



Agenda

**San Mateo Consolidated Fire Department
Board of Directors
Regular Meeting
Wednesday, November 19, 2025 – 5:30 P.M.**

Consistent with Government Code Section 54953, this meeting will be conducted both in person and also via Zoom Teleconferencing to promote public participation at public meetings while maintaining compliance with local, state, and federal guidelines. Department officials and members of the public are invited to attend and give public comment either in person or via teleconference. Comments may also be submitted prior to the meeting by email to: nmorales@smcfire.org

To Attend in-person

2121 S. El Camino Real, Building D, San Mateo

To Observe and Participate via Video Teleconference

Register in advance for this Zoom webinar:

https://us06web.zoom.us/webinar/register/WN_L5susgh8SHCM5EjeDJa4oA

1. OPENING

- 1.1 Call to Order & Determination of a Quorum
- 1.2 Pledge of Allegiance
- 1.3 Roll Call

2. AGENDA CHANGES

The Chair/Board Member may change the order of the Agenda or request discussion of a Consent Item. A member of the public may request discussion of a Consent Item by emailing the Board Clerk Nicole Morales at nmorales@smcfire.org prior to Public Comment.

3. PUBLIC COMMENT

Public Comment is limited to 15 minutes, with a maximum of three (3) minutes per speaker. If you wish to address the hearing body, please notify the Department as soon as practical by emailing the Board Clerk of the Fire Board at nmorales@smcfire.org. If you are addressing the Board of Directors on a non-agenda item, the Board of Directors may, but is not required to, briefly respond to statements made or questions posed as allowed by the Brown Act (GC 54954.2). The Board of Directors may refer items to staff for attention, or have a matter placed on a future Board of Directors Meeting, for more comprehensive action or report.

4. CONSENT

- [4.1](#) Approval of Fire Board Meeting Minutes from September 17, 2025.
- [4.2](#) Report from Closed Session of September 17, 2025.
- [4.3](#) Adopt a resolution authorizing the Fire Chief to execute an amendment to the agreement with The Pun Group LLP for independent audit services.

5. NEW BUSINESS

- [5.1](#) Receive the Annual Financial Report for the year ended June 30, 2025.

6. OLD BUSINESS

- [6.1](#) Second reading of Ordinance No. 2025-003, updating the San Mateo Consolidated Fire Department Fire Code – 2nd Public Hearing

7. REPORTS AND ANNOUNCEMENTS

- 7.1 Board Members and Department Management Staff will have an opportunity to make announcements.
- 7.2 Proposed six dates for 2026 Regular meetings: January 21, March 18, May 20, July 15, September 16, and November 18 at 5:30 p.m.
- 7.3 Community Risk Reduction Update (*verbal only*)
- 7.4 Operations Update (*verbal only*)
- 7.5 Fire Chief Update (*verbal only*)

8. ADJOURNMENT

I, Nicole Morales, Board Clerk of the San Mateo Consolidated Fire Department, hereby declare that the foregoing Agenda was posted in compliance with the Brown Act prior to the meeting date.

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the Fire Board Clerk at (650) 522-7900 no less than 72 hours prior to the meeting. Notification in advance of the meeting will enable the Fire Department to make reasonable arrangements to ensure accessibility to this meeting.

Copies of documents distributed at the meeting are available in alternative formats upon request. Any writing or documents provided to a majority of the Board regarding any item on this Agenda will be made available for public inspection at the Department Fire Administration Office located at 2121 S. El Camino Real, Suite B100, San Mateo during normal business hours. In addition, most documents will be posted on the Department's website at <https://www.smcfire.org/board-meetings>



Meeting Minutes
San Mateo Consolidated Fire Department
Board of Directors Regular Meeting
Wednesday, September 17, 2025 – 5:30 P.M.
Hybrid Remote Teleconference Meeting
2121 S. El Camino Real, Building D, San Mateo

1. OPENING

The meeting was called to order at 5:32 p.m. by Board Chair Mates

1.1. Call to Order & Determination of a Quorum

1.2. Pledge of Allegiance

1.3. Roll Call

Board Members Present: Mates, Newsom, Jimenez

Teleconference Board Member:

Board Members Absent: None

2. AGENDA CHANGES

None

3. PUBLIC COMMENT

None

4. CONSENT

Legal counsel provided an oral report in compliance with Government Code Section 54953(c)(3) regarding executive pay disclosure. Board Chair Mates asked if there was any public comment on this item, which there was not. Vice Chair Newsom moved to approve the Consent calendar; Board Member Jimenez seconded. The Board Secretary took a roll call vote, and the Consent calendar items were approved 3-0.

5. NEW BUSINESS

Item 5.1 First reading of Ordinance No. 2025-03, updating the San Mateo Consolidated Fire Department Fire Code – 1st Public Hearing

Fire Chief Turturici provided a brief overview of the staff report for approval. The first reading of Ordinance No. 2025-003, which adopts the 2025 California Fire Code and the California Wildland Urban Interface Code with local amendments. Significant changes include replacing Chapter 49 of the Fire Code with Title 24, Part 7, and removing the prohibition on NFPA sprinkler systems to allow contractors more design flexibility. The ordinance was formally introduced and will return for further action.

Chair Mates asked if there was any public comment on this item, which there were none. Vice Chair

Newsom moved to adopt the resolution and to move forward with a second reading; Board Member Jimenez seconded. The Board Secretary took a roll call vote, and the resolution was approved 3-0.

Item 5.2 Adopt a resolution approving the purchase of one new fire aerial ladder truck and two new fire engines from Golden State Fire Apparatus and authorize the Fire Chief to sign the purchase agreement.

Fire Chief Turturici provided a brief overview of the staff report for approval. Chief Turturici explained that the purchase will be made through the Houston-Galveston Area Council (HGAC) cooperative purchasing program at a total cost of \$5,138,413.41, inclusive of sales tax and delivery charges. Payment will be deferred until delivery, which is expected to take approximately four years, allowing funds in the Equipment Replacement Fund to continue earning interest. The new apparatus will replace a 2015 aerial ladder truck and two 2015 engines, which will move into reserve status. The Fire Chief emphasized that standardizing the fleet with Pierce Manufacturing apparatus will improve operational efficiency, streamline maintenance, and reduce training complexity. Rising costs, driven by inflation, tariffs, regulatory changes, and supply chain issues were noted, with engine prices increasing 32% and ladder truck prices 42% since 2022. Additional equipment for outfitting the vehicles will cost an estimated \$245,000. The Board discussed price locks, the process for donating retired apparatus to the College of San Mateo, and state sales tax requirements. Station assignments for the new vehicles were confirmed as Station 27, Station 28, and Station 21.

Board Chair Mates asked if there was any public comment on this item, which there were none. Board Member Jimenez moved to adopt the resolution; Vice Chair Newsom seconded. The Board Secretary took a roll call vote, and the resolution was approved 3-0.

6. REPORTS AND ANNOUNCEMENTS

Fire Chief Turturici provided a verbal update. Some highlights include:

- Personnel: 9 conditional Firefighter job offers have been accepted to fill vacancies. Hired 2 per diem Fire Inspector and recruitment for a full-time Fire Inspector is underway. Recent badge pinning recognized 1 Fire Inspector, 5 Firefighters, 4 Captain promotions, and 3 Battalion Chief promotions.
- Grants:
 - County Measure K grant (\$63,000) awarded for radio infrastructure to establish dedicated SMC Fire channels (main and tactical).
 - FP&S grant for one fire inspector (three years, fully funded) remains under review.
 - SAFER grant for three firefighters also remains under review; ongoing follow-up continues.
- Began renewal discussions with County DEM for HAZMAT contract (expiring June 30).
- Working with County Communications to move to AVL (Automatic Vehicle Location) dispatching system to improve response efficiency over station-based dispatch.
- Participation in National Night Out, Beaumont AYSO opening day, chili cook-off, Foster City Civics Academy presentation, and 9/11 ceremony at Station 21. Foster City CERT graduation scheduled; OES staff leading event.
- Incident volume on pace with last year. Notably, cardiac arrest survival rates in San Mateo County are 43.6% (higher than state/national average of 36.7%), attributed to staffing paramedics on all apparatus.

7. PUBLIC COMMENT ON CLOSED SESSION ITEMS

None

8. CLOSED SESSION

The Fire Board adjourned to Closed Session at 6:14 p.m. General Counsel Schwarz reported that a written report describing any reportable action will be prepared and will be included in the meeting packet for the next Board meeting.

9. ADJOURNMENT

The Board meeting was adjourned at 6:38 p.m.

DRAFT

William D. Ross
David P. Schwarz
Kypros G. Hostetter
Christina M. Bellardo



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400 Lambert Ave.
Palo Alto, CA 94306
(650) 843-8080
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300 E. Hillcrest Blvd
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Inglewood, CA 90308

October 6, 2025

VIA E-MAIL

The Honorable Julia Mates, Chair
and Members of the Fire Board
San Mateo Consolidated Fire Department
2121 S. El Camino Real, Building D
San Mateo, California 94403

Re: Report Upon Return from Closed Session; San Mateo Consolidated Fire
Department Regular Board Meeting of September 17, 2025

Dear Chair Mates and Board Members:

This communication sets forth reportable action of the Board of Directors (“Board”) of the San Mateo Consolidated Fire Department (“Department”), consistent with the provisions of the Ralph M. Brown Open Meeting Act (Government Code Section 54950 *et seq.*) resulting from the Department’s Closed Session of the September 17, 2025, Regular Board Meeting, consistent with Government Code Section 54957.1.

Board Chair Mates called the Meeting to order at 5:32 p.m. Having convened the Meeting in Open Session and receiving no public comments on Closed Session matters, the Board adjourned the Open Session and convened in Closed Session at 6:19 p.m.

There were three matters agendized for Department Closed Session consideration:

- 8.1 Conference with Legal Counsel regarding Existing Litigation, Workers’ Compensation pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9
Name of Case: Mark Way
Agency Designated Representative(s): Yuliya Shukhat, Senior Risk Management Analyst, Willian D. Ross, Attorney, and Mark R. Peterson, Attorney
- 8.2 Conference with Legal Counsel regarding Existing Litigation, Workers’ Compensation pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9



October 6, 2025

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Name of Case: Greg Wilson

Agency Designated Representative(s): Yuliya Shukhat, Senior Risk Management Analyst, Willian D. Ross, Attorney, and Mark R. Peterson, Attorney

8.3 Conference with Legal Counsel regarding Existing Litigation, Workers' Compensation pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9

Name of Case: Kojo Williams

Agency Designated Representative(s): Yuliya Shukhat, Senior Risk Management Analyst, Willian D. Ross, Attorney, and Mark R. Peterson, Attorney

With respect to Closed Session Agenda Items 8.1, 8.2, and 8.3., the Board received status updates from its worker's compensation legal counsel as to the status of those matters. Except as stated, there was no reportable action consistent with Government Code Section 54957.6 and the attorney-client privilege.

The Closed Session concluded at 6:38p.m. Department General Counsel stated that a written Closed Session Report would be prepared consistent with Government Code Section 54957.1.

This communication should be added to the Agenda for review under the Consent Calendar of your next Regular or Special Meeting.

If there are any questions concerning its content, it may be taken off the Consent Calendar at that time or our office may be contacted in the interim.

Very truly yours,

David Schwarz

Deputy General Counsel

cc: Matt Turturici, Deputy Chief
Alex Khojikian, Department Chief Administrative Officer
Nicole Morales, Business Manager



STAFF REPORT

To: San Mateo Consolidated Fire Department Board of Directors

From: Abby Veeseer, Treasurer

Meeting Date: November 19, 2025

Subject: The Pun Group – amendment for independent audit services

RECOMMENDATION

Adopt a resolution authorizing the Fire Chief to execute an amendment with The Pun Group, LLP for independent audit services.

BACKGROUND/ANALYSIS

The City of San Mateo (City) released a Request for Proposals (RFP) for audit services on December 1, 2020 and sent direct solicitations to eight professional Certified Public Accountant (CPA) firms that provide audit services to local government entities. The scope of the RFP included audit services for the San Mateo Consolidated Fire Department (SMCFD). The City received five responses to the RFP. Following an internal evaluation process, staff recommended The Pun Group as the preferred CPA firm. The SMCFD Board of Directors approved the five-year Agreement with The Pun Group on April 14, 2021

The current Agreement with The Pun Group expires on December 31, 2025. Staff recommends extending this Agreement for one additional year, which will add the audit for the fiscal year ending June 30, 2026 to the Agreement. Staff recommends extending this agreement for one year because The Pun Group has proved an excellent audit partner as the City and SMCFD have moved all financial processes to Workday. The current audit team has been supportive during the transition to Workday and has worked through new reporting with staff to obtain the proper information for the audit. By waiting one more year, staff can continue to work with The Pun Group on the first full audit with all the SMCFD financial pieces, including payroll, in Workday. At the same time, the original audit Agreement was five years, and audit contracts are more typically six years. The best practice for public agencies is to change auditors (or at least to change managing partners) within an audit firm every six years. By adding one more year, the Agreement term is more standard, allows one more year to work with the current audit partner from The Pun Group, and provides more time for the Finance Department to conduct a new RFP process.

FISCAL IMPACT

There is no additional fiscal impact as the operating funds for the SMCFD annual audit are already included in the budget. This additional year provides for a 2% increase from the year prior, which can be absorbed by that budget.

ATTACHMENTS

- A. Resolution
- B. Amendment

RESOLUTION NO. RES-2025-

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO
CONSOLIDATED FIRE DEPARTMENT AUTHORIZING THE FIRE CHIEF TO
EXECUTE AN AMENDMENT WITH THE PUN GROUP LLP FOR INDEPENDENT
AUDIT SERVICES**

WHEREAS, the City of San Mateo (City) released a Request for Proposals (RFP) in December 2020 and sent direct solicitations to eight Certified Public Accountant (CPA) firms that provide audit services to local government entities. The scope of the RFP included audit services for the San Mateo Consolidated Fire Department. The City received five responses to the RFP; and,

WHEREAS, an internal evaluation process selected The Pun Group as the recommended firm; and,

WHEREAS, The Pun Group has proved an excellent audit partner during the transition to Workday; and,

WHEREAS, staff recommends a more standard six-year agreement by adding one additional year of services for fiscal year 2025-26 to the agreement.

NOW, THEREFORE, the Board of Directors of the San Mateo Consolidated Fire Department resolves as follows:

1. Authorize the Fire Chief to execute an amendment with The Pun Group LLP to provide audit services in an amount not to exceed \$19,322 for FY 2025-26.

PASSED AND ADOPTED as a resolution of the Board of Directors of the San Mateo Consolidated Fire Department at the regular meeting held on the 19th day of November, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Board Secretary

Board President

APPROVED AS TO FORM:

William D. Ross, General Counsel

**AMENDMENT NO. 1 TO THE AGREEMENT
BETWEEN SAN MATEO CONSOLIDATED FIRE DEPARTMENT AND
THE PUN GROUP LLP FOR
INDEPENDENT AUDIT SERVICES
(\$95,970.70 [Original Amount] / \$19,322.00 [Amendment No. 1])**

This Amendment is made and entered into this day of November 19, 2025 by and between the SAN MATEO CONSOLIDATED FIRE DEPARTMENT, a California Joint Powers Authority ("DEPARTMENT"), and THE PUN GROUP LLP, a limited liability partnership ("CONSULTANT").

WHEREAS, DEPARTMENT and CONSULTANT entered into an agreement for independent audit services ("Agreement") effective May 1, 2021 to December 31, 2025; and

WHEREAS, DEPARTMENT and CONSULTANT wish to amend the Agreement to extend the term by one additional audit year, and to update the base service fee by \$19,322 for a new total Agreement amount of \$115,292.70.

NOW, THEREFORE, the Parties agree as follows:

1. Section 1, "Term," of the Agreement is amended as follows:

The Term of this Agreement shall extend from May 1, 2021 ("Commencement Date") to December 31, 2026 ("Termination Date").

2. EXHIBIT B, as attached to this Amendment No. 1, hereby replaces Exhibit B in its entirety, and is hereby incorporated by reference.
4. The remaining terms of the Agreement remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

EXHIBIT B
PAYMENT AND SCHEDULE OF PAYMENTS

1. **Total Compensation.** Department shall compensate Consultant for the satisfactory performance of the work described in this Agreement to not exceed the amount of seventeen thousand five hundred dollars (\$17,500.00) for fiscal year 2020-21, seventeen thousand eight hundred and fifty dollars (\$17,850.00) for fiscal year 2021-22, eighteen thousand two hundred and seven dollars (\$18,207.00) for fiscal year 2022-23, eighteen thousand five hundred seventy one dollars and fourteen cents (\$18,571.14) for fiscal year 2023-24, and eighteen thousand nine hundred forty two dollars and fifty six cents (\$18,942.56) for fiscal year 2024-25.

Total Compensation shall also include nineteen thousand three hundred and twenty-two dollars (\$19,322) for fiscal year 2025-26.

If the Department is required to undergo the Single Audit requirements, the fee of each major program will be five thousand dollars (\$5,000.00). The number of programs determined to be “major” will be based on OMB Uniform Guidance. The Engagement Team will discuss this with the Department’s Management before starting Single Audit work.

2. **Invoicing.** Consultant shall timely submit an itemized statement to Department on a Department approved form for its services performed, which shall include documentation setting forth in detail a description of the services rendered, and the hours of service, if appropriate. Department shall compensate Consultant the amount of such billing within thirty (30) days receipt of same. Unless an alternative invoicing schedule is agreed upon in writing, Invoices shall be submitted to the Department on a monthly basis.
3. **Expenses.** There shall be no right to reimbursement of expenses incurred by Consultant except as specified in Exhibit A to this Agreement.



STAFF REPORT

To: San Mateo Consolidated Fire Department Board of Directors

From: Abby Veaser, Treasurer

Meeting Date: November 19, 2025

Subject: **Accept the Annual Financial Report for the Fiscal Year Ended June 30, 2025**

RECOMMENDATION

Adopt a Resolution to accept the Annual Financial Report for the fiscal year ended June 30, 2025

BACKGROUND

Pursuant to Section 13.1 (Records and Accounts) of the Joint Powers Agreement establishing the San Mateo Consolidated Fire Department, the Department shall cause to be kept accurate and correct books of the accounts, showing capital costs (if any), special services costs, and maintenance and operation costs of the Department. The Department shall maintain accurate and correct books of the accounts showing all Department personnel costs and the costs of maintenance and operation of the Fire Equipment and Joint Facilities, including liability, casualty and workers' compensation insurance, and a reasonable depreciation reserve for capital items. The afore described books and records shall be open to inspection at all times during normal business hours by the Member Agencies. The Treasurer shall cause all financial records of the Department to be audited by an independent public accountant or certified public accountant at least once a fiscal year, and a copy of the audit shall be delivered promptly to each Member Agency.

The audited financial report for the fiscal year (FY) ended June 30, 2025 was prepared in accordance with generally accepted accounting principles (GAAP) and audited by external auditor, The Pun Group, in accordance with generally accepted auditing standards (GAAS). The Department has received an unmodified ("clean") opinion on its financial statements, confirming that the financial statements are fairly presented in all material respects.

The Department's audited financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition to the basic financial statements, this report also contains the required supplementary information.

Government-Wide Financial Statements and Fund Financial Statements serve different purposes:

- **Government-wide Financial Statements** provide a comprehensive, long-term overview of a government entity's overall financial position and operations. They focus on the economic resources of the entity as a whole. As such, it not only reports the Department's current assets and liabilities, it also reports on long-term assets and liabilities, such as pension liabilities.
- **Fund Financial Statements** provide a more detailed, short-term view of the Department's financial resources and how they are being used. They focus on how individual funds are managed, available resources, and whether they meet budgetary requirements.

FUND FINANCIAL STATEMENTS

The fund financial statements can be found on pages 15 - 18 of the audited financial report (Attachment B).

General Fund (Fund 300)

The General Fund is SMC Fire's primary operating fund. In FY 2024-25, the fund recorded \$53.1 million in revenues and \$55.2 million in expenditures, resulting in a **(\$2.1) million deficit**. This deficit included a large capital outlay charge related to the inception of new lease agreements and additional subscription agreements per GASB 87 and 96. Together these agreements added close to \$2.4 million in capital outlay expense. The expense for these new entries was offset by entries for other financing sources and as a result the General Fund ended with a **\$.37 million surplus**. This surplus increased the General Fund balance to \$1.64 million, up from \$1.27 million in the prior year.

Notable changes in FY 2024-25 include:

- **Lease and Subscription Agreements:** In FY 2024-25, as discussed above, SMC Fire entered into two new lease agreements, one lease for the new administrative offices at 2121 S. El Camino Real in San Mateo and one for the fleet warehouse in Belmont. The estimated expense for these new leases and for additional subscription agreements were added to the capital outlay costs for SMC Fire per GASB 87 and 96. Although these agreements added about \$2.4 million to the capital outlay expenditures, they are offset by other financing sources on the Statement of Revenues, Expenditures, and Changes in Fund Balances. Thus, the General Fund realized a surplus instead of a deficit.

Budget vs Actuals Highlights (in millions):

Category	FY 2024-25 Revised Budget	FY 2024-25 Actuals	Favorable / (Unfavorable) Variance
Total Revenues	\$52.9	\$53.1	\$0.2
Expenses:			
Personnel Expenses	46.8	46.8	0
Other Operating Expenses	8.5	8.4	0.1
Total Expenses	55.3	55.2	0.1
Other Financing Sources	2.4	2.4	0
Net Change to Fund Balance	\$0	\$0.3	\$0.3

General Fund revenues slightly exceeded budget projections, with an increase of \$.2 million, primarily due to higher than expected investment income.

Reviewing General Fund expenditures, personnel costs remained in line with the estimates and adjustments brought forward at the SMC Fire Board meeting in May while operating expenditures were slightly below budget by \$0.1 million.

Special Revenue Fund (Fund 310)

The Fire Protection and Life Safety Fund, a special revenue fund, accounts for activities of the Bureau of Fire Protection and Life Safety (the Bureau). In FY 2024-25, it generated \$2.7 million in revenues and had \$4.6 million in expenditures, resulting in a **(\$1.9) million deficit**. This deficit included a large capital outlay charge, similar to the General Fund, related to new lease agreements and subscription agreements proportionally shared with the Fire Protection and Life Safety Fund. Together these agreements accounted for close to \$1.3 million in capital outlay expense. The expense for these new entries was offset by entries for other financing sources, but the fund

still ended with a **(\$.63) million deficit**. This deficit decreased the Fund balance to \$.36 million, down from \$.99 million in the prior year.

Budget vs Actuals Highlights (in millions):

Category	FY 2024-25 Revised Budget	FY 2024-25 Actuals	Favorable / (Unfavorable) Variance
Revenues	\$3.4	\$2.7	(\$0.7)
Expenses	4.9	4.6	\$0.3
Other Financing Sources	1.3	1.3	0
Net Change to Fund Balance	(\$0.2)	(\$0.6)	(\$0.4)

The Fire Protection Fund’s revenues were less than budgeted by \$0.7 million this year. This reduction in revenues is the main reason for the Fund’s deficit. Several revenues were lower than budgeted including revenues from Fire Inspection Fees, Fire Plan Check fees, and additional time spent on construction permits. Actual expenditures were under budget by \$0.3 million due to savings in both the personnel and operating budgets.

The Fire Prevention and Life Safety Fund operates as a cost recovery fund, designed to cover its expenses through service fees. This year’s reduction in revenues paired with continuing increases in expenses does not bode well for the Fund’s long-term financial sustainability. SMC Fire staff has initiated a thorough review of the revenue data for the Fund and is working to address revenue concerns for FY 25-26. It will be critical to monitor both revenues and expenditures in this fund over the next few months to ensure that the fund does not deplete its remaining fund balance of \$.36 million.

Internal Service Funds

Vehicle & Equipment Replacement Fund (Fund 811) ended the fiscal year with \$10.2 million in total net position, including \$6.1 million (60%) in net investment in capital assets (i.e. fixed assets) and \$4.1 million (40%) unrestricted, an increase from \$2.7 million in the prior year. This unrestricted balance represents funding available for spending at the discretion of the Fire Board.

Benefit and Dental Fund (Fund 831) accounts for SMC Fire’s expenditures relating to employee benefits. As of June 30, 2025, the fund had an unrestricted net position of \$2.7 million, down from \$2.9 million in FY 23-24.

Workers’ Compensation and Comprehensive Liability Insurance Fund (Fund 871) accounts for all workers’ compensation activities and general liability transactions. At the close of FY 2024-25, the fund had an unrestricted net position of \$1.2 million, down from \$1.5 million in FY 23-24.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Government-wide Financial Statements are available on pages 9-10 of the audited financial report (Attachment B). As of June 30, 2025, SMC Fire’s government-wide net position totaled \$16.9 million, reflecting a decrease from the prior year. The net position is composed of:

- **Net Investment in Capital Assets:** \$9.5 million (56%). This amount represents the net value of capital assets (e.g. facilities, machinery, and equipment) owned by the department, net of depreciation and any related debt. These assets are essential to operations but are not liquid and cannot be used for spending.

- **Unrestricted Net Position:** \$7.5 million (44.0%). This represents the available resources to fund day-to-day operations for the entity as a whole. The unrestricted net position decreased by \$3.3 million in FY 2024-25, due to higher liabilities such as higher compensated absences and long-term debt.

FISCAL IMPACT

There is no fiscal impact associated with this submission.

ATTACHMENTS

- A. Resolution
- B. Annual Financial Report for the fiscal year ended June 30, 2025

RESOLUTION NO. RES-2025-

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO
CONSOLIDATED FIRE DEPARTMENT ACCEPTING THE ANNUAL FINANCIAL
REPORT FOR THE FISCAL YEAR THAT ENDED JUNE 30, 2025**

WHEREAS, Section 13.1 (Records and Accounts) of the Joint Powers Agreement establishing the San Mateo Consolidated Fire Department requires all financial records of the Department to be audited by an independent public accountant or certified public accountant at least once a fiscal year; and

WHEREAS, the audited annual financial report for the fiscal year ended June 30, 2025 was submitted to and reviewed by the Board of Directors at its November 19, 2025 regular meeting.

NOW, THEREFORE, the Board of Directors of the San Mateo Consolidated Fire Department resolves as follows:

1. Accept the audited annual financial report for the fiscal year that ended June 30, 2025.

PASSED AND ADOPTED as a resolution of the Board of Directors of the San Mateo Consolidated Fire Department at the regular meeting held on the 19th day of November, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Board Secretary

Board President

APPROVED AS TO FORM:

William D. Ross, General Counsel

San Mateo Consolidated Fire Department

Foster City, California

Annual Financial Report

For the Year Ended June 30, 2025

Prepared by
City of San Mateo Finance Department

**San Mateo Consolidated Fire Department
Annual Financial Report
For the Year Ended June 30, 2025
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**San Mateo Consolidated Fire Department
Annual Financial Report
For the Year Ended June 30, 2025
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Chair and Members of the Board
of the San Mateo Consolidated Fire Department
San Mateo, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Mateo Consolidated Fire Department ("SMC Fire"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the SMC Fire's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the SMC Fire, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SMC Fire, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the SMC Fire adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences* during the year ended June 30, 2025. The adoption of this standard resulted in the restatement of the SMC Fire's net position as of June 30, 2024. Our opinion is not modified with respect to this matter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with accounting standards generally accepted in the United States of America and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SMC Fire’s internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the SMC Fire’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, Schedule of SMC Fire’s Proportionate Share of the Net Pension Liability (Asset) and Related Ratios, Schedules of Contributions – Pension, and Schedule of Changes in Total OPEB Liability and Related Ratios, on pages 55 through 64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Chair and Members of the Board
of the San Mateo Consolidated Fire Department
San Mateo, California
Page 3

Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SMC Fire’s basic financial statements. The Combining Internal Service Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Internal Service Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2025, on our consideration of SMC Fire’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SMC Fire’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SMC Fire’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
November 7, 2025

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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San Mateo Consolidated Fire Department
Statement of Net Position
June 30, 2025

	Primary Government
	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 9,887,326
Accounts receivable, net	1,894,577
Interest receivable	115,478
Prepaid items	25,610
Total current assets	11,922,991
Noncurrent assets:	
Capital assets:	
Depreciable/amortizable, net	13,580,851
Total capital assets	13,580,851
Total noncurrent assets	13,580,851
Total assets	25,503,842
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	12,712,325
Related to OPEB	1,689,398
Total deferred outflows of resources	14,401,723
LIABILITIES	
Current liabilities:	
Accounts payable	438,539
Accrued payroll	1,523,579
Deposits payable	25,620
Interest payable	34,099
Compensated absences - due within one year	1,801,728
Long-term debt - due within one year	364,884
Total current liabilities	4,188,449
Noncurrent liabilities:	
Net pension liability	2,960,835
Net OPEB liability	5,360,450
Compensated absences - due in more than one year	3,785,026
Long-term debt - due in more than one year	3,724,359
Total noncurrent liabilities	15,830,670
Total liabilities	20,019,119
DEFERRED INFLOWS OF RESOURCES	
Related to OPEB	2,923,672
Total deferred inflows of resources	2,923,672
NET POSITION	
Net investment in capital assets	9,491,608
Unrestricted	7,471,166
Total net position	\$ 16,962,774

San Mateo Consolidated Fire Department
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position
	Governmental Activities
Expenses:	
Governmental activities:	
Personnel	\$ 49,570,625
Materials and services	6,042,340
Payments to other agencies	493,170
Miscellaneous	49,132
Depreciation/amortization	1,199,712
Interest on long-term debt	54,198
Total governmental activities	57,409,177
Program revenues:	
Charges of services	2,686,153
Operating contributions	51,995,961
Total program revenues	54,682,114
General revenues:	
Investment income	411,504
Loss on sale of capital assets	(86,871)
Miscellaneous revenue	875,192
Total general revenues	1,199,825
Change in net position	(1,527,238)
Net Position:	
Beginning of year, as restated (Note 11)	18,490,012
End of year	\$ 16,962,774

FUND FINANCIAL STATEMENTS

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Governmental Funds Financial Statements

General Fund - This fund accounts for resources traditionally associated with governmental activities that are not required legally or by sound financial management to be accounted for in another fund.

Fire Prevention Special Revenue Fund - This fund accounts for the fees charged and expenditures for activities relating to fire inspections and permits.

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San Mateo Consolidated Fire Department
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds		Total Governmental Funds
	General Fund	Fire Prevention Special Revenue Fund	
ASSETS			
Cash and investments	\$ 2,095,708	\$ -	\$ 2,095,708
Accounts receivable, net	1,001,619	712,194	1,713,813
Interest receivable	115,478	-	115,478
Due from other funds	251,605	-	251,605
Prepaid items	12,805	12,805	25,610
Total assets	\$ 3,477,215	\$ 724,999	\$ 4,202,214
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 369,060	\$ 36,436	\$ 405,496
Accrued payroll	1,453,295	70,284	1,523,579
Due to other funds	-	251,605	251,605
Deposits payable	14,125	11,495	25,620
Total liabilities	1,836,480	369,820	2,206,300
Fund Balances:			
Nonspendable	12,805	12,805	25,610
Committed	-	342,374	342,374
Unassigned	1,627,930	-	1,627,930
Total fund balances	1,640,735	355,179	1,995,914
Total liabilities and fund balances	\$ 3,477,215	\$ 724,999	\$ 4,202,214

**San Mateo Consolidated Fire Department
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2025**

Total Fund Balances - Total Governmental Funds	<u>\$ 1,995,914</u>
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Amounts reported for Governmental Activities in the Statement of Net Position were different because:

Capital Assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.

Government-Wide Statement of Net Position	13,580,851
Less: capital assets reported in Internal Service Funds	<u>(6,107,118)</u>
Total capital assets	<u>7,473,733</u>

Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.

Amount reported in Government-Wide Statement of Net Position	
Long-term debt - due within one year	(364,884)
Long-term debt - due in more than one year	(3,724,359)
Compensated absences - due within one year	(1,801,728)
Compensated absences - due in more than one year	<u>(3,785,026)</u>
Total long-term liabilities	<u>(9,675,997)</u>

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.

(34,099)

Aggregate net pension liability and net OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.

Net pension liability	(2,960,835)
Net OPEB liability	<u>(5,360,450)</u>
Total net pension liability and net OPEB liability	<u>(8,321,285)</u>

Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.

Amount reported in Government-Wide Statement of Net Position	
Deferred outflows of resources related to OPEB	1,689,398
Deferred outflows of resources related to pensions	<u>12,712,325</u>
Total deferred outflows of resources	<u>14,401,723</u>

Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.

Amount reported in Government-Wide Statement of Net Position	
Deferred inflows of resources related to OPEB	<u>(2,923,672)</u>
Total deferred inflows of resources	<u>(2,923,672)</u>

Internal service funds are used by management to charge the cost of fleet management, risk management, information technology, and building maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

14,046,457

Net Position of Governmental Activities	<u><u>\$ 16,962,774</u></u>
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San Mateo Consolidated Fire Department
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Major Funds		Total Governmental Funds
	General Fund	Fire Prevention Special Revenue Fund	
REVENUES:			
Intergovernmental:			
Contributions from City of Belmont	\$ 9,582,555	\$ -	\$ 9,582,555
Contributions from City of Foster City	9,582,555	-	9,582,555
Contributions from City of San Mateo	28,747,664	-	28,747,664
Grants and other intergovernmental	4,067,484	15,703	4,083,187
Charges for services	2,000	2,684,153	2,686,153
Other revenue	841,311	11,185	852,496
Interest income	285,267	3,931	289,198
Total revenues	53,108,836	2,714,972	55,823,808
EXPENDITURES:			
Current:			
Personnel costs	46,826,620	2,409,592	49,236,212
Materials and services	5,564,570	367,719	5,932,289
Payments to other agencies	-	493,170	493,170
Miscellaneous	49,125	7	49,132
Capital outlay	2,548,801	1,307,694	3,856,495.00
Debt service:			
Principal	149,086	17,145	166,231
Interest and fiscal charges	24,927	3,773	28,700
Total expenditures	55,163,129	4,599,100	59,762,229
REVENUES OVER (UNDER) EXPENDITURES	(2,054,293)	(1,884,128)	(3,938,421)
OTHER FINANCING SOURCES (USES):			
Inception of lease agreement	2,146,956	1,204,073	3,351,029
Inception of subscription agreement	281,500	46,904	328,404
Total other financing sources (uses)	2,428,456	1,250,977	3,679,433
NET CHANGE IN FUND BALANCES	374,163	(633,151)	(258,988)
FUND BALANCES:			
Beginning of year	1,266,572	988,330	2,254,902
End of year	<u>\$ 1,640,735</u>	<u>\$ 355,179</u>	<u>\$ 1,995,914</u>

San Mateo Consolidated Fire Department
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2025

Net change in Fund Balances - Total Governmental Funds \$ (258,988)

Amounts reported for Governmental Activities in the Statement of Net Position were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position the cost of those assets was allocated over their estimated useful lives as depreciation/amortization expense. This is the amount of capital assets recorded in the current period, and is net of amounts recorded in the internal service funds of \$68,698, and capitalized materials and services of \$110,051. 3,746,444

Depreciation/amortization expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation/amortization expense, net of internal service funds of \$336,144. (863,568)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position. (86,871)

Due to the termination of a subscription-based information technology arrangement related to the fire operations system the SMC Fire derecognized the related subscription asset and liability, resulting in a gain of recognized in the statement of activities as follows:

Subscription asset, net	(145,893)
Subscription liability	167,089
Gain/(loss) on termination	21,196

Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.

Lease liability	(3,351,029)
Subscription liability	(328,404)

Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

Principal payments of long-term debt	166,231
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Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (118,405)

Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year. (25,498)

Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Changes in pension related deferred outflows of resources	531,979
Changes in net pension liabilities	(244,843)

Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Changes in OPEB related deferred outflows of resources	(1,571,522)
Changes in net OPEB liabilities	167,126
Changes in OPEB related deferred inflows of resources	104,463

The internal service funds are used by management to charge the costs of fleet maintenance, facilities maintenance, and technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 584,451

Change in Net Position of Governmental Activities \$ (1,527,238)

Proprietary Funds Financial Statements

Internal Service Funds - These funds are used to provide goods and services by one department or agency to other departments or agencies of the Department on a cost reimbursement basis.

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San Mateo Consolidated Fire Department
Statement of Net Position
Proprietary Funds
June 30, 2025

	Total Internal Service Funds
ASSETS	
Current assets:	
Cash and investments	\$ 7,791,618
Accounts receivable, net	180,764
Total current assets	7,972,382
Noncurrent assets:	
Capital assets:	
Depreciable/amortizable, net	6,107,118
Total capital assets	6,107,118
Total noncurrent assets	6,107,118
Total assets	14,079,500
LIABILITIES	
Current liabilities:	
Accounts payable	33,043
Total current liabilities	33,043
Total liabilities	33,043
NET POSITION	
Net investment in capital assets	6,107,118
Unrestricted	7,939,339
Total net position	\$ 14,046,457

San Mateo Consolidated Fire Department
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Total Internal Service Funds
OPERATING REVENUES:	
Charges for services	\$ 14,929,996
Insurance reimbursement	180,808
Total operating revenues	15,110,804
OPERATING EXPENSES:	
Personnel costs	10,403,632
Materials and services	3,910,383
Depreciation/amortization	336,144
Total operating expenses	14,650,159
OPERATING INCOME	460,645
NONOPERATING REVENUES:	
Investment income	122,306
Gain on sale of capital assets	1,500
Total nonoperating revenues	123,806
Change in net position	584,451
NET POSITION:	
Beginning of year	13,462,006
End of year	\$ 14,046,457

San Mateo Consolidated Fire Department
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from interfund services provided	\$ 14,929,996
Cash received from insurance reimbursements	105,816
Cash payments to employees for services	(10,403,632)
Cash payments to suppliers for goods and services	(3,976,545)
Net cash provided by operating activities	655,635
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from sale of capital assets	1,500
Acquisition of capital assets	(68,698)
Net cash (used in) capital and related financing activities	(67,198)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest from investments	122,306
Net cash (provided by) investing activities	122,306
Net change in cash and cash equivalents	710,743
CASH AND CASH EQUIVALENTS:	
Beginning of year	7,080,875
End of year	\$ 7,791,618
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 460,645
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation/amortization	336,144
Changes in operating assets and liabilities:	
Accounts receivable, net	(74,992)
Accounts payable	(66,162)
Total adjustments	194,990
Net cash provided by operating activities	\$ 655,635

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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San Mateo Consolidated Fire Department
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For the Year Ended June 30, 2025

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San Mateo Consolidated Fire Department
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San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

The basic financial statements of the San Mateo Consolidated Fire Department (“SMC Fire”) have been prepared in conformity with accounting principles generally accepted of the United States of America (“U.S. GAAP”) as applied to Governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing accounting and financial reporting principles. The more significant of SMC Fire’s accounting policies are described below.

A. Reporting Entity

SMC Fire was formed on November 22, 2017 as a Joint Powers Authority (“JPA”) between the City of San Mateo (“San Mateo”), the City of Foster City/Estero Municipal Improvement District (“Foster City”), and the City of Belmont/Belmont Fire Protection District (“Belmont”).

SMF Fire was formed to provide integrated and comprehensive fire protection, fire prevention, and emergency response services to all three communities serving a population of over 164,000.

SMC Fire is a legally separate and independent entity that is not a component unit of San Mateo, Foster City, or Belmont. Further, SMC Fire has no component unit organizations under its control. Therefore, the financial statements contained within represent solely the activities, transactions, and status of the SMC Fire. SMC Fire is governed by a Board of Directors (“Fire Board”) consisting of representatives from each City.

SMC Fire is governed under the terms of the JPA Agreement by a Board of Directors consisting of one voting representative and one alternate who are elected members from the governing boards of the three JPA Member Agencies. Each member agency has the following weighted vote: San Mateo (60%), Belmont (20%), and Foster City (20%), with a minimum weighted vote of 80% needed for any action to be taken.

SMC Fire maintains its headquarters at 2121 S. El Camino Real, Building B, Suite 100, San Mateo, CA, 94403.

B. Basis of Accounting and Measurement Focus

The accounts of SMC Fire are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

SMC Fire’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities for SMC Fire.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of SMC Fire’s assets and liabilities, including capital assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents change in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

Certain types of transactions are reported as program revenues for SMC Fire in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables, and receivables. Interfund services provided and used are not eliminated in the process of consolidation. All internal balances in the Statement of Net Position have been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds

Fund Financial Statements

Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances. SMC Fire considers all funds as major funds since they met the applicable criteria in accordance with GASB Statement No. 34. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements.

All funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. In the fund financial statements, property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. Property taxes are recorded as deferred inflows of resources when not received within sixty days after fiscal year-end. In the government-wide financial statements, property taxes are recorded as revenue when levied regardless of when the cash is collected. Charges for services and interest are accrued when their receipt occurs within sixty days after the end of the accounting period, and recognized as revenue.

Revenues are considered to be available when they are collectible within the current period as soon enough thereafter to pay liabilities of the current period. For this purpose, SMC Fire considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by SMC Fire, are member agency operating contributions and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Non-exchange transactions, in which SMC Fire gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements (Continued)

SMC Fire reports the following major funds:

General Fund is the general operating fund of SMC Fire. It is used to account for all financial resources of SMC Fire except those required to be accounted for in another fund.

Fire Protection Special Revenue Fund accounts for the fees charged and expenditures for activities relating to fire inspections and permits.

Proprietary Fund Financial Statement

SMC Fire reports the Internal Service Funds as Proprietary Funds of SMC Fire.

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

The Internal Service Fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues represent premiums paid for the programs and contributions toward programs; operating expenses include claims paid and administrative expenses of the programs, and vehicle and equipment purchases. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Internal Service Fund balances and activities have been combined with governmental activities in the Government-Wide Financial Statements, and are comprised of the following funds:

Vehicle and Equipment Replacement Fund accounts for charges to SMC Fire for funding and acquisition of vehicles, equipment and fire engines.

Benefits and Dental Fund accounts for SMC Fire's charges for other funds and expenditures relating to the employee benefits other than those accounted for in the Workers' Compensation and Comprehensive Liability Insurance Fund.

Workers' Compensation and Comprehensive Liability Insurance Fund accounts for all workers' compensation activities, and general liability transactions.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

C. Cash and Investments

Cash includes cash on hand and demand deposits. Investments are reported at market value. Changes in market value that occur during the fiscal year are recognized as investment income for that fiscal year.

SMC Fire participates in an investment pool managed by the State of California titled Local Agency Investment Fund (“LAIF”), which has invested a portion of the pool funds in structured notes and asset-backed securities.

LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk and to change in interest rates. The reported value of the pool is the same as the market value of the pool shares.

Certain disclosure requirements, if applicable, for deposits and investment risks are in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

D. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. A reservation of fund balance has been reported in the governmental funds to show that prepaid amounts do not constitute "available spendable resources."

E. Interfund Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Interfund balances arise in the normal course of operations to cover cash shortages and are expected to be repaid shortly after the end of the fiscal year.

F. Leases

SMC Fire has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. SMC Fire recognizes lease liabilities with an initial, individual value of \$15,000 or more.

At the commencement of a lease, SMC Fire initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that SMC Fire has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

F. Leases (Continued)

Key estimates and judgments related to leases include how SMC Fire determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- SMC Fire uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, SMC Fire generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that SMC Fire is reasonably certain to exercise.

SMC Fire monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right-to-use along with other capital assets and lease liabilities are reported with long-term debt on the Government-Wide Statement of Net Position.

G. Subscription-Based Information Technology Arrangements (SBITAs)

SMC Fire has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in our financial statements with an initial, individual value of \$15,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using SMC Fire's incremental borrowing rate and SMC Fire recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

Key estimates and judgments related to SBITAs include how SMC Fire determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- SMC Fire uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, SMC Fire generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the SMC Fire has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

G. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that SMC Fire is reasonably certain to exercise. SMC Fire monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

H. Capital Assets and Depreciation

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at their acquisition value on the date donated. SMC Fire policy has set the capitalization threshold for reporting capital assets at \$10,000. As stipulated in the JPA agreement, fire stations remain the assets of the individual member agencies. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Asset Type	Years
Building and improvements	20-40
Machinery & equipment	2-15

Major outlays for capital assets are capitalized as construction in progress, once constructed, and repairs and maintenance costs are expensed.

I. Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation: The City’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee’s current pay rate upon separation from employment.

Sick Leave: The City’s policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at market value.

The following timeframes are used for pension reporting:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically overtime. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

K. Other Postemployment Benefits

For purposes of measuring the net other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and other postemployment benefits expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at market value.

The following timeframes are used for other postemployment benefits reporting:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total other postemployment benefits liability and fiduciary net position are recognized in other postemployment benefits expense systematically over time. The first amortized amounts are recognized in other postemployment benefits expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to other postemployment benefits and are to be recognized in future other postemployment benefits expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

L. *Deferred Outflows and Inflows of Resources*

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time.

M. *Net Position*

In government-wide financial statements, net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and related deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

N. *Fund Balances*

In fund financial statements, fund balances are categorized as follows:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body and that remain binding unless removed in the same manner. The Board of Directors is considered the highest authority for SMC Fire. A Board resolution is required to have fund balance committed.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Board of Directors is considered the highest authority for SMC Fire. A Board resolution is required to have fund balance assigned.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

N. Fund Balances (Continued)

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The general fund is the only fund that reports a positive unassigned fund balance amount. In other funds, it is not appropriate to report a positive unassigned fund balance amount. However, in funds other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

O. Spending Policy

Government-Wide Financial Statements

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, SMC Fire’s policy is to apply restricted Net Position first.

Fund Financial Statements

When expenditures are incurred for purposes where only unrestricted fund balances are available, SMC Fire uses the unrestricted resources in the following order: committed, assigned, and unassigned.

P. Use of Estimates

The preparation of basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates and assumptions.

Q. Implementation of New GASB Pronouncements for the Year Ended June 30, 2025

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to SMC Fire, for the year ended June 30, 2025. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement had a moderate effect on the SMC Fire’s financial reporting for the fiscal year ended June 30, 2025. See Note 12.

GASB Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement did not have an effect on the SMC Fire’s financial reporting for the fiscal year ended June 30, 2025.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments

Cash and investments consisted of the following at June 30, 2025:

Demand deposits with financial institutions	\$ 657,630
Total cash	657,630
Local Agency Investment Fund (LAIF)	9,229,696
Total investments	9,229,696
Total cash and investments	\$ 9,887,326

A. Deposits

The carrying amount of SMC Fire’s cash deposits were \$657,630 at June 30, 2025. Bank balances before reconciling items were \$610,077 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in SMC Fire’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure SMC Fire’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in SMC Fire’s name.

The market value of pledged securities must equal at least 110% of SMC Fire’s cash deposits. California law also allows institutions to secure SMC Fire deposits by pledging first trust deed mortgage notes having a value of 150% of SMC Fire’s total cash deposits. SMC Fire may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. SMC Fire, however, has not waived the collateralization requirements.

SMC Fire follows the practice of pooling cash and investments of all funds. Interest income earned on pooled cash and investments is allocated to the various funds based on the average monthly cash and investment balances.

B. Investments

Under the provisions of SMC Fire’s investment policy, and in accordance with the Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund	N/A	None	\$75 Million
U.S. Treasury Obligations	5 years	None	None
U.S. Agency and U.S. Government Sponsored Enterprise Securities	5 years	70%	40%

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

C. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the market value of an investment. Generally, the longer the maturity, the greater the sensitivity its market value is to changes in market interest rates. As a means of limiting its exposure to market value losses arising from rising interest rates, SMC Fire’s investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs.

As of June 30, 2025, SMC Fire had the following investments and maturities:

Investments	Minimum Rating Required	Fair Value	Maturity 12 Months or Less
Investments:			
Local Agency Investment Fund (LAIF)	NA	\$ 9,229,696	\$ 9,229,696
Total Investments		\$ 9,229,696	\$ 9,229,696

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organization. As of June 30, 2025, SMC Fire had the following investments and ratings.

Investments	Credit Rating	Value
Investments:		
Local Agency Investment Fund (LAIF)	Not Rated	\$ 9,229,696
Total Investments		\$ 9,229,696

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, SMC Fire’s deposits may not be returned to it. SMC Fire does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State of local governmental units pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposited by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. Cash in banks is fully insured by the Federal Depository Insurance Corporation or collateralized, so there is no exposure to custodial credit risk.

Concentration of Credit Risk

The investment policy of SMC Fire contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. SMC Fire’s investment in an external investment pool is exempt from the requirement.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

D. Investments in Local Agency Investment Fund

SMC Fire is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California.

As of June 30, 2025, SMC Fire had \$9,229,696 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

Note 3 – Interfund Balances and Transactions

A. Due To/Due From Other Funds

At June 30, 2025, interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Fire Prevention Special Revenue Fund	\$ 251,605	Overdrawn Cash

Current interfund balances arise in the normal course of operations to cover cash shortages and are expected to be repaid shortly after the end of the fiscal year.

Note 4 – Capital Assets

Summary of changes in capital assets activity for the year ended June 30, 2025, is shown below:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets, not being depreciated					
Construction in progress	\$ 2,704,793	\$ -	\$ -	\$ (2,704,793)	\$ -
Total capital assets, not being depreciated	2,704,793	-	-	(2,704,793)	-
Capital assets, being depreciated					
Buildings and improvements	24,716	-	-	-	24,716
Machinery and equipment	11,289,826	130,709	(1,052,578)	2,704,793	13,072,750
Total capital assets, being depreciated	11,314,542	130,709	(1,052,578)	2,704,793	13,097,466
Less: accumulated depreciation:					
Buildings and improvements	(1,133)	(1,236)	-	-	(2,369)
Machinery and equipment	(3,953,274)	(861,160)	965,707	-	(3,848,727)
Total accumulated depreciation	(3,954,407)	(862,396)	965,707	-	(3,851,096)
Total capital assets, being depreciated, net	7,360,135	(731,687)	(86,871)	2,704,793	9,246,370
Lease assets, being amortized					
Buildings and improvements	157,646	3,351,030	-	-	3,508,676
Total leased assets, being amortized	157,646	3,351,030	-	-	3,508,676
Less: accumulated amortization					
Buildings and improvements	(48,523)	(165,160)	-	-	(213,683)
Total accumulated amortization	(48,523)	(165,160)	-	-	(213,683)
Total leased asset, being amortized, net	109,123	3,185,870	-	-	3,294,993
Subscription assets, being amortized	1,367,568	333,403	(305,762)	-	1,395,209
Less: accumulated amortization	(343,434)	(172,156)	159,869	-	(355,721)
Total subscription assets, being amortized, net	1,024,134	161,247	(145,893)	-	1,039,488
Total capital assets, net	\$ 11,198,185	\$ 2,615,430	\$ (232,764)	\$ -	\$ 13,580,851

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Capital Assets (Continued)

Depreciation and amortization expense were charged to the functions/programs of the governmental activities as follows:

Public safety - fire	\$	863,568
Internal service funds		336,144
Total depreciation/amortization expense		<u><u>\$ 1,199,712</u></u>

Note 5 – Long-Term Debt

A summary of changes in the long-term liabilities of the governmental activities for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Debt Issued	Debt Retired	Balance June 30, 2025	Classification	
					Due within One Year	Due in More Than One Year
Long-term debt:						
Lease liability	\$ 106,643	\$ 3,351,029	\$ (49,220)	\$ 3,408,452	\$ 241,813	\$ 3,166,639
Subscription liability	636,487	328,404	(284,100)	680,791	123,071	557,720
Total	<u><u>\$ 743,130</u></u>	<u><u>\$ 3,679,433</u></u>	<u><u>\$ (333,320)</u></u>	<u><u>\$ 4,089,243</u></u>	<u><u>\$ 364,884</u></u>	<u><u>\$ 3,724,359</u></u>

Lease Liability

As of June 30, 2025, SMC Fire has 3 active leases. The leases have payments that range from \$0 to \$47,200 and interest rates that range from 2.9490% to 3.0000%. The terms of the agreements range from 8 to 12 years. As of June 30, 2025, the total combined value of the lease liability is \$3,408,452, the total combined value of the short-term lease liability is \$241,813. The combined value of the right-to-use asset, as of June 30, 2025, was of \$3,508,676 with accumulated amortization of \$213,683.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 241,813	\$ 116,087	\$ 357,900
2027	320,678	89,453	410,131
2028	332,471	79,786	412,257
2029	388,680	69,243	457,923
2030	408,871	57,438	466,309
2031-2035	1,664,908	122,862	1,787,770
2036	51,031	189	51,220
Total	<u><u>\$ 3,408,452</u></u>	<u><u>\$ 535,058</u></u>	<u><u>\$ 3,943,510</u></u>

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 5 – Long-Term Debt (Continued)

Subscription Liability

SMC Fire has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, SMC Fire does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 3 to 10 years. The calculated interest rate used ranged between 2.18% and 2.93%, depending on the length of the SBITA and date of the agreement.

As of June 30, 2025, the capitalized right-to-use assets related to SBITAs were \$ 1,395,209, with accumulated amortization of \$355,721. The total subscription liability was \$680,791, of which \$123,071 is reported as a current liability.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 123,071	\$ 19,366	\$ 142,437
2027	110,034	15,864	125,898
2028	110,779	12,703	123,482
2029	111,517	9,567	121,084
2030	115,655	6,361	122,016
2031-2034	109,735	5,467	115,202
Total	\$ 680,791	\$ 69,328	\$ 750,119

Note 6 – Compensated Absences

Summary of changes in compensated absences for the year ended June 30, 2025 is as follows:

	Balance		Balance June 30, 2025	Classification	
	July 1, 2024 as restated	Increase (Decrease)		Due within One Year	Due in More Than One Year
Compensated absences	\$ 5,468,349	\$ 118,405	\$ 5,586,754	\$ 1,801,728	\$ 3,785,026

SMC Fire's liability for vested and unpaid compensated absences (accrued vacation, sick time, comp time, and annual leave) has been accrued and amounts to \$5,586,754 at June 30, 2025. The amount due within one year of \$1,801,728 represents the estimated amount for anticipated retirees.

Note 7 – Risk Management

A. General Liability

SMC Fire maintains occurrence-basis commercial insurance coverage for both general liability and workers' compensation. The general liability insurance covers up to \$1 million per occurrence and \$10 million annual aggregate with excess liability of \$10 million per occurrence and \$20 million aggregate. The workers' compensation insurance covers up to \$50 million per occurrence.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Risk Management (Continued)

B. Claims Activity

SMC Fire’s claims activity is recorded in its Worker’s Compensation and Comprehensive Liability Internal Service Fund. Estimated liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The claims during the fiscal year ended June 20, 2025 were covered by the insurance policies.

Note 8 – Pension Plans

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. SMC Fire sponsors eight rate plans. Benefit provisions under the Plan are established by State statute and SMC Fire resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Employees Covered by Benefit Terms

At June 30, 2024, measurement date, the following members were covered by the benefit terms for each Plan:

	Miscellaneous Plans	Safety Plans
Active	15	140
Transferred or separated	3	17
Retired	1	36
Total	19	193

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Safety members with five years or more of total service are eligible to retire at age 50. Miscellaneous members with five years or more of total service are eligible to retire at age 50, with exception of those that fall under the 2% at 62 formula, who are eligible to retire at age 52. Those that retire before the “normal retirement age” listed in their formula will receive statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Pension Plans (Continued)

A. General Information about the Pension Plans (Continued)

The rate plan provisions and benefits in effect at June 30, 2025, are summarized below:

For transferred employees from member agencies

	<u>Classic Misc - San Mateo Tier 1</u>	<u>Classic Misc - San Mateo Tier 2</u>	<u>Classic Safety - Belmont Tier 2</u>
Benefit formula	2% at age 55	2% at age 55	2% at age 50
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	50
Required employee contribution rates	7.000%	0.000%	9.000%
Required employer contribution rates	12.520%	0.000%	20.090%
Final Average Compensation Period	1 year	3 years	3 years
	<u>Classic Safety - Foster City Tier 1</u>	<u>Classic Safety - San Mateo Tier 1</u>	<u>Classic Safety - San Mateo Tier 2</u>
Benefit formula	3% at age 50	3% at age 50	3% at age 55
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50 - 55	50 - 57
Required employee contribution rates	9.000%	9.000%	9.000%
Required employer contribution rates	25.860%	27.320%	23.000%
Final Average Compensation Period	3 years	1 year	3 years

For new employees hired after January 13, 2019

	<u>PEPRA - Misc</u>	<u>PEPRA - Safety</u>
Benefit formula	2% at age 62	2.7% at age 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	52	50
Required employee contribution rates	7.750%	13.750%
Required employer contribution rates	7.870%	13.760%
Final Average Compensation Period	3 years	3 years

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an actuarial basis, annually and is effective on July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SMC Fire is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2024 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2024 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return. (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as followed:

Asset Class	Target Asset Allocation	Real Return
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents SMC Fire’s proportionate share of the net pension liability for each Plan type, calculated using the discount rate for each Plan, as well as what SMC Fire’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plans	\$ 190,356	\$ 59,743	\$ (47,771)
Safety Plans	8,363,842	2,901,092	(1,566,670)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous Plan:			
Balance at: 6/30/23 (Valuation date)	\$ 717,109	\$ 661,714	\$ 55,395
Balance at: 6/30/24 (Measurement date)	967,931	908,188	59,743
Net Changes during 2023-2024	250,822	246,474	4,348
Safety Plan:			
Balance at: 6/30/23 (Valuation date)	\$ 30,046,159	\$ 27,385,562	\$ 2,660,597
Balance at: 6/30/24 (Measurement date)	39,991,133	37,090,041	2,901,092
Net Changes during 2023-2024	9,944,974	9,704,479	240,495

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2023). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2024). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2024 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2022-23).
- (3) The individual plans’ TPL, FNP, and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plans’ TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plans’ NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

SMC Fire’s proportionate share of the net pension liability as of the measurement dates of June 30, 2023 and 2024, were as follows:

	Miscellaneous Plan	Safety Plan
Proportion June 30, 2023 (Measurement date)	0.001108%	0.035594%
Proportion June 30, 2024 (Measurement date)	0.001235%	0.039791%
Change - Increase (Decrease)	0.000127%	0.004197%

For the year ended June 30, 2025, SMC Fire recognized pension expense in the amounts of \$102,727 and \$5,271,894, for the Miscellaneous plans and Safety plans, respectively.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The Expected Average Remaining Service Lifetime (“EARSLS”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSLS for risk pool for the 2023-24 measurement period is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (the total number of participants: active, inactive, and retired).

At June 30, 2025, SMC Fire reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plans		Safety Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 136,558	\$ -	\$ 5,525,197	\$ -
Changes in assumptions	1,536	-	71,477	-
Difference between actual and expected experience	4,964	-	229,057	-
Difference between projected and actual earning on pension plan investments	3,439	-	140,226	-
Adjustment due to differences in proportions	30,424	-	1,263,170	-
Difference between Employer’s actual contributions and proportionate share of contributions	93,885	-	5,212,392	-
Total	\$ 270,806	\$ -	\$ 12,441,519	\$ -
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Contributions made after measurement date	\$ 5,661,755	\$ -		
Changes in assumptions	73,013	-		
Difference between actual and expected experience	234,021	-		
Difference between projected and actual earning on pension plan investments	143,665	-		
Adjustment due to differences in proportions	1,293,594	-		
Difference between Employer’s actual contributions and proportionate share of contributions	5,306,277	-		
Total	\$ 12,712,325	\$ -		

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

For the Miscellaneous plans and Safety plans, \$136,558 and \$5,525,197 respectively, was reported as deferred outflows of resources related to pensions resulting from SMC Fire’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflows/ (Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2026	\$ 63,161	\$ 3,332,304
2027	51,925	2,605,762
2028	20,341	1,026,235
2029	(1,179)	(47,979)
2030	-	-
Thereafter	-	-
Total	\$ 134,248	\$ 6,916,322

Note 9 – Other Postemployment Benefits

A. General Information about OPEB

Plan Description

SMC Fire administers a single employer defined benefit post-employment healthcare plan (Plan). Merit employees who retire directly from SMC Fire under CalPERS at the minimum age 50 with at least 5 years of CalPERS service (or disability) are eligible to receive \$160 per month for medical insurance premiums paid to CalPERS. This same benefit may continue to a surviving spouse depending on the retirement plan election.

Eligibility

Membership in the plan consisted of the following at June 30, 2024, the date of the latest actuarial valuation:

Active employees	155
Transferred and terminated employees	9
Retired employees and beneficiaries	14
Total	178

Contributions

The Board will review the funding requirements and policy annually. SMC Fire funds the Plan on a pay as you go basis.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Other Postemployment Benefits (Continued)

B. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

Total OPEB Liability

SMC Fires net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. The net OPEB liability at June 30, 2025 was \$5,360,450.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate

The discount rate used to measure the total OPEB liability was 3.95% percent. This discount rate is rate is based on the municipal Bond Buyer 20-Bond Index.

Change in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2023 (Valuation Date)	\$ 5,527,576	\$ -	\$ 5,527,576
Changes Recognized for the Measurement Period:			
Service Cost	1,500,465	-	1,500,465
Interest on the total OPEB liability	253,648	-	253,648
Contributions from the employer	-	1,657,569	(1,657,569)
Net investment income	-	42,000	(42,000)
Benefit payments	(157,569)	(157,569)	-
Change due to investment experience	-	(40,364)	40,364
Change due to change in discount rate	(262,034)	-	(262,034)
Net Changes during July 1, 2023 to June 30, 2024	1,334,510	1,501,636	(167,126)
Balance at June 30, 2024 (Measurement Date)	\$ 6,862,086	\$ 1,501,636	\$ 5,360,450

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of SMC Fire, as well as what SMC Fire's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.95 percent) or 1-percentage-point higher (4.95 percent) than the current discount rate:

Plan's Total OPEB Liability		
Discount Rate - 1% (2.95%)	Current Discount Rate (3.95%)	Discount Rate + 1% (4.95%)
\$ 6,302,503	\$ 5,360,450	\$ 4,596,353

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Other Postemployment Benefits (Continued)

B. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of SMC Fire, as well as what SMC Fire’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability		
Healthcare Cost		
-1%	Trend Rates	1%
\$ 4,337,968	\$ 5,360,450	\$ 6,670,427

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2025, SMC Fire recognized OPEB expense of \$1,518,470. At June 30, 2025, SMC Fire reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 218,537	\$ -
Changes of assumptions	405,802	(1,877,956)
Difference between expected and actual experience	1,032,768	(1,045,716)
Difference between projected and actual earning on investments	32,291	-
Total	\$ 1,689,398	\$ (2,923,672)

The gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 11.82 years, which was determined as of June 30, 2024, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

Deferred outflows of resources related to OPEB resulting from SMC Fire’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2026	\$ (193,643)
2027	(193,643)
2028	(193,643)
2029	(193,644)
2030	(201,716)
Thereafter	(476,522)
	\$ (1,452,811)

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Classification of Fund Balances

SMC Fire classifies fund balances, as shown on the *Balance Sheet – Governmental Funds*, as follows as of June 30, 2025:

	General Fund	Fire Prevention Special Revenue Fund	Total
Nonspendable			
Prepaid items	\$ 12,805	\$ 12,805	\$ 25,610
Total nonspendable	12,805	12,805	25,610
Committed			
Fire prevention inspection and other	-	342,374	342,374
Total committed	-	342,374	342,374
Unassigned			
	1,627,930	-	1,627,930
Total fund balances	\$ 1,640,735	\$ 355,179	\$ 1,995,914

Note 11 – Restatement of Beginning Net Position

The beginning net position was restated due to implementation of GASB 101 *Compensated Absences* as follows:

	Governmental Activities
Net position as previously reported at June 30, 2024	\$ 21,233,968
Restatement to implement GASB Statement No. 101	(2,743,956)
Net position as restated at July 1, 2024	\$ 18,490,012

Note 12 – Commitments and Contingencies

A. Commitments

SMC Fire had several outstanding or planned construction and other projects as of June 30, 2025. There were no material construction commitments as of June 30, 2025.

B. Litigation

SMC Fire is presently involved in certain matters of litigation that have arisen in the normal course of conducting SMC Fire's business. SMC Fire management believes, based upon consultation with SMC Fire's Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on SMC Fire. Additionally, SMC Fire's management believes that SMC Fire's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

San Mateo Consolidated Fire Department
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Commitments and Contingencies (Continued)

C. Federal and State Grant Programs

SMC Fire participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit act as amended. Accordingly, SMC Fire's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although SMC Fire anticipates such amounts, if any, will be immaterial.

Note 13 – Subsequent Events

On September 24, 2025, SMC Fire entered into two finance purchase agreements totaling approximately \$5.1 million for the acquisition of three (3) fire trucks.

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REQUIRED SUPPLEMENTARY INFORMATION

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**San Mateo Consolidated Fire Department
Required Supplementary Information (Unaudited)
Budgetary Information
For the Year Ended June 30, 2025**

Budgetary Information

A. Budgetary Control and Budgetary Accounting

Budgets are adopted annually for the General Fund and Fire Prevention Fund. The Budget is adopted by the Fire Board (Board) and can be amended only by the Board.

An annual operating budget is adopted by the Board on or before June 30. The operating budget may be reallocated among programs, but expenditures may not exceed budgeted appropriations each year without Board acknowledgment and approval.

B. Encumbrances and Budgetary Financial Statements

SMC Fire's budget, and the accompanying budgetary financial statements, are prepared using encumbrance accounting. Encumbrance accounting requires that purchase orders, contracts, and other commitments for the expenditure of monies be recorded as expenditures in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all budgeted funds. Encumbrances outstanding at year-end are reported as expenditures in the budgetary financial statements.

Unencumbered operating appropriations lapse at year-end.

San Mateo Consolidated Fire Department
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Contributions from City of Belmont	\$ 9,582,555	\$ 9,582,555	\$ 9,582,555	\$ -
Contributions from City of Foster City	9,582,555	9,582,555	9,582,555	-
Contributions from City of San Mateo	28,747,664	28,747,664	28,747,664	-
Grants and other intergovernmental	1,126,145	4,926,145	4,067,484	(858,661)
Charges for services	-	-	2,000	2,000
Other revenue	-	-	841,311	841,311
Interest income	75,000	75,000	285,267	210,267
Total revenues	49,113,919	52,913,919	53,108,836	194,917
EXPENDITURES:				
Current:				
Personnel costs	42,852,977	46,777,977	46,826,620	(48,643)
Materials and services	6,086,270	5,912,258	5,564,570	347,688
Miscellaneous	3,500	3,500	49,125	(45,625)
Capital outlay	-	2,428,456	2,548,801	(120,345)
Debt service:				
Principal	-	149,085	149,086	(1)
Interest and fiscal charges	-	24,927	24,927	-
Total expenditures	48,942,747	55,296,203	55,163,129	133,074
REVENUES OVER (UNDER) EXPENDITURES	171,172	(2,382,284)	(2,054,293)	327,991
OTHER FINANCING SOURCES (USES):				
Inception of lease agreement	-	2,146,956	2,146,956	-
Inception of subscription agreement	-	281,500	281,500	-
Total other financing sources (uses)	-	2,428,456	2,428,456	-
Net change in fund balance	\$ 171,172	\$ 46,172	374,163	\$ 327,991
FUND BALANCE:				
Beginning of year			1,266,572	
End of year			<u>\$ 1,640,735</u>	

San Mateo Consolidated Fire Department
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – Fire Prevention Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Grants and other intergovernmental	\$ -	\$ -	\$ 15,703	\$ 15,703
Charges for services	3,358,452	3,358,452	2,684,153	(674,299)
Other revenue	35,000	35,000	11,185	(23,815)
Interest income	-	-	3,931	3,931
Total revenues	3,393,452	3,393,452	2,714,972	(678,480)
EXPENDITURES:				
Current:				
Personnel costs	2,546,123	2,566,123	2,409,592	156,531
Materials and services	563,347	537,429	367,719	169,710
Payments to other agencies	545,912	545,912	493,170	52,742
Miscellaneous	-	-	7	(7)
Capital outlay	-	1,255,977	1,307,694	(51,717)
Debt service:				
Principal	-	17,145	17,145	-
Interest and fiscal charges	-	3,773	3,773	-
Total expenditures	3,655,382	4,926,359	4,599,100	327,259
REVENUES OVER (UNDER) EXPENDITURES	(261,930)	(1,532,907)	(1,884,128)	(351,221)
OTHER FINANCING SOURCES (USES):				
Inception of lease agreement	-	1,204,073	1,204,073	-
Inception of subscription agreement	-	46,904	46,904	-
Total other financing sources (uses)	-	1,250,977	1,250,977	-
Net change in fund balance	\$ (261,930)	\$ (281,930)	(633,151)	\$ (351,221)
FUND BALANCE:				
Beginning of year			988,330	
End of year			<u>\$ 355,179</u>	

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San Mateo Consolidated Fire Department
Required Supplementary Information (Unaudited) (Continued)
Schedules of SMC Fire's Proportionate Share of the Net Pension Liability (Asset) and Related Ratios
For the Year Ended June 30, 2025

	Miscellaneous Plans					
Measurement period, year ended	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019¹</u>
Plan's proportion of the net pension liability	0.001235%	0.001108%	0.000278%	-0.002316%	-0.002316%	n/a
Plan's proportionate share of the net pension liability (asset)	\$ 59,743	\$ 55,395	\$ 13,002	\$ (43,971)	\$ (758)	n/a
Plan's covered payroll	\$ 1,384,697	\$ 1,163,952	\$ 870,003	\$ 918,326	\$ 891,579	\$ 340,208
Plan's proportionate share of the net pension liability (asset) as a percentage of covered payroll	4.31%	4.76%	1.49%	-4.79%	-0.09%	n/a
Plan's fiduciary net position	\$ 908,188	\$ 661,714	\$ 523,245	\$ 341,443	\$ 89,684	n/a
Plan's fiduciary net position as a percentage of the total pension liability (asset)	93.83%	92.28%	97.58%	114.78%	100.85%	n/a
Plan's proportionate share of aggregate employer contributions	\$ 110,840	\$ 91,571	\$ 66,317	\$ 79,561	\$ 78,522	\$ 29,267

¹ Information is only presented from the start of Department operations in January 2019.

n/a - information is not available.

	Safety Plans					
Measurement period, year ended	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019¹</u>
Plan's proportion of the net pension liability	0.039791%	0.035594%	0.007678%	-0.049948%	-0.049948%	n/a
Plan's proportionate share of the net pension liability (asset)	\$ 2,901,092	\$ 2,660,597	\$ 527,613	\$ (1,752,934)	\$ 11,183	n/a
Plan's covered payroll	\$ 25,888,787	\$ 24,249,066	\$ 22,736,992	\$ 20,440,407	\$ 19,845,055	\$ 18,507,379
Plan's proportionate share of the net pension liability (asset) as a percentage of covered payroll	11.21%	10.97%	2.58%	-8.58%	0.06%	n/a
Plan's fiduciary net position	\$ 37,090,041	\$ 27,385,562	\$ 19,917,386	\$ 13,447,991	\$ 3,272,497	n/a
Plan's fiduciary net position as a percentage of the total pension liability (asset)	92.75%	91.14%	97.42%	114.99%	99.66%	n/a
Plan's proportionate share of aggregate employer contributions	\$ 5,413,765	\$ 4,626,696	\$ 4,278,297	\$ 4,403,851	\$ 4,075,340	\$ 1,695,816

¹ Information is only presented from the start of Department operations in January 2019.

n/a - information is not available.

San Mateo Consolidated Fire Department
Required Supplementary Information (Unaudited) (Continued)
Schedules of Contributions – Pension
For the Year Ended June 30, 2025

Miscellaneous Plans

Fiscal Year:	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19 ¹
Contractually determined contribution (actuarially determined)	\$ 136,558	\$ 110,840	\$ 91,571	\$ 66,317	\$ 79,561	\$ 78,522	\$ 29,267
Contributions in relation to the actuarially determined contributions	(136,558)	(110,840)	(91,571)	(66,317)	(79,561)	(78,522)	(29,267)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,616,034	\$ 1,384,697	\$ 1,163,952	\$ 870,003	\$ 918,326	\$ 891,579	\$ 340,208
Contributions as a percentage of covered payroll	8.45%	8.00%	7.87%	7.62%	8.66%	8.81%	8.60%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.50%
Investment rate of return	6.9% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2001 and 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study. The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

¹ Information is only presented from the start of Department operations in January 2019.

**San Mateo Consolidated Fire Department
Required Supplementary Information (Unaudited) (Continued)
Schedules of Contributions – Pension (Continued)
For the Year Ended June 30, 2025**

	Safety Plans						
Fiscal Year:	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Contractually determined contribution (actuarially determined)	\$ 5,525,197	\$ 5,413,765	\$ 4,626,696	\$ 4,278,297	\$ 4,403,851	\$ 4,075,340	\$ 1,695,816
Contributions in relation to the actuarially determined contributions	(5,525,197)	(5,413,765)	(4,626,696)	(4,278,297)	(4,403,851)	(4,075,340)	(1,695,816)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 26,392,141	\$ 25,888,787	\$ 24,249,066	\$ 22,736,992	\$ 20,440,407	\$ 19,845,055	\$ 18,507,379
Contributions as a percentage of covered payroll	20.94%	20.91%	19.08%	18.82%	21.54%	20.54%	9.16%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.500%
Investment rate of return	6.90% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2001 and 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study. The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

¹ Information is only presented from the start of Department operations in January 2019.

San Mateo Consolidated Fire Department
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

Measurement period, year ending:	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019¹</u>
Total OPEB liability						
Service cost	\$ 1,500,465	\$ 1,206,815	\$ 1,174,516	\$ 2,256,923	\$ 1,970,092	\$ 542,698
Interest	253,648	155,222	86,416	122,865	90,609	10,492
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	1,243,108	-	(1,603,432)	-	-
Changes of assumptions	-	(236,029)	(880,330)	(1,222,789)	643,809	65,557
Benefit payments, including refunds of member contributions	(157,569)	(39,038)	(18,609)	(41,319)	-	-
Change due to change in discount rate	(262,034)	-	-	-	-	-
Net change in total OPEB liability	<u>1,334,510</u>	<u>2,330,078</u>	<u>361,993</u>	<u>(487,752)</u>	<u>2,704,510</u>	<u>618,747</u>
Total OPEB liability - beginning	<u>5,527,576</u>	<u>3,197,498</u>	<u>2,835,505</u>	<u>3,323,257</u>	<u>618,747</u>	<u>-</u>
Total OPEB liability - ending (a)	<u>\$ 6,862,086</u>	<u>\$ 5,527,576</u>	<u>\$ 3,197,498</u>	<u>\$ 2,835,505</u>	<u>\$ 3,323,257</u>	<u>\$ 618,747</u>
OPEB fiduciary net position						
Contributions - employer	\$ 1,657,569	\$ 39,038	\$ 18,609	\$ 41,319	\$ -	\$ -
Net investment income	42,000	-	-	-	-	-
Benefit payments, including refunds of member contributions	(157,569)	(39,038)	(18,609)	(41,319)	-	-
Change due to investment experience	(40,364)	-	-	-	-	-
Administrative expense	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>1,501,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,501,636</u>	<u>\$ -</u>				
Plan net OPEB liability - ending (a) - (b)	<u>\$ 5,360,450</u>	<u>\$ 5,527,576</u>	<u>\$ 3,197,498</u>	<u>\$ 2,835,505</u>	<u>\$ 3,323,257</u>	<u>\$ 618,747</u>
Plan fiduciary net position as a percentage of the total OPEB liability	21.88%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 30,910,000	\$ 29,232,000	\$ 29,447,000	\$ 29,284,000	\$ 25,542,000	\$ 113,260,000
Plan net OPEB liability as a percentage of covered-employee payroll	17.34%	18.91%	10.86%	9.68%	13.01%	0.55%

¹ Information only presented from start of Department operations in January 2019.

SUPPLEMENTARY INFORMATION

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Internal Service Funds

Vehicle & Equipment Replacement Fund - This fund is used to account for SMC Fire's charges to for acquisition of vehicles, equipment, and fire engines.

Benefits & Dental Fund - This fund is used to account for SMC Fire's charges for expenditures relating to the employee benefits other than those accounted for in the Workers' Compensation and Comprehensive Liability Insurance Fund.

Workers' Compensation & Comprehensive Liability Insurance Fund - This fund is used to account for all workers' compensation activities, and general liability transactions.

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San Mateo Consolidated Fire Department
Combining Statement of Net Position
All Internal Service Funds
June 30, 2025

	Vehicle & Equipment Replacement Fund	Benefits & Dental Fund	Workers' Compensation & Comprehensive Liability Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 4,117,914	\$ 2,702,568	\$ 971,136	\$ 7,791,618
Accounts receivable, net	-	-	180,764	180,764
Total current assets	4,117,914	2,702,568	1,151,900	7,972,382
Noncurrent assets:				
Capital assets:				
Depreciable/amortizable, net	6,107,118	-	-	6,107,118
Total capital assets	6,107,118	-	-	6,107,118
Total noncurrent assets	6,107,118	-	-	6,107,118
Total assets	10,225,032	2,702,568	1,151,900	14,079,500
LIABILITIES				
Current liabilities:				
Accounts payable	18,990	14,053	-	33,043
Total current liabilities	18,990	14,053	-	33,043
Total liabilities	18,990	14,053	-	33,043
NET POSITION				
Net investment in capital assets	6,107,118	-	-	6,107,118
Unrestricted	4,098,924	2,688,515	1,151,900	7,939,339
Total net position	\$ 10,206,042	\$ 2,688,515	\$ 1,151,900	\$ 14,046,457

San Mateo Consolidated Fire Department
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2025

	Vehicle & Equipment Replacement Fund	Benefits & Dental Fund	Workers' Compensation & Comprehensive Liability Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 1,775,989	\$ 10,203,547	\$ 2,950,460	\$ 14,929,996
Insurance reimbursement	-	-	180,808	180,808
Total operating revenues	1,775,989	10,203,547	3,131,268	15,110,804
OPERATING EXPENSES:				
Personnel costs	-	10,403,632	-	10,403,632
Materials and services	397,824	21,984	3,490,575	3,910,383
Depreciation and amortization	336,144	-	-	336,144
Total operating expenses	733,968	10,425,616	3,490,575	14,650,159
OPERATING INCOME	1,042,021	(222,069)	(359,307)	460,645
NONOPERATING REVENUES (EXPENSES):				
Interest income	110,468	-	11,838	122,306
Gain on sale of capital assets	1,500	-	-	1,500
Total nonoperating revenues (expenses)	111,968	-	11,838	123,806
Changes in net position	1,153,989	(222,069)	(347,469)	584,451
NET POSITION:				
Beginning of year	9,052,053	2,910,584	1,499,369	13,462,006
End of year	\$ 10,206,042	\$ 2,688,515	\$ 1,151,900	\$ 14,046,457

San Mateo Consolidated Fire Department
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2025

	Vehicle & Equipment Replacement Fund	Benefits & Dental Fund	Workers' Compensation & Comprehensive Liability Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	\$ 1,775,989	\$ 10,203,547	\$ 2,950,460	\$ 14,929,996
Cash received from insurance reimbursements	-	-	105,816	105,816
Cash payments to employees for services	-	(10,403,632)	-	(10,403,632)
Cash payments to suppliers for goods and services	(467,266)	(18,704)	(3,490,575)	(3,976,545)
Net cash provided by (used in) operating activities	<u>1,308,723</u>	<u>(218,789)</u>	<u>(434,299)</u>	<u>655,635</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	1,500	-	-	1,500
Acquisition of capital assets, net	(68,698)	-	-	(68,698)
Net cash (used in) capital and related financing activities	<u>(67,198)</u>	<u>-</u>	<u>-</u>	<u>(67,198)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	110,468	-	11,838	122,306
Net cash provided by investing activities	<u>110,468</u>	<u>-</u>	<u>11,838</u>	<u>122,306</u>
Net change in cash and cash equivalents	1,351,993	(218,789)	(422,461)	710,743
CASH AND CASH EQUIVALENTS:				
Beginning of year	2,765,921	2,921,357	1,393,597	7,080,875
End of year	<u>\$ 4,117,914</u>	<u>\$ 2,702,568</u>	<u>\$ 971,136</u>	<u>\$ 7,791,618</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income	\$ 1,042,021	\$ (222,069)	\$ (359,307)	\$ 460,645
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	336,144	-	-	336,144
Changes in operating assets and liabilities:				
Accounts receivable, net	-	-	(74,992)	(74,992)
Accounts payable	(69,442)	3,280	-	(66,162)
Total adjustments	266,702	3,280	(74,992)	194,990
Net cash provided by (used in) operating activities	<u>\$ 1,308,723</u>	<u>\$ (218,789)</u>	<u>\$ (434,299)</u>	<u>\$ 655,635</u>

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Honorable Chair and Members of the Board
of the San Mateo Consolidated Fire Department
San Mateo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Mateo Consolidated Fire Department ("SMC Fire"), as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise SMC Fire's basic financial statements, and have issued our report thereon November 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SMC Fire's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SMC Fire's internal control. Accordingly, we do not express an opinion on the effectiveness of SMC Fire's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of SMC Fire's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that were not identified.

To the Honorable Chair and Members of the Board
of the San Mateo Consolidated Fire Department
San Mateo, California
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SMC Fire's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pex Group, LLP

Walnut Creek, California
November 7, 2025



STAFF REPORT

To: San Mateo Consolidated Fire Department Board of Directors

From: Matt Turturici, Fire Chief

Meeting Date: November 19, 2025

Subject: San Mateo Consolidated Fire Ordinance

RECOMMENDATION

Second reading of ordinance 2025-003 adopting changes to Ordinance 2022-001 and the 2025 California Wildland-Urban Interface Code (CWUIC), also known as Title 24, Part 7 and the 2025 California Fire Code with local amendments.

BACKGROUND

Every 3 years, the California Building Standards Commission updates and adopts the newest California Building Standards Code. This code automatically became effective on January 1, 2023. The San Mateo Consolidated Fire Department (SMC Fire) Board of Directors last adopted the 2022 California Fire Code and 2021 Wildland Urban Interface Code with local amendments on October 12, 2022.

The JPA Agreement stipulates that SMC Fire is required to “enforce all fire codes within the jurisdictions which they serve.

Sections 1 and 2.14 of the JPA Agreement specify that SMC Fire is responsible for “Fire and Emergency Medical Services”, including:

The provision of fire suppression, fire prevention, investigation, rescue, training, public education, disaster preparedness, emergency medical services, hazardous materials response and directly related activities”. Under this authority, the Board of Directors has the ability to approve Fire Code Ordinances within their respective jurisdiction.

ANALYSIS

The existing Fire Code ordinance was introduced at a public hearing during the August 31, 2022 Fire Board meeting. SMC Fire provides the Fire Board with the proposed changes to the code in order to stay in line with State law and maintain the amendments currently in place from the last adopted ordinance. This ordinance also includes the Wildland Ordinance adopted in 2019, the Local Responsibility Area (LRA) map adoption and fire code amendments made in 2025 combining documents into one for this adoption.

There are two significant changes to the 2025 local fire code amendments.

The first change is that the State has adopted the California Wildland-Urban Interface Code as Title 24, Part 7 and deleted Chapter 49 from the California Fire Code.

The second change is that SMC Fire previously prohibited NFPA 13R sprinkler systems. In this Ordinance, the prohibition has been removed to allow contractors to have greater flexibility in design.

All other changes were formatting and updating the fire code sections to match the newly adopted California Fire Code sections.

NOTICE PROVIDED

This ordinance shall be published in summary in the San Francisco Examiner, posted in the San Mateo Fire Administrative Office and the Fire Prevention Office, and shall be effective 30 days after the date of adoption.

ATTACHMENTS

- A. Ordinance
- B. Findings in Support of Ordinance

**SAN MATEO CONSOLIDATED FIRE DEPARTMENT
FIRE CODE**

**ORDINANCE NO. ORD-2025-003
ESTABLISHING THE SAN MATEO CONSOLIDATED FIRE DEPARTMENT FIRE
CODE BY ADOPTING THE 2024 INTERNATIONAL FIRE CODE WITH THE 2025
CALIFORNIA FIRE CODE AMENDMENTS AND THE 2024 INTERNATIONAL
WILDLAND URBAN INTERFACE CODE WITH THE 2025 CALIFORNIA WILDLAND
–URBAN INTERFACE CODE AND LOCAL FINDINGS AND MODIFICATIONS**

The San Mateo Consolidated Fire Department Board of Directors HEREBY ORDAINS
THE FOLLOWING:

PARTS

- I. Adoption
- II. Applicability
- III. Modifications
 - a. Division 1- Modifications to the California Fire Code
 - b. Division 2- Adoption and Modifications to the California Wildland Urban Interface Code
- IV. Violations
- V. Fire and Life Safety Inspections
- VI. Local Findings and Amendments
- VII. Environmental Determination
- VIII. Notice Provided; Effective Date

PART I- ADOPTION

- A. The San Mateo Consolidated Fire Department hereby adopts the 2025 California Fire Code (California Code of Regulations, Title 24, Part, 9 [based on the 2024 International Fire Code published by the International Code Council]), with California Amendments and the 2024 International Wildland Urban Interface Code as amended and as specified in part III of this ordinance. Those chapters and appendices not mentioned in section III are only enforceable if adopted by the State Fire Marshal. The 2025 California Fire Code, with the changes, additions, and deletions set forth this ordinance, is adopted by this reference as though fully set forth in this ordinance. As of the effective date of this ordinance, the provisions of the fire code are controlling and enforceable within the limits of each city within the jurisdiction of the Department.

- B. The 2025 California Fire Code (CFC), California Code of Regulations, Title 24, Part 9, adopting the 2024 International Fire Code of the International Code Council with necessary California amendments, together with the non-building standards reproduced therein except otherwise provided by this ordinance, are adopted by reference as the Fire Code of the San Mateo Consolidated Fire Department. This Code including all amendments thereto, shall hereafter be called the “Fire Code,” and/or this “Code” and are adopted as and for the rules, regulations, and standards within the Jurisdiction as to all matters therein, except otherwise provided.
- C. No section of the Fire Prevention Code shall impose a mandatory duty of enforcement on the Jurisdiction, or on any officer, official, agent, employee, board, council, or commission thereof. Instead, if any section purports to impose a mandatory duty of enforcement, said section shall be deemed to invest the Jurisdiction, and the appropriate officer, official, agent, employee, board, council, or commission with discretion to enforce the section, or not to enforce it.
- D. A copy of the Fire Code, as defined herein, shall be kept on file on with the office of the San Mateo Consolidated Fire Department Fire Marshal.
- E. The San Mateo Consolidated Fire Department has determined that modifications to the 2024 International Fire Code with the 2025 California Amendments are needed and reasonably necessary due to local climatic, geological, and topographical conditions, as set forth in Attachment 1 (Findings in Support of Amendments to the 2025 California Fire Code), which are incorporated fully herein.

PART II- APPLICABILITY

- A. All sections of this Code shall apply to all buildings, structures and portions thereof, and to replace premise or building.
- B. Whenever any provision of this Chapter code or in any other law, ordinance, or resolution of any kind, impose overlapping or contradictory regulations, or contain any restrictions covering the same subject matter, the provision that is more restrictive or imposes higher standards or requirements shall govern.
- C. For purposes of delegation of enforcement, the Building Official of the city is empowered to enforce Chapter 5 CWUI Title 24, Part 7.

PART III- ADOPTION OF SECTIONS AND MODIFICATIONS

Division 1: Modifications to the California Fire Code

The following sections are adopted as described below.

Chapter 1 is adopted in its entirety as amended below.

SECTION 101.1 TITLE. AMENDED

101.1 Title. These regulations shall be known as the 2025 CALIFORNIA FIRE CODE, and with amendments adopted by the SAN MATEO CONSOLIDATED FIRE DEPARTMENT (SMCFD), will be referred to herein as this “CODE,” and/or “FIRE CODE.”

SECTION 102.3 CHANGE OF USE OR OCCUPANCY. AMENDED

102.3 A change of occupancy shall not be made unless the use or occupancy is made to comply with the requirements of this code and the California Existing Building Code. Any change in use or occupancy creating a more hazardous fire/life safety condition, as determined by the Fire Code Official requires that an automatic fire sprinkler system be installed. For purposes of this section, the relative hazard categories table 1011.5 of the International Existing Building Code, herein incorporated by reference.

SECTION 102.6 HISTORIC BUILDINGS. AMENDED

102.6 The provisions of this code relating to the construction, alteration, repair, enlargement, restoration, relocation or moving of buildings or structures shall not be mandatory for existing buildings or structures identified and classified by the state or local jurisdiction as historic buildings where such buildings or structures do not constitute a distinct hazard to life or property. Fire protection in designated historic buildings shall be provided in accordance with the California Historic Building Code.

SECTION 103.1 CREATION OF AGENCY. AMENDED

[A] 103.1.1 Creation of agency. The San Mateo Consolidated Fire Department is hereby created and the official in charge thereof shall be known as the fire code official. The function of the agency shall be the implementation, administration, and enforcement of the provisions of this code.

SECTION 103.2 APPOINTMENT. DELETED

SECTION 104.7 OFFICIAL RECORDS. AMENDED

104.7 Official records. The fire code official shall keep official records as required by the San Mateo Consolidated Fire Department’s Record Retention Schedule, and Title

24, Part 1, The California Administrative Code. Requests for records shall be in accordance with the California Public Records Act.

SECTIONS 104.7.1 THROUGH SECTION 104.7.6 DELETED

SECTION 105.3.1 EXPIRATION. AMENDED.

An operational permit shall remain in effect until reissued, renewed or revoked, or at the next annual inspection. Construction permits shall automatically become invalid unless the work authorized by such permit is commenced within 180 days after its issuance, or if the work authorized by such permit is suspended or abandoned for a period of 180 days after the time the work is commenced. Before such work recommences, a new permit shall be first obtained and the fee to recommence work shall be as per the SMCDF Fee Schedule, Permit Reinstatement Fee, provided that changes have not been made and will not be made in the original construction documents for such work, and provided further that such suspension or abandonment has not exceeded one year. Permits are not transferable and any change in occupancy, operation, tenancy or ownership shall require that a new permit be issued.

SECTION 105.6 REQUIRED CONSTRUCTION PERMITS. AMENDED

Section 105.6 Required Construction Permits. The fire code official is authorized to issue construction permits for work as set forth in Sections 105.6.1 through 105.6.24, as well as all required construction permits in Title 24, Parts 2, 2.5, 3, 4, or 5 where enforced by the California State Fire Marshal.

SECTION 108.2 SCHEDULE OF PERMIT FEES

108.2 Schedule of permit fees. Where a permit or other inspection fee is required, a fee for each permit shall be paid as required, in accordance with the San Mateo Consolidated Fire Department Master Fee Schedule.

SECTION 112 MEANS OF APPEALS AMENDED.

112 Means of Appeals. In order to hear and decide appeals of orders, decisions or determinations made by the fire code official relative to the application and interpretation of this code, there shall be and is hereby created a board of appeals. The board of appeals shall be the Board of Directors for SMCDF, and shall render all decisions and findings in writing to the appellant through the fire code official.

112.3 Qualifications. DELETED

SECTION 113.4 VIOLATIONS PENALTIES. AMENDED.

113.4 Violation penalties. Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this code, shall be assessed a reinspection fee in accordance with the San Mateo Consolidated Fire Department Master Fee Schedule. Violations that remain unabated after the 5th reinspection shall be guilty of an Administrative Violation punishable by a fine of \$130 for the first violation, \$700 for the second violation, and \$1300 dollars for the third and each successive violation in addition to the reinspection fee (Government Code 36900). Each day that a violation continues after due notice has been served shall be deemed a separate offense. Administrative violations shall be appealable through the board of appeals in section 109.

Chapter 2 is adopted in its entirety as amended below.

SECTION 202 GENERAL DEFINITIONS. ADDED

All Weather Driving Surface. A roadway designed to carry the imposed weight loads of fire apparatus (Minimum load of 68,000 pounds) and a minimum surface finish of one layer of asphalt or concrete or road pavers.

Alteration. Any work done to a structure that increases the fire area of a room or area.

Driveway. Access road from the public way to a structure that is used for public vehicular access, including fire and emergency vehicles.

SECTION 303 ASPHALT KETTLES IS ADOPTED IN ITS ENTIRETY

SECTION 305 IGNITION SOURCES IS ADOPTED IN ITS ENTIRETY

SECTION 306 MOTION PICTURE PROJECTION ROOMS AND FILM IS ADOPTED IN ITS ENTIRETY

SECTION 307 OPEN BURNING, RECREATIONAL FIRES, AND PORTABLE OUTDOOR FIREPLACES IS ADOPTED AS AMENDED BELOW

SECTION 307.1.1 PROHIBITED OPEN BURNING. AMENDED

307.1.1 Prohibited open burning. Open burning, other than cooking, shall be prohibited.

Exception: [No change]

SECTION 307.4.1 BONFIRES. AMENDED

307.4.1 Bonfires. Bonfires, other than for cooking purposes, shall be prohibited.

SECTION 307.4.2 RECREATIONAL FIRES. AMENDED

307.4.2 Recreational Fires. When approved by the fire code official, recreational fires shall not be conducted within 25 feet (7620 mm) of a structure or combustible material. Conditions that could cause a fire to spread within 25 feet (7620 mm) of the structure shall be eliminated prior to ignition. If allowed, all such fires shall require a fire code permit.

SECTION 308.3.2 THEATRICAL PERFORMANCES. AMENDED

308.3.2 Theatrical performances.

Where approved, open-flame devices used in conjunction with theatrical performances are allowed to be used where adequate safety precautions have been taken in accordance with NFPA 160 and Title 19 CCR.

SECTION 309 POWERED INDUSTRIAL TRUCKS AND EQUIPMENT IS ADOPTED

SECTION 310 SMOKING IS ADOPTED

SECTION 311 VACANT PREMISES IS ADOPTED

SECTION 318 LAUNDRY CARTS IS ADOPTED

SECTION 319 ADDITIVE MANUFACTURING (3D PRINTING) IS ADOPTED

SECTION 324 MOBILE FOOD PREPARATION VEHICLES ADOPTED

SECTION 324.1 HEALTH DEPARTMENT APPROVAL. ADDED

324.1 Health department approval. Mobile food preparation vehicles shall display a San Mateo County health department sticker as prescribed by County health.

SECTION 320 BATTERY STORAGE IS ADOPTED

SECTION 321 ARTIFICIAL COMBUSTIBLE VEGETATION IS ADOPTED

SECTION 322 POWERED MICROBILITY DEVICES IS ADOPTED

Chapter 4 is partially adopted with adopted sections listed below. (Sections adopted by the State Fire Marshal remain unchanged unless modified below)

SECTION 405 EMERGENCY EVACUATION DRILLS IS ADOPTED

SECTION 406 EMPLOYEE TRAINING AND RESPONSE PROCEDURES IS ADOPTED

Chapter 5 is adopted in its entirety as amended below.

SECTION 501.1 SCOPE. AMENDED

501.1 Scope. Fire service features for buildings, structures and premises shall comply with this chapter, and appendix D.

SECTION 503.1.1 BUILDINGS AND FACILITIES. AMENDED

503.1.1 Approved fire apparatus access roads shall be provided for every facility, building or portion of a building hereafter constructed or moved into or within the jurisdiction. The fire apparatus access road shall comply with the requirements of this section and Appendix D, and shall extend to within 150 feet (45 720 mm) of all portions of the facility and all portions of the exterior walls of the first story of the building as measured by an approved route around the exterior of the building or facility.

Exceptions: *No Changes*

SECTION 503.3.1 FIRE LANE DESIGNATION. ADDED

503.3.1 Fire Lane Designation. Designation of fire lanes shall be by one of the following means:

1. By a white sign measuring at least twelve inches by eighteen inches (12” x 18”) posted immediately adjacent thereto and clearly visible. It should clearly state in red letters not less than one inch (1”) in height, that the space is a fire lane and parking is prohibited. Fire lane signs shall be spaced at a minimum of 50 feet apart.
2. By outlining and hash marking the area in contrasting colors clearly marking it with the words “Fire Lane - No Parking.”
3. By identifying the space with a red curb upon which the words “Fire Lane - No Parking” are stenciled every 15 feet.
 - a. Both sides of fire lanes shall be red curbed when the fire lane is twenty (20) feet to twenty-eight (28) feet in width.

b. At least one side of a fire lane shall be red curbed and stenciled when the fire lane is over twenty-eight (28) and up to thirty-six (36) feet in width.

c. Curbs need not be painted red nor stenciled when the fire lane is more than thirty-six (36) feet in width.

SECTION 505.1.1 MULTI-TENANT BUILDINGS. ADDED

505.1.1 Multi -Tenant Buildings. Numbers or letters shall be designated on all occupancies within a building. Size shall be one-half inch (1/2") stroke by four inches (4") high and on a contrasting background. Directional address numbers or letters shall be provided. Said addresses or numbers shall be visible from the street posted at a minimum height of 5 feet, 6 inches (5' 6") above the finished floor, shall be visible from the street and shall be either internally or externally illuminated in all new construction.

SECTION 505.1.2 MULTIPLE BUILDINGS ON ONE SITE. ADDED

505.1.2 Multiple buildings on one site. Where multiple buildings on one property the buildings cannot be viewed from the public way, a monument sign, or other signs or other approved means shall be used to identify the entry to the given structure. Address identification shall be maintained on each of the buildings within the site.

SECTION 505.1.3 REAR ADDRESSING. ADDED

505.1.3 Rear Addressing. When required by the chief, approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the fire apparatus road at the back of a property or where rear parking lots or alleys provide an acceptable vehicular access. Number stroke and size shall comply with 505.1.

Chapter 5 is adopted in its entirety and further amended below.

SECTION 506.1 LOCKS. MODIFIED

506.1 Where required.

Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or firefighting purposes, the fire code official is authorized to require a key box to be installed in an approved location. The key box shall be manufactured by the Knox Company, and shall contain keys to gain necessary access the location as required by the fire code official.

506.1.1 An approved lock shall be installed on doors, gates or similar barriers where required by the fire code official.

506.1.2 (Remains unchanged).

506.1.3 Existing Key boxes not manufactured by the Knox company shall be replaced under the following circumstances:

1. In all Multi-residential buildings subject to the mandatory inspection requirements in Health and Safety Code section 13146.2
2. In all other occupancy types, work done on any structure requiring a permit in accordance with Section 105 of any part of Title 24.
Exception R-3 Occupancies

506.1.4 Existing Key boxes manufactured by the Knox company with the incorrect lock cylinder shall have their cylinders replaced under the following circumstances:

1. In all Multi-residential buildings subject to the mandatory inspection requirements in Health and Safety Code section 13146.2
2. In all other occupancy types, work done on any structure requiring a permit in accordance with Section 105 of any part of Title 24.
Exception R-3 Occupancies

SECTION 506.1.1.2 GATES. ADDED

506.1.1.2 Gates. Where a new gate or barrier is installed on a fire access roadway, the fire department shall have emergency access by means of a padlock, key switch or other approved means.

Exception:

1. Driveways serving a single R-3 occupancy

SECTION 508.2 FIRE CONTROL ROOM. ADDED

508.2 Fire control room. An approved fire control room shall be provided for all new buildings or occupancies with a change of use, requiring protection by an automatic fire sprinkler system. The room shall contain the sprinkler riser, fire alarm control panels, ERCES control equipment, and other fire equipment required by the Fire Chief. Fire control rooms shall be located within the building at a location approved by the Fire Chief, and shall be provided at grade with a means to access the room directly from the

exterior. Durable signage shall be provided on the exterior side of the access door to identify the fire control room. Fire Control Rooms shall not be less than 35 square feet.

Exceptions:

1. Group R, Division 3 Occupancies.
2. Occupancies with a fire pump shall have a fire control room that is a minimum of 200 square feet.
3. In high-rise buildings, the fire control room shall not be less than 200 square feet.

SECTION 510.1 EMERGENCY RESPONDER COMMUNICATION. COVERAGE IN NEW BUILDINGS. MODIFIED

510.1 Emergency responder communication coverage in new buildings.

Approved in-building, two-way emergency responder communication coverage for emergency responders shall be provided in all new buildings. In-building, two-way emergency responder communication coverage within the building shall be based on the existing coverage levels of the public safety communication systems utilized by the jurisdiction, measured at the exterior of the building. This section shall not require improvement of the existing public safety communication systems.

Exceptions:

1. Where approved by the fire code official, a wired communication system in accordance with Section 907.2.13.2 shall be permitted to be installed or maintained instead of an approved radio coverage system.
2. Where it is determined by the fire code official that the radio coverage system is not needed.
3. In facilities where emergency responder radio coverage is required and such systems, components or equipment required could have a negative impact on the normal operations of that facility, the fire code official shall have the authority to accept an automatically activated emergency responder radio coverage system.

510.4.2 System design.

The in-building, two-way emergency responder communication coverage system shall be designed in accordance with Sections 510.4.2.1 through 510.4.2.10 and NFPA 1225.

SECTION 510.4.2.10UL CERTIFICATION. ADDED

510.4.2.10 UL CERTIFICATION. New ERCES systems shall be UL-Certified. A Certificate of Completion and other documentation as listed in NFPA 72 shall be provided for all new fire alarm system installations. It is the responsibility of the building owner or owner's representative to obtain and maintain a current and valid Certificate.

SECTION 510.4.2.10 POWER SWITCH. ADDED

510.4.2.10 Power Switch. A keyed power switch shall be installed in the system allowing for power to the system to be easily turned on or off. The default condition will be for the system to be off unless otherwise specified by the inspector during the final inspection.

SECTION 510.5.3 MINIMUM QUALIFICATIONS OF PERSONNEL. MODIFIED

510.5.3 Minimum qualifications of personnel.

510.5.3.1 Designers. The minimum qualifications of the system designer for both new and existing buildings shall be all of the following:

1. A valid FCC issued general radio operator's license.
2. Certification of in building system training issued by an approved organization or approved school, or a certificate issued by the manufacturer of the equipment being installed.
3. Certification by a nationally recognized testing or certification agency (For example, NICET)

510.5.3.2 Installing personnel. Installation of approved ERRC systems shall be conducted by a State Licensed C-7, C-10, or C-16 contractor.

510.5.3.3 Testing personnel. For system acceptance and annual testing, personnel shall be certified by a professional certification agency approved by the authority having jurisdiction. (IEEE, NICET, etc.)

Chapter 9 is adopted in its entirety as amended below.

**SECTION 901.6.3.2 RECORDS. RECORDS INFORMATION AND SYSTEMS
OUT OF SERVICE ADDED**

901.6.3.2 Records Reporting. Fire detection, alarm and extinguishing systems, shall be maintained in an operative condition at all times, and shall be replaced or repaired where defective. Non-required fire protection systems and equipment shall be inspected, tested, and maintained or removed in accordance with the appropriate standard. All inspection, testing and maintenance reports shall be forwarded to the Fire Department using electronic media to the designated third party Paper (hard copy) reports are not permitted.

**SECTION 903.2 AUTOMATIC SPRINKLER SYSTEMS - WHERE REQUIRED.
AMENDED**

903.2 Where required. Approved automatic sprinkler systems shall be installed throughout all new buildings unless the structure does not require a building permit.

Exception: Detached Group U occupancies separated from structures in accordance with Table 705.5 of the California Building Code.

SECTIONS 903.2.1 THROUGH 903.2.10 ARE DELETED

NOTE: SECTION 903.3.1, 903.3.1.3 AND 903.4.3 IS A CARRY OVER FROM PREVIOUS ADOPTIONS. THE LIMITS OF AB-130 DO NOT APPLY.

SECTION 903.6 AUTOMATIC SPRINKLER SYSTEMS - EXISTING BUILDINGS AND STRUCTURES. AMMENDED

903.6 Existing Buildings and Structures. Proposed addition, alterations or fire repairs in existing non-sprinklered buildings over a three-year period exceeding 50% of the original gross floor area square footage shall require the entire building to be installed with an automatic fire sprinkler system as follows.

1. Any additions that increase the existing gross floor area by more than 50% require the entire building to be installed with an automatic fire sprinkler system.
2. Any combination of additions, alterations and/or fire repairs to more than 50% of the existing gross building area requires the entire existing building to be installed with an automatic fire sprinkler system. For purposes of this section, alterations shall only apply to the building area if they increase the size of the fire area of the room or space. See the Policy Manual for further guidance.
3. Any addition, alteration and/or repair within a building that contains an automatic fire sprinkler system shall have the automatic fire sprinkler system extended/modified to the area of proposed work.
4. Any change in use or occupancy creating a more hazardous fire/life safety condition, as determined by the Fire Code Official requires that an automatic fire sprinkler system be installed. For purposes of this section, the relative hazard category shall be in accordance with table 903.6 based on table 1011.5 of the 2024 International Existing Building Code.

Table 903.6

Relative Hazard	Occupancy Class
1 (Highest Hazard)	H, L
2	I-2, I-2.1, I-3, I-4
3	A, C, E, M, R-1, R-2, R-2.1, R-4

4	B, F-1, M, S-1, R-3, R-3.1
5 (Lowest Hazard)	F-2, S-2, U

Exceptions:

1. Seismic or accessibility improvements
2. Any exemption otherwise allowable under the Fire Code, as adopted by the San Mateo Consolidated Fire Department at the discretion of the Fire Marshal.
3. Exterior improvements and work not requiring permits as provided in the Building Code.
4. Detached Group U occupancies or detached carports less than 400 square feet.
5. Work requiring only a mechanical, electrical, plumbing and/or demolition permit.
6. Group R-3.1 occupancies unless already containing a fire sprinkler system.

SECTION 903.3.1.3 NFPA 13D SPRINKLER SYSTEMS. AMENDED

903.3.1.3 NFPA 13D sprinkler systems. Automatic Sprinkler systems installed in one-and two-family dwellings; Group R-3; and townhouses shall be permitted to be installed throughout in accordance with NFPA 13D as amended in Chapter 80. NFPA 13D sprinkler systems shall also comply with section 903.4.2 Alarms.

SECTION 903.4.3 ALARMS. AMENDED

903.4.3 Alarms. One approved audible and visual devices shall be connected to every automatic sprinkler system at an approved location. Such sprinkler water-flow alarm devices shall be activated by waterflow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Where a fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system.

SECTION 905.3.1 HEIGHT. AMENDED

905.3 [No Change]

1. [No Change]
2. Buildings that are more than 2 stories in height.
3. [No Change]
4. [No Change]

SECTION 907.1.6 FIRE ALARM CERTIFICATION. ADDED

907.1.6 Certification. New fire alarm systems shall be UL-Certified. A Certificate of Completion and other documentation as listed in NFPA 72 shall be provided for all new fire alarm system installations. It is the responsibility of the building owner or owner's representative to obtain and maintain a current and valid Certificate. The protected premise shall be issued a UUFX type certification from Underwriters Laboratories (UL).

SECTION 907.1.6.1 POSTING OF CERTIFICATE. ADDED

907.1.6.1 Posting of Certificate. The UL certificate required in section 907.1.6 shall be posted in a durable transparent cover within 3 feet of the fire alarm control panel within 45 days of the final acceptance test/inspection.

Chapter 12 is adopted in its entirety as adopted in ordinance 2022-001 and further amended below.

1207.1 General.

Stationary and mobile electrical energy storage systems (ESS) shall comply with this section and NFPA 855

Exception: ESS in Group R-3 and R-4 occupancies shall comply with Section 1207.11 and Chapter 15 of NFPA 855.

Chapter 26 is adopted in its entirety without amendment

Chapter 49 is DELETED

Chapter 56 is adopted in its entirety as amended below

SECTION 5601.1.3 FIREWORKS. AMENDED

Section 5601.1.3 Fireworks. The possession, manufacture, storage, sale, handling and use of fireworks are prohibited within the jurisdiction of the department.

Exceptions:

1. Storage and handling of fireworks has allowed in section 5604.
2. The use of fireworks for fireworks displays, pyrotechnics before proximate audience, pyrotechnic special effects in motion pictures, television, theatrical, or group entertainment productions as allowed by title 19, Division I, chapter 6 fireworks reprinted in section 5608 and the Health & Safety Code division 11.
3. Snap caps and party poppers classified by the state fire marshal as pyrotechnic devices.

SECTION 5601.1.3.1 FIREWORKS – SEIZURE. ADDED

5601.1.3.1 Fireworks-seizure. The Chief shall seize, remove or cause to be removed at the expense of the owner all stocks of fireworks offered or exposed for sale, stored or held in violation of this code.

SECTION 5601.2.4 FINANCIAL RESPONSIBILITY. AMENDED

5601.2 .4 Financial responsibility. Before a permit is issued pursuant to section 5601.2, the applicant shall file with the jurisdiction a corporate surety bond in the principal sum of \$2 million or a public liability insurance policy for the same amount, for the purpose of the payment of all damages to persons or property which arise from, or are caused by, the conduct of any act authorized by permit upon which any judicial judgment results. The fire code official is authorized to specify a greater or lesser amount when, in his or her opinion, conditions at the location of use indicate a greater or lesser amount is required. Government entities shall be exempt from this bond requirement.

Exception: fireworks in accordance with California code of regulations, title 19, Division I, chapter 6, see section 5608.

SECTION 5601.9 PROHIBITED AND LIMITED ACTS. ADDED

5601.9 Prohibited and limited acts. The storage of explosive materials is prohibited in all zoning districts except district zone for industrial or agricultural uses. In districts where the storage of explosive materials is permitted, the quantities of explosives and distances shall be in accordance with California fire code section 5601.8

Chapter 57 is adopted in its entirety as amended below.

SECTION 5704.2.9.6.1 LOCATIONS WHERE ABOVE GROUND TANKS ARE PROHIBITED. AMENDED

5704.2.9.6.1 Locations where above-ground tanks are prohibited. Storage of class I and 2 liquids in above-ground tanks is prohibited in all zoning districts except districts zoned for commercial, industrial, or agricultural use.

SECTION 5706.2.4.4 LOCATIONS WHERE ABOVE-GROUND TANKS ARE PROHIBITED. AMENDED

5706.2.4.4 Locations where above-ground tanks are prohibited. Locations where above-ground tanks are prohibited. Storage of class I and 2 liquids in above-ground tanks is prohibited in all zoning districts except districts zoned for commercial, industrial, or agricultural use

Chapter 58 is adopted in its entirety as amended below.

SECTION 5806.2 LIMITATIONS. AMENDED

5806.2 Limitations. The storage of flammable cryogenic fluids in stationary containers outside of buildings is prohibited in any area which is zoned for other than industrial use.

Exception: Hydrogen fuel systems in compliance with section 5806.3 or 5806.4.

Chapter 61 is adopted in its entirety as amended below.

SECTION 6104.2 MAXIMUM CAPACITY WITHIN ESTABLISHED LIMITS. AMENDED

6104.2 Maximum capacity within established limits. The storage of liquefied petroleum gases prohibited in any central business district and in all zoning districts except districts zoned for commercial, industrial, rural, or agricultural uses. The aggregate capacity of any one installation used for the storage of liquefied petroleum gas shall not exceed a water capacity of 2000 gallons (7570 L).

Chapter 80 is adopted in its entirety as adopted in ordinance 2022-001 and further amended below.

Added:

NFPA 855-23 Standard for the Installation of Stationary Energy Storage Systems
1207.1

Appendix B fire flow requirements for buildings is adopted in its entirety as amended below.

NOTE: APPENDIX B IS A CARRY OVER FROM PREVIOUS ADOPTIONS. THE LIMITS OF AB-130 DO NOT APPLY.

TABLE B105.2 REQUIRED FIRE FLOW FOR BUILDINGS OTHER THAN ONE AND 2 FAMILY DWELLINGS, GROUP R-3 AND R-4 BUILDINGS AND TOWNHOMES. AMENDED.

**TABLE B105.2
REQUIRED FIRE FLOW FOR BUILDINGS OTHER THAN ONE AND 2
FAMILY DWELLINGS, GROUP R-3 AND R-4 BUILDINGS AND
TOWNHOUSES**

Automatic Sprinkler System (Design Standard)	Minimum Fire Flow (Gallons Per Minute)	Flow Duration (Hours)
No automatic sprinkler system	Value in Table B 105.1 (2)	Duration in Table B 105.1 (2)
Section 903.3.1.1 of the California Fire Code	50% of the value in table B105.1 (2) ^a	Duration in table B105.1 (2) at the reduced flow rate
Section 903.3.1.2 of the California Fire Code ^c	50% of the value in table B105.1 (2) ^b	Duration in table B105.1 (2) at the reduced flow rate

For SI: 1 gallon per minute equals 3.785 L per minute

- a. The reduced fire flow shall not be less than 1000 gallons per minute.
- b. The reduced fire flow shall not be less than 1500 gallons per minute.
- c. Section 903.3.1.2 of the California Fire Code has been amended by the San Mateo Consolidated Fire Department

Appendix C number and distribution of fire hydrants is adopted in its entirety as amended below.

TABLE C 102.1 OF APPENDIX C. AMENDED

TABLE NO. C102.1

NUMBER AND DISTRIBUTION OF FIRE HYDRANTS^f

FIRE FLOW REQUIREMENT (GPM)	MINIMUM NUMBER OF HYDRANTS	AVERAGE SPACING BETWEEN HYDRANTS^{a, b, c, d, e} (Ft.)	MAXIMUM DISTANCE FROM HYDRANT TO ANY POINT ON STREET OR ROADWAY FRONTAGE (Ft.)
1750 or less	1	250	150
2000-2250	2	250	150
2500-3250	3	250	150
3500-4250	4	250	150
4500-5250	5	250	150
5500-5750	6	250	150
6000-6250	6	250	150
6500-7250	7	250	150
7500 or more	8 or more ^c	200	120

For SI: 1 foot equals 304.8 mm, 1 gallon per minute equals 3.785 L per minute.

- a. Reduce by 100 feet for dead-end streets or roadways.
- b. Hydrants shall be required on both sides of the street whenever one or more of the following conditions exist:

- i. Street has a median center divider that makes access to hydrants difficult, causes a time delay or creates an undue hazard;
 - ii. There are four or more lanes of traffic;
 - iii. Width of the street is in excess of 88 feet; or
 - iv. The existing street will be widened or will have a raised median center divider installed in the future pursuant to the General Plan Roadway Improvement Plans.
- c. One hydrant for each 1,000 GPM or fraction thereof.
- d. Where new water mains are extended along streets where hydrants are not needed for protection of structures or similar fire problems, fire hydrants should be provided every 1,000 feet of street to provide for transportation hazards. In addition, there shall be at least one hydrant at each intersection.
- e. Average spacing between hydrants may be extended to 500 feet on streets serving one- and two-family dwellings.
- f. The fire code official is authorized to modify the location, number and distribution of fire hydrants based on site-specific constraints and hazards.

Appendix D Fire Apparatus Access Roads is adopted in its entirety.

NOTE: APPENDIX D IS A CARRY OVER FROM PREVIOUS ADOPTIONS. THE LIMITS OF AB-130 DO NOT APPLY.

Appendix O temporary haunted houses, ghost walks and similar amusement uses is adopted in its entirety

Division 2- Adoption and Modifications to the 2025 CALIFORNIA Wildland Urban Interface Code

The following sections of the 2025 CALIFORNIA Wildland Urban Interface Code are adopted and modified as described below.

Chapter 1 is partially adopted with adopted sections and modifications listed below.

SECTION 101 IS ADOPTED EXCEPT AS MODIFIED AND DELETED AS BELOW:

SECTION 101.1 TITLE. AMENDED

101.1 Title. These regulations shall be known as the Wildland Urban Interface Code of SAN MATEO CONSOLIDATED FIRE DEPARTMENT, will be referred to herein as this "CODE," and/or "WUI CODE."

SECTION 104 IS ADOPTED AS AMENDED BELOW:

104.7.3 Alternate Materials, design, and methods. Where alternate materials, design, and methods are to be used, the process listed in section 104.9 of the California Fire Code as adopted by the San Mateo Consolidated Fire Department shall be used.

SECTION 105 IS ADOPTED AS AMENDED BELOW

105.1 permits shall be as set forth in section 105 of the California Fire Code as adopted by the San Mateo Consolidated Fire Department shall be used.

SECTION 106 IS ADOPTED

SECTION 107 IS ADOPTED

SECTION 108 IS ADOPTED AS AMENDED BELOW

108.2 Fees. Fees shall be in accordance with the San Mateo Consolidated Fire Department Master Fee Schedule.

Chapter 2 is adopted in its entirety as amended below.

LOCAL AGENCY FIRE HAZARD SEVERITY ZONE. Property within a Local Responsibility Area (LRA) served by the San Mateo Consolidated Fire Department that has been designated by the Office of the State Fire Marshal and/or the San Mateo Consolidated Fire Department as a Moderate, High, or Very High Fire Hazard Severity Zone.

LOCAL AGENCY MODERATE FIRE HAZARD SEVERITY ZONE. An area designated by the local agency based on Fire Hazard Severity Zones as recommended by the California Department of Forestry and Fire Protection pursuant to Government Code Section 51178.

Hazardous Tree: A tree that is dead or otherwise poses a “Fire Hazard” as defined in Title 19 CCR Section 3.14. A tree is not deemed hazardous solely because of its species.

Important Structure: A building that is considered not expendable in an exposure fire.

Chapter 3 is adopted in its entirety as amended below

SECTION 302.3 IS ADDED

302.3 Declaration. The San Mateo Consolidated Fire Department hereby designates the Fire Hazard Severity Zones as recommended by the California Department of Forestry and Fire Protection pursuant to Government Code Section 51178. The map, approved by the San Mateo Consolidated Fire Department is hereby incorporated by reference, and entitled “City (or County or District) Fire Hazard Severity Zones.” The official map is also located electronically on the following website Fire Hazard Severity Zones (FHSZ) & Local Responsibility Areas (LRA) – SMC Fire.

<https://www.smcfire.org/fire-hazard-severity-zones-fhsz-local-responsibility-areas-lra/>

302.3.1 Local Agency Moderate fire hazard severity zone requirements. Buildings constructed in local Agency Moderate Fire Hazard Severity Zones shall comply with this code.

Exception: Provisions in Chapter 6 related to hazardous trees shall comply with the section regardless of the severity zone.

Chapter 4 is adopted in its entirety

Chapter 5 is adopted in its entirety

Chapter 6 is adopted in its entirety and amended as below.

SECTION 602.1 IS AMENDED AS BELOW

602.1 Automatic Sprinkler Systems. Automatic Sprinkler systems shall be installed in accordance with Chapter 9 of the California Fire Code as amended by the San Mateo Consolidated Fire Department.

SECTION 613 HAZARDOUS TREES ADDED

613 Trees.

613.1 Hazardous Trees.

Trees shall be managed as follows within the 30-foot (9144 mm) zone of a structure.

1. New trees shall be planted and maintained so that the tree’s drip line at maturity is a minimum of 10 feet (3048 mm) from any combustible structure.

2. The horizontal distance between crowns of new trees and crowns of adjacent trees shall not be less than 10 feet (3048 mm).

3. Existing trees shall be trimmed to provide a minimum separation of 10 feet (3048 mm) away from chimney and stovepipe outlets per Title 14, Section 1299.03.

4. Hazardous Trees shall be removed if they are within 100 feet of any important structure.

613.2 Non-fire-resistant vegetation.

New trees not classified as fire-resistant vegetation, such as conifers, palms, pepper trees and eucalyptus species, shall be permitted provided the tree is planted and maintained so that the tree's drip line at maturity is a minimum 30 feet (9144 mm) from any combustible structure. Nothing in this section is designed to prevent the planting of any species.

613.2.2 Trees.

Trees are allowed within the defensible space, provided that the horizontal distance between crowns of adjacent trees and crowns of trees and structures, overhead electrical facilities or unmodified fuel is not less than 10 feet (3048 mm). Trees shall be maintained alive. Hazardous trees as defined in this ordinance shall be removed.

Chapter 7 is adopted in its entirety

PART IV- VIOLATIONS.

It is unlawful to violate or fail to comply with any provisions of this Code, or violate or fail to comply with any order made under this Code or to build in violation of any detailed statement of specification or plans submitted and approved under this Code, or any certificate or permit issued under this Code.

PART V- FIRE AND LIFE SAFETY INSPECTIONS.

Inspections by the Fire Department shall periodically be made of buildings and structures that are used for residential or non-residential purposes as follows:

- a) The time and frequency of inspections shall be determined by the Fire Chief. No buildings shall be inspected for a fee more than annually except for re-inspections to assure that code corrections have been made or hazards have been corrected.
- b) A fee for inspections shall be established in the adopted Master Fee Schedule to offset costs of the regulatory inspection program and shall be collected upon inspection from

each property subject to this ordinance. Revenues shall be used for the inspection and enforcement program.

c) All properties shall be subject to inspection fees.

d) Nothing in this section is intended to prevent inspections of property under nuisance abatement or other laws.

PART VI – LOCAL FINDINGS AND AMENDMENTS

The Fire Department has determined that modifications to the 2024 International Fire Code with the 2025 California Amendments are needed and reasonably necessary due to local climatic, geological, and topographical conditions, as set forth in Attachment 1 (Findings in Support of Amendments to the 2025 California Fire Code), which are incorporated herein as substantive provisions of this Ordinance.

PART VII- ENVIRONMENTAL DETERMINATION.

The Department Board of Directors finds that the modifications to California building standards, adopted by reference by the proposed ordinance, are enacted to provide a safer, more protected environment in response to local conditions, including local climatic, geological, and topographical conditions. The adoption of this ordinance is exempt from review under the California Environmental Quality Act (Public Resources Code section 21000 *et seq.*, “CEQA”) as the Ordinance is not a “project” as defined under CEQA. Moreover, the Ordinance is exempt from review pursuant to the CEQA Guidelines (California Code of Regulations Title 14, Chapter 3) consistent with, among other things, CEQA Guidelines Section 15061(b)(3), Section 15308, and Section 15321.

PART VIII- NOTICE PROVIDED, EFFECTIVE DATE.

This Ordinance shall be published in summary in the San Francisco Examiner, posted in the Departments administrative offices, and posted on the Department’s Website, and shall be effective on January 1, 2026.

I hereby certify this to be a correct copy of Ordinance 2025-003 of the San Mateo Consolidated Fire Department, which was introduced on September 17, 2025, and adopted on November 19, 2025 at a regular meeting of the Department Board of Directors by the following vote

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Board Secretary

Board President

APPROVED AS TO FORM:

William D. Ross, General Counsel

San Mateo Consolidated Fire Department

**FINDINGS IN SUPPORT OF LOCAL AMENDMENTS TO THE 2025 CALIFORNIA FIRE CODE
AS ADOPTED BY THE SAN MATEO CONSOLIDATED FIRE DEPARTMENT
THAT IMPLEMENT ADDITIONAL REQUIREMENTS
DUE TO LOCAL CLIMATIC, GEOLOGICAL, AND TOPOGRAPHICAL CONDITIONS**

WHEREAS, pursuant to Sections 17958.5, 17958.7, and 18941.5 of the State of California Health and Safety Code, the Board of Directors for the San Mateo Consolidated Fire Department (“Department”) has determined and finds that the attached changes or modifications to the 2024 International Fire Code with the 2022 2025 California Amendments are needed and are reasonably necessary because of local climatic, geological, and topographical conditions.

WHEREAS, based upon information provided by staff in support of these proposed amendments to the Fire Code and similar information provided in support of prior amendments and facts on which a local court could take judicial notice documenting the unique conditions found in the Board of Directors for the Department, it is expressly found by the Department Board of Directors that the following unique conditions are undisputed and do exist in the jurisdiction and that as a result, modifications to the 2025 California Fire Code are reasonably necessary for the Department.

NOW, THEREFORE, THE BOARD OF DIRECTORS FOR THE SAN MATEO CONSOLIDATED FIRE DEPARTMENT HEREBY ORDAINS THAT:

1. Climatic

The weather patterns within the Department are considered to be moderately affected by westerly winds that can average from 10-15 mph and gusts that can exceed 40 mph which are experienced almost year-round. Fog is a common occurrence in the jurisdiction, becoming quite dense at times. An average year’s rainfall is approximately 22.95 inches, while summer conditions are hot and dry. These summer conditions create hazardous fuel situations that have caused grassland and brush land fires in recent years. Year-round average temperatures range from 58 in the winter to 81 degrees during the summer, however high temperatures have ranged from 75 in the winter to 110 degrees in the summer. Low humidity, high temperatures and gusting winds can move a fire quickly in the hillsides and canyon areas of the Department and can tax the capabilities of the urban design of the fire department. Lower water pressure in these areas also affects the abilities to quickly suppress any fires. Climate Change is expected to adversely affect these conditions, moving the weather towards more extremes in the coming years.

Because of the unpredictable weather patterns, intermittent drought and water rationing can be expected, causing dry vegetation and hazardous fire conditions. Weather patterns can go to the other extreme with heavy rains creating higher fuel load in the hillsides. A heavy rain pattern would also impact a flood plain area located in the northeast portion of the Department. This condition has the potential of causing additional barriers in this area when flooding blocks streets and underpasses.

The conditions described in this section make it reasonably necessary for the Department to adopt the following ordinance sections as modifications to the 2022 California Fire Code and these findings are specifically intended to satisfy the requirements of California Health and Safety Code Section 17958.7 in that regard:

San Mateo Consolidated Fire Department Ordinance Part I (Adoption), Part II (Applicability), Part III amending CFC Sections 108, 202, 303, 304, 305, 306, 307, 308, 309, 310, 501.1, 503.1.1, 503.3.1, 505.1, 505.1.1, 505.1.2, 505.1.3, 506.1.1.1, 506.1.1.2, 508.2, 901.6.3.2, 903.2, 903.3.1.2, 903.2.20, 903.3.1.2, 903.4.2, 905.3.1, Chapter 49, 5601.1.3, 5601.1.3.1, 5601.2.4, 5601.9, 5704.2.9.6.1, 5706.2.4.4, 5806.2, 6104.2, Table B105.2, Table C102.1, Appendix D, section D106.1, D107.1, and Part III adopting the International Wildland Urban Interface Code (All modifications and adoptions), Part IV (Violations), and Part V (Fire and Life Safety Inspections).

2. Geographical

The jurisdiction's geography is diverse, with scenic hillsides to the west and north and the San Francisco Bay shoreline and in-land lagoons to the northeast. Certain eastern portions of the Department are built on landfill. These geographic features establish roadways, waterways, and building sites and create barriers for accessibility for fire suppression forces. Such geological barriers increase fire emergency response time.

The cities in the Department's jurisdiction lie near several potentially active seismic hazards, including the San Andreas and San Mateo Faults. Seismic activity within the Department occurs yearly with little or no damage, although in 1989, the Loma Prieta Earthquake caused substantial damage (building collapses, fires, closure of main travel arteries, medical emergencies, etc.) from San Francisco to Santa Cruz. Within minutes of the quake, all emergency services were exhausted. Additionally, a large quake, greater than 6.7 magnitude is predicted along one of the major Bay Area Earthquake Faults before 2030. Landslide areas become a critical concern with seismic activity due to the possibility of liquefaction. The northern hillsides create slopes in excess of 60% with an average of between 5-10%. The Department continues to see building on these hillside areas. Such sites are prone to landslide activity during the rainy season and during seismic activity.

The Department is located in a nationally recognized earthquake prone area which caused unique challenges for fire and disaster relief agencies. Because the problem is regional and potentially suffocating in scope, tailored response programs with other agencies are essential. Seismic considerations, elsewhere not applicable, must be recognized in all construction projects.

The conditions described in this section make it reasonably necessary for the Department to adopt the following ordinance sections as modifications to the 2019 California Fire Code and these findings are specifically intended to satisfy the requirements of California Health and Safety Code Section 17958.7 in that regard:

San Mateo Consolidated Fire Department Ordinance Part I (Adoption), Part II (Applicability), Part III amending CFC Sections 108, 202, 303, 304, 305, 306, 307, 307.1.1, 307.4.1, 307.4.2, 308, 309, 310, 311, 501.1, 503.1.1, 503.3.1, 505.1, 505.1.1, 505.1.2, 505.1.3, 506.1.1.1, 506.1.1.2, 508.2, 510.4.2, 510.4.2.9, 510.5.2, 510.5.2.1, 510.5.2.2, 510.5.2.3, 510.5.3.1, 405, 406, 901.6.3.2, 903.2, 903.3.1.2, , 903.2.20, 903.3.1.2, 903.4.2, 905.3.1, 907.1.6, 907.1.6.1, 1009.3.1, Chapter 49, Table B105.2, Table C102.1, Appendix D, section D106.1, D107.1, and Part III adopting the 2021 Wildland

Urban Interface Code (All adoptions and Modifications), Part IV (Violations), and Part V (Fire and Life Safety Inspections).

3. Topographical

The topographical element is associated closely with the geographical element noted above. The Department's water supply (domestic and fire flow) system is directly affected by the topographical layout of the member cities comprising the Department. The distribution system consists of "lift-zones," which carry the water to the public via conduits of water pipes from various reservoirs, storage tanks, and dammed areas. In these "lift-zones" the pressure and flows are adequate at the lower elevations of the zone, but as the elevation increase water flow can vary greatly. Such variations create predictable problems for fire suppression units.

The roadway system through the Department is, by and large, designed around the topographical lay of the land with narrow, steep grades, large highway over-passes and roadways inefficient to handle current traffic demands. This creates "barriers" that increase the fire department response time.

Additionally, developers are creating denser residential developments in many areas throughout the Department. There is a trend to develop more concentrated structures such as "podium" buildings which are residential, or business occupancies built over parking structures. These structures are generally built with reduced access around the building because they are being constructed in a "Built-out" environment, replacing existing structures. These larger, denser developments generally add 3+ minutes to response times by creating unique challenges to accessing and suppressing fires. The additional time could allow "flashover" to occur ("Flashover" occurs when a fire can burn freely without any suppression intervention, causing the structure or room to become completely engulfed with fire in a short time). These "podium" buildings are generally designed to support a higher occupancy load. Mid-rise buildings also pose unique suppression challenges because of the size and complexity of the building footprint that adds to the time needed to locate a fire. The height of these structures, and the combustible nature of the buildings built above the podium present additional challenges when it comes to fire extinguishment and rescue. The higher density of buildings in the jurisdiction, along with the hills of the jurisdiction pose challenges for the radio systems used by the department for emergency communications. Inadequate communications pose a direct threat to the health and wellbeing of responders.

The remaining structures (those not redeveloped into larger, denser structures) pose another concern in that they lack adequate fire protection like firewalls, fire extinguishing systems, fire alarm system, etc. Historical buildings also create cause for concern in that they were built under less stringent building codes and with narrower setback requirements, creating further "barriers" that firefighters must work around. Some of these buildings date as far back as 100 years and are irreplaceable, holding significant historical.

The western hills of the jurisdiction are steep, and are covered in many different kinds of vegetation. There are structures built in and bordering densely vegetated areas, making the spread of vegetation fires to structures more likely.

The conditions described in this section make it reasonably necessary for the Department to adopt the following ordinance sections as modifications to the 2022 California Fire Code and these

findings are specifically intended to satisfy the requirements of California Health and Safety Code Section 17958.7 in that regard:

San Mateo Consolidated Fire Department Ordinance Part I (Adoption), Part II (Applicability), Part III amending CFC Sections 108, 202, 303, 304, 305, 306, 307, 308, 309, 310, 311, 318, 319.1.1, 501.1, 503.1.1, 503.3.1, 505.1, 505.1.1, 505.1.2, 505.1.3, 506.1.1.1, 506.1.1.2, 508.2, 510.4.2, 510.4.2.9, 510.5.2, 510.5.2.1, 510.5.2.2, 510.5.2.3, 510.5.3.1, 405, 406, 901.6.3.2, 903.2, 903.3.1.2, , 903.2.20, 903.3.1.2, 903.4.2, 905.3.1, 907.1.6, 907.1.6.1, 1009.3.1, Chapter 49, Table B105.2, Table C102.1, Appendix D, section D106.1, D107.1, and Part III, the 2021 International Wildland Urban Interface Code (All adoptions and modifications), Part IV (Violations), and Part V (Fire and Life Safety Inspections).