



**Sonoma County Fire District  
Finance Committee Meeting Agenda  
August 17, 2021  
Time: 4:00 p.m.  
Location: Fire Station 1  
8200 Old Redwood Hwy. Windsor**

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*The Board meeting agenda and all supporting documents are available for public review at 8200 Old Redwood Highway, Windsor, CA, 72 hours in advance of a scheduled board meeting. Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet, and not otherwise exempt from disclosure, will be made available for public inspection at the District Office at 8200 Old Redwood Hwy, Windsor, during normal business hours and on the website at [www.sonomacountyfd.org](http://www.sonomacountyfd.org). Copies of supplemental materials distributed at the Board meeting will be available for public inspection at the meeting location.*

*In accordance with the Americans with Disabilities Act, anyone needing special assistance to participate in this meeting should contact District Executive Assistant Kathy Washington at the District Office at 707-838-1170. Notification 48-hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.*

**CALL TO ORDER**

**ROLL CALL**

Director Hamann  
Director Tognozzi  
Director Treanor

**CONSENT ITEMS**

Approve minutes from the March 16, 2021 meeting.

**DISCUSSION ITEMS**

1. Review final budget adjustments for FY 2021/2022
2. Review draft reserve fund policy

**ADJOURNMENT**

**Sonoma County Fire District  
Project Status and Rebudget Summary**

<b>Re-Budget - Offsetting Revenue from FY 20-21</b>		\$90,000
<b>Offsetting Mitigation Fund Revenue</b>		
<b>Total Re-Budgeted Revenue</b>		<b>\$90,000</b>

<b>Capital Project Update and Re-Budget Projects</b>					
<b>Project</b>	<b>Budget</b>	<b>Total Cost</b>	<b>Over/(Under)</b>	<b>Status</b>	<b>Budget Amount to Continue into FY 21-22</b>
Station 1 Roof Project	\$250,000.00	\$221,564.47	(\$28,435.53)	Completed	\$0
Station 1 Admin. Remodel (Mitigation Funds)	\$160,000.00	\$160,560.64	\$560.64	Completed	\$0
Station 1 Ringdown System (Mitigation Funds)	\$90,000.00	-	-	Continue Project into FY 21-22	\$90,000
Station 2 Apron	\$25,000.00	-	-	Continue Project into FY 21-22	\$25,000
Station 4 Temporary Building	\$245,000.00	\$238,843.00	(\$6,157.00)	Completed	\$0
Station 6 Remodel	\$1,500,000.00	\$1,042,413.00	-	In Process - Continue Project into FY 21-22	\$457,587
Station 8 Osmosis System	\$15,000.00	\$3,880.00	(\$11,120.00)	Completed	\$0
Station 8 Roof Project	\$190,000.00	\$166,713.08	(\$23,286.92)	Completed	\$0
Station 2 & 9 Flooring Projects	\$10,000.00	-	-	Continue Project into FY 21-22	\$10,000
Tahoe Command Vehicle	\$75,000.00	-	-	On Order - Continue Project into FY 21-22	\$75,000
Purchase Courier Vehicle from SRFD	\$10,000.00	\$10,000.00	\$0.00	Completed	\$0

<b>Other Projects - Continuing from FY 20-21</b>					
Outstanding Purchase Order 1077 - Zoll	-	-	-	Continue to FY 21-22	\$8,349
Outstanding Purchase Order 1078 - Honeywell	-	-	-	Continue to FY 21-22	\$788
Outstanding Purchase Order 1074 - Cloverdale Saw	-	-	-	Continue to FY 21-22	\$1,723
Contract - ESCI (Standards of Cover)	\$44,000.00	\$22,600.00	-	Continue to FY 21-22	\$21,400
Contract-AP Triton (EMS RFP)	\$295,000.00	\$97,603.00	-	Continue to FY 21-22	\$197,397
Re-Budget Annexation Expenses	\$100,000.00	\$49,778.00	-	Continue to FY 21-22	\$50,222
Re-Budget Headset Systems	\$20,000.00	-	-	Continue to FY 21-22	\$20,000
<b>Total Appropriations continuing into FY 21-22 (Re-Budgeting)</b>					<b>\$957,466</b>

**Impact to Fund Balance**

**-\$867,466**



## 2021-2022 Fiscal Year Fund Balance Summary

**Total Beginning Fund Balance as of July 1, 2021  
(After the FY 20-21 close and including Funds from the Forestville FPD  
Consolidation)**

**\$15,107,731**

Adopted Revenue - Preliminary Budget  
Project Re-Budget Revenue from FY 20-21  
Final Budget Adjustments- Revenue  
**Plus Adjusted Final Budget Revenue**

\$21,328,573  
\$90,000  
\$1,115,662  
**\$22,534,235**

Adopted Expenditures - Preliminary Budget  
Project Re-Budget Expenditures from FY 20-21  
Final Budget Adjustments - Expenditures  
**Less Adjusted Final Budget Expenditures**

\$21,646,073  
\$892,722  
\$967,722  
**\$23,506,517**

Adopted Impact on Fund Balance- Preliminary Budget  
Re Budgets from FY 20-21 Impact on Fund Balance  
Final Budget Adjustments Impact on Fund Balance  
**Total Impact on Fund Balance**

-\$317,500  
-\$867,466  
\$222,940  
**-\$972,282**

**2021-2022 FY Fund Balance at Final Budget Adoption**

**\$14,135,449**

**Fund Assignment Recommendations:**

Equipment Replacement Fund  
Apparatus Replacement Fund  
Facilities Capital Improvement Fund  
Emergency Fund

\$200,000  
\$2,200,000  
\$5,000,000  
\$3,600,000

**Unassigned Fund Balance**

**\$3,135,449**





**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY  
FIRE DISTRICT, COUNTY OF SONOMA, STATE OF CALIFORNIA,  
ADOPTING A FUND BALANCE POLICY AND INITIAL FUND DESIGNATIONS**

**WHEREAS**, the Sonoma County Fire District (“District”), is an independent fire protection district organizing and operating pursuant to the California Fire Protection District Law of 1987 (California Health and Safety Code section 13800 et seq.); and

**WHEREAS**, pursuant Chapter 7 “Finance” of California Fire Protection District Law of 1987 (California Health and Safety Code section 13890 et seq.), the District Board of Directors has the authority to determine, appropriate, authorize, and allocate fund balances and reserves; and

**WHEREAS**, the District Board of Directors has determined that it is in the best interest of the District, its communities, and the long-term sustainability of fire and emergency medical services across the spectrum of District operations, to establish and adopt a District fund balance policy and initial fund designation; and

**WHEREAS**, the Finance Committee of the District Board of Directors has reviewed and recommends approval of the proposed District fund balance policy and initial fund designations attached hereto as Exhibit “A”.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Sonoma County Fire District hereby approves and adopts the District fund balance policy and initial fund designations attached hereto as Exhibit “A”

The above and foregoing Resolution was introduced by Director \_\_\_\_\_, who moved its adoption, seconded by Director \_\_\_\_\_, and adopted by the Board of Directors of the Sonoma County Fire District this 31st day of August, 2021.

President Klick \_\_\_\_\_, Vice President Tognozzi \_\_\_\_\_; Director Briare \_\_\_\_\_

Director Hamann \_\_\_\_\_; Director So \_\_\_\_\_; Director Treanor \_\_\_\_\_

Director Weaver \_\_\_\_\_

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSENT/NOT VOTING \_\_\_\_\_

**WHEREUPON**, the Board President declared the foregoing Resolution adopted; and  
**SO ORDERED.**

ATTEST:

\_\_\_\_\_  
Kathy Washington, Secretary of the Board

## Sonoma County Fire District

### Fund Balance Policy

#### PURPOSE

1. Implement the District's policy for establishing and maintaining adequate fund balances across the spectrum of District operations.
2. Identify District operations and functions for which fund balances should be established and maintained, considering risks to the operation from unexpected events and the availability of other resources to address such events, and the volatility of expenditures and revenues of the operation.
3. Establish a procedure for reviewing fund balances and for making any necessary changes to the fund balances. Funding the Fund Balance accounts should be an integral part of the development of the final budget for the upcoming fiscal year.
4. Establish anticipated expenses, target reserve levels and the methodology for calculating reserve levels. Anticipated expenses and target reserve funding levels shall be established at the Finance Committee each calendar year, prior to the adoption of the Final Budget.

#### DEFINITIONS

- Assigned fund balance — A fund balance that is earmarked for an intended use. The intent is established by the Board of Directors. (Fund balances designated by the Board for Equipment, Apparatus, and/or Facility Replacements would be Assigned fund balances)
- Committed fund balance— A fund balance incorporating limitations in its use as determined and defined by the Board of Directors; to be reported as committed, amounts cannot be used for any other purpose unless the Board of Directors takes action to remove or change the commitment. (An Emergency Fund would be a committed fund balance)
- Restricted fund balance— A fund that has externally enforceable limitations on the use of the fund balance such as creditors, grantors, or laws regulating the use of the funds. (Mitigation fund balances would be restricted fund balances.)
- Unassigned fund balance—amounts that are available for any purpose; these amounts are reported only in the general fund.



## FUND DESCRIPTIONS

### Equipment Replacement Fund:

An "Assigned" fund for the purpose of providing funds for the replacement of tools and equipment utilized in the delivery of emergency services. This fund incorporates, but is not limited to, the following items: self-contained breathing apparatus, mobile data terminals, extrication equipment, thermal imaging cameras, and cardiac monitors.

### Apparatus Replacement Fund:

An "Assigned" fund for the purpose of providing funds for the replacement of response apparatus and support vehicles.

### Facility Capital Improvement Fund:

An "Assigned" fund for the purpose of funding capital improvement projects to repair, upgrade, and replace the District's fixed facilities.

### Retiree Health Benefits Fund:

An "Assigned" fund for the purpose of providing funds for the payment of future retiree health benefits costs as identified in the District's actuarial reports.

### Mitigation Fund:

A "Restricted Fund" that maintains all Mitigation Funds separate from operational funds and meets the mandatory funding restrictions.

Emergency Fund: A "Committed" fund providing the District with contingency funding only in the following situations:

1. When actual District revenue is 15% or more below expected District revenue, or,
2. When a state of emergency is declared by the District Board or when a state of emergency is declared by the County of Sonoma for an area that includes any area within District boundaries.

### Unassigned Fund Balance:

An "Unassigned" fund for the purpose of providing funding for items not defined in other assigned fund balances.

## **POLICY**

The Board of Directors shall be responsible for establishing and managing all District fund accounts and balances. The fund accounts shall be established by the Board of Directors through adoption of this policy and codified by passage of a resolution.

Changes to existing fund balances, establishing of new fund accounts and balances, and authorization for expenditures from fund balances shall require action by the Board of Directors.

The balances of each Fund shall be reviewed by the Board of Director's Finance Committee each year. Any recommended changes to fund balances for the upcoming fiscal year shall be presented to the full Board of Directors as an action item.

The fiscal year Final Adopted Budget shall reflect the Reserve Fund balances established by the Board of Directors

## **RESERVE FUND FUNDING LEVELS**

### **Equipment Replacement Fund:**

This fund incorporates, but is not limited to, the following items: self-contained breathing apparatus, mobile data terminals, extrication equipment, thermal image cameras and cardiac monitors. Fund balance requirements shall be based upon the Equipment Replacement Plan and within the available funding.

### **Apparatus Replacement Fund:**

The Finance Committee shall review the Apparatus Replacement Schedule each fiscal year. A minimum contribution methodology is adopted of contributing 90% of the apparatus portion of reimbursements received from Federal and State Disaster Grants, CalOES California Fire Assistance Agreement, Assistance by Hire, and the County of Sonoma Prepositioning agreements. identify the proper funding level for this fund within the available funding.

### **Facilities Capital Improvement Fund:**

This fund shall designate funding for the enhancement, repair, upgrade, and replacement of the District's fixed facilities pursuant to the Facility Condition Assessment Report, within the available funding.

### **Retiree Health Benefits Fund:**

The Finance Committee shall annually review the amount of outstanding retiree health benefits costs as identified in the District's actuarial reports to establish the fund level. Minimum contribution levels are determined by the actuarial. The Finance Committee can recommend

higher level of contributions when funding is available. The District shall utilize the California Employer's Retiree Benefit Trust (CERBT) for the Retiree Health Benefit Fund.

Mitigation Fund:

The Mitigation Fund balance is determined by the amount of mitigation fees collected by the District.

Emergency Fund:

This fund shall remain funded in accordance with the requirements set forth in Board of Directors Resolution \_\_\_\_\_. Per Resolution \_\_\_\_\_, the funding levels are set utilizing the following formula:

$$[[\text{(Salaries and Benefits)} + \text{(Services and Supplies)} + \text{(Debt Service Principal)} + \text{(Debt Service Interest)}] * 1/6]]$$

**FUND EXPENDITURES AND REPLENISHMENT**

Fund balances shall be reviewed by the Board of Director's Finance Committee annually to prepare recommendations of fund balance levels as part of the Final Budget adoption by the full Board of Directors.

All Fund designations, expenditures or transfers of funds shall be approved by the Board of Directors by the passage of a resolution.

**SONOMA COUNTY FIRE DISTRICT**  
**RECOMMENDED INITIAL FUNDING LEVELS**

**Equipment Replacement Fund:**

Recommend a beginning fund balance designation of **\$200,000.**, and an annual contribution sufficient to replace equipment at the end of it's useful life (if funding permits).

**Apparatus Replacement Fund:**

Recommend a beginning fund balance designation of **\$2,200,000.**; and establishing a minimum contribution methodology of contributing 90% of the apparatus portion of reimbursements received from Federal and State Disaster Grants, CalOES California Fire Assistance Agreement, Assistance by Hire, and the County of Sonoma Prepositioning agreements.

**Facilities Capital Improvement Fund:**

Recommend a beginning fund balance designation of **\$5,000,000.**

**Retiree Health Benefits Fund:**

Recommend a beginning fund balance of **\$3,860,796** as of 7-1-2021, and a fiscal year 2021-2022 contribution of \$150,000, per the most recent actuarial report.

**Mitigation Fund:**

The mitigation fund balance is determined by the amount of mitigation fees collected by the District. The new mitigation fees have an effective date of July 1, 2021 in the unincorporated areas of the district. The initial fund will have a **zero-starting balance** at the beginning of Fiscal Year 2021-2022.

**Emergency Fund:**

Recommend funding the Emergency Fund utilizing the methodology as follows:

[[ (Salaries and Benefits) + (Services and Supplies) + (Debt Service Principal) + (Debt Service Interest) ] \* 1/6 ]]

**Calculation for 2021-2022 FY**

$(\$18,024,876 + \$3,005,833 + \$294,363 + \$46,273) = \$21,713,450 / 6 = \$3,561,891$

Rounded up to **\$3,600,000** recommended starting fund balance.