\$ 141,192
Total Expenditures							\$ 169,608	\$ 35,743	\$ 74,304	\$ 19,781	\$ 342,957

CAPITAL OUTLAY FUND

Capital Replacement Schedules

Apparatus & Vehicle Replacement Schedule

Type	Unit	Assigned	Radio ID	Status	Condition	Age	Reserve	Replace	PURCHASE PRICE	MARKET PRICE	2026	2027	2028	2029	2030
A	07-01*	Rescue	3560	A	3	2008	2018	2027	\$ 360,500	\$ 1,000,000	\$ -	\$ 1,092,727	\$ -	\$ -	\$ -
A	W50	Water Tender	3552	A	4	1990	2000	2025	\$ 314,057	\$ 580,000	\$ 580,000	\$ -	\$ -	\$ -	\$ -
A	E38	Reserve Truck						2026	\$ 1,330,000	\$ 2,300,000	\$ 2,440,070	\$ -	\$ -	\$ -	\$ -
A	E38	Type 3 Engine	3538	A	1	2007	2017	2025	\$ 411,700	\$ 411,700	\$ 424,051	\$ -	\$ -	\$ -	\$ -
A	E-8	Type 1 Engine, St 5	3515	R	4	2007	2017	2027	\$ 593,358	\$ 1,300,000	\$ -	\$ 1,420,545	\$ -	\$ -	\$ -
A	E16	Type 1 Engine - Reserve	3522	A	4	2007	2017	2027	\$ 662,950	\$ 1,200,000	\$ -	\$ 1,311,272	\$ -	\$ -	\$ -
A	E15	Type 1 Engine - Reserve	3524	R	4	2006	2016	2026	\$ 711,455	\$ 1,200,000	\$ 1,350,000	\$ -	\$ -	\$ -	\$ -
V	16-01	Fire Chief	3500	A	2	2016		2026	\$ 95,000	\$ 105,000	\$ 125,000	\$ -	\$ -	\$ -	\$ -
V	14-01	Asst. Chief	3501	A	2	2015		2027	\$ 95,000	\$ 105,000	\$ -	\$ 114,736	\$ -	\$ -	\$ -
V	19-07	Division Chief	3502	A	1	2019		2029	\$ 95,000	\$ 105,000	\$ -	\$ -	\$ 118,178	\$ -	\$ -
V	18-01	Division Chief	3503	A	2	2018		2028	\$ 95,000	\$ 105,000	\$ -	\$ -	\$ -	\$ 121,724	\$ -
V	19-06	BC Training	3504	A	1	2019		2029	\$ 95,000	\$ 105,000	\$ -	\$ -	\$ -	\$ -	\$ -
V	15-01	BC Backup	3506	A	3	2016		2025	\$ 154,500	\$ 154,500	\$ 100,535	\$ -	\$ -	\$ -	\$ -
V	18-02	BC Duty	3505	A	1	2018		2029	\$ 95,000	\$ 105,000	\$ -	\$ -	\$ -	\$ 121,724	\$ -
V	11-03*	Training - Pickup	3507	A	3	2011		2026	\$ 95,000	\$ 105,000	\$ 125,000	\$ -	\$ -	\$ -	\$ -
V	19-04	CRR - DFM	3581	A	1	2018		2029	\$ 20,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 46,371	\$ -
V	19-02	CRR	3582	A	1	2019		2029	\$ 25,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 46,371	\$ -
V	19-05	CRR	3583	A	1	2018		2029	\$ 20,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 46,371	\$ -
V	19-03	CRR	3584	A	1	2019		2029	\$ 25,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 46,371	\$ -
V	16-02	Fleet - Heavy	3591	A	4	2004		2028	\$ 200,000	\$ 350,000	\$ -	\$ -	\$ 393,928	\$ -	\$ -
V	U99	F250 Utility	3593	A	3	2009		2029	\$ 60,982	\$ 80,000	\$ -	\$ -	\$ -	\$ 92,742	\$ -
V	61	Flatbed	3594	A	4	1986		2026	\$ -	\$ 100,000	\$ 106,090	\$ -	\$ -	\$ -	\$ -
V	09-02*	Fleet* - BART	3595	A	4	2005		2027	\$ 150,000	\$ 160,000	\$ -	\$ 174,836	\$ -	\$ -	\$ -
Total Replacements (3% CPI Increase Annually)									\$ 17,185,187	\$ 27,014,408	\$ 5,250,746	\$ 4,114,117	\$ 512,107	\$ 643,397	\$ -
Total Lease Financing									\$ 349,938	\$ 349,938	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures (3% CPI Increase Annually)									\$ 17,535,125	\$ 27,364,346	\$ 5,250,746	\$ 4,114,117	\$ 512,107	\$ 643,397	\$ -

A firefighter in full protective gear, including a helmet and a jacket with reflective yellow and green stripes, is working in a smoky, dimly lit environment. The firefighter is holding a tool, possibly a pike pole, and is positioned in front of a large, dark structure. The scene is filled with thick, yellowish-brown smoke, creating a hazy atmosphere. The lighting is low, with some highlights on the firefighter's gear and the smoke.

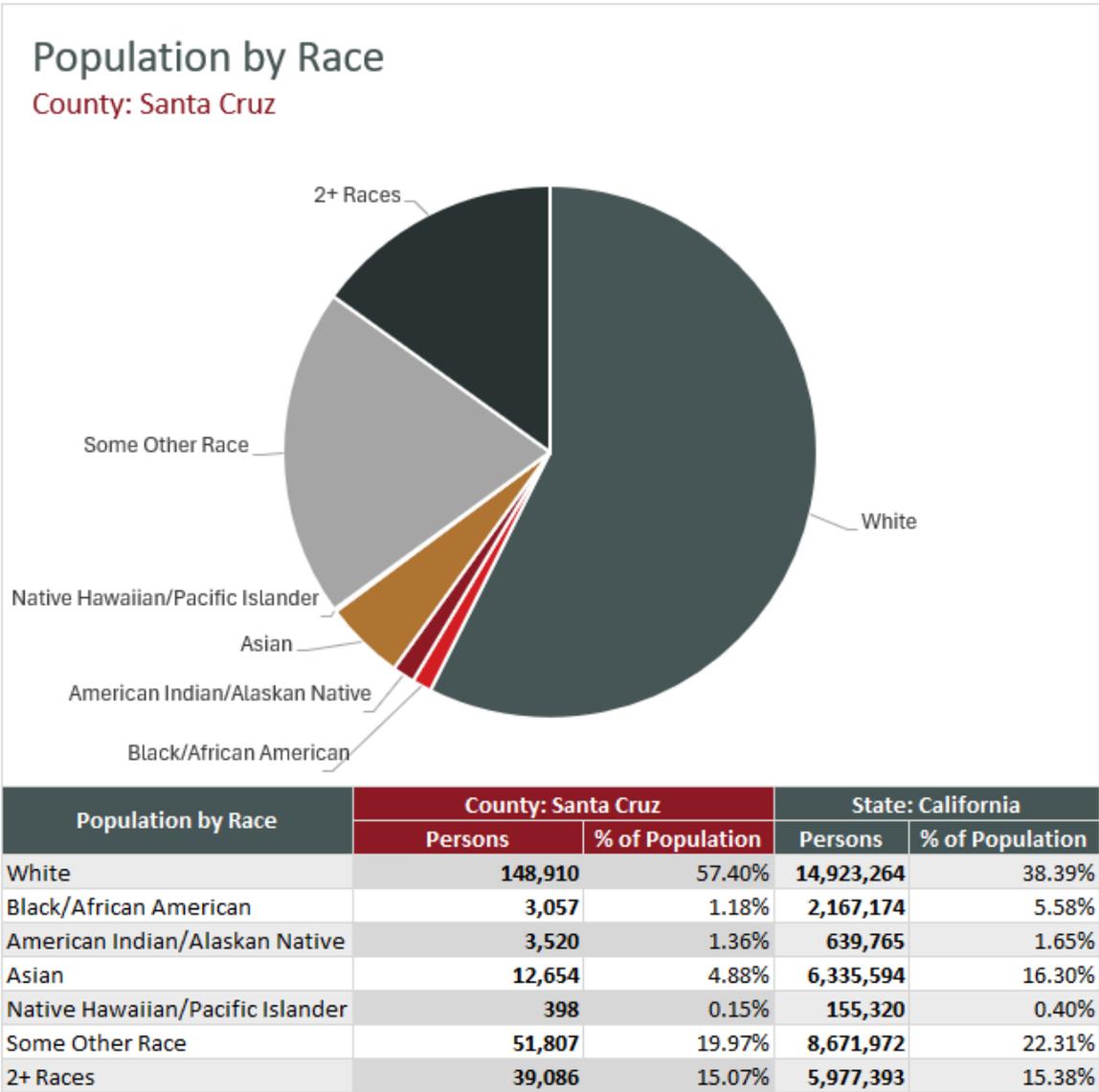
SUPPLEMENTAL INFORMATION

COMMUNITY PROFILE

The District primarily serves unincorporated communities within Santa Cruz, which include Aptos, Capitola, La Selva Beach, Live Oak, Rio Del Mar, and Soquel. Given the range of unincorporated areas encompassed by the District, population figures are estimated utilizing the latest census and demographic data provided by the County of Santa Cruz.

Population
 County: Santa Cruz
 259,432 Persons
 State: California 38,870,482 Persons

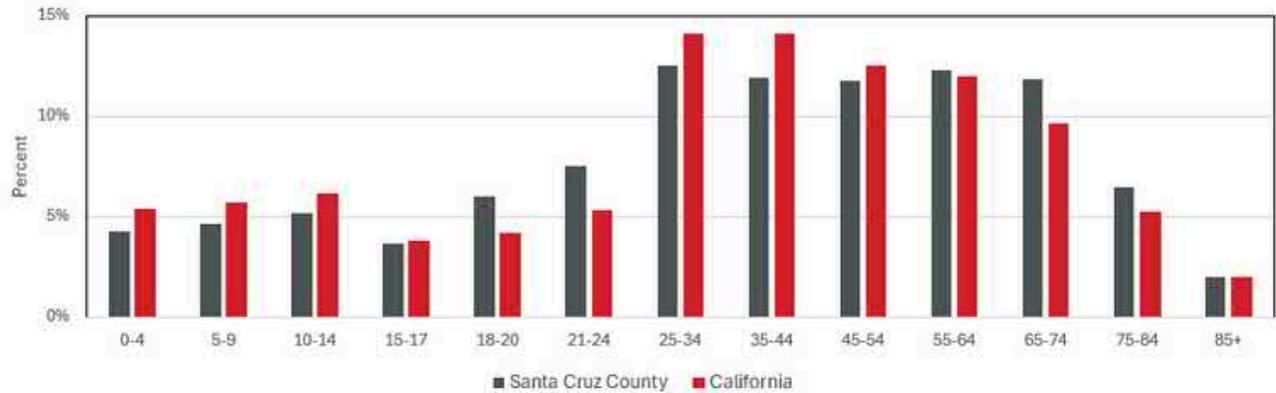
Percent Population Change: 2020 to 2025
 County: Santa Cruz
 -4.22%
 State: California -1.69%



COMMUNITY PROFILE

Population by Age Group

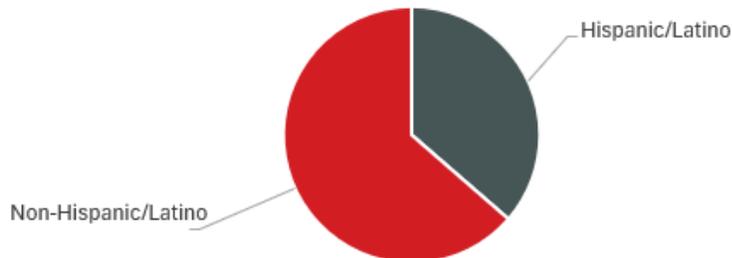
County: Santa Cruz



Population by Race	County: Santa Cruz		State: California	
	Persons	% of Population	Persons	% of Population
White	148,910	57.40%	14,923,264	38.39%
Black/African American	3,057	1.18%	2,167,174	5.58%
American Indian/Alaskan Native	3,520	1.36%	639,765	1.65%
Asian	12,654	4.88%	6,335,594	16.30%
Native Hawaiian/Pacific Islander	398	0.15%	155,320	0.40%
Some Other Race	51,807	19.97%	8,671,972	22.31%
2+ Races	39,086	15.07%	5,977,393	15.38%
35-44	30,916	11.92%	5,470,158	14.07%
45-54	30,560	11.78%	4,850,608	12.48%
55-64	31,752	12.24%	4,646,903	11.95%
65-74	30,773	11.86%	3,744,000	9.63%
75-84	16,793	6.47%	2,046,221	5.26%
85+	5,215	2.01%	757,420	1.95%

Population by Ethnicity

County: Santa Cruz

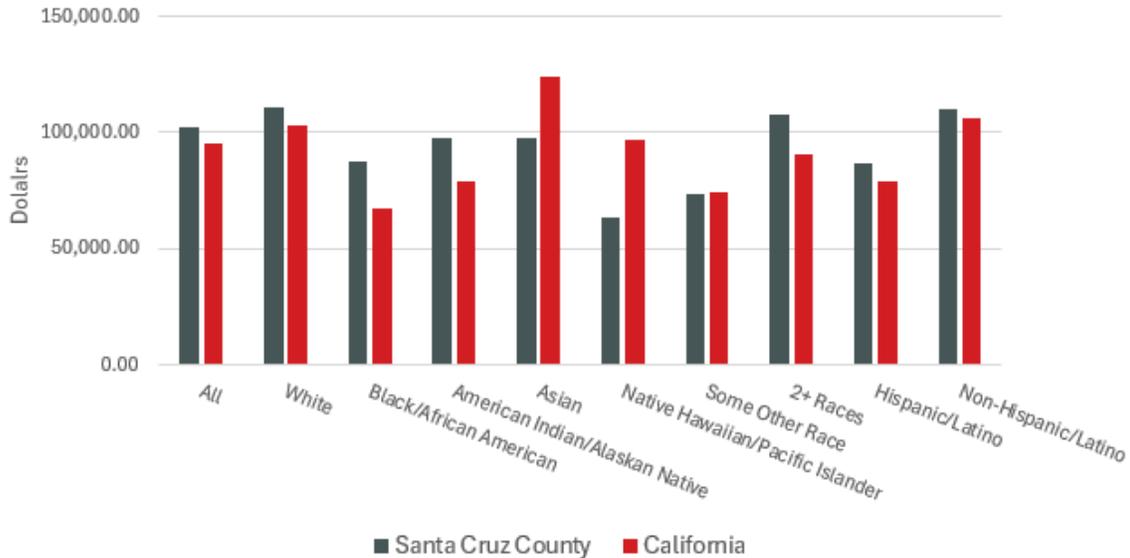


Population by Ethnicity	County: Santa Cruz		State: California	
	Persons	% of Population	Persons	% of Population
Hispanic/Latino	94,348	36.37%	16,210,907	41.70%
Non-Hispanic/Latino	165,084	63.63%	22,659,575	58.30%

COMMUNITY PROFILE

Median Household Income by Race/Ethnicity

County: Santa Cruz



Median Household Income by Race/Ethnicity	County: Santa Cruz		State: California	
		Value		Value
All		102,176		95,065
White		110,401		103,136
Black/African American		87,097		67,424
American Indian/Alaskan Native		97,535		78,741
Asian		97,424		124,251
Native Hawaiian/Pacific Islander		63,672		97,166
Some Other Race		73,806		74,340
2+ Races		107,503		90,282
Hispanic/Latino		86,605		78,968
Non-Hispanic/Latino		109,815		105,845

Average Household Size

County: Santa Cruz

2.66 Persons

State: California 2.86 Person

Families

County: Santa Cruz

58,293 Families

State: California 9,165,787 Families

COMMUNITY PROFILE

Housing Units

County: Santa Cruz

104,092 Housing units

State: California 14,388,015 Housing units

Owner-Occupied Housing Units

Average Value

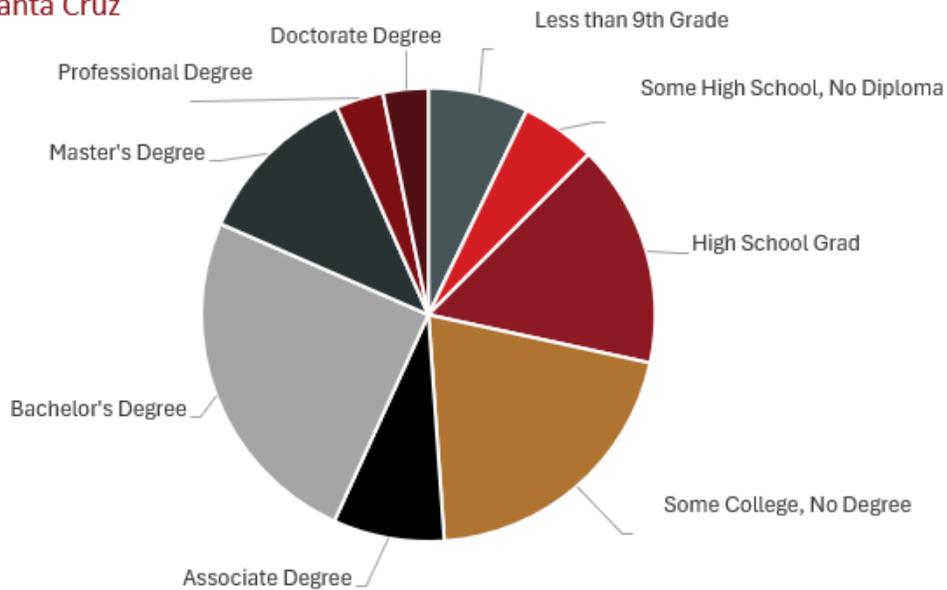
County: Santa Cruz

\$1,312,419

State: California \$930,381

Population 25+ by Educational Attainment

County: Santa Cruz



Population 25+ by Educational Attainment	County: Santa Cruz		State: California	
	Persons	% of Population	Persons	% of Population
Less than 9th Grade	12,748	7.14%	2,380,935	8.82%
Some High School, No Diploma	9,549	5.35%	1,792,482	6.64%
High School Grad	28,411	15.92%	5,547,488	20.55%
Some College, No Degree	36,528	20.47%	5,288,052	19.59%
Associate Degree	14,153	7.93%	2,125,099	7.87%
Bachelor's Degree	44,200	24.76%	6,035,976	22.36%
Master's Degree	21,076	11.81%	2,601,894	9.64%
Professional Degree	6,066	3.40%	709,554	2.63%
Doctorate Degree	5,748	3.22%	509,991	1.89%

Population 16+: Unemployed

County: Santa Cruz

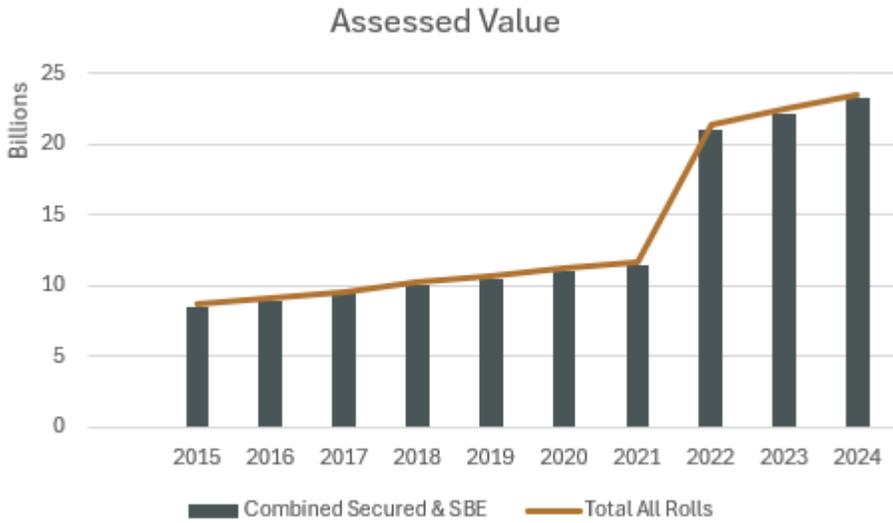
4.89%

State: California 5.76%

SUMMARY OF ASSESSED VALUES

Assessed Property Tax Values

Fiscal Year Ended	Combined Secured & SBE	Unsecured Roll No Aircraft	Unsecured Roll Aircraft Only	Total All Rolls
2015	8,462,058,915	177,647,594	66,586	8,639,773,095
2016	8,914,180,918	182,849,399	63,257	9,097,093,574
2017	9,424,970,764	191,768,881	60,094	9,616,799,739
2018	9,995,812,651	202,718,110	57,089	10,198,587,850
2019	10,516,729,358	201,444,133	54,235	10,718,227,726
2020	11,064,851,571	199,451,563	51,523	11,264,354,657
2021	11,517,366,318	199,269,208	48,947	11,716,684,473
2022	21,105,055,135	255,125,726	46,500	21,360,227,361
2023	22,212,429,723	279,852,544	44,175	22,492,326,442
2024	23,263,579,557	291,313,559	47,300	23,554,940,416



Source: Santa Cruz County Tax Roll Values by Tax Authority Fund Reports
 Notes: Exempt values are not included in totals.

TOP EMPLOYERS

Top Employers

Employer Name	Location	Industry
Ameri-Kleen	Watsonville	Services NEC
Audiology Associates	Soquel	Clinics
Cabrillo Sesnon House 1	Aptos	Caterers
Cocoanut Grove	Santa Cruz	Caterers
Costco Wholesale	Santa Cruz	Wholesale Clubs
Creekside Farms Inc	Watsonville	Farms
Dominican Hospital	Santa Cruz	Hospitals
First Alarm	Aptos	Burglar Alarm Systems
Granite Construction Co	Watsonville	General Contractors
Granite Construction Co	Watsonville	Construction-Building Contractors
Graniterock	Watsonville	Asphalt & Asphalt Products

Source: State of California Employment Development Department

LABOR FORCE BY COMMUNITY

Labor Force by Community						
Area Name	Labor Force	Employment	Unemployment Number	Unemployment Rate	Census Emp	Census Unemp
Santa Cruz County	138,200	129,200	9,000	6.50%	1	1
Aptos CDP	3,000	2,900	100	4.90%	0.02242	0.016536
Aptos Hills Larkin	1,000	900	-	2.40%	0.00732	0.002525
Capitola city	5,200	5,000	200	2.90%	0.03885	0.016789
Day Valley CDP	1,500	1,400	100	5.20%	0.01079	0.008584
Live Oak CDP	9,300	8,900	500	4.90%	0.06856	0.050366
Opal Cliffs CDP	3,600	3,500	100	3.60%	0.02715	0.014517
Rio del Mar CDP	4,700	4,400	300	6.60%	0.03387	0.034587
Soquel CDP	5,200	5,000	300	4.90%	0.03839	0.028402
Twin Lakes CDP	2,900	2,700	200	5.20%	0.0212	0.016789

Source: State of California Employment Development Department (April 2025, preliminary)
 Notes: CDP is "Census Designated Place" - an unincorporated recognized community

LABOR FORCE BY COMMUNITY

GLOSSARY OF TERMS

Account

A term used to identify an individual asset, liability, expenditure control, revenue control, or fund balance.

Accounts Payable

Amounts owed for goods or services.

Accounts Receivable

Amounts due to the District.

Accrual

Term used in accounting in which revenues or expenses are recorded when a transaction occurs rather than when payment is received or made.

Apparatus

Vehicles for fighting or extinguishing fires, or for use in emergency medical response.

Appropriation

An act by a legislative body authorizing the expenditure of a designated amount of funds or to incur obligations for specific purposes.

Assessed Valuation

The assessed value of real estate and property used for tax purposes.

Audit

An annual process that involves an independent third party to review the financial records of the District and compliance with accounting standards.

Assets

Property owned by the District that has monetary value.

Balanced Budget

A budget in which revenues equal expenditures for all funds presented.

Budget

A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates) for the same fiscal year.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body.

Budget Message

A general discussion of the proposed budget as presented in writing by the budget officer to the legislative body.

Budgetary Control

The control or management of a governmental unit or enterprise in accordance with approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

GLOSSARY OF TERMS

Capital Outlays

Expenditures for the acquisition of capital assets.

Carryover (Rollover)

The transfer of budgeted revenue or expenditure from one fiscal year to another, generally due to the anticipation of receipt or expenditure of funds in one year, which is not executed prior to year-end.

Chart of Accounts

The classification system used by the District to organize the accounting for various funds.

Current Liabilities

Liabilities which are payable within a relatively short period of time, usually no longer than a year.

Current Taxes

Taxes levied and became due during the current fiscal period, from the time the amount of tax levy is first established, to the date on which a penalty for nonpayment is attached.

Debt

An obligation or liability resulting from the borrowing of money or from the purchase of goods and services.

Deficit

Operating expenditures more than operating revenues within a financial reporting period.

Depreciation

Expiration in service life of fixed assets attributable to wear and tear through use and lapse of time, obsolescence, inadequacy, or other physical or functional cause.

Dispatch

The agency is responsible for receiving emergency and non-emergency calls and sending the appropriate entity to respond to the call.

Engine

Various apparatus used to transport and pump water; carries ladders, hoses, other equipment and supplies for fighting fires.

Estimate

A projection or forecast, generally based on the use of historical data, assumptions, forecasts, etc.

Expenses or Expenditures

Charges are incurred, whether paid or unpaid, for operation, maintenance, and interest, and other charges, which are to benefit the current fiscal period.

Fiscal Year

Period of 12 consecutive months chosen by an entity as its accounting period, which may or may not be a calendar year. The District's fiscal year ends June 30.

GLOSSARY OF TERMS

Fixed (Capital) Asset

Any tangible asset with a life of more than one year, used in an entity's operations.

Full-time Equivalent (FTE)

Term used to indicate the workload of an employed person, typically 40 hours per week.

Fund

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, which are segregated for the purpose of carrying on specific activities.

Fund Balance

The difference between assets and liabilities is reported in a governmental fund.

General Fund

A governmental fund that serves as the chief operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund.

Generally Accepted Accounting Principles (GAAP)

Conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. The highest level of such principles are set by the Financial Accounting Standards Board (FASB).

Governmental Funds

Funds used to account for tax-supported activities consisting of General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Hazardous Materials (Haz-Mat)

Any element, compound, mixture, solution, or substance that, when spilled or released into the air, on land or water, may present a danger to the health and safety of the public or environment.

Incident

An event involving a fire, medical emergency, and/or hazardous material spill or structures.

Levy

Tax imposed/collected for the support of District activities.

Liability

Debts or obligations owed by one entity (debtor) to another entity (creditor) payable in money, goods, or services.

Major Fund

A governmental fund reported as a separate column in the basic fund financial statements. The General Fund is always a major fund. Otherwise, major funds are funds whose revenues or expenditures are at least ten percent of the total budget. Any other government fund may be reported as a major fund, if that fund is particularly important to the financial statements.

Master Plan

Document which provides basic framework for establishing operating and capital budgets, as well as other financial commitments; intended to guide future growth and development of the District.

GLOSSARY OF TERMS

Memorandum of Understanding

A legal document outlining the terms and details of an agreement between parties, including each party's requirements and responsibilities.

Modified Accrual Basis

An accounting process in which expenditures, other than accrued interest on general long-term debt, are recognized in the accounting period that the liability is incurred and revenues are recognized in the accounting period they become available and measurable.

Mutual Aid

Organized, coordinated and cooperative reciprocal assistance in which personnel and equipment from participating surrounding fire departments and other appropriate emergency response agencies are utilized for fire or other generally larger scale emergencies.

Occupancies

Within the context of building construction and building codes, occupancy refers to the use, or intended use, of a building, or portion of a building, for the shelter or support of persons, animals or property.

Object Classification

A grouping of expenditures on the basis of goods or services purchased.

Paramedic

Healthcare professional, specially trained and licensed to provide emergency medical services, including advanced life support.

Performance Measures

Specific quantitative measures of work performed within an activity or program.

Prior Year Tax Levies

Taxes levied for fiscal periods preceding the current one.

Property Taxes

Mandatory tax charged for the purpose of financing emergency services provided to District residents for their protection and assistance.

Proposition 13

Passed in 1978, this measure limits property taxes by capping the tax rate at 1% of the assessed value and limiting annual increases in assessed value to 2% or the rate of inflation, whichever is lower. This means that taxes are based on the purchase price, and reassessment only happens upon a change of ownership or new construction.

Proposition 172

A 1993 California ballot measure that established a permanent, statewide half-cent sales tax to fund local public safety services, including police, fire, sheriff, district attorneys, and jails. It was approved by voters to replace a previous half-cent sales tax and act as a revenue backfill for local governments that had lost property tax dollars to the state for school funding (the ERAF shift).

GLOSSARY OF TERMS

Purchase Order

Written, legally binding promise to pay for goods or services.

Redevelopment Agency (RDA)

RDA revenues come from property "tax increment", a portion of the property taxes collected in a redevelopment project following the date of project adoption. Property tax increment is the increase, or increment, in the amount of property tax that occurs with the development and sale of property. Tax increment is also returned to other taxing entities, including the County, school districts, Cabrillo College, Central Fire, and other special districts.

Reserves

Generally synonymous with unassigned Fund balance. Connotes sufficient cash and other liquid assets available to meet ongoing expenditures while providing for some additional funds to be available for contingency purposes.

Resolution

Formal approval of an action or policy, typically memorialized in written form.

Resources

The actual assets of the District, such as cash, taxes receivable, land, buildings, etc.

Response

Actions taken by the District during an emergency or citizen's request.

Revenue

The income of the District from sources for the payment of District expenses.

Shift

The term used to describe the 24-hour period of time the crews are on duty.

Strategic Plan

A strategic plan is a process that defines an organization's goals and helps clarify its vision, allowing it to allocate resources effectively to achieve its objectives. It typically involves steps like data collection, plan formulation, implementation, and review. Key aspects include setting long-term goals, conducting analysis like a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, ensuring the plan is adaptable, and engaging employees as well as the public in the process.

Supplemental Budget

The process that modifies the adopted budget during a fiscal year.

Tax Base

A designated amount of property tax can be levied for operating expenses without annual voter approval.

Tax Levy

The total amount to be raised by general property taxes and redevelopment of an area.

Tax Rate

The amount of tax levied for each \$1,000 of assessed property value.



ADOPTED BUDGET FY 25/26
