

UNFUNDED CAPITAL IMPROVEMENT PROJECTS

In March 2012, the District contracted with CH2M Hill, a facilities management and engineering firm, to conduct a detailed and comprehensive Facility Condition Assessment of all eight of the District's facilities. CH2M Hill's inspection included the District's Administration Building and seven fire stations. These facilities total approximately 37,500 square feet. The consultants' work has provided a baseline of the physical condition of District facilities, a detailed equipment inventory, and a recommendation for a capital reinvestment plan. The consultant was asked to highlight and escalate any conditions that:

- Pose a risk to the safety of the public and/or employees.
- Might adversely affect the facilities and limit or impair their use in providing services to customers or staff.

The following table reflects the fiscal impact of the consultant's recommendations.

Station	Yrly Budget Allocation	Replace/Rebuild FY 2013-14	Total
St. #1	\$ 637,900	\$ 6,698,000	\$ 7,335,900
St. #2	\$ 770,600	\$ 770,600	\$ 1,541,200
St. #2 Comm. Tower	\$ 246,000	\$ -	\$ 246,000
St. #3	\$ 666,400	\$ 666,400	\$ 1,332,800
St. #4	\$ 770,600	\$ 8,091,000	\$ 8,861,600
St. #5	\$ 666,400	\$ 666,400	\$ 1,332,800
St. #6	\$ 515,300	\$ -	\$ 515,300
St. #77	\$ 707,100	\$ 707,100	\$ 1,414,200
170 Bldg	\$ 399,500	\$ -	\$ 399,500
Total	\$ 5,379,800	\$ 14,789,000	\$ 20,168,800

The CH2M Hill report and recommendations clearly demonstrate that the costs of the needed construction and replacement of several District Stations are substantial, and current funding is insufficient. The following table provides an overview of the recommended, but unfunded Capital Improvement Projects:

	Unfunded Capital Improvement Projects	
	2013-14	2014-18
	Proposed	Planned
St. #1 - Replacement	6,698,000	6,698,000
St. #4 - Replacement	8,091,000	8,091,000
St. #6 - Pre-Construction & Other	4,952,000	4,952,000
Use of Funds - Future Replacement:		
170 Middlefield - Future Rebuild	213,900	855,600
St. #1 - Future Rebuild	341,500	1,366,000
St. #2 - Future Rebuild	544,200	2,176,800
St. #3 - Future Rebuild	356,700	1,426,800
St. #4 - Future Rebuild	412,500	1,650,000
St. #5 - Future Rebuild	356,700	1,426,800
St. #6 - Future Rebuild	275,800	1,103,200
St. #77 - Future Rebuild	378,500	1,514,000
Total Unfunded CIP	22,620,800	2,879,800
Total Unfunded	34,140,000	34,140,000

A copy of the complete budget report is posted at <http://www.menlofire.org>

Mission Statement

To protect and preserve life and property from the impact of fire, disaster, injury and illness.

Fire District Information

The Menlo Park Fire Protection District was formed in 1916 and provides emergency services for the communities of Atherton, East Palo Alto, Menlo Park, and Unincorporated Areas of San Mateo County. The Fire District protects approximately 33 square miles and covers this area through the strategic placement of seven fire stations, each housing a Type 1 Fire Engine and a crew of three firefighters consisting of a Captain, Apparatus Driver, and Paramedic. The stations are staffed 24 hours a day through three rotating shifts.

Each year, the Fire District responds to an average of 8,000 calls for service, 65 percent of which are related to medical emergencies. The Fire District maintains specialized services associated with technical rescue through both its water rescue and urban search and rescue programs and maintains an aggressive and proactive Fire Prevention Division responsible for code enforcement, public awareness and preparedness. The District is also equipped with a 105 foot aerial Ladder Truck, which operates out of Station 1. Fleet maintenance and management is accomplished by two full time mechanics and emergency call dispatching is accomplished through a Countywide consolidated Fire Dispatch Center.

Station Addresses

<u>Administration</u>	<u>Station 4</u>
170 Middlefield Road Menlo Park, CA 94025	322 Alameda De Las Pulgas Menlo Park, CA 94025
<u>Station 1</u>	<u>Station 5</u>
300 Middlefield Road Menlo Park, CA 94025	4101 Fair Oaks. Menlo Park, CA 94025
<u>Station 2</u>	<u>Station 6</u>
2290 University Ave. East Palo Alto, CA 94303	700 Oak Grove Ave. Menlo Park, CA 94025
<u>Station 3</u>	<u>Station 77</u>
32 Almondral Ave. Atherton, CA 94027	1467 Chilco Street Menlo Park, CA 94025

Menlo Park Fire Protection District
Budget In Brief
Adopted Fiscal Year
2013-14



Harold Schapelhouman
Fire Chief

Michele Braucht
Director of Administrative Services

Board of Directors

Stephen Nachtsheim
President

Jack Nelson
Vice President

Rex Ianson
Director

Virginia Chang Kiraly
Director

Rob Silano
Director

FY 2013-14 ADOPTED BUDGET

The FY 2013-14 operating budget is balanced, with a projected surplus of \$28,100. Debt payments are fully funded from operating revenues. Internal Service Funds are used for capital purchases and multi-year planning. Capital Improvement Funds are used for the construction of Stations.

SIGNIFICANT EVENTS

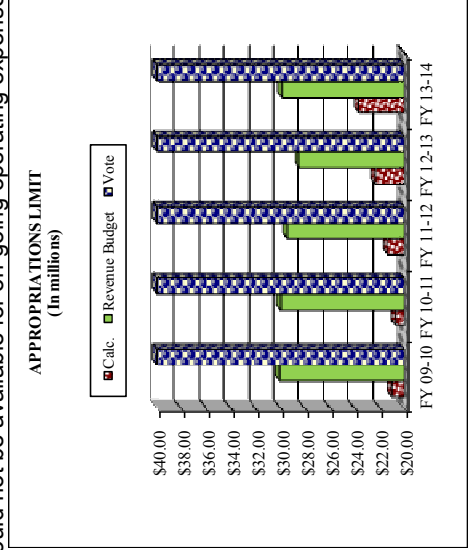
The Fire District continues to provide a high level of reliable service to the public in spite of the past, and current, difficult economic climate.

- Fire stations have not been closed.
 - Fire Engines have not been taken out of service.
 - Employees have not been laid off or furloughed.
- Effective leadership and prudent fiscal practices continue to ensure that the community we serve will receive the service level they have come to expect.

The FY 2013-14 budget does not use reserves as a source of funds, and estimates an ending fund balance of \$28,100.

Source & Use	Budget	%	%
On-Going \$	\$ 31,103,800	100%	
Total Source	\$ 31,103,800		
Compensation	\$ 21,861,100		70%
Op. Expenses	\$ 2,574,800		8%
Transfer Out	\$ 6,639,800		21%
Total Use	\$ 31,075,700		
Year End Bal	\$ 28,100		

The FY 2013-14 calculated Appropriations Limit (Gann Limit) is \$23.7 million, the revenues subject to the limit are \$29.9 million, and the voter approved limit is \$40 million. Without the voter approved limit, \$10.1 million would not be available for on-going operating expenses.

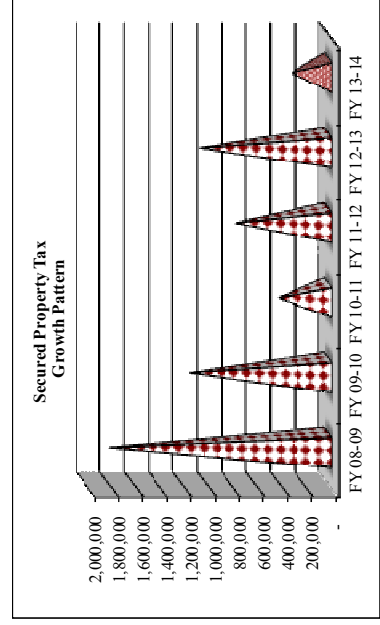


GENERAL FUND REVENUES

The adopted budget is based on, the San Mateo County Assessment Roll Tracker, a 1.02 percent growth rate in Secured Property Taxes. The growth rate is applied to the year-End estimate. Starting with fiscal year 2012-13, the budget estimates are based upon the District's audited financials rather than the annual San Mateo County levy letters. For FY 2013-14, the District's revenues are estimated to increase, primarily due to an anticipated increase in Secured Property Taxes. The ERAF Rebate Revenue has been reclassified from an on-going revenue source to a one-time source upon receipt.

Category	2012-13 Yr End Est.	2013-14 Adopted	% of Budget
Property Taxes:			
Secured	30,181,100	30,488,900	1.02%
Secured Refunds	(533,500)	(538,900)	
Other	2,036,800	2,057,500	1.02%
Less ERAF Shift	(3,767,400)	(3,805,900)	1.02%
Sub-total Taxes	28,654,100	28,201,600	-1.58%
Other \$	2,276,200	2,902,200	27.50%
Total	30,930,300	31,103,800	0.56%
Dec Revenue \$		173,500	
Dec Revenue %		0.56%	

The Fire District is dependent upon property taxes for operating revenues and cash flow. Secured property taxes, net the ERAF shift is 86 percent of total revenues. The recent economic climate has had a dramatic impact on this revenue source, reducing the annual growth rate from over 10 percent in 2007 to this year's budget estimate of 1.02 percent.



GENERAL FUND EXPENDITURES

The General Fund Operating Budget has been increased by \$1,022,000 from the prior year adopted budget of \$30,053,700, a 3.4 percent increase. The following table provides a comparison between the two years, and shows the percentage each category of the total budget.

	2012-13 Adopted	% of Total	2013-14 Adopted	% of Total
Wages & Stipends	13,251,400	44%	13,357,200	43%
Overtime	771,500	3%	599,300	2%
Other	7,042,500	23%	7,904,600	25%
Sub-Total	21,065,400	71%	21,861,100	70%
Ed. Reimb.	360,000	1%	360,000	1%
Op. Expense	2,355,200	8%	2,214,800	7%
Sub-Total	23,780,600	79%	24,435,900	79%
Transfer Out	6,273,100	21%	6,639,800	21%
Total	30,053,700		31,075,700	
Inc Expense \$			1,022,000	
Inc Expense %			3.40%	

As a service provider, the District's most significant expenditure is for employees. The following charts show the allocation of the General Fund resources.

