

Those persons wishing to speak on any item, whether or not it is included on the agenda, are requested to fill out and submit to the Clerk of the Board a "Request to Speak" form. Thank you.

It is the intention of the Chino Valley Independent Fire District to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Chino Valley Independent Fire District will attempt to accommodate you in every reasonable manner. Please contact the Administration Office (909) 902-5260 at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the District's Administrative Headquarters, 14011 City Center Drive, Chino Hills, CA 91709.

CHINO VALLEY INDEPENDENT FIRE DISTRICT
Special Meeting - Standing Committee Meeting
Finance Committee

Administrative Headquarters
14011 City Center Drive
Chino Hills, CA 91709

Monday, January 27, 2020

8:00 AM

AGENDA

ROLL CALL

FLAG SALUTE

INVOCATION

PUBLIC COMMUNICATIONS

This is the time and place for the general public to address the Committee about subjects that do not appear elsewhere on the agenda. The public may address items on the agenda at the time addressed by the Committee.

Due to Board policy and Brown Act requirements, action may not be taken on any issue on the agenda. When you address the Committee, please state your name and address (optional) prior to making your remarks. Please limit your comments to 5 minutes.

MINUTES

1. Minutes - November 20, 2019 Meeting

OLD BUSINESS

2. None.

NEW BUSINESS

3. DISPOSITION OF SURPLUS VEHICLES

Purpose is to review the proposed disposition of Fire District surplus vehicles.

4. DISPOSITION OF SURPLUS AUDIO EQUIPMENT PROPERTY

Purpose is to review the proposed disposition of Fire District surplus audio equipment.

ADJOURNMENT

I, Sandra Heney, Clerk of the Board, on behalf of the Board of Directors, do hereby certify that a copy of this agenda has been posted by 4:00 p.m. on Friday, January 24, 2020.



Sandra Heney, Clerk of the Board

CHINO VALLEY INDEPENDENT FIRE DISTRICT

NO STAFF REPORT

Minutes - November 20, 2019 Meeting

PURPOSE:

ATTACHMENTS:

Minutes - November 20, 2019 Meeting

CHINO VALLEY INDEPENDENT FIRE DISTRICT
Special Meeting - Standing Committee Meeting
Finance Committee

Administrative Headquarters
14011 City Center Drive
Chino Hills, CA 91709

Wednesday, November 20, 2019
4:00 p.m. Committee Meeting

MINUTES

ROLL CALL

President John DeMonaco
Vice President Harvey Luth
Fire Chief Tim Shackelford
Deputy Chief Scott Atkinson
Finance Director Steve Heide
Melania Arredondo

FLAG SALUTE

President DeMonaco

INVOCATION

Robert Lewis, Jr., Fire District Chaplain.

PUBLIC COMMUNICATIONS

None.

MINUTES

1. Minutes – October 31, 2019 Meeting

There was a change to Item 2 of October 31, 2019 Board Meeting. Director Luth indicated that the item should be modified to reflect that the Board recommended Item 2 be received and filed as opposed to providing direction to staff.

OLD BUSINESS

None.

NEW BUSINESS

2. SURPLUS OF 1990 PIERCE DASH FIRE ENGINE (CHO 41)

Purpose is for the Finance Committee to discuss the surplus of a 1990 Pierce Dash (CHO-41) and potential options for unit disposition.

Deputy Chief Atkinson reported that the Fire District is expected to take delivery of the new Spartan Metrostar Type I engine in December of this year. The new engine will be placed into service as the frontline engine for Station 64. Currently, the 1990 Pierce Dash (CHO-14) serves as the reserve engine for that station.

Deputy Chief Atkinson stated that the intent is to place the current frontline engine a 2008 Smeal (74,601 miles) into reserve status, and it is recommended by staff to surplus the 1990 Pierce Dash (122,403 miles) after the new engine is placed into service.

Deputy Chief Atkinson stated that the 1990 Pierce Dash is the only engine still in service that dates back to the formation of the District. The engine has exceeded the district service life standard by nine years. Per NFPA and DMV requirements, the engine still requires an annual pump test, DOT inspections, fluid changes, and maintenance of wear/deterioration items such as belts, hoses, and tires. In summary, the engine will become a fiscal liability with no benefit to the District.

Deputy Chief Atkinson stated that a value assessment was conducted using various government, apparatus and auction sites. It was found that the asking prices for this type of apparatus would range from \$2,000 to \$2,500. The District would also incur the costs associated with the sale of the engine.

Deputy Chief Atkinson stated that if the Finance Committee is desirous of recommending the surplus of the 1990 Pierce Dash to the full Board, there are several options within policy for the disposition of this unit. Options include:

- Consignment for Auction through Ken Porter Auction services
- Transfer of ownership to Fire ETC for a yet-to-be-determined credit
- Donation to Mt. San Antonio Fire Academy. (Requested by Academy Commander)

Deputy Chief Atkinson stated that based on the age and condition of CHO-41, and the request by the Mt. SAC Academy Commander, staff is recommending the surplus of the engine and donation to the college for the fire academy training use.

Deputy Chief Atkinson stated that if designated for surplus and donation, staff would work with legal to draft the appropriate release to be executed by the college prior to release of donation of the engine.

Discussion was held regarding the Surplus of the 1990 Pierce Dash Fire Engine (CHO 41). President DeMonaco and Vice President Luth were both in favor of donating the Fire Engine to Mt. San Antonio Fire Academy.

The Finance Committee agreed to move this item to the consent calendar for full Board approval.

3. TYPE I ENGINE REPLACEMENT/PURCHASE

Purpose is for the Finance Committee to review the proposed encumbrance of funds associated with the purchase of two (2) replacement Type I Engines to be funded from the 2020/21 budget.

Deputy Chief Atkinson reported that he, the Fleet and Facilities Coordinator, and the Apparatus and Equipment Committee met in August of 2019 to evaluate the entire emergency response fleet. The meeting objectives were to review the current state of the emergency fleet as well as to create a five-year heavy apparatus and surplus plan. The plan will assist in the future budgetary process. Staff will be providing a fleet overview to the Fire Board in the first quarter of 2020.

Deputy Chief Atkinson stated that the evaluation of the fleet (both frontline and reserve) considered the engine assignment, the age of apparatus, the current and expected mileage accumulation, the overall apparatus maintenance costs, and the district service life standard; Frontline Service 12 years or 120,000 miles and Reserve Service 8 years or 140,000 miles (20 total years of service).

Fleet (Fire Engines)	Average Years in Service	Average Mileage on the Engines
Frontline	8.14	70,200
Reserve	20.66	141,000

Deputy Chief Atkinson stated that the evaluation identified that 66% of the reserve engines have exceeded the district service life standards, and the repair costs associated with maintaining the reserve fleet is double per mile that of the frontline fleet. The purchase of two (2) Type I Engines would allow the district to surplus aging reserve engines and reduce overall maintenance costs.

Deputy Chief Atkinson stated that the new engines would be slated to replace two (2) frontline engines, which then can be moved into the reserve fleet. The reserve fleet will then surplus two (2) 22-year-old engines that have exceeded their service life in both years and miles (153,000 and 158,000 miles).

Deputy Chief Atkinson stated that staff is recommending the purchase of two (2) Pierce Arrow XT Triple Combination PUC Pumpers. By purchasing two engines at the same time, the district would benefit in the following ways:

- Surplus reserve engines that have exceeded their service life
- Reduction in reserve fleet maintenance costs
- Save 3% (\$20,000) on the second engine if purchased in 2019 (calendar year)
- Save on Fire District Staff inspection trips to the factory (3 vs. 6 visits)
- A \$10,000 (per engine) discount for a multiple engine purchase
- If 100% pre-payment is made at contract signing a savings of \$22,029 per engine is applied

Deputy Chief Atkinson stated that the Pierce PUC engine purchase can be tagged to a Los Angeles City bid award, which meets the requirements of the District's purchasing policy based on the use of pre-competed bid pricing. Staff is recommending the purchase from South Coast of Ontario, California, for two (2) 2020 Type I Pierce Arrow XT Triple Combination PUCs. To receive the best pricing, staff also recommends the 100% pre-payment option.

Deputy Chief Atkinson stated that the price for an engine before the above-referenced savings would be \$794,186.32. With all of the applicable discounts, the combined savings from ordering two engines prior to December 31, 2019, and utilizing the pre-payment option, the total purchase price per engine would be \$735,968.41. The total price for two engines, including the savings, would be \$1,471,877.67.

Deputy Chief Atkinson stated that as the engines' delivery date would be approximately 360 days from the date of the purchase order, the funds would be legally encumbered (committed) upon signing of the contract and issuance of the purchase order. However, due to the extended build time and since the engines would not be placed in service until the 2020/21 fiscal year the funds would be budgeted in the next fiscal year.

Deputy Chief Atkinson stated that upon delivery of the new Type I Engines, two (2) 1997 KMEs would be recommended for surplus.

Deputy Chief Atkinson stated that staff would work with legal to ensure that the purchase agreement preserves all of the appropriate rights and protections for the District, especially with the exercise of the full pre-payment option at the time of order. Staff is further recommending that the Fire Chief be designated authority by the Board to execute the purchase agreement and related legal and contractual documents.

There was discussion held regarding purchasing options and discounts related to the Type I engine replacement/purchase. President DeMonaco asked if it was possible to present 2

options; (1) to purchase two engines, and (2) to purchase four engines at the same time to avoid the 3% annual increase that would occur if purchased at a later time.

Finance Director Steve Heide will provide both options to the full Board for consideration.

4. APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019-20

Purpose is for the Finance Committee to review the method for computing the Fire District's appropriations limit and to review the proposed Board resolution for establishing the annual appropriation limit.

Finance Director Heide reported that pursuant to Article XIII B of the California State Constitution, the Fire Board must choose a method for the computation of the District's annual appropriations limit and adopt the limit by resolution.

Finance Director Heide stated that as detailed on the attached worksheet, it is recommended that the Fire Board select that method of computation which uses a factor comprised of the annual change in population for Chino/Chino Hills, combined with the change in the local assessment roll due to the addition of local non-residential new construction. This method results in the highest increase in the Fire District's appropriations limit.

The Finance Committee agreed to move this item to the consent calendar for full Board approval.

5. FY 2018-19 DRAFT AUDIT REPORTS

Purpose is to present the Fiscal Year 2018-19 draft Comprehensive Annual Financial Report and related draft disclosure letters to the Finance Committee for review.

Finance Director Heide reported that the financial audit for the fiscal year ended June 30, 2019, has been completed. In conjunction with completion of the audit, the District is issuing a Comprehensive Annual Financial Report (CAFR). Through the preparation of a CAFR, the District is able to present a robust picture of the District's financial condition. Benefits of preparing a CAFR include full public transparency and disclosure to citizens and other stakeholders, the availability of additional financial information for credit rating agencies and other users of the District's financial statements, and the ability for the District to participate in financial reporting award programs. Staff anticipates once again submitting this year's CAFR to the Government Finance Officers Association (GFOA) for consideration of national award recognition.

Finance Director Heide stated that the attached draft CAFR has been prepared in a standard, nationally recognized format, in accordance with Generally Accepted Accounting Principles (GAAP) and guidelines issued by the GFOA. The CAFR is organized into three basic sections:

1. **Introductory Section** – Includes the transmittal letter and basic organizational information regarding the District;
2. **Financial Section** – Includes the Independent Auditor’s Report, Management’s Discussion and Analysis (MD&A), the government-wide and fund financial statements, as well as the notes to the financial statements and other required supplementary schedules;
3. **Statistical Section** – Includes detailed financial trend information intended to provide additional context for the District’s overall financial health.

Finance Director Heide stated that our auditors, Eide Bailly LLP (formerly Vavrinek, Trine, Day & Co., LLP), issued an unqualified opinion on our financial statements, which is also commonly referred to as a “clean” opinion. The CAFR incorporates and replaces the District’s traditional audited financial statements. With regard to the CAFR, the audit opinion does not extend to the introductory or statistical sections.

Finance Director Heide stated that included with the draft CAFR for purposes of review and discussion, are the standard disclosure letters issued by Eide Bailly. These reports are also currently in draft form, to provide opportunity for Committee review. Should the Committee direct staff to finalize the reports as presented, and move this item forward to the full Board, the documents will be issued in final form prior to being presented to the Board. The audit partner from Eide Bailly in charge of the audit is scheduled to present an overview of the audit at the Board meeting, and will be able to address any questions or concerns at that time.

Finance Director Heide stated that the draft audit-related documents included in the packet and attached to the draft CAFR are as follows:

1. **Independent Accountants’ Report on Agreed-upon Procedures Applied to Appropriations Limit Calculation** – Auditor’s report on the review of the annual Appropriations Limit Calculation.
2. **Statement on Accounting Standards (SAS) 114 Letter** – Auditor’s disclosure of their responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of the audit.
3. **Compliance Letter** – Independent Auditors’ 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.

Finance Director Heide stated that also included in the financial section of the District’s draft CAFR is the MD&A. As the title suggests, this is management’s opportunity to provide context to the audited financial statements. The MD&A includes additional information which may be helpful to readers of the District’s CAFR.

Finance Director Heide stated that as noted in the Service Excellence section of the Transmittal Letter, the District has achieved dual award recognition from GFOA this past year, with both a *Certificate of Achievement for Excellence in Financial Reporting Award* for our 2017-18 CAFR, as well as a *Distinguished Budget Presentation Award* for our 2018-19 operating budget.

Finance Director Heide stated that also as noted in the *Major Initiatives* section of the Transmittal Letter that:

- In 2019, the District transitioned to the CONFIRE Regional Communications Center for contract emergency dispatch and related services. CONFIRE is a joint powers authority (JPA) established to provide communications, dispatch, computer information systems and geographic information systems to member and contract agencies.
- The District is currently in negotiations with the City of Chino Hills for the construction of Fire Station No. 68.
- In FY20, the District intends to engage an outside actuary to review actuarially-based projected fiscal impacts of various accelerated pension funding scenarios, including the use of accumulated Section 115 Retirement Trust funds to further reduce pension liabilities.

Finance Director Heide stated that with regard to the General Fund, total revenues for FY19 were roughly \$44.33 million, compared to about \$44.38 million in expenditures, resulting in a slight decrease in fund balance for the fiscal year of about \$45 thousand. Ending General Fund balance at June 30, 2019 amounted to \$26.3 million. About \$6.1 million of fund balance was restricted in the District's Section 115 Retirement Trust, to be used exclusively to fund retirement obligations.

Finance Director Heide stated that the MD&A provides additional comment on General Fund variances between budget and actual financial performance, and comparisons of FY19 and FY18 actuals. The financial section of the CAFR also includes a supplemental schedule comparing budget to actuals for the fiscal year.

Finance Director Heide recapped on a few items that were listed in the FY 2018-19 Audit Reports. Finance Director Heide furthermore clarified that on Page 25 of the report as it pertains to Salaries and Benefits, indicates that the District's salaries are \$900,000 **over** budget, but should be corrected to indicate that the salaries are \$900,000 **under** budget.

The Finance Committee agreed to move this item to the full Board for approval.

ADJOURNMENT

The meeting was adjourned at 5:13 p.m.

CHINO VALLEY INDEPENDENT FIRE DISTRICT

NO STAFF REPORT

None.

**CHINO VALLEY INDEPENDENT FIRE DISTRICT
STAFF REPORT**

DATE: JANUARY 27, 2020

TO: FINANCE COMMITTEE

FROM: TIM SHACKELFORD, FIRE CHIEF

SUBJECT: DISPOSITION OF SURPLUS VEHICLES

PURPOSE:

Purpose is to review the proposed disposition of Fire District surplus vehicles.

DISCUSSION:

District personnel have conducted a property survey and identified several vehicles that no longer meet the needs of the District.

Vehicles recommended for surplus are:

Year	Make	Model	CHO	VIN#	Assignment
2000	GMC	Safari Passenger	82	1GKDM19W6YB52051	Staff Vehicle
2005	Dodge	Stratus	100	1B3AL46R65N702554	Staff Vehicle
2006	Dodge	Stratus	101	1B3AL46R86N120019	Chaplain - previous

If approved by the Board, the District's surplus vehicles will be disposed of in accordance with current policy as set forth in the District Policy, *Disposition of Surplus Property*.

It is anticipated that these items will be consigned to a commercial auction house for sale.

The fiscal impact is unknown, as the disposition will generate an indeterminate amount of revenue to the District.

RECOMMENDATION:

It is recommended that the Finance Committee review the proposed disposition of the Fire District's surplus vehicles as identified, and provide direction to staff.

ATTACHMENTS:

Vehicles Recommended for Surplus

Vehicles Recommended for Surplus

2000 GMC Safari Passenger Van



2005 Dodge Stratus Sedan



2006 Dodge Stratus Sedan



**CHINO VALLEY INDEPENDENT FIRE DISTRICT
STAFF REPORT**

DATE: JANUARY 27, 2020

TO: FINANCE COMMITTEE

FROM: TIM SHACKELFORD, FIRE CHIEF

SUBJECT: DISPOSITION OF SURPLUS AUDIO EQUIPMENT PROPERTY

PURPOSE:

Purpose is to review the proposed disposition of Fire District surplus audio equipment.

DISCUSSION:

District personnel have conducted a property survey and identified audio equipment that is outdated and no longer useable. The equipment was purchased over 20 years ago.

Audio equipment recommended for surplus is:

Number of Pieces	Item	Brand
1	Mixing Console	Yamaha
3	QSC Amplifier	Yamaha
1	SM 58 Microphone	Shure
2	Passive Speaker	JBL
2	Passive Speaker	Electro-Voice
1	Microphone Compressor	PreSonus
2	Speaker Cable 200ft	Unknown
1	Microphone Cable – 25ft	Unknown
1	Rolling Storage Case	Unknown
1	Storage Box for Cable	Unknown

If approved by the Board, the District's surplus audio equipment will be disposed of in accordance with current policy as set forth in the District Policy, *Disposition of Surplus Property*. The District would seek to sell the items if possible.

The fiscal impact is unknown, as the disposition will generate an indeterminate amount of revenue to the District.

RECOMMENDATION:

It is recommended that the Finance Committee review the proposed disposition of the Fire District's audio equipment as identified, and provide direction to staff.

ATTACHMENTS:

Audio Equipment for Surplus

Audio Equipment for Surplus

