



Valley of the Moon Fire Protection District

Board of Directors Meeting

March 10, 2015





Valley of the Moon Fire Protection District

Board of Directors Meeting

March 10, 2015

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MEETING AGENDA
VALLEY OF THE MOON FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS

Tuesday, March 10, 2015 at 6:00 P.M.
Location: Sonoma Valley Fire & Rescue Authority Station #1
630 2nd Street West, Sonoma, California 95476

(This agenda is posted in accordance with the Ralph M. Brown Act,
California Government Code Section 54950, et seq.)

1. CALL TO ORDER

2. ROLL CALL & DETERMINATION OF A QUORUM

Board of Directors: President Brunton, Director Norton, Director Greben, Director Brady and Director Leen

3. PLEDGE OF ALLEGIANCE

4. CONFIRMATION OF AGENDA

Opportunity for the Board to reorder agenda items

5. COMMENTS FROM THE PUBLIC

(At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for consideration by the Board of Directors.)

6. PRESENTATIONS

Fiscal year 2013/14 financial audit presentation

7. CONSENT CALENDAR

Approval of minutes for regular meeting of February 10, 2015. **Action Item**

8. FIRE CHIEF'S MONTHLY REPORT

Chief's activity report for February 2015

9. OLD BUSINESS

Update from Strategic Plan Ad-Hoc Committee

10. NEW BUSINESS

- a) Resolution 2014/2015-10 accepting the mid-year financial report and approving amendments to the fiscal year 2014/15 operating budget. **Action Item with roll call vote**
- b) Resolution 2014/2015-11 approving the district fund balance policy. **Action item with roll call vote**

11. OTHER BUSINESS TO COME BEFORE THE BOARD

12. COMMENTS FROM THE FLOOR

13. COMMENTS FROM THE BOARD

L.A.F.C.O. report from President Brunton

14. CLOSED SESSION

None scheduled

15. ADJOURNMENT

This meeting will be adjourned to a regular meeting on April 14, 2015 at 6:00 P.M. in the Training Room of Sonoma Valley Fire & Rescue Authority Station 1, located at 630 2nd Street West, Sonoma.

Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available for public inspection the Monday before each regularly scheduled meeting during regular business hours, 8:00 a.m. to 5:00 p.m. Monday through Friday, at Sonoma Valley Fire & Rescue Authority's Station 1, located at 630 2nd Street West, Sonoma, California.

Any documents subject to disclosure that are provided to all, or a majority of all, of the members of the Board of Directors regarding any item on this agenda after the agenda has been distributed will be made available for inspection at the location listed above during regular business hours. If you challenge the action of the Board in court, you may be limited to raising only those issues you or someone else raised at the public hearing described on the agenda, or in written correspondence delivered to the Valley of the Moon Fire Protection District Board of Directors, at or prior to the public hearing.

In accordance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the secretary for the Board at (707) 996-2102. Notification 48 hours before the meeting will enable the Valley of the Moon Fire Protection District to make reasonable arrangements to ensure accessibility to this meeting.



Valley of the Moon Fire Protection District

Board of Directors Meeting

Agenda Item Summary

March 10, 2015



Agenda Item No.		Staff Contact	
7		Georgette Darcy, Admin. Analyst/Secretary to Board	
Agenda Item Title			
Approval of minutes for regular meeting of February 10, 2015			
Recommended Actions			
Approve the minutes			
Executive Summary			
The minutes have been prepared for Board review and approval.			
Alternative Actions			
Correct or amend minutes prior to approval			
Strategic Plan Alignment			
Not applicable			
Fiscal Summary – FY 14/15			
Expenditures		Funding Source(s)	
Budgeted Amount	\$	Fees/Other	\$
Add Appropriations Req'd.	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$
Narrative Explanation of Fiscal Impacts (if required)			
Not required			
Attachments			
Minutes for February 10, 2015 regular meeting			

VALLEY OF THE MOON FIRE PROTECTION DISTRICT

REGULAR BOARD OF DIRECTORS MEETING MINUTES

February 10, 2015

1. CALL TO ORDER

President Brunton called the meeting to order at 6:05 p.m.

2. ROLL CALL & DETERMINATION OF A QUORUM

Board of Directors: President Brunton, Director Norton, Director Brady, Director Greben, and Director Leen.

3. PLEDGE OF ALLEGIANCE

Director Greben led the Pledge of Allegiance.

4. CONFIRMATION OF AGENDA

There were no changes to the agenda.

5. PUBLIC HEARING

A public hearing was held to repeal Ordinance 2013/2014-01 and establish a revised schedule of fees to offset the cost of service provided. There was no public attendance at the hearing.

6. PRESENTATIONS

None

7. CONSENT CALENDAR

a) Approval of minutes for regular meeting of January 13, 2015

M/S/P Brady Norton to approve minutes for January 13, 2015. Passed 4 ayes

8. FIRE CHIEFS' MONTHLY REPORT

Fire Chief Freeman gave his activity report for January 2015.

9. OLD BUSINESS

None

10. NEW BUSINESS

Ordinance 2014/2015-02 revising the schedule of fees for the District to cover the costs of providing services, issuing permits, and enforcing regulations within the District

M/S/P Leen/Norton to revise schedule of fees. Passed 5 ayes

11. OTHER BUSINESS TO COME BEFORE THE BOARD

None

12. COMMENTS FROM THE FLOOR

None

13. COMMENTS FROM THE BOARD

a) President Brunton gave his LAFCO report.

b) Director Leen reported that he attended the Board of Supervisors meeting this morning where the Advertising Program Grant Awards were announced. The District will receive \$20,000 in fiscal year 2015/16. Chief Freeman expressed his thanks to Engineer Harper for completing the application.

14. CLOSED SESSION

None

15. ADJOURNMENT

The meeting was adjourned at 7:45 p.m. to a regular meeting on March 10, 2015 at 6:00 p.m. in the Training Room at Station 1, located at 630 2nd Street West, Sonoma.

Respectfully submitted,

Georgette Darcy

President Brunton

Director Norton

Director Greben

Director Brady

Director Leen



Valley of the Moon Fire Protection District

Board of Directors Meeting

Agenda Item Summary

March 10, 2015

**Agenda Item No.**

10A

Staff Contact

DeAnna Hilbrants, District Treasurer

Agenda Item Title

Resolution 2014/2015-10 Accepting the Mid-year Financial Report and Approving Amendments to the Fiscal Year 2014/15 Operating Budget

Recommended Actions

Accept and approve Resolution 2014/2015-10

Executive Summary

Subsequent to the adoption of the 2014/15 operating budget, issues requiring a budget amendment have developed. A review of the mid-year budget determined that the following amendment be made:

Account	Amendment
798-00000-000-31108	Increase budgeted revenues by \$318,000 (from \$0 to \$318,000).
798-68901-130-40130	Increase budgeted appropriations by \$318,000 (from \$550,000 to \$868,000)

This amendment would adjust the final budget amount from \$8,314,716 to \$8,632,716.

Alternative Actions

Request more information prior to approval

Strategic Plan Alignment

Not applicable

Fiscal Summary – FY 14/15

Expenditures		Funding Source(s)	
Budgeted Amount	\$8,314,716	Fees/Other	\$318,000
Add Appropriations Req'd.	\$ 318,000	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$8,632,716	Total Sources	\$318,000

Narrative Explanation of Fiscal Impacts (if required)

The \$318,000 will be offset by OES strike team reimbursements in FY 2014/15.

Attachments

- 1) Mid-year financial report for FY 2014/15
- 2) SVFRA mid-year budget report
- 3) Valley of the Moon FPD mid-year budget report
- 4) Resolution 2014/2015-10



VALLEY OF THE MOON FIRE DISTRICT

1 West Agua Caliente Road
Sonoma, CA 95476

March 10, 2015

EXECUTIVE SUMMARY

TO: Board of Directors

FROM: DeAnna Hilbrants,
Treasurer, Valley of the Moon Fire District / Finance Director, City of Sonoma

SUBJECT: MID YEAR FINANCIAL REPORT FOR FISCAL YEAR 2014 – 2015

Presented for information is a snapshot of revenues and expenses at Mid-Year for the Sonoma Valley Fire and Rescue Authority (SVFRA) and the Valley of the Moon Fire District. The report is divided into two sections. Section 1 reports on the financial status of the Sonoma Valley Fire & Rescue Authority (SVFRA). Section 2 reports on the financial status of the Valley of the Moon Fire District for the period July 1, 2014 through December 31, 2014. These reports are intended to provide the public and the Board of Directors with a financial picture of the agencies for Fiscal 2014/2015 budget and are not inclusive of all transactions.

SECTION 1. SONOMA VALLEY FIRE RESCUE AUTHORITY (SVFRA)

REVENUE: The primary budgeted revenue is derived through the transfer of funds from the City of Sonoma and the District to fund operations. For the 2014/2015 fiscal year, staff from the District and City collaborated to identify additional sources of revenue to be derived from the SVFRA and budgeted these revenues (Fire Inspections and Plan Check Fees) to support operations.

EXPENDITURES: Expenditure are at 54% of budget. As noted in the revenue section, this is primarily related to use of overtime for strike team events. These amounts will be reimbursed by the State. Other line items that are over budget are typically related to timing of payments (for example, dispatch services are paid in advance) or to one-time expenses.

FUND STATUS: For SVFRA, revenues are currently trailing budget by \$225,574.95. This is primarily a result of costs incurred for strike team participation on wildland fire events, which is reimbursed by the State at a later date. Because participation in strike team is unknown at budget time, both the overtime expense and the reimbursement are unbudgeted.

RECOMMENDED AMENDMENT: Each year District Staff (via the SVFRA) participate as strike team members in wildland fire events. The costs of overtime required for this participation is reimbursed by the State of California Office of Emergency Services. Because this number of events and participation of the District staff on strike teams are unknown at the time of budget submittal, these costs are unbudgeted. Staff recommends the following amendment to the SVFRA budget. This proposed amendment has no net cost impact to the District or to the City, as all costs are reimbursed by the State of California.

Account	Amendment
798-00000-000-31108	Increase budgeted revenues by \$318,000 (from \$0 to \$318,000).
798-68901-130-40130	Increase budgeted appropriations by \$318,000 (from \$550,000 to \$868,000)

SECTION 2. VALLEY OF THE MOON FIRE DISTRICT

REVENUE: With 50% of the fiscal year complete, revenue is at 57% of budget. This is primarily related to increase in property tax collections.

EXPENDITURES: As of December 31, 2014, District Expenses are at 51% of budget. This slight overage is primarily related to one-time expenses, including payment of lease for the new fire engine and costs of compensated absences.

FUND STATUS:

As of December 31, 2014, VOM revenues exceed budget by \$240,708. Note that some of this difference is related to timing of invoices for expenses, as many vendors submit invoices after the month is complete.

ACTIONS REQUESTED AT MIDYEAR:

- 1) Accept Mid-Year Report
- 2) Adopt Resolution Accepting Mid-Year Financial Report and Approving Amendments to the 2014/2015 Operating Budget.

ATTACHMENTS TO THIS REPORT:

1. *Summary Report for SVFRA Trust Fund*
2. *Summary Report for VOM Fire Trust Fund*

Sonoma Valley Fire and Rescue Authority

Mid Year Budget Report

(Revenue and Expense Snapshot as of December 31, 2014)



Account Number	Description	Budget Amount	Actual Expended	% of Budget Used
Fund 798	SVFRA Contract			
REVENUE				
798-00000-000-30111	Fire Plan Check Fees	0.00	0.00	N/A
798-00000-000-30116	Fire Inspection & Process. Fee	-50,000.00	-19,785.98	40%
798-00000-000-30602	Interest Income VOM Only	0.00	0.00	N/A
798-00000-000-31108	Special Fire Svs-State Reimb	0.00	-72,528.38	Not Budgeted
798-00000-000-31407	SVFRA Mechanic Svs Agmt	-10,000.00	-3,278.00	33%
798-00000-000-31409	Svfra Contract For Fire Svs	0.00	0.00	N/A
798-00000-000-35004	Reimbursements	0.00	0.00	N/A
798-00000-000-35005	Other - Miscellaneous Revenues	0.00	-477.52	Not Budgeted
798-00000-000-35014	Refunds & Rebates	0.00	-214.13	Not Budgeted
798-00000-000-37200	Operating Transfer In	-8,254,716.00	-4,127,358.00	50%
	REVENUE Totals:	-8,314,716.00	-4,223,642.01	51%
EXPENSE				
Department 68901				
798-68901-110-40110	Regular Employe	3,947,711.00	2,004,831.09	51%
798-68901-115-40115	Retirement Vom	1,490,421.00	753,330.76	51%
798-68901-117-40117	Medicare-Vom	69,007.00	38,773.57	56%
798-68901-118-40118	Income Protection	4,150.00	0.00	0%
798-68901-120-40120	P/T Wrkr Salry	264,940.00	119,358.14	45%
798-68901-130-40130	Overtime	550,000.00	532,310.73	97%
798-68901-201-40201	Emply Ins-Vom	712,215.00	338,998.58	48%
798-68901-202-40202	Workrs Comp-Vom	328,862.00	159,834.00	49%
798-68901-223-40223	Unemployment	5,000.00	5,375.00	108%
798-68901-310-50310	Legal	0.00	181.00	Not Budgeted
798-68901-311-50311	Acctng/Audit	5,000.00	1,440.00	29%
798-68901-312-50312	Recruitment	10,000.00	304.00	3%
798-68901-313-50313	Consulting	5,000.00	0.00	0%
798-68901-350-50350	Other-Prof/Tech	13,000.00	3,657.60	28%
798-68901-401-60401	Utilities	63,000.00	29,073.35	46%
798-68901-403-60403	Custodial	15,000.00	5,835.27	39%
798-68901-404-60404	Repair & Mainte	70,000.00	26,039.43	37%
798-68901-406-60406	Rental-Equipmen	6,000.00	1,689.27	28%
798-68901-407-60407	Contract Svc.	265,645.00	182,852.05	69%
798-68901-420-60420	Other-Prop. Svc	25,000.00	17,743.47	71%
798-68901-451-60451	Insur.Prop-Liab	70,000.00	54,668.48	78%
798-68901-452-60452	Communications	30,000.00	12,003.03	40%
798-68901-453-60453	Advertising	5,000.00	2,193.73	44%
798-68901-454-60454	Printing & Bind	2,500.00	1,078.14	43%
798-68901-455-60455	Travel	0.00	0.00	Not Budgeted
798-68901-456-60456	Memberships	6,500.00	4,581.50	70%

Sonoma Valley Fire and Rescue Authority

Mid Year Budget Report

(Revenue and Expense Snapshot as of December 31, 2014)



Account Number	Description	Budget Amount	Actual Expended	% of Budget Used
798-68901-457-60457	Training/Confer	42,500.00	32,438.98	76%
798-68901-460-60460	Permit/Fees/Tax	9,165.00	10,714.88	117%
798-68901-501-70501	Gener. Supplies	32,000.00	9,927.61	31%
798-68901-505-70505	Gasoline	75,000.00	34,959.10	47%
798-68901-507-70507	Books,Periodicals	3,000.00	2,455.97	82%
798-68901-508-70508	Clothing/Unifor	45,000.00	-546.46	-1%
798-68901-540-70540	Rents/Leases	1,500.00	546.66	36%
798-68901-550-70550	Other Supplies	115,000.00	48,244.27	42%
798-68901-606-70606	Software	12,000.00	9,365.93	78%
798-68901-607-70607	Computer Equip	15,600.00	4,957.83	32%
	798-68901 EXPENSE Totals:	8,314,716.00	4,449,216.96	54%
	EXPENSE Totals:	8,314,716.00	4,449,216.96	54%
	Fund 798 Totals:	0.00	225,574.95	

Valley of the Moon Fire District

Mid Year Budget Report

(Revenue and Expense Snapshot as of December 31, 2014)



Fund 799		VOM Fire Trust		
REVENUE				
799-00000-000-30010	Property Taxes - Secured	-3,382,720.00	-1,915,762.25	57%
799-00000-000-30011	Property Taxes - Unsecured	-117,426.00	-114,999.42	98%
799-00000-000-30012	Rpttf Distributions	-80,533.00	0.00	0%
799-00000-000-30014	Property Taxes-Supplemental	-57,898.00	0.00	0%
799-00000-000-30015	Property Tax - Hoptr	-31,322.00	0.00	0%
799-00000-000-30016	County Collection Fee	50,741.00	0.00	0%
799-00000-000-30017	State Transfer/Erafiil Sb-1096	275,000.00	148,102.86	54%
799-00000-000-30018	Direct Charges - Vom	-324,740.00	-177,593.34	55%
799-00000-000-30019	Cost Reimb-Coll Del Cy Uns-Vom	2,000.00	2,361.95	118%
799-00000-000-30600	Interest Income On Pooled Inve	-15,500.00	-5,058.34	33%
799-00000-000-31108	Special Fire Svs-State Reimb	0.00	0.00	Not Budgeted
799-00000-000-31407	Svfra Mechanic Svs Agmt	0.00	0.00	Not Budgeted
799-00000-000-35014	Dividend Distribution	0.00	0.00	#DIV/0!
799-00000-000-37200	Operating Transfer In	-93,237.00	-93,237.00	100%
	REVENUE Totals:	-3,775,635.00	-2,156,185.54	57%
EXPENSE				
Department 68900				
799-68900-110-40110	Regular Employees	36,342.00	27,033.51	74%
799-68900-117-40417	VOM MEDICARE	527.00	65.74	12%
799-68900-119-40119	District Board	10,000.00	1,393.52	14%
799-68900-201-40201	Emply Ins-Vom	75,630.00	35,249.02	47%
799-68900-202-40202	Workers Compensation	2,960.00	0.00	0%
799-68900-310-50310	Legal	10,000.00	327.00	3%
799-68900-311-50311	Acctg/Audit	6,300.00	3,360.00	53%
799-68900-321-50321	Elections	250.00	0.00	0%
799-68900-351-50351	Spec Accting Sv	21,000.00	0.00	0%
799-68900-354-50354	SVFRA Contract	3,549,528.00	1,774,764.00	50%
799-68900-453-60453	Advertising	500.00	64.70	13%
799-68900-455-60455	Travel & Mileage	500.00	0.00	0%
799-68900-480-60480	Special Consulting Projects	5,000.00	0.00	0%
799-68900-703-70703	Construction/Materials	10,000.00	26,122.05	261%
799-68900-801-80801	Lease Payment - Principal	40,583.00	40,583.00	100%
799-68900-802-80802	Lease Payment - Interest	6,515.00	6,515.00	100%
	799-68900 EXPENSE Totals:	3,775,635.00	1,915,477.54	51%
	Fund 799 Totals:	0.00	-240,708.00	

Resolution No: 2014/2015-10
Dated: March 10, 2015

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY OF THE MOON
FIRE PROTECTION DISTRICT, SONOMA COUNTY, STATE OF CALIFORNIA,
ACCEPTING THE MID-YEAR FINANCIAL REPORT AND APPROVING AMENDMENTS TO
THE FISCAL YEAR 2014/15 OPERATING BUDGET**

WHEREAS, the 2014/15 SVFRA Budget was approved by the Board of Directors of the Valley of the Moon Fire Protection District of Sonoma County on June 10, 2014; and

WHEREAS, subsequent to the adoption of the 2014/15 budget, issues have arisen that require amendments to the budget; and

WHEREAS, the Board of Directors, following review of the 2015 Mid-year budget, determined that a budget amendment should be made as follows:

Account	Amendment
798-00000-000-31108	Increase budgeted revenues by \$318,000 (from \$0 to \$318,000).
798-68901-130-40130	Increase budgeted appropriations by \$318,000 (from \$550,000 to \$868,000)

NOW, THEREFORE, BE IT RESOLVED that the Final Budget for the Sonoma Valley Fire & Rescue Authority in the amount of \$8,314,716 shall be amended to \$8,632,716.

IN REGULAR SESSION, the foregoing resolution was introduced by Director _____, who moved its adoption, seconded by Director _____, and passed by the Board of Directors of the Valley of the Moon Fire Protection District this 10th day of March 2015, on regular roll call vote of the members of said Board:

Director Brunton	Aye_____	No_____	Absent_____
Director Norton	Aye_____	No_____	Absent_____
Director Greben	Aye_____	No_____	Absent_____
Director Brady	Aye_____	No_____	Absent_____
Director Leen	Aye_____	No_____	Absent_____
Vote:	Aye_____	No_____	Absent_____

WHEREUPON, the Vice President declared the foregoing resolution adopted, and

SO ORDERED:

ATTEST:

Raymond Brunton, President

Brian Brady, Clerk



Valley of the Moon Fire Protection District

Board of Directors Meeting

Agenda Item Summary

March 10, 2015



Agenda Item No.	Staff Contact
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10B	DeAnna Hilbrants, District Treasurer
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Agenda Item Title

Approve Valley of the Moon Fire Protection District Fund Balance Policy

Recommended Actions

Approve policy

Executive Summary

The District Treasurer and Fire Chief will present a recommended fund balance policy in compliance with Government Accounting Standards Board (GASB) Statement 54. Fund Balance (the net assets of a government organization) is a measurement of the fiscal stability of an organization. The purpose of a fund balance policy is to provide for long-term financial stability. GASB 54 provides categories for definition of district fund balance.

The District Board of Directors is responsible for the ongoing fiscal sustainability of the organization. A fund balance policy can assist in planning for unanticipated or catastrophic events, long-term liabilities (such as compensated absences and Other Post-Employment Benefits [OPEB]), and for capital expenses such as replacement of equipment or large expenses for maintenance of district facilities. The Board can establish Committed Fund balances for specified purposes. In addition, the Board may establish a target funding level for unassigned fund balance.

The proposed policy recommends that unassigned fund balance is maintained at two months of budgeted operating expenses. This is based on best practices published by the Government Finance Officers Association (GFOA).

The Policy recommends that the following Committed Fund Balance Accounts are established: Committed for Emergency/Contingency; Committed for other Post-Employment Benefits (OPEB); Committed for Compensated Absences; Committed for Capital Equipment; Committed for Buildings and Improvements. These categories and target balances are further defined in the attached policy.

Exhibit A provides recommendations from the Fire Chief and District Treasurer for allocation of available fund balance to unassigned and each category of committed fund balance.

Recommended Fund Balance Allocations March 2015		
Account	Basis of Allocation	Amount to Allocate
Unassigned	2 months of operating expenses (Annual Budget / 6)	\$ 629,272
Committed for Emergency / Contingency	10% of Annual Operating Budget	\$ 377,563
Committed for Compensated Absences	Estimated District Share of Compensated Absence liability for employees	\$ 215,000
Committed for Other Post- Employment Benefits Liability	Based on Prior Year Financial Statement	\$ 165,175
Committed for Buildings and Improvements	Based on schedule of maintenance with estimated costs and timeline	\$ 433,000
Committed for Capital Equipment	Based on depreciation schedule	\$ 882,447
		\$ 2,702,457

Alternative Actions

Request policy changes

Strategic Plan Alignment

Not applicable

Fiscal Summary – FY 14/15

Expenditures		Funding Source(s)	
Budgeted Amount	\$	Fees/Other	\$
Add Appropriations Req'd.	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$

Narrative Explanation of Fiscal Impacts (if required)

Attachments

1. Valley of the Moon FPD Fund Balance Policy
2. Exhibit A – Resolution 2014/2015-11
3. Resolution 2014/2015-11

Recommended Fund Balance Allocations March 2015		
Account	Basis of Allocation	Amount to Allocate
Unassigned	2 months of operating expenses (Annual Budget / 6)	\$ 629,272
Committed for Emergency / Contingency	10% of Annual Operating Budget	\$ 377,563
Committed for Compensated Absences	Estimated District Share of Compensated Absence liability for employees	\$ 215,000
Committed for Other Post- Employment Benefits Liability	Based on Prior Year Financial Statement	\$ 165,175
Committed for Buildings and Improvements	Based on schedule of maintence with estimated costs and timeline	\$ 433,000
Committed for Capital Equipment	Based on depreciation schedule	\$ 882,447
		\$ 2,702,457

Alternative Actions

Request policy changes

Strategic Plan Alignment

Not applicable

Fiscal Summary – FY 14/15

Expenditures		Funding Source(s)	
Budgeted Amount	\$	Fees/Other	\$
Add Appropriations Req'd.	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$

Narrative Explanation of Fiscal Impacts (if required)

Attachments

1. Valley of the Moon FPD Fund Balance Policy
2. Exhibit A – Resolution 2014/2015-11
3. Resolution 2014/2015-11

VALLEY OF THE MOON FIRE PROTECTION DISTRICT

FUND BALANCE POLICY

Purpose:

Fund Balance (the net assets of a government organization) is a measurement of the fiscal stability of an organization. The purpose of a fund balance policy is to provide for long term financial stability. The Government Finance Officers Association (GFOA) recommends that governments adopt a formal fund balance policy that defines fund balance target levels and, optimally, consider specifying the purpose for which portions of the fund balance are intended. This policy updates the District Reserve Policy for the Internal Service Fund that was adopted by the District Board on March 8, 2005 so that policy is consistent with Government Accounting Standards Board Statement 54 (GASB 54).

GASB 54 is intended to enhance usefulness of fund balance information especially based on the extent to which the funds are constrained for a specific use. The categories defined by GASB 54 are:

- *Non-spendable*: Funds that are inherently unspendable such as fund balance associated with inventories or loans receivable.
- *Restricted*: Funds that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed*: Funds that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
- *Assigned*: Funds that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
- *Unassigned*: Fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Policy:

The Valley of the Moon Fire District Board of Directors is the body responsible approving funds to be assigned to the category: Committed Fund balance. In addition, this policy establishes the funding level for unassigned fund balance. The Board has identified the following categories for commitment of fund balance:

- **Unassigned Fund Balance**: For most governments, the Government Finance Officers Association recommends that two months of regular general fund operating expenses are held in the unassigned category. The target funding for this category will be calculated at the annual operating budget divided by six (two months of operating expense).
- **Committed for Emergency Reserve/Contingency**: The purpose of the emergency reserve is to provide operating and/or repair funds in the event of a local disaster or catastrophic event. The target funding for this account will be 10% of the District's annual operating budget.
- **Committed for Other Post-Employment Benefits (OPEB)**: In accordance with GASB 45, the annual required contribution (ARC) of the employer towards OPEB obligations represents a level of funding that, if paid on an ongoing basis, is anticipated to cover the normal cost each year and amortize unfunded liabilities over a period not to exceed 30 years. The target funding for this account will be based on the ARC, as noted in the most recent annual Financial Statement for the District.

- **Committed for Compensated Absences:** This fund is for large outlays for compensated absences such as due to retirements or resignation. Compensated absences include accrued leave such as sick and vacation leave. In general, compensated absences are paid when incurred, but on an annual basis leave earned tends to exceed leave used. Except for extraordinary circumstances, these expenses are paid from the Sonoma Valley Fire and Rescue Authority budget, but the District has a liability for a share of these costs. The target funding for this account will be based on an estimate of the District share of those liabilities.
- **Committed for Buildings and Improvements:** These funds are set aside for future replacement or repair of major items in District-owned facilities. The target balance is calculated based on anticipated replacement costs and timeline for large building maintenance such as roofing, interior and exterior paint, floor coverings, HVAC equipment, and parking lot paving.
- **Committed for Capital Equipment:** Capital equipment includes items classified as fixed assets, including fire engines and other equipment such as excavation equipment and Self-Contained Breathing Apparatus (SCBA) equipment. Funds committed to capital equipment are critical to long-term planning and prevent excessive swings in annual costs by anticipating future equipment needs and amortizing the costs over a period of time. The target funding level for this account will be based on a calculation that generally includes a depreciation schedule.

Process for approval transfer of funds into Committed Fund Balance Accounts:

Based on fund balance available, the Fire Chief or designee shall make a recommendation for amounts to be transferred to committed fund balance accounts. If available fund balance is insufficient to meet the funding level targeted, the Chief shall additionally recommend the level of funds to be committed to each category. Approval of this recommendation shall require a majority vote of the Board of Directors for approval. In the event that no recommendation is made during an annual period, all committed funds shall remain at their previously approved balances.

Process for approval transfer of funds out of Committed Fund Balance Accounts:

When a transfer from committed fund balance accounts is necessary, the Fire Chief or designee shall make a recommendation to the Fire District Board of Directors. This may occur through approval of the annual operating budget or through any meeting of the Fire District Board of Directors.

Exhibit A - Resolution 2014 / 2015 - 11

Approved Fund Balance Allocations March 2015		
Account	Basis of Allocation	Amount to Allocate
Unassigned	2 months of operating expenses (Annual Budget / 6)	\$ 629,272
Committed for Emergency / Contingency	10% of Annual Operating Budget	\$ 377,563
Committed for Compensated Absences	Estimated District Share of Compensated Absence liability for employees	\$ 215,000
Committed for Other Post- Employment Benefits Liability	Based on Prior Year Financial Statement	\$ 165,175
Committed for Buildings and Improvements	Based on schedule of maintence with estimated costs and timeline	\$ 433,000
Committed for Capital Equipment	Based on depreciation schedule	\$ 882,447
		\$ 2,702,457

Resolution No: 2014/2015-11
Dated: March 10, 2015

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY OF THE MOON
FIRE PROTECTION DISTRICT, SONOMA COUNTY, STATE OF CALIFORNIA,
APPROVING THE DISTRICT FUND BALANCE POLICY**

WHEREAS, Fund Balance, the net assets of a government organization, is a measure of the fiscal sustainability of that entity; and

WHEREAS, the Board of Directors is responsible for the ongoing financial sustainability of the Valley of the Moon Fire Protection District and has the authority to establish Committed Fund balances for specified purposes and may also establish a target funding level for unassigned fund balance; and

WHEREAS, the Fire Chief and District Treasurer recommend a fund balance policy in compliance with Government Accounting Standards Board (GASB) Statement 54; and

WHEREAS, the policy recommends that the following Committed Fund Balance Accounts are established: Committed for Emergency/Contingency; Committed for Other Post-Employment Benefits (OPEB); Committed for Compensated Absences; Committed for Capital Equipment; Committed for Buildings and Improvements.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Valley of the Moon Fire Protection District hereby revokes the language in Resolution 2004/2005-08 adopting the Valley of the Moon Fire Protection District Reserve Policy for the Internal Service Fund; approves the Valley of the Moon Fire Protection District Fund Balance Policy including defining committed funds and target funding levels, the funding level for unassigned fund balance, and the process for approval transfer of funds into and out of Committed Fund Balance accounts as defined in the Valley of the Moon Fire Protection District Fund Balance Policy; and approves new transfers to Committed Fund Balance as shown in Exhibit A attached replacing assignments to Fund Balance made in Resolution 2012/2013-02.

IN REGULAR SESSION, the foregoing resolution was introduced by Director _____, who moved its adoption, seconded by Director _____, and passed by the Board of Directors of the Valley of the Moon Fire Protection District this 10th day of March 2015, on regular roll call vote of the members of said Board:

Director Brunton	Aye_____	No_____	Absent_____
Director Norton	Aye_____	No_____	Absent_____
Director Greben	Aye_____	No_____	Absent_____
Director Brady	Aye_____	No_____	Absent_____
Director Leen	Aye_____	No_____	Absent_____
Vote:	Aye_____	No_____	Absent_____

WHEREUPON, the Vice President declared the foregoing resolution adopted, and

SO ORDERED:

ATTEST:

Raymond Brunton, President

Brian Brady, Clerk