

Sonoma Valley Fire District

Board of Directors Meeting

June 8, 2021





Sonoma Valley Fire District Board of Directors Meeting

June 8, 2021

TABLE OF CONTENTS

Regular Meeting Agenda	Page 2
Item 7a - Agenda Summary - Approval of special meeting minutes 5/18/2021	Page 4
Item 7a - 5/18/2021 special meeting minutes	Page 5
Item 10a - Agenda Summary - Approval of FY 19/20 VOM District Audit	Page 7
Item 10a - FY 19/20 VOM District Audit	Page 8
Item 10b - Agenda Summary - Resolution 2020/2021-18 SVFD & SVFRA Preliminary Budget FY 21/22	Page 65
Item 10b - Sonoma Valley Fire District FY 21/22 Preliminary Budget	Page 66
Item 10b - Sonoma Valley Fire & Rescue Authority FY 21/22 Preliminary Budget	Page 69
Item 10b - Resolution 2020/2021-18 - Adopting SVFD & SVFRA Preliminary Budget FY 21/22	Page 73
Item 10c - Agenda Summary - Resolution 2020/2021-19 – Amending Salary & Benefit Schedules	Page 74
Item 10c - Administrative Agreement for Management and Administrative Employees 2021-2022.....	Page 75
Item 10c - General Employee Agreement 2021-2022	Page 93
Item 10c - Resolution 2020/2021-19 - Adopting Salary & Benefit Schedules	Page 107
Item 10d - Agenda Summary - Discussion on County Wide Sales Tax Measure	Page 109

**MEETING AGENDA
SONOMA VALLEY FIRE DISTRICT
BOARD OF DIRECTORS**

Tuesday, June 8, 2021 at 6:00 P.M.
Location: Glen Ellen Fire Station 1
13445 Arnold Drive, Glen Ellen, CA 95442

Due to COVID-19 precautions, board meetings will be open to the public via phone-in conference calls only. No public gatherings will be held at this site until further notice. Agendas and board packets are available at the following website: <http://svfra.org>

Join by phone: 1-669-900-9128

Meeting ID: 914 153 1767

Meeting Passcode: 3300

1. Call to Order

2. Roll Call and Determination of a Quorum

Board of Directors: President William Norton, Vice President John (Matt) Atkinson, Treasurer Mark Johnson, Brian Brady, Raymond Brunton, Mark Emery, Terrence 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

Audit firm Chavan & Associates, LLP to present fiscal year 2019/2020 Valley of the Moon Fire Protection District financial audit.

7. Consent Calendar

a) Approval of minutes from the regular meeting, held on May 18, 2021. **Action Item**

8. Fire Chief's Monthly Report

Report for May 2021

9. **Old Business**

10. **New Business**

- a) Accept 2019/2020 VOM District financial audit. **Action Item**
- b) Resolution 2020/2021-18 adopting Sonoma Valley Fire District and the Sonoma Valley Fire & Rescue Authority Preliminary Budgets. **Action Item with roll call vote**
- c) Resolution 2020/2021-19 amending the salary and benefit schedule of employees covered by the Administrative Agreement for Management and Administrative Employees and the employees covered by the General Employee Agreement. **Action Item with roll call vote**
- d) Discussion on new Countywide Sales Tax proposal.

11. **Other Business to Come before the Board**

12. **Comments from the Floor**

13. **Comments/Reports from the Board**

14. **Closed Session**

15. **Adjournment**

This meeting will be adjourned to the regular Board meeting on July 13, 2021 at 6:00 p.m. Meeting access will be determined based on COVID-19 restrictions in place at that time.

Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available at the following website at <http://svfra.org>.



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 June 8, 2021

Agenda Item No.	Staff Contact		
7a	Maci Jerry, Clerk to the Board of Directors		
Agenda Item Title			
Approval of the special meeting minutes held on May 18, 2021			
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			
Fiscal Summary – FY 20/21			
Expenditures		Funding Source(s)	
Budgeted Amount	\$	District General Fund	\$
Add. Appropriations Req'd.	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$
Narrative Explanation of Fiscal Impacts (if required)			
Not Required			
Attachments			
1. Minutes for May 18, 2021 special meeting			

SONOMA VALLEY FIRE DISTRICT

SPECIAL BOARD OF DIRECTORS MEETING MINUTES

Tuesday, May 18, 2021 at 6:00 P.M.

1. Call to Order

President Norton called the meeting to order at 6:01 p.m. via a zoom conference call.

2. Roll Call and Determination of a Quorum

Board of Directors: President William Norton, Vice President John (Matt) Atkinson, Treasurer Mark Johnson, Brian Brady, Mark Emery, Terrence Leen. Director Raymond Brunton was absent.

3. Pledge of Allegiance

The Pledge of Allegiance was led by Director Leen and recited by all.

4. Confirmation of Agenda

None

5. Comments from the Public

None

6. Presentations

None

7. Consent Calendar

Board reviewed and approved the meeting minutes from the regular board meeting held on May 11, 2021. **M/S/P Johnson/Leen with 6 ayes, 1 absent**

8. Fire Chief's Monthly Report

Chief Akre gave a brief report on a few items of importance since the last meeting on May 11, 2021:

- The City Council introduced their 2021/2022 budget at last night's board meeting. Though the budget was not approved, there were no issues that arose with the proposed SVFD contract.
- ICM Kiff introduced the Fire Impact Fee study to the Council at last night's meeting as well. All members were very supportive of the study. Kiff will bring the study back to the Council at a future meeting for a vote.
- The City held initial interviews this week for four potential candidates for City Manager. All four candidates had good experience and two had very good knowledge of the fire service. Second interviews will be held next week.
- At the recent REDCOM subcommittee meeting they explored the possibility of all Marin County Fire Agencies joining REDCOM.
- With a permanent firefighter vacancy with BC Lacy's appointment and a retirement looming at the end of June, the department is trying to be proactive in filling the position with an early fire season upon us. In doing so, a one year LT firefighter position offer was extended to Ryan Martinez, who was on the list from the last round of firefighter interviews and assessments and also completed his Paramedic internship with the department.

9. Old Business

- a) A motion was made to approve the purchase of a vehicle with the stipulation that it be purchased from a dealership. **M/S/P Johnson/Norton with 6 Ayes, 1 absent**

10. New Business

None

11. Other Business to come before the Board

None

12. Comments from the Floor

None

13. Comments/Reports from the Board

None

14. Closed Session

Closed session began at 6:27 pm. and concluded at 6:57 pm.

News to report:

- Board gave direction to the Personnel Committee.

15. Adjournment

M/S Emery/Leen with 6 ayes, 1 absent

This meeting was adjourned at 6:58 p.m. to a regular Board meeting on June 8, 2021 at 6:00 p.m.

Meeting access will be determined based on COVID-19 restrictions in place at that time.

Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available at the following website at <http://svfra.org>

Respectfully submitted,

Maci Jerry



Sonoma Valley Fire District

Board of Directors Meeting

Agenda Item Summary

June 8, 2021

Agenda Item No.	Staff Contact
10a	Steve Akre, Fire Chief

Agenda Item Title
Accept fiscal year 2019/2020 VOM District financial audit.

Recommended Actions
Accept audit

Executive Summary
Audit firm Chavan & Associates, LLP completed the fiscal year 2019/2020 financial audit for the District. Auditor Sheldon Chavan presented the audit to the Board earlier in tonight's meeting. The Board is now asked to accept the document.

Alternative Actions
Decline to accept or request more information prior to accepting the audit.

Strategic Plan Alignment
Not applicable

Fiscal Summary – FY 21/22			
Expenditures		Funding Source(s)	
Budgeted Amount	\$	District General Fund	\$
Add. Appropriations Req'd.	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
		Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$

Narrative Explanation of Fiscal Impacts (if required)

Attachments
1. Valley of the Moon Fire Protection District - Annual Financial Audit Report, June, 30, 2020

**VALLEY OF THE MOON
FIRE PROTECTION DISTRICT**
ANNUAL FINANCIAL AUDIT REPORT
JUNE 30, 2020



Chavan & Associates, LLP
Certified Public Accountants
1475 Saratoga Ave, Suite 180
San Jose, CA 95129

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Valley of the Moon Fire Protection District

Sonoma County

Table of Contents

TITLE	PAGE
FINANCIAL SECTION:	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	15
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	16
Notes to the Basic Financial Statements	17
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual (GAAP) General Fund.....	42
Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual (GAAP) Sonoma Valley Fire and Rescue Authority Fund	43
Schedule of Pension Plan Contributions.....	44
Schedule of Proportionate Share of Net Pension Liability	45
Schedule of Changes in Total OPEB Liability	46
OTHER INDEPENDENT AUDITOR’S REPORTS:	
Independent Auditor’s 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.....	48

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**FINANCIAL
SECTION**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Valley of the Moon Fire Protection District
Sonoma, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Valley of the Moon Fire Protection District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2020, and the respective changes in



financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Deficit Net Position

As of June 30, 2020, the District's net position in its Government-wide financial statements was at a deficit mostly because of the long-term pension and OPEB liabilities and deferrals as reported in Note 5 and Note 6. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of pension contributions, schedule of proportionate share of net pension liability, schedule of contributions for other postemployment benefits, and schedule of changes in total OPEB liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C & A LLP

May 20, 2021
San Jose, California

Management's Discussion and Analysis

Valley of the Moon Fire Protection District

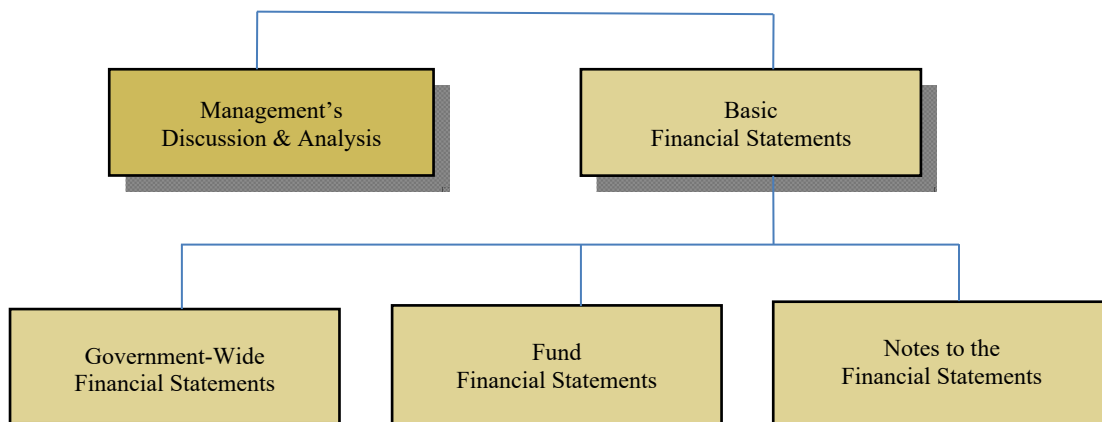
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

INTRODUCTION

The Management's Discussion and Analysis (MD&A) is a required section of the District's annual financial report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity.

This information, presented in conjunction with the annual Basic Financial Statements, is intended to provide a comprehensive understanding of the District's operations and financial standing.

Required Components of the Annual Financial Report



FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2020 were as follows:

- Total net position increased by \$1,021,111 (50%), which included an increase in unrestricted net position of \$811,071 (20%) from June 30, 2019 to June 30, 2020.
- The District recorded deferred outflows of resources of \$2,637,921 and deferred inflows of resources of \$4,326,473 in order to record the different components required by GASB 68 and GASB 75 for benefit plan accounting and reporting. Deferred outflows of resources are technically not assets but increase the Statement of Net Position similar to an asset and deferred inflows of resources are technically not liabilities but decrease the Statement of Net Position similar to liabilities. See Note 1 in the notes to financial statements for a definition.
- General revenues accounted for \$5,780,573 which is 44% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$7,476,799, or 56%, of total revenues of \$13,257,372.
- The District had \$12,409,326 in expenses, which was directly supported by program specific revenues as noted above.
- Total fund balances of governmental funds decreased by \$442,222, or 8%, from June 30, 2019 to June 30, 2020.

Valley of the Moon Fire Protection District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

USING THE ANNUAL REPORT

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the District as an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities comprise the government-wide financial statements and provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

OVERVIEW OF THE FINANCIAL STATEMENTS

The full annual financial report is a product of three separate parts: the basic financial statements, supplementary information, and this section, the Management's Discussion and Analysis. The three sections together provide a comprehensive financial overview of the District. The basic financials are comprised of two kinds of statements that present financial information from different perspectives, government-wide and fund statements.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.
- Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information section provides further explanations and provides additional support for the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS - STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

The view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2019 - 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting practices used by most private-sector companies. This basis of accounting takes into account all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where the District's programs and services are reported. The District does not have any business type activities.

Valley of the Moon Fire Protection District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's fund financial statements begins on page 13. Fund financial reports provide detailed information about the District's major funds. The District uses two funds to account for a multitude of financial transactions. These fund financial statements focus on each of the District's most significant funds. The District's major governmental funds are the General Fund and the Sonoma Valley Fire and Rescue Fund.

Governmental Funds

The General Fund and the Sonoma Valley Fire and Rescue Fund are governmental fund types and are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the future to finance fire protection programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2020 as compared to June 30, 2019:

Table 1 - Summary Statement of Net Position				
	2020	2019	Change	Percentage Change
Assets				
Current Assets	\$ 6,013,255	\$ 5,969,954	\$ 43,301	0.73%
Capital Assets	2,327,118	2,160,798	166,320	7.70%
Total Assets	\$ 8,340,373	\$ 8,130,752	\$ 209,621	2.58%
Deferred Outflows				
	\$ 2,637,921	\$ 5,011,514	\$ (2,373,593)	-47.36%
Liabilities				
Current Liabilities	\$ 525,066	\$ 420,704	\$ 104,362	24.81%
Noncurrent Liabilities	7,167,162	14,053,084	(6,885,922)	-49.00%
Total Liabilities	\$ 7,692,228	\$ 14,473,788	\$ (6,781,560)	-46.85%
Deferred Inflows				
	\$ 4,326,473	\$ 729,996	\$ 3,596,477	492.67%
Net Position				
Net Investment in Capital Assets	\$ 2,145,583	\$ 1,935,543	\$ 210,040	10.85%
Unrestricted	(3,185,990)	(3,997,061)	811,071	20.29%
Total Net Position	\$ (1,040,407)	\$ (2,061,518)	\$ 1,021,111	49.53%

Valley of the Moon Fire Protection District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Table 2 shows the changes in net position for fiscal year 2020 as compared to 2019.

Table 2 - Summary of Changes in Statement of Activities				
	2020	2019	Change	Percentage Change
Revenues				
Program revenues	\$ 7,476,799	\$ 7,015,479	\$ 461,320	6.58%
General revenues:				
Property taxes	4,923,511	4,885,579	37,932	0.78%
Special taxes	322,176	324,721	(2,545)	-0.78%
Miscellaneous	534,886	153,187	381,699	249.17%
Total Revenues	13,257,372	12,378,966	878,406	7.10%
Program Expenses				
Public safety - fire protection	12,409,326	12,085,687	323,639	2.68%
Total Expenses	12,409,326	12,085,687	323,639	2.68%
Change in Net Position	848,046	293,279	554,767	-189.16%
Beginning Net Position	(2,061,518)	(2,670,110)	608,592	-22.79%
Prior Period Adjustments	173,065	315,313	(142,248)	45.11%
Ending Net Position	\$ (1,040,407)	\$ (2,061,518)	\$ 1,021,111	49.53%

Total program revenues increased by \$461,320 (7%), mainly due to an increase in charges for special fire services of \$221,023. The District increased beginning net position by \$173,065 to record pooled cash corrections made by City of Sonoma.

THE DISTRICT'S FUND BALANCE

Table 3 provides an analysis of the District's fund balances and the total change in fund balance from the prior year.

Table 3 - Summary of Fund Balance				
	2020	2019	Change	Percentage Change
Nonspendable for prepaid expenditure	\$ 101,182	\$ -	\$ 101,182	100%
Committed for capital equipment	1,300,748	842,797	457,951	54%
Committed for buildings and improvements	699,710	608,432	91,278	15%
Committed for other postemployment benefits	766,110	460,306	305,804	66%
Committed for compensated absences	299,056	272,722	26,334	10%
Committed for emergency and other contingencies	483,695	465,709	17,986	4%
Assigned for SVFRA Emergency Funds	715,908	1,220,106	(504,198)	-41%
Unassigned	740,619	1,679,178	(938,559)	-56%
Total Fund Balance	\$ 5,107,028	\$ 5,549,250	\$ (442,222)	-8%

Valley of the Moon Fire Protection District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

GENERAL FUND BUDGETING HIGHLIGHTS

The District's budget is prepared according to California law and in the modified accrual basis of accounting.

The original and final revised budgets for the General Fund are presented as Required Supplementary Information. During the course of the 2019-20 fiscal year, the District's original budgeted revenue and other financing sources were estimated at \$4,836,954. The original budget remained unchanged during the fiscal year.

CAPITAL ASSETS

Table 4 shows June 30, 2020 capital asset balances as compared to June 30, 2019.

Table 4 - Summary of Capital Assets Net of Depreciation					
	2020	2019	Change	Percentage Change	
Land	\$ 131,472	\$ 131,472	\$ -	0.00%	
Buildings and Improvements	928,656	862,772	65,884	7.64%	
Equipment	1,266,990	1,166,554	100,436	8.61%	
Total Capital Assets - Net	\$ 2,327,118	\$ 2,160,798	\$ 166,320	7.70%	

NONCURRENT LIABILITIES

Table 5 summarizes the percent changes in long-term liabilities over the past two years.

Table 5 - Summary of Noncurrent Liabilities					
	2020	2019	Change	Percentage Change	
Capital Leases	\$ 181,535	\$ 225,255	\$ (43,720)	-19.41%	
Total OPEB Liability	4,580,494	6,433,086	(1,852,592)	-28.80%	
Net Pension Liabilities	2,106,077	7,122,021	(5,015,944)	-70.43%	
Compensated Absences	299,056	272,722	26,334	9.66%	
Total Noncurrent Liabilities	\$ 7,167,162	\$ 14,053,084	\$ (6,885,922)	-49.00%	

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District has seen increases in property tax payments including those related to the dissolution of Redevelopment which returns increased property tax to the District. Since a significant portion of the District's revenue is derived from property taxes, projected flat or even declining property tax revenues are challenging as an operational driver. While property values are currently increasing, they are not increasing at the same pace as expenses especially related to long term expenses such as OPEB and healthcare.

Valley of the Moon Fire Protection District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

The District has completed its eighth full fiscal year under the newly negotiated Sonoma Valley Fire and Rescue Authority (SVFRA) contract with the City of Sonoma. The final operating results allow for better strategic and future planning as the District addresses the challenges related to property tax revenue as well as increased health and pension costs.

The District has taken several active measures to maintain fiscal sustainability into the future:

- The District is in the LAFCO process to consolidate with neighboring Districts. This consolidation will go into effect on July 1, 2020. With the consolidation, the special parcel tax revenue will be increased which will allow for permanent increased staffing on each of the Districts three engines.
- The District has updated its Fee Schedule to reflect current costs and best practices.
- The District has collaborated with its employee union and the Sonoma Valley Volunteer Firefighters Association to create opportunities to reduce ongoing operational costs.
- The District has created a new Finance Officer Position to oversee the Budget and Finances.
- The District continues to be successful with grant acquisition and will continue to pursue grants as a means of improving services and enhancing the safety of its personnel.
- The District and the City of Sonoma have negotiated sharing of costs and revenues for service provided by the District to the City or to City residents.
- The District has developed reserve policies to meet future financial needs such as Capital Replacement and Other Post Employment Benefit (OPEB) costs.
- The District is actively involved in a countywide project to improve Fire Services and has received reimbursements from the County for lost historical revenue and services.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should now be addressed to the District Treasurer, Sonoma Valley Fire District, 630 Second Street West, Sonoma, California 95476.

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Basic Financial Statements

Valley of the Moon Fire Protection District

Statement of Net Position

June 30, 2020

	<u>Governmental Activities</u>
Assets	
Current assets:	
Cash and investments	\$ 4,755,747
Accounts receivable	1,156,326
Other current assets	101,182
Total current assets	<u>6,013,255</u>
Noncurrent assets:	
Non-depreciable capital assets	131,472
Capital assets, net of depreciation	2,195,646
Total noncurrent assets	<u>2,327,118</u>
Total Assets	<u><u>\$ 8,340,373</u></u>
Deferred Outflows of Resources	
Pension adjustments	\$ 2,432,865
OPEB Adjustments	205,056
Total Deferred Outflows of Resources	<u><u>\$ 2,637,921</u></u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 500,961
Payroll and other liabilities	24,105
Total current liabilities	<u>525,066</u>
Noncurrent liabilities:	
Due within one year	119,139
Due after one year	7,048,023
Total noncurrent liabilities	<u>7,167,162</u>
Total Liabilities	<u><u>\$ 7,692,228</u></u>
Deferred Inflows of Resources	
Pension adjustments	\$ 2,059,208
OPEB Adjustments	2,267,265
Total Deferred Inflows of Resources	<u><u>\$ 4,326,473</u></u>
Net Position	
Net Investment in Capital Assets	\$ 2,145,583
Unrestricted	(3,185,990)
Total Net Position	<u><u>\$ (1,040,407)</u></u>

The notes to the financial statements are an integral part of this statement.

Valley of the Moon Fire Protection District

Statement of Activities

For the Fiscal Year Ended June 30, 2020

		Program Revenues		Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities:				
Public safety - fire protection	\$ 12,409,326	\$ 6,920,090	\$ 556,709	\$ (4,932,527)
General revenues:				
Property taxes				4,923,511
Special taxes				322,176
Interest and investment earnings				10,993
Miscellaneous				523,893
Total general revenues				5,780,573
Change in net position				848,046
Net position beginning				(2,061,518)
Prior period adjustment				173,065
Net position beginning as adjusted				(1,888,453)
Net position ending				\$ (1,040,407)

The notes to the financial statements are an integral part of this statement.

Valley of the Moon Fire Protection District

Governmental Funds

Balance Sheet

June 30, 2020

	General Fund	Sonoma Valley Fire and Rescue Authority Fund	Total Governmental Funds
Assets			
Cash and investments	\$ 3,942,602	\$ 813,145	\$ 4,755,747
Accounts receivable	745,333	410,993	1,156,326
Other current assets	-	101,182	101,182
Total Assets	\$ 4,687,935	\$ 1,325,320	\$ 6,013,255
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 58,711	\$ 442,250	\$ 500,961
Payroll and other liabilities	600	23,505	24,105
Total Liabilities	59,311	465,755	525,066
Deferred Inflows of Resources:			
Unavailable revenue	338,686	42,475	381,161
Fund balances:			
Nonspendable:			
Prepaid expenditures	-	101,182	101,182
Committed for:			
Capital Equipment	1,300,748	-	1,300,748
Buildings and improvements	699,710	-	699,710
Other postemployment benefits	766,110	-	766,110
Compensated absences	299,056	-	299,056
Emergencies and other contingencies	483,695	-	483,695
Assigned for:			
SVFRA Emergency Funds	-	715,908	715,908
Unassigned	740,619	-	740,619
Total Fund Balances	4,289,938	817,090	5,107,028
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,687,935	\$ 1,325,320	\$ 6,013,255

Valley of the Moon Fire Protection District

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2020

Total fund balance - governmental funds \$ 5,107,028

Amounts reported in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets at cost	\$ 3,986,525	
Accumulated depreciation	<u>(1,659,407)</u>	2,327,118

Amounts due from others that will not be collected soon enough to pay current period expenditures are recorded as due from other governments and revenue in the government-wide statements but are not a resource available to be spent on current obligations in the governmental fund statements where they are reported as deferred inflows of resources. 381,161

Differences from accrual basis deferrals of benefit plan balances in the government-wide Financial statements were as follows

OPEB adjustments:		
Difference between actual and expected experience		(1,772,863)
Change in assumptions		(494,402)
Contribution subsequent to measurement date		205,056
Pension adjustments:		
Difference between actual and expected experience		(182,485)
Difference between actual and expected earnings		(1,504,888)
Change in assumptions		143,032
Changes in employer's proportionate shares		301,744
Contribution subsequent to measurement date		1,616,254

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consists of:

Capital lease	\$ 181,535	
Total OPEB liability	4,580,494	
Net pension obligations	2,106,077	
Compensated absences	<u>299,056</u>	<u>(7,167,162)</u>

Total net position - governmental activities \$ (1,040,407)

Valley of the Moon Fire Protection District
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2020

	General Fund	Sonoma Valley Fire and Rescue Authority Fund	Total Governmental Funds
Revenues:			
Property taxes	\$ 4,923,511	\$ -	\$ 4,923,511
Special taxes	322,176	-	322,176
Intergovernmental	-	731,480	731,480
Charges for services	825,734	5,538,424	6,364,158
Investment earnings	10,501	492	10,993
Other revenues	36,441	487,452	523,893
Total revenues	6,118,363	6,757,848	12,876,211
Expenditures:			
Current			
Salaries and employee benefits	1,607,021	9,775,624	11,382,645
Services and supplies	231,871	1,457,191	1,689,062
Capital outlay	324,223	48,469	372,692
Debt service:			
Principal	43,720	-	43,720
Interest	3,379	-	3,379
Total expenditures	2,210,214	11,281,284	13,491,498
Excess (deficiency) of revenues over (under) expenditures	3,908,149	(4,523,436)	(615,287)
Other financing sources (uses):			
Transfers in	93,202	4,127,176	4,220,378
Transfers out	(4,220,378)	-	(4,220,378)
Total other financing sources (uses)	(4,127,176)	4,127,176	-
Net changes in fund balance	(219,027)	(396,260)	(615,287)
Fund balance beginning	4,329,144	1,220,106	5,549,250
Adjustments to beginning fund balance:			
Pooled cash corrections from the City of Sonoma	179,821	(6,756)	173,065
Fund balance beginning as adjusted	4,508,965	1,213,350	5,722,315
Fund balance ending	\$ 4,289,938	\$ 817,090	\$ 5,107,028

The notes to the financial statements are an integral part of this statement.

Valley of the Moon Fire Protection District
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2020

Total net change in fund balance - governmental funds \$ (615,287)

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Additions to capital assets	\$ 317,480	
Depreciation expense	<u>(151,160)</u>	166,320

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Repayment of lease obligations		43,720
--------------------------------	--	--------

In the Statement of Activities, compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially the amounts paid). (26,334)

In governmental funds, actual contributions to pension plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year pension expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources. 670,080

In governmental funds, actual contributions to OPEB plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year OPEB expense as noted in the as noted in the plan's valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources. 228,386

Revenues that were reported in the government-wide statement of activities in prior years have become current financial resources in the current year and have been reported in the governmental fund statement of revenues, expenditures and changes in fund balances. 381,161

Changes in net position of governmental activities \$ 848,046

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. Reporting Entity

The Valley of the Moon Fire Protection District was formed by resolution of the Board of Supervisors of the County of Sonoma as a fire protection district under and pursuant to provisions of the Health and Safety Code of the State of California and is governed by a five-member board of directors. The District provides coordinated fire protection services, rescue services, emergency medical services, and hazardous material response services to taxpayers and residents in a specific unincorporated area in Sonoma County.

On February 1, 2002, the District entered into a joint powers agreement with the City of Sonoma creating a public entity known as the Sonoma Valley Fire and Rescue Authority (SVFRA). SVFRA acts only in an operational capacity for the combined fire protection services of the City and the District and does not have the full powers and authority of a typical Joint Powers Authority.

The SVFRA was converted into a single governance model as a contract for services with Valley of the Moon Fire District. The contract was approved by both the Sonoma City Council and the Valley of the Moon Fire District Board in December 2011, with an effective date for transition of employees as of February 2012.

The contract includes the provision that the District will lease all facilities located at 630 Second Street West (Station 1) as well as all vehicles and equipment for the sum of \$1.00 each year. Ownership, however, of all facilities and equipment will remain with the respective agencies. The contract for services will be recognized as the Sonoma Valley Fire and Rescue Authority (SVFRA) under the direction of the Valley of the Moon Board of Directors.

On July 1, 2017, the District entered into a joint powers agreement with the Glen Ellen Fire Protection District (GEFPD), a California special district. Both VOM and GEFPD have the authority to provide fire protection, emergency medical, and related services within their respective jurisdictions. The contract includes the provision that the identity for the community and the joint organization, VOM and GEFPD agree that the designation "Sonoma Valley Fire and Rescue Authority" and its abbreviation "SVFRA" shall be used as identification for the agencies' combined efforts under their agreement to provide joint and mutual services. Services shall be provided using both GEFPD and VOM owned vehicles, equipment, and apparatus, as well as sufficient personnel to operate the vehicles, equipment, and apparatus. There were not separate entities created as a part of this agreement.

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the ability of the governmental unit's officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Accordingly, for the year ended June 30, 2020, the District does not have any component units, other than the SVFRA as previously noted which is included in these financial statements, and is not a component unit of any other reporting entity.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include the reconciliation with brief explanations to better identify the relationship between the government wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

Fund financial statements report detailed information about the District. The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows, current liabilities and deferred inflows are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value *without* directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Outflows/Deferred Inflows:

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the pension liability reported which is in the Statement of Net Position.

Unearned Revenue:

Unearned revenue arises when assets (such as cash) are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements (such as qualified expenditures) are met are recorded as liabilities from unearned revenue.

Unavailable Revenue:

In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows of resources as unavailable revenue.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into two major funds as follows:

- The *General Fund* is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.
- The *Sonoma Valley Fire and Rescue Authority Fund* is used to account for the revenues received and expenditures made to operate the District's combined fire protection services for the City of Sonoma and the District.

F. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Districts are required to prepare a Preliminary Budget which is adopted by the Board and submitted to the County Auditor-Controller by June 30th. A final Budget is adopted following a Public Hearing on or before September 30th which is then submitted to the County Auditor-Controller as a basis for tax allocation. The District's governing board satisfied these requirements. These budgets are revised by the District's governing board and Fire Chief during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund are presented as Required Supplementary Information.

The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account. For the fiscal year ended June 30, 2020, actual expenditures exceeded appropriations in the general fund by \$1,673,575 and the Sonoma Valley Fire and Rescue Authority Fund by \$1,620,700. However, transfers in and fund balance were sufficient to cover the overages.

G. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances were liquidated on June 30.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

H. Benefit Plans

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's Sonoma County Employee's Retirement Association (SCERA) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by SCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* (GASB Statement No. 68) requires that the reported results must pertain to liability and asset information within certain defined time frames. For this period, the following time frames were used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the District's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

I. Assets, Liabilities, and Equity

1. Cash and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Deposit Insurance Corporation.

The District maintains its operating cash in a bank account with the City of Sonoma (the City) which provides finance and treasury functions for the District. The City pools the cash and investments and interest earned is allocated and apportioned quarterly to the District based on the average daily balance for each quarter. The District has a separate bank account for processing payroll.

All District investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

2. Fair Value Measurements

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

3. Prepaid Expenditures

The District has the option of reporting expenditures in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

4. Capital Assets

Capital assets, which include land, buildings and improvements, furniture, equipment, and construction in progress, are reported in the government-wide financial statements. Such assets are valued at historical cost or estimated historical cost unless obtained by annexation or donation, in which case they recorded at acquisition value. The District utilizes a capitalization threshold of \$5,000.

Projects under construction are recorded at cost as construction in progress and transferred to the appropriate asset account when substantially complete. Costs of major improvements and rehabilitation of buildings are capitalized. Repair and maintenance costs are charged to expense when incurred. Equipment disposed of, or no longer required for its existing use, is removed from the records at actual or estimated historical cost, net of accumulated depreciation. All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building improvements	25-45
Furniture and fixtures	5-15
Mobile equipment	20
Other equipment	10-30

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

5. Compensated Absences

All vacation and sick leave plus related payroll tax is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Because compensated absences are typically paid out upon termination (such as retirement or resignation) of the employee, they are included in annual operating costs for SVFRA. As such, the City pays a share of these costs through their service agreement with Valley of the Moon by payment of a share of operating costs. Based on this current practice, a share of the outstanding balance of compensated absences is allocated to Valley of the Moon based on the share of costs for the SVFRA operation for fiscal year 2020. As of June 30, 2020, Valley of the Moon's share of the compensated absences balance was \$299,056.

6. Noncurrent Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the Statement of Net Position.

7. Fund Balance Classifications

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- *Non-spendable* fund balance includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* fund balances includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of directors.
- *Assigned* fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Fire Chief.
- *Unassigned* fund balance includes positive amounts within the general fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

8. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Unrestricted net position reflects amounts that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year. A deficit unrestricted net position may result when significant cash balances restricted for capital projects exist. Once the projects are completed, the restriction on these assets are released and converted to capital assets.

9. Property Taxes

The District receives property tax revenue from the County of Sonoma (the County). The County is responsible for assessing, collecting and distributing property taxes in accordance with state law. Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year. Taxes are levied annually on July 1st, and one-half are due by November 1st and one-half by February 1st. Taxes are delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied on a pro-rata basis when changes in assessed valuation occur due to the completion of construction or sales transactions. Liens on real property are established on January 15th for the ensuing fiscal year.

On June 30, 1993, the Board of Supervisors adopted the "Teeter" method of property tax allocation. This method allocates property taxes based on the total property tax billed. At year-end, the County advances cash to each taxing jurisdiction equal to its current year delinquent taxes. Once the delinquent taxes are collected, the revenue from penalties and interest remains with the County and is used to pay the interest cost of borrowing the cash used for the advances.

10. Risk Management

The District is exposed to various risks including loss or damage to property, general liability, and injuries to employees. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. No significant reductions in insurance coverage from the prior year have been made. The District participates in risk pools under JPAs for property and liability, health benefits, and workers' compensation coverage.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

11. Accounting Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

12. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the date of the financial statements through the date the financial statements were issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure other than the reorganization described in Note 10.

13. Upcoming Accounting and Reporting Changes

GASB Statement No. 84, *Fiduciary Activities*

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018. Earlier application is encouraged. The District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB issued Statement No. 87, *Leases*

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. Earlier application is encouraged. The District is in the process of determining the impact this Statement will have on the financial statements.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of the Construction Period

This Statement addresses interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. Earlier application is encouraged. The District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 90, Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61

The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 91, Conduit Debt Obligations

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement also clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitment and voluntary commitments extended by issuers and arrangements associated with the debt obligations; and improving required note disclosures. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2020. Earlier application is encouraged. The District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 92, Omnibus 2020

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement were initially to be effective for financial statements for periods beginning after June 15, 2020 but have been delayed to periods beginning after June 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged. The District does not believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 93, Replacement of Interbank Offered Rates

This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement were initially to be effective for financial statements for periods beginning after June 15, 2020 but have been delayed to periods beginning after June 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged. The District does not believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 94, Public-Private Partnerships and Public-Public Partnerships and Availability Payment Arrangements

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are to be effective for financial statements for periods beginning after June 15, 2022. Earlier application is encouraged. The District does not believe this statement will have a significant impact on the District's financial statements.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 2 - CASH AND INVESTMENTS

A summary of cash and investments as of June 30, 2020, is as follows:

<u>Cash and Investments</u>	<u>Available for Operations</u>	<u>Fair Value June 30, 2020</u>	<u>Investment Rating</u>	<u>Maturities</u>
Cash on Hand and in Banks	\$ 1,032,379	\$ 1,032,379	N/A	N/A
Cash in City Treasury	3,723,368	3,723,368	N/A	N/A
Total Cash and investments	<u>\$ 4,755,747</u>	<u>\$ 4,755,747</u>		

Cash in Banks

Cash balances in banks are insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation ("FDIC"). The District's accounts are held with WestAmerica Bank. As of June 30, 2020, the District's bank balances totaled \$1,184,474 which exceeded FDIC coverage by \$934,474.

Cash in City Treasury

Amounts on deposit with the City are invested pursuant to investment policy guidelines established by the City Treasurer and approved by the City Council. The objectives of the policy are, in order of priority, safety of capital, liquidity and maximum rate of return. The policy addresses the soundness of financial institutions in which the City will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio which may be invested in certain instruments with longer terms to maturity.

All cash and investments are stated at fair value. Pooled investment earnings are allocated quarterly based on the average cash and investment balances of the various funds and related entities of the City.

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

As of June 30, 2020, the District's cash and investments were exempt from classification by level.

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Limitations as they relate to interest rate risk, credit risk, custodial credit risk and concentration of credit risk are described below:

a) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the City Treasury.

b) Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the City Investment Pool is governed by the City's general investment policy. The City's investments in fiscal year ended June 30, 2020, included U.S. government securities or obligations explicitly guaranteed by the U.S. government that are not considered to have credit risk exposure. The City's two other investment types, LAIF and money market mutual funds, are not rated.

c) Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

d) Concentration of Credit Risk

Because it pools its cash with the City, the District relies on the City's investment policy which contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. In addition, investments that are in either an external investment pool or mutual funds are exempt from government code and disclosure requirements.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2020, is shown below:

Capital Assets	Balance July 01, 2019	Additions	Deletions/ Adjustments	Balance June 30, 2020
Non-depreciable:				
Land	\$ 131,472	\$ -	\$ -	\$ 131,472
Total Non-Depreciable	131,472	-	-	131,472
Depreciable:				
Buildings and improvements	1,313,611	110,000	-	1,423,611
Equipment	2,223,962	207,480	-	2,431,442
Total Depreciable	3,537,573	317,480	-	3,855,053
Less Accumulated Depreciation for:				
Buildings and improvements	450,839	44,116	-	494,955
Equipment	1,057,408	107,044	-	1,164,452
Total Accumulated Depreciation	1,508,247	151,160	-	1,659,407
Total Depreciable - Net	2,029,326	166,320	-	2,195,646
Total Capital Assets - Net	\$ 2,160,798	\$ 166,320	\$ -	\$ 2,327,118

During the year, depreciation expense of \$151,160 was charged to public safety, fire services.

NOTE 4 - SCHEDULE OF CHANGES IN NONCURRENT LIABILITIES

The following is a summary of the changes in noncurrent liabilities for the year ended June 30, 2020:

Long-term Liabilities	Balance July 01, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Capital Lease	\$ 225,255	\$ -	\$ 43,720	\$ 181,535	\$ 44,375
Total OPEB Liabilities	6,433,086	867,334	2,719,926	4,580,494	-
Net Pension Liabilities	7,122,021	-	5,015,944	2,106,077	-
Compensated Absences	272,722	26,334	-	299,056	74,764
Total Long-term Liabilities	\$ 14,053,084	\$ 893,668	\$ 7,779,590	\$ 7,167,162	\$ 119,139

NOTE 5 - EMPLOYEE RETIREMENT SYSTEMS

General Information about the Pension Plan

Plan Description - All qualified permanent employees scheduled to work at least 50% of a full-time position are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plans administered by the Sonoma County Employees' Retirement Association (SCERA), a public employee retirement system.

There are currently two tiers applicable to both General and Safety members. Members with membership dates before January 1, 2013 are included in General Plan A or Safety Plan A. Any new member who becomes a member on or after January 1, 2013 is designated as General Plan B or Safety Plan B and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA),

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

California Government Code 7522 et seq. and Assembly Bill (AB) 197. PEPRA was signed into law by Governor Jerry Brown on September 12, 2012, with an effective date of January 1, 2013. All General and Safety employees hired on or after January 1, 2013, with the exception of employees who are eligible for reciprocity with another qualified California retirement system, are part of a new tier called Plan B.

The Plan provides benefits as defined by the law upon retirement, death, or disability of members and may be amended by the Board of Supervisors. The Board of Retirement has the authority to establish and amend benefit provisions and these shall then be adopted by the County Board of Supervisors.

The financial statements for the County (the primary government) contain additional financial information for the defined pension benefits, which is not presented here. SCERA issues an annual financial report that includes financial statements and required supplementary information for the Plan which can be obtained by writing to the Sonoma County Employees' Retirement Association, 433 Aviation Blvd., Suite 100, Santa Rosa, CA 95403-1069.

Benefits Provided - The Plan provides retirement, disability, death and survivor benefits to plan members and beneficiaries. The retirement benefits the member will receive is based upon age at retirement, final average compensation (FAC), years of retirement service credit and retirement plan and tier. For Plan A member, the FAC is based on the member's highest consecutive 12 months of compensation earnable. For Plan B members the FAC is based on the member's highest consecutive 36 months of pensionable compensation. The monthly allowance is equal to the final average compensation times the member's years of accrued retirement service credit, times the age factor.

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	General Plan A	General Plan B	Safety Plan A	Safety Plan B
Hire date	Before January 1, 2014	After January 1, 2014	Before January 1, 2014	After January 1, 2014
Benefit Determination	(1)	(2)	(1)	(2)
Benefit vesting schedule	5 Years	5 Years	5 Years	5 Years
Benefit payments	Monthly ⁽³⁾	Monthly for Life	Monthly ⁽³⁾	Monthly for Life
Retirement age	50 ⁽⁴⁾	52 ⁽⁵⁾	50 ⁽⁴⁾	50 ⁽⁵⁾
Monthly benefits as a % of eligible compensation	2.0% to 3.0% ⁽⁶⁾	1.0% to 2.7% ⁽⁶⁾	3% ⁽⁶⁾	2.0% to 2.7% ⁽⁶⁾
Average employee contribution rates	12.19% ⁽⁷⁾	7.46%	10.99% ⁽⁷⁾	12.97%
Employer contribution rates	16.70%	10.49%	36.61%	22.63%

(1) Final Average Compensation (FAC1) for benefit determination is based on the member's highest consecutive one year of compensation earnable

(2) Final Average Compensation (FAC3) for benefit determination is based on the member's highest consecutive three years of pensionable compensation

(3) Up to 100% of Final Average Compensation

(4) Age 50 with 10 years of service credit, or age 70 regardless of service credit, or after 30 years of service credit, regardless of age

(5) With 5 years of service credit

(6) The percentage, which is based on the retirement age, is the percent of FAC per year of service

(7) Average contribution rate, depending on entry age

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Employees Covered - At June 30, 2020, the District had the following employees covered by the benefit terms under the Plan:

	Participants
Inactive employees receiving benefits	9
Inactive employees entitled to but not receiving benefits	1
Active members	39
Total Employees Covered	49

Contributions - The Plan is a defined benefit plan that is funded by actuarially determined regular contributions using the entry-age normal cost method. Significant actuarial assumptions used to compute actuarially determined contribution requirements are the same as those used to compute the actuarial accrued liability. Employer contribution rates are adopted annually based upon recommendations received from SCERA’s actuary after the completion of the annual actuarial valuation.

All members are required to make contributions to SCERA regardless of the retirement plan or tier in which they are included. The contribution requirements of Plan members and the County are determined by an independent actuary, approved by the SCERA Board of Retirement, and adopted by the Board of Supervisors. The contribution rates for the fiscal year ended June 30, 2020 were based on the Plan’s valuation dated December 31, 2019.

The contribution rates determined in each actuarial valuation take effect at the beginning of the fiscal year starting at least twelve months after the beginning of the valuation year, except when significant benefit or actuarial assumption changes occur. The County is required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. Employer and member contributions are funded and recognized through the County and District payroll systems via employer benefit payments and employee deductions.

For the year ended June 30, 2020, the District’s contributions were \$1,616,254.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to SCERA

As of June 30, 2020, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
General	\$ 23,159
Safety	2,082,918
Total Net Pension Liability	\$ 2,106,077

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of December 31, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

	General	Safety	All Plans
Proportion - June 30, 2019	0.0764%	5.7284%	1.4409%
Proportion - June 30, 2020	0.0129%	4.4192%	0.9300%
Change	-0.0635%	-1.3092%	-0.5109%

** All plans is not a total column

For the year ended June 30, 2020, the District recognized pension expense of \$1,021,422 for the Plan.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,616,254	\$ -
Changes of assumptions	143,032	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	631,676	329,932
Net differences between projected and actual earnings on plan investments	-	1,504,888
Difference between expected and actual experience	41,903	224,388
Total	\$ 2,432,865	\$ 2,059,208

The District reported \$1,616,254 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Recognized to Pension Expense
2021	\$ (318,960)
2022	(256,915)
2023	(63,761)
2024	(602,961)
Total	\$ (1,242,597)

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Actuarial Assumptions - The total pension liabilities in the December 31, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Measurement Date	December 31, 2019
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Projected Salary Increase	3.75% - 10.75% ⁽¹⁾
Investment Rate of Return	7.00% ⁽²⁾
Mortality	⁽³⁾

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) Based on RP-2000 Combined Healthy Mortality Table projected with Scale AA

The underlying mortality assumptions and all other actuarial assumptions used in the December 31, 2019 valuation were based on a review of the mortality experience in the January 1, 2009 – December 31, 2011 Actuarial Experience Study.

Discount Rate - The discount rate used to measure the total pension liability was 7% as of December 31, 2019 and December 31, 2018. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of both December 31, 2019 and December 31, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	17.97%	5.34%
Small Cap U.S. Equity	5.45%	6.08%
Developed International Equity	16.71%	6.80%
Global Equity	15.55%	6.44%
Emerging Market Equity	5.57%	8.75%
Core Bonds	14.75%	1.12%
Bank Loans	3.00%	3.55%
Real Estate	10.00%	4.58%
Farmland	5.00%	6.81%
Unconstrained Bonds	3.00%	3.22%
Infrastructure	3.00%	6.70%
Total	100.0%	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

- The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.00%
Net Pension Liability	\$ 5,474,618
Current Discount Rate	7.00%
Net Pension Liability	\$ 2,106,077
1% Increase	8.00%
Net Pension Liability	\$ (692,518)

Determination of Proportionate Share - The net pension liability is the total pension liability (TPL) minus the plan fiduciary net position (plan assets). In order to determine the NPL for each employer, the unfunded actuarial accrued liabilities (UAAL) determined in the funding valuation is adjusted to use the market value of plan assets (MVA). The difference between the MVA and the valuation value of assets (VVA) is first allocated among General and Safety in proportion to the VVA. The amount determined for each of General and Safety as a group is allocated among the different General and Safety employers, respectively, by using the projected payroll as of the date of the valuation on December 31, 2019 for fiscal year 2020. This is because in the funding valuation, any such deferred investment gains will be allocated in future valuations among the different employers based on the projected payrolls for those employers in those valuations.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 6 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The District's Postemployment Healthcare Plan (PHP) is a single-employer defined benefit healthcare plan including medical, dental, and vision benefits for the below groups of employees.

Benefits - The District administers a single-employer defined benefit health care plan. For eligible retired employees hired prior to January 1, 2006, the Plan provides lifetime healthcare benefits through the District's group health insurance plan, which covers both active and retired employees. The District pays 60% of the post-retirement healthcare benefits for the employees and their eligible dependents based on a Memorandum of Understanding with the various unions in which the District's employees are enrolled.

Contributions - The District's contributions are equal to the required benefit payments per contract are approved by the authority of the District's Board. Total benefit payments during the year were \$205,056. Total benefit payments included in the measurement period were \$189,384. The District's contributions were 2.5% of payroll during the measurement period June 30, 2019 (reporting period June 30, 2020). Employees are required to pay for forty percent of the annual premiums during the year.

Actuarial Assumptions - The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2019
Actuarial Cost Method:	Entry-Age Normal
Amortization Period:	20 years
Asset Valuation Method:	Level percentage of payroll, closed
Actuarial Assumptions:	
Discount Rate	3.13%
Inflation	2.75%
Payroll Increases	3.00%
Municipal Bond Rate	3.62%
Mortality	2017 CalPERS Active Mortality for Miscellaneous employees
Retirement	2017 CalPERS 2% @ 55 Rates for Miscellaneous Employees

Total OPEB Liability - The District's total OPEB liability was measured as of June 30, 2019 (measurement date) and was determined by an actuarial valuation as of June 30, 2019 (valuation date) for the fiscal year ended June 30, 2020 (reporting date).

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Changes in the Total OPEB Liability - The following summarizes the changes in the total OPEB liability during the year ended June 30, 2020:

Fiscal Year Ended June 30, 2020 (Measurement Date June 30, 2019)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2019	\$ 6,433,086	\$ -	\$ 6,433,086
Service cost	29,565	-	29,565
Interest in Total OPEB Liability	229,450	-	229,450
Balance of diff between actual and exp experience	(2,003,105)	-	(2,003,105)
Balance of changes in assumptions	80,882	-	80,882
Benefit payments	(189,384)	-	(189,384)
Net changes	(1,852,592)	-	(1,852,592)
Balance at June 30, 2020	\$ 4,580,494	\$ -	\$ 4,580,494
Covered Employee Payroll	\$ 1,281,816		
Total OPEB Liability as a % of Covered Employee Payroll	357.34%		
Plan Fid. Net Position as a % of Total OPEB Liability	0.00%		
Service Cost as a % of Covered Employee Payroll	2.31%		
Net OPEB Liability as a % of Covered Employee Payroll	357.34%		

Deferred Inflows and Outflows of Resources - At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ 1,772,863
Change in assumptions	-	494,402
OPEB contribution subsequent to measurement date	205,056	-
Totals	\$ 205,056	\$ 2,267,265

Of the total amount reported as deferred outflows of resources related to OPEB, \$205,056 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended June 30, 2021.

Amounts to be reported as deferred outflows/inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30,	
2021	\$ (317,236)
2022	(317,236)
2023	(317,236)
2024	(317,236)
2025	(317,236)
Thereafter	(681,085)
Total	\$ (2,267,265)

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

OPEB Expense - The following summarizes the OPEB expense by source during the year ended June 30, 2020:

Service cost	\$ 29,565
Interest in TOL	229,450
Difference between actual and expected experience	(230,242)
Change in assumptions	<u>(86,994)</u>
OPEB Expense	<u><u>\$ (58,221)</u></u>

The following summarizes changes in the total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2020:

Total OPEB liability ending	\$ 4,580,494
Total OPEB liability beginning	<u>(6,433,086)</u>
Change in total OPEB liability	(1,852,592)
Changes in deferred inflows	1,604,987
Employer contributions and implicit subsidy	<u>189,384</u>
OPEB Expense	<u><u>\$ (58,221)</u></u>

Sensitivity to Changes in the Discount Rate - The total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

	Municipal Bond Rate		
	(1% Decrease)	3.13%	(1% Increase)
Total OPEB Liability	\$ 5,343,016	\$ 4,580,494	\$ 3,978,240

Sensitivity to Changes in the Healthcare Cost Trend Rates - The total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease)	3.62%	(1% Increase)
Total OPEB Liability	\$ 3,984,381	\$ 4,580,494	\$ 5,325,955

NOTE 7 - JOINT VENTURES (JOINT POWERS AGREEMENTS)

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District is covered through its participation in the Fire Agencies Insurance Risk Authority (FAIRA) joint powers agreement. As a member of this public entity risk pool, the District is responsible for appointing an employee as a liaison between the District and FAIRA, implementing all policies of FAIRA, promptly paying all contributions, and cooperating with FAIRA and any insurer of FAIRA. FAIRA is responsible for providing insurance coverage as agreed upon, assisting the District with implementation, providing claims adjusting and defense of any civil action brought against the District. The District also is a member of the Fire District

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Association of California/Fire Agency Self-Insurance System (FDAC/FASIS) joint powers agreement for workers' compensation coverage. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

The following is a summary of the most recently available financial information for the JPAs:

	FASIS	FAIRA
Total Assets	\$ 68,748,993	\$ 3,112,062
Total Liabilities	48,785,427	16,777
Total Equity	19,963,566	3,095,285
Total Revenues	19,028,698	2,684,285
Total Expenditures	13,679,702	2,739,602

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Litigation

The District may be exposed to various claims and litigation during the normal course of business. However, management believes there were no matters that would have a material adverse effect on the District's financial position or results of operations as of June 30, 2020.

Capital Leases

The District has capital leases which in total are immaterial to the financial statements. The assets have been included in the District's capital assets and the liabilities have been reported as noncurrent liabilities totaling \$434,350 with an outstanding liability as of June 30, 2020 of \$181,535. The following summarizes the future lease payments:

Fiscal Year Ended June 30	Principal	Interest	Totals
2021	\$ 44,375	\$ 2,723	\$ 47,098
2022	45,041	2,057	47,098
2023	45,717	1,382	47,099
2024	46,402	696	47,098
Total Future Minimum Payments	\$ 181,535	\$ 6,858	\$ 188,393

NOTE 9 – COVID-19 PANDEMIC IMPACT

In December 2019, a novel strain of coronavirus surfaced (COVID-19 or CV19) and spread around the world, with resulting business and social disruption. The operations and business results of the District could be materially and adversely affected in the future, including a reduction in the level of funding and potential impacts from the timing of cash flows. In addition, significant estimates may be materially and adversely impacted by national, state and local events designed to contain the coronavirus. Debt ratings for outstanding issuances may further be impacted. For the 2020-2021 fiscal year, the District will continue to monitor the impact CV19 has on the national and local economy in an effort to anticipate any potentially negative impact it may have on the District. As of the date of issuance of these financial statements, the District had not suffered a material adverse impact from the CV19 Crisis. However, the future impact of the CV19 Crisis cannot be reasonably estimated.

Valley of the Moon Fire Protection District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 10 – REORGANIZATION

During the fiscal year ended June 30, 2020, the Board of Directors of the Glen Ellen Fire Protection District (GEFPD) and the Valley of the Moon Fire Protection District (VOMFPD), and the Board of Supervisors of the County of Sonoma on behalf of the Mayacamas Volunteer Fire Company (Mayacamas VFC), herein collectively referred to as “the Parties”, took action with the Local Agency Formation Commission of the County of Sonoma (Sonoma LAFCO) for the reorganization of the Parties and formation of the Sonoma Valley Fire District. At its initial special meeting on July 1, 2020, the Board of Directors of the Sonoma Valley Fire District took several executory actions, including adopting a resolution to establish and form the Sonoma Valley Fire District pursuant to the Cortese-Knox-Hertzberg Act and Sonoma County LAFCO Resolutions 2723 and 2724.

This consolidation of neighboring districts included the Parties entering into a Property Tax Allocation Agreement concerning real property tax revenue and other payments to fund the Sonoma Valley Fire District. Additionally, the Sonoma Valley Fire District will accept the transfer to the District of all assets and liabilities of the Parties, as authorized in Sonoma County LAFCO Resolutions 2723 and 2724. As of date of this report, the amounts to be transferred had not been determined.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

Valley of the Moon Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual (GAAP)
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual (GAAP Basis)	Variance with Final Budget Positive - (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 4,509,233	\$ 4,509,233	\$ 4,923,511	\$ 414,278
Special taxes	324,721	324,721	322,176	(2,545)
Investment earnings	3,000	3,000	10,501	7,501
Other revenue	-	-	36,441	36,441
Total revenues	<u>4,836,954</u>	<u>4,836,954</u>	<u>6,118,363</u>	<u>1,281,409</u>
Expenditures:				
Current				
Salaries and employee benefits	234,462	234,462	1,607,021	(1,372,559)
Services and supplies	87,550	87,550	231,871	(144,321)
Capital outlay	167,528	167,528	324,223	(156,695)
Debt service:				
Principal	43,720	43,720	43,720	-
Interest	3,379	3,379	3,379	-
Total expenditures	<u>536,639</u>	<u>536,639</u>	<u>2,210,214</u>	<u>(1,673,575)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,300,315</u>	<u>4,300,315</u>	<u>3,908,149</u>	<u>(392,166)</u>
Other financing sources (uses):				
Transfers in	-	-	93,202	93,202
Transfers out	(4,127,176)	(4,127,176)	(4,220,378)	(93,202)
Total other financing sources (uses)	<u>(4,127,176)</u>	<u>(4,127,176)</u>	<u>(4,127,176)</u>	<u>-</u>
Net change in fund balance	173,139	173,139	(219,027)	(392,166)
Fund balance beginning	4,329,144	4,329,144	4,329,144	-
Prior period adjustments	179,821	179,821	179,821	-
Fund balance beginning - as adjusted	<u>4,508,965</u>	<u>4,508,965</u>	<u>4,508,965</u>	<u>-</u>
Fund balance ending	<u>\$ 4,682,104</u>	<u>\$ 4,682,104</u>	<u>\$ 4,289,938</u>	<u>\$ (392,166)</u>

The budgetary control level is by fund on the modified accrual basis per U.S. GAAP. Expenditures cannot legally exceed appropriations by fund.

Valley of the Moon Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual (GAAP)
Sonoma Valley Fire and Rescue Authority Fund
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual (GAAP Basis)	Variance with Final Budget Positive - (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 7,500	\$ 7,500	\$ 731,480	\$ 723,980
Charges for services	5,602,782	5,602,782	5,538,424	(64,358)
Other revenue	55,000	55,000	487,452	432,452
Total revenues	<u>5,665,282</u>	<u>5,665,282</u>	<u>6,757,848</u>	<u>1,092,566</u>
Expenditures:				
Current				
Salaries and employee benefits	8,679,868	8,679,868	9,775,624	(1,095,756)
Services and supplies	943,716	943,716	1,457,191	(513,475)
Capital outlay	37,000	37,000	48,469	(11,469)
Total expenditures	<u>9,660,584</u>	<u>9,660,584</u>	<u>11,281,284</u>	<u>(1,620,700)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,995,302)</u>	<u>(3,995,302)</u>	<u>(4,523,436)</u>	<u>(528,134)</u>
Other financing sources (uses):				
Transfers in	3,995,302	3,995,302	4,127,176	131,874
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>3,995,302</u>	<u>3,995,302</u>	<u>4,127,176</u>	<u>131,874</u>
Net change in fund balance	-	-	(396,260)	(396,260)
Fund balance beginning	1,220,106	1,220,106	1,220,106	-
Prior period adjustments	(6,756)	(6,756)	(6,756)	-
Fund balance beginning - as adjusted	<u>1,213,350</u>	<u>1,213,350</u>	<u>1,213,350</u>	<u>-</u>
Fund balance ending	<u>\$ 1,213,350</u>	<u>\$ 1,213,350</u>	<u>\$ 817,090</u>	<u>\$ (396,260)</u>

The budgetary control level is by fund on the modified accrual basis per U.S. GAAP. Expenditures cannot legally exceed appropriations by fund.

Valley of the Moon Fire Protection District

Schedule of Pension Plan Contributions

For the Fiscal Year Ended June 30, 2020

SCERA	2015	2016	2017	2018	2019	2020
Contractually Required Contributions (Actuarially Determined)	\$ 1,321,245	\$ 1,310,219	\$ 1,368,336	\$ 1,543,092	\$ 1,587,873	\$ 1,616,254
Contributions in Relation to Actuarially Determined Contributions	1,321,245	1,310,219	1,368,336	1,543,092	1,587,873	1,616,254
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 3,922,995	\$ 3,974,135	\$ 4,118,844	\$ 4,598,112	\$ 4,884,100	\$ 5,188,830
Contributions as a Percentage of Covered Payroll	33.68%	32.97%	33.22%	33.56%	32.51%	31.15%

Notes to Schedule:

Assumptions Used: December 31, 2019
 Entry Age Method used for Actuarial Cost Method
 Level Percentage of Payroll (Closed) Used Amortization Method
 15 Years Remaining Amortization Period
 Inflation Assumed at 2.75%
 Investment Rate of Returns set at 7%
 Based on RP-2000 Combined Healthy Mortality Table projected with Scale AA

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.
 There were no changes in benefit terms.
 The discount rate was remained 7% in the 2019 valuation.

Valley of the Moon Fire Protection District

Schedule of Proportionate Share Of Net Pension Liability For the Fiscal Year Ended June 30, 2020

SCERA	2015	2016	2017	2018	2019	2020
District's Proportion of Net Pension Liability	1.16589%	1.47142%	1.46575%	1.15522%	1.44092%	0.93003%
District's Proportionate Share of Net Pension Liability	\$ 2,527,396	\$ 6,074,799	\$ 5,754,104	\$ 1,950,190	\$ 7,122,021	\$ 2,106,077
District's Covered Employee Payroll	\$ 3,726,695	\$ 3,922,995	\$ 3,974,135	\$ 4,118,844	\$ 4,598,112	\$ 4,884,100
District's Proportionate Share of NPL as a % of Covered Employee Payroll	67.82%	154.85%	144.79%	47.35%	154.89%	43.12%
Plan Fiduciary's Net Position as a % of the Total Pension Liability	91.21%	92.81%	84.83%	86.28%	94.74%	85.02%

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.
The discount rate was remained 7% in the 2019 valuation.

Valley of the Moon Fire Protection District

Schedule of Changes in Total OPEB Liability

For the Fiscal Year Ended June 30, 2020

Fiscal Year Ended	2018	2019	2020
Total OPEB liability			
Service cost	\$ 35,919	\$ 29,329	\$ 29,565
Interest	205,016	225,462	229,450
Differences between expected and actual experience	-	-	(2,003,105)
Changes of assumptions	(781,329)	(66,027)	80,882
Benefit payments	(117,250)	(177,762)	(189,384)
Net change in Total OPEB Liability	(657,644)	11,002	(1,852,592)
Total OPEB Liability - beginning	7,079,728	6,422,084	6,433,086
Total OPEB Liability - ending	<u>\$ 6,422,084</u>	<u>\$ 6,433,086</u>	<u>\$ 4,580,494</u>
Plan fiduciary net position			
Net change in plan fiduciary net position	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability (asset)	\$ 6,422,084	\$ 6,433,086	\$ 4,580,494
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 6,819,116	\$ 7,030,017	\$ 7,240,918
Net OPEB liability as a percentage of covered employee payroll	94.18%	91.51%	63.26%
Total OPEB liability as a percentage of covered employee payroll	94.18%	91.51%	63.26%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

There were no changes in benefit terms.

The discount rates was 3.56% in 2018, 3.62 % in 2019 and 3.13% in 2020.

**OTHER INDEPENDENT
AUDITOR'S REPORTS**



INDEPENDENT AUDITOR'S 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

Board of Directors
Valley of the Moon Fire Protection District
Sonoma, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 20, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and



material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

May 20, 2021
San Jose, California



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 June 8, 2021

Agenda Item No.	Staff Contact
10b	Steve Akre, Fire Chief

Agenda Item Title
 Resolution 2020/2021-18 adopting Sonoma Valley Fire District and SVFRA Preliminary Budgets for FY 2021/22

Recommended Actions
 Adopt preliminary budgets for both SVFD and SVFRA

Executive Summary
 Chief Akre will present the Fiscal Year 2021/22 Sonoma Valley Fire District as well as the Fiscal Year 2021/22 City of Sonoma SVFRA Preliminary Budgets. The Board is asked to adopt both preliminary budgets.

Alternative Actions
 Request information or changes to the budgets before adoption

Strategic Plan Alignment
 Not applicable

Fiscal Summary – FY 21/22 – 799 – Sonoma Valley Fire District Preliminary Budget			
Expenditures		Funding Source(s)	
Budgeted Amount	\$9,621,688.00	District General Fund	\$7,481,317.00
Add. Appropriations Req'd.	\$	Fees/Other	\$769,104.00
	\$	Use of Fund Balance	\$
		Contingencies	\$
		Grants	\$1,371,267.00
Total Expenditure	\$9,621,688.00	Total Sources	\$9,261,688.00

Fiscal Summary – FY 21/22 – 798 City of Sonoma SVFRA Budget			
Expenditures		Funding Source(s)	
Budgeted Amount	\$9,627,991.00	District General Fund	\$4,140,036.00
Add. Appropriations Req'd.		Fees/Other	\$5,487,955.00
		Use of Fund Balance	\$
		Contingencies	
		Grants	
Total Expenditure	\$9,627,991.00	Total Sources	\$9,627,991.00

Narrative Explanation of Fiscal Impacts (if required)

- Attachments**
1. Sonoma Valley Fire District Recommended Preliminary Budget FY 21/22
 2. City of Sonoma SVFRA Recommended Preliminary Budget FY 21/22
 3. Resolution 2020/2021-18

Sonoma Valley Fire District

Recommended Preliminary Budget Fiscal Year 2021-2022



Account Number	Description		Final Budget 2020-2021		Recommended Preliminary Budget 2021-2022		Increase (Decrease)
Revenue Budget							
799-00000-000-30010	Property Tax Revenue	\$	6,086,754.00	\$	6,086,754.00	\$	-
799-00000-000-30011	Property Taxes - Unsecured	\$	189,684.00	\$	189,684.00	\$	-
799-00000-000-30012	RDA Pass Through (AB 1290 / RPTTF)	\$	79,622.00	\$	79,622.00	\$	-
799-00000-000-30014	Property Taxes-Supplemental	\$	110,715.00	\$	110,715.00	\$	-
799-00000-000-30015	Property Tax - HOPTR	\$	35,745.00	\$	35,745.00	\$	-
799-00000-000-30016	County Collection Fee	\$	65,355.00	\$	(65,355.00)	\$	(130,710.00)
799-00000-000-30017	Redevelopment Increment	\$	(431,542.00)	\$	(431,542.00)	\$	-
799-00000-000-30018	Direct Charges	\$	1,475,694.00	\$	1,475,694.00	\$	-
799-00000-000-30019	Cost Reimbursement Coll	\$	-	\$	-	\$	-
799-00000-000-38000	Contract for Services - SDC	\$	510,300.00	\$	535,824.00	\$	25,524.00
799-00000-000-37201	SVFRA Transfer from Fund Balance	\$	-	\$	-	\$	-
799-00000-000-35004	Reimbursement (REDCOM)	\$	75,280.00	\$	75,280.00	\$	-
799-00000-000-35005	Other- Misc. Revenues (Mayacamas Supplemental Payment)	\$	-	\$	158,000.00	\$	158,000.00
799-00000-000-31514	Grant Revenue	\$	1,371,267.00	\$	1,371,267.00	\$	-
799-00000-000-30116	Fire Inspection & Processing Fee	\$	-	\$	-	\$	-
799-00000-000-31108	Special Fire Svs-State Reimbursement	\$	-	\$	-	\$	-
Charges for Services		\$	9,568,874.00	\$	9,621,688.00	\$	52,814.00
						\$	-
Revenue Totals		\$	9,568,874.00	\$	9,621,688.00	\$	52,814.00

Sonoma Valley Fire District

Recommended Preliminary Budget Fiscal Year 2021-2022



Account Number	Description		Final Budget 2020-2021		Recommended Preliminary Budget 2021-2022		Increase (Decrease)
Expense Budget							
799-68900-110-40110	Regular Employee	\$	1,902,826.00	\$	2,061,093.00	\$	158,267.00
799-68900-119-40119	District Board	\$	5,000.00	\$	5,000.00	\$	-
799-68900-120-40120	Part Time Worker Salary	\$	156,526.00	\$	168,852.00	\$	12,326.00
799-68900-130-40130	Overtime	\$	313,950.00	\$	432,010.00	\$	118,060.00
	Salary and Wages	\$	2,378,302.00	\$	2,666,955.00	\$	288,653.00
799-68900-115-40115	Retirement	\$	658,173.00	\$	543,289.00	\$	(114,884.00)
799-68900-116-40116	CalPERS (GLE Contract)	\$	49,000.00	\$	58,000.00	\$	9,000.00
799-68900-117-40117	Medicare -	\$	27,268.00	\$	44,829.00	\$	17,561.00
799-68900-118-40118	Income Protection	\$	-	\$	-	\$	-
799-68900-201-40201	Employee Insurance	\$	593,599.00	\$	589,649.00	\$	(3,950.00)
799-68900-202-40202	Workers Compensation	\$	188,352.00	\$	224,925.00	\$	36,573.00
799-68900-223-40223	Unemployment	\$	-	\$	-	\$	-
	Employee Benefits	\$	1,516,392.00	\$	1,460,692.00	\$	(55,700.00)
799-68900-310-50310	Legal	\$	25,000.00	\$	25,000.00	\$	-
799-68900-311-50311	Acctng/Audit	\$	60,000.00	\$	20,000.00	\$	(40,000.00)
799-68900-312-50312	Recruitment	\$	15,000.00	\$	17,500.00	\$	2,500.00
799-68900-313-50313	Consulting	\$	40,000.00	\$	40,000.00	\$	-
799-68900-347-50347	Professional Contract Services	\$	75,000.00	\$	8,172.00	\$	(66,828.00)
799-68900-350-50350	Other-Prof/Tech	\$	-	\$	-	\$	-
799-68900-354-50354	SVFRA Contract	\$	4,056,568.00	\$	4,115,742.00	\$	59,174.00
	Professional Services	\$	4,271,568.00	\$	4,226,414.00	\$	(45,154.00)

Sonoma Valley Fire District

Recommended Preliminary Budget Fiscal Year 2021-2022



Account Number	Description		Final Budget 2020-2021		Recommended Preliminary Budget 2021-2022		Increase (Decrease)
799-68900-401-60401	Utilities	\$	25,000.00	\$	25,940.00	\$	940.00
799-68900-403-60403	Custodial	\$	10,000.00	\$	12,000.00	\$	2,000.00
799-68900-404-60404	Repair & Mainte	\$	25,000.00	\$	30,000.00	\$	5,000.00
799-68900-406-60406	Rental-Equipmen	\$	-	\$	-	\$	-
799-68900-407-60407	Contract Services / Property Related	\$	-	\$	33,793.00	\$	33,793.00
799-68900-420-60420	Building Maintenance	\$	25,000.00	\$	40,000.00	\$	15,000.00
Property Services		\$	85,000.00	\$	141,733.00	\$	56,733.00
799-68900-450-60450	Dues & Subscriptions	\$	-	\$	7,800.00	\$	7,800.00
799-68900-451-60451	Insurance Property / Liability	\$	13,000.00	\$	21,986.00	\$	8,986.00
799-68900-452-60452	Communications	\$	10,000.00	\$	12,000.00	\$	2,000.00
799-68900-453-60453	Publications and Notices & Advertising	\$	-	\$	1,000.00	\$	1,000.00
799-68900-454-60454	Printing & Bind	\$	-	\$	400.00	\$	400.00
799-68900-455-60455	Travel/ Mileage Reimbursement	\$	-	\$	1,000.00	\$	1,000.00
799-68900-456-60456	Memberships	\$	-	\$	-	\$	-
799-68900-457-60457	Training/Conferences	\$	55,000.00	\$	40,000.00	\$	(15,000.00)
799-68900-460-60460	Permit/Fees/Tax	\$	-	\$	169.00	\$	169.00
Operations		\$	78,000.00	\$	84,355.00	\$	6,355.00
799-68900-501-70501	Minor Supplies / Equipment	\$	10,000.00	\$	6,500.00	\$	(3,500.00)
799-68900-505-70505	Fuel	\$	10,000.00	\$	20,000.00	\$	10,000.00
799-68900-507-70507	Books & Periodicals	\$	-	\$	2,700.00	\$	2,700.00
799-68900-508-70508	Safety Clothing / Uniforms	\$	46,500.00	\$	47,000.00	\$	500.00
799-68900-540-70540	Rents / Leases	\$	10,000.00	\$	4,300.00	\$	(5,700.00)
799-68900-550-70550	Major Equipment / EMS Supplies	\$	-	\$	-	\$	-

Sonoma Valley Fire District

Recommended Preliminary Budget Fiscal Year 2021-2022



Account Number	Description		Final Budget 2020-2021		Recommended Preliminary Budget 2021-2022		Increase (Decrease)
799-68900-551-70551	Major Equipment / Fire Supplies	\$	40,000.00	\$	100,000.00	\$	60,000.00
799-68900-702-70702	Engineering Design	\$	10,000.00	\$	10,000.00	\$	-
799-68900-703-70703	Construction Materials	\$	100,000.00	\$	200,000.00	\$	100,000.00
799-68900-704-70704	Shop Tools & Equipment	\$	-	\$	20,000.00	\$	20,000.00
Supplies		\$	226,500.00	\$	410,500.00	\$	184,000.00
799-68900-750-70750	Transfer to Long Term Building Reserve	\$	125,000.00	\$	125,000.00	\$	-
799-68900-760-70760	Transfer to Equipment Reserve	\$	355,000.00	\$	355,000.00	\$	-
799-68900-770-70770	Transfer to Operating Reserve	\$	498,112.00	\$	113,039.00	\$	(385,073.00)
Capital Assets		\$	978,112.00	\$	593,039.00	\$	(385,073.00)
799-68900-606-70606	Software	\$	15,000.00	\$	35,000.00	\$	20,000.00
799-68900-607-70607	Computer Equipment / Maintenance	\$	20,000.00	\$	3,000.00	\$	(17,000.00)
Software & Computer Equipment		\$	35,000.00	\$	38,000.00	\$	3,000.00
Expense Totals		\$	9,568,874.00	\$	9,621,688.00	\$	52,814.00

Sonoma Valley Fire and Rescue Authority
 Recommended Preliminary Budget Fiscal Year 2021-2022



Account Number	Description	Approved Budget 2019-2020	Approved Budget 2020-2021	Recommended Preliminary Budget 2021-2022	Increase/(Decrease) from FY20-21 to FY21-22
Revenue Budget					
798-00000-000-31407	SVFRA Mechanic Services	\$ 7,500.00	\$ 1,500.00	\$ 1,500.00	\$ -
798-00000-000-31409	SVFRA Contract For Fire Services (City & VOM)	\$ 9,613,084.00	\$ 9,433,879.00	\$ 9,571,491.00	\$ 137,612.00
798-00000-000-37201	SVFRA Transfer from Fund Balance	\$ -	\$ -	\$ -	\$ -
798-00000-000-35004	Reimbursement	\$ -	\$ -	\$ -	\$ -
798-00000-000-31514	Grant Revenue	\$ -	\$ -	\$ -	\$ -
798-00000-000-30116	Fire Inspection & Processing Fee	\$ 40,000.00	\$ 55,000.00	\$ 55,000.00	\$ -
798-00000-000-31108	Special Fire Svcs-State Reimbursement	\$ -	\$ -	\$ -	\$ -
Charges for Services		\$ 9,660,584.00	\$ 9,490,379.00	\$ 9,627,991.00	\$ 137,612.00
Revenue Totals		\$ 9,660,584.00	\$ 9,490,379.00	\$ 9,627,991.00	\$ 137,612.00
Expense Budget					
798-68901-110-40110	Regular Employee	\$ 4,748,646.00	\$ 4,810,407.00	\$ 4,701,462.00	\$ (108,945.00)
798-68901-120-40120	Part Time Worker Salary	\$ 261,235.00	\$ 209,708.00	\$ 211,148.00	\$ 1,440.00
798-68901-130-40130	Overtime	\$ 650,000.00	\$ 650,000.00	\$ 650,000.00	\$ -
Salary and Wages		\$ 5,659,881.00	\$ 5,670,115.00	\$ 5,562,610.00	\$ (107,505.00)
798-68901-115-40115	Retirement	\$ 1,589,663.00	\$ 1,628,742.00	\$ 1,602,291.00	\$ (26,451.00)
798-68901-117-40117	Medicare -	\$ 79,351.00	\$ 79,351.00	\$ 68,171.00	\$ (11,180.00)
798-68901-118-40118	Income Protection	\$ 4,300.00	\$ 4,300.00	\$ 4,455.00	\$ 155.00
798-68901-201-40201	Employee Insurance	\$ 893,360.00	\$ 869,535.00	\$ 873,485.00	\$ 3,950.00
798-68901-202-40202	Workers Compensation	\$ 452,313.00	\$ 398,822.00	\$ 457,779.00	\$ 58,957.00
798-68901-223-40223	Unemployment	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 500.00
Employee Benefits		\$ 3,019,987.00	\$ 2,981,750.00	\$ 3,007,681.00	\$ 25,931.00

Sonoma Valley Fire and Rescue Authority
 Recommended Preliminary Budget Fiscal Year 2021-2022



Account Number	Description	Approved Budget 2019-2020	Approved Budget 2020-2021	Recommended Preliminary Budget 2021-2022	Increase/(Decrease) from FY20-21 to FY21-22
798-68901-310-50310	Legal	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -
798-68901-311-50311	Acctng/Audit	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ -
798-68901-312-50312	Recruitment	\$ 10,000.00	\$ 10,000.00	\$ 7,500.00	\$ (2,500.00)
798-68901-313-50313	Consulting	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ -
798-68901-347-60347	Professional Contract Services	\$ 275,101.00	\$ 278,899.00	\$ 311,828.00	\$ 32,929.00
798-68901-350-50350	Other-Prof/Tech	\$ 9,500.00	\$ 9,500.00	\$ 40,460.00	\$ 30,960.00
Professional Services		\$ 304,101.00	\$ 307,899.00	\$ 369,288.00	\$ 61,389.00
798-68901-401-60401	Utilities	\$ 65,900.00	\$ 65,900.00	\$ 64,960.00	\$ (940.00)
798-68901-403-60403	Custodial	\$ 15,000.00	\$ 15,000.00	\$ 18,000.00	\$ 3,000.00
798-68901-404-60404	Repair & Mainte	\$ 60,000.00	\$ 70,000.00	\$ 70,000.00	\$ -
798-68901-406-60406	Rental-Equipmen	\$ 4,000.00	\$ 4,000.00	\$ 3,700.00	\$ (300.00)
798-68901-407-60407	Contract Services / Property Related	\$ 33,680.00	\$ 33,680.00	\$ 36,207.00	\$ 2,527.00
798-68901-420-60420	Building Maintenance	\$ 30,000.00	\$ 30,000.00	\$ 40,000.00	\$ 10,000.00
Property Services		\$ 208,580.00	\$ 218,580.00	\$ 232,867.00	\$ 14,287.00
798-68901-450-60450	Dues & Subscriptions	\$ -	\$ -	\$ 2,200.00	\$ 2,200.00
798-68901-451-60451	Insurance Property / Liability	\$ 62,000.00	\$ 62,000.00	\$ 65,814.00	\$ 3,814.00
798-68901-452-60452	Communications	\$ 27,500.00	\$ 30,000.00	\$ 35,000.00	\$ 5,000.00
798-68901-453-60453	Publications and Notices	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00	\$ (500.00)
798-68901-454-60454	Printing & Bind	\$ 1,500.00	\$ 1,500.00	\$ 1,100.00	\$ (400.00)
798-68901-456-60456	Memberships	\$ 5,000.00	\$ 5,000.00	\$ -	\$ (5,000.00)
798-68901-457-60457	Training/Conferences	\$ 55,000.00	\$ 10,000.00	\$ 40,000.00	\$ 30,000.00
798-68901-460-60460	Permit/Fees/Tax	\$ 3,035.00	\$ 3,035.00	\$ 2,831.00	\$ (204.00)
Operations		\$ 155,535.00	\$ 113,035.00	\$ 147,945.00	\$ 34,910.00

Sonoma Valley Fire and Rescue Authority
 Recommended Preliminary Budget Fiscal Year 2021-2022



Account Number	Description	Approved Budget 2019-2020	Approved Budget 2020-2021	Recommended Preliminary Budget 2021-2022	Increase/(Decrease) from FY20-21 to FY21-22
798-68901-501-70501	Minor Supplies / Equipment	\$ 25,500.00	\$ 25,500.00	\$ 23,500.00	\$ (2,000.00)
798-68901-505-70505	Fuel	\$ 60,000.00	\$ 60,000.00	\$ 55,000.00	\$ (5,000.00)
798-68901-507-70507	Books & Periodicals	\$ 3,500.00	\$ 3,500.00	\$ 800.00	\$ (2,700.00)
798-68901-508-70508	Safety Clothing / Uniforms	\$ 55,000.00	\$ 8,500.00	\$ 40,000.00	\$ 31,500.00
798-68901-540-70540	Rents / Leases	\$ 1,500.00	\$ 1,500.00	\$ 1,300.00	\$ (200.00)
798-68901-550-70550	Major Equipment / EMS Supplies	\$ 130,000.00	\$ 90,000.00	\$ 150,000.00	\$ 60,000.00
798-68901-551-70551	Major Equipment / Fire Supplies	\$ -	\$ -	\$ -	\$ -
Supplies		\$ 275,500.00	\$ 189,000.00	\$ 270,600.00	\$ 81,600.00
798-68901-606-70606	Software	\$ 15,000.00	\$ 5,000.00	\$ 15,000.00	\$ 10,000.00
798-68901-607-70607	Computer Equipment / Maintenance	\$ 22,000.00	\$ 5,000.00	\$ 22,000.00	\$ 17,000.00
Software & Computer Equipment		\$ 37,000.00	\$ 10,000.00	\$ 37,000.00	\$ 27,000.00
Expense Totals		\$ 9,660,584.00	\$ 9,490,379.00	\$ 9,627,991.00	\$ 137,612.00
		\$ -	\$ -	\$ -	\$ -

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA VALLEY FIRE DISTRICT, SONOMA COUNTY, STATE OF CALIFORNIA, ADOPTING FISCAL YEAR 2021/22 PRELIMINARY BUDGETS FOR BOTH THE DISTRICT AND SVFRA CITY BUDGETS

WHEREAS, the fiscal year 2021/22 Preliminary Budget has been presented to the Board of Directors of the Sonoma Valley Fire District of Sonoma County; and

WHEREAS, said Preliminary Budget has been reviewed and established on this date as being the Preliminary Budget of the District; and

WHEREAS, the fiscal year 2021/22 Sonoma Valley Fire & Rescue Authority (SVFRA) Preliminary Budget has been presented to the Board of Directors of the Sonoma Valley Fire District.

NOW, THEREFORE, BE IT RESOLVED that the Preliminary Budget in the amount of \$9,261,688, attached hereto, is found and determined to be the 2021/22 Preliminary Budget of the District; and

BE IT FURTHER RESOLVED that the SVFRA Preliminary Budget in the amount of \$9,627,991, attached hereto, is found and determined to be the 2021/22 Preliminary Budget of the Sonoma Valley Fire & Rescue Authority.

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 Sonoma Valley Fire District this 8th day of June 2021, on regular roll call vote of the members of said Board:

President Norton	Aye _____	No _____	Absent _____
Vice President Atkinson	Aye _____	No _____	Absent _____
Treasurer Johnson	Aye _____	No _____	Absent _____
Director Brady	Aye _____	No _____	Absent _____
Director Brunton	Aye _____	No _____	Absent _____
Director Emery	Aye _____	No _____	Absent _____
Director Leen	Aye _____	No _____	Absent _____
Vote:	Aye _____	No _____	Absent _____

WHEREUPON, the President declared the foregoing resolution adopted, and

SO ORDERED:

ATTEST:

William Norton, President

Maci Jerry, Clerk



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 June 8, 2021

Agenda Item No.	Staff Contact		
10c	Steve Akre, Fire Chief		
Agenda Item Title			
Resolution 2020/2021-19 amending the salary and benefit schedule of employees covered by the Administrative Agreement for Management and Administrative Employees and the employees covered by the General Employee Agreement			
Recommended Actions			
Amend agreements for Management and Administrative Employees and General Employee groups			
Executive Summary			
Two designated Board members met with a representative of the Management and Administrative Employees group, and the Fire Chief met with the employees covered by the General Employee Agreement. The resulting contracts are being presented to the Board for approval. Amendments to the agreements are as follows: <u>One Year (July 1, 2021 through June 30, 2022)</u> <ul style="list-style-type: none"> • 2% cost of living increase. • 5% pay differential for 40 hour Fire Marshal and Administrative Battalion Chief positions. • Increase in alternative leave, from 48 hours to 72 hours annually. • \$50 monthly increase to 457b plan contribution, for a total of \$100 per month, not to exceed \$1,200 annually. • Sick leave accruals for 40 hour staff to increase from 96 hours to 104 hours annually, an additional 8 hours a year. 56 hour staff to increase from 180 hours to 182 hours annually, an additional 2 hours a year (This is an 8.3% increase in sick pay hours and would be a .38% pay increase). • Providing Dental and Vision plan change to FDAC/EBA Vision Plan B-1 and Dental Plan 3C. 			
Alternative Actions			
Request additional information or changes to agreements before approving amendment			
Strategic Plan Alignment			
These agreements are in alignment with Goal 1, Objective 1B: Analyze educational requirements, salaries and benefit packages with comparable agencies.			
Fiscal Summary – FY 21/22			
Expenditures			
Budgeted Amount	\$52,276.00	Funding Source(s)	
Add. Appropriations Req'd.	\$	District General Fund	\$52,276.00
	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$52,276.00	Total Sources	\$52,276.00
Narrative Explanation of Fiscal Impacts (if required)			
Not Required			
Attachments			
<ol style="list-style-type: none"> 1. Administrative Agreement for Management and Administrative Employees 2021-2022 2. General Employee Agreement 2021-2022 3. Resolution 2020/2021-19 			

**ADMINISTRATIVE AGREEMENT
BETWEEN THE SONOMA VALLEY FIRE DISTRICT
AND
MANAGEMENT & ADMINISTRATIVE EMPLOYEES
FOR THE PERIOD OF**

July 1, 2021 THROUGH June 30, 2022

TABLE OF CONTENTS

COVER PAGE	Page 1
TABLE OF CONTENTS	Page 2
DEFINITIONS	Page 3
PREAMBLE	ARTICLE 1, Page 4
RECOGNITION	ARTICLE 2, Page 4
AT-WILL EMPLOYEMENT PROVISION	ARTICLE 3, Page 4
SEVERANCE	ARTICLE 4, Page 4
RENEWAL PREVISION	ARTICLE 5, Page 4
MANAGEMENT RIGHTS	ARTICLE 6, Page 4
HOURS OF WORK	ARTICLE 7, Page 5
OVERTIME	ARTICLE 8, Page 5
SALARY	ARTICLE 9, Page 5 and APPENDIX "A", Page 18
HOLIDAYS	ARTICLE 10, Page 6
LONGEVITY PAY PLAN	ARTICLE 11, Page 7
ADMINISTRATIVE LEAVE	ARTICLE 12, Page 8
RETIREMENT PLAN	ARTICLE 13, Page 8
SICK LEAVE	ARTICLE 14, Page 9
FUNERAL LEAVE	ARTICLE 15, Page 10
VACATION	ARTICLE 16, Page 11
MILITARY LEAVE	ARTICLE 17, Page 11
JURY DUTY	ARTICLE 18, Page 12
SHIFT TRADE	ARTICLE 19, Page 12
HEALTH, DENTAL, VISION INSURANCE, EAP	ARTICLE 20, Page 12
LIFE INSURANCE	ARTICLE 21, Page 13
LONG TERM DISABILITY INSURANCE	ARTICLE 22, Page 13
UNIFORMS	ARTICLE 23, Page 13
PROMOTIONS	ARTICLE 24, Page 14
PROBATION	ARTICLE 25, Page 14
STAFF VEHICLES	ARTICLE 26, Page 14
USE OF PRIVATE VEHICLES	ARTICLE 27, Page 14
LAYOFF AND REHIRE	ARTICLE 28, Page 15
POLICIES SUBJECT TO CHANGE	ARTICLE 29, Page 15
TERM	ARTICLE 30, Page 15
EXISTING BENEFITS CONTINUED	ARTICLE 31, Page 16
SIGNATURE PAGE	Page 17
APPENDIX 'A'	Page 18

DEFINITIONS

1. ANNIVERSARY DATE - Shall mean the first day of the month an employee is employed, or the first day of the month an employee is promoted.
2. BOARD - Shall mean the Board of Directors of the Sonoma Valley Fire District.
3. CHIEF – As determined by the Board of Directors, shall mean the Fire Chief of the District or Fire Chief of the Sonoma Valley Fire District.
4. DISTRICT - Shall mean the Sonoma Valley Fire District.
5. EMPLOYEES - Shall mean all Management and Administrative employees who are covered by this Agreement.
6. EMPLOYER (also referred to as DISTRICT) - Shall mean the Sonoma Valley Fire District.
7. MANAGEMENT - Shall mean the Board of Directors and Chief Officers of the Sonoma Valley Fire District and Chief Officers.
8. SONOMA VALLEY FIRE DISTRICT – The City of Sonoma has entered into a contract for fire and emergency services with the Sonoma Valley Fire District to eliminate duplication of equipment, personnel, and resources, and to provide higher levels of service to the community. This consolidated enterprise operates as the Sonoma Valley Fire and Rescue Authority (SVFRA).
9. RETIREMENT - Shall mean a condition by which an employee has terminated their employment, with the District, by retiring through the Sonoma County General Retirement System.

GENERAL PROVISIONS

ARTICLE 1 PREAMBLE

This Agreement is between the Sonoma Valley Fire District (hereinafter referred to as the "District") and the Management and Administrative Employees.

This Agreement shall be presented to the Sonoma Valley Fire District Board of Directors as recommendations of the undersigned for salary and fringe benefit adjustments for the period commencing on July 1, 2021 through June 30, 2022.

This Agreement has been arrived at as a result of meeting and conferring in good faith with two (2) members of the negotiating team for the Sonoma Valley Fire District Board of Directors under the provisions of Section 3500-3509 of the Government Code of the State of California and by Resolution No. 2020/2021-19.

ARTICLE 2 RECOGNITION

Management and Administrative employees shall be considered as "Exempt" employees and include the following classifications:

**Finance Officer
Fire Marshal
Administrative Battalion Chief (40-HR)
Battalion Chief
Fire Chief**

ARTICLE 3 AT-WILL EMPLOYMENT PROVISION

Employment of the Fire Chief at the Sonoma Valley Fire District is offered on an "at will" basis within the meaning of California Labor Code §2922. This means that either the Fire Chief or the District may end the relationship at any time with or without cause or notice.

ARTICLE 4 SEVERANCE

1. If any provision of this Agreement should be found invalid, unconstitutional, unlawful, or unenforceable by reason of any existing or subsequently enacted constitutional or legislative provision or by final judicial authority, the offending provision shall be severed, and all other provisions of the agreement shall remain in full force and effect for the duration of the agreement.

2. In the event that any provision of the Agreement should be found invalid, unconstitutional, unlawful, or unenforceable, the District and representatives of the management and administrative employees agree to meet and confer in a timely manner in an attempt to negotiate a substitute provision. Such negotiations shall apply only to the severed provision of the agreement and shall not in any way modify or impact the remaining provisions of the existing Agreement.

ARTICLE 5 RENEWAL PROVISION

This Agreement will be automatically renewed from year to year thereafter unless amended by Resolution of the District's Board of Directors.

ARTICLE 6 MANAGEMENT RIGHTS

Except as expressly modified or restricted by a specific provision of this Agreement, all statutory and inherent managerial rights, prerogatives, and functions are retained and vested exclusively in the District, including, but not limited to, the rights, in accordance with its sole and exclusive judgment and discretion:

- to reprimand, suspend, discharge, or otherwise discipline employees for cause;
- to hire employees, determine their qualifications and assign and direct their work;
- to promote, demote, transfer, layoff, recall to work and retire employees;
- to maintain the efficiency of operation;
- to determine the personnel, methods, means and facilities by which operations are conducted;
- to set standards;
- to use independent contractors (in accordance with requirements of Meyers-Milias-Brown Act);
- to close down or relocate the district's operations or any part thereof;
- to expand, reduce, alter, combine, transfer, assign or cease any job, department, operation, or service;
- to control and regulate the use of machinery, facilities, equipment and other property of the District;
- to introduce new or improved research, service and maintenance and methods, materials, machinery and equipment;
- to issue, amend and revise policies, rules, regulations and practices;
- to take whatever action is either necessary or advisable to determine, manage and fulfill the mission of the District and to direct the District's employees.

ARTICLE 7 HOURS OF WORK

1. The normal work week for the Fire Chief, Administrative Battalion Chief, Fire Marshal, and Finance Officer shall be forty (40) hours per week (schedule to be determined by the Chief). The normal work week for Shift Battalion Chiefs shall be fifty-six (56) hours per week. During the term of this agreement, the standard work period for Shift Battalion Chiefs covered in this agreement shall consist of forty-eight (48) hours within six (6) consecutive calendar days corresponding to a fifty-six (56) hour week.
2. Rest and meal periods to be observed in accordance with law.
3. The usual work day for the Fire Chief, Administrative Battalion Chief, Fire Marshal, and Finance Officer shall be eight (8) hours. The usual work day for Battalion Chiefs shall be twenty-four (24) hours.

ARTICLE 8 OVERTIME

Management and administrative employees are considered to be "Exempt" employees and not normally entitled to overtime; however, Battalion Chiefs that cover operational shifts other than those assigned to them will be compensated at one and one-half (1-1/2) times the hourly rate. The Administrative Battalion Chief will be entitled to cover operational shifts at the shift Battalion Chief overtime rate. Fifty-six (56) hour shift Battalion Chief's will have first right of refusal on all shift Battalion Chief vacancies. The current Fire Chief (S. Akre), due to his operational and local experience, will be compensated at the Fire Chief's OES straight time rate when covering operational Battalion shifts. When the Fire Marshal is performing fire investigations outside of normal work hours, the position will be compensated at one and one-half (1-1/2) times the hourly rate.

1. Employees who receive overtime compensation under the provisions of this Article will receive that compensation in thirty (30) minute increments for the first hour and for all succeeding hour(s).

PAY PROVISIONS

ARTICLE 9 SALARY

1. The Salary Plan, as contained in Appendix 'A', shall be amended for all classifications listed in Article 2 (RECOGNITION), effective July 5, 2021. Appendix 'A' is hereby incorporated in and made a part of this Agreement.

2. Normally a management or administrative employee will start at Step A, however an appointment to a higher step may be recommended by the Chief, or in the case of the Chiefs classification the Board of Directors. Such recommendation must meet with approval of the Board of Directors. This action would be based on previous experience and other qualifications shown by the appointed employee.
3. Newly employed employees, to a management or administrative employee class, will become eligible to advance from Step A to Step B after six (6) months of employment, and shall serve in each succeeding Step for a period of one (1) year before advancing to the next step on their anniversary date.
 - (a) Advancement will be based on satisfactory performance evaluation, completion of all training assignments with recommendation and approval of the Chief. All step and longevity increases will take effect at the start of the pay period in which the anniversary occurs.
4. Effective July 5, 2021, the salaries of all employees covered in this Memorandum of Understanding shall be as stated in Appendix A. The basis of these computations shall be as follows:
 - (a) Hourly rates for 56-hour employees shall be calculated by dividing an employee's annual salary by 2920
 - (b) Hourly rates for 40-hour employees shall be calculated by dividing an employee's annual salary by 2080

ARTICLE 10 HOLIDAYS

1. Recognized Holidays include:

New Year's Day - January 1st
 Martin Luther King's Birthday - third Monday of January
 Lincoln's Birthday - February 12th
 President's Day - third Monday of February
 Memorial Day - last Monday of May
 Independence Day - July 4th
 Labor Day - first Monday of September
 California Admission Day - September 9th
 Columbus Day - second Monday of October
 Veterans' Day - November 11th
 Thanksgiving Day - fourth Thursday of November
 Employee's Birthday - day after Thanksgiving Day
 Christmas Day - December 25th

Forty (40) hour employees covered by this agreement are normally paid four (4) hours for the following holiday:

The afternoon of December 24th – Christmas Eve

If December 24th falls on a weekend, Christmas Eve holiday (4 hours paid leave) will be acknowledged on the preceding Friday.

- (a) And every day appointed by the President of the United States or the Governor of the State of California, which is observed by employees of the appointing authority (e.g. Federal employees are given the day off if the President declares a holiday).
2. Chief Officers and the Fire Marshal shall receive pay for the recognized holidays, whether scheduled on or off duty, by the following formula:

- 12 hours of pay per holiday not to exceed one hundred and fifty-six (156) hours per year.
- (a) Holiday pay will be paid to Chief Officers and the Fire Marshal on the 12th and 25th pay periods of each calendar year, or they may take the option to receive prorated payments with each payroll check.
 - (b) An employee must be in pay status on the date of payment to receive any pay for recognized holidays. An employee first employed after the previous payment pay period will receive a pro-rata amount of the half year's pay for recognized holidays, based on the ratio of hours worked to hours in a half year at the employee's regular schedule.
 - (c) It is understood and agreed that pay for recognized holidays is a form of deferred compensation and is deemed pensionable for the period it was earned and not for the pay period in which it was paid. No more than two (2) lump sum payments for recognized holidays will be included in any given year for retirement final average compensation calculation purposes.
3. Other management and administrative employees working a forty (40) hour week schedule will be given the holiday off.

ARTICLE 11 LONGEVITY PAY PLAN

1. Effective January 1, 2006, the Educational Incentive Program is replaced by the Longevity Pay Plan.
2. The District agrees to pay Longevity Pay to all management and administrative employees who have been employed on a full-time regular basis and for consecutive years of employment as follows:

Full Years of Employment Completed	Percentage of Pay over Monthly Base
5	2.5 %
10	5 %
15	7.5 %
20	10%

- (a) Employees that earned 8% longevity for completing 15 years of service prior to July 1, 2016 will retain this percentage.
3. Employees employed prior to January 1, 2006, will receive the percentage of Longevity Pay for those consecutive years of employment indicated in sub-section 2 above. Employees who were receiving a specific percentage of pay, based on the provisions of the Educational Incentive Program, shall continue to receive that percentage under the Longevity Pay Plan with any additional adjustments, if so warranted, being made as that employee meets the consecutive years of employment criteria.
 - (a) Employees who were employed prior to January 1, 2006, but were not eligible to participate in the Educational Incentive Program based on their probationary status, will not be eligible to participate in the Longevity Pay Plan until such time that they have met the longevity requirements of this Article.
 - (b) Employees employed on or after January 1, 2006, will not be eligible to participate in the Longevity Pay Plan until such time that they have met the longevity requirements of this Article.
 4. Longevity pay will be paid to employees on the 12th and 25th pay periods of each calendar year, or they may take the option to receive prorated payments with each payroll check.

5. Employees transferring from the City of Sonoma shall retain their current longevity accrual benefit effective their last calendar day employed with the City of Sonoma as newly hired employees of the District. Years of service will transfer from the previous employer and continue for consecutive years.

ARTICLE 12 ADMINISTRATIVE LEAVE

1. To complete the responsibilities and tasks associated with their positions, management and administrative employees have additional duties as assigned, whether on forty (40) or fifty-six (56) hour work weeks.
 - (a) In recognition of this, the District will annually grant those employees working a forty (40) hour week ten (10) eight (8) hour days and those working a fifty-six (56) hour week six (6) shifts of "Administrative Leave." Employees accrue administrative leave on a prorated basis each payroll period.
 - (b) Beginning on July 1, 2018, in consideration of increased responsibilities and workloads for management and administrative employees, the District will annually grant those employees working forty (40) hour week an additional ten (10) eight (8) hours days and those working a fifty-six (56) hour week an additional six (6) shifts of "Administrative Leave." Employees will accrue the additional administrative leave on a prorated basis each payroll period. If/when workloads diminish, or if administrative staffing increases, the terms of this additional benefit will be revisited.
2. On the 12th payroll of each year, the management or administrative employee will have the option of receiving payment for a maximum of ninety-six (96) hours of administrative leave. All time cashed out will be deducted from the employee's balance of accrued administrative leave.
3. Upon retirement, a management or administrative employee can elect to be compensated a maximum of two years' accrual of unused Administrative Leave. Such compensation will be at the retiring employee's hourly rate of pay. The maximum allowed pensionable hours for Administrative Leave per year are eighty (80) hours for those employees working a forty (40) hour week and ninety-six (96) hours for those employees working a fifty-six (56) hour week.
4. Except as provided in Article 11, sub-section 2 & 3, management and administrative employees terminating employment with the District will not be entitled to compensation for their balance of unused "Administrative Leave."
5. In the event that a management or administrative employee was not able to use their Administrative Leave during the year, that employee will be allowed to carry their unused balance into the next year.

ARTICLE 13 RETIREMENT PLAN

1. The retirement plan in effect on the effective date of this Agreement for employees covered by the Agreement will remain in effect for the duration of this Agreement, unless the parties, as herein below provided, agree otherwise.
2. The District agrees to contribute its proportional share towards employees' retirement in accordance with the rules and regulations applicable to public safety members of the Sonoma County Employees' Retirement Association.
3. Government Code, Section 31581.2, permits the District to agree to pay any portion of retirement contributions required to be paid by an employee. All such payments shall be in lieu of wages and shall be reported simply as normal contributions and shall be credited to employee accounts. The enactment of a resolution pursuant to Section 31581.2, shall not create vested rights in any

employee. The District may amend or repeal the resolution at any time, subject to the provisions of Government Code Sections 3504 and 3505, or any similar rule or regulation of the District. The California Public Employees' Pension Reform Act of 2013 [AB 340, §7522.30(c)] prohibits the employer from paying any portion of the employee retirement contribution for those employees hired after December 31, 2012 and that are enrolled in Plan B.

- (a) For employees hired prior to January 1, 2013, and employees in Plan A hired on or after January 1, 2013, the following employee contributions apply:
 - Plan "A" Safety Employees shall be responsible for 100% of the age-based employee contribution rate plus an additional 3% toward normal cost with a cap of 12%.
 - Employer will pay all contributions in excess of 12% on behalf of Plan "A" Safety Employees and in excess of 8% for Plan "A" General Employees.
4. Effective January 1, 2005, the District authorized enhancement of the retirement plan with the Sonoma County Employees' Retirement System. This plan converted from the 2% at age 50 to the 3% at age 50 formula. The plan for non-safety employees provides 3% at age 60.
 - (a) Management or administrative employees hired after December 31, 2012, are eligible for the following retirement plans. Final compensation is based on 3-year highest salary average.
 - Safety – 2.7% at 57
 - Non-safety – 2.5% at 67

ARTICLE 14 SICK LEAVE

1. Management and administrative employees working a forty (40) hour schedule shall accrue sick leave at the rate of four (4) hours per pay period, equaling thirteen (13) eight (8) hour days (104 hours) annually.
2. Management and administrative employees working a fifty-six (56) hour schedule shall accrue sick leave at the rate of seven (7) hours per pay period, equaling 7.59 shifts (182 hours) annually.
 - (a) In the event that the District fills a management or administrative position with an individual not previously employed as a regular and full-time employee, the Board of Directors has the authority to advance that individual sick leave not to exceed ninety (90) days.
 - (b) Any sick leave advanced under this paragraph will be offset by the District as that employee accrues annual sick leave up to the amount advanced. Once accrued sick leave equals the original amount advanced by the Board, that employee will continue to accrue sick leave according to the remaining provisions of this Article.
3. Sick leave shall be accrued during the first twelve (12) months of the probationary period, but may only be taken after the sixth (6th) month of employment.
4. Employees accrue sick leave on a prorated basis each payroll period.
5. With the exception of retirement, employees will not be entitled to compensation of accrued sick leave. At retirement, the employee will be compensated for accrued sick leave as follows.
 - (a) If one hundred percent (100%) of benefit has not been attained, employee's accrued sick leave (including remaining transfer of sick leave from City of Sonoma employment) will be applied towards service credit with SCERA.

- (b) If one hundred percent (100%) of benefit has been attained (to be determined by SCERA), employee will be paid fifty percent (50%) of unused sick leave, up to a maximum of ninety (90) eight-hour days or thirty (30) shifts (720 hours). This is to be paid to the employee in cash at the employee's hourly rate of pay at the time of retirement.
6. Sick Leave Incentive Program: Shift members using forty-eight (48) hours or less of sick leave, from the first day of the first pay period that begins in January through the last day of the last pay period that ends in December, shall earn one (1) twenty-four hour shift of vacation. Forty (40) hour members using twenty four (24) hours or less of sick leave, on a calendar-year basis, shall earn sixteen (16) hours of vacation.
 7. Sick leave may be utilized for any health condition caused by factors over which the employee has no reasonable immediate control. In the event, an employee meets the aforementioned criteria, the employee can only utilize sick leave. Should the employee's sick leave balance be exhausted, the employee will go on unpaid leave during their absence, unless authorization is given by the Fire Chief to utilize other leave balances. Refer to District criteria and procedures on sick leave usage.
 8. The employee shall be entitled to use ten (10) eight-hour days or six (6) shifts of their sick leave during the year for the care of family members based on the criteria set forth in Labor Code Sections 233 and 246.5.
 9. The District can authorize the use of family sick leave, in excess of ten (10) eight hour days or six (6) shifts, in those instances where it is necessary for an employee to care for a family member who has a serious long-term health condition. It will be the individual employee's responsibility to request the use of additional accrued sick leave for this purpose. Appropriate documentation of the long-term health condition is to be submitted to the Chief for consideration.
 10. Employees shall have seventy-two (72) hours of sick leave designated as "Alternate Leave" per calendar year. The seventy-two (72) alternate leave hours may be used for any reason of the employee's choosing subject to scheduling considerations by the Chief. Alternate leave cannot accumulate but must be used during the calendar year in which it is granted.
 11. When applicable, "Federal Family Medical Leave" runs concurrently with California Sick Leave.
 12. The District has the right to request proof of illness if there is a question of the validity of the illness or the ability of the employee to return to duty.

ARTICLE 15 FUNERAL LEAVE

1. In the event of a death in the immediate family of an employee, the employee shall, upon request, be granted such time off with pay as is necessary to make arrangements for the funeral and attend same not to exceed six (6) eight-hour, or two (2) regularly scheduled shifts (48 hours). This provision does not apply if a death occurs while the employee is on leave of absence, layoff or sick leave. For the purposes of this provision, the immediate family shall be restricted to the employee's spouse, father, mother, brother, sister, child, in-laws, grandchildren, grandparents, or domestic partner and any other person regularly residing in the employees home as a family member.
2. Substantiation of the death may be required by the Chief.
3. Funeral Leave applies only to instances in which the employee attends the funeral, or is required to make funeral arrangements, but is not applicable for other purposes such as settling the estate of the deceased.

ARTICLE 16 VACATION

1. Management and administrative employees shall accrue vacation leave based on the schedule that they are working be that a forty (40) hour or fifty-six (56) hour work week as follows:

Forty Hour Work Week Schedule:

Years of Service	Annual Hours
1 through 5	96
6 through 10	136
11 through 15	176
16 through 20	216
21+	240

Fifty-Six Hour Work Week Schedule:

Years of Service	Shifts	Annual Hours
1 through 5	8	192
6 through 10	10	240
11 through 15	11	264
16 through 20	13	312
21+	14	336

2. Vacation leave shall be accrued during the twenty-four (24) month probationary period; however, no vacation leave will be granted until the employee has completed one (1) full year of employment based on the employee's anniversary date of hire.
3. Employees accrue vacation leave on a prorated basis each payroll period.
4. Cap on Benefits: Employees are encouraged to use all earned vacation leave each year. The maximum benefits an employee may have at any time shall equal two years vacation accrual (based on the employee's accrual rate). If the employee's earned but unused vacation leave reaches the maximum, the employee will not accrue any additional benefits. If the employee later uses enough vacation leave to fall below the maximum, he/she will resume earning vacation benefits.
 - (a) Exception: If approved by the Chief, vacation leave can exceed the maximum for a limited term based on pending scheduled vacation accrual use or cash out.
5. Employees who terminate or retire will be paid for their accrued and unused vacation leave at their current hourly rate of pay.
6. Use of vacation time shall be charged to each employee at the rate of one hour for each hour of continued absence the employee would have normally worked. Vacation requests shall be made as outlined in District policy.
7. On the 25th payroll of each year, employees will have the option of receiving payment for a maximum of ninety-six (96) hours of their accrued vacation leave. All hours cashed out will be at the employee's current hourly base rate of pay and each hour cashed out will be deducted from their balance of accrued vacation leave

ARTICLE 17 MILITARY LEAVE

Leave is granted to employees ordered to active military service or training in accordance with the provisions of applicable state and federal law.

ARTICLE 18 JURY LEAVE

The District will pay wages for jury duty up to eighty (80) hours per calendar year.

ARTICLE 19 SHIFT TRADE

Shift employees shall have the right to exchange shifts when approved by the Chief and the change does not interfere with the operation of the District or Sonoma Valley Fire District. All trades shall comply with current approved procedures.

ARTICLE 20 HEALTH, DENTAL, VISION INSURANCE AND EMPLOYEE ASSISTANCE PROGRAM

1. The District currently provides health, dental, and vision insurance plans for employees working a forty (40) or fifty-six (56) hour schedule and their eligible dependents. As of July 1, 2018, Health, Dental, and Vision care insurance plans currently include: FDAC EBA Medical Program, Delta Dental Plan, and Vision Service Plan.
2. The District shall contribute, based on the individual employee's family status, an amount not to exceed specific premium costs associated with the FDAC EBA (Employment Benefits Authority). The Kaiser Premium HMO Health Plan has been chosen as the plan to use for this cap.
 - (a) Employees who choose a health plan that exceeds the cost of the Kaiser Premium HMO Health Plan will be required to pay the difference in premium.
3. The District shall contribute an amount equal to 100% of the entire cost of the respective dental and vision insurance coverage.
4. The District also provides, at no cost to the full-time employee, the "Employee Assistance Program", sponsored by the District Insurance carrier FASIS. This provision is not applicable to retirees.
5. Effective July 1, 2021, the District agrees to provide full-time employees covered by this Agreement with \$1,200.00 per year in deferred compensation, to be paid at the rate of \$100.00 per month to a 457 deferred compensation plan to offset the costs of health, dental, and vision care insurance benefit plans at retirement. It is understood that the \$100.00 per month contribution is made on behalf of the employee and does not require an additional dollar contribution by the employee and will be applied at \$50.00 over 24 pay periods.
6. **Employees hired prior to January 1, 2006:** When an employee who is covered by this specific provision retires, the District agrees to contribute an amount equal to sixty (60%) percent of the total cost of the employee's, and the employee's eligible dependents', health, dental, and vision care insurance benefit plans. This provision includes only those types of health, dental, and vision care plans comparable to the benefit levels provided at the time of retirement, and does not include any additions that might be negotiated by the bargaining unit after the employee's retirement. This shall continue on a monthly basis until either: the retired employee fails to make the forty (40%) percent plan contribution; the retired employee's death, or written notification from the retired employee to discontinue the benefit plan(s).
 - (a) In the event of the retiree's death, when covered by this specific provision, the surviving spouse will have the option to maintain the plan(s) under the 40% payment provision until remarriage or death.
7. **Employees hired on or after January 1, 2006:** Employees hired on or after January 1, 2006 are not eligible for District-paid health, dental, or vision care insurance benefit plans at retirement. The District will permit a retiree, who is covered by this specific provision, to continue to participate in the District's plans provided the retiree pays 100% of the premium for said plan(s). This shall

continue on a monthly basis until either: the retired employee fails to make the one hundred (100%) percent contribution to the plan(s); the retired employee's death, or written notification from the retired employee to discontinue the benefit plan(s).

(a) In the event of the retired employee's death, when covered by this specific provision, the surviving spouse will have the option to maintain the plans under the 100% payment provision until remarriage or death.

8. The District will not be liable for costs associated with any other health insurance benefit plans a retired employee joins, beyond those provided by the District to its retirees.

9. The District maintains the right to change health plan providers as circumstances warrant.

10. Health Insurance Opt Out

(a) Proof of Existing Alternative Equivalent Coverage

Employees may opt out of District health coverage and receive a "Cash in-Lieu Payment" if the employee meets the requirements set forth in this section. The employee must provide proof of existing alternative health insurance coverage that provides equivalent coverage to the FDAC/EBA "Kaiser Premium HMO." The employee must show that he or she has the required alternative health insurance coverage, as do all individuals for whom the employee expects to claim a personal exemption for the plan year. Proof of existing alternative health insurance will be in the form of an attestation signed by the employee. The employee must provide an attestation every plan year during open enrollment period.

(b) Opt-Out Rate

If an employee meets the requirements of this section and elects to opt out of District health coverage, the District will pay the employee a dollar amount equal to 50% of what the District would otherwise pay to cover the employee and his or her qualified dependents under the FDAC/EBA Kaiser Premium HMO plan. This Cash-in-Lieu Payment is taxable and will be paid on a proportionate basis every pay period.

ARTICLE 21 LIFE INSURANCE

The District will pay the full cost of providing term life insurance coverage, for those employees who are eligible and insurable, of One Hundred Thousand Dollars (\$100,000.00).

ARTICLE 22 LONG-TERM DISABILITY INSURANCE

1. The District will pay the full cost of providing long-term disability insurance for all employees in the representation unit.

(a) The District will purchase the group long-term disability insurance policy through the California Association of Professional Firefighters Self-Funded Program.

ARTICLE 23 UNIFORMS

1. All management and administrative employees who customarily and regularly wear uniforms, prescribed by the Chief, during scheduled duty hours, shall be covered by the following "Uniform Replacement Program". The District shall replace worn or damaged articles of uniform in kind based on the following:

(a) Uniform shirt, pant, T-shirt, work boots (as opposed to dress shoes) jacket or job shirt as needed.

(b) Dress uniform, white shirt and black tie, as needed, each five (5) years.

2. Damaged and/or worn articles of uniform shall be turned into the Chief who shall determine if the article warrants replacement. Items damaged as the result of the employee's negligence or carelessness will not be replaced in kind by the District under this program and may not be worn while on duty.
3. As an exception to the foregoing, the District will replace in kind those articles of uniform listed in paragraph 1. (a) above which, in the judgment of the Chief, have been damaged or destroyed as the result of unusual circumstances beyond the control of the employee incurred in the performance of his/her official duties.
4. Article of uniform provided under this program shall remain the property of the District and shall be turned into the Chief when replaced in kind or when the employee retires or terminates his/her employment with the District for any reason.

ARTICLE 24 PROMOTIONS

1. All positions shall be filled per the "Personnel Selection and Hiring Rules". Promotional examinations shall be first offered to qualified employees per Section 502.1 of the "Personnel Selection and Hiring Rules". Only in the event that there are no qualified employees, or none of those qualified successfully pass the promotional examination process, shall recruitment be open to candidates outside the Sonoma Valley Fire District.
2. The District and Employees have entered into a Career Development plan. All candidates must meet the requirements stipulated in the Sonoma Valley Fire District "Career Development Guide".

ARTICLE 25 PROBATION

1. All newly employed management or administrative employees covered by this Agreement shall be required to serve a twenty-four (24) month probationary period. An employee may be dismissed for any reason during the probationary period without right of appeal to the grievance procedure. Annual performance reviews shall be required after the first six (6) months and again after conclusion of their probationary period.
2. All employees promoted to officer classifications shall serve a twelve (12) month probationary period. A performance review shall be required at the conclusion of the probationary period.

ARTICLE 26 STAFF VEHICLES

1. The Chief is assigned a staff vehicle with use of that vehicle intended for the performance of assigned duties. Off duty use of those vehicles is permitted by the Board of Directors, on a limited basis, due to the nature of the position held and need for emergency recall.
2. Other management and administrative employees can be assigned staff vehicles, as needed, for the conducting of District business including the need for emergency recall.
3. The use of District vehicles shall be in accordance with District procedures as outlined in the Sonoma Valley Fire District Lexipol Manual.

ARTICLE 27 USE OF PRIVATE VEHICLES

1. The use of private vehicles, by management and administrative employees, for conducting District business, shall be limited to those situations approved by the Chief.

- (a) Those situations can include: an emergency where a staff vehicle is not available; extended absences from the District due to attendance of a school, seminar or other training event; or other situations where the absence of a staff vehicle from the District would create a hardship for the District.
2. Those management and administrative employees who use their private vehicle for District business, as outline in the paragraph above, will be reimbursed on a per mile basis as outlined in District Policy.
3. The use of private vehicles for District business shall be in accordance with District policy as outlined in the Manual of Operations.

ARTICLE 28 LAYOFF AND REHIRE

1. A District employees' departmental seniority date shall be established when the employee is designated as having regular status (as opposed to temporary status) within the District. Where employees are hired or promoted on the same date, the order of seniority either for the department or classification based seniority, shall be based on the respective position each such employee was assigned on the eligibility list (e.g., the employee highest on the eligibility list will be accorded the most seniority).
2. If there should be a reduction from the management or administrative classification the employee with the least seniority within that classification will be laid off. If a demotion is necessary within the management or administrative classifications the management or administrative employee with the least seniority will be demoted to their former classification.
 - (a) Classifications covered by the provisions of the Agreement shall be governed by the appropriate sections thereof.
 - (b) For City of Sonoma employees who transitioned into the District after January 2012, their date of hire by the City of Sonoma as full-time employees will be recognized for seniority purposes.
3. No new employees shall be employed until the laid off employee(s) has been given the opportunity to be reinstated. The last such employee laid off shall be the first rehired, provided not more than eighteen (18) months, per Section 901-A of the "Personnel Selection and Hiring Rules", has elapsed from the date of lay off.
 - (a) If a former District employee has been separated from the District for a period of more than six (6) months they shall, before being considered for reinstatement, pass a physical examination and be held to the hiring criteria in effect at the time of their layoff.
 - (b) A reinstated District employee will have six (6) months, from the date of reinstatement, to successfully update all certifications that they held prior to layoff.

ARTICLE 29 POLICIES SUBJECT TO CHANGE

All of the policies contained herein are subject to change at any time by a Resolution of the Board of Directors. Nothing herein shall bind the Board of Directors for any specific period of time, nor shall this Policy be considered to limit the Board's discretion to make any and all changes hereto that it deems necessary.

ARTICLE 30 TERM

The term of this Agreement shall be July 1, 2021 through June 30, 2022.

ARTICLE 31 EXISTING BENEFITS CONTINUED

Except as provided herein, this Agreement does not modify existing benefits, policies or procedures, nor does it modify provisions in any prior Agreement applicable to the employees covered by this Agreement. Such benefits, policies, procedures and provisions as remain unmodified shall continue in full force and effect throughout the term of this Agreement.

IN WITNESS WHEREOF, the parties hereby have executed this Agreement this 8th day of June, 2021.

Management and Administrative
Employees Group

Sonoma Valley Fire District

By _____
Spencer Andreis Date

By _____
William Norton, President Date

By _____
Maci Jerry, Clerk Date

APPENDIX 'A'

MANAGEMENT & ADMINISTRATIVE EMPLOYEES

SALARY PLAN

July 5, 2021 through June 30, 2022

Finance Officer

		Step A	Step B	Step C	Step D	Step E
July 1, 2021	Monthly:	7,927	8,162	8,408	8,660	8,920

Fire Marshal

		Step A	Step B	Step C	Step D	Step E
July 1, 2021	Monthly:	11,313	11,651	12,002	12,360	12,731

Battalion Chief (56-HR)

		Step A	Step B	Step C	Step D	Step E
July 1, 2021	Monthly:	10,775	11,096	11,429	11,772	12,125

Administrative Battalion Chief (40-HR)

		Step A	Step B	Step C	Step D	Step E
July 1, 2021	Monthly:	11,313	11,651	12,002	12,360	12,731

Fire Chief

		Step A	Step B	Step C	Step D	Step E
July 1, 2021	Monthly:	12,489	12,865	13,250	13,647	14,057

GENERAL EMPLOYEE AGREEMENT
BETWEEN SONOMA VALLEY FIRE DISTRICT
AND
GENERAL EMPLOYEES
FOR THE PERIOD OF
JULY 1, 2021 THROUGH JUNE 30, 2022

TABLE OF CONTENTS

COVER PAGE	Page 1
TABLE OF CONTENTS	Page 2
DEFINITIONS	Page 3
PREAMBLE	ARTICLE 1, Page 4
RECOGNITION	ARTICLE 2, Page 4
SEVERENCE	ARTICLE 3, Page 4
RENEWAL RIGHTS	ARTICLE 4, Page 4
MANAGEMENT RIGHTS	ARTICLE 5, Page 4
HOURS OF WORK	ARTICLE 6, Page 5
OVERTIME	ARTICLE 7, Page 5
SALARY	ARTICLE 8, Page 5 and APPENDIX "A", Page 14
HOLIDAYS	ARTICLE 9, Page 6
LONGEVITY PAY PLAN	ARTICLE 10, Page 6
RETIREMENT PLAN	ARTICLE 11, Page 7
SICK LEAVE	ARTICLE 12, Page 7
FUNERAL LEAVE	ARTICLE 13, Page 8
VACATION	ARTICLE 14, Page 9
MILITARY LEAVE	ARTICLE 15, Page 9
JURY DUTY	ARTICLE 16, Page 10
HEALTH, DENTAL, VISION, EAP INSURANCE	ARTICLE 17, Page 10
LIFE INSURANCE	ARTICLE 18, Page 11
LONG TERM DISABILITY INSURANCE	ARTICLE 19, Page 11
PROBATION	ARTICLE 20, Page 11
USE OF PRIVATE VEHICLES	ARTICLE 21, Page 11
LAYOFF AND REHIRE	ARTICLE 22, Page 12
POLICIES SUBJECT TO CHANGE	ARTICLE 23, Page 12
TERM	ARTICLE 24, Page 12
EXISTING BENEFITS CONTINUED	ARTICLE 25, Page 12
SIGNATURE PAGE	Page 13
APPENDIX 'A'	Page 14

DEFINITIONS

1. **ANNIVERSARY DATE** - Shall mean the first day of the month an employee is employed, or the first day of the month an employee is promoted.
2. **BOARD** - Shall mean the Board of Directors of the Sonoma Valley Fire District.
3. **CHIEF** – As determined by the Board of Directors, shall mean the Fire Chief of the District or Fire Chief of the Sonoma Valley Fire District.
4. **DISTRICT** - Shall mean the Sonoma Valley Fire District.
5. **EMPLOYEES** - Shall mean all General employees who are covered by this Agreement.
6. **EMPLOYER** (also referred to as DISTRICT) - Shall mean the Sonoma Valley Fire District.
7. **MANAGEMENT** - Shall mean the Board of Directors and Chief Officers of the Sonoma Valley Fire District and Chief Officers under the Sonoma Valley Fire District.
8. **SONOMA VALLEY FIRE DISTRICT** – The City of Sonoma has entered into a contract for fire and emergency services with the Sonoma Valley Fire District to eliminate duplication of equipment, personnel, and resources, and to provide higher levels of service to the community. This consolidated enterprise operates as the Sonoma Valley Fire & Rescue Authority (SVFRA).
9. **RETIREMENT** - Shall mean a condition by which an employee has terminated their employment, with the District, by retiring through the Sonoma County General Retirement System.

GENERAL PROVISIONS

ARTICLE 1 PREAMBLE

This Agreement is between the Sonoma Valley Fire District (hereinafter referred to as the "District") and the General Employees.

This Agreement shall be presented to the Sonoma Valley Fire District Board of Directors as recommendations of the undersigned for salary and fringe benefit adjustments for the period commencing on July 1, 2021 through June 30, 2022.

This Agreement has been arrived at as a result of meeting and conferring in good faith with the Fire Chief of the Sonoma Valley Fire District under the provisions of Section 3500-3509 of the Government Code of the State of California and by Resolution No. 2020/2021-19.

ARTICLE 2 RECOGNITION

General employees shall be considered as "Non-Exempt" employees and include the following classifications:

**Administrative Clerk
Administrative Assistant
Human Resources/Payroll Technician**

ARTICLE 3 SEVERENCE

1. If any provision of this Agreement should be found invalid, unconstitutional, unlawful, or unenforceable by reason of any existing or subsequently enacted constitutional or legislative provision or by final judicial authority, the offending provision shall be severed, and all other provisions of the agreement shall remain in full force and effect for the duration of the agreement.
2. In the event that any provision of the Agreement should be found invalid, unconstitutional, unlawful, or unenforceable, the District and representatives of the General Employees agree to meet and confer in a timely manner in an attempt to negotiate a substitute provision. Such negotiations shall apply only to the severed provision of the agreement and shall not in any way modify or impact the remaining provisions of the existing Agreement.

ARTICLE 4 RENEWAL PROVISION

This Agreement will be automatically renewed from year to year thereafter unless amended by Resolution of the District's Board of Directors.

ARTICLE 5 MANAGEMENT RIGHTS

Except as expressly modified or restricted by a specific provision of this Agreement, all statutory and inherent managerial rights, prerogatives, and functions are retained and vested exclusively in the District, including, but not limited to, the rights, in accordance with its sole and exclusive judgment and discretion:

- to reprimand, suspend, discharge, or otherwise discipline employees for cause;
- to hire employees, determine their qualifications and assign and direct their work;
- to promote, demote, transfer, layoff, recall to work and retire employees;
- to maintain the efficiency of operation;
- to determine the personnel, methods, means and facilities by which operations are conducted;
- to set standards;
- to use independent contractors (in accordance with requirements of Meyers-Milias-Brown Act);

- to close down or relocate the district's operations or any part thereof;
- to expand, reduce, alter, combine, transfer, assign or cease any job, department, operation, or service;
- to control and regulate the use of machinery, facilities, equipment and other property of the District;
- to introduce new or improved research, service and maintenance and methods, materials, machinery and equipment;
- to issue, amend and revise policies, rules, regulations and practices;
- to take whatever action is either necessary or advisable to determine, manage and fulfill the mission of the District and to direct the District's employees.

ARTICLE 6 HOURS OF WORK

1. The normal work week shall be forty (40) hours per week (schedule to be determined by the Chief).
2. Rest and meal periods to be observed in accordance with law.
3. The usual work day shall be eight (8) hours. Part-time employees will be assigned schedules suitable to the position and department need.

ARTICLE 7 OVERTIME

1. Employees who are assigned or required to work hours that exceed forty (40) hours in a pay week shall be compensated at the rate of one and one-half (1-1/2) times the hourly rate.
2. Employees who receive overtime compensation under the provisions of this Article will receive that compensation in thirty (30) minute increments for the first hour and for all succeeding hour(s).

PAY PROVISIONS

ARTICLE 8 SALARY

1. The Salary Plan, as contained in Appendix 'A', shall be amended for all classifications listed in Article 2 (RECOGNITION), effective July 5, 2021. Appendix 'A' is hereby incorporated in and made a part of this Agreement.
2. Normally a general employee will start at Step A; however, an appointment to a higher step may be recommended by the Chief. Such recommendation must meet with approval of the Board of Directors. This action would be based on previous experience and other qualifications shown by the appointed employee.
3. Newly employed staff, to a general employee class, will become eligible to advance from Step A to Step B after six (6) months of employment, and shall serve in each succeeding Step for a period of one (1) year before advancing to the next step on their anniversary date.
 - (a) Advancement will be based on satisfactory performance evaluation and completion of all training assignments with recommendation and approval of the Chief. All step and longevity increases will take effect at the start of the pay period in which the anniversary occurs.
4. Effective July 5, 2021, the salaries of all employees covered in this Agreement shall be as stated in Appendix A. The basis of these computations shall be as follows:
 - (a) Hourly rates for 40-hour employees shall be calculated by dividing an employee's annual salary by 2080

- (b) Hourly rates for Part-time employees shall be calculated based off the 40-hour employees calculation stated above however, their monthly and annual salary would be prorated to match whatever their schedule is determined to be by the Chief.

ARTICLE 9 HOLIDAYS

- 1. Recognized Holidays include:

- New Years' Day - January 1st
- Martin Luther Kings' Birthday - third Monday of January
- Lincoln's' Birthday - (floating holiday)
- President's' Birthday - third Monday of February
- Memorial Day - last Monday of May
- Independence Day - July 4th
- Labor Day - first Monday of September
- California Admission Day - (floating holiday)
- Columbus Day - second Monday of October
- Veterans Day - November 11th
- Thanksgiving Day - fourth Thursday of November
- Employees' Birthday - day after Thanksgiving Day
- Christmas Eve - the afternoon of December 24th
- Christmas Day - December 25th

Employees covered by this agreement are normally paid four (4) hours for the following holiday:

The afternoon of December 24th – Christmas Eve

If December 24th falls on a weekend, Christmas Eve holiday (4 hours paid leave) will be acknowledged on the preceding Friday.

- (a) And every day appointed by the President of the United States or the Governor of the State of California, which is observed by employees of the appointing authority (e.g. Federal employees are given the day off if the President declares a holiday).
- 2. General employees will be given the holiday off. Full-time employees will receive compensation for the holiday. Part-time employees will be paid if they were scheduled to work on the day that the holiday falls.
 - 3. The business office will not close on Lincoln’s Birthday (February 12) or California Admission Day (September 9). General employees will be given a floating holiday for each of these dates, which may be taken during the calendar year with prior approval. Part-time employees may use the floating holiday only if they were scheduled to work on the date on which the holiday falls.
 - (a) Floating holidays must be used during the calendar year on which they occur, after which time they will be unavailable to the employee.

ARTICLE 10 LONGEVITY PAY PLAN

- 1. During the term of this Agreement, the District agrees to pay Longevity Pay to all general employees who have been employed on a full-time regular basis for consecutive years of employment as follows:

5	2.5 %
10	5 %
15	7.5 %
20	10%

- (a) Employees that earned 8% longevity for completing 15 years of service prior to July 1, 2016 will retain this percentage.
- Longevity pay will be paid to employees on the 12th and 25th pay periods of each calendar year, or they may take the option to receive prorated payments with each payroll check.

ARTICLE 11 RETIREMENT PLAN

- The retirement plan in effect on the effective date of this Agreement for employees covered by the Agreement will remain in effect for the duration of this Agreement, unless the parties, as herein below provided, agree otherwise.
- The District agrees to contribute its proportional share towards employees' retirement in accordance with the rules and regulations applicable to public safety members of the Sonoma County Employees' Retirement Association.
- Effective January 1, 2005, the District authorized enhancement of the retirement plan with the Sonoma County Employees' Retirement Association. This plan converted from the 2% at age 55 to the 3% at age 60 formula for general employees.

(a) General employees hired after December 31, 2012 are eligible for the following retirement plan. Final compensation is based on 3-year highest salary average.

- Non-safety – 2.5% at 67
- Government Code, Section 31581.2, permits the District to agree to pay any portion of retirement contributions required to be paid by an employee. All such payments shall be in lieu of wages and shall be reported simply as normal contributions and shall be credited to employee accounts. The enactment of a resolution pursuant to Section 31581.2, shall not create vested rights in any employee. The District may amend or repeal the resolution at any time, subject to the provisions of Government Code Sections 3504 and 3505, or any similar rule or regulation of the District. The California Public Employees' Pension Reform Act of 2013 [AB 340, §7522.30(c)] prohibits the employer from paying any portion of the employee retirement contribution for those employees hired after December 31, 2012 and that are enrolled in" Plan B."
 - For employees hired prior to January 1, 2013, the following employee contributions apply:
 - "Plan A" general employees shall be responsible for 100% of the age-based contribution rate, not to exceed 8%.
 - Employer will pay all contributions in excess of 8% on behalf of "Plan A" General Employees.

ARTICLE 12 SICK LEAVE

- General employees working a forty (40) hour schedule shall accrue sick leave at the rate of thirteen (13) eight (8) hour days annually.
- Part-Time general employees may request and use up to three (3) days or twenty-four (24) hours of accrued, paid sick leave per year in accordance with the Healthy Workplace Healthy Family Act of 2014 (AB 1522).

3. Sick leave shall be accrued during the first twelve (12) months of the probationary period.
4. Employees accrue sick leave on a prorated basis each payroll period.
5. With exception of retirement, employees will not be entitled to compensation of accrued sick leave. At retirement an employee will have the option to either:
 - (a) If one-hundred percent (100%) of benefit has not been attained, employee's accrued sick leave will be applied towards service credit with SCERA.
 - (b) If one-hundred percent (100%) of benefit has been attained (to be determined by SCERA), employee will be paid fifty percent (50%) of unused sick leave, up to a maximum of ninety (90) eight-hour days. This is to be paid to the employee in cash at the employee's hourly rate of pay at the time of retirement.
6. Sick Leave Incentive Program: Full-time General Employees using twenty-four (24) hours or less of sick leave, from the first day of the first pay period that begins in January through the last day of the last pay period that ends in December, shall earn sixteen (16) hours of vacation.
7. Sick leave may be utilized for any health condition caused by factors over which the employee has no reasonable immediate control. In the event, an employee meets the aforementioned criteria, the employee can only utilize sick leave. Should the employee's sick leave balance be exhausted, the employee will go on unpaid leave during their absence, unless authorization is given by the Fire Chief to utilize other leave balances. Refer to District criteria and procedures on sick leave usage.
8. The employee shall be entitled to use ten (10) eight-hour days of their sick leave during the year for the care of family members based on the criteria set forth in Labor Code Sections 233 and 246.5.
9. The District can authorize the use of family sick leave, in excess of ten (10) days, in those instances where it is necessary for an employee to care for a family member who has a serious long-term health condition. It will be the individual employee's responsibility to request the use of additional accrued sick leave for this purpose. Appropriate documentation of the long-term health condition is to be submitted to the Chief for consideration.
10. Employees shall have seventy-two (72) hours of sick leave designated as "Alternate Leave" per calendar year. The seventy-two (72) alternate leave hours may be used for any reason of the employee's choosing subject to scheduling considerations by the Chief. Alternate leave cannot accumulate but must be used during the calendar year in which it is granted. Alternate leave may only be used after the employee has completed six (6) months of employment.
11. When applicable, "Federal Family Medical Leave" runs concurrently with California Sick Leave.
12. The District has the right to request proof of illness if there is a question of the validity of the illness or the ability of the employee to return to duty.

ARTICLE 13 FUNERAL LEAVE

1. In the event of a death in the immediate family of an employee, the employee shall upon request be granted such time off with pay as is necessary to make arrangements for the funeral and attend same not to exceed six (6) eight-hour days (48 hours). This provision does not apply if a death occurs while the employee is on leave of absence, layoff or sick leave. For the purposes of this provision, the immediate family shall be restricted to the employee's spouse, father, mother, brother, sister, child, in-laws, grandchildren, grandparents, or domestic partner and any other person regularly residing in the employees home as a family member.

2. Substantiation of the death may be required by the Chief.
3. Funeral Leave applies only to instances in which the employee attends the funeral, or is required to make funeral arrangements, but is not applicable for other purposes such as settling the estate of the deceased.

ARTICLE 14 VACATION

1. General employees working a forty (40) hour schedule shall accrue vacation leave based on the following schedule:

Years of Service	Annual Hours
1 through 5	96
6 through 10	136
11 through 15	176
16 through 20	216
21+	240

2. Vacation leave shall be accrued during the twelve (12) month probationary period; however, no vacation leave will be granted until the employee has completed twelve (12) months of employment based on the employee's anniversary date of hire.
3. Employees accrue vacation leave on a prorated basis each payroll period.
4. Cap on Benefits: Employees are encouraged to use all earned vacation leave each year. The maximum benefits an employee may have at any time shall equal two years' vacation accrual (based on the employee's accrual rate). If the employee's earned but unused vacation leave reaches the maximum, the employee will not accrue any additional benefits. If the employee later uses enough vacation leave to fall below the maximum, he/she will resume earning vacation benefits.
 - (a) Exception: If approved by the Chief, vacation leave can exceed the maximum for a limited term based on pending scheduled vacation accrual use or cash out.
5. Employees who terminate or retire will be paid for their accrued and unused vacation leave at their current hourly rate of pay.
6. Use of vacation time shall be charged to each employee at the rate of one hour for each hour of continued unexcused absence the employee would have normally worked. Vacation requests shall be made as outlined in District policy.
7. On the 25th payroll of each year, employees will have the option of receiving payment for a maximum of ninety-six (96) hours of their accrued vacation leave. All hours cashed out will be at the employee's current hourly base rate of pay and each hour cashed out will be deducted from their balance of accrued vacation leave. A maximum of ninety-six (96) hours of cashed-out vacation leave per year is pensionable.

ARTICLE 15 MILITARY LEAVE

Leave is granted to employees ordered to active military service or training in accordance with the provisions of applicable state and federal law.

ARTICLE 16 JURY LEAVE

The District will pay wages for jury duty up to eighty (80) hours per calendar year for those days when the employee would have been scheduled to work.

ARTICLE 17 HEALTH, DENTAL, VISION INSURANCE AND EMPLOYEE ASSISTANCE PROGRAM

1. The District currently provides health, dental, and vision insurance plans for employees working a forty (40) hour schedule and their eligible dependents. As of July 1, 2021, Health, Dental and Vision care insurance plans currently include: FDAC EBA Medical Program, Delta Dental Plan and Vision Service Plan.
 - a. Employees and eligible dependents are required to register for Medicare and will be moved to Medicare supplemental insurance upon turning 65 years old.
2. The District shall contribute, based on the individual employee's family status, an amount not to exceed specific premium costs associated with the FDAC EBA (Employment Benefits Authority). The Kaiser Premium HMO Health Plan was chosen as the plan to use for a cap.
 - (a) Employees who choose a health plan that exceeds the cost of the Kaiser Premium HMO Health Plan, will be required to pay the difference in premium.
3. The District shall contribute an amount equal to 100% of the entire cost of the respective dental and vision insurance coverage.
4. The District also provides, at no cost to the full-time employee, the "Employee Assistance Program", sponsored by the District Insurance carrier FASIS. This provision is not applicable to retirees.
5. Effective July 1, 2021, the District agrees to provide full-time employees covered by this Agreement with \$1,200.00 per year in deferred compensation, to be paid at the rate of \$100.00 per month to a 457 deferred compensation plan to offset the costs of health, dental, and vision care insurance benefit plans at retirement. It is understood that the \$100.00 per month contribution is made on behalf of the employee and does not require an additional dollar contribution by the employee and will be applied at \$50.00 over 24 pay periods.
6. **Employees hired on or after January 1, 2006** are not eligible for District-paid health, dental or vision care insurance benefit plans at retirement. The District will permit a retiree, who is covered by this specific provision, to continue to participate in the District's plans provided the retiree pays 100% of the premium for said plan(s). This shall continue on a monthly basis until either: the retired employee fails to make the one hundred (100%) percent contribution to the plan(s); the retired employee's death, or written notification from the retired employee to discontinue the benefit plan(s).
 - (a) In the event of the retired employee's death, when covered by this specific provision, the surviving spouse will have the option to maintain the plans under the 100% payment provision until remarriage or death.
7. The District maintains the right to change health plan providers as circumstances warrant.
8. Health Insurance Opt Out
 - (a) Proof of Existing Alternative Equivalent Coverage
Employees may opt out of District health coverage and receive a "Cash in-Lieu Payment" if the employee meets the requirements set forth in this section. The employee must provide proof

of existing alternative health insurance coverage that provides equivalent coverage to the FDAC/EBA "Kaiser Premium HMO." The employee must show that he or she has the required alternative health insurance coverage, as do all individuals for whom the employee expects to claim a personal exemption for the plan year. Proof of existing alternative health insurance will be in the form of an attestation signed by the employee. The employee must provide an attestation every plan year during open enrollment period.

(b) Opt-Out Rate

If an employee meets the requirements of this section and elects to opt out of District health coverage, the District will pay the employee a dollar amount equal to 50% of what the District would otherwise pay to cover the employee and his or her qualified dependents under the FDAC/EBA Kaiser Premium HMO plan. This Cash-in-Lieu Payment is taxable and will be paid on a proportionate basis every pay period.

ARTICLE 18 LIFE INSURANCE

The District will pay the full cost of providing term life insurance coverage for those employees who are eligible and insurable, of One Hundred Thousand Dollars (\$100,000.00).

ARTICLE 19 LONG-TERM DISABILITY INSURANCE

The District will pay the full cost of providing long-term disability insurance for employees working a forty (40) hour schedule in the representation unit.

- (a) The District will purchase the group long-term disability insurance policy through the California Association of Professional Firefighters Self-Funded Program.

ARTICLE 20 PROBATION

1. All newly-employed general employees covered by this Agreement shall be required to serve a one-year probationary period. An employee may be dismissed for any reason during the probationary period without right of appeal to the grievance procedure.
2. Annual performance reviews shall be required after the first six (6) months and again after conclusion of their probationary period.

ARTICLE 21 USE OF PRIVATE VEHICLES

1. The use of private vehicles, by general employees, for conducting District business, shall be limited to those situations approved by the Chief.
 - (a) Those situations can include: an emergency where a staff vehicle is not available; extended absences from the District due to attendance of a school, seminar or other training event; or other situations where the absence of a staff vehicle from the District would create a hardship for the District.
2. Those general employees who use their private vehicle for District business, as outlined in the paragraph above, will be reimbursed on a per mile basis as outlined in District Policy.
3. The use of private vehicles for District business shall be in accordance with District policy as outlined in the Manual of Operations.

ARTICLE 22 LAYOFF AND REHIRE

1. A District employee's departmental seniority date shall be established when the employee is designated as having regular status (as opposed to temporary status) within the District. Where employees are hired or promoted on the same date, the order of seniority, either department or classification, shall be based on the respective position each such employee was assigned on the eligibility list (e.g., the employee highest on the eligibility list will be accorded the most seniority).
2. If there should be a reduction from the general classifications, the employee with the least seniority within the classification will be laid off. If a demotion is necessary within the general classifications the general employee with the least seniority will be demoted to their former classification.
3. No new employees shall be employed until the laid off employee(s) has been given the opportunity to be reinstated. The last such employee laid off shall be the first rehired, provided not more than eighteen (18) months, per Section 901-A of the "Personnel Selection and Hiring Rules", has elapsed from the date of layoff.
 - (a) If a former District employee has been separated from the District for a period of more than six (6) months they shall, before being considered for reinstatement, pass a physical examination and be held to the hiring criteria in effect at the time of their layoff.
 - (b) A reinstated District employee will have six (6) months, from the date of reinstatement, to successfully update all certifications that they held prior to layoff.

ARTICLE 23 POLICIES SUBJECT TO CHANGE

All of the policies contained herein are subject to change at any time by a Resolution of the Board of Directors. Nothing herein shall bind the Board of Directors for any specific period of time, nor shall this Policy be considered to limit the Board's discretion to make any and all changes hereto that it deems necessary.

ARTICLE 24 TERM

The term of this Agreement shall be July 1, 2021 through June 30, 2022.

ARTICLE 25 EXISTING BENEFITS CONTINUED

Except as provided herein, this Agreement does not modify existing benefits, policies or procedures, nor does it modify provisions in any prior Agreement applicable to the employees covered by this Agreement. Such benefits, policies, procedures and provisions as remain unmodified shall continue in full force and effect throughout the term of this Agreement.

IN WITNESS WHEREOF, the parties hereby have executed this Memorandum of Understanding this 8th day of June, 2021.

General Employees

Sonoma Valley Fire District

By _____
Sandra Walters Date

By _____
Fire Chief Stephen Akre Date

By _____
Maci Jerry Date

APPENDIX 'A'

GENERAL EMPLOYEES

SALARY PLAN

July 5, 2021 through June 30, 2022

Administrative Clerk

		Step A	Step B	Step C	Step D	Step E
<i>July 1, 2021</i>	Monthly:	4,500	4,631	4,772	4,916	5,061

Administrative Assistant

		Step A	Step B	Step C	Step D	Step E
<i>July 1, 2021</i>	Monthly:	5,216	5,372	5,533	5,697	5,869

Human Resources/Payroll Technician

		Step A	Step B	Step C	Step D	Step E
<i>July 1, 2021</i>	Monthly:	6,058	6,238	6,425	6,618	6,817

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA VALLEY FIRE DISTRICT, SONOMA COUNTY, STATE OF CALIFORNIA, AMENDING THE SALARY AND BENEFIT SCHEDULE OF EMPLOYEES COVERED BY THE ADMINISTRATIVE AGREEMENT FOR MANAGEMENT AND ADMINISTRATIVE EMPLOYEES AS WELL AS THE EMPLOYEES COVERED BY THE GENERAL EMPLOYEE AGREEMENT

WHEREAS, the Board of Directors of the Valley of the Moon Fire Protection District, by adoption of Resolution 2018/2019-03, dated July 10, 2018, amended the salary and benefit schedule of employees covered by the Administrative Agreement for Management and Administrative Employees and employees covered by the General Employee Agreement; and

WHEREAS, two members of the negotiating team for the Sonoma Valley Fire District Board of Directors have met and conferred with representatives of the Administrative Staff regarding the modification of the current Administrative Agreement for Management and Administrative Employees; and

WHEREAS, the Fire Chief met and conferred with employees covered by the General Employee Agreement regarding the modification of the current Agreement; and

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of the Sonoma Valley Fire District hereby repeals Resolution Number 2018/2019-03, which extends to the Administrative Agreement for Management and Administrative Employees and the General Employee Agreement.

BE IT FURTHER RESOLVED the Board of Directors of the Sonoma Valley Fire District hereby adopts Resolution Number 2020/2021-19, which amends the salary and benefit schedule for those employees covered by the Administrative Agreement for Management and Administrative Employees and for those employees covered by the General Employee Agreement for the period commencing July 1, 2021 and ending June 30, 2022.

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 Sonoma Valley Fire District this 8th day of June 2021, on regular roll call vote of the members of said Board:

President Norton	Aye_____	No_____	Absent_____
Vice President Atkinson	Aye_____	No_____	Absent_____
Treasurer Johnson	Aye_____	No_____	Absent_____
Director Brady	Aye_____	No_____	Absent_____
Director Brunton	Aye_____	No_____	Absent_____
Director Emery	Aye_____	No_____	Absent_____
Director Leen	Aye_____	No_____	Absent_____
Vote:	Aye_____	No_____	Absent_____

WHEREUPON, the President declared the foregoing resolution adopted, and

SO ORDERED:

ATTEST:

William Norton, President

Maci Jerry, Clerk



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 June 8, 2021

Agenda Item No.	Staff Contact		
10d	Steve Akre, Fire Chief		
Agenda Item Title			
Discussion on new Countywide Sales Tax proposal			
Recommended Actions			
Discuss District service needs for new sales tax measure.			
Executive Summary			
<p>A new sales tax measure is being developed with the BOS, County CAO and the Fire Service Working Group. An important part of this development is meeting with each fire department to discuss updated needs. The Board President and Chief will be invited to meet with the Fire Service Working Group to present the District's service needs in the near future. In preparation for this meeting, the Board is being asked to discuss the Fire District's previous requests in Measure G (2020) and any updates to these service needs for a proposed new sales tax measure.</p> <p>As background, the District identified 3-0 staffing, a third staffed ambulance, and Fire Station 5 improvements as the needs in the previous tax measure.</p>			
Alternative Actions			
None			
Strategic Plan Alignment			
In alignment with Goal 1, Objective 1A.			
Fiscal Summary – FY 20/21			
Expenditures			
Budgeted Amount	\$	Funding Source(s)	\$
Add. Appropriations Req'd.	\$	District General Fund	\$
	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$
Narrative Explanation of Fiscal Impacts (if required)			
Not Required			
Attachments			