

## MONTECITO FIRE PROTECTION DISTRICT

### Agenda for the Regular Meeting of the Board of Directors

Montecito Fire Protection District Headquarters

595 San Ysidro Road

Santa Barbara, California

April 24, 2023 at 2:00 p.m.

Agenda items may be taken out of the order shown.

1. Public comment: Any person may address the Board at this time on any non-agenda matter that is within the subject matter jurisdiction of the Montecito Fire Protection District. (30 minutes total time allotted for this discussion.)
2. Receive presentation from Scott German of Fechter & Company regarding the Annual Financial Report for Fiscal Year Ended June 30, 2022. (Strategic Plan Goal 8)
  - a. Consider recommendation for approval of the report.
3. Recognition of Exemplary Performance: Fire Mechanic, Jess Moran.
4. That the Board of Directors approve Resolution 2023-04, acknowledging receipt of a report made by the Fire Chief of the Montecito Fire Protection District regarding the inspection of certain occupancies required to receive annual inspections pursuant to sections 13146.2 and 13146.3 of the California Health and Safety Code. (Strategic Plan Goal 2)
  - a. Staff report presented by Fire Marshal Briner.
5. That the Board of Directors authorize the Fire Chief to enter a contract with Fehr and Peers, in the amount of \$44,300 to complete the modeling of revised evacuation zones. (Strategic Plan Goal 1)
  - a. Staff report presented by Fire Chief Neels.
6. That the Board of Directors authorize the Fire Chief to enter into a Professional Services Agreement with Keith Turcot, 5 Bar Engineering, LLC for engineering and technical fees related to the VHF radio system upgrade. (Strategic Plan Goal 5)
  - a. Staff report presented by Fire Chief Neels.
7. That the Board of Directors approve Resolution 2023-05, Amending Final Budget for FY 2022-23. (Strategic Plan Goal 8)
  - a. Staff report presented by Accountant Nahas.

8. Consider declaring vehicle 1324746 (2010 Chevy Tahoe) as surplus and authorize the Fire Chief to sell, donate, or dispose of the vehicle as specified in the Surplus Property policy. (Strategic Plan Goal 5)
  - a. Staff report presented by Fire Chief Neels.
9. Approval of Minutes of the March 27, 2023 Regular Meeting.
10. Fire Chief's report.
11. Board of Director's report.
12. Suggestions from Directors for items other than regular agenda items to be included for the May 22, 2023 Regular Board meeting.

### Adjournment

This agenda posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of the posting is April 20, 2023.



David Neels, Fire Chief

Note: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District office at 969-7762. Notification at least 48 hours prior to the meeting will enable the District to make reasonable arrangements.

Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Montecito Fire Protection District's office located at 595 San Ysidro Road during normal business hours.

# Agenda

## Item #2








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## STAFF REPORT

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**To:** Montecito Fire Protection District Board of Directors  
**From:** David Neels, Fire Chief  
**Prepared by:** Araceli Nahas, Accountant AN  
**Date:** April 24, 2023  
**Topic:** Audited Financial Statements for June 30, 2022

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### Summary

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The following report provides a brief description of the various sections included in the District's audited financial statements for June 30, 2022.

### Discussion

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The District engaged with independent audit firm, Fechter & Company ("Fechter"), to perform an annual audit and issue financial statements. Firm partner, Scott German, will provide a thorough review of the financials during the meeting.

### Annual Financial Report for the Year Ended June 30, 2022

#### **Independent Auditor's Report (Pg. 1)**

In this report, Fechter communicates Management's responsibility for the financial statements, the Auditor's responsibility, and the audit process. In the "Opinion" section, Fechter renders an opinion that they have concluded that the District's financial statements present fairly and according to generally accepted accounting principles.

#### **Management's Discussion and Analysis (Pg. 4-10)**

The Management's Discussion and Analysis ("MD&A") section of the report highlights important financial activity for the year. In this year's report, a significant financial change is that the Statement of Activities reflects a net pension credit (revenue), rather than a net pension expense as shown in prior years. This shift is a result of favorable investment returns, and the issuance of the Pension Obligation Bond and paydown of the District's CalPERS Unfunded Accrued Liabilities in June 2021.

Fechter reviews the MD&A for accuracy, but the information is not part of the audit testing.

### **Balance Sheet (Pg. 11) and Statement of Activities (Pg. 12)**

The starting figures for the financial statements are derived from the District's FIN accounting system and required journal entries are reflected in the "Adjustments" column to ensure that the final reporting numbers follow Generally Accepted Accounting Principles ("GAAP") and statements issued by the Governmental Accounting Standards Board ("GASB"). Fechter and Araceli review all adjustments prior to posting.

### **Notes to the Financial Statements and Required Supplementary Information (Pg. 13-37)**

The notes are required to accompany the financial statements and provide details on significant financial transactions and adjustments.

### **Conclusion**

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Staff recommends that the Board accept and file the Annual Financial Report for June 30, 2022.

### **Attachments**

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1. Annual Financial Report for the Year Ended June 30, 2022

### **Strategic Plan Reference**

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Strategic Plan Goal #8, Ensure Financial Accountability & Transparency

**MONTECITO FIRE  
PROTECTION DISTRICT**

**ANNUAL FINANCIAL REPORT  
WITH  
INDEPENDENT AUDITOR'S REPORT THEREON**

**JUNE 30, 2022**

DRAFT April 24, 2023 DRAFT

**MONTECITO FIRE PROTECTION DISTRICT**

Annual Financial Report  
June 30, 2022

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DRAFT April 24, 2023 DRAFT

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
of the Montecito Fire Protection District  
Santa Barbara, California

### Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Montecito Fire Protection District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Montecito Fire Protection District as of June 30, 2022, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Montecito Fire Protection District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Montecito Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

The Board of Directors  
of the Montecito Fire Protection District  
Santa Barbara, California

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

The Board of Directors  
of the Montecito Fire Protection District  
Santa Barbara, California

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Organizational Structure and Schedule of Assessed Valuations are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain limited procedures to the 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.

Fechter & Company,  
Certified Public Accountants

Sacramento, California  
April 24, 2023

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

DRAFT April 24, 2023 DRAFT



**MONTECITO FIRE PROTECTION DISTRICT**

Management's Discussion and Analysis  
(Unaudited)  
June 30, 2022

The purpose of the Management's Discussion and Analysis (MD&A) is to provide an overview of the District's financial condition and to highlight important changes and activities with fiscal implications that occurred during the year ended June 30, 2022. Please read it in conjunction with the District's basic financial statements and required supplementary information, which follow this section.

**Discussion of Basic Financial Statements**

This discussion and analysis provides an introduction and a brief discussion of the District's basic financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. Special purpose governments engaged in a single government program can combine the fund financial statements and the government-wide statements using a columnar format. This format reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements rather than at the bottom of the statements or in an accompanying schedule.

**The District's financial statements include three components:**

1. Statement of Net Position and Governmental Funds Balance Sheet
2. Statement of Activities and Governmental Revenues, Expenditures, and Changes in Fund Balances
3. Notes to the Basic Financial Statements

The Statement of Net Position and Governmental Funds Balance Sheet provide the basis for evaluating the District's capital structure, liquidity, and financial flexibility. The Statement of Activities and Governmental Revenues, Expenditures, and Changes in Fund Balances presents information that shows how the District's fund balances and net position changed during the year. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The Notes to the Basic Financial Statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements. In addition to the basic financial statements, this report also presents other required supplementary information.

## MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis  
(Unaudited)  
June 30, 2022

### Government-Wide Financial Analysis

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), the following is an analysis of the District's net position and changes in net position.

**Table 1 – Montecito Fire Protection District Net Position**

	2022	2021	Dollar Change
<b>Assets:</b>			
Current and other assets	\$ 25,760,776	\$ 15,075,402	\$ 10,685,374
Capital assets	11,347,503	11,107,028	240,475
Total assets	<u>37,108,279</u>	<u>26,182,430</u>	<u>10,925,849</u>
Deferred outflows	24,159,645	28,443,828	(4,284,183)
<b>Liabilities:</b>			
Current and other liabilities	\$ 3,455,876	\$ 224,320	3,231,556
Long-term liabilities	9,987,989	39,168,332	(29,180,343)
Total liabilities	<u>13,443,864</u>	<u>39,392,652</u>	<u>(25,948,788)</u>
Deferred inflows	15,085,257	5,375,476	9,709,781
<b>Net Position:</b>			
Invested in capital assets	11,347,503	11,107,028	240,475
Unrestricted	21,391,300	(1,248,898)	22,640,198
Total net position	<u>\$ 32,738,803</u>	<u>\$ 9,858,130</u>	<u>\$ 22,880,673</u>

Total assets increased \$10,925,849, or 41.73%, when compared to the prior year. The change in current and other assets is primarily a result of the significant decrease in pension liability resulting in a \$6 million pension asset.

Total liabilities decreased by \$25,948,788, or 65.87%. The decrease in liabilities is primarily a result of the decreases to the pension and OPEB liabilities with decreased by roughly \$30 million due to increases investment valuation and large contributions in prior years. The pension and OPEB liabilities are based on independent actuarial reports. Net position over time is a useful indicator of a government's financial position. For Montecito Fire Protection District, assets exceed liabilities by \$32,738,803 at the close of the current fiscal year. The increase of 22,880,673, when compared to the prior year, is roughly the amount by which fund expenditures exceed revenues in the current fiscal year (See Table 2 on page 5).

## MONTECITO FIRE PROTECTION DISTRICT

### Management's Discussion and Analysis (Unaudited) June 30, 2022

**Table 2 – Montecito Fire Protection District Change in Net Position**

	2022	2021	Dollar Change	Percent Change
<b>Revenues:</b>				
Property taxes	\$ 20,163,630	\$ 18,664,517	\$ 1,499,112	8.03%
Investment income	71,978	(75,683)	147,661	-195.10%
Rental income	16,800	-	16,800	N/A
Intergovernmental	4,592,318	3,744,435	847,883	22.64%
Net pension credit	14,545,127	-	14,545,127	N/A
Miscellaneous	201,311	1,021	200,291	19622.10%
Total revenues	<u>39,591,164</u>	<u>22,334,290</u>	<u>17,256,874</u>	<u>77.27%</u>
<b>Expenses:</b>				
Salaries and benefits	13,534,696	20,099,863	(6,565,167)	-32.66%
Services and supplies	2,390,601	2,468,935	(78,334)	-3.17%
Interest	128,687	11,599	117,088	1009.47%
Depreciation	644,906	613,154	31,752	5.18%
Total expenses	<u>16,698,891</u>	<u>23,193,551</u>	<u>(6,494,660)</u>	<u>-28.00%</u>
Change in net position	22,892,273	(859,261)	23,751,534	-2764.18%
Net Position – Beginning	<u>9,846,529</u>	<u>10,750,883</u>	<u>(904,354)</u>	<u>-8.41%</u>
Prior Period Adjustment	-	(45,092)	-	
Net Position – Ending	<u>\$ 32,738,803</u>	<u>\$ 9,846,529</u>	<u>\$ (904,353)</u>	<u>-8.41%</u>

The District's total revenues increased by \$17,256,874, or 77.27%, in the current fiscal year. The total increase is primarily attributed to the following factors:

- Property tax revenue increased by \$1,499,112, or 8.03%, due to increases in assessed value.
- Intergovernmental revenue increased significantly by \$847,883, or 22.64%, from the prior year due to an increase in mutual aid fire assignments throughout the state.
- Investment income increased by \$147,661, or -195.10%, due to the higher returns and lower unrealized losses experienced by the County Treasury Pool.
- The District record a net pension credit of \$14,545,127, due to significant contributions to pensions in the prior year and an increase in the valuation of pension assets.

**MONTECITO FIRE PROTECTION DISTRICT**

Management’s Discussion and Analysis  
(Unaudited)  
June 30, 2022

- Miscellaneous revenue decreased by \$200,291, or 19,622.10%. In the prior year, the District recorded losses on disposals of assets. In the current year, the District received a one-time insurance payment for the Thomas Fire/Debris Flow damages.

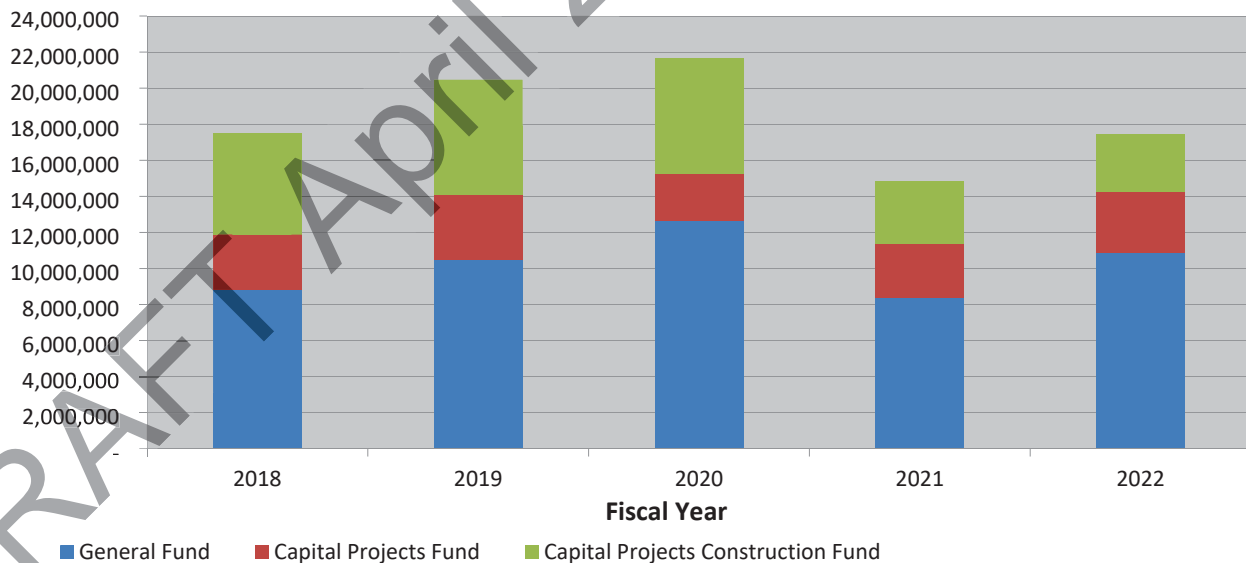
The District’s total expenses decreased by \$6,494,660, or 28%. The total increase is primarily attributed to the following factors:

- Services and supplies decreased by \$78,334, or 3.17%, due to operational needs, in the prior year this included one-time Pension Obligation Bond issuance costs of \$145,000.
- Interest increased by \$117,088, or 1,009.47%, due to this being the first year for interest payments on the pension bonds issued in the prior year.
- Salaries and benefits decreased by \$6,565,167, Or 32.66%, due to GASB 68 (pension) and GASB 75 (OPEB) adjustments which resulted in a net pension credit rather an expense as in the prior year.

**Analysis of Fund Balances of Individual Funds**

The chart below displays the fiscal year end (2018 to 2022) fund balances for the District’s General Fund (annual operating account), Capital Projects Fund (equipment pre-funding account), and Capital Projects Construction Fund (land and building account).

**Fund Balances – 5 Year Trend**



Total fund balance increased steadily from fiscal year 2018 to 2020, and in 2022 the District issued supplemental pension contributions to CalPERS totaling \$7.7 million to significantly reduce the pension unfunded accrued liability. The supplemental payments were issued using existing funds from the District’s General Fund and Capital Projects Construction Fund, therefore causing the fund balance

**MONTECITO FIRE PROTECTION DISTRICT**

Management’s Discussion and Analysis  
(Unaudited)  
June 30, 2022

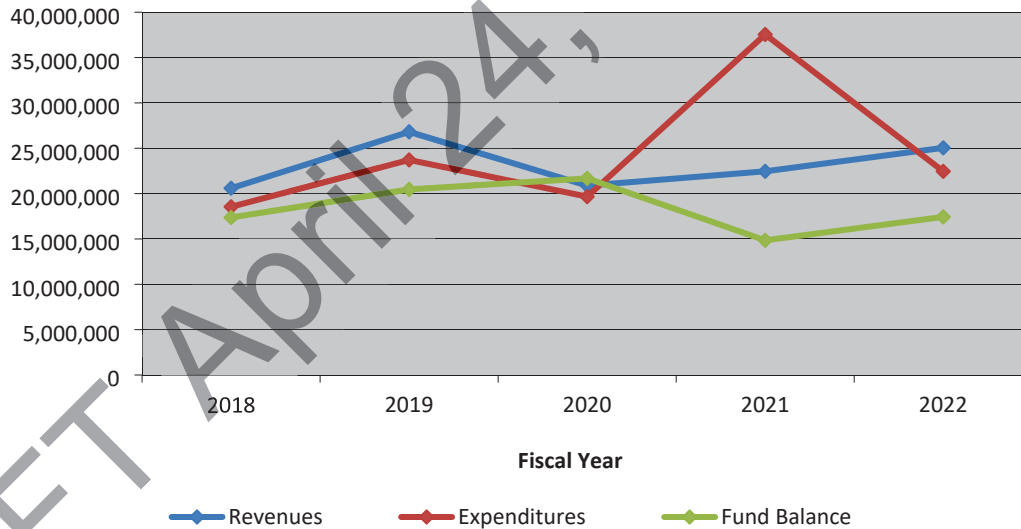
to decrease for those two accounts. In 2022, fund balance increased steadily as it had in from 2018-2020.

The General Fund balance includes \$7,685,500 in Board-approved reserves: catastrophic and economic uncertainties.

**Analysis of Revenues, Expenditures, and Fund Balance for Combined Governmental Funds**

The following chart displays the District’s revenues, expenditures, and ending “Memorandum Only” fund balance totals for the same five-year period. Revenue and expenses followed a similar trendline from 2018 to 2022. In 2021, expenses increased significantly due to the supplemental contribution to CalPERS totaling \$16.8 million to pay down the pension unfunded accrued liabilities, which also caused the total fund balances to decrease in 2021. In 2022, expenses and revenues normalized to the levels of change seen in prior years.

**Revenues, Expenditures & Fund Balance - 5 Year Trend**



**Analysis of Significant Variations Between Original and Final Budget and Actual Results for the General Fund**

The Board of Directors adopted the District’s 2022 fiscal year operating budget in September of 2021 on a modified accrual basis. As adopted for the General Fund, budgeted revenues totaled \$21,662,000, while projected expenditures totaled \$21,783,100. Operating transfers to the Capital Projects Fund were \$450,000.

## MONTECITO FIRE PROTECTION DISTRICT

### Management's Discussion and Analysis (Unaudited) June 30, 2022

The District formally amended its originally adopted budget in January 2022. As amended for the General Fund, final revised budgeted revenues increased by \$2,160,000 to \$23,822,000, projected expenditures increased by \$1,627,000 to \$23,410,100.

Actual revenues for the year were \$1,019,628 more than budgeted and actual expenditures were \$1,516,841 lower than the final amended budget on a modified accrual basis. Refer to the required supplementary information on page 33 for the Budget Comparison Schedule.

### Capital Assets and Debt Administration

#### Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2022, amounted to \$11,136,589 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, structures, improvements, and equipment.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

**Table 3 – Montecito Fire Protection District Capital Assets**

	2022	2021	Dollar Change	Percent Change
Land	\$ 2,577,530	\$ 2,577,530	\$ -	0.00%
Construction in progress	1,170,550	723,225	447,325	61.85%
Structures & improvements	7,972,002	7,929,502	42,500	0.54%
Equipment	7,214,997	6,819,441	395,556	5.80%
Total cost	18,935,079	18,049,698	885,381	4.91%
Less: accumulated depreciation	(7,587,576)	(6,942,670)	(644,906)	9.29%
Total capital assets - net	<u>\$ 11,347,503</u>	<u>\$ 11,107,028</u>	<u>\$ 240,475</u>	2.17%

Significant capital asset activity during fiscal year 2021-21 includes the following:

- Construction in progress increases were due to the rebuilding and repairs to two rental property units.
- The District's building improvements included new plumbing to the Station 91 buildings and heating/air system upgrades.

**MONTECITO FIRE PROTECTION DISTRICT**

Management's Discussion and Analysis  
(Unaudited)  
June 30, 2022

- The District also placed in service operation equipment, including the full replacement of mobile fleet radios (\$255,000), a new cardiac monitor for patient care (\$56,000), and a new battalion chief vehicle (\$65,000).
- The District recognized \$644,906 in depreciation expense.

**Long-Term Debt**

In May of 2022, the District authorized the issuance and sale of Taxable Pension Obligation Bonds (POB) with a principal amount of \$8,263,240. Proceeds of the sale were used to pay down existing pension unfunded accrued liabilities with California Public Employees Retirement System (CalPERS). The bonds were issued at a 1.75% interest rate on the basis of a 360-day year over a seven-year period terminating on February 1, 2028. The District paid a bond principal payment of \$1,133,572 and interest payments of \$128,687 during the year ended June 30, 2022. The total outstanding debt at June 30, 2022 was \$7,106,029.

**Contacting the District Management**

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the revenue received. We are committed to being open and accessible in our operations and governance. If you have any questions regarding this report or need additional financial information, please visit our website at [Montecitofire.com](http://Montecitofire.com).

**BASIC FINANCIAL STATEMENTS**

DRAFT April 24, 2023 DRAFT



**MONTECITO FIRE PROTECTION DISTRICT**  
**GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Governmental Funds					Adjustments Note 11	Statement of Net Position
	General Fund	Pension Obligation Fund	Capital Project Fund	Capital Project Construction Fund	Total Memorandum Only		
<b>Assets:</b>							
Cash and investments	\$ 12,670,573	\$ 860	\$ 2,569,710	\$ 3,235,157	\$ 18,476,300	\$ -	\$ 18,476,300
Accounts receivable	398,315	-	-	-	398,315	-	398,315
Interest receivable	19,507	1	3,289	5,231	28,028	-	28,028
Deposits	-	-	852,240	-	852,240	-	852,240
Net Pension asset	-	-	-	-	-	6,005,893	6,005,893
Other assets	-	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	11,347,503	11,347,503
Total Assets	<u>\$ 13,088,395</u>	<u>\$ 861</u>	<u>\$ 3,425,239</u>	<u>\$ 3,240,388</u>	<u>\$ 19,754,883</u>	<u>17,353,396</u>	<u>37,108,279</u>
<b>Deferred Outflows of Resources - Pensions</b>						21,821,451	21,821,451
<b>Deferred Outflows of Resources - OPEB</b>						2,338,194	2,338,194
<b>Liabilities:</b>							
<b>Current liabilities</b>							
Accounts payable	111,211	\$ -	\$ -	\$ 76,860	\$ 188,071	\$ -	188,071
Due to other governments	2,036,252	-	-	-	2,036,252	-	2,036,252
Salaries and benefits payable	46,166	-	-	-	46,166	-	46,166
Accrued interest - current portion	51,815	-	-	-	51,815	-	51,815
Pension obligation bonds - current	-	-	-	-	-	1,133,572	1,133,572
<b>Long-term liabilities:</b>							
Net OPEB liability	-	-	-	-	-	2,174,029	2,174,029
Compensated absences	-	-	-	-	-	1,841,502	1,841,502
Pension obligation bonds	-	-	-	-	-	5,972,457	5,972,457
<b>Total Liabilities</b>	<u>2,245,444</u>	<u>-</u>	<u>-</u>	<u>76,860</u>	<u>2,322,304</u>	<u>11,121,561</u>	<u>13,443,864</u>
<b>Fund Balances/Net Position:</b>							
<b>Fund Balances:</b>							
Nonspendable	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	7,685,500	-	863	863	7,687,226	(7,687,226)	-
Unassigned	3,157,452	861	3,424,376	3,162,665	9,745,354	(9,745,354)	-
Total Fund Balances	<u>10,842,952</u>	<u>861</u>	<u>3,425,239</u>	<u>3,163,528</u>	<u>17,432,580</u>	<u>(17,432,580)</u>	<u>-</u>
Total Liabilities, Fund Balances	<u>\$ 13,088,395</u>	<u>\$ 861</u>	<u>\$ 3,425,239</u>	<u>\$ 3,240,388</u>	<u>\$ 19,754,883</u>		
<b>Deferred Inflows of Resources - Pensions</b>						14,076,680	14,076,680
<b>Deferred Inflows of Resources - OPEB</b>						1,008,577	1,008,577
<b>Net Position:</b>							
Invested in capital assets						11,347,503	11,347,503
Unrestricted						21,391,300	21,391,300
<b>Total Net Position</b>						<u>\$ 32,738,803</u>	<u>\$ 32,738,803</u>

**MONTECITO FIRE PROTECTION DISTRICT  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
AND STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED  
JUNE 30, 2022**

	Governmental Funds						
	General Fund	Pension Obligation Fund	Capital Project Fund	Capital Projects Construction Fund	Total Memorandum Only	Adjustments Note 11	Statement of Activities
<b>Revenues:</b>							
Property taxes	\$ 20,163,630	\$ -	\$ -	\$ -	\$ 20,163,630	\$ -	\$ 20,163,630
Investment income	48,171	3	9,645	14,159	71,978	-	71,978
Rental income	16,800	-	-	-	16,800	-	16,800
Intergovernmental	4,513,697	-	-	78,621	4,592,318	-	4,592,318
Net pension credit	-	-	-	-	-	14,545,127	14,545,127
Miscellaneous	99,330	-	-	101,981	201,311	-	201,311
<b>Total Revenues</b>	<b>24,841,628</b>	<b>3</b>	<b>9,645</b>	<b>194,761</b>	<b>25,046,037</b>	<b>14,545,127</b>	<b>39,591,164</b>
<b>Expenditures:</b>							
Salaries and benefits	17,891,059	-	-	-	17,891,059	(4,356,363)	13,534,696
Services and supplies	2,361,095	-	-	29,506	2,390,601	-	2,390,601
Debt service:							
Principal	1,157,211	-	-	-	1,157,211	(1,157,211)	-
Interest	128,687	-	-	-	128,687	-	128,687
Depreciation	-	-	-	-	-	644,906	644,906
Capital outlay	355,208	-	82,848	447,325	885,381	(885,381)	(0)
<b>Total Expenditures/Expenses</b>	<b>21,893,259</b>	<b>-</b>	<b>82,848</b>	<b>476,831</b>	<b>22,452,938</b>	<b>(5,754,048)</b>	<b>16,698,890</b>
Excess (deficiency) of revenues over (under) expenditures	2,948,368	3	(73,203)	(282,070)	2,593,098	20,299,175	22,892,274
<b>Other Financing Sources (Uses):</b>							
Transfers in	-	-	450,000	-	450,000	(450,000)	-
Transfers out	(450,000)	-	-	-	(450,000)	450,000	-
<b>Total other financing sources (uses)</b>	<b>(450,000)</b>	<b>-</b>	<b>450,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>2,498,368</b>	<b>3</b>	<b>376,797</b>	<b>(282,070)</b>	<b>2,593,098</b>	<b>(2,593,098)</b>	<b>-</b>
<b>Change in net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,892,274</b>	<b>22,892,274</b>
<b>Fund Balances/Net Position - Beginning</b>	<b>8,356,182</b>	<b>858</b>	<b>3,048,442</b>	<b>3,445,598</b>	<b>14,851,080</b>	<b>(5,004,551)</b>	<b>9,846,529</b>
<b>Prior Period Adjustment</b>	<b>(11,599)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,599)</b>	<b>11,599</b>	<b>-</b>
<b>Restated beginning Fund Balances/Net Position</b>	<b>8,344,583</b>	<b>858</b>	<b>3,048,442</b>	<b>3,445,598</b>	<b>14,839,481</b>	<b>(4,992,952)</b>	<b>9,846,529</b>
<b>Fund Balances/Net Position - Ending</b>	<b>\$ 10,842,952</b>	<b>\$ 861</b>	<b>\$ 3,425,239</b>	<b>\$ 3,163,528</b>	<b>\$ 17,432,580</b>	<b>\$ 17,899,322</b>	<b>\$ 32,738,803</b>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

DRAFT April 24, 2023 DRAFT

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Reporting Entity**

The Montecito Fire Protection District (the District) is an independent division of local government, authorized by California Health and Safety Code Sections 13800-13970. The District is governed by a five-member Board of Directors elected to serve four-year terms. These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. There are no component units included in this report that meet the criteria of a blended or discretely presented component unit as set forth by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**Government-Wide – Basis of Presentation, Measurement Focus, and Basis of Accounting**

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB 34), was issued to improve governmental financial reporting for citizens, district representatives, and creditors involved in the lending process. GASB 34 requires that a government entity present in its basic external financial statements both government-wide financial statements and fund financial statements, excluding fiduciary funds. Governments engaged in a single government program may combine their fund financial statement with their government-wide statements by using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column.

GAAP requires that the government-wide financial statements be reported using the economic resources measurement focus and the accrual basis of accounting. In comparison, governmental funds employ the current financial resources measurement focus and the modified accrual basis of accounting. The economic resources measurement focus aims to report all inflows, outflows, and balances affecting or reflecting an entity's net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred for activities related to exchange and exchange-like activities. In addition, long-lived assets (such as buildings and equipment) are capitalized and depreciated over their estimated economic lives.

**Funds – Basis of Presentation, Measurement Focus, and Basis of Accounting**

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The District uses the governmental fund category.

## MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements  
June 30, 2022

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### Funds – Basis of Presentation, Measurement Focus, and Basis of Accounting - continued

**Governmental Funds** are used to account for the District’s general government activities. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal year. Other receipts and taxes are determined to be both measurable and available when cash is received by the District and are recognized as revenue at that time.

Secured property taxes are levied in September of each year based upon the assessed valuation as of the previous January 1 (lien date). They are payable in two equal installments due on November 1 and February 1, and are considered delinquent with penalties after December 10 and April 10, respectively.

Unsecured property taxes are due on the January 1 lien date and become delinquent with penalties after August 31. All property taxes are billed and collected by the County of Santa Barbara (the County) and remitted to the District.

The District maintains the following governmental fund types:

The **General Fund** is the District’s operating fund. It accounts for all the financial resources and the legally authorized activities of the District except those required to be accounted for in another fund.

The **Pension Obligation Fund** accounts for the accumulation of resources that are committed for the payment of principal and interest on the District’s pension obligation bonds (Note 5).

The **Capital Projects Fund** accounts for the acquisition of capital assets not being financed by the General Fund.

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Funds – Basis of Presentation, Measurement Focus, and Basis of Accounting - continued**

The *Capital Projects Construction Fund* accounts for the construction of major capital projects not being financed by the General Fund, such as the acquisition of land for the development of a new fire station.

**Investments**

The District maintains substantially all its cash in the Santa Barbara County Treasurer's cash management investment pool (the pool).

State statutes and the County's investment policy authorize the County Treasurer to invest in U.S. Treasury and U.S. Government agency securities; state and/or local agency bonds, notes, warrants, or certificates of indebtedness; bankers' acceptances; commercial paper; corporate bonds and notes; negotiable certificates of deposit; repurchase agreements; reverse repurchase agreements; securities lending; bank deposits; money market mutual funds; State of California Local Agency Investment Fund (LAIF); and the investment pools managed by a Joint Powers Authority. Interest earned on pooled investments is apportioned quarterly into participating funds based upon each fund's average daily deposit balance. Any investment gains or losses are proportionately shared by all funds in the pool.

Investments held by the County Treasurer are stated at fair value. The fair value of pooled investments is determined quarterly and is based on current market prices received from the securities custodian. The fair value of participants' position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal.

The pool's disclosures related to cash and investments, including those disclosures regarding custodial credit risk, are included in the County's Comprehensive Annual Financial Report. A copy may be obtained online from the Auditor-Controller section of the County's website.

**Receivables**

Receivables are recorded in the District's Statement of Net Position and Governmental Funds Balance Sheet net of any allowance for uncollectible. All receivables are deemed to be collectible at June 30, 2022, and, as such, the District has no allowance for uncollectible accounts for these receivables.

## MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements  
June 30, 2022

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### Capital Assets

Capital assets are recorded in the District's Statement of Net Position and Governmental Funds Balance Sheet in the Statement of Net Position column at cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. The costs of normal maintenance that do not add to the value of the asset or materially extend assets' lives are expensed as incurred. The District's capitalization threshold is \$5,000. Capital assets are depreciated at cost using the straight-line method over the following estimated useful lives:

- |  |          |
|--|----------|
| • Small equipment, medium equipment, and computers | 5 years  |
| • Vehicles, trucks, and large equipment            | 10 years |
| • Fire trucks, buildings, and land improvements    | 20 years |
| • Buildings  | 50 years |

#### Compensated Absences

The District's policy permits employees to accumulate earned but unused holiday and vacation leave benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay and holiday pay 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 prior to year-end and paid by the District subsequent to year-end.

#### Deferred Compensation Plan

The District offers a deferred compensation plan to its employees. The District has adopted provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (GASB 32), which establishes financial accounting and reporting standards based on current amendments to the provisions of Internal Revenue Code (IRC) Section 457. Under IRC 457, plan assets are not owned by the governmental entity, and as a result, governmental entities are required to remove plan assets and plan liabilities from their financial statements.

The District has no administrative involvement, does not perform the investing function, and has no fiduciary accountability for the plan. Thus, in accordance with GASB 32, the plan assets and any related liability to plan participants have been excluded from the District's financial statements.



## MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements  
June 30, 2022

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### Fund Equity

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting standards for all governments that report governmental funds.

Under GASB 54, fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are now broken out in five categories:

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Restricted fund balance* – This fund balance classification should be reported when there are constraints placed on the use of resources externally (by creditors, grant sources, contributors, etc.) or imposed by law or enabling legislation.
- *Assigned fund balance* – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making or by a body or an official designated for that purpose. This is also the classification for residual funds in the District's debt service, special revenue, and capital projects funds.
- *Unassigned fund balance* – the residual classification for the District's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The District's Board establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted fund balance resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, the District considers committed amounts to be used first, then assigned amounts, and then unassigned amounts.



**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****Memorandum Only – Total Columns**

Total columns in the Statement of Net Position and Governmental Funds Balance Sheet and the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances are captioned as “Memorandum Only,” as they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects the financial position or results of operations of the District in conformity with GAAP. Such data is not comparable to a consolidation, as interfund eliminations have not been made in the aggregation of this data.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Other Post-Employment Benefits**

During the year ended June 30, 2018, the District adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). This statement requires the District recognize in its financial statements the total Postemployment Benefits Other Than Pensions (OPEB) liability for the health benefits provided to retirees, less the amounts held in an irrevocable trust account.

Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The District implemented the requirements of GASB 75 on a prospective basis.

GASB 75 also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time.

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 2: CASH AND INVESTMENTS****Investment in the Santa Barbara County Investment Pool**

The District is a voluntary participant in the Santa Barbara County Treasurer's investment pool that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer. As of June 30, 2022 the District had cash on deposit with the County Treasurer in the amount of \$18,476,300.

**Investments Authorized by District Policy**

The District has not formally adopted a deposit and investment policy that limits the government's allowable deposits or investment and addresses the specific types of risk to which the government is exposed.

**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 changes in market interest rates. At fiscal year end, the weighted average days to maturity of the investments contained in the County investment pool was approximately 705 days.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating firm. The Santa Barbara County Treasurer's investment pool is not rated.

**Custodial Credit Risk**

Custodial credit risk does not apply to a local government's indirect investment in deposits and securities through the use of government investment pools (such as the Santa Barbara County Treasurer's investment pool).

**MONTECITO FIRE PROTECTION DISTRICT**Notes to the Financial Statements  
June 30, 2022**NOTE 3: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2022, is as follows:

	July 1, 2020	Additions	Deletions	June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 2,577,530	\$ -	\$ -	\$ 2,577,530
Construction in progress	723,225	447,325	-	1,170,550
Total capital assets, not being depreciated	<u>3,300,755</u>	<u>447,325</u>	<u>-</u>	<u>3,748,080</u>
Capital assets, being depreciated:				
Structures and improvements	7,929,502	42,500	-	7,972,002
Equipment	6,819,441	395,556	-	7,214,997
Total capital assets, being depreciated	<u>14,748,943</u>	<u>438,056</u>	<u>-</u>	<u>15,186,999</u>
Less accumulated depreciation for:				
Structures and improvements	(3,384,618)	(191,849)	-	(3,576,467)
Equipment	(3,558,052)	(453,057)	-	(4,011,109)
Total accumulated depreciation	<u>(6,942,670)</u>	<u>(644,906)</u>	<u>-</u>	<u>(7,587,576)</u>
Total capital assets, being depreciated, net	<u>7,806,273</u>	<u>(206,850)</u>	<u>-</u>	<u>7,599,423</u>
Total capital assets, net	<u>\$ 11,107,028</u>	<u>\$ 240,475</u>	<u>\$ -</u>	<u>\$ 11,347,503</u>

Depreciation expense amounted to \$644,906 for the fiscal year ended June 30, 2022.

**NOTE 4: LONG-TERM LIABILITIES**

Changes to the District's long-term liabilities for the year ended June 30, 2022, are as follows:

	July 1, 2020	Additions	Repayments & Change in Value	June 30, 2021
Compensated absences	\$ 1,776,420	\$ 65,082	\$ -	\$ 1,841,502
Pension obligation bond	8,263,240	-	(1,157,211)	7,106,029
Net pension liability (asset)	<u>25,606,938</u>	<u>-</u>	<u>(31,612,831)</u>	<u>(6,005,893)</u>
	<u>\$ 24,449,258</u>	<u>\$ 65,082</u>	<u>\$ (32,770,042)</u>	<u>\$ 2,941,639</u>

The liability for employee compensated absences is liquidated by the General Fund.

**MONTECITO FIRE PROTECTION DISTRICT**Notes to the Financial Statements  
June 30, 2022**NOTE 4: LONG-TERM LIABILITIES – continued**

The District entered into a pension obligation bond dated June 10, 2022 with the US Bank for the sole purpose of paying down its pension liability. The bond carries an interest rate of 1.75% and will be amortized as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total due
2023	\$ 1,133,572	\$ 124,356	\$ 1,257,928
2024	1,153,410	104,518	1,257,928
2025	1,173,594	84,333	1,257,927
2026	1,194,132	63,795	1,257,927
2027	1,215,029	42,898	1,257,927
2028	1,236,292	21,635	1,257,927
Total future payments	7,106,029	441,535	7,547,564

**NOTE 5: INTERFUND TRANSFERS**

Interfund transfers in the District's fund financial statements made during the year ended June 30, 2022, are as follows:

Fund #	Fund Name	Transfers In	Transfers Out
3650	General Fund	\$ -	\$ 450,000
3652	Capital Projects Fund	(450,000)	-
		<u>\$ (450,000)</u>	<u>\$ 450,000</u>

**NOTE 6: RISK MANAGEMENT**

The District is a participant in a public entity risk pool with the Fire Agencies Insurance Risk Authority (FAIRA). FAIRA is organized pursuant to the provisions of the California Government Code Section 6500 et seq. for the purpose of providing an effective risk management program to local governments by reducing the amount and frequency of losses, pooling self-insured losses, and jointly purchasing excess insurance and administrative services in connection with a joint protection program.

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 6: RISK MANAGEMENT - continued**

The District pays an annual premium to the pool for its excess general liability insurance coverage. The agreement for information of FAIRA provides that the pool will be self-sustaining through member premiums.

FAIRA provides the District with insurance-like benefits for general liability and excess liability coverage, automobile claims, management liability coverage, and property coverage for buildings, contents, and crime. During the fiscal year, the District contributed an annual premium of \$80,890 with limits ranging from \$1,000,000 to \$2,000,000 for each liability, and excess liability coverage of \$10,000,000. The insurance coverage in excess of the \$1,000,000, up to \$10,000,000, is provided by the Argonaut Insurance Company.

**NOTE 7: RETIREMENT PLAN****Plan Description**

The District contributes to the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and District ordinance. Copies of CalPERS' annual financial report may be obtained from its Executive Office at 400 P Street, Sacramento, CA 95814.

All full-time and less than full-time District employees that meet the CalPERS membership eligibility requirements can participate in CalPERS. Retirement benefits vest after five years of service with the District. Vested District safety members who retire at, or after, age 50 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to years of credited service multiplied by their highest twelve-month period of earnings multiplied by a percentage factor ranging from 2.4% to 3.0%, depending upon age at retirement. Vested District miscellaneous members who retire at, or after, age 50 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to years of credited service multiplied by their highest twelve-month period earnings multiplied by a percentage factor ranging from 2.0% to 3.0%, depending upon age at retirement. CalPERS also provides death and disability benefits.

On January 1, 2013, the Public Employee Pension Reform Act of 2013 (PEPRA) became effective, which made numerous changes to public pension provisions for agencies contracting with CalPERS. A new tier level was created for new public agency employees, which includes a different retirement benefit formula as well as different employer and member contribution rates as compared to current public agency employees. CalPERS issues a separate comprehensive annual financial report, copies of which may be obtained from the CalPERS webpage at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 7: RETIREMENT PLAN - continued****Funding Policy**

The employee contribution level for District miscellaneous members and District safety members is 8% and 9%, respectively, of annual salary. The District makes contributions for the entire amounts required of the employees on their behalf. The District is required to contribute an actuarially-determined employer rate. The contribution requirements of plan members are based upon the benefit level adopted by the District's Board. The employer contribution rate is established annually and may be amended by CalPERS. The employer contribution rates of annual covered payroll are as follows:

Tier	Safety	Non-Safety
Tier 1	23.68%	17.70%
PEPRA	13.33%	7.76%

In addition, the District also makes unfunded liability payments annually to help make up for the shortfall in the pension plan. This is also actuarially determined. The following represents the unfunded liability payments made during the 2022 fiscal year:

Tier	Safety	Non-Safety
Tier 1	\$ 588,572	\$ 56,567
PEPRA	4,723	953

**Funding Policy**

At June 30, 2022, the District reported an asset of \$6,005,892 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 all Pension Plan participants, which was actuarially determined.

For the fiscal year ended June 30, 2022, the District recognized a pension credit of \$15,468,247 in its Government-Wide financial statements. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

**MONTECITO FIRE PROTECTION DISTRICT**Notes to the Financial Statements  
June 30, 2022**NOTE 7: RETIREMENT PLAN – continued****Actuarial Assumptions**

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions; total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees:

- Discount Rate/Rate of Return – 7.15%, net of investment expense
- Inflation Rate – 2.75%
- Salary increases – Varies by Entry Age and Service
- COLA Increases – up to 2.75%
- Post-Retirement Mortality – Derived using CalPERS' Membership Data for all Funds

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2019.

The long-term expected rate of return on pension plan investments (7.15%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Real Return Years 1-10	Real Return Years 11+
Global Equity	50.00	4.80%	5.98%
Global Fixed Income	28.00	1.00%	2.62%
Inflation Sensitive	0	.77%	1.81%
Private Equity	8.00	6.30%	7.23%
Real Estate	13.00	3.75%	4.93%
Liquidity	1.0	0	(.92)%

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund's fiduciary net position was projected to be available



**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 7: RETIREMENT PLAN - continued****Actuarial Assumptions - (continued)**

to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents 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 (6.15%) or 1 percentage point higher (8.15%) than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
District's proportionate share of the net pension liability (asset)	\$ 9,498,936	\$ (6,005,892)	\$(18,749,360)

Detailed information about the pension fund's fiduciary net position is available in the separately issued CalPERS comprehensive annual financial report, which may be obtained by contacting CalPERS.

**NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (OPEB)****Plan Description and Funding Policy**

The District provides retiree healthcare benefits for employees who retire with CalPERS pension benefits immediately upon termination of employment from the District. The District contracts with CalPERS for this insured-benefit plan, an agent multiple-employer post-employment healthcare plan, established under the State of California's Public Employees' Medical and Hospital Care Act (PEMHCA). The plan's medical benefits and premium rates are established by CalPERS and the insurance providers. The District pays for medical, dental, and vision premiums for the lifetime of the retiree and their eligible dependents. The District pays 100% of the retiree medical premiums, up to a maximum of \$2,725 per month for 2022, and 100% of the premiums for retiree dental and vision coverage. CalPERS issues a separate comprehensive annual financial report, copies of which may be obtained from the CalPERS webpage [www.calpers.ca.gov](http://www.calpers.ca.gov).



**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued****Plan Description and Funding Policy - (continued)**

The District participates in the Public Agency Retirement System (PARS) Public Agencies Post-Retirement Health Care Plan Trust Program (PARS Trust), a single employer irrevocable trust established to fund other postemployment benefits. The PARS Trust is approved by the Internal Revenue Code Section 115 and invests funds in equity, bond, and money market mutual funds. The Fire Chief or designee is the District's Plan Administrator. Copies of PARS Trust annual financial report may be obtained from PARS at 4350 Von Karman Avenue, Suite 100, Newport Beach, California 92660.

The contributions to the OPEB plan are based on pay-as-you-go financing requirements, with an additional amount contributed to the PARS Trust to prefund benefits from time to time at the sole discretion of the Board. Retiree health benefits may be paid out of the PARS Trust, set up for this purpose, to the extent funded. The purpose of this funding policy is to manage the District's OPEB obligations while at the same time maintaining as much flexibility as possible to adjust for changing budgetary considerations.

**Employees Covered by Benefit Terms**

At the OPEB liability measurement date of June 30, 2021, the following employees were covered by the benefit terms:

- Retired employees – 56
- Active employees – 42

**Total OPEB liability**

The District's total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	4.00%
Medical cost trend	4-5% increases
Discount rate	5.5%

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued**

	<u>2022</u>
Total OPEB liability - 6/30/2021	\$ 3,521,734
Service cost	540,465
Interest	877,038
Anmortization of deferred inflows/outflows	(1,775,038)
Less benefit paid	(1,050,351)
Administrative costs	<u>60,181</u>
Total OPEB liability - 6/30/2022	<u>\$ 2,174,029</u>

**Sensitivity of the District's Net OPEB Liability to Changes in the Discount Rate**

The following presents 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 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	4.5%	5.5%	6.5%
District's net OPEB plan liability	\$ 4,158,977	\$ 2,174,029	\$ 520,046

**Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents 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 healthcare cost-trend rate that is 1 percentage point lower or 1 percentage point higher than the healthcare cost-trend rate:

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
	Rate	Rate	Rate
District's net OPEB plan liability	\$ 266,470	\$ 2,174,029	\$ 4,387,208

**OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2022 the District recognized OPEB expense of \$1,003,117 OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss and actuarial assumptions.

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued**

**OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - (continued)**

At June 30, 2022, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between expected and actual experience	\$ 475,083	\$ -
Change in assumptions	697,867	117,494
Net differences between project and actual earnings	106,724	891,083
Contributions subsequent to measurement date	1,058,520	-
	<u>\$ 2,338,194</u>	<u>\$ 1,008,577</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 329,510
2024	178,368
2025	(17,869)
2026	(218,912)
Total	<u>\$ 271,097</u>

**NOTE 9: WORKFORCE HOUSING**

The District had a Housing Committee that researched methods which allow employees to live closer to the District in order to facilitate responses to emergencies. The District approved a plan in the fiscal year ended June 30, 2006 to purchase Workforce Housing and completed the purchase of a parcel consisting of three residences of varying sizes at East Valley Road. The District has contracted with a property management company to manage the operational activity of the residences. The Housing Committee developed a policy to govern all matters related to the Workforce Housing Program that was adopted by the Board.

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 9: WORKFORCE HOUSING - continued**

In January of 2018, one property was destroyed and two were severely damaged rendering them uninhabitable. Since then, one property was repaired and is currently occupied by an employee of the District. The other two properties are in the repair and rebuilding phase.

**NOTE 10: DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

Pursuant to GASB Statement No. 63, the District recognized deferred outflows of resources in the government-wide and proprietary fund statements. These items are a consumption of net position by the District that is applicable to a future reporting period. The District has one item that is reportable on the Government-Wide Statement of Net Position as Deferred Outflows of Resources which is related to pensions that are the CalPERS premiums for the 2022 fiscal year which will be recognized in a subsequent reporting period. The total for this is \$21,821,451.

The District is also reporting deferred outflows of resources relating to differences between projected and actual investment earnings, change in employer proportions and differences between the employer's contributions and their proportionate share of contributions. The total of these amounts at year-end were \$11,855,159 and they will be amortized over a 3.8 year period.

The District also recognized deferral inflows of resources in the government-wide financial statements. These are related to differences between expected and actual experience, changes of assumptions, and differences between employers and the District's proportionate share of contributions. This amount totaled \$14,076,680 and will be amortized over a 3.8 year period.

Under the modified accrual basis of accounting, it is not enough that revenue is earned; it must also be available to finance expenditures of the current period. Governmental funds will therefore include deferred inflows of resources for amounts that have been earned but are not available to finance expenditures in the current period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 1,388,030
2024	178,368
2025	(17,869)
2026	<u>(218,912)</u>
Total	<u>\$ 1,329,617</u>

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 11: EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS BALANCE SHEETS AND STATEMENT OF NET POSITION**

Total fund balances - governmental funds	17,432,580
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and, therefore; are not reported in the funds.	11,347,503
Certain long-term assets, such as net pension assets and deferred outflows of resources, create long-term assets.	30,165,538
Long-term liabilities, including compensated absences are not due and payable in the current period and, therefore; are not reported in the funds.	(1,841,502)
Long-term debt payable	(7,106,029)
Other long-term liabilities, such as the net pension liability and deferred inflows of resources, are not due and payable in the current period and, therefore; are not reported in the fund statements.	<u>(17,259,286)</u>
Combined Adjustment	<u>15,306,223</u>
Net position of governmental activities	<u><u>\$ 32,738,803</u></u>

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 11: EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS BALANCE SHEETS AND STATEMENT OF NET POSITION**

Net change in fund balances	\$ 2,593,098
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The difference is the amount by which depreciation exceeded capital outlays in the current period, plus gain on disposal.	240,475
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Principle payments from pension obligation bonds are expenditures for the fund statements and as a reduction in a liability for the government wide statements	1,157,211
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Changes in the compensated absences, net pension liability, and OPEB liabilities are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>18,901,490</u>
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Combined Adjustment	<u>20,299,175</u>
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Change in net position of governmental activities	<u><u>\$ 22,892,274</u></u>
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**NOTE 12: COMMITMENTS AND CONTINGENCIES****Litigation**

The District is subject to litigation related to employee matters that are incidental to the ordinary course of the District's operations. There is presently no outstanding litigation.

**Grant Revenues**

The District recognizes as revenues grant monies earned for costs incurred in certain Federal and State programs the District participates in. The program may be subject to financial and compliance audits by the reimbursing agency. The amount, if any, of the expenditures which may be disallowed by the granting agency cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2022

**NOTE 13: PRIOR PERIOD ADJUSTMENT**

A prior period adjustment of \$11,599 was recorded to recognize prior period bond accrued bond interest costs in the fund financial statements. This amount was already recorded in the prior year in the government-wide balance.

**NOTE 14: SUBSEQUENT EVENTS & CONTINGENCIES**

Subsequent events have been reviewed through March 13, 2023, the date the financial statements were available to be issued. In January 2020, the virus, SARS-CoV-2, was transmitted to the United States from overseas sources. This virus, responsible for the Coronavirus disease COVID-19, has proven to be extremely virulent with transmission rates as yet unknown. The economic impact on the State of California and the County of Santa Barbara as yet has not been determined and, therefore, any potential impact on the District is not yet known.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

DRAFT April 24, 2023 DRAFT



**MONTECITO FIRE PROTECTION DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Unaudited)**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2022**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 19,663,000	\$ 19,663,000	\$ 20,163,630	\$ 500,630
Investment income	25,000	25,000	48,171	23,171
Rental income	20,000	20,000	16,800	(3,200)
Intergovernmental	1,944,500	4,044,500	4,513,697	469,197
Miscellaneous	9,500	69,500	99,330	29,830
Total revenues	<u>21,662,000</u>	<u>23,822,000</u>	<u>24,841,628</u>	<u>1,019,628</u>
<b>Expenditures</b>				
Salaries and benefits	17,861,000	19,361,000	17,891,059	1,469,941
Services and supplies	2,442,000	2,569,000	2,361,095	207,905
Debt service - principle	1,157,300	1,157,300	1,157,211	89
Interest	92,800	92,800	128,687	(35,887)
Capital outlay	230,000	230,000	355,208	(125,208)
Total expenditures	<u>21,783,100</u>	<u>23,410,100</u>	<u>21,893,259</u>	<u>1,516,841</u>
Excess of revenues over expenditures	<u>(121,100)</u>	411,900	2,948,368	<u>(497,213)</u>
Other Financing Uses:				
Transfers in (out)	(450,000)	(450,000)	(450,000)	-
Total other financing uses	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Net changes in fund balances	<u>\$ (571,100)</u>	<u>\$ (38,100)</u>	2,498,368	
Fund balances - Beginning			<u>8,344,583</u>	
Fund balances - Ending			<u>\$ 10,842,952</u>	

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to Budgetary Comparison Schedules  
For the Year Ended June 30, 2022

**NOTE 1: BUDGETARY AND LEGAL COMPLIANCE**

In accordance with California Health and Safety Code Section 13895, on or before October 1, the District must submit a board approved budget to the County Auditor. Annual budgets are adopted for the District's General, Capital Projects, and Capital Projects Construction Funds. Budgets are prepared on the modified accrual basis of accounting consistent with GAAP. Annually, the Board of Directors conducts a public hearing for the discussion of proposed budgets. At the conclusion of the hearing, the Board adopts the final budgets. All appropriations lapse at fiscal year-end and are subject to re-appropriation as part of the following year's budget. The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is maintained at the object level. Any changes in the annual budget must be changed by a vote of the Board. The Board amended the originally adopted General Fund budget in June of 2022.

**MONTECITO FIRE PROTECTION DISTRICT**

Required Supplementary Information  
Other Post-Employment Benefits (OPEB) Plan – Schedule of Funding Progress  
For the Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability - beginning	\$ 3,521,734	\$ 2,204,104	\$ 2,414,377
Service cost	540,465	447,974	427,392
Interest	877,038	904,833	879,400
Expected return on plan assets	(680,482)	(704,617)	(687,583)
Experience differences	-	-	-
Changes in assumptions	-	-	-
Benefit paid	(1,050,351)	(987,445)	(886,355)
Change in deferred outflows and inflows	(1,094,556)	1,599,980	-
Administrative costs	60,181	56,905	56,873
Total OPEB liability - ending	<u>\$ 2,174,029</u>	<u>\$ 3,521,734</u>	<u>\$ 2,204,104</u>
Covered Payroll	\$ 12,479,866	\$ 9,738,029	\$ 9,550,994
Total OPEB liability as a percentage of covered payroll	17.42%	37.55%	23.08%
Plan fiduciary net position as a percentage of the total OPEB liability	86.66%	77.88%	84.21%
Measurement date	6/30/2021	6/30/2020	6/30/2019

## MONTECITO FIRE PROTECTION DISTRICT

### Required Supplementary Information Other Post-Employment Benefits (OPEB) Plan – Schedule of Funding Progress For the Year Ended June 30, 2022

	<u>2019</u>	<u>2018</u>
Total OPEB liability - beginning	\$ 1,601,486	\$ 2,052,103
Service cost	472,727	644,394
Interest	753,337	712,627
Expected return on plan assets	(794,397)	(1,175,914)
Experience differences	405,816	-
Changes in assumptions	(167,851)	-
Benefit paid	-	-
Change in deferred outflows and inflows	195,809	(682,741)
Administrative costs	(52,550)	(51,017)
Total OPEB liability - ending	<u>\$ 2,414,377</u>	<u>\$ 1,499,452</u>
Covered Payroll	\$ 10,410,655	\$ 6,836,000
Total OPEB liability as a percentage of covered payroll	23.19%	23.43%
Plan fiduciary net position as a percentage of the total OPEB liability	82.17%	86.63%
Measurement date	6/30/2018	6/30/2017

**MONTECITO FIRE PROTECTION DISTRICT**

Required Supplementary Information - Pensions  
For the Year Ended June 30, 2022

Last 10 Fiscal Years\*:

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
District's proportion of the net pension liability	0.310636%	0.374780%	0.217400%	0.220500%	0.223520%	0.235350%	-0.111050%
District's proportionate share of the net pension liability	\$ 11,522,916	\$ 18,462,053	\$ 21,524,106	\$ 21,248,085	\$ 22,903,886	\$ 25,606,939	\$ (6,005,892)
District's covered employee payroll	6,998,926	6,784,400	6,983,314	7,517,960	7,537,293	7,856,722	7,612,491
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	164.64%	272.13%	308.22%	282.63%	303.87%	325.92%	-78.90%
Plan Fiduciary net position as a percentage of the total pension liability	83.99%	76.68%	75.48%	77.40%	77.23%	73.00%	88.29%

\* Amounts presented above were determined as of 6/30.  
Additional years will be presented as they become available.

CALPERS - Schedule of District Contributions

Last 10 Fiscal Years\*:

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actuarially determined contribution	\$ 1,192,280	\$ 934,063	\$ 772,837	\$ 2,788,692	\$ 2,663,298	\$ 3,303,840	\$ 3,482,791
Total action contribution	(1,192,280)	(934,063)	(772,837)	(2,788,692)	(2,663,298)	(3,303,840)	(3,482,791)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,998,926	\$ 6,784,400	\$ 6,983,314	\$ 7,517,960	\$ 7,537,293	\$ 7,856,722	\$ 7,612,491
Contributions as a percentage of covered employee payroll	17.04%	13.77%	11.07%	37.09%	35.33%	42.05%	45.75%



# Agenda

## Item #4







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## STAFF REPORT

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**To:** Montecito Fire Protection District Board of Directors  
**From:** David Neels, Fire Chief  
**Prepared By:** Aaron Briner, Battalion Chief/Fire Marshal  
**Date:** April 24, 2023  
**Topic:** **Consideration of Resolution 2023-04 Accepting State Mandated Annual Fire Inspections Report in Compliance with SB 1205**

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### Summary

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On September 27, 2018, the Governor of the State of California signed Senate Bill No. 1205. The bill mandates that every city or county fire department, or fire district shall report annually to its administering authority on its compliance with the Health and Safety Code, Sections 13146.2 and 13146.3. The Bill states that the report shall occur when the administering authority discusses its annual budget, or at another time determined by the administering authority.

This item is before the Board of Directors to request approval of Resolution 2023-04 (Attachment 1) accepting the state mandated annual fire inspection report, in compliance with SB 1205.

### Discussion

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The California State Fire Marshal, through the California Health and Safety Code, mandates that certain occupancy types shall be inspected annually. These mandated occupancy types include private and public schools, hotels, motels, lodging houses and apartment/condominium buildings in accordance with California Health and Safety Code Sections 13146.2 and 13146.3. The purpose of annual fire inspections is to mitigate known hazards, reduce risk to the community and ensure reasonable compliance with the California Fire Code. The Montecito Fire Protection District performs the mandated inspections, as well as inspections of local businesses as part of the District's annual fire inspection program completed by engine companies and Fire Prevention Bureau personnel.

California Health and Safety Code Section 13146.3 mandates that the local fire department or district inspect all public and private schools once annually. The Montecito Fire Protection District inspected 10 of 10 school facilities during the 2022 calendar year.

California Health and Safety Code Section 13146.2 mandates that the local fire department or district inspect all hotels, motels, lodging houses, residential care facilities, and apartments annually. The California Building Code specifies that condominiums should be considered apartments for building code application. An apartment shall consist of three or more attached units and excludes all duplex and townhome buildings as defined by code. Residential care facilities may contain residents or clients that have a range of needs, including those related to custodial care, mobility impairments, cognitive disabilities, and similar.

The Montecito Fire Protection District inspected 12 of 12 hotels, motels, lodging houses, apartments, and residential care facilities operating in the District during the 2022 calendar year.

In total, the Montecito Fire Protection District conducted 22 of the 22 state mandated inspections during the 2022 calendar year, per the California Health and Safety Code.

The acceptance of this compliance report and the recommended Resolution fulfill the statutory requirements contained in California Health and Safety Code Sections 13146.2, 13146.3, and 13146.4, as amended by SB 1205.

### **Conclusion**

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Staff recommends that the Board approve Resolution 2023-04, accepting a report on the status of all state mandated annual fire inspections in the Montecito Fire Protection District in conjunction with SB 1205 and California Health and Safety Code Section 13146.4 requirements.

### **Attachments**

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1. Resolution 2023-04.

### **Strategic Plan Reference**

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Strategic Plan Goal #2, Enhance risk mitigation efforts.

**RESOLUTION 2023-04**

**A RESOLUTION OF THE BOARD OF THE MONTECITO FIRE PROTECTION DISTRICT,  
ACKNOWLEDGING RECEIPT OF A REPORT MADE BY THE FIRE CHIEF OF THE  
MONTECITO FIRE PROTECTION DISTRICT REGARDING THE INSPECTION OF CERTAIN  
OCCUPANCIES REQUIRED TO RECEIVE ANNUAL INSPECTIONS PURSUANT TO SECTIONS  
13146.2 AND 13146.3 OF THE CALIFORNIA HEALTH AND SAFETY CODE.**

WHEREAS, California Health & Safety Code Section 13146.4 was added in 2018, and became effective on September 27, 2018; and,

WHEREAS, California Health & Safety Code Sections 13146.2 and 13146.3 requires all fire departments, including the Montecito Fire Protection District, that provide fire protection services to perform annual inspections in every building used as a public or private school, hotel, motel, lodging house, apartment house, and certain residential care facilities for compliance with building standards, as provided and,

WHEREAS, California Health & Safety Code Section 13146.2 requires all fire departments, including the Montecito Fire Protection District, that provide fire protection services to report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3 and,

WHEREAS, the Board of the Montecito Fire Protection District intends this Resolution to fulfill the requirements of the California Health & Safety Code regarding acknowledgment of the Montecito Fire Protection District's compliance with California Health and Sections 13146.2 and 13146.3.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Montecito Fire Protection District that said Board expressly acknowledges the measure of compliance of the Montecito Fire Protection District with California Health and Safety Code Sections 13146.2 and 13146.3 in the area encompassed by the Montecito Fire Protection District, as follows:

**A. EDUCATIONAL GROUP E OCCUPANCIES:**

Educational Group E occupancies are generally those public and private schools, used by more than six persons at any one time for educational purposes through the 12th grade. Within the Montecito Fire Protection District, there lie **10** Group E occupancies, buildings, structures and/or facilities.

During the calendar year ending 12/31/22, the Montecito Fire Protection District completed the annual inspection of **10** Group E occupancies, buildings, structures and/or facilities. This is a compliance rate of **100 %** for this reporting period.

Additional items of note regarding this compliance rate can be found in the accompanying staff report for this resolution.

**B. RESIDENTIAL GROUP R OCCUPANCIES:**

Residential Group R occupancies, for the purposes of this resolution, are generally those occupancies containing sleeping units, and include hotels, motels, apartments (three units or more), etc., as well as other residential occupancies (including a number of residential care facilities). These residential care facilities have a number of different sub-classifications, and they may contain residents or clients that have a range of needs, including those related to custodial care, mobility impairments, cognitive disabilities, etc. The residents may also be non-ambulatory or bedridden. Within the Montecito Fire Protection District, there lie **12** Group R (and their associated sub-categories) occupancies of this nature in operation.

During the calendar year ending 12/31/22, the Montecito Fire Protection District completed the annual inspection of **12** Group R occupancies, buildings, structures and/or facilities. This is a compliance rate of **100%** for this reporting period.

Additional items of note regarding this compliance rate can be found in the accompanying staff report for this resolution.

**PASSED AND ADOPTED**, by the Board of Directors the Montecito Fire Protection District this 24th day of April, 2023, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

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Peter van Duinwyk, President

ATTEST:

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Sylvia Easton, Secretary

# Agenda

## Item #5





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## STAFF REPORT

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**To:** Montecito Fire Protection District Board of Directors  
**From:** David Neels, Fire Chief  
**Date:** April 24, 2023  
**Topic:** Retention of Fehr and Peers

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### Summary

The Montecito Fire Protection District wishes to further enhance community emergency preparedness by retaining the services of Fehr and Peers to evaluate the revision of our current evacuation zones north of Highway 192 as recommended in the July 7, 2022, Emergency Evacuation Study.

### Discussion

The organization intends to retain the services of Fehr and Peers to conduct additional modeling support to test the District's proposed revision of specific evacuation zones. In July of 2022, Fehr and Peers presented the Emergency Evacuation Study, which included several recommendations for improving the District's evacuation plan. One of the recommendations of the study was to consider the operational and community benefits of developing more focused evacuation areas to reduce the impacts of congestion on narrow roadways for residents and emergency responders particularly in the areas north of Highway 192.

The additional work will focus on demand-side modeling, which incorporates strategies that influence when, how, and where community members evacuate, and will offer the District empirical validation to the proposed evacuation zone changes. Any changes to the District's evacuation zones would also incorporate a focused education and outreach campaign to our community.

### Conclusion

Staff recommends that the Board authorize the Fire Chief to enter a contract with Fehr and Peers to complete the modeling of revised evacuation zones for \$44,300 in line with Board direction to implement all recommendations identified in the Emergency Evacuation Study.

### Attachments

1. Fehr and Peers Professional Services Agreement

### Strategic Plan Reference

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Goal 1. Deliver exceptional emergency services to our community.





# Exhibit C

## Contract

### AGREEMENT FOR CONSULTING SERVICES

This Agreement for Consulting Services (“Agreement”) is made and entered into in the County of Santa Barbara, State of California, this 1st day of May, 2023, by and between the Montecito Fire Protection District (“District”) and (“Consultant”).

WHEREAS, District desires to hire Consultant to perform certain consulting services specified herein; and

WHEREAS, Consultant represents that Consultant and/or Consultant’s personnel have the qualifications and experience to properly perform such services:

NOW, THEREFORE, District and Consultant hereby agree as follows:

1. Scope of Services

Consultant shall furnish District with professional consulting services as more particularly set forth in Exhibit A attached hereto and incorporated by this reference in full herein.

2. Method of Performing Services

Subject to the terms and conditions of this Agreement, Consultant may determine the method, details, and means of performing the services described herein.

3. Standard of Performance

Consultant agrees to undertake and complete these services to conclusion, using that standard of care, skill, and diligence normally provided by a professional person in performance of similar consulting services.

4. Nonexclusive Services

This Agreement shall not be interpreted to prevent or preclude Consultant from rendering any services for Consultant’s own account or to any other person or entity as Consultant in its sole discretion shall determine. Consultant agrees that performing such services will not materially interfere with services to be performed for the District.

5. Coordination of Services

All services are to be coordinated with the Fire Chief or designee ("Fire Chief") and shall be performed under the general direction of the Fire Chief.

6. Correction of Errors

Consultant agrees to correct, at its expense, all errors which may be disclosed during review of Consultant's services. Should Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by District, and the cost thereof shall be paid by Consultant.

7. Principal in Charge

Consultant hereby designates, as its principal-in-charge and person responsible for necessary coordination with Fire Chief.

8. Time for Performance

All services performed under this Agreement shall be completed pursuant to the schedule provided in Exhibit A attached hereto and incorporated by this reference in full herein. District agrees to amend the performance terminate date whenever Consultant is delayed by action or inaction of District and Consultant promptly notified Fire Chief of such delays.

9. District's Responsibility

District shall cooperate with Consultant as may be reasonably necessary for Consultant to perform its services. Fire Chief agrees to provide direction to Consultant as requested regarding particular project requirements.

10. Term of Agreement

Unless otherwise terminated as provided for herein, this Agreement shall begin on May 1, 2023, and expire upon the completion of the Scope of Services contained in Exhibit A.

11. Termination

- a. This Agreement may be terminated by District if Fire Chief notifies Consultant, in writing, of Fire Chief's desire to terminate the Agreement. Such termination shall be effective ten calendar days from the date of delivery or mailing of such notice. District agrees to pay Consultant in full for all amounts due Consultant as of the effective date of termination, including any expenditures incurred on District's behalf.

- b. This Agreement may be terminated by Consultant if Consultant notifies Fire Chief, in writing, of Consultant's desire to terminate the Agreement. Such termination shall be effective ten calendar days from the date of delivery or mailing of such notice and only if all assignments accepted by Consultant have been completed prior to the date of termination.

12. Compensation

- a. District agrees to pay Consultant for services provided under this Agreement in the amount set forth in Exhibit B attached hereto and incorporated by this reference in full herein.
- b. District shall reimburse Consultant for expenses under this Agreement in the amount set forth in Exhibit B.
- c. The acceptance by Consultant of the final payment made under this Agreement shall constitute a release of District from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to Consultant's services.
- d. Consultant agrees that payment by District shall not constitute nor be deemed a release of the responsibility and liability of Consultant or its employees, subcontractors, agents and subconsultants for the accuracy and competency of the information provided and/or services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by District for any defect or error in the services performed by Consultant, its employees, subcontractors, agents and subconsultants.

13. Non-Appropriation of Funds.

Payments to be made to Consultant by District for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted and unencumbered appropriation of District. In the event District does not appropriate sufficient funds for payment of Consultant's services beyond the current fiscal year, this Agreement shall cover payment for Consultant's services only up to the conclusion of the last fiscal year in which District appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

14. Records

- a. Consultant agrees that all final computations, exhibits, files, plans, correspondence, reports, drawings, designs, data and photographs expressly required to be prepared by Consultant as part of the scope of services ("documents and materials") shall be the property of District and shall, upon completion of the services or termination of this Agreement, be delivered to Fire Chief.

- b. At District's request, District shall be entitled to immediate possession of, and Consultant shall furnish to Fire Chief within ten days, all the documents and materials. Consultant may retain copies of these documents and materials.
- c. Any substantive modification of the documents and materials by District staff or any use of the completed documents and materials for other District projects, or any use of uncompleted documents and materials, without the written consent of Consultant, shall be at District's sole risk and without liability or legal exposure to Consultant. District agrees to hold Consultant harmless from all damages, claims, expenses and losses arising out of any reuse of the documents and materials for purposes other than those described in this Agreement, unless Consultant consents in writing to such reuse.

15. Confidentiality of Information

Any documents and materials given to or prepared or assembled by Consultant under this Agreement shall be confidential and shall not be made available to any third person or organization by Consultant without prior written approval of the Fire Chief.

16. Indemnity

Consultant agrees to indemnify, hold harmless and defend District, its Board of Directors, and each member thereof, and every officer, employee, representative or agent of District, from any and all liability, claims, demands, actions, damages (whether in contract or tort, including personal injury, death at any time, or property damage), costs and financial loss, including all costs and expenses and fees of litigation or arbitration, that arise directly or indirectly from any negligent acts or omissions related to this Agreement performed by Consultant or its agents, employees, subconsultants, subcontractors, consultants and other persons acting on Consultant's behalf. This agreement to indemnify, hold harmless and defend shall apply whether such acts or omissions are the product of active negligence, passive negligence, or acts for which Consultant or its agents, employees, subconsultants, subcontractors, consultants and other persons acting on Consultant's behalf would be held strictly liable.

17. Insurance

Consultant shall maintain prior to the beginning of and for the duration of this Agreement, insurance coverage as specified in Exhibit C attached hereto and incorporated by this reference in full herein.

18. Independent Contractor

- a. District and Consultant agree that in the performance of the services, Consultant shall be, and is an independent contractor, and that Consultant and its employees are not employees of District. Consultant has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons assisting Consultant.
- b. Consultant shall be solely responsible for, and shall save District harmless from, all matters relating to the payment of Consultant's employees, agents, subcontractors and subconsultants, including compliance with social security requirements, federal and State income tax withholding and all other regulations governing employer-employee relations.
- c. Consultant acknowledges that Consultant and Consultant's employees are not entitled to receive from District any of the benefits or rights afforded employees of District, including but not limited to reserve leave, sick leave, vacation leave, holiday leave, compensatory leave, Public Employees Retirement System benefits, or health, life, dental, long-term disability and workers' compensation insurance benefits.

19. Consultant Not Agent

Except as Fire Chief may specify in writing, Consultant, and its agents, employees, subcontractors and subconsultants shall have no authority, expressed or implied, to act on behalf of District in any capacity, as agents or otherwise, or to bind District to any obligation.

20. Conflict of Interest

Consultant shall promptly inform Fire Chief of any contract, agreement, arrangement, or interest that Consultant may enter into or have during the performance of this Agreement that may conflict with District's interests. This requirement includes contracts, agreements and arrangements with manufacturers, suppliers, contractors or other clients whose interests might be served by the services performed under this Agreement and Consultant's or Consultant's clients' interest in land that might be affected by the services. Consultant shall take such measures as are necessary in the performance of this Agreement to prevent actual or appearances of conflicts of interest.

21. Assignability of Agreement

Consultant agrees that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's personnel's unique competence, experience and specialized personal knowledge. Assignments of any or all rights, duties, or obligations of Consultant under this Agreement will be permitted only with the express written consent of Fire Chief, which consent may be withheld for any reason.

22. Successors and Assigns

Consultant and District agree that this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Consultant and District.

23. Force Majeure

Consultant and District agree that neither District nor Consultant shall be responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts shall include, but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after this Agreement was executed, fire, communication line failures, earthquakes, or other disasters.

24. Time of Essence

Consultant and District agree that time is of the essence in regard to performance of any of the terms and conditions of this Agreement.

25. Governing Law

District and Consultant agree that the construction and interpretation of this Agreement and the rights and duties of District and Consultant hereunder shall be governed by the laws of the State of California.

26. Covenants and Conditions

Consultant and District agree that each term and each provision of this Agreement to be performed by Consultant shall be construed to be both a covenant and a condition.

27. Compliance with Laws

Consultant agrees to comply with all local, State, and federal laws, rules, and regulations, now or hereafter in force, pertaining to the services performed by Consultant pursuant to this Agreement.

28. Severability

District and Consultant agree that the invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

29. Waiver

District and Consultant agree that no waiver of a breach of any provision of this Agreement by either Consultant or District shall constitute a waiver of any other breach of the same provision or any other provision of this Agreement. Failure of either District or Consultant to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver of such provision or breach.

30. Counterparts

District and Consultant agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

31. Expenses of Enforcement

Consultant and District agree that the prevailing party's reasonable costs, attorneys' fees and expenses, including investigation fees and expert witness fees, shall be paid by the non-prevailing party in any dispute involving the terms and conditions of this Agreement.

32. Authority to Execute

District and Consultant acknowledges that the person executing this Agreement have been duly authorized by the District and Consultant to do so on behalf of District and Consultant.

33. Notices

d. Any notices to Consultant may be delivered personally or by mail addressed to Fehr and Peers, 600 Wilshire Boulevard, Suite 1050, Los Angeles, CA 90017, Attention: Sarah Brandenburg.

e. Any notices to District may be delivered personally or by mail addressed to Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, CA 93108, Attention: Fire Chief.

34. Amendment

District and Consultant agree that the terms and conditions of the Agreement may be reviewed or modified at any time. Any modifications to this Agreement, however, shall be effective only when agreed to in writing by both Fire Chief and Consultant.

35. Entire Agreement

District and Consultant agree that this Agreement constitutes the entire agreement of the parties regarding the subject matter described herein and supersedes all prior communications, agreements, and promises, either oral or written.

**MONTECITO FIRE PROTECTION  
DISTRICT**

David Neels, Fire Chief

**FEHR & PEERS**

A handwritten signature in blue ink that reads "Sarah Brandenburg." The signature is written in a cursive style with a large initial "S" and a period at the end.

Sarah Brandenburg, Principal



## EXHIBIT A SCOPE OF SERVICES

As defined in the in the Proposal to Provide Modeling Support to Test Revised Evacuation Zones as provided and identified by Fehr and Peers.

- **Baseline Calibration with Draft Evacuation Zones:** Adjust the model to calibrate the new zones to the population assumptions and roadway routing assumptions.
  - o For this initial task, we will require updated GIS files reflecting any changes to the MFPD boundary (last file received 9/9/21), the draft revised zones, and any changes to traffic control locations (last file received 10/8/21).
  - o We will update zones with population totals based on the SBCAG Model's socio-economic data. This information will be approximated from the SBCAG Model's Traffic Analysis Zones (TAZs) to the new draft evacuation zones and validated with 2020 Census data.
  - o Following adjustment of zone totals and routing assumptions, we will run a baseline scenario with no evacuation events to ensure the results satisfactorily match the baseline model calibration from the first phase of work.
  - o Fehr & Peers assumes the parameters for the baseline calibration (time of day, day of week, distribution of trips leaving the model boundary) will be the same as the first phase of work and will match the two subsequent scenarios.
- **Scenario 1 – Cold Springs Canyon Upslope Fire:** Phased evacuation with an initial evacuation order to Zones 2 and 3, with a warning and subsequent evacuation order issued to Zones 9 and 10. Assumptions and parameters to be summarized by Fehr & Peers following team discussion and confirmed by MFPD.
- **Scenario 2 – San Ysidro Canyon Upslope Fire:** Phased evacuation with an initial evacuation order to Zones 4 and 5, with a warning and subsequent evacuation order issued to Zones 11 and 12. Assumptions and parameters to be summarized by Fehr & Peers following team discussion and confirmed by MFPD.
- **Documentation** of the results of the above scenario tests in a technical memorandum. We also have not assumed development of any additional recommendations specific to this analysis; the technical David Neels Montecito Evacuation Modeling Support April 19, 2023 2 memorandum will include a discussion and interpretation of the analysis results. We have assumed one draft, one round of consolidated comments, and one final version of the technical memorandum.
- **Up to four team meetings:** a formal kick-off, review baseline calibration results, review initial scenario results, and review final/revised scenario results.
- We have not assumed any outreach or stakeholder coordination as part of this phase of work.

EXHIBIT B  
FEES AND COSTS

As defined in the in the Proposal to Provide Modeling Support to Test Revised Evacuation Zones as provided and identified by Fehr and Peers.

**Budget:** The scope of work identified in Exhibit A can be completed for \$44,300.

# Agenda

## Item #6






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## STAFF REPORT

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**To:** Montecito Fire Protection District Board of Directors  
**From:** David Neels, Fire Chief  
**Date:** April 24, 2023  
**Topic:** Retention of Keith Turcot, 5 Bar Engineering, LLC

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### Summary

Keith Turcot, principal for 5 Bar Engineering, LLC has been consulting on the District's VHF public safety radio system upgrade approved in the Final Budget for Fiscal Year 2022-23. Due to the complexity of the project, Staff anticipates that Mr. Turcot's consulting services on the project will exceed \$20,000, therefore it is necessary to enter into a Professional Services Agreement with 5 Bar Engineering, LLC.

### Discussion

The District currently supports VHF communications from a land mobile public safety radio system. This critical communication platform is how our firefighters communicate to dispatch and other resources over portable and fire engine radios. The transition to the Regional Fire Communications Center will coordinate the closest resource response model, however the department will still be dependent on the VHF radio network for years to come, making upgrades imperative to the reliability of the system.

The scope of work includes design changes to convert Command 11 and Command 12 to a two-site, two-channel simulcast system to provide greater reliability. The upgrade process will include additions and enhancements to the voter and backhaul network, repeaters, antenna systems, enclosures and supporting structures, as well as power systems. Consultant will oversee design, engineering, selection of upgrades, implementation, and technical services.

Consultant services to enhance the VHF land mobile public radio system will not exceed \$45,000, and these funds are available within the project budget.

### Conclusion

Staff recommends that the Board authorize the Fire Chief to enter into a Professional Services Agreement with 5 Bar Engineering, LLC.

### Attachments

1. 5 Bar Engineering, LLC Professional Services Agreement

### Strategic Plan Reference

Strategic Plan Goal #5, Strengthen our infrastructure



## AGREEMENT FOR CONSULTING SERVICES

This Agreement for Consulting Services (“Agreement”) is made and entered into in the County of Santa Barbara, State of California, this 1st day of May 2023, by and between the Montecito Fire Protection District (“District”) and Keith Turcot, 5 Bar Engineering, LLC (“Consultant”).

WHEREAS, District desires to hire Consultant to perform certain consulting services specified herein; and

WHEREAS, Consultant represents that Consultant has the qualifications and experience to properly perform such services.

NOW, THEREFORE, District and Consultant hereby agree as follows:

1. Scope of Services

Consultant shall furnish District with professional consulting services as more particularly set forth in Exhibit A attached hereto and incorporated by this reference in full herein.

2. Method of Performing Services

Subject to the terms and conditions of this Agreement, Consultant may determine the method, details, and means of performing the services described herein.

3. Standard of Performance

Consultant agrees to undertake and complete these services to conclusion, using that standard of care, skill, and diligence normally provided by a professional person in performance of similar consulting services.

4. Nonexclusive Services

This Agreement shall not be interpreted to prevent or preclude Consultant from rendering any services for Consultant’s own account or to any other person or entity as Consultant in its sole discretion shall determine. Consultant agrees that performing such services will not materially interfere with services to be performed for the District.

5. Coordination of Services

All services are to be coordinated with the Fire Chief or designee (“Fire Chief”) and shall be performed under the general direction of the Fire Chief.

6. Principal in Charge

Consultant hereby designates Division Chief - Operations, as its principal-in-charge and person responsible for necessary coordination with Fire Chief.

7. Time for Performance

All services performed under this Agreement shall be completed in a timely manner as specified by District.

8. District's Responsibility

District shall cooperate with Consultant as may be reasonably necessary for Consultant to perform its services. Fire Chief agrees to provide direction to Consultant as requested by Consultant.

9. Term of Agreement

Unless otherwise terminated as provided for herein, this Agreement shall begin on May 1, 2023, and shall expire on April 30, 2024. This Agreement may be extended by mutual agreement of the Parties.

10. Termination

a. This Agreement may be terminated by District if Fire Chief notifies Consultant, in writing, of Fire Chief's desire to terminate the Agreement. Such termination shall be effective ten calendar days from the date of delivery or mailing of such notice. District agrees to pay Consultant in full for all amounts due Consultant as of the effective date of termination, including any expenditures incurred on District's behalf.

b. This Agreement may be terminated by Consultant if Consultant notifies Fire Chief, in writing, of Consultant's desire to terminate the Agreement. Such termination shall be effective ten calendar days from the date of delivery or mailing of such notice and only if all assignments accepted by Consultant have been completed prior to the date of termination.

11. Compensation

a. District agrees to pay Consultant \$300.00 per hour plus expenses for services provided under this Agreement. For the work described in Exhibit A.

b. The acceptance by Consultant of the final payment made under this Agreement shall constitute a release of District from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to Consultant's services.

c. Consultant shall provide District with a monthly invoice delineating the time and services provided by Consultant to District.



## 12. Non-Appropriation of Funds.

Payments to be made to Consultant by District for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted and unencumbered appropriation of District. In the event District does not appropriate sufficient funds for payment of Consultant's services beyond the current fiscal year, this Agreement shall cover payment for Consultant's services only up to the conclusion of the last fiscal year in which District appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

## 13. Records

a. Consultant agrees that all final computations, exhibits, files, plans, correspondence, reports, drawings, designs, data and photographs expressly required to be prepared by Consultant as part of the scope of services ("documents and materials") shall be the property of District and shall, upon completion of the services or termination of this Agreement, be delivered to Fire Chief.

b. At District's request, District shall be entitled to immediate possession of, and Consultant shall furnish to Fire Chief within ten days, all of the documents and materials. Consultant may retain copies of these documents and materials.

c. Any substantive modification of the documents and materials by District staff or any use of the completed documents and materials for other District projects, or any use of uncompleted documents and materials, without the written consent of Consultant, shall be at District's sole risk and without liability or legal exposure to Consultant. District agrees to hold Consultant harmless from all damages, claims, expenses and losses arising out of any reuse of the documents and materials for purposes other than those described in this Agreement, unless Consultant consents in writing to such reuse.

## 14. Confidentiality of Information

Any documents and materials given to or prepared or assembled by Consultant under this Agreement shall be confidential and shall not be made available to any third person or organization by Consultant without prior written approval of the Fire Chief.

## 15. Indemnity

Consultant agrees to indemnify, hold harmless and defend District, its District Council, and each member thereof, and every officer, employee, representative or agent of District, from any and all liability, claims, demands, actions, damages (whether in contract or tort, including personal injury, death at any time, or property damage), costs and financial loss, including all costs and expenses and fees of litigation or arbitration, that arise directly or indirectly from any acts or omissions related to this Agreement performed by Consultant or its agents, employees, subconsultants, subcontractors, consultants and other persons acting on Consultant's behalf. This agreement to indemnify, hold harmless and defend shall apply whether such acts or omissions are the product of active negligence, passive negligence, or acts for which

Consultant or its agents, employees, subconsultants, subcontractors, consultants and other persons acting on Consultant's behalf would be held strictly liable.

16. Insurance

Consultant shall maintain prior to the beginning of and for the duration of this Agreement, insurance coverage as specified in Exhibit B attached hereto and incorporated by this reference in full herein.

17. Independent Contractor

a. District and Consultant agree that in the performance of the services, Consultant shall be, and is an independent contractor, and that Consultant and its employees are not employees of District. Consultant has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons assisting Consultant.

b. Consultant shall be solely responsible for, and shall save District harmless from, all matters relating to the payment of Consultant's employees, agents, subcontractors and subconsultants, including compliance with social security requirements, federal and State income tax withholding and all other regulations governing employer-employee relations.

c. Consultant acknowledges that Consultant and Consultant's employees are not entitled to receive from District any of the benefits or rights afforded employees of District, including but not limited to reserve leave, sick leave, vacation leave, holiday leave, compensatory leave, Public Employees Retirement System benefits, or health, life, dental, long-term disability and workers' compensation insurance benefits.

18. Consultant Not Agent

Except as Fire Chief may specify in writing, Consultant, and its agents, employees, subcontractors and subconsultants shall have no authority, expressed or implied, to act on behalf of District in any capacity, as agents or otherwise, or to bind District to any obligation.

19. Conflict of Interest

Consultant shall promptly inform Fire Chief of any contract, agreement, arrangement, or interest that Consultant may enter into or have during the performance of this Agreement that may conflict with District's interests. This requirement includes contracts, agreements and arrangements with manufacturers, suppliers, contractors or other clients whose interests might be served by the services performed under this Agreement and Consultant's or Consultant's clients' interest in land that might be affected by the services. Consultant shall take such measures as are necessary in the performance of this Agreement to prevent actual or appearances of conflicts of interest.

20. Assignability of Agreement

Consultant agrees that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's personnel's unique competence,

experience and specialized personal knowledge. Assignments of any or all rights, duties, or obligations of Consultant under this Agreement will be permitted only with the express written consent of Fire Chief, which consent may be withheld for any reason.

21. Successors and Assigns

Consultant and District agree that this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Consultant and District.

22. Force Majeure

Consultant and District agree that neither District nor Consultant shall be responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts shall include, but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after this Agreement was executed, fire, communication line failures, earthquakes, or other disasters.

23. Time of Essence

Consultant and District agree that time is of the essence in regard to performance of any of the terms and conditions of this Agreement.

24. Governing Law

District and Consultant agree that the construction and interpretation of this Agreement and the rights and duties of District and Consultant hereunder shall be governed by the laws of the State of California.

25. Covenants and Conditions

Consultant and District agree that each term and each provision of this Agreement to be performed by Consultant shall be construed to be both a covenant and a condition.

26. Compliance with Laws

Consultant agrees to comply with all local, State, and federal laws, rules, and regulations, now or hereafter in force, pertaining to the services performed by Consultant pursuant to this Agreement.

27. Severability

District and Consultant agree that the invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

28. Waiver

District and Consultant agree that no waiver of a breach of any provision of this Agreement by either Consultant or District shall constitute a waiver of any other breach of the same provision or any other provision of this Agreement. Failure of either District or Consultant to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver of such provision or breach.

29. Counterparts

District and Consultant agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

30. Expenses of Enforcement

Consultant and District agree that the prevailing party's reasonable costs, attorneys' fees and expenses, including investigation fees and expert witness fees, shall be paid by the non-prevailing party in any dispute involving the terms and conditions of this Agreement.

31. Authority to Execute

District and Consultant acknowledges that the person executing this Agreement have been duly authorized by the District and Consultant to do so on behalf of District and Consultant.

32. Notices

a. Any notices to Consultant may be delivered personally or by mail addressed to Keith Turcot, 5 Bar Engineering, LLC 810 Calle Malaga, Santa Barbara, CA 93109.

b. Any notices to District may be delivered personally or by mail addressed to Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, CA 93108, Attention: Fire Chief.

33. Amendment

District and Consultant agree that the terms and conditions of the Agreement may be reviewed or modified at any time. Any modifications to this Agreement, however, shall be effective only when agreed to in writing by both Fire Chief and Consultant.

34. Entire Agreement

District and Consultant agree that this Agreement constitutes the entire agreement of the parties regarding the subject matter described herein and supersedes all prior communications, agreements, and promises, either oral or written.

**MONTECITO FIRE PROTECTION  
DISTRICT**

**5 Bar Engineering, LLC**

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David Neels, Fire Chief

---

Keith Turcot

**EXHIBIT A  
SCOPE OF SERVICES**

- I. Consultant shall provide services at the direction of the Fire Chief and the Division Chief - Operations.
  
- II. Consultant shall provide services that are anticipated but not limited to the District land mobile Public Safety radio system including the following:
  - 1) Evaluation and recommendations to improve the overall systems reliability and performance.
  
  - 2) Design changes needed to provide a reliable redundant connection between District Station 91 and the Gibraltar Peak Command 11 repeater. The scope of work includes additions to, moves, and changes to the voter, microwave network, data network, and integration to the existing repeater. Consultant will oversee the acquisition of any needed materials and any construction required. Also, Consultant will review and augment related documentation as needed to facilitate proper operations and support of the system.
  
  - 3) Design changes needed to convert Command 11 and Command 12 channels to a two-site two-channel simulcast system. This will improve the coverage of both channels and provide greatly improved reliability of the overall system. The scope of work includes additions to, moves, and changes to the voters, backhaul network, repeaters, antenna systems, enclosures and supporting structures, power systems, and control and support tools, and limited functional testing. Consultant will oversee the acquisition of any needed materials and any construction required. Also, Consultant will review and augment related documentation as needed to facilitate proper operations and support of the system.
  
  - 4) Provide technical consulting services related to connecting the District land mobile radio system to and transitioning system features to the County Regional Fire Communications Center.
  
- III. Additionally, the District may request Consultant to assist in providing emergency service as requested.

## EXHIBIT B INSURANCE

1. Consultant shall obtain and maintain during the performance of any services under this Agreement the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Consultant, its agents, representatives, employees or subconsultants.

a. Commercial general liability insurance, including a contractual liability endorsement, in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office commercial general liability coverage (Occurrence Form CG0001ED, November 1988). If a general aggregate limit is used, that limit shall apply separately to the project or shall be twice the occurrence amount;

b. Business automobile liability insurance in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office automobile liability coverage (Occurrence Form CA000T, ED June 1992) covering Code No. 1, "any auto";

c. Workers' compensation insurance in compliance with the laws of the State of California, and employer's liability insurance in an amount not less than \$1,000,000 per claimant.

2. Consultant shall, prior to performance of any services, file with the Fire Chief certificates of insurance with original endorsements affecting coverage required by this Exhibit C. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Fire Chief. All certificates and endorsements are to be received and approved by the Fire Chief before work commences. District reserves the right to require complete certified copies of all required insurance policies at any time.

3. Consultant agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Fire Chief. The Fire Chief shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

4. Consultant agrees that the commercial general liability and business automobile liability insurance policies shall be endorsed to name District, its Governing Board officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to District, its Governing Board, officers, employees and volunteers.

**The General liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit C or substitute forms containing the same information and acceptable to the Fire Chief shall be used to provide the endorsements.**

5. The coverages provided to District shall be primary and not contributing to or in excess of any existing District insurance coverages. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to District, its Governing Board, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. Any deductibles or self-insured retentions must be declared to and approved by the Fire Chief. At the option of the Fire Chief, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects District, its Governing Board, officers, employees and volunteers, or the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Consultant shall also be applicable to Consultant's subconsultants. Consultant agrees to maintain appropriate agreements with subconsultants and to provide proper evidence of coverage upon receipt of a written request from the Fire Chief.



# Agenda

## Item #7





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## STAFF REPORT

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**To:** Montecito Fire Protection District Board of Directors  
**From:** David Neels, Fire Chief  
**Prepared by:** Araceli Nahas, Accountant AN  
**Date:** April 24, 2023  
**Topic:** Recommended Budget Amendment for Fiscal Year 2022-23

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### Summary

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The proposed budget amendment is presented to the Board in order to reflect insurance proceeds and repair expenses resulting from the Station 92 structure fire in February.

### Discussion

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The proposed amendment will increase General Fund revenues by \$250,000, increase expenses by \$250,000, and have no effect on the Net Financial Impact.

There are no proposed changes to Fund 3652 and 3653 budgets.

### Conclusion

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Staff recommends that the Board approved Resolution 2023-05 to amend the final budget for FY 2022-23.

### Attachments

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1. Resolution 2023-05, Amending the Final Budget for FY 2022-23
2. Proposed Amended Budget Financials for Funds

### Strategic Plan Reference

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Strategic Plan Goal #8, Ensure Financial Accountability & Transparency

**RESOLUTION NO. 2023-05**

**RESOLUTION OF THE GOVERNING BOARD  
OF THE MONTECITO FIRE PROTECTION DISTRICT  
AMENDING THE FINAL BUDGET FOR FISCAL YEAR 2022-23**

WHEREAS, a final budget for the District for Fiscal Year 2022-23 was adopted by the Board on September 26, 2022; and

WHEREAS, the District has received insurance claim proceeds in the current fiscal year resulting from a property claim; and

WHEREAS, the following account needs to be adjusted by the following amount to accommodate repairs on the damaged property:

<u>Fund 3650 – General Fund</u>	
Structure Maintenance (7200)	<u>\$ 250,000</u>
	\$ 250,000

NOW, THEREFORE, the Board of Directors of the Montecito Fire Protection District hereby resolves as follows:

That the following revised budget be adopted for the Fiscal Year 2022-23:

<u>Fund 3650 – General</u>	
Salaries & Employee Benefits	\$ 19,553,500
Services & Supplies	2,497,500
Other Charges	124,300
Capital Assets	997,000
Other Financing Uses	<u>3,013,500</u>
	\$ 26,185,800

PASSED AND ADOPTED by the governing board of the Montecito Fire Protection District this 24<sup>th</sup> day of April 2023, by the following vote:

- AYES:
- NAYS:
- ABSTAIN:
- ABSENT:

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President of the Board of Directors  
Montecito Fire Protection District

ATTEST:

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Secretary of the Board of Directors  
Montecito Fire Protection District

**Montecito Fire Protection District**  
**Proposed Amended Budget for Fiscal Year 2022-23**

**FUND 3650 - GENERAL FUND**

		Adopted Budget	Proposed Adjustment	Amended Budget
<b>REVENUES</b>				
<b>Property Taxes</b>				
3010	Property Tax - Secured (+9.97%)	\$ 20,502,000	\$ -	\$ 20,502,000
3011	Property Tax - Unitary	179,000	-	179,000
3020	Property Tax - Unsecured	640,500	-	640,500
3050	Property Tax - Prior Unsecured	20,500	-	20,500
3054	Supplemental Property Tax - Current	496,500	-	496,500
<b>Total Taxes Revenue</b>		<u>21,838,500</u>	-	<u>21,838,500</u>
<b>Use of Money and Property</b>				
3380	Interest Income	50,500	-	50,500
3409	Rental Property Income	31,000	-	31,000
<b>Total Use of Money and Property</b>		<u>81,500</u>	-	<u>81,500</u>
<b>Intergovernmental Revenue - State</b>				
3750	State-Emergency Assistance (Fire Asgmts)	1,000,000	-	1,000,000
4220	Homeowners Property Tax Relief	77,000	-	77,000
4310	State Grant (Cal Fire - Prevention)	150,000	-	150,000
<b>Total Intergovernmental Revenue - State</b>		<u>1,227,000</u>	-	<u>1,227,000</u>
<b>Intergovernmental Revenue - Federal</b>				
4476	Federal Emergency Assistance (Fire Asgmts)	1,000,000	-	1,000,000
<b>Total Intergovernmental Revenue - Federal</b>		<u>1,000,000</u>	-	<u>1,000,000</u>
<b>Charges for Services</b>				
5105	Reimbursement for District Services	221,500	-	221,500
<b>Total Charges for Services</b>		<u>221,500</u>	-	<u>221,500</u>
<b>Miscellaneous Revenue</b>				
5780	Insurance Proceeds	-	250,000	250,000
5894	Other - Payment for Damages (SCE Stlmt)	363,000	-	363,000
5909	Other - Miscellaneous Revenue	10,500	-	10,500
<b>Total Miscellaneous Revenue</b>		<u>373,500</u>	<u>250,000</u>	<u>623,500</u>
<b>TOTAL REVENUES</b>		<u><b>24,742,000</b></u>	<u><b>250,000</b></u>	<u><b>24,992,000</b></u>

## Montecito Fire Protection District Proposed Amended Budget for Fiscal Year 2022-23

### FUND 3650 - GENERAL FUND

		Adopted Budget	Proposed Adjustment	Amended Budget
<b>EXPENDITURES</b>				
<b>Salaries &amp; Employee Benefits</b>				
6100	Regular Salaries	\$ 10,251,500	\$ -	\$ 10,251,500
6300	Overtime	202,000	-	202,000
6301	Overtime - Fire Reimbursable	2,000,000	-	2,000,000
6310	Overtime - Constant Staffing	1,047,000	-	1,047,000
6400	Retirement Contributions	2,688,000	-	2,688,000
6550	FICA/Medicare	192,500	-	192,500
6600	Insurance Contributions	2,467,000	-	2,467,000
6700	Unemployment Insurance	5,500	-	5,500
6900	Workers Compensation Insurance	700,000	-	700,000
<b>Total Salaries &amp; Employee Benefits</b>		<b>19,553,500</b>	<b>-</b>	<b>19,553,500</b>
<b>Services &amp; Supplies</b>				
7030	Clothing and PPE	56,000	-	56,000
7050	Communications	115,000	-	115,000
7060	Food	4,500	-	4,500
7070	Household Supplies	36,000	-	36,000
7090	Insurance: Liability/Auto/Prop.	97,500	-	97,500
7120	Equipment Maintenance (Operations)	50,000	-	50,000
7200	Structure and Ground Maintenance	42,000	250,000	292,000
7205	Fire Defense Zone (Hazard Mitigation)	455,000	-	455,000
7322	Consulting and Management Fees	2,000	-	2,000
7324	Audit and Accounting Fees	30,000	-	30,000
7348	Instruments & Equipment	21,000	-	21,000
7363	Equipment Maintenance (Vehicles)	140,000	-	140,000
7400	Medical & First Aid Supplies	47,000	-	47,000
7430	Memberships	16,000	-	16,000
7450	Office Expense	20,000	-	20,000
7456	IT Hardware < \$5,000	7,500	-	7,500
7460	Professional and Special Services	324,000	-	324,000
7507	ADP Payroll Fees	10,000	-	10,000
7510	Contractual Services	120,500	-	120,500
7530	Publications & Legal Notices	6,000	-	6,000
7540	Rents & Leases - Equipment	5,500	-	5,500
7546	Administrative Tax Expense	240,000	-	240,000
7580	Rents & Leases - Structure (Gibraltar)	12,500	-	12,500
7630	Small Tools & Instruments	14,000	-	14,000
7650	Special District Expense	38,000	-	38,000

## Montecito Fire Protection District Proposed Amended Budget for Fiscal Year 2022-23

### FUND 3650 - GENERAL FUND

	Adopted Budget	Proposed Adjustment	Amended Budget
7671 Special Projects	17,500	-	17,500
7730 Transportation and Travel	80,000	-	80,000
7731 Gasoline/Oil/Fuel	90,000	-	90,000
7732 Training	90,000	-	90,000
7760 Utilities	60,000	-	60,000
<b>Total Services &amp; Supplies</b>	<b>2,247,500</b>	<b>250,000</b>	<b>2,497,500</b>
<b>Other Charges</b>			
7830 Interest Expense (POB)	124,300	-	124,300
<b>Total Other Charges</b>	<b>124,300</b>	<b>-</b>	<b>124,300</b>
<b>Capital Assets</b>			
8200 Structures & Improvements	90,000	-	90,000
8300 Equipment	907,000	-	907,000
<b>Total Capital Assets</b>	<b>997,000</b>	<b>-</b>	<b>997,000</b>
<b>TOTAL EXPENDITURES</b>	<b>22,922,300</b>	<b>250,000</b>	<b>23,172,300</b>

### Other Financing Uses

#### Financing Uses

7901 Tfr To Capital Reserves Fund (3652)	530,000	-	530,000
7901 Tfr To Land & Building Fund (3653)	1,350,000	-	1,350,000
7910 Long Term Debt Principal Repayment (POB)	1,133,500	-	1,133,500
<b>Total Other Financing Uses</b>	<b>3,013,500</b>	<b>-</b>	<b>3,013,500</b>

### Changes to Fund Balances

#### Decrease to Residual Fund Balance

9601 Residual Fund Balance	1,193,800	-	1,193,800
<b>Decrease to Residual Fund Balance</b>	<b>1,193,800</b>	<b>-</b>	<b>1,193,800</b>
<b>TOTAL CHANGES TO FUND BALANCES</b>	<b>(1,193,800)</b>	<b>-</b>	<b>(1,193,800)</b>

**Net Financial Impact**    \$            -            \$            -            \$            -

#### Fund 3650 Fund Balance Detail

*Reserves: Catastrophic	\$ 3,015,000	\$ -	\$ 3,015,000
*Reserves: Economic Uncertainties	4,950,000	-	4,950,000
Fund Balance - Unrestricted Residual (est. at en	1,735,967	-	1,735,967
Projected Fund Balance at Year End	\$ 9,700,967	\$ -	\$ 9,700,967

## Montecito Fire Protection District Proposed Amended Budget for Fiscal Year 2022-23

<b>FUND 3652 - CAPITAL RESERVES FUND</b>	<b>Adopted Budget</b>	<b>Proposed Adjustment</b>	<b>Amended Budget</b>
<b>REVENUES</b>			
<b>Use of Money and Property</b>			
3380 Interest Income	15,000	-	15,000
<b>Total Use of Money and Property</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>
<b>Other Financing Sources</b>			
5910 Transfer from General Fund (3650)	530,000	-	530,000
<b>Total Other Financing Sources</b>	<b>530,000</b>	<b>-</b>	<b>530,000</b>
<b>TOTAL REVENUES</b>	<b>545,000</b>	<b>-</b>	<b>545,000</b>
<b>EXPENDITURES</b>			
<b>Capital Assets</b>			
8300 Equipment			
Vehicle (Division 91) - carryover	80,000	-	80,000
Type 1 Engine (Engine 92) - carryover	875,000	-	875,000
Vehicle (Prevention 94) - carryover	15,000	-	15,000
<b>Total Capital Assets</b>	<b>970,000</b>	<b>-</b>	<b>970,000</b>
<b>TOTAL EXPENDITURES</b>	<b>970,000</b>	<b>-</b>	<b>970,000</b>
<b>Changes to Fund Balances</b>			
<b>Decrease to Assigned</b>			
9901 Purpose of Fund	425,000	-	425,000
<b>Decrease to Assigned</b>	<b>425,000</b>	<b>-</b>	<b>425,000</b>
<b>TOTAL CHANGES TO FUND BALANCES</b>	<b>425,000</b>	<b>-</b>	<b>425,000</b>
<b>Net Financial Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund 3652 Fund Balance Detail</b>			
Fund Balance - Nonspendable	\$ 852,240	\$ -	\$ 852,240
Fund Balance - Assigned	2,147,999	-	2,147,999
Projected Fund Balance at Year End	\$ 3,000,239	\$ -	\$ 3,000,239



**Montecito Fire Protection District**  
**Proposed Amended Budget for Fiscal Year 2022-23**

<b>FUND 3653 - LAND &amp; BUILDING FUND</b>	<b>Adopted Budget</b>	<b>Proposed Adjustment</b>	<b>Amended Budget</b>
<b>REVENUES</b>			
<b>Use of Money and Property</b>			
3380 Interest Income	15,000	-	15,000
<b>Total Use of Money and Property</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>
<b>Miscellaneous Revenue</b>			
5780 Insurance Proceeds	250,000	-	250,000
<b>Total Miscellaneous</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>
<b>Other Financing Sources</b>			
5910 Transfer from General Fund (3650)	1,350,000	-	1,350,000
<b>Total Other Financing Sources</b>	<b>1,350,000</b>	<b>-</b>	<b>1,350,000</b>
<b>TOTAL REVENUES</b>	<b>1,615,000</b>	<b>-</b>	<b>1,615,000</b>
<b>EXPENDITURES</b>			
<b>Services and Supplies</b>			
7460 Professional Services	500,000	-	500,000
<b>Total Services and Supplies</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>
<b>Capital Assets</b>			
8200 Structures and Improvements			
Rental property rebuild	1,000,000	-	1,000,000
Solar project infrastructure	279,500	-	279,500
<b>Total Capital Assets</b>	<b>1,279,500</b>	<b>-</b>	<b>1,279,500</b>
<b>TOTAL EXPENDITURES</b>	<b>1,779,500</b>	<b>-</b>	<b>1,779,500</b>
<b>Changes to Fund Balances</b>			
<b>Decrease to Assigned</b>			
9901 Purpose of Fund	164,500	-	164,500
<b>Decrease to Assigned</b>	<b>164,500</b>	<b>-</b>	<b>164,500</b>
<b>TOTAL CHANGES TO FUND BALANCES</b>	<b>164,500</b>	<b>-</b>	<b>164,500</b>
<b>Net Financial Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund 3653 Fund Balance Detail</b>			
Fund Balance - Assigned	\$ 3,163,529	\$ -	\$ 3,163,529
Less: Fund Balance - Assigned for FY	(164,500)	-	(164,500)
Projected Fund Balance at Year End	\$ 2,999,029	\$ -	\$ 2,999,029



# Agenda

## Item #8





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## STAFF REPORT

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**To:** Montecito Fire Protection District Board of Directors  
**From:** David Neels, Fire Chief  
**Prepared By:** Scott Chapman, Battalion Chief  
**Date:** April 24, 2023  
**Topic:** Vehicle 1324746 Excess

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### Summary

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Vehicle 1324746 has reached the end of its effective service life and should be declared excess.

### Discussion

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Vehicle 1324746 is a 2010 Chevy Tahoe used by the A shift Battalion Chief and later transferred to service as a utility vehicle. This vehicle has reached the end of its effective service life and should be declared excess.

Vehicle license number: 1324746

Vehicle Identification Number: 1GUUKAE03AR137982

### Conclusion

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Staff recommends that the Board declare BC96 excess property, making it available for auction.

### Attachments

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1. None.

### Strategic Plan Reference

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Strategic Plan Goal #5, Strengthen our Infrastructure.



# Agenda

## Item #9





## **MONTECITO FIRE PROTECTION DISTRICT**

### **Minutes for the Regular Meeting of the Board of Directors**

Held at Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, CA 93108 on March 27, 2023 at 2:00 p.m.

Director van Duinwyk called the meeting to order at 2:00 p.m.

**Present:** Director van Duinwyk, Director Lee, Director Easton, Director Dougherty, Chief Taylor and District Counsel Mark Manion were also present.

**Absent:** Director Powell

- 1. Public comment: Any person may address the Board at this time on any non-agenda matter that is within the subject matter jurisdiction of the Montecito Fire Protection District. (30 minutes total time allotted for this discussion.)**

There were no public comments at this meeting.

- 2. That the Board appoint David Neels as the Fire Chief and that the Board approve and authorize the Board President to execute the Fire Chief Employment Agreement between the Montecito Fire Protection District and David Neels. (Strategic Plan Goals 1-8)**

Motion to appoint David Neels as the Fire Chief and authorize the Board President to execute the Fire Chief Employment Agreement between the Montecito Fire Protection District and David Neels made by Director Lee, seconded by Director Easton, and unanimously passed.

- 3. Administer Oath of Office for new Fire Chief.**

Director van Duinwyk administered the Oath of Office to Fire Chief David Neels. The Board took a break at 2:06 p.m. The Board reconvened at 2:20 p.m.

- 4. Recognition of Community Service: Harry Rabin.**

Director van Duinwyk presented a resolution of recognition to Harry Rabin for his outstanding community service.

- 5. Receive Insurance Services Office Public Protection Classification Report from Fire Chief Neels. (Strategic Plan Goal 3)**

- a. Staff report presented by Fire Chief Neels.**

Chief Neels provided a power point presentation regarding the Insurance Services Office Public Protection Classification Report.

**6. Receive Strategic Plan Annual Progress Report from Fire Chief Taylor. (Strategic Plan Goal 3)**

**a. Staff report presented by Fire Chief Taylor.**

Chief Taylor provided a staff report regarding the Strategic Plan Annual Progress Report on organization goals, objectives, and critical tasks.

**7. Consider approval of Resolution 2023-03, adopting the Santa Barbara County Multi-Jurisdictional Hazard Mitigation Plan Update and the Montecito Fire Protection District Local Hazard Mitigation Plan Annex. (Strategic Plan Goal 2)**

**a. Staff report presented by Fire Marshal Briner.**

Fire Marshal Briner provided a staff report regarding the Santa Barbara County Multi-Jurisdictional Hazard Mitigation Plan Update and the Montecito Fire Protection District Local Hazard Mitigation Plan Annex. Motion to approve Resolution 2023-03, made by Director Lee, seconded by Director Easton. The Roll Call Vote was as follows:

Ayes: S. Dougherty, P. van Duinwyk, M. Lee, S. Easton

Nays: None

Abstain: None

Absent: J. A. Powell

**8. That the Board of Directors authorize the Fire Chief to enter into an agreement with Pueblo Construction, in the amount of \$185,089.93 for the fire repair and installation of flooring at Fire Station 92. (Strategic Plan Goal 5)**

**a. Staff report presented by Battalion Chief Chapman.**

Chief Neels provided a staff report regarding the Fire Station 92 repair project. Motion to authorize the Fire Chief to enter into an agreement with Pueblo Construction, in the amount of \$185,089.93 for the fire repair and installation of flooring at Fire Station 92 made by Director Easton, seconded by Director Dougherty and unanimously passed.

**9. Consider approval of Resolution 2023-02, that the Montecito Fire Protection District expressing the District's desire that the County of Santa Barbara Board of Supervisors award the Santa Barbara County Fire Department, the County Ground Ambulance Contract. (Strategic Plan Goal 3)**

**a. Staff report presented by Fire Chief Taylor.**

Chief Taylor provided a staff report regarding the support for County Fire provided ambulance service. Motion to approve Resolution 2023-02, made by Director Easton, seconded by Director Lee. The Roll Call Vote was as follows:

Ayes: S. Dougherty, P. van Duinwyk, M. Lee, S. Easton

Nays: None

Abstain: None

Absent: J. A. Powell

**10. Report from the Finance Committee. (Strategic Plan Goal 8)**

**a. Consider recommendation to approve January and February 2023 financial statements.**

Director Lee provided a report regarding the January and February 2023 financial statements. Motion made by Director Easton, seconded by Director Lee, and unanimously passed to approve the January and February 2023 financial statements.

**b. Review PARS Post-Employment Benefits Trust statements for January and February 2023.**

Director Lee provided a report regarding the PARS Post-Employment Benefits Trust statement for January and February 2023.

**11. Approval of Minutes of the February 27, 2023 Regular Meeting.**

Motion to approve the minutes of the February 27, 2023 Regular meeting made by Director Dougherty, seconded by Director Easton, and unanimously passed.

**12. Fire Chief's report.**

Fire Marshal Briner provided an update regarding Neighborhood Chipping Program. Chief Neels provided an update regarding recent storm events. He also provided an update regarding the San Ysidro round about and Hwy 101 projects. Chief Neels expressed his gratitude to Chief Taylor.

**13. Board of Director's report.**

Director van Duinwyk provided a presentation of appreciation to Chief Taylor on behalf of the Board of Directors. The Board members expressed their gratitude to Chief Taylor.

**14. Suggestions from Directors for items other than regular agenda items to be included for the April 24, 2023 Regular Board meeting.**

Director Lee asked Chief Neels to provide an update on the rental property rebuild, as well as the status of the Caltrans agreement during the Chief's report at the next meeting.

Meeting Adjourned at 3:38 p.m.

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President Peter van Duinwyk

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Secretary Sylvia Easton

# Agenda

## Item #10



# QUARTERLY OPERATIONS REPORT

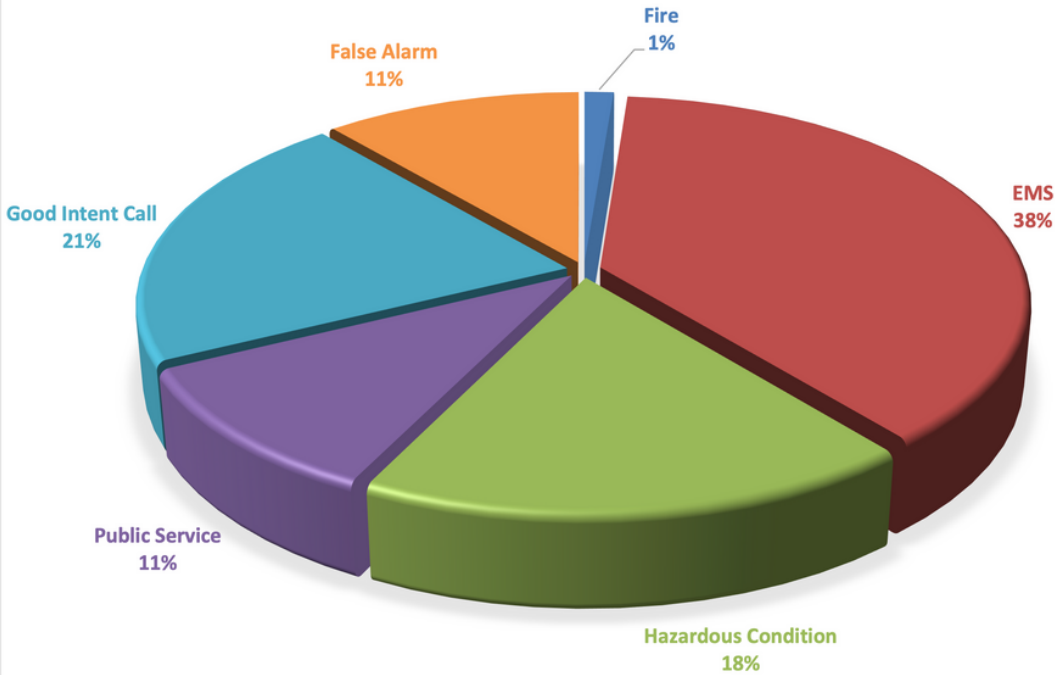
Board of Directors  
Meeting  
April 24, 2023



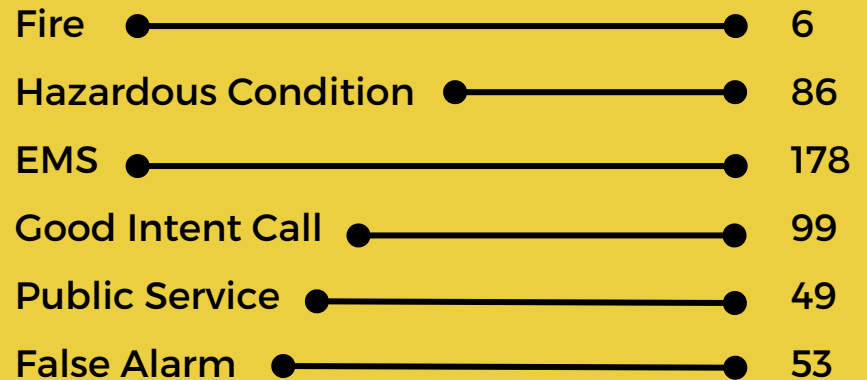
**MONTECITO  
FIRE  
DEPARTMENT**



## RESPONSES BY PERCENTAGE



## RESPONSES BY CATEGORY



**TOTAL INCIDENTS: 471**



# EMERGENCY CALLS FOR SERVICE

April 24, 2023 - Regular Pg 109

**Board Policy: Total Response Time of 7:00 minutes, 90% of the time**

Total Response Time = Call Processing + Turnout Time + Drive Time  
(1:00) (2:00) (4:00)

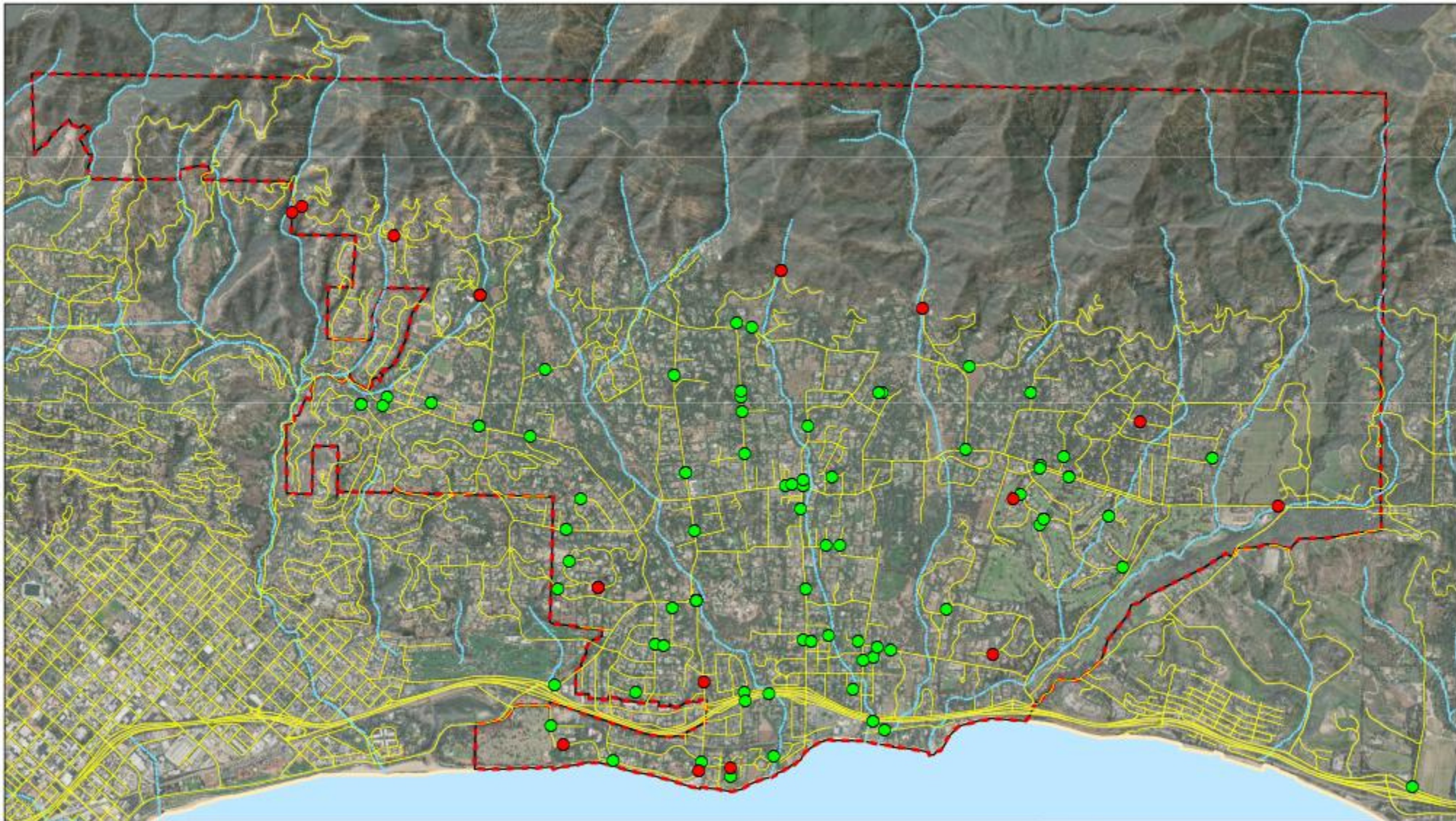
**TOTAL EMERGENCY CALLS IN MTO DISTRICT = 119**

Total Response Time  $\geq$  7:00 = 16 Calls = 13%

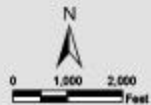
Total Response Time  $\leq$  7:00 = 103 Calls = 86%

**7:00 minutes or less, 86% of the time for Emergency Response in Q1**

# 7-MINUTE RESPONSE MAP



**Z WORLD**  
GEOGRAPHICAL INFORMATION SYSTEMS  
www.zworldgis.com • 805.488.0728



**Emergency Response Time:**

- Under 7 Minutes (103)
- Over 7 Minutes (18)

- ⊕ MFD Boundary
- Streets
- ~ Creeks & Rivers



**MONTECITO FIRE DISTRICT**  
Emergency Response - Under 7 Minutes  
to Arrival on Scene (Q1 2023)  
20230418  
Compiled by ZWORLD GIS.



## JANUARY STORMS - 1/4 & 1/9

In January, a series of significant storms moved through the South Coast causing extreme saturation of our mountains and foothills, subsequently creating a serious risk for flooding and debris flow. On January 4, identified areas of the Storm Impact Consideration Map were ordered to evacuate. Following the storm, our debris basins were cleared and storm impacts were mitigated across the district. Community members were allowed to return home 24 hours after the evacuation order went into effect.

On January 9, a more powerful storm hit the South Coast and our watershed began to behave unpredictably. In coordination with our partners, we evacuated the entire community of Montecito out of an abundance of caution and potential that first responders may not be able to reach trapped residents. The district suffered serious impacts including road washouts, debris-laden flooding and landslides. The evacuation order was lifted 24 hours later and community members were urged to use caution when returning home. Recovery efforts from these storms began immediately and are ongoing.





## STRUCTURE FIRE

Montecito Fire responded to a reported structure fire on the 900 block of Picacho Lane at 4:56 p.m. on January 27. Upon arrival, Montecito firefighters saw light smoke coming from the garage. The fire was contained to the garage and knocked down within 10 minutes of firefighters arriving on scene. One adult male was taken to the hospital by paramedics for smoke inhalation.

Approximately 25 firefighters responded to the incident from Montecito Fire, Carpinteria-Summerland Fire and Santa Barbara City Fire.





## MARCH 13-14 STORM

On March 13, a significant storm moved through the South Coast, once again creating flooding and debris flow risk for areas identified on the Storm Impact Consideration Map. An evacuation warning for those select areas was issued on the evening of March 13 and upgraded to an evacuation order the following morning.

By 5:30 p.m. on March 14, the evacuation order was lifted as all residents were allowed to return home.

Storm impacts across the district included many downed trees and lines, roadway flooding and minor slides.





## TREE INTO STRUCTURE

On March 21, a large Torrey Pine fell onto a residence on Pomar Lane. The tree fell onto the home's living room where the family was sitting at the time. Fortunately, no one was injured. The structure suffered significant damage and was red-tagged by the County Building Department. Montecito firefighters shored up the structure to provide temporary stability.

Saturated root systems and drought-stressed trees led to numerous downed tree issues across the district over Q1 of 2023.





# MUTUAL AID RESPONSES

## SAN MIGUEL SEARCH FOR MISSING CHILD

On January 21, Montecito Fire sent four of our Urban Search & Rescue team members to San Miguel to assist with the search for a missing five-year-old boy who was swept away by floodwaters.





## HAZMAT RESPONSE AT UCSB

On March 6, Montecito HazMat personnel responded as part of the South Coast HazMat team to a hazardous chemical emergency at UCSB.

They responded as mutual aid along with Carpinteria-Summerland, Santa Barbara City, Santa Barbara County, UCSB, and AMR to mitigate the emergency.

The event represents the entire operational area group of agencies' commitment to collaboration in the efficient use of each agency's strengths and capabilities.

Photo: Firefighter Nick Eubank prepares equipment for hazmat response





# TRAINING IN Q1

## ANNUAL EMS UPDATE AT MONTECITO FIRE

Montecito Fire hosted the Annual EMS Update at Station 91 on March 10 for local paramedics to reinforce their skills. This training brought together paramedics from across the county to practice skills and review the latest updates to medical policies and procedures.

The training is in collaboration with the Santa Barbara County Emergency Medical Services Agency. Paramedics from Santa Barbara County Fire, Carpinteria-Summerland Fire and Montecito Fire participated in this year's training.



Dr. Angel Iscovich, our medical director since our paramedic program's inception in 1993, instructed area paramedics in advanced airway interventions.



# PERSONNEL UPDATES

## RETIREMENTS & PROMOTIONS

On March 31, Chief Taylor officially retired after 35 years of service and more than eight years with Montecito Fire.

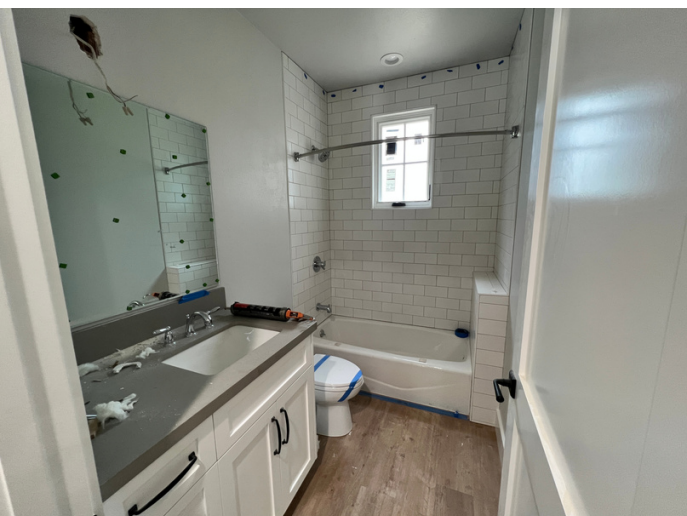
David Neels was appointed as Fire Chief, effective April 1.





# CONSTRUCTION UPDATE - 1255 E. VALLEY

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# CONSTRUCTION UPDATE - 1257 E. VALLEY

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