

**City of Fontana – Proposed Fontana Fire Protection District  
LAFCO Application 3000A – Initial Study Supporting Schedule(s)**

**Expenditures**

**Figure 1: Forecasted Operation Budget FY 2006/07 – 2010/11**

<b>Forecasted Operating Budget</b>					
	2007	2008	2009	2010	2011
<b>Salaries and Benefits</b>	<b>\$9,062,330</b>	<b>\$11,345,830</b>	<b>\$11,755,630</b>	<b>\$13,440,255</b>	<b>\$13,925,703</b>
<Utilities	\$269,180	\$325,250	\$336,862	\$398,736	\$412,982
<Station Maintenance	\$283,587	\$342,802	\$355,183	\$420,585	\$435,776
<Vehicle Maintenance & Fuel	\$283,303	\$342,248	\$354,399	\$419,416	\$434,324
<General Operating & Administration	\$805,201	\$973,331	\$1,008,487	\$1,194,185	\$1,237,318
<b>Services and Supplies</b>	<b>\$1,641,271</b>	<b>\$1,983,631</b>	<b>\$2,054,931</b>	<b>\$2,432,922</b>	<b>\$2,520,400</b>
<b>Municipal Overhead</b>	<b>\$271,870</b>	<b>\$340,375</b>	<b>\$352,669</b>	<b>\$403,208</b>	<b>\$417,771</b>
<Termination Benefits	\$69,566	\$87,094	\$90,240	\$103,172	\$106,898
<Facilities	\$644,126	\$778,622	\$806,745	\$955,296	\$989,801
<Vehicles	\$413,314	\$414,932	\$429,918	\$445,447	\$461,536
<b>Transfer to Capital Reserves</b>	<b>\$1,127,005</b>	<b>\$1,280,648</b>	<b>\$1,326,904</b>	<b>\$1,503,915</b>	<b>\$1,558,235</b>
<b>Total Budget</b>	<b>\$12,102,476</b>	<b>\$14,950,484</b>	<b>\$15,490,134</b>	<b>\$17,780,299</b>	<b>\$18,422,109</b>

Data in Figure 1 is sourced from the model budget in Appendix 1 of the Plan for Services. Financial information for forecasting the model budget was based on current and prior year budget documents provided by Central Valley Fire. Additional financial data was sourced from the City of Fontana (specific purchase orders) and the County of San Bernardino.

A General Operating and Administration amount of 3% (estimated at \$271,870 for fiscal year 2006/07) is intended to cover the costs of the City in overseeing the proposed fire protection district and is stated in Figure 1.<sup>1</sup>

An additional amount of 9% (estimated at \$134,200 per station, for fiscal year 2006/07) was factored into the model budget to account for overhead cost expected to be charged as part of the contract for services with San Bernardino County Fire. The types of services and associated costs would be determined through a negotiation process<sup>2</sup> and could include such activities as administration, hazardous materials program, and other negotiated services. For the express purpose of accurately accounting in the operational budget for each fire station, line items now in the Central Valley Fire budget were included<sup>3</sup> and are as follows:

<sup>1</sup> Overhead for the Fontana Fire Protection District is listed as “Municipal Overhead.”

<sup>2</sup> \$134,200 per station (fiscal year 2006/07) was factored into the model budget and used to account for operations and administration (nine percent).

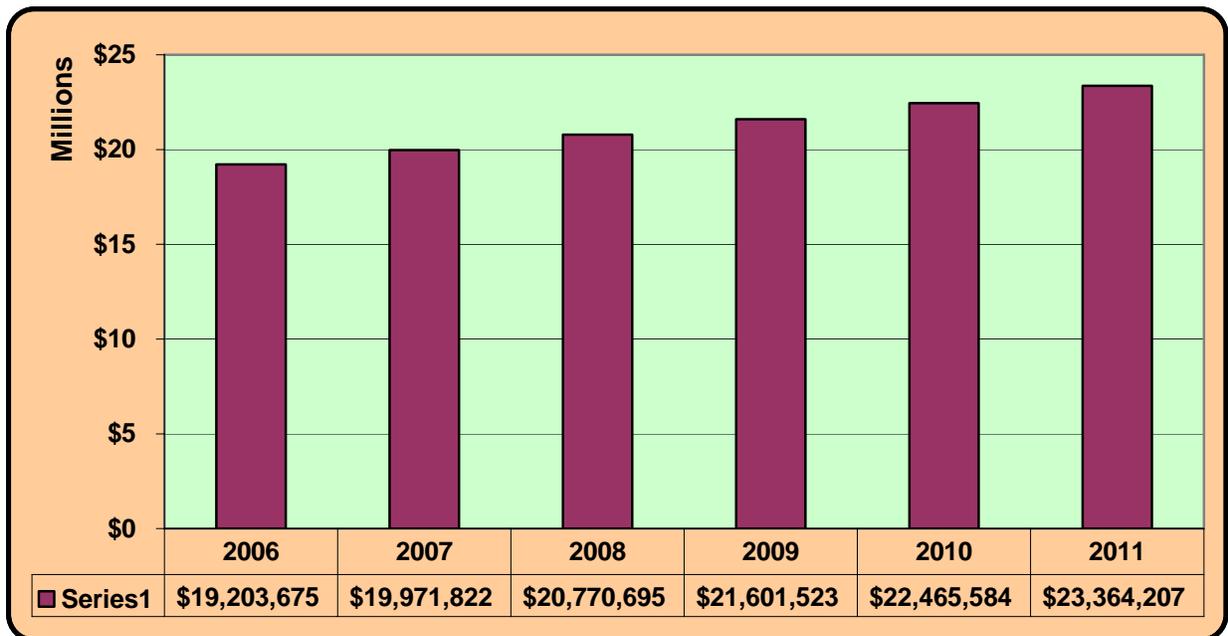
<sup>3</sup> Baseline data for operational budget was sourced from San Bernardino County Fire Department budget for fiscal year 2004/05.

- Training
- Property insurance
- Other general liability
- Vehicle liability
- County services
- Other professional services
- ConFire (dispatch)
- Medical expense
- Mileage reimbursement
- Other travel

Figure 1 includes staffing at current levels, funding for material and supplies, and the funding of capital replacement items for Stations 71, 74, 77, 78 (City) and 72, 73 (SOI) for the fiscal years 2007 – 2011. The budget also includes an increase in staffing and related costs associated with the new fire station (Fire Station 79) beginning with FY 2007/08.<sup>4</sup> Costs for staffing and operating future Fire Station 80 are included in the budget beginning with the 2009/10 budget year,<sup>5</sup> although plans for the Station have not been finalized.

### Revenue Assumptions

Figure 2: Fontana Fire District – Estimated Total Revenue, All Sources



<sup>4</sup> The fiscal year 2007/08 budget includes the funding for 12 additional FTEs and costs associated with the operation of an additional fire station.

<sup>5</sup> The fiscal year 2010/11 budget includes the funding for 12 additional FTEs and costs associated with the operation of an additional fire station.

The main sources of revenue to Central Valley Fire are as follows:

- Property tax revenue – allocation of the one percent property tax amount assigned to Central Fire within the affected territory.
- Fire service revenues from Fontana via its RDA and the Southridge CFD.
- Enhanced paramedic services payments from the City to County Fire.

Figure 2 includes a history and forecast of payments to Central Valley Fire for operating and maintenance cost for Fire Stations 74 & 78 as well as paramedic services, via RDA Pass-through agreements and a Community Facilities District.<sup>6</sup> Beginning in FY 2007/08, Central Valley's revenue streams increase by \$1,400,000, reflecting the amount to be paid by the City/RDA for operation of Fire Station 79.<sup>7</sup>

Revenue of \$500,000, to be received by the proposed District via a community facilities district for future fire station 80, is included in the revenue budget as well.

Figure 2 *does not* include the following revenues:

- Projected island annexation property tax revenue designated for Central Valley Fire as well as other SOI property tax revenues designated to Central Valley Fire;
- Revenue from other governmental agencies (if any), and
- Miscellaneous revenue (plan checks, inspections, etc.)

Projected revenue increases are based on applying a four percent annual increase, which is considered conservative by recent increases and forecasts of local tax specialists. Property tax revenue and City/RDA/CFD payments to County Fire for fire (Stations 74, 78 & 79) and paramedic services in the District are combined in Figure 2 to illustrate the current and forecasted revenue for the proposed Fontana Fire District.<sup>8</sup>

The fiscal year 2006/07 total property tax revenue and forecast budget shows base District tax revenue of \$11,012,353 against expenditures of \$12,102,476. With payments for enhanced services by the City/RDA, revenue exceeds the projected annual total funding requirements by \$3,610,400 (Figure 3).<sup>9</sup>

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<sup>6</sup> Fire Station 79 budgeted at six-months for fiscal year 2006/07 by San Bernardino County Fire Department, Central Valley Fire District

<sup>7</sup> Source: City of Fontana

<sup>8</sup> Beginning in fiscal year 2007/08 City/RDA payment to Central Valley would increase by an additional \$1,400,000 payment for Fire Station 79

<sup>9</sup> Budget document supplied by San Bernardino County Fire Department, Central Valley Fire District included funding of Fire Station 79 for six-months.

The noticeable increases in revenues and expenditures for the following fiscal year, (fiscal year 2007/08 and beyond), reflect the impacts of Fire Stations 79 and 80.

**Figure 3: Estimated Revenue All Sources, Projected Budget and Variance**

<b>Fiscal Year</b>	<b>Estimated Revenue</b>	<b>Projected Budget</b>
<b>FY 2006/07</b>	\$19,203,675	\$12,102,476
<b>FY 2007/08</b>	\$19,971,822	\$14,950,484
<b>FY 2008/09</b>	\$20,770,695	\$15,490,134
<b>FY 2009/10</b>	\$21,601,523 <sup>10</sup>	\$17,780,299
<b>FY 2010/11</b>	\$22,465,584	\$18,422,109

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<sup>10</sup> Includes an increase of \$500,000 in 2009/10 from the special tax designated to Central Valley Fire Protection District to replace property taxes in the San Sevaire Redevelopment Project Area (RDA) for future Fire Station 80.