

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

Administrative Headquarters  
14011 City Center Drive  
Chino Hills, CA 91709

Monday, March 27, 2023  
8:00 a.m. Committee Meeting

**MINUTES**

TELECONFERENCE MEETING ANNOUNCEMENT

President DeMonaco opened the meeting at 8:00 a.m. He explained the process for members of the public to participate in the meeting and provide public comment.

ROLL CALL

President John DeMonaco  
Vice President Harvey Luth  
Fire Chief Dave Williams  
Deputy Chief Carlos Skibar  
Acting Deputy Chief Dean Smith  
Finance Director Mark Shaker  
Clerk of the Board Angela Robles  
Deputy Clerk of the Board Ariana Cisneros

FLAG SALUTE

President John DeMonaco led the flag salute.

INVOCATION

Chaplain Marco Miranda provided the invocation.

CHANGES TO THE AGENDA

Clerk of the Board Robles stated that there were no changes.

PUBLIC COMMUNICATIONS

None.

MINUTES

1. Minutes – February 27, 2023 Meeting

The Committee agreed to file the minutes, as presented.

OLD BUSINESS

None.

NEW BUSINESS

2. RESOLUTION NO. 2023-04 APPROVING MID-YEAR BUDGET ADJUSTMENTS AS BUDGET AMENDMENT NUMBER 2 FOR FISCAL YEAR 2022-23

Purpose is to review and discuss Resolution No. 2023-04, approving mid-year budget adjustments as Budget Amendment Number 2 for FY23.

Report by Finance Director Mark Shaker.

Finance Director Shaker reported the District has reached the beginning of the 4<sup>th</sup> quarter of the current fiscal year allowing for budget adjustments for the rest of the fiscal year. Finance Director Mark Shaker presented a draft copy of Resolution No.2023-04 which allows for a budget amendment for FY23 of \$1.5 million, based on additional revenues of roughly \$3.2 million, compared to additional net expenditures of about \$1.7 million.

Included in this amendment are unanticipated funds as a result of a routine property tax audit resulting in an approximate \$1.9 million adjustment to the Fire District's property tax revenues and a related expense of approximately \$500 thousand for the property tax audit contingency cost.

Additionally, funds received and associated overtime coverage expenditures as a result of the Assistance by Hire (ABH) agreement with American Medical Response for transport services through October 2022, was not contemplated during the original budget development process but are captured in this budget amendment. Also included in this amendment is a higher than budgeted mutual aid revenue recoveries and coverage costs associated with out-of-area reimbursable incident responses requiring the need for this budget adjustment.

President DeMonaco asked if there was Public comment.

There was no request from the public to speak on this item.

President DeMonaco asked for Committee comment.

There was no Board comment.

The Finance Committee agreed to place this item on New Business for approval by the Board of Directors at the next regular meeting.

3. RESOLUTION NO. 2023-05 ALLOCATING SURPLUS FUNDS TO REDUCE PENSION LIABILITIES THROUGH BUDGET AMENDMENT NUMBER 3 FOR FISCAL YEAR 2022-23

Purpose is to review and discuss Resolution No. 2023-05 for the proposed allocation of FY22 budget surplus funds toward reduction of pension liabilities as Budget Adjustment Number 3.

Report by Finance Director Mark Shaker.

Finance Director Shaker reported that in FY17, the District adopted the Chino Valley Fire District 115 Retirement Trust, an irrevocable Internal Revenue Service Code Section 115 Trust for accelerated pension funding. With the adoption of the retirement trust, a funding policy was also approved which specified that up to one-third (1/3rd) of annual excess revenues, or budget surplus, will be allocated toward the accelerated reduction of pension liabilities.

Per Policy, the Fiscal year excess revenues are held in reserve for accelerated pension funding could be contributed to the District's retirement trust, directly to the California Public Employees Retirement System (CalPERS) on behalf of the District's employees, or in combination to these two funding vehicles.

The District's FY22 ACFR reported annual excess revenues in the General Fund (budget surplus) of \$6,431,658. Of this amount, \$3,320,209 was from a one-time COVID Relief Funding received from the State of California which was partially allocated to reduce pension obligations in FY22. Adjusted for this one-time revenue, unrestricted excess revenues for FY22 amounted to \$3,111,449.

Per the surplus policy, the one-third (1/3rd) calculation would generate \$1,037,150 in additional pension funding this fiscal year. If approved, staff would recommend continuing the practice of a 50/50 split of this amount, with 50% directly to CalPERS as an additional discretionary retirement fund payment, and the other half to The Chino Valley Fire District 115 Retirement Trust.

There was no request from the public to speak on this item.

President DeMonaco asked for Committee comment.

Discussion was held regarding the allocation of \$1,037,150 from unassigned General Fund balance toward the reduction of pension liabilities or for capital projects (Fire Station 68 and Essential Resource Facility) in the Facility Acquisition and Maintenance Fund.

The Finance Committee agreed to place this item on New Business for further discussion among the full board for approval by the Board of Directors at the next regular meeting.

#### ADJOURNMENT

The meeting was adjourned at 8:29 a.m.