

**CENTRAL FIRE DISTRICT
COMMITTEE OF DIRECTORS
AGENDA
FINANCE COMMITTEE MEETING**
(Directors Ronco, Darbro)
Monday, March 1st, 2021 at 2:00 P.M.
Administration Office – 930 17th Avenue, Santa Cruz

Notice of Teleconferenced Meeting

Pursuant to Governor Newsom’s Executive Order N-25-20 regarding COVID-19, members of the Central FPD District Board of Directors and staff are strongly encouraged to participate in this meeting by teleconference. **To reduce the spread of COVID-19, members of the public are encouraged to listen to the meeting from their homes via teleconference by calling 1 (872) 240-3412 and entering Access Code 717-114-093, or connecting to the meeting online via their computer, smart phone or tablet at the following link:**
<https://global.gotomeeting.com/join/717114093>.

Any Directors, staff or public not able to attend by teleconference and choosing to attend the meeting in person will be required to maintain appropriate social distancing, wear masks, use provided hand sanitizer and remain a minimum of 6’ apart. Those experiencing any flu-like symptoms, fever, or recent positive COVID-19 test results may not attend the meeting in person.

To submit public comments during the meeting, please email 03012021@centralfiresc.org and write “Public Comment” in the subject line. Include the item number and/or title of the item in the body of the email and your comments. Submitted comments will be read out loud at the meeting (not to exceed three minutes or 4,000 characters).

1.0 CALL TO ORDER; ROLL CALL

2.0 ORAL COMMUNICATIONS This is the time for the public to speak on items within the Committee’s responsibility, but which are not on this agenda. There can be no substantive discussion by the Committee of items not publicly noticed on the agenda. The Committee may refer such non-agendized matters to staff or may consider deferring such items to future meetings after public notice is provided.

The public should speak to the Committee on items appearing on the agenda when the Chair calls for public discussion of the item.

3.0 CONSENT AGENDA

Matters listed under the Consent Agenda will be acted upon by one motion affirming the action recommended. There will be no separate discussion on

items unless members of the Committee or staff request removal of item for separate action.

Public Comment on Consent Agenda: This is the time for members of the public to address the Committee on items that are on the Consent Agenda. Oral presentations should ordinarily not exceed 3 minutes per person.

- 3.1 Approve Minutes of Central FPD Finance Committee Meeting on September 11, 2020

4.0 NEW BUSINESS

- 4.1 Fiscal Year 2020-21 Mid-Year Budget Adjustment – Finance Director Nancy Dannhauser
Discussion/Action

5.0 CLOSED SESSION

- 5.1 Conference with Labor Negotiators Government Code § 54957.6
 - Agency Designated Representatives: Ad-Hoc Committee Consisting of Mr. Brad Darbro
 - Unrepresented Employee: IAFF Local 3535/3605
- 5.2 Conference with Labor Negotiators Government Code § 54957.6
 - Agency Designated Representatives: Ad-Hoc Committee Consisting of Mr. Dave Ronco
 - Unrepresented Employee: Management Bargaining Group

6.0 RECONVENE TO OPEN MEETING

Report of Action(s) – At the conclusion of a closed session a report of any reportable action(s) taken in closed session will be made.

- 6.1 Report out of Closed Session

7.0 ADJOURNMENT

Note: The Committee Chair requests that if you have any questions or wish clarification or additional information about any item on the agenda or contained in the attached materials, to please call the Fire Chief at (831) 479-6842 before the meeting. Information regarding items on the agenda may be reviewed at our business office located at 930 17th Avenue, Santa Cruz, California 95062, or you may view the agenda on our website at www.centralfpd.com

**CENTRAL FIRE PROTECTION DISTRICT
COMMITTEE OF DIRECTORS
MINUTES**

FINANCE COMMITTEE MEETING

(Walter and Lucchesi)

Friday, September 11th 2020 at 9:00 A.M.

Administration Office – 930 17th Avenue, Santa Cruz

Notice of Teleconferenced Meeting

Pursuant to Governor Newsom’s Executive Order N-25-20 regarding COVID-19, members of the Central FPD District Board of Directors and staff may participate in this meeting by teleconference. To reduce the spread of COVID-19, members of the public are encouraged to listen to the meeting from their homes via teleconference by calling 1 (872) 240-3212, entering the meeting number when prompted, 200830989, and entering Access Code (200-830-989). For supported devices, tap a one-touch number to join: <tel:+18722403212,200830989#> or connect to the meeting online via your computer, smart phone or tablet at the following link: <https://global.gotomeeting.com/join/200830989>.

Directors, staff and public attending the meeting in person will be required to maintain appropriate social distancing, a minimum of 6’ apart.

To submit public comments during the meeting, please email 09112020@centralfpd.com and write “Public Comment” in the subject line. Include the item number and/or title of the item in the body of the email and your comments. Submitted comments will be read out loud at the meeting (not to exceed three minutes or 4,000 characters).

1.0 CALL TO ORDER; ROLL CALL

Chair Walter called the meeting to order at 9:11 a.m. In attendance were Director Lucchesi, Finance Director Dannhauser, and Interim Chief Walbridge.

2.0 ORAL COMMUNICATIONS

This is the time for the public to speak on items within the Committee’s responsibility but which are not on this agenda. There can be no substantive discussion by the Committee of items not publicly noticed on the agenda. The Committee may refer such non-agendized matters to staff or may consider deferring such items to future meetings after public notice is provided.

The public should speak to the Committee on items appearing on the agenda when the Chair calls for public discussion of the item.

There was no oral communications.

3.0 CONSENT AGENDA

Matters listed under the Consent Agenda will be acted upon by one motion affirming the action recommended. There will be no separate discussion on items unless members of the Committee or staff request removal of item for separate action.

Public Comment on Consent Agenda: This is the time for members of the public to address the Committee on items that are on the Consent Agenda. Oral presentations should ordinarily not exceed 3 minutes per person.

3.1 Approve Minutes of Committee Meeting on May 7, 2020

Director Lucchesi made a motion to approve the Minutes of May 7, 2020. The motion was seconded by Chair Walter.

The motion passed with 2-Ayes.

4.0 NEW BUSINESS

4.1 (A, B) Audited Financials for Fiscal Year 2018-19 - Finance Director Nancy Dannhauser Discussion/Action

Finance Director Dannhauser gave a summary of the Audited Financial Statement, and advised that more detail will be provided by the auditor at the September 15, 2020 Regular Board Meeting; advised that there are two different account methods used: (i) government fund, which is the current assets and liabilities due under a year; and (ii) government wide, which is more of a traditional balance sheet, and includes noncurrent assets and long term liabilities; advised that as of June 30, 2020, the government fund balance, or net position, was \$13.8 million, and if you add in all noncurrent assets and liabilities, the government wide amount is (\$13.9 million); advised that included all the pension liabilities and OPEB liabilities; advised that that the District had an unfavorable change during the year of about \$300,000, so the net position as of June 30, 2020 was (\$13.6 million), and added approximately \$300,000 of expenses so the net position was (\$13.9 million); advised that the District did have a write-off for an engine – so there were changes to fixed assets during the year that increased the negative net position.

Discussion ensued.

Finance Director Dannhauser advised that the next audit will be in a couple months; advised that the District is doing well despite the substantial liabilities – the pensions being one – and, that half of the liabilities is due to the retirees; advised that a change

was made to active employees so they are not getting the same benefit level; advised that approximately \$16 million is due to the current retirees receiving the benefit; advised that a lot of the huge liabilities that were not on the balance sheet are now added to the balance sheet, which deteriorated the District’s net position; advised that other agencies are feeling the same financial impact; advised that the District has strong reserves; reminded the Committee that the Board approved the trust fund to start prefunding monies to pay down the pension liability; advised that it is unknown what the market or economy will be like next year; advised that the OPEB trust fund is to adjust retiree healthcare and the District is taking steps to minimize the liability moving forward, such as a smaller benefit package to current employees; suggested that the pension liability is sort of uncontrollable, but that the District is trying to prefund it, but that the District could still use some reform in that area, and that the District is moving forward on changes during the negotiations with the labor groups.

Director Lucchesi made a motion to move the audit on to the full Board for review and approval. The motion was seconded by Chair Walter.

The motion passed with 2-Ayes.

- 4.2 (A, B) Fiscal Year 2020-21 Final Budget- Finance Director Nancy Dannhauser
Discussion/Action

Finance Director Dannhauser gave an overview of the fiscal results for 2019/2020, advising that the operational budget had a \$42,000 surplus; advised that the District came in approximately \$994,000 better than budgeted due to spending cuts because of COVID-19, but that the costs were re-budgeted for 2020/2021; advised that the revenue for Fleet Services came in \$83,000 higher than anticipated; advised that Fleet Services had typically been budgeted to come in at a break even advised that the higher the revenue, the lower the District’s subsidy ratio to Fleet Services – advised that the subsidy amount decreased from 34% to 27%; advised that the District spent \$437,000 less in capital outlay due to projects being carried over to 2020/2021; advised that the District did \$1.4 million better than budgeted and that the carryover surplus is \$1.6 million; advised that this year’s budget is budgeted at a \$913,000 deficit, due to things being carried over from this year to 2020/2021; and, advised that at this time the District is stable.

Discussion ensued, to include if there is a consolidation, how that will affect financial stability; the fact that there will be some savings through consolidation in salaries and duplicative/repetitious costs/expenses; that negotiations can affect finances; and, that overall there would be cost savings for the two Districts to consolidate.

Director Lucchesi made a motion to move the Final Budget to the full Board for review and approval. The motion was seconded by Chair Walter.

The motion passed with 2-Ayes.

5.0 ADJOURNMENT

Note: The Committee President requests that if you have any questions or wish clarification or additional information about any item on the agenda or contained in the attached materials, to please call the Fire Chief at (831) 479-6842 before the meeting. Information regarding items on the agenda may be reviewed at our business office located at 930 17th Avenue, Santa Cruz, California 95062, or you may view the agenda on our website at www.centralfpd.com

The meeting was adjourned at 9:39 a.m.

This will certify that the foregoing is a true copy of discussions during the Central Fire Protection District Finance Committee Meeting on September 11, 2020, as prepared by me.

Donna J. Steward
Recording Secretary

Dated: _____, 2021

ATTEST:

Committee Chair



CENTRAL FIRE DISTRICT

of Santa Cruz County

STAFF REPORT

Date: March 1, 2021

To: Finance Committee

From: Finance Director Nancy Dannhauser

Subject: I. Approval of FY 2020-21 Mid-Year Budget for Aptos/La Selva Fire
II. Approval of FY 2020-21 Mid-Year Budget for Central Fire

Discussion: With the consolidation of both Districts occurring during the current fiscal year, the recommendation by staff is to run out the two existing budgets from the former Districts. From an auditing standpoint, this would result in “cleaner” accounting and financial reporting for the fiscal year end. Staff is currently working on a consolidated budget for Fiscal Year 2021-22, which will take effect July 1st. This budget will be presented to the Board for approval in June.

I. APPROVAL OF THE 2020-21 MID-YEAR BUDGET FOR APTOS LA/SELVA FIRE

Proposal: Presented for your approval is the Fiscal Year 2020-21 Mid-Year Budget.

FISCAL YEAR 2020-21 BUDGET SUMMARY	GENERAL FUND	CAPITAL OUTLAY	TOTAL
REVENUE			
Property taxes	\$ 13,324,899	\$ -	\$ 13,324,899
Inter-Gov Revenues	\$ 1,371,794	\$ -	\$ 1,371,794
Other Revenue	\$ 665,999	\$ -	\$ 665,999
Total Revenues	\$ 15,362,692	\$ -	\$ 15,362,692
	\$ -		
EXPENDITURES			
Salaries and employee benefits	\$ 12,056,088	\$ -	\$ 12,056,088
Services and supplies	\$ 2,835,541	\$ -	\$ 2,835,541
Fixed Assets	\$ 223,363	\$ 213,811	\$ 437,174
Operating Transfers - OUT / (IN)	\$ 500,000	\$ (500,000)	\$ -
Total Expenditures	\$ 15,614,992	\$ (286,189)	\$ 15,328,803
TOTAL SURPLUS / (DEFICIT)	\$ (252,300)	\$ 286,189	\$ 33,889
BEGINNING FUND BALANCE			
July 1, 2020	\$ 9,901,366	\$ 364,468	\$ 10,265,834
PROJECTED ENDING FUND BALANCE			
June 30, 2021	\$ 9,649,066	\$ 650,657	\$ 10,299,723

Below are highlights of the proposed Mid-Year Budget:

Revenues for FY 2020-21 is projected at \$15.4 million.
 Expenditures for FY 2020-21 is projected at \$15.3 million.
 Results in a total budget surplus of \$33,889 for FY 2020-21.
 Projected ending fund balance is \$10.3 million.

Background: The changes reflected in the Mid-Year Budget versus the Final Budget is due to unanticipated revenue and expenditures throughout the year not included in the Final Budget.

Below, the General Fund revenue increased \$1.2 million from the Final Budget. The increase was due \$1.3 million in strike team reimbursements. This increase in revenue was offset by \$1.2 million in expenditures due to an increase of \$946,380 in salary and benefits to account for strike team overtime. The remaining \$240,000 increase is related to consolidation costs which needed to be expensed this fiscal year.

For capital outlay, there was no change from the Final Budget.

SUMMARY OF BUDGET CHANGES
 FISCAL YEAR 2020-21
 Final to Mid Year Comparison

	Final Budget	Mid Year Budget	Final vs Mid Year Budget	
	FY 2020-21	FY 2020-21	Difference B/ (W)	Percentage Change
			\$	%
GENERAL FUND				
<i>REVENUES</i>				
Property taxes	\$ 13,324,899	\$ 13,324,899	\$ -	0.00%
Inter-Gov Revenues	\$ 71,794	\$ 1,371,794	\$ 1,300,000	1810.73%
Other Revenue	\$ 745,999	\$ 665,999	\$ (80,000)	-10.72%
Total Revenues	\$ 14,142,692	\$ 15,362,692	\$ 1,220,000	8.63%
<i>EXPENDITURES</i>				
Salaries and employee benefits	\$ 11,109,708	\$ 12,056,088	\$ (946,380)	-8.52%
Services and supplies	\$ 2,818,488	\$ 3,058,904	\$ (240,417)	-8.53%
Operating Transfers	\$ 500,000	\$ 500,000	\$ -	0.00%
Total Expenditures	\$ 14,428,196	\$ 15,614,992	\$ (1,186,797)	-8.23%
TOTAL SURPLUS / (DEFICIT)	\$ (285,503)	\$ (252,300)	\$ 33,203	-11.63%
CAPITAL OUTLAY				
<i>TRANSFERS INS / INTEREST</i>				
Vehicle replacement	\$ -	\$ -	\$ -	0.00%
Capital Improvement	\$ 106,667	\$ 106,667	\$ -	0.00%
Capital Equipment	\$ 107,144	\$ 107,144	\$ -	0.00%
Total Expenditures	\$ 213,811	\$ 213,811	\$ -	0.00%
TOTAL SURPLUS / (DEFICIT)	\$ 286,189	\$ 286,189	\$ -	0.00%
TOTAL DISTRICT FUNDS				
TOTAL SURPLUS / (DEFICIT)	\$ 686	\$ 33,889	\$ 33,203	4840.66%

Cost Impacts:

Overall, there was a positive change from the FY 2020-21 Mid-Year Budget versus the Final budget; the budget surplus increased to \$33,889 versus \$686.

II. APPROVAL OF THE 2020-21 MID-YEAR BUDGET FOR CENTRAL FIRE

Proposal: Presented for your approval is the Fiscal Year 2020-21 Mid-Year Budget.

FISCAL YEAR 2020-21 BUDGET SUMMARY	OPERATIONS	FLEET SERVICES	CAPITAL OUTLAY	TOTAL
REVENUE				
Property taxes	\$ 19,542,907	\$ -	\$ -	\$ 19,542,907
Inter-Gov Revenues	\$ 1,702,722	\$ -	\$ -	\$ 1,702,722
Other Revenue	\$ 853,212	\$ 1,048,000	\$ 38,000	\$ 1,939,212
Total Revenues	\$ 22,098,842	\$ 1,048,000	\$ 38,000	\$ 23,184,842
EXPENDITURES				
Salaries and employee benefits	\$ 17,392,664	\$ 641,797	\$ -	\$ 18,034,461
Services and supplies	\$ 3,698,197	\$ 823,116	\$ -	\$ 4,521,313
Fixed Assets	\$ 254,000	\$ 95,700	\$ 641,686	\$ 991,386
Operating Transfers - OUT / (IN)	\$ 995,000	\$ (512,613)	\$ (995,000)	\$ (512,613)
Total Expenditures	\$ 22,339,861	\$ 1,048,000	\$ (353,315)	\$ 23,034,547
TOTAL SURPLUS / (DEFICIT)	\$ (241,020)	\$ -	\$ 391,315	\$ 150,295
BEGINNING FUND BALANCE				
July 1, 2020	\$ 11,760,216	\$ 304,684	\$ 3,697,439	\$ 15,762,339
PROJECTED ENDING FUND BALANCE				
June 30, 2021	\$ 11,519,197	\$ 304,684	\$ 4,088,754	\$ 15,912,634

Below are highlights of the proposed Mid-Year Budget:

Revenues for FY 2020-21 is projected at \$23.1 million.

Expenditures for FY 2020-21 is projected at \$23 million.

Results in a total budget surplus of \$150,295 for FY 2020-21.

Projected ending fund balance is \$15.9 million.

Background: The changes reflected in the Mid-Year Budget versus the Final Budget is due to unanticipated revenue and expenditures throughout the year not included in the Final Budget.

On the next page, Operations revenue increased \$1.6 million from the Final Budget. The increase was primarily due to \$1.3 million in strike team reimbursements. This increase in revenue was partially offset by \$846,714 in expenditures due to an increase of \$719,225 in salary and benefits to account for strike team overtime. The remaining \$127,489 increase related to consolidation costs which needed to be expensed this fiscal year.

For Fleet Services there is a passthrough of \$73,000 due to vehicle re-numbering, striping and logos for all District vehicles. The increase in the District subsidy of \$29,288 is due to other budget adjustments not billable to an agency.

Capital outlay decreased \$280,000 due to moving the cost of 50 SCBA units to the next fiscal year. The intent is to replace all SBCAs at once; the budget this fiscal year only allowed for half of total purchase cost.

SUMMARY OF BUDGET CHANGES
FISCAL YEAR 2020-21
Final to Mid-Year Comparison

	Final Budget FY 2020-21	Mid-Year Budget FY 2020-21	Final vs Mid-Year Budget	
			Difference B/ (W) \$	Percentage Change %
OPERATIONS				
<i>REVENUES</i>				
Property taxes	\$ 19,008,014	\$ 19,542,907	\$ 534,893	2.81%
Inter-Gov Revenues	\$ 402,722	\$ 1,702,722	\$ 1,300,000	322.80%
Other Revenue	\$ 1,057,712	\$ 853,212	\$ (204,500)	-19.33%
Total Revenues	\$ 20,468,449	\$ 22,098,842	\$ 1,630,393	7.97%
<i>EXPENDITURES</i>				
Salaries and employee benefits	\$ 16,673,439	\$ 17,392,664	\$ (719,225)	-4.31%
Services and supplies	\$ 3,824,709	\$ 3,952,197	\$ (127,489)	-3.33%
Operating Transfers	\$ 995,000	\$ 995,000	\$ -	0.00%
Total Expenditures	\$ 21,493,148	\$ 22,339,861	\$ (846,714)	-3.94%
TOTAL SURPLUS / (DEFICIT)	\$ (1,024,699)	\$ (241,020)	\$ 783,679	76.48%
FLEET SERVICES				
<i>REVENUES</i>				
	\$ 975,000	\$ 1,048,000	\$ 73,000	7.49%
<i>EXPENDITURES</i>				
Salaries and employee benefits	\$ 641,797	\$ 641,797	\$ -	0.00%
Services and supplies	\$ 816,528	\$ 918,816	\$ (102,288)	-12.53%
Subsidized by District	\$ (483,325)	\$ (512,613)	\$ 29,288	-6.06%
Total Expenditures	\$ 975,000	\$ 1,048,000	\$ (73,000)	-7.49%
TOTAL SURPLUS / (DEFICIT)	\$ -	\$ -	\$ -	0.00%
Subsidized by District	33%	33%		
CAPITAL OUTLAY				
<i>TRANSFER INS / INTEREST</i>				
	\$ 1,033,000	\$ 1,033,000	\$ -	0.00%
<i>EXPENDITURES</i>				
Vehicle replacement	\$ 349,938	\$ 349,938	\$ -	0.00%
Capital Improvement	\$ 291,748	\$ 291,748	\$ -	0.00%
Capital Equipment	\$ 280,000	\$ -	\$ 280,000	100.00%
Total Expenditures	\$ 921,686	\$ 641,686	\$ 280,000	30.38%
TOTAL SURPLUS / (DEFICIT)	\$ 111,315	\$ 391,315	\$ 280,000	-251.54%
TOTAL DISTRICT FUNDS				
TOTAL SURPLUS / (DEFICIT)	\$ (913,384)	\$ 150,295	\$ 1,063,679	116.45%

Cost Impacts:

Overall, there was a positive change from the FY 2020-21 Mid-Year Budget versus the Final budget; the budget resulted in a surplus of \$150,295 versus a deficit of \$(913,384), which is \$1.1 million better than the Final Budget.

Recommendation:

The Finance Committee approve the proposals as set forth in this Staff Report.

Attachments:

1. Mid-Year Budget Adjustments for Aptos La/Selva Fire (Detail)
2. Mid-Year Budget Adjustments for Central Fire (Detail)