

Sonoma Valley Fire District

Special Board of Directors Meeting

July 28, 2020





Sonoma Valley Fire District
Special Board of Directors Meeting

July 28, 2020

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

Wednesday, July 28, 2020 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

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.)

PUBLIC HEARING

Effective June 15, 2020, the Glen Ellen Fire Protection District, the Valley of the Moon Fire Protection District, and the Mayacamas Volunteer Fire Department were reorganized by approval of the Sonoma County Local Area Formation Commission into the Sonoma Valley Fire District, including extension of the special taxes approved in Ordinance No. 2018/2019-01. The Board will hold a public hearing for the purpose of considering the adoption of a resolution for the determination of the amount of special tax to be levied on each parcel of real property within the Sonoma Valley Fire District during the fiscal year 2020/2021.

6. New Business

a) Setting the Special Tax Levy for Fiscal Year 2020/2021.

Consideration and approval of Resolution 2020/2021-07 setting the special tax to be levied on each parcel of real property in the Sonoma Valley Fire District during fiscal year 2020/21. **Action Item with roll call vote**

Discussion and approval of the Direct Charge Assessment agreement with the Sonoma County ACTTC property tax collector. **Action Item with roll call vote**

Review and acceptance of a legal memorandum giving SVFD authority for the first year district-wide tax levy. **Action Item with roll call vote**

- b) Discussion and consideration to authorize Fire Chief to enter into a Professional Services Contract for Finance. **Action Item with roll call vote**

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

8. **Comments from the Floor**

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

10. **Adjournment**

This meeting will be adjourned to the regular Board meeting on August 11, 2020 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
Special Board of Directors Meeting
Agenda Item Summary
July 28, 2020

Agenda Item No.	Staff Contact
6a	Maci Jerry, Human Resources Tech/Clerk to Board

Agenda Item Title
Setting the special tax levy for fiscal year 2020/2021

Recommended Actions
Adoption of fiscal year 2020/2021 district tax roll

Executive Summary
Consideration and approval of Resolution 2020/2020-07 setting the special tax to levy each parcel of real property in the SVFD during the fiscal year 20/21. Discussion and approval of the Direct Charge Assessment agreement with the Sonoma County tax collector. Review and acceptance of legal memorandum giving the SVFD authority for the first year district-wide tax levy. This memo was requested by the County to support the collection of the special tax in the first year of operation of the newly-consolidated District.

Alternative Actions

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)
This special tax will generate the revenue necessary for the SVFD to continue to provide current service levels.

Attachments
<ol style="list-style-type: none">1. Resolution 2020/2021-072. Direct Charge Assessment agreement3. First Year Tax - Legal memorandum

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA VALLEY FIRE DISTRICT FOR CONSIDERATION AND DETERMINATION OF THE SPECIAL TAX TO BE LEVIED ON EACH PARCEL OF REAL PROPERTY IN THE SONOMA VALLEY FIRE DISTRICT DURING FISCAL YEAR 2020/2021

=====

WHEREAS, on November 6, 2018, the voters of the Glen Ellen Fire Protection District approved Ordinance No. 2018/2019-01, to levy a special tax on each parcel of real property in the District to meet the current and future costs of continuing to provide authorized fire and emergency services in the District; and

WHEREAS, Ordinance No. 2018/2019-01 requires that each year the Board of Directors of the District request a report from the Sonoma County Auditor/Controller/ Treasurer/ Tax Collector (ACCTC) and hold a public hearing thereon to consider and determine the rate of special tax to be levied on each parcel of real property in the District; and

WHEREAS, effective June 15, 2020, the Glen Ellen Fire Protection District, the Valley of the Moon Fire Protection District, and the Mayacamas Volunteer Fire Department were reorganized by approval of the Sonoma County Local Area Formation Commission into the Sonoma Valley Fire District, including extension of the special taxes approved in Ordinance No. 2018/2019-01 to all parcels of real property within the boundaries of the Sonoma Valley Fire District; and

WHEREAS, at its initial special meeting on July 1, 2020, the Board of Directors of the Sonoma Valley Fire District requested from the Sonoma County ACTTC a report showing each parcel of real property in the District subject to the special tax, , as required by Ordinance No. 2018/2019-01; and

WHEREAS, in July 2020, the Board of Directors of the Sonoma Valley Fire District duly noticed by posting and publication a public hearing for July 28, 2020, as required by Ordinance No. 2018/2019-01; and

WHEREAS, on July 28. 2020, the Board of Directors of the Sonoma Valley Fire District conducted a public hearing for consideration and determination of the special tax to be levied on each parcel of real property in the Sonoma Valley Fire District during Fiscal Year 2020/2021.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SONOMA VALLEY FIRE DISTRICT HEREBY FINDS, RESOLVES AND ORDERS THE FOLLOWING:

1. At a properly noticed public hearing on July 28, 2020, the Board of Directors of the Sonoma Valley Fire District reviewed the parcel listing report provided by the Sonoma County ACTTC, and considered all public comment and other input concerning any proposed revisions in the amount of special tax to be levied on each parcel of real property in the Sonoma Valley Fire District in Fiscal Year 2020/2021.

2. Pursuant to Ordinance No. 2018/2019-01, the Board of Directors of the Sonoma Valley Fire District finds and declares that it has considered and determined the amount of special tax to be levied on each parcel of real property in the Sonoma Valley Fire District in Fiscal Year 2020/2021, and annotated accordingly the parcel listing report provided by the Sonoma County ACTTC.

3. The Board of Directors of the Sonoma Valley Fire District directs the President of the Board of Directors and the District Clerk to deliver forthwith the annotated parcel listing report back to the Sonoma County ACTTC for preparation of the Sonoma Valley Fire District direct charge list for the Fiscal Year 2020/2021 tax roll.

Passed, approved and adopted at a special meeting of the Board of Directors of the Sonoma Valley Fire District by the following votes. Passed and adopted this July 28, 2020.

President, Board of Directors

Ayes: _____
Noes: _____
Absent: _____

CERTIFICATION:

Clerk of the Board of Directors

AGREEMENT FOR COLLECTION OF SPECIAL
TAXES, FEES, AND ASSESSMENTS

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and between the COUNTY OF SONOMA, a political subdivision of the State of California, hereinafter referred to as "County" and the Sonoma Valley Fire District, a municipal corporation of the State of California, hereinafter referred to as "District".

WITNESSETH:

WHEREAS, state law authorizes the County to recoup its collection costs when the County collects taxes, fees, or assessments for any School District, Special District, zone or improvement District thereof; and

WHEREAS, when requested by District, it is in the public interest and efficient that the County collect for District the special taxes, fees, and assessments imposed on parcels subject to real property tax;

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. County agrees, when requested by District as hereinafter provided, or as required by law, to collect on the County tax rolls the special taxes, fees, and assessments (hereinafter collectively referred to as "Charges") of District, and of each zone or improvement district thereof, except as follows: (1) Tax bills will not be generated for Charges imposed on parcels exempt from real property taxation because of low value when the total amount of the tax bill is \$10 or less. Charges on all parcels exempt from real property taxation because of low value that are unpaid at the end of the fiscal year will be removed from the tax roll and referred to the District for further collection efforts. (2) Tax bills will not be generated for Charges imposed on parcels that are immune or otherwise exempt from real property taxation when the total amount of the tax bill is \$10 or less. Charges on all parcels that are immune or otherwise exempt from real property taxation that are unpaid at the end of the fiscal year will be removed from the tax roll and referred to the District for further collection efforts.
2. When County is to collect District's Charges, District agrees to notify the Auditor-Controller of the County on or before the 10th day of August of each fiscal year of the Assessor's parcel numbers and the amount of each Charge to County. To be effective, the notice must be received by the Auditor-Controller by said date.

3. County may charge a cost recovery fee for each Charge that is to be collected on the County tax roll in an amount sufficient to recover the costs incurred by the County to collect the Charge on behalf of District. This cost recovery fee will not exceed 0.0085 of the annual levy.

4. District warrants that the Charges imposed by District and collected pursuant to this Agreement comply with all requirements of state law, including but not limited to Articles XIII C and XIII D of the California Constitution (Proposition 218).

5. District agrees to re-certify each year that the Charges imposed by the District and collected pursuant to this Agreement comply with all requirements of state law, including but not limited to Articles XIII C and XIII D of the California Constitution (Proposition 218). District further agrees to provide any other documentation, such as a certified copy of the District Board's Resolution or Ordinance authorizing the Charges to be collected on the secured tax bill or a certified ballot measure, supporting the authority to levy the Charges as requested by County and that, without this documentation, it is the Auditor-Controller's discretion whether to place the Charges on the tax roll.

6. Indemnification. Without limiting the County's obligations under California law to collect the Charges, the District agrees to defend and indemnify the County, its agents, officers and employees (the "County Parties") from any demands, liability, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (collectively, Claims) arising from performance of this Agreement. District shall, at its own expense, defend any suit or action founded upon a claim of the foregoing. District further releases and forever discharges the County and its officers, agents and employees from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of District's responsibilities under this Agreement or other action taken by District in establishing the Charges and implementing collection of the Charges as contemplated in this Agreement. Without limiting the generality of the foregoing, District shall hold harmless, defend, and indemnify County and its elected and appointed officers, officials, employees, and agents, from and against any claim or suit to determine the legality of the Charges or arising from or related to the accuracy of the information provided by District, or any procedures employed by the County or its officers or employees in the collection of the Charges. If any judgment is entered against any of the County Parties as a result of action taken to

implement this Agreement, District agrees that County may offset the amount of any judgment paid by County or by County Parties from any monies collected by County on District's behalf, including property taxes, special taxes, fees, or assessments. County may, but is not required to, notify District of its intent to implement any offset authorized by this paragraph. District agrees to not seek recovery from the County to enable performance of any of District's duties under this section.

7. County agrees to not file a reverse validation action with regards to the collection of any District special taxes for FY 2020-2021.

8. To promote and maintain efficient property tax administration, District agrees:

a. That its officers, agents and employees will cooperate with County by timely answering inquiries made to District by any person concerning District's Charges, and that its officers, agents and employees will not refer such individuals making inquiries to County officers or employees for response.

b. To follow all administrative procedures as established by the County, including submitting all documents and data in the required formats to County by established deadlines, and providing all requests for removal or correction of charges in writing.

c. District is responsible for the validity and accuracy of the amount of the Charges as well as the assessor parcel number to which it is being charged regardless if such data is submitted by the District itself or by a third-party consultant/contractor on its behalf.

d. That administrative citations and fines and other charges of this nature will not be placed on the secured roll.

e. That District gives the Auditor-Controller the authority to process and handle at his or her discretion special situations and unusual circumstances not addressed elsewhere in this Agreement. Such actions may include the removal of Charges from the tax bill and relieving County from any further responsibility for collection making District solely responsible for its collection. Should this situation occur the Auditor-Controller will promptly notify District.

9. District shall not assign or transfer this agreement or any interest herein and any such assignment or transfer or attempted assignment or transfer of this agreement or any

interest herein by District shall be void and shall immediately and automatically terminate this agreement.

10. This agreement shall be effective for the 2020-2021 fiscal year and shall be automatically renewed for each fiscal year thereafter unless terminated as hereinafter provided.

11. Either party may terminate this agreement for any reason for any ensuing fiscal year by giving written notice thereof to the other party prior to May 1st of the preceding fiscal year.

12. County's waiver of breach of any one term, covenant, or other provision of this agreement, is not a waiver of breach of any other term, nor subsequent breach of the term or provision waived.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

District: _____

By: _____

SONOMA COUNTY AUDITOR-CONTROLLER

MEMORANDUM

Date: July 28, 2020

To: Bill Norton, President, Board of Directors, Sonoma Valley Fire District
Chief Steve Akre, Sonoma Valley Fire District

From: William L. Adams, District Counsel

Re: **AUTHORITY OF THE SONOMA VALLEY FIRE DISTRICT TO LEVY AND
COLLECT THE DISTRICT-WIDE SPECIAL TAX IN FISCAL YEAR 2019-2020**

I. ISSUE

The final approval on June 15, 2020 by the Sonoma County Local Agency Formation Commission (LAFCO) of the reorganization and annexations to create the Sonoma Valley Fire District (SVFD) expressly included the District-wide extension of the previously established and collected Glen Ellen Fire Protection District (GEFPD) special tax which was approved by voters in 2018. Although LAFCO's action was, on its face, effective immediately upon approval, State Board of Equalization requirements concerning boundary changes appeared to conflict with the immediate implementation of the LAFCO action – resulting in a potential delay in the ability of SVFD to assess and collect the special tax. In recognition of this conflict, the Legislature adopted a fix to reconcile the two statutory schemes. This memorandum addresses the apparent conflict and subsequent statutory resolution, confirming SVFD authority to assess and collect SVFD District-wide special tax in Fiscal Year 2020-2021 (“FY 20-21”).

II. LAFCO ANNEXATION STATUTES CREATE AN IMMEDIATE APPLICATION OF THE SVFD DISTRICT-WIDE SPECIAL TAX

The annexation statutes in the Cortese-Knox-Hertzberg Government Reorganization Act of 1985, Government Code section 56000, et seq.¹ (the “LAFCO Act”), support a determination that a LAFCO-approved reorganization creates an immediate application of a pre-existing special tax. Section 57325 provides: “On and after the effective date of the annexation, the territory annexed to a city or district, all inhabitants of that territory, and all persons entitled to vote by reason or residing or owning land within that territory shall be subject to the jurisdiction of the city or district and, except as otherwise provided in this chapter, **shall have the same rights and duties as if the territory had been a part of the city or district upon its original incorporation or formation.**” (emphasis added). Section 57330 states: “Any territory annexed to a city or district

¹ All statutory references herein are to the Government Code except where indicated.

shall be subject to the levying or fixing and collection of any previously authorized taxes, benefit assessments, fees or charges of the city or district.” Consequently, upon LAFCO approval of the SVFD reorganization in April 2019, the previously established and collected GEFPD special tax became the SVFD District-wide special tax.

III. SECTION 54902.1 IN THE DISTRICT BOUNDARY CHANGE PROCEDURES PROVIDES AUTHORITY FOR FIRST YEAR TAX COLLECTION BY NEWLY-REORGANIZED DISTRICTS

Initially adopted in 1949, the statutory framework regarding special district boundary changes commencing at section 54900 provides the process for collection of special taxes during the first year after SVFD reorganization. Section 54902 establishes a December 1st State Board of Equalization deadline that limits a reorganized district from collecting taxes for at least a year unless the requisite statement is filed by December 1st prior to the year in which the special tax is to be levied. Section 54900 provides that the Certificate of Completion filed by the LAFCO Executive Officer on June 15, 2020, constitutes the required “statement.” Applying the section 54902 deadline would consequently result in no ability for SVFD to assess or collect District-wide special taxes until FY 21-22.

Furthermore, while section 54902 potentially delays the collection of SVFD District-wide taxes for more than a year, section 54903 prohibits SVFD from continuing to levy and collect the “legacy” taxes from the originating districts after dissolution and annexation of these districts in the LAFCO-approved reorganization that created SVFD. In 1963, section 54903 was amended to add the second phrase starting with the word “nor”, so that the current version of section 54903 reads:

“The creation of any city, district or zone thereof, or the change in its boundaries **is not effective for assessment or taxation purposes nor shall the tax or the special assessment levy of a district previously levying and collecting taxes or special assessments based on its own assessment be carried on a city or county assessment roll** unless the statement and map or plat is filed pursuant to this chapter.”

(Emphasis added)

The plain language of the bolded portion precludes the levy and collection of the taxes or special assessments of the former districts, which were dissolved effective June 15, 2020. Thus, without another option, SVFD would be precluded from levying *any* special tax until FY 21-22. This is neither a viable fiscal policy for a public entity nor a realistic interpretation of the legislative intent which encourages district reorganizations.

Fortunately, the Legislature recognized the “catch 22” created for district reorganizations that become effective after December 1st, but before the next fiscal year, by crafting a fix to reconcile these statutory conflicts. Section 54902.1 was added to the statutory scheme in 1974

and establishes a procedure for SVFD to bridge the first-year conundrum between the prospective limitations in section 54902 and the retrospective limitations in section 54903. Section 54902.1 provides:

“In the event that any statement, map or plat required by this chapter is filed after the deadline specified in Section 54902 , the provisions of Section 54903 shall apply to the territory described in such statement, map or plat and the boundary changes indicated therein shall not be effective for tax or assessment purposes for the fiscal year beginning on the following July 1.

Any city or district, or zone thereof, to which this section applies may borrow an amount of money equivalent to the anticipated tax revenue which would have been collected during such fiscal year within the territory described in the statement, map or plat, if such statement, map or plat had been filed on or before the deadline specified in Section 54902 .

During succeeding fiscal years a tax or assessment may be levied by, or on behalf of, any city or district, or zone thereof, in order to repay such borrowed funds, including the cost of interest charges connected therewith. The tax shall be levied, after notice of the intent to levy the tax to the State Board of Equalization in such time and manner as prescribed by the board, only on that property described in the statement, map or plat. Such an amount of money may be raised during a single fiscal year or, at the discretion of the affected local agency, a portion of such amount may be raised in each of several fiscal years. The tax or assessment rate authorized by this section shall be in addition to any maximum property tax rate established pursuant to Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of the Revenue and Taxation Code.”

Section 54902.1 establishes an alternative basis for the first year special tax to be assessed and collected without violating sections 54902 and 54903, and specifically empowers the SVFD Board with the “discretion” to collect the “anticipated tax revenue” in order to avoid the chronological doughnut hole created by sections 54902 and 54903. The understanding reached in June 2020 between SVFD and the County of Sonoma allows SVFD to levy and collect the District-wide special tax in a defacto loan process – through which SVFD is advanced approximately \$2 million to be paid in tranches on the dates when special tax payments are normally disbursed. This defacto loan will be repaid in the succeeding fiscal year (FY 20-21) by the means of the County collecting and distributing to SVFD the proceeds of the District-wide special tax levy that the SVFD Board assesses on the FY 20-21 tax bills. From the perspective of SVFD taxpayers, this is a transparent way to initiate SVFD funding in FY 20-21 without having to add additional assessments to future tax bills received in FY 21-22 and beyond to pay back the first-year advance of District-wide taxes.

IV. PROPOSITIONS 218 AND 26 DID NOT REPEAL SECTION 54902.1

Proposition 218, approved in 1996, amended the California Constitution by initiative and adopted Articles XIIC and XIID. However, Proposition 218 did not repeal section 54902.1. (See *Citizens Assn of Sunset Beach v. Orange County LAFCO* 209 Cal.App.4th 1182, 1186 (2012) (“We conclude Proposition 218 was never intended to require votes to annexations of territory by local governments.”))

In 1999, the California Attorney General in California Attorney General Opinion 99-602 (82 Ops.Cal.Atty.Gen. 180), found that voter/landowner approval requirements set forth in Articles XIIC and XIID relating to taxes, assessments, fees and charges do not apply to LAFCO reorganizations that require an existing tax be extended to annexed parcels. The final two paragraphs of the Opinion state:

“In summary, then, a change of organization or reorganization involves taxes, assessments, fees, and charges that have previously been established and approved by the electorate where constitutionally or statutorily required. The rates and duration remain the same, as does the methodology in arriving at the amount of revenue to be collected. The [LAFCO] Act provides a protest and election process for approving the proposed changes. (§§ 57075-57078.) In effect, the Act complements articles XIII C and XIII D rather than conflicts with them. (See *Patton v. City of Alameda* (1985) 40 Cal.3d 41, 45; *Metropolitan Water District v. Dorff* (1979) 98 Cal.App.3d 109, 113-115.)

We conclude that if a LAFCO conditions approval of a change of organization or reorganization upon a requirement that the subject agency levy or fix and collect a previously established and collected tax, benefit assessment, or property-related fee or charge on parcels being annexed to the agency, the voter and landowner approval requirements set forth in articles XIII C and XIII D relating to taxes, assessments, fees, and charges do not apply.”

Proposition 26, approved in 2010, was another constitutional amendment by initiative, further modifying Article XIIC, requiring local taxes to be voter-approved. However, Proposition 26 includes in its seven enumerated exceptions Article XIIC, section 1(e)(7), which provides: “Assessments and property-related fees imposed in accordance with the provisions of Article XIID.” Thus, an express exception to Proposition 26 specifically directs that special tax assessments are subject to the Proposition 218 criteria set forth in Article XIID.

The Appellate Court in the *Sunset Beach* case and the California Attorney General in Opinion 99-0602 (including the cases cited therein) find that Proposition 218 criteria are not applicable to LAFCO-approved reorganizations. Accordingly, when read together with sections 57325 and 57330 of the LAFCO annexation statutes, there is clear authority for the SVFD Board to assess and collect the SVFD District-wide special tax in FY 20-21.



Sonoma Valley Fire District
Special Board of Directors Meeting
Agenda Item Summary
July 28, 2020

Agenda Item No.	Staff Contact
6b	Stephen Akre, Chief

Agenda Item Title
Approval authorizing the Fire Chief to execute a professional services agreement (PSA) with Carol Pigoni to provide Finance consulting services for the District

Recommended Actions
Authorize Fire Chief to execute agreement

Executive Summary
The Sonoma Valley Fire District desires to create a professionally staffed Administrative/Finance Division, independent of outside government agencies. The Service Provider is to assist Fire Chief and support staff in the implementation phase of creating this Division. With the retirement of the Finance Officer, there is a need for specialized, expert Finance consulting in order to successfully recruit for a full-time Finance Officer, provide staff training and development, review current Policies & Procedures; make recommendations for updates and additions in accordance with Generally Accepted Accounting Procedures, evaluate Financial Software review/research/implementation, and provide direction on the Reserve and investment fund structure.

Alternative Actions
Decline to authorize agreement

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)
The cost of the proposed PSA for Finance Consulting Services will be covered by current funds allocated for consulting in the Preliminary District Budget. \$32,500 is allocated for consulting.

Attachments
1. Pigoni PSA for Finance Consulting Services

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is made and entered into this First day of August, 2020, by and between the Sonoma Valley Fire District (hereinafter referred to as the "District") and Carol E. Pigoni (hereinafter referred to as "Service Provider").

RECITALS

WHEREAS, District wishes to obtain the professional services of the Service Provider; and

WHEREAS, Service Provider has the knowledge, skill, career experience, and expertise to provide such services; and

WHEREAS, in the judgement of the Sonoma Valley Fire Chief, it is necessary and desirable to retain Service Provider for Administrative and Finance management level assistance.

THEREFORE, in consideration of the foregoing, the parties, intending to be legally bound, hereby agree to the following:

AGREEMENTS

1. Services. Service Provider is hereby retained by the District, and Service Provider agrees to provide the Services set forth on Exhibit A attached hereto and incorporated herein by reference. The Scope of Services may be modified from time to time by the Fire Chief, as agreed to in writing between the Fire Chief and the Service Provider.

2. Service Requirements. The Services delivered shall conform in all material respects to the specifications as set forth in Exhibit A and any other requirements agreed upon by the parties in writing. Service Provider agrees to use sound and professional principles and practices in accordance with normally accepted governmental accounting and management standards in rendering the Services hereunder, and Service Provider further agrees that performance shall reflect the best professional knowledge, skill and judgment of Service Provider.

3. Ownership of Work Product. Any and all reports, documentation, files, media and other materials created, produced or assembled by Service Provider in connection with the Services rendered shall be deemed "Work Product". All such Work Product(s) shall be the property of the District and Service Provider agrees transfer all rights, titles and interest to District. District agrees to provide to Service Provider remote access to computer files, programs and documents during the performance of this Agreement. Service Provider agrees to maintain a secure and confidential work space off-site.

4. Payment. The District agrees to compensate Service Provider at a rate of \$75.00 per hour (exclusive of travel time) for Services completed in accordance with the terms of this Agreement. Services will be billed in half hour increments. Service Provider shall be reimbursed for extraordinary meetings, travel costs and mileage at the IRS rate for any travel outside Sonoma County as requested by Fire Chief.

Service Provider shall submit invoices by the tenth of the month based on the total hours, including work descriptions, which has been satisfactorily completed for the approval by the Fire Chief. The District will pay monthly based on approved invoices in accordance with this section. For any extra work or expenses not part of this Agreement, a written authorization from the Fire Chief is required prior to Service Provider undertaking the expense or work product.

5. Location of Services. Service Provider maintains a secure worksite located at 533 Port Circle in Cloverdale, California. This site shall serve as the primary location for the Service Provider from which the Work Product will be produced. The Service Provider will attend all required District Board, Staff or Special Meetings remotely from this location. Service Provider will be present in Sonoma on a frequency as agreed to between the Fire Chief and Service Provider to complete assignments as illustrated in Exhibit A.

6. Relationship. Nothing in this Agreement shall be understood or construed to create or imply any relationship between parties in the nature of any joint venture, employer/employee, or partnership. Service Provider shall in no way become an employee of the District pursuant to this Agreement. Neither party shall have the authority to create or assume any obligation by or on behalf of the other party.

7. Term. The term of this Agreement shall commence on August 1st, 2020 and shall continue until December 31, 2021, unless this Agreement is otherwise extended or terminated in accordance with the terms specified herein.

8. Termination. Board and Service Provider shall have the right to terminate this Agreement by giving thirty (30) days advance written notice of termination to the other party.

Dated: _____, 2020

SONOMA VALLEY FIRE DISTRICT

By: _____

Name: _____

Title: _____

Dated: _____, 2020

SERVICE PROVIDER

By: _____

EXHIBIT A

For the past several years the (former) Sonoma Valley Fire & Rescue Authority had Finance functions performed through a Contract for Services with the City of Sonoma. As a result of an operational review by the Fire Chief, and regionalizing Fire Services in the Valley, there is a need to create a revised internal structure. The new Sonoma Valley Fire District desires to create a professionally staffed Administrative/Finance Division, independent of outside government agencies. The Service Provider is being retained to assist Fire Chief and support staff in the implementation phase of creating this Division. Under direction of the Fire Chief, the Service Provider will assist with the following list of priorities. This list is illustrative of projects, assignments, reports and outcomes and may be subject to modification during the course of this Agreement.

- Assist with Recruitment of fulltime Finance Officer
- Staff training/Mentoring
- Review of current Policies & Procedures; make recommendations for updates and additions in accordance with Generally Accepted Accounting Procedures
- Create Request for Proposal template for Audit services/; other services as required
- Staff Reports & Financial Reporting to Board
- Employee Payroll & Benefits oversight
- Assist with Budget calculations, sample reports, scenarios
- Financial Software review/research/implementation
- Reserve and Investment Fund structure