

**CHINO VALLEY INDEPENDENT FIRE DISTRICT**  
*Special Meeting – Standing Committee Meeting*  
*Finance Committee*

Administrative Headquarters  
14011 City Center Drive  
Chino Hills, CA 91709

Monday, February 24, 2020  
8:00 a.m. Committee Meeting

**MINUTES**

ROLL CALL

President Harvey Luth  
Vice President Sarah Ramos-Evinger  
Fire Chief Tim Shackelford  
Finance Director Steve Heide  
Clerk of the Board Sandra Heney

FLAG SALUTE

President Luth

PUBLIC COMMUNICATIONS

None.

MINUTES

1. Minutes-January 27, 2020 Meeting

The Committee agreed to file the minutes, as presented.

OLD BUSINESS

None.

NEW BUSINESS

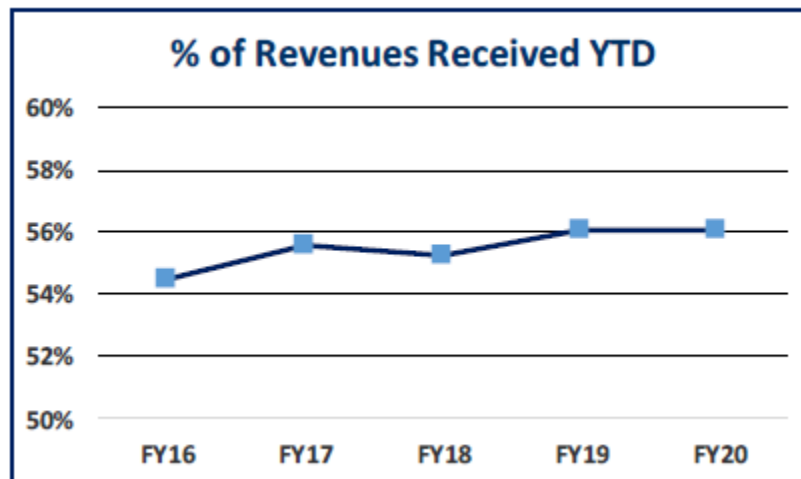
2. 2019-20 MID-YEAR BUDGET REVIEW AND ANALYSIS

Finance Director Heide stated that staff has conducted a mid-year budget review and analysis, focusing on budget trends and projections of revenues and expenditures for the balance of the fiscal year. As of January 31, 2020, the District was seven months into the 2019-20 fiscal year and the year was 58% complete. The associated analysis is summarized below.

**Revenues**

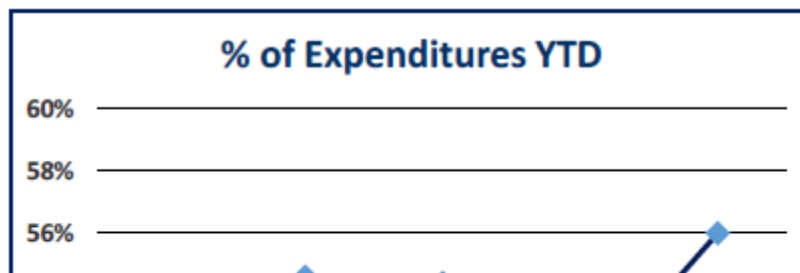
Finance Director Heide stated that through January 31, total revenues amounted to 56% of budget, compared to a range of 54% to 56% of actual revenues for the same time period in the prior four fiscal years. Accordingly, budgeted revenues received this fiscal year-to-date through January 31 are largely consistent with that of recent prior years, and on track with the Fiscal 2019-20 budget.

Finance Director Heide stated that based on projections for the balance of the fiscal year, and also in conjunction with recent meetings with our property tax consultant from HdL Coren and Cone, property tax-related revenues may potentially come in 1% to 2% higher than originally budgeted.



**Expenditures**

Finance Director Heide stated that Fiscal year-to-date expenditures were 55% of overall budget through January, compared to a range of 51% to 55% for the prior four fiscal years-to-date through January 31. The chart below depicts the five-year trend in fiscal year-to-date expenses as a percent of actuals or budget (FY20).



Finance Director Heide stated that although timing of certain non-labor expenditures can vary significantly from year-to-year, at 42% of budget, total services and supplies expenditures through January 31 are at about where we would expect at this point in the fiscal year, trending roughly consistently with the most recent four-year average for the fiscal year-to-date.

Finance Director Heide stated that salary and benefit expenditures for the fiscal year-to-date through January 31 are unfortunately trending higher than any of the last four fiscal years, and are roughly 3% to 4% higher in total than the four-year average from FY16 through FY19.

Finance Director Heide stated that the detailed portion of the Monthly Financial Report at January 31, 2020 is attached to this report. Under the Expense section of the report, those line items shaded in blue represent favorable budget trends, while those line items shaded in red represent unfavorable budget trends.

Chino Valley Fire District										
Multi-Year Trends thru January (Mid-Fiscal Year)										
As of January 31, 2020										
	FY2016		FY2017		FY2018		FY2019		FY2020	
	Actuals YTD Thru January	% of Actuals YTD	Actuals YTD Thru January	% of Actuals YTD	Actuals YTD Thru January	% of Actuals YTD	Actuals YTD Thru January	% of Actuals YTD	Actuals YTD Thru January	% of Budget YTD
Funds 100/500										
REVENUE										
Property tax revenue	\$ 13,459,062	54%	\$ 14,563,536	55%	\$ 16,029,049	56%	\$ 16,563,207	54%	\$ 17,928,755	54%
Contract revenue	4,684,032	57%	5,301,270	64%	5,222,077	46%	6,584,308	46%	5,909,763	46%
Other revenue	846,929	44%	611,292	33%	1,299,611	70%	1,488,167	70%	1,251,505	70%
REVENUE TOTALS	\$18,990,023	54%	\$20,476,098	56%	\$22,550,737	55%	\$24,635,682	56%	\$25,090,023	56%
EXPENSE										
Salaries and benefits	\$ 14,788,731	55%	\$ 16,703,751	56%	\$ 18,550,530	56%	\$ 19,677,606	55%	\$ 21,470,669	59%
Services and supplies	2,136,818	47%	1,957,521	43%	2,130,407	43%	2,319,608	39%	2,887,688	42%
Capital outlay	586,206	21%	1,478,330	65%	290,486	43%	610,197	22%	854,665	42%
EXPENSE TOTALS	\$17,511,755	51%	\$20,139,601	55%	\$20,971,424	54%	\$22,607,411	51%	\$25,213,021	56%

Finance Director Heide noted that coverage – worker’s compensation and worker’s compensation expense will likely require significant budget adjustments to meet projected expenses before the end of the fiscal year. Worker’s compensation expenses having been trending in this direction over the last couple of years, and although we had increased budget for these line items from last fiscal year, additional budgetary authority in this area will be required before fiscal year-end.

Finance Director Heide stated that other unfavorable budgetary trends identified in this analysis will likely be largely offset by favorable budget trends also identified in the

attached. It is anticipated that final budget adjustments for this fiscal year will be presented to the Board for approval in April, and no board action is required at this time.

Finance Director Heide stated that some additional budgetary savings may result from unexpended budgetary requests in a number of budget line items by year-end, although the associated fiscal impact of any unexpended funds is not determinable at this time. Based on current trends, staff is projecting a need to request about \$1 million in additional net budgetary authority by year-end, largely due to the projected fiscal impacts of the aforementioned worker's compensation expenses.

Finance Director Heide stated that it is also anticipated that staff will recommend an additional discretionary pension contribution to the California Public Employees Retirement System (CalPERS) for the Board's consideration in April as well. Any such request would necessitate a budget adjustment at that time.

Discussion was held regarding the mid-year budget.

The Finance Committee agreed to move this item to the Full Board for approval as a New Business Item.

#### ADJOURNMENT

The meeting was adjourned at 8:26 a.m.