



CONFIRE

STAFF REPORT

DATE: 11/29/2021

FROM: Art Andres, Director

Yvette Calimlim, Business Management Analyst

TO: CONFIRE Board of Directors

SUBJECT: ALLOCATION OF FY2020-21 FUND BALANCE

RECOMMENDATION

Approve the proposed audited fund balance allocation plan for FY 2020-21 as listed below:

1. Operating Fund (5008)
 - a. Hold the available fund balance of \$1,206,795, per Board policy to retain 10% of the Operating Budget cost (\$1,157,071). In addition, increase budget in Services/Supplies by \$49,724 for increased expenses in (i.e. Insurance, Auditing, Software).
 - b. Transfer \$1,000,000 to General Reserve Fund (5010) for additional CIP funding.
 - c. Transfer \$71,813 to Term Benefits Reserve (5011) to fund liability of CONFIRE employee leave accruals.
2. Equipment Fund (5009)

Retain the current fund balance \$2,104,322 for the use to procure information technology equipment, software, and/or services for CONFIRE and Agencies.
3. General Reserve Fund (5010)
 - a. Retain the remaining fund balance of \$6,337,376 for the following needs:
 - i. Per Board policy to retain 25% of the Operating Budget (5008) cost in the amount of \$2,892,679.
 - ii. EMD Optimization (ECNS) Project = \$250,000
 - iii. \$2,000,000 currently reserved for CIP funding
4. Term Benefits Reserve (5011)
 - a. Retain the current fund balance of \$1,340,998 in for the following:
 - i. Per Board policy maintain the Compensated Absences in the amount of \$546,278 as of June 30, 2021.
 - ii. Leave remaining balance of \$794,720 from unfunded liability of pensions (\$394,989) and accrued interested and annual premium (\$399,731) received from Contracted Agencies

BACKGROUND

The FY 2020-21 audited fiscal records indicates that CONFIRE Operation Fund (5008) ended the fiscal year with an unassigned fund balance of \$1,121,537 in revenue over expenditures. Savings are primary from the potential increases of the anticipation of the Memorandum of Understanding (MOU) for the Emergency Services Unit (ESU) and salary savings from unfilled vacancies.

The remaining balance in General Reserves (5010) is a carryover from budget projects that had not been completed in FY2020/21 and includes reserve funds for the Department's CIP project.

The additional funds in the Term Benefit Reserve Fund (5011) are a result of assessing contract agencies a contract fee that is intended to bolster this fund for potential future pension liability issues.

ATTACHMENT: Audited Fund Balance Report 6/30/2021