



AMERICAN CANYON FIRE PROTECTION DISTRICT
BOARD AGENDA
SEPTEMBER 23, 2025

STAFF REPORT
PUBLIC HEARING
ITEM NUMBER: 11.

TITLE

Final Operating and Capital Budgets for the American Canyon Fire Protection District for the Fiscal Year 2025-2026.

RECOMMENDATION

Hold a Public Hearing and adopt a resolution approving the Final Operating and Capital Budgets for the American Canyon Fire Protection District for Fiscal Year 2025-2026.

CONTACT

Geoff Belyea, Fire Chief

BACKGROUND & ANALYSIS

Pursuant to Section 13890 of the Health and Safety Code, fire districts in California must adopt at least a preliminary budget by July 1 of each year and, after having done so, must then adopt a final budget by October 1st. On June 24, 2025, the American Canyon Fire Protection District Board conducted a public hearing and adopted a preliminary operating and capital budget for fiscal year 2025-26 (FY26), with September 23, 2025, being set as the date for the public hearing and adoption of the final budget.

There are only minor adjustments proposed for the final budgets, with spending increases offset by like revenue. Below is further discussion of the recommended budget changes/updates from the preliminary operating and capital budget to the final budgets for FY26.

FINAL BUDGET

The District's General Operations Fund (Fund 810) accounts for the day-to-day expenses associated with providing fire and life safety services to the citizens of the District. In addition, a portion of the annual operating funds received by the District are set aside as needed to meet future capital maintenance and replacement needs and to fund the benefits promised to District employees upon retirement.

General Fund operating revenue for FY26 was increased by a net \$33,500. Increases for actual state mutual aid billings (+\$67,000), plan review fees (+\$25,000) and first responder fees (+\$28,000) were

offset by a reduction in property tax revenue (-\$86,500). The reduction in property tax revenue reflects the slowdown in anticipated property tax growth experienced in FY25 and puts the overall property tax projection in line with the City's property tax projection for FY26. (Historically the District's annual property tax revenue has equated to approximately 52% of the City's annual property tax revenue.) General Fund operating expenditure was increased by \$33,500; which reflects the actual overtime associated with the state mutual aid deployments. As these are offsetting adjustments, there was no change to the projected operating deficit of \$212,000 from the preliminary budget to the final budget. The projected June 30, 2026, ending balance of the General Operating Fund is \$4,900,000.

The Fire Mitigation Fee Fund (Fund 830) collects funds from new development to help defray capital costs associated with maintaining fire and life safety services as new development occurs within the District. Mitigation fees are solely dependent upon the level of development activity and can vary widely from year to year. Mitigation fee revenue of \$275,000 was projected for FY25 based on a rolling average of the actual collections over the previous five-year period, with an additional \$200,000 expected from development activity associated with the Watson Ranch project for a total projected fee revenue of \$475,000. Collections for FY25, however, were only \$310,000 as actual permits issued were less than anticipated. The FY26 preliminary budget included the updated five-year average mitigation fee amount of \$226,000 and \$200,000 for Watson Ranch, for a total of \$426,000. The projected revenues and proposed use of mitigation fees remain unchanged from the preliminary budget and the projected June 30, 2026, ending balance of the Mitigation Fee Fund is \$1,326,000.

Capital expenditures are accounted for in the Fleet, Facilities & Equipment Fund (FF&E Fund 860), which is funded primarily through transfers from the General Operations and Mitigation Fee Funds. The FF&E Fund also accounts for proceeds from capital financing transactions, grant funded expenditures, proceeds from the sale of surplus assets, and any one-time funding sources. After adoption of the preliminary budget, final closeout of several state grants resulted in the recognition of additional proceeds in the amount \$25,000, increasing the projected June 30, 2026, ending balance of the FF&E Fund to \$46,000.

As noted in the preliminary budget presentation to the Board, the District's overall financial condition remains stable, with an overall (pre-audit) reserve balance of \$6,653,000 on June 30, 2025: General Operating Fund of \$5,112,000 million (62% of FY25 operating expenditures) and capital reserves of \$1,541,000. The FY26 final budget projects combined reserves of \$6,271,000: General Operating Fund of \$4,900,000 million (equaling 56% of FY26 operating expenditures) and capital reserves of \$1,371,000. The reserve amounts are deemed adequate to deal with unforeseen emergencies and give the ability to maintain current levels of emergency services and avoid any major disruption in emergency services in the event of an economic downturn or other unforeseen events negatively impacting the District's finances.

FISCAL IMPACT

Not applicable

BOARD PRIORITY PROGRAMS AND PROJECTS

Public Safety: "Ensure American Canyon remains a safe community"

ENVIRONMENTAL REVIEW

None

ATTACHMENTS:

1. [Resolution 2025-18 FD Final Budget](#)
2. [FY 26 Final Budget Workbook](#)
3. [FY 26 Final Budget Forecast](#)
4. [Final Budget Presentation FYE26](#)