

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 27, 2015 at 2:00 p.m.

Agenda Items May Be Taken Out Of The Order Shown

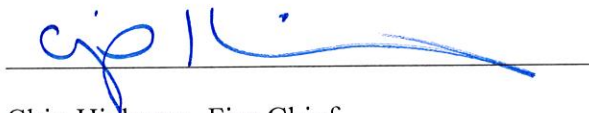
1. Public comment: Any person may address the Board at this time on any non-agenda matter that is within the subject matter jurisdiction of the Montecito Fire Protection District. (30 minutes total time is allotted for this discussion.)
2. Recognition of Dispatcher Scott Edwards as Employee of the Year, and recipient of the Montecito Rotary Club's 2015 Vocational Public Safety Service Award.
3. Report from the Finance Committee (copy of Agenda for Finance Committee Meeting attached).
 - a. TIME CERTAIN: 2:05 p.m.: Conference call with Craig Fechter of Fechter & Company regarding Annual Financial Report for the Fiscal Year Ended June 30, 2014.
 - b. Consider recommendation for acceptance of Fechter & Company's Annual Financial Report for the Fiscal Year Ended June 30, 2014.
 - c. Consider recommendation to approve District's March 2015 financial statements.
 - d. Consider recommendation to approve the purchase of replacement vehicle for Medic 91 Ambulance, per Resolution 2013-18. (Approved in Fund 3652 FY 2014-15 Budget.)
 - e. Consider recommendation to approve Resolution 2015-03, amending Resolution 2013-18 regarding the rules and regulations for the purchasing of supplies and equipment, special services, and contractors for public improvement projects.
4. Consider renewal of contract with Sullivan Curtis Monroe for District's Broker of Record for Worker's Compensation Claims Administration.
5. Consider award of contract for construction/repair work at District's rental property located at 1257 East Valley Road.
6. Consider declaring 2005 CAE Medical Meti-Man Patient Simulator as excess property in order to allow for disposal.

7. Report on responses from property owners of sites identified in Station 3 Site Identification Study regarding property availability.
8. Discussion on imposing a fire protection mitigation fee upon new development within the jurisdiction of the Montecito Fire Protection District.
9. Discussion of recent court of appeal decision regarding the confidentiality of attorney billing invoices provided to public agencies.
10. Approval of Minutes of March 23, 2015 Regular Meeting.
11. Fire Chief's report.
12. Board of Director's report.
 - a. Report from Director Powell on attendance at FDAC conference April 8-April 10, 2015 in Napa, CA.
13. Suggestions from Directors for items other than regular agenda items to be included for the May 26, 2015 Regular Board meeting.

Adjournment

This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of the posting is April 22, 2015.

MONTECITO FIRE PROTECTION DISTRICT



Chip Hickman, 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 #3

ATTACHMENT

#A

**MONTECITO
FIRE PROTECTION DISTRICT
MANAGEMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2014**

MONTECITO FIRE PROTECTION DISTRICT

Management Report
For the Year Ended June 30, 2014

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Craig R. Fechter, CPA, MST
Scott A. German, CPA

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

In planning and performing our audit of the financial statements of the Montecito Fire Protection District for the year ended June 30, 2014, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. We thank the District's staff for its cooperation on this audit.

Fechter & Company,
Certified Public Accountants

A handwritten signature in black ink that reads 'Fechter & Company, CPAs'. The signature is written in a cursive, flowing style.

February 27, 2015
Sacramento, California

MONTECITO FIRE PROTECTION DISTRICT
Required Communications
For the Year Ended June 30, 2014

The Auditor's Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 26, 2013, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Internal Control Related Matters

In any smaller entity, whether private enterprise or a governmental agency, the lack of segregation of duties can present potential issues in regards to the perpetuation and concealment of fraud. Even with a perfect segregation of duties frauds can be perpetuated and concealed. The District can perform some specific control procedures to help reduce the risk of fraud, however. Some of the controls would include:

- Having someone independent of the bank reconciliation function review the bank statements on a monthly basis.
- Examining financial statements on a monthly basis at the management and department levels.
- Examining a budget to actual report on a frequent basis.

MONTECITO FIRE PROTECTION DISTRICT
Required Communications
For the Year Ended June 30, 2014

- Comparing the financial statements on a detailed level to the prior year on a frequent basis.
- Having someone independent of the payroll process review payroll on a bi-weekly basis, checking for accuracy of pay rates, paid time off recorded, etc.
- Verifying that a second person is approving all disbursement activity and that an individual independent of the accounting function is signing checks and asking questions about invoices presented for payment.
- Frequently displaying “professional skepticism” when considering staff responses on District finances.

California Government Code Section 12422.5 requires the State Controller’s office to develop internal control guidelines applicable to each local agency by January 1, 2015. The intent of the legislation is to assist local agencies in establishing a system of internal control to safeguard assets and prevent and detect financial errors and fraud. To this end, the State Controller’s Office has produced a draft of control guidelines for local Agencies. As the District contemplates changes to its system of internal control, we advise in utilizing these guidelines when developing internal procedures to assist with your internal control processes.

The State Controller’s office has defined internal controls into five components that work together in an integrated framework. Their guidelines were adopted from the definitions and descriptions contained in *Internal Control – Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The components are:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

Control environment is the set of standards, processes, and structures that provided the basis for carrying out internal control across the entity. The governing board and management establish the “tone at the top” regarding the importance of internal control, including expected standards of conduct which then cascade down through the various levels of the organization and have a strong effect on the overall system of internal control.

A District’s *Risk Assessment* process includes how management identifies risks (including fraud risk) relevant to the preparation and fair presentation of the financial statements in accordance with the District’s applicable financial reporting framework. In addition, this would also involve areas of business and operational risk which could potentially affect the District’s finances on a go-forward basis.

Control Activities are in reference to establishing policies and procedures that achieve management directives and respond to identified risks in the internal control system. These are specific procedures designed to perform a secondary review of internal processes that will allow for segregation of duties and a management level review of processed transactions.

MONTECITO FIRE PROTECTION DISTRICT
Required Communications
For the Year Ended June 30, 2014

Information and Communication are the District's methods of identifying what information is relevant to present to management and the board to assist the District in making the correct decisions. It also is in reference to the District's internal processes of gathering and summarizing that information.

Monitoring involves evaluating the effectiveness of controls on an on-going basis and taking remedial actions when necessary when identified by the other control procedures in place. On-going monitoring activities often are built into the normal recurring activities of a local government and include regular management and supervisory activities.

There is no catch-all for finding all instances of fraud within any entity, whether public or private. One of the key factors in helping prevent fraud is to encourage ethical behavior at all levels of the organization, i.e., "tone at the top". Another key would be to note instances of abnormal behavior of finance or accounting staff when questioned about District financial matters.

The District should remember that they have outside resources available in the case of fraud – they are able to contact the District auditor, their attorney, or the county auditor-controller should anyone feel there is a chance of fraud or abuse.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

- Accrual and disclosure of compensated absences
- Capital asset lives and depreciation expense
- Actuarial study to estimate the annual required contribution of pension plan
- Actuarial study to estimate annual required contribution for post-employment benefits

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial statements to be materially misstated). The following audit adjustments, in our judgment, indicate matters that could have a significant effect on the District's financial reporting process:

- Posting of all GASB 34 entries on behalf of the District

MONTECITO FIRE PROTECTION DISTRICT
Required Communications
For the Year Ended June 30, 2014

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

MONTECITO FIRE PROTECTION DISTRICT
Current Year Recommendation
For the Year Ended June 30, 2014

1. Condition

During the course of our audit over payroll we inquired about the monitoring activities of the District with respect to processed payroll. Once time cards have been approved, is the responsibility of the District's in-house accountant to input time, overtime, pay rate changes and other pay categories into the District's software. The District utilizes a third party software provider (ADP) to process its payroll. Once the District's accountant inputs payroll into the system she will then submit to ADP for actual financial processing. After payroll has been processed, the District will receive a "payroll register" from ADP which reports salaries paid, overtime paid, and other pay categories paid. According to our inquiries, neither the pre-submission payroll nor the post-submission payroll is reviewed by a party other than the District accountant who processes payroll.

The fact that payroll is not reviewed by a secondary party either pre or post-submission is an internal control weakness. It is a weakness because:

- The Accountant can make changes to pay rates in the system.
- The Accountant can input overtime into the system.
- The Accountant can make changes to hours in the system.
- It is likely the Accountant could also input extra categories of pay into the system.
- The Accountant could make an error in processing payroll for any of the above.

An effective monitoring procedure would require that a party independent of the Accountant review payroll at minimum once payroll has been processed. Requiring this procedure would act as a deterrent for fraudulent acts and would also provide a secondary party the opportunity to catch other errors that occur during the normal course of business. The proposed reviewer should be someone inside of the District who is comfortable handling financial matters and is also familiar with scheduling.

2. Management Response

The Fire Chief will issue letters to all employees receiving pay rate changes as a result of being hired, promoted, or receiving a longevity increase based on years of services. A copy of the letter will be kept in the employee's personnel folder.

The Administrative Assistant (or Fire Chief) will review the "Personnel Change Report" generated by ADP. The report lists all new employees, salary and hourly rate changes, and other permanent changes to deduction to deduction codes. The Administrative Assistant will ensure that changes are supported with the appropriate back-up documentation.

The Administrative Assistant will review the "Payroll Report" generated by ADP. The report lists the total pay distributed to each employee.

**MONTECITO FIRE
PROTECTION DISTRICT**

**ANNUAL FINANCIAL REPORT
WITH INDEPENDENT AUDITOR'S REPORT THEREON
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

MONTECITO FIRE PROTECTION DISTRICT

Annual Financial Report
For the Fiscal Year Ended June 30, 2014

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Craig R. Fechter, CPA, MST
Scott A. German, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities of each major fund of the Montecito Fire Protection District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

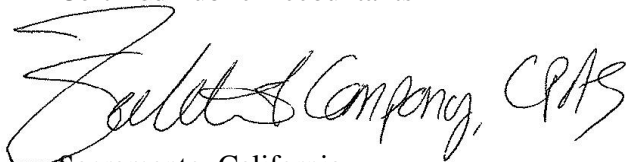
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Montecito Fire Protection District as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion & Analysis, post-employment benefits and budgetary comparison information on pages 3-9 and 31-33, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Fechter & Company,
Certified Public Accountants



Sacramento, California
February 27, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MONTECITO FIRE PROTECTION DISTRICTManagement's Discussion and Analysis (Unaudited)
June 30, 2014

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, 2014. 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 provides 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, 2014

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

	<u>2013</u>	<u>2014</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Assets:				
Current and other assets	\$ 13,729,030	\$ 14,662,925	\$ 933,895	6.8%
Capital assets	10,374,201	10,097,646	(276,555)	-2.7%
Total assets	<u>\$ 24,103,231</u>	<u>\$ 24,760,571</u>	<u>\$ 657,340</u>	2.7%
Liabilities:				
Current and other liabilities	\$ 1,009,575	\$ 1,140,958	\$ (131,383)	-13.0%
Long-term liabilities	3,507,345	2,654,759	852,586	15.0%
Total liabilities	<u>4,516,920</u>	<u>3,795,717</u>	<u>721,203</u>	15.9%
Net Position:				
Invested in capital assets	10,374,201	10,097,646	(276,555)	-2.7%
Unrestricted	9,212,110	10,867,208	1,655,098	17.9%
Total net position	<u>\$ 19,586,311</u>	<u>\$ 20,964,854</u>	<u>\$ 1,378,543</u>	

Total assets increased \$657,340, or 2.7%, when compared to the prior year. This can be attributed to a \$667,574, or 6.8%, increase in current and other assets resulting primarily from an increase in cash and investments of \$933,895.

Long-term liabilities decreased by \$852,586, or 15.0%. This is primarily attributed to a decrease in the pension obligation bonds of \$629,000.

Net position over time is a useful indicator of a government's financial position. For Montecito Fire Protection District, assets exceed liabilities by \$20,964,854 at the close of the current fiscal year. The increase of \$1,378,543 when compared to the prior year, is the amount by which fund revenues exceed expenditures in the current fiscal year (See Table 2 on page 5).

Investment in capital assets (land, buildings, vehicles and equipment) amounts to \$10,097,646 at June 30, 2014, which is a decrease of \$276,555, or 2.7%, when compared to the prior year. The District uses capital assets to provide services to citizens; as such, these assets are not available for future spending. The District does not currently have any outstanding debt related to its capital assets.

Unrestricted net position, in the amount of \$10,867,208, is available to meet the District's ongoing obligations to citizens and creditors. Unrestricted net position increased \$1,655,098, or 17.9%, when compared to prior year.

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)
June 30, 2014

Table 2 – Montecito Fire Protection District Change in Net Position

	<u>2013</u>	<u>2014</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Property taxes	\$ 13,365,323	\$ 14,112,264	\$ 746,941	5.6%
Investment income	(30,906)	98,161	129,067	-
Rental income	48,864	48,864	-	-
Intergovernmental	478,417	594,284	115,867	24.2%
Miscellaneous	177,180	74,099	(103,081)	-58.2%
Total revenues	<u>\$ 14,038,878</u>	<u>\$ 14,927,672</u>	<u>\$ 888,794</u>	6.3%
Expenses:				
Salaries and benefits	11,523,287	11,684,007	(160,720)	-1.4%
Services and supplies	1,083,099	1,353,086	(269,987)	-24.9%
Other expenditures/Interest	132,759	99,120	33,639	25.3%
Depreciation	472,472	412,916	59,556	12.6%
Total expenses	<u>13,211,617</u>	<u>13,549,129</u>	<u>(377,512)</u>	-2.5%
Change in net position	827,261	1,378,543	551,282	
Net Position – Beginning	<u>18,825,658</u>	<u>19,586,311</u>	<u>760,653</u>	
Prior Period Adjustment	<u>(66,608)</u>	<u>-</u>	<u>66,608</u>	
Net Position – Ending	<u>\$ 19,586,311</u>	<u>\$ 20,964,854</u>	<u>\$ 1,378,543</u>	

The District's total revenues increased by \$888,794, or 6.3%, in the current fiscal year. The total increase is primarily attributed to the following factors:

- Property tax revenue increased by \$746,941, or 5.6%, primarily due to property value appreciation and increased construction within the District.
- Intergovernmental revenue increased by \$115,867, or 24.2%, due to more reimbursable fire activity than in the prior year.
- The increase in investment income is primarily due to fair value adjustments that are recorded by the County of Santa Barbara.

The District's total expenses increased by \$377,512, or 2.5%, in the current fiscal year. The total change is primarily due to the following factors:

- An increase in Salaries and Benefits Expense of \$160,720, or 1.4%, resulting primarily from a contribution of over 2 million dollars towards the District's established OPEB fund.

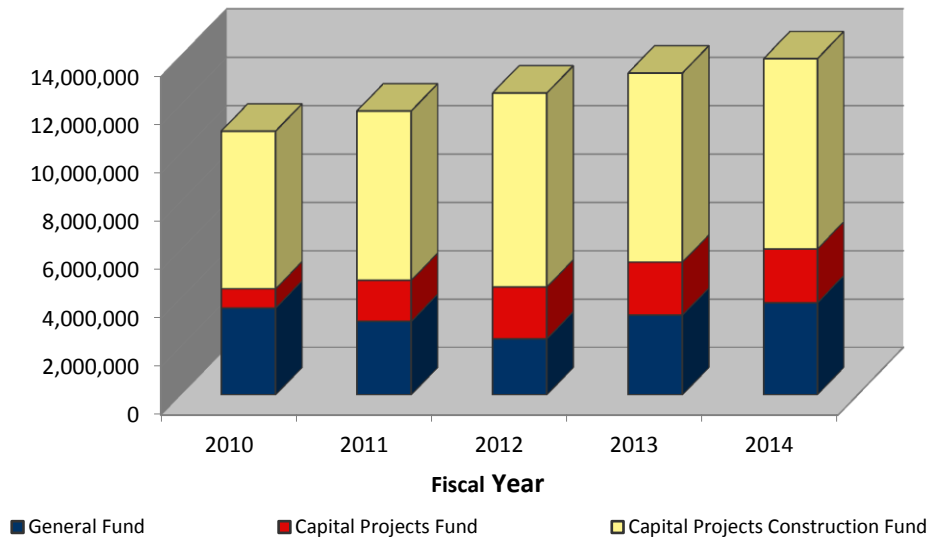
MONTECITO FIRE PROTECTION DISTRICT

Management’s Discussion and Analysis (Unaudited)
June 30, 2014

Analysis of Fund Balances of Individual Funds

The chart below displays the fiscal year end (2010 to 2014) fund balances for the District’s General Fund, Capital Projects Fund, and Capital Projects Construction Fund.

Fund Balances – 5 Year Trend



Total fund balance has increased each year over the five years from fiscal year 2010 to 2014. The General Fund balance includes \$1,200,000 committed to contingencies. The District established the Mello-Roos Fund in the fiscal year ended 2011. The fund balance was \$9,525 and \$19,508 at June 30, 2014 and June 30, 2013, respectively. The Pension Obligation Fund was established in the fiscal year ended 2012. The fund balance was \$347 and \$2,522 at June 30, 2014 and June 30, 2013, respectively.

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

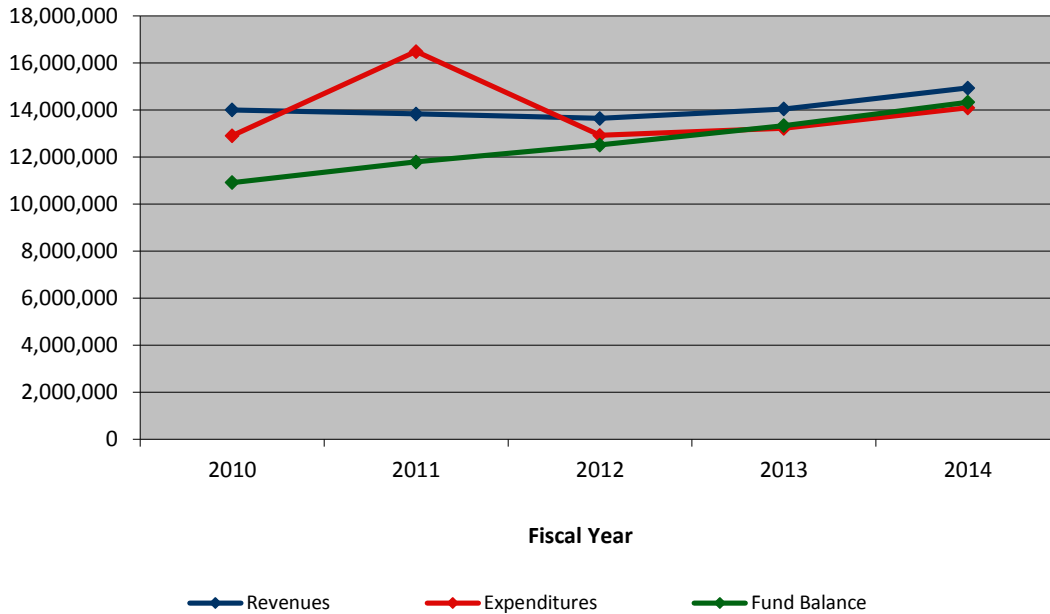
The following chart displays the District’s revenues, expenditures, and ending “Memorandum Only” fund balance totals for the same five-year period. With the exception of the fiscal year ended 2012, when the District recorded a one-time expenditure related to the issuance of the Pension Obligation Bonds, revenue has exceeded expenditures and fund balance has steadily increased.

After slight decreases in revenue from \$13.9 million in the fiscal year ended 2010 to \$13.6 million in the fiscal year ended 2012, revenue has steadily increased to \$14.9 million this fiscal year. Total combined expenditures have increased each fiscal year.

MONTECITO FIRE PROTECTION DISTRICT

Management’s Discussion and Analysis (Unaudited)
June 30, 2014

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 2013-2014 fiscal year operating budget in September of 2013 on a modified accrual basis. As adopted for the General Fund, budgeted revenues totaled \$14,197,817, while projected expenditures totaled \$13,161,160 and operating transfers to the Capital Projects Fund and Pension Obligation Fund totaled \$959,445, resulting in projected balanced spending.

The District formally amended its originally adopted budget in May of 2014. As amended for the General Fund, revised budgeted revenues increased by \$389,316 to \$14,587,133 while projected expenditures increased by \$389,316 to \$13,550,476, and operating transfers remained unchanged at \$959,445. The revised budget had no net effect on fund balance due to the increase in budgeted revenues matching the increase in budgeted expenditures.

Actual revenues for the year were \$432,260 higher and actual expenditures were \$820 lower than the final amended budget on a modified accrual basis. Refer to the required supplementary information on page 31 for the Budget Comparison Schedule.

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)
June 30, 2014

Capital Assets and Debt Administration**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2014, amounted to \$10,097,646 (net of accumulated depreciation). This investment in capital assets includes land, a land easement, 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

	2013	2014	Dollar Change	Percent Change
Land	\$ 2,577,530	\$ 2,577,530	\$ -	-
Land easement	122,308	122,308	-	-
Construction in progress	462,185	462,185	-	-
Structures & improvements	7,408,662	7,408,662	-	-
Equipment	4,267,765	3,962,025	(305,740)	-7.2%
Total Cost	14,838,450	14,532,710	(305,740)	-2.1%
Less: accumulated depreciation	(4,464,249)	(4,435,064)	29,185	0.6%
Total capital assets, net	<u>\$ 10,374,201</u>	<u>\$ 10,097,646</u>	<u>\$ (276,555)</u>	-2.7%

Significant capital asset activity during FY 2014 includes the following:

- The District placed in service a Fire Chief vehicle purchased for \$48,000 and a medical rescue vehicle purchased for \$151,000.
- The District placed in service additional operational equipment totaling approximately \$92,000.
- The District recognized \$412,916 in depreciation expense.
- In August of 2013, the Board of Directors approved a new capital assets policy that increased the capitalization threshold to \$5,000. All capital assets with a purchase price less than \$5,000 were removed.

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)
June 30, 2014

Long-term debt

In May of 2011, the District authorized the issuance and sale of Taxable Pension Obligation Bonds (POB) with a principal amount of \$3,520,000. Proceeds of the sale were used to extinguish an existing "side fund" pension obligation with California Public Employees Retirement System (CalPERS). The bonds were issued at a 4.52% interest rate on the basis of a 360-day year over a seven year period terminating on May 26, 2018. The District made bond principal payments totaling \$629,000 and interest payments totaling \$112,164 during the year ended June 30, 2014. The total outstanding debt at June 30, 2014 was \$2,005,000.

The deferred bond issuance charges are being amortized over the life of the debt. There were no charges recorded in the prior year.

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. If you have any questions regarding this report or need additional financial information, please contact the District at 595 San Ysidro Road, Santa Barbara, California 93108.

BASIC FINANCIAL STATEMENTS

MONTECITO FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2014

	General Fund	Pension Obligation Fund	Mello-Roos Fund	Capital Project Fund
Assets:				
Cash and investments	\$ 4,037,521	\$ 347	\$ 9,515	\$ 2,069,941
Accounts receivable	115,848	-	-	-
Interest receivable	7,744	-	10	1,981
Deposits	67,620	-	-	154,933
OPEB asset	-	-	-	-
Deferred bond issuance charge, net	-	-	-	-
Land	-	-	-	-
Land easement	-	-	-	-
Construction in progress	-	-	-	-
Other capital assets, net	-	-	-	-
Total Assets	<u>\$ 4,228,733</u>	<u>\$ 347</u>	<u>\$ 9,525</u>	<u>\$ 2,226,855</u>
Liabilities:				
Accounts payable	\$ 158,630	\$ -	\$ -	\$ -
Salaries and benefits payable	256,750	-	-	-
Long-term liabilities:				
Portion due within one year:				
Accrued interest	-	-	-	-
Pension obligation bonds	-	-	-	-
Portion due in more than one year:				
Compensated absences	-	-	-	-
Pension obligation bonds	-	-	-	-
Total Liabilities	<u>\$ 415,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances/Net Position:				
Fund Balances:				
Nonspendable	67,620	-	-	154,933
Committed	-	-	-	-
Assigned	1,200,000	-	-	-
Unassigned	2,545,733	347	9,525	2,071,922
Total Fund Balances	<u>3,813,353</u>	<u>347</u>	<u>9,525</u>	<u>2,226,855</u>
Total Liabilities, Fund Balances	<u>\$ 4,228,733</u>	<u>\$ 347</u>	<u>\$ 9,525</u>	<u>\$ 2,226,855</u>
Net Position:				
Invested in capital assets				
Unrestricted				
Total Net Position				

MONTECITO FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET (continued)
JUNE 30, 2014

Capital Projects Construction Fund	Total Memorandum Only	Adjustments	Statement of Net Position	
				Assets:
\$ 7,854,739	\$ 13,972,063	\$ -	\$ 13,972,063	Cash and investments
-	115,848	-	115,848	Accounts receivable
5,688	15,423	-	15,423	Interest receivable
-	222,553	-	222,553	Deposits
-	-	266,321	266,321	OPEB asset
-	-	70,717	70,717	Deferred bond issuance charge, net
-	-	2,577,530	2,577,530	Land
-	-	122,308	122,308	Land easement
-	-	462,185	462,185	Construction in progress
-	-	6,935,623	6,935,623	Other capital assets, net
<u>\$ 7,860,427</u>	<u>\$ 14,325,887</u>	<u>\$ 10,434,684</u>	<u>\$ 24,760,571</u>	Total Assets
				Liabilities:
\$ -	\$ 158,630	\$ -	\$ 158,630	Accounts payable
-	256,750	-	256,750	Salaries and benefits payable
				Long-term liabilities:
				Portion due within one year:
-	-	41,578	41,578	Accrued interest
-	-	684,000	684,000	Pension obligation bonds
				Portion due in more than one year:
-	-	1,333,755	1,333,755	Compensated absences
-	-	1,321,004	1,321,004	Pension obligation bonds
<u>\$ -</u>	<u>\$ 415,380</u>	<u>\$ 3,380,337</u>	<u>\$ 3,795,717</u>	Total Liabilities
				Fund Balances/Net Position:
				Fund Balances:
-	222,553	(222,553)	-	Nonspendable
-	-	-	-	Committed
-	1,200,000	(1,200,000)	-	Assigned
7,860,427	12,487,954	(12,487,954)	-	Unassigned
<u>7,860,427</u>	<u>13,910,507</u>	<u>(13,910,507)</u>	<u>-</u>	Total Fund Balances
<u>\$ 7,860,427</u>	<u>\$ 14,325,887</u>			Total Liabilities, Fund Balances
				Net Position:
		10,097,646	10,097,646	Invested in capital assets
		10,867,208	10,867,208	Unrestricted
		<u>\$ 20,964,854</u>	<u>\$ 20,964,854</u>	Total Net Position

MONTECITO FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	<u>General Fund</u>	<u>Pension Obligation Fund</u>	<u>Mello-Roos Fund</u>	<u>Capital Project Fund</u>
Revenues:				
Property taxes	\$ 14,112,264	\$ -	\$ -	\$ -
Investment income	34,442	15	130	15,438
Rental income	48,864	-	-	-
Intergovernmental	594,284	-	-	-
Miscellaneous	229,539	-	-	-
Total Revenues	<u>15,019,393</u>	<u>15</u>	<u>130</u>	<u>15,438</u>
Expenditures:				
Salaries and benefits	12,118,918	-	-	-
Services and supplies	1,340,311	2,190	10,113	-
Debt service:				
Principal	-	628,996	-	-
Interest	-	112,164	-	-
Bond issuance cost amortization	-	-	-	-
Depreciation	-	-	-	-
Capital outlay	92,067	-	-	199,587
Total Expenditures/Expenses	<u>13,551,296</u>	<u>743,350</u>	<u>10,113</u>	<u>199,587</u>
Excess (deficiency) of revenues over (under) expenditures	1,468,097	(743,335)	(9,983)	(184,149)
Other Financing Sources (Uses):				
Transfers in	-	741,160	-	218,281
Transfers out	(959,441)	-	-	-
Total other financing sources (uses)	<u>(959,441)</u>	<u>741,160</u>	<u>-</u>	<u>218,281</u>
Net change in fund balances	508,656	(2,175)	(9,983)	34,132
Change in net position				
Fund Balances/Net Position - Beginning	<u>3,304,697</u>	<u>2,522</u>	<u>19,508</u>	<u>2,192,723</u>
Fund Balances/Net Position - Ending	<u>\$ 3,813,353</u>	<u>\$ 347</u>	<u>\$ 9,525</u>	<u>\$2,226,855</u>

MONTECITO FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

Capital Projects Construction Fund	Total Memorandum Only	Adjustments	Statement of Activities	
				Revenues:
\$ -	\$ 14,112,264	\$ -	\$14,112,264	Property taxes
48,136	98,161	-	98,161	Investment income
-	48,864	-	48,864	Rental income
-	594,284	-	594,284	Intergovernmental
-	229,539	(155,440)	74,099	Miscellaneous
<u>48,136</u>	<u>15,083,112</u>	<u>(155,440)</u>	<u>14,927,672</u>	Total Revenues
				Expenditures:
-	12,118,918	(434,911)	11,684,007	Salaries and benefits
472	1,353,086	-	1,353,086	Services and supplies
				Debt service:
-	628,996	(628,996)	-	Principal
-	112,164	(13,044)	99,120	Interest
-	-	-	-	Bond issuance cost amortization
-	-	412,916	412,916	Depreciation
147	291,801	(291,801)	-	Capital outlay
<u>619</u>	<u>14,504,965</u>	<u>(955,836)</u>	<u>13,549,129</u>	Total Expenditures/Expenses
47,517	578,147	800,396	1,378,543	Excess (deficiency) of revenues over (under) expenditures
				Other Financing Sources (Uses):
-	959,441	(959,441)	-	Transfers in
-	(959,441)	959,441	-	Transfers out
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total other financing sources (uses)
47,517	578,147	(578,147)	-	Net change in fund balances
		1,378,543	1,378,543	Change in net position
<u>7,812,910</u>	<u>13,332,360</u>	<u>6,253,951</u>	<u>19,586,311</u>	Fund Balances/Net Position - Beginning
<u>\$ 7,860,427</u>	<u>\$ 13,910,507</u>	<u>\$ 7,632,494</u>	<u>\$20,964,854</u>	Fund Balances/Net Position - Ending

NOTES TO THE BASIC FINANCIAL STATEMENTS

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

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, 2014

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 ***Mello-Roos Fund*** accounts for the monies collected and paid on behalf of the pending formation of a Mello-Roos District located in the area served by the District.

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, 2014

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 and 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 uncollectibles. All receivables are deemed to be collectible at June 30, 2014, 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, 2014

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, building 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, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**Other Post Employment Benefits**

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45), addresses how governmental entities should account for and report their costs and obligations related to postemployment benefits, or OPEB. The District offers postretirement medical, dental, and vision benefits. The statement generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. 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 has implemented the requirements of GASB 45 on a prospective basis.

GASB 45 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.

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. The District has deposits of \$67,620 insurance deposit in the General Fund that is considered nonspendable and a truck purchase deposit of \$154,933 in the Capital project fund that is nonspendable.
- *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. The committed fund balance in the General Fund of \$1,200,000 represents funds committed for contingencies.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

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

- *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.

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.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**Implementation of New Accounting Principles**

The District adopted the provisions of GASB Statement No. 63 (GASB 63), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides financial reporting guidance for deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. It also identifies net position as the residual of all other elements presented in a statement of financial position, or the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. As implied above, GASB 63 changes the previous classification of net assets to net position, and consequently, the statement of net assets to the statement of net position. The District had no deferred inflows or outflows of resources as of June 30, 2014.

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, 2014, the District had cash on deposit with the County Treasurer in the amount of \$13,972,063.

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.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements June 30, 2014

NOTE 2: CASH AND INVESTMENTS - continued

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).

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014 is as follows:

	July 1, 2013	Additions	Deletions	June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 2,577,530	\$ -	\$ -	\$ 2,577,530
Land easements	122,308	-	-	122,308
Construction in progress	462,185	-	-	462,185
Total capital assets, not being depreciated	<u>3,162,023</u>	<u>-</u>	<u>-</u>	<u>3,162,023</u>
Capital assets, being depreciated:				
Structures and improvements	7,408,662	-	-	7,408,662
Equipment	4,267,765	268,215	(573,955)	3,962,025
Total capital assets, being depreciated	<u>11,676,427</u>	<u>268,215</u>	<u>(573,955)</u>	<u>11,370,687</u>
Less accumulated depreciation for:				
Structures and improvements	(2,117,651)	(157,460)	-	(2,275,111)
Equipment	(2,346,598)	(255,167)	441,812	(2,159,953)
Total accumulated depreciation	<u>(4,464,249)</u>	<u>(412,627)</u>	<u>441,812</u>	<u>(4,435,064)</u>
Total capital assets, being depreciated, net	<u>7,212,178</u>	<u>(144,412)</u>	<u>(132,143)</u>	<u>6,935,623</u>
Total capital assets, net	<u>\$ 10,374,201</u>	<u>\$ (144,412)</u>	<u>\$ (132,143)</u>	<u>\$ 10,097,646</u>

Depreciation expense amounted to \$412,916 for the fiscal year ended June 30, 2014.

NOTE 4: LONG-TERM LIABILITIES

Changes to the District's long-term liabilities for the year ended June 30, 2014 are as follows:

	July 1, 2013	Additions	Deletions	June 30, 2014	Due in One Year
Compensated absences	\$ 1,230,027	\$ 103,728	\$ -	\$ 1,333,755	\$ -
Pension obligation bonds	2,634,000	-	629,000	2,005,000	684,000
	<u>\$ 3,864,027</u>	<u>\$ 103,728</u>	<u>\$ 629,000</u>	<u>\$ 3,338,755</u>	<u>\$ 684,000</u>

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

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

NOTE 5: PENSION OBLIGATION BONDS

In May of 2011, the District authorized the issuance and sale of Taxable Pension Obligation Bonds (POB) with a principal amount of \$3,520,000. Proceeds of the sale were used to extinguish an existing “side fund” pension obligation with California Public Employees Retirement System (CalPERS). The bonds were issued at a 4.52% interest rate on the basis of a 360-day year over a seven year period terminating on May 26, 2018. The District made bond principal payments totaling \$629,000 and interest payments totaling \$112,163 during the year ended June 30, 2014.

Total POB debt service requirements to maturity as of June 30, 2014, are as follows:

Year Ending June 30,	Pension Obligation Bonds	
	Principal	Interest
2015	\$ 684,000	\$ 83,123
2016	741,000	51,574
2017	435,000	17,402
2018	145,000	6,337
Totals	<u>\$ 2,005,000</u>	<u>\$ 158,436</u>

NOTE 6: INTERFUND TRANSFERS

Interfund transfers in the District’s fund financial statements made during the year ended June 30, 2014, are as follows:

Funds	Inter-fund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ -	\$ 959,441
Pension Obligation	741,160	-
Capital Projects	218,281	-
Total	<u>\$ 959,441</u>	<u>\$ 959,441</u>

During the fiscal year ended June 30, 2014, the District made the following transfers:

A transfer of \$741,160 from the General Fund to the Pension Obligation Fund to finance the principal and interest payments for the District’s Pension Obligation Bonds.

A transfer of \$218,281 from the General Fund to the Capital Projects Fund to finance future apparatus and vehicle purchases.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

NOTE 7: 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.

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 \$29,867 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 American Alternative Insurance Corporation.

NOTE 8: RETIREMENT PLAN**Plan Description**

The District contributes to the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost sharing 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.

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 (5) 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

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

NOTE 8: RETIREMENT PLAN - continued**Plan Description - continued**

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.

CalPERS issues a separate comprehensive annual financial report, copies of which may be obtained from the CalPERS webpage at www.calpers.ca.gov.

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. At fiscal year end, the employer rate for non-safety employees and safety employees was 18.148% and 23.397%, respectively, of annual covered payroll. 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.

Annual Pension Cost

The annual required contribution for the current year was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) an investment return of 7.50%, (b) projected salary increases that vary from 3.30% to 14.20% depending on type of service, age, and an assumed inflation rate of 2.75%, (c) a payroll growth of 3.00%, and (d) merit that also varies by duration of service with an assumed annual inflation of 3.00% and production growth of 0.25%. The actuarial method of the District's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a 15 year period. The District's unfunded actuarial accrued liability is being amortized as a level percent of payroll. The average remaining amortization period at June 30, 2011 was eighteen years for miscellaneous members and seventeen years for safety members.

Regulatory Change

Assembly Bill 340 created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013. This act changes the safety plan from its current 3% at age 50 attributes to a 2.7% at age 57 plan. This will only impact employees hired after January 1, 2013. The initial contribution rate for this plan is 20.742% of reportable compensation.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

NOTE 8: RETIREMENT PLAN - continued

Three Year Trend Information

The District’s required contributions and the percentage contributed for the current fiscal year and each of the two preceding fiscal years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2012	\$ 1,912,656	100%	\$ 0
June 30, 2013	\$ 1,679,002	100%	0
June 30, 2014	\$ 1,729,446	100%	0

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The District provides retiree healthcare benefits for employees who retire with PERS pension benefits immediately upon termination of employment from the District. The District contracts with PERS 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 PERS 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 \$1,458 per month for 2014, and 100% of the premiums for retiree dental and vision coverage. PERS issues a separate comprehensive annual financial report, copies of which may be obtained from the PERS webpage www.calpers.ca.gov.

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, CA 92660.

Funding Policy

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

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued

Funding Policy - continued

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. For the fiscal year ended June 30, 2014, the District contributed \$1,517,146 to the plan, including \$357,839 for current premiums and an additional \$1,175,856 to the PARS Trust to prefund benefits. GASB 45 requires recognition of the current expense of OPEB based on the annual required contribution (ARC), but does not require funding of the related liability.

Annual OPEB Cost and Net OPEB Obligation (Asset)

The District’s annual OPEB cost is calculated based on the ARC of the District, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period not to exceed thirty years.

For the fiscal year ended June 30, 2014, the OPEB ARC was \$978,507. This includes the normal cost of \$341,290 for the year for current active employees, and \$637,217 for UAAL amortization. The District’s OPEB contribution for the fiscal year ended June 30, 2014 was \$1,517,146.

The following are the components of the District’s OPEB cost for the fiscal year ended June 30, 2014:

Annual required contribution (ARC)	\$ 978,507
Contributions made	<u>(1,517,146)</u>
Increase in net OPEB asset	(538,639)
Net OPEB liability (asset) - beginning of year	<u>272,318</u>
Net OPEB liability (asset) - end of year	<u><u>\$ (266,321)</u></u>

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued

Annual OPEB Cost and Net OPEB Obligation (Asset) - continued

The District's annual OPEB cost, the percentage of annual OPEB cost contribution to the OPEB plan, and the net OPEB obligation (asset), for the current year and two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2012	980,420	123%	(337,494)
June 30, 2013	978,507	38%	272,318
June 30, 2014	978,507	155%	(266,321)

Funding Status and Funding Progress

Using the most recent actuarial valuation dated July 1, 2013, the following is the funded status of the OPEB plan:

Annual accrued liability (AAL)	\$ 9,452,985
Actuarial value of plan assets	633,471
Unfunded actuarial accrued liability (UAAL)	<u>\$ 8,819,514</u>
Funded ratio (actuarial value of plan assets/AAL)	6.7%
Covered payroll (active plan members)	\$ 6,621,966
UAAL as percentage of covered payroll	133.2%

Activity in the District's PARS Trust account since the most recent valuation, which will be reflected in the actuarial value of plan assets as of the next, July 1, 2014 valuation date, is as follows:

<u>Fiscal Year Ended</u>	<u>Beginning Balance</u>	<u>Contributions</u>	<u>Net Earnings</u>	<u>Distributions</u>	<u>Ending Balance</u>
6/30/2012	\$ 1,559,356	\$ 849,899	\$ 34,433	\$ -	\$ 2,443,688
6/30/2013	\$ 2,443,688	\$ -	\$ 247,224	\$ -	\$ 2,690,912
6/30/2014	\$ 2,690,912	\$ 1,175,856	\$ 350,288	\$ -	\$ 4,217,056

Actuarial valuations of an ongoing OPEB plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend. Amounts determined regarding the funded status of the OPEB plan and the ARC of the employer are subject to continual revision as actual results are compared

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued**Funding Status and Funding Progress - continued**

with past expectations and new estimates are made about the future. The Schedule of Funding Progress is presented as required supplementary information following the Notes to the Financial Statements. This schedule presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation as well as the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the Projected Unit Credit Cost method was used. The actuarial assumptions included a 6.5% investment rate of return and separate annual healthcare cost trend rates for medical, dental and vision. The medical cost trend rate starts at 8% and declines to 5% over a period of four years. The vision and dental trend rates are both a flat 4%. The OPEB Plan's UAAL is being amortized as a level dollar amount on an open period basis. The remaining amortization period at July 1, 2010 was 30 years.

NOTE 10: WORKFORCE HOUSING

The District has a Housing Committee that researches 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 three residences are currently leased and occupied by two employees of the District and a retired captain of the District. 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, 2014

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

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	\$ 10,168,363
Certain long-term assets, such as the over-funding of the Other Post-Employment Benefits liability, create long-term assets	266,321
Long-term liabilities, including loans and notes payable not due and payable in the current period and therefore are not reported in the funds	(2,046,582)
Other long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore not reported in the funds	<u>(1,333,755)</u>
Combined Adjustment	<u>\$ 7,054,347</u>

Amounts reported for governmental activities in the Statement of Net Position 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.	\$ (121,115)
Repayments of long-term debt are recorded as an expense in the fund financial statements and are adjusted against debt in the statement of net position as an offset to the liability	642,040
Changes in the compensated absences and OPEB liabilities are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>279,471</u>
Combined Adjustment	<u>\$ 800,396</u>

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2014

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.

Mello-Roos Community Facilities District

In a special election held on June 17, 2012, property owners in the Upper Hyde Road area approved the formation of a Mello-Roos Community Facilities District (Mello-Roos District) for the purpose of financing street and related improvements for the reconstruction of Upper Hyde Road. Acting as an agent for the property owners, the District is overseeing the formation of the Mello-Roos District in accordance with the Mello-Roos Community Facilities Act of 1982 (the Act). Pending completion of the Act's requirements, the District would have the authority to issue up to \$5,000,000 in special tax bonds and levy a special tax to pay annual debt service on the bonds, annual maintenance costs for the improvements, and administrative costs. This District was dissolved subsequent to the balance sheet date in October of 2014.

NOTE 13: SUBSEQUENT EVENTS

Subsequent events have been reviewed through December 31, 2014, the date the financial statements were available to be issued. The only significant event that was found to have happened that materially affected the District's financial position is as of December 31, 2014 Community Facilities District No. 2011 Fund 3654 Montecito Fire Upper Hyde Road (UHR) Mello-Roos was dissolved and officially closed on December 31, 2014.

REQUIRED SUPPLEMENTARY INFORMATION

**MONTECITO FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Unaudited)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property taxes	\$13,874,770	\$ 13,874,770	\$ 14,112,264	\$ 237,494
Investment income	14,345	14,345	34,442	20,097
Rental income	48,864	48,864	48,864	-
Intergovernmental	77,800	467,116	594,284	127,168
Miscellaneous	182,038	182,038	229,539	47,501
Total revenues	<u>14,197,817</u>	<u>14,587,133</u>	<u>15,019,393</u>	<u>432,260</u>
Expenditures				
Salaries and benefits	11,877,328	12,266,644	12,118,918	147,726
Services and supplies	1,254,142	1,254,142	1,340,311	(86,169)
Capital outlay	29,690	29,690	92,067	(62,377)
Total expenditures	<u>13,161,160</u>	<u>13,550,476</u>	<u>13,551,296</u>	<u>(820)</u>
Excess of revenues over expenditures				
Other Financing Uses:				
Transfers out	<u>(959,445)</u>	<u>(959,445)</u>	<u>(959,441)</u>	-
Total other financing uses	<u>(959,445)</u>	<u>(959,445)</u>	<u>(959,441)</u>	-
Net changes in fund balances	<u>\$ 77,212</u>	<u>\$ 77,212</u>	<u>508,656</u>	
Fund balances - Beginning			<u>3,304,697</u>	
Fund balances - Ending			<u>\$ 3,813,353</u>	

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Budgetary Comparison Schedules
Required Supplementary Information (Unaudited)
June 30, 2014

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 May of 2014.

MONTECITO FIRE PROTECTION DISTRICT

Required Supplementary Information
 Other Post-Employment Benefits (OPEB) Plan – Schedule of Funding Progress
 For the Fiscal Year Ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2007	\$ 0	\$14,752,000	\$14,752,000	0.0%	\$5,398,000	273.3%
7/1/2010	\$ 633,471	\$ 9,452,985	\$ 8,819,514	6.7%	\$6,621,966	133.2%
7/1/2013	\$2,746,320	\$10,082,480	\$ 7,336,160	27.22%		

ATTACHMENT

#C

**MONTECITO FIRE PROTECTION DISTRICT
CASH RECONCILIATION - ALL FUNDS
March 31, 2015**

	Fund 3650 General	Fund 3651 Pension Obl.	Fund 3652 Capital Outlay	Fund 3653 Land & Bldg	All Funds
Cash Balance at 3/1/15	4,175,992.80	164.32	2,119,133.54	6,376,925.51	12,672,216.17
Income:					
Tax Revenue	-	-	-	-	-
CSFD Dispatch Services	21,435.00	-	-	-	21,435.00
Cal Card rebate	228.26	-	-	-	228.26
Rental Property Distribution	10,000.00	-	-	-	10,000.00
CalOES - King Fire, 09/16-09/28/14	167,604.28	-	-	-	167,604.28
CalOES - Miguelito Fire, 05/13-05/16/14	26,962.45	-	-	-	26,962.45
USFS - El Portal Fire, 07/27-08/14/14	14,789.54	-	-	-	14,789.54
USFS - Tecolote Fire, 08/18/14	1,622.00	-	-	-	1,622.00
USFS - King Fire, 09/15-10/02/14	29,750.38	-	-	-	29,750.38
	<u>272,391.91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,391.91</u>
Expenses:					
Claims Processed	(206,728.55)	-	(35,689.29)	-	(242,417.84)
Payroll	(875,820.51)	-	-	-	(875,820.51)
Other:					
Interfund Transfers	-	-	-	-	-
Reimbursed expenses*	10,139.62	-	-	-	10,139.62
	<u>(1,072,409.44)</u>	<u>-</u>	<u>(35,689.29)</u>	<u>-</u>	<u>(1,108,098.73)</u>
Cash Balance at 3/31/15	<u>3,375,975.27</u>	<u>164.32</u>	<u>2,083,444.25</u>	<u>6,376,925.51</u>	<u>11,836,509.35</u>
Cash in Treasury per Balance Sheet	<u>3,876,937.79</u>	<u>164.32</u>	<u>2,083,444.25</u>	<u>6,376,925.51</u>	<u>12,337,471.87</u>
Difference	500,962.52	-	-	-	500,962.52
Reconciliation:					
Outstanding payroll claims					
Delta Dental	14,227.03	-	-	-	14,227.03
Vision Service Plan	2,906.80	-	-	-	2,906.80
CalPERS retirement contributions	84,465.85	-	-	-	84,465.85
Mass Mutual contributions	20,722.55	-	-	-	20,722.55
Payroll checks	4,837.74	-	-	-	4,837.74
Payroll Taxes & Direct Deposit	286,007.27	-	-	-	286,007.27
Accounts Payable					
CalPERS retirement contributions	86,295.28	-	-	-	86,295.28
Fidelity National Title	1,500.00	-	-	-	1,500.00
	<u>500,962.52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,962.52</u>

* Summary of reimbursed expenses:

CalOES reimbursement for OES 317 repair, \$1,325.38
State Compensation Ins Fund - Temporary disability payments, 2/1-2/13/15, \$1,995.76
State Compensation Ins Fund - Temporary disability payments, 2/14-2/27/15, \$2,149.28
State Compensation Ins Fund - Temporary disability payments, 2/27-3/13/15, \$2,149.28
State Compensation Ins Fund - Temporary disability payments, 3/14-3/27/15, \$2,149.28
S. Bumanglag reimbursement for health premium (2 months), employee portion, \$51.04
T. McElwee reimb. for badge purchased, \$90.00
A. Widling reimb. for belt buckle/patch purchased, \$28.97
S. Chapman reimb. for badges purchased, \$190.00
C. Hickman reimb. for personal CC purchase, \$10.63

**MONTECITO FIRE PROTECTION DISTRICT
WARRANTS AND CLAIMS DETAIL
March 2015**

Payee	Description	Amount
Fund 3650 - General		
Across The Street Productions	Blue Card Command: K. Taylor	346.50
ADP Inc	ADP fees, 2 periods	477.45
Advance Marking Systems	PPE: Passport name tags for Grant	31.99
Aflac	Employee paid insurance, February	1,549.22
AG Ent	Annual backflow testing and repair	464.86
Allstar Fire Equipment Inc	PPE: Turnout sets for new hires (3)	6,686.28
Ameravant	Website upgrade - final payment	1,125.00
Angel L Iscovich	Medical director services, July-December 2014	3,000.00
Aqua Lab Industries	Hydrostatic testing (8 bottles)	174.00
B&T Service Station Contractors	Diesel pump repair	2,062.00
Bennewate, Brandon	B. Bennewate Reimb: Firehouse World	599.00
Broumand, Alex	A. Broumand Reimb: Firehouse World	971.75
Bunnin	Vehicle repair for R91: new turbo hose	773.76
Burtens Fire Inc	Vehicle supplies: door holders (2)	75.78
Callback Staffing Solutions LLC	Online scheduling program, monthly fee	94.50
Carlos H Amaro	Pre-plans: Biltmore/Breakers Bldg/Village Auto	1,120.00
Carquest Auto Parts	Stock tool supplies	37.68
Carquest Auto Parts	Brake pad and 2 brake rotors: 920 vehicle	160.50
Conexis Benefits Administrator	FSA plan reimbursements, employee paid	2,591.83
Cox Communications	CAD connectivity & Internet, 2 months	5,392.08
Creative Product Source Inc	Public Education supplies: badge stickers	753.89
Department of Justice	Pre-employment LiveScan screening	49.00
Dewitt Pinto Petroleum	Diesel Fuel, 4 visits	2,411.97
Ederer, Travis	T. Ederer Reimb: Captain's Toolbox tuition (3)	135.00
Fidelity National Title Company	Preliminary title reports for Coyote Rd. (3)	1,500.00
Galbraith, Robert	R. Galbraith Reimb: Gatorade, water emer. supplies	44.77
Galbraith, Robert	R. Galbraith Reimb: BBQ parts for repair	43.98
Galbraith, Robert	R. Galbraith Reimb: Laundry detergent	88.52
Galbraith, Robert	R. Galbraith Reimb: Instructor 1A	381.31
Galbraith, Robert	R. Galbraith Reimb: Instructor 1B	295.00
Goldman Magdalin Krikes LLP	Worker's comp legal services	70.00
GovConnection Inc	Mounting racks for server and memory card	254.28
Hauser, Ben	B. Hauser Reimb: L-380 Fireline Leadership	720.00
Holthe, Drue	D. Holthe Reimb: Captain's Tool Box	109.83
Hugo's Auto Detailing	Car wash service, 2 months	430.00
Impulse Internet Services	Phone services, 2 months	962.91
Informa Corp	Computer support, February	3,450.00
Informa Corp	Server Project: IT installation	7,850.00
Interstate Batteries of Sierra Madre	Battery for old Squad 91	236.47
JV Enterprises	Smoke testing on all engines	350.00
Liebert Cassidy Whitmore	Labor attorney fees, 2 months	996.00
Marborg Industries	Refuse disposal, 2 months and portable restroom	959.86
Mission Uniform Service Inc	Shop towels	366.22
Mns Engineers	Upper Hyde Rd. plan review	1,485.00
Montecito Water District	Water service	419.43
Municipal Emergency Svcs Inc	AirPak parts	88.08
Nestle Pure Life Direct	Bottled water	191.12
Perry Ford Lincoln Mazda	Vehicle parts	320.16
Peyton Scapes	Landscape maintenance, 2 months	1,065.00
Precision Imaging	Repair service call for fax machine	85.00

**MONTECITO FIRE PROTECTION DISTRICT
WARRANTS AND CLAIMS DETAIL
March 2015**

Payee	Description	Amount
Precision Imaging	Office copier usage fee, 2 months	509.39
Price Postel & Parma	Legal services, February	2,124.00
Sansum Clinic	Employee medical exams	6,688.00
Santa Barbara News Press	Newspaper subscription, 1 year	183.35
Santa Barbara Trophy	PPE: Academy name badges	28.89
Satcom Global Inc	Satellite phone charges	149.80
SB County Air Pollution Control	APCD Emission fees for generators, FY 14-15	817.64
SB County Auditor-Controller	Additional User Tax	258.81
SB County Environmental Health	Annual Hazardous Materials Permit, Sta. 1 & 2	578.00
SDRMA	Worker's comp insurance premium, 4/1-6/30/15	117,981.00
Sintra Group	Pre-employment background checks - 5 employees	6,585.00
Smittys Towing	Towing service for PT92	187.50
Snap-On Industrial	Small tools for mechanic	38.73
Sprinkle Tire Inc	Tires for E91 and E93 (4 total)	4,135.40
Sprint	E92 Sim card for MDC, February	37.99
Staples Credit Plan	Office supplies: paper, pens, printer ink, coffee	1,020.66
Talon Radio Carriers	D-ring sets for portable radios	59.25
Taylor, Kevin	K. Taylor Reimb: Evernote premium annual plan	45.00
The Gas Company	Gas service	165.96
The Village Service Station	Gasoline charges, January	1,115.48
US Bank Corporate Card	Credit for cupcake tray return	(50.00)
US Bank Corporate Card	Refreshments for Director Jensen reception	17.67
US Bank Corporate Card	NFPA guide book download	57.60
US Bank Corporate Card	Recover keys software	99.95
US Bank Corporate Card	Office supplies: appt books, prevention project	100.20
US Bank Corporate Card	J. Badaracco: Books for Mechanic training	129.83
US Bank Corporate Card	G. Ventura: Cyber Security Training - Hotel	130.02
US Bank Corporate Card	Replacement monitor for 920	133.59
US Bank Corporate Card	Laundry detergent and vacuum repair part	173.09
US Bank Corporate Card	Steel shelves for storage unit	181.02
US Bank Corporate Card	Replacement mini-refrigerator for Prevention staff	204.11
US Bank Corporate Card	Gasoline charges	267.06
US Bank Corporate Card	Training books: Fundamentals of Firefighting	293.07
US Bank Corporate Card	ALS Backpacks (3)	400.11
US Bank Corporate Card	Vehicle cleaning supplies and diesel fluid	408.21
US Bank Corporate Card	C. Hickman/J. Badaracco: FH World	603.00
US Bank Corporate Card	New windshield for 900 vehicle	610.00
US Bank Corporate Card	New hire/promotion helmet shields and Jensen frame	893.71
US Bank Corporate Card	Hydrant maint. supplies, flashlight part, hooks	929.83
US Bank Corporate Card	PPE: Wildland pants/passport tags/hot spot packs	1,134.62
Verizon California	Phone service	1,231.51
Verizon Wireless	Wireless service, February	995.55
Verizon Wireless	Phone upgrade for K. Taylor	251.98
Village Automotive Repair Inc	Vehicle repair for PT92	373.90
West-Mark	Mounting hardware for tools: PT91 and stock	602.09
	Fund 3650 Total	<u>206,728.55</u>
<u>Fund 3652 - Capital Outlay</u>		
Paradise Chevrolet	903 Vehicle: 2015 Chevy Tahoe	35,689.29
	Fund 3652 Total	<u>35,689.29</u>

**MONTECITO FIRE PROTECTION DISTRICT
PAYROLL EXPENDITURES
March 2015**

Regular Salaries	\$	463,093.48
Part-Time Salaries		4,336.74
Directors Fees		1,320.00
Auxiliary		1,062.50
FLSA Safety		4,855.25
FLSA Dispatch		2,920.49
Overtime		82,565.87
Fire Assignment Overtime		-
Chief Officers - Extra Duty		11,304.00
Dispatch Cadre Earnings		1,984.20
Mass Mutual 457 Contribution		7,800.00
4850 Labor Code Payroll		32,369.47
Uniform Allowance (new hires)		<u>2,500.00</u>
 Gross Wages	 \$	 616,112.00
 District Contributions to Insurance		 110,966.09
District Contributions to Medicare/FICA		7,808.38
District Contributions to SUI		402.84
CalPERS Employee Contribution, District paid		47,257.09
CalPERS Employer Contribution, Employee paid		(23,998.81)
CalPERS, District Contribution		121,993.50
Health and Dependent Care FSA Contributions		(3,171.32)
Due to AFLAC		<u>(1,549.26)</u>
 Total Benefits		 <u>259,708.51</u>
Grand Total	\$	<u>875,820.51</u>

**MONTECITO FIRE PROTECTION DISTRICT
OVERTIME COMPENSATION
March 2015**

Name	Date Worked	Comp Hrs	OT Hrs	Total Amount	Sick Relief	Emer. Callback	Training/Class Cover	Paramedic Cont. Ed	Flex Day	Extra Staffing	Shift Vacancy	BC Coverage	Dispatch Coverage	Fire Asgmt	Other	Description	
Ventura, G.	01/23/15		2.0	205.68											205.68	IT issues and CWPPP	
Ventura, G.	01/24/15		2.0	205.68											205.68	IT server issues	
Fuentes, E.	02/17/15		9.0	635.04	635.04												
Galbraith, R.	02/17/15		15.0	883.58	883.58												
Gil, A.	02/24/15		1.5	118.42											118.42	Payroll prep after seminar	
Hickman, K.	02/24/15		2.5	159.08				159.08									
Badaracco, J.	02/27/15		6.0	486.63			486.63									HazMat FRO	
Lauritson, R.	02/27/15		8.0	954.24											954.24	HazMat FRO instruction	
Poulos, T.	02/27/15		8.0	503.64			503.64									HazMat FRO	
Skeli, E.	02/27/15	24.0	-	-													
Lauritson, R.	02/28/15		5.0	596.40							596.40						
Galbraith, R.	03/02/15		10.0	589.05			589.05									Academy cover	
Powell, K.	03/02/15		24.0	1,374.48							1,374.48					Academy cover	
Bennewate, B.	03/03/15		10.0	481.95			481.95									Academy cover	
Zeitsoff, J.	03/03/15		24.0	1,366.92			1,366.92									Academy cover	
Galbraith, R.	03/04/15		10.0	589.05			589.05									Academy cover	
Jenkins, J.	03/04/15		1.5	153.97									153.97				
Klemowicz, E.	03/04/15		4.0	1,145.40							1,145.40						
Poulos, T.	03/04/15		8.0	503.64			503.64										
Purguy, P.	03/04/15		0.5	26.97									26.97				
Purguy, P.	03/04/15		14.0	754.94									754.94				
Hickman, K.	03/05/15		8.0	1,018.08							1,018.08					Academy cover	
Poulos, T.	03/05/15		10.0	-													
Bennewate, B.	03/06/15		24.0	1,156.68							1,156.68						
Poulos, T.	03/06/15		8.0	503.64							503.64						
Chapman, S.	03/07/15		8.0	1,048.32	1,048.32												
Walkup, R.	03/07/15		8.0	939.12							939.12					FIN reports prep	
Gil, A.	03/08/15		4.0	-											-		
Lauritson, R.	03/08/15		23.0	2,743.44							2,743.44						
Mann, K.	03/08/15		16.0	1,128.96					1,128.96								
Fuentes, E.	03/09/15		4.5	317.52			317.52									Academy cover	
Fuggles, K.	03/09/15		10.5	717.73			717.73									Academy cover	
Hickman, K.	03/09/15		6.0	381.78			381.78									Academy cover	
Jenkins, J.	03/09/15		16.0	1,642.32									1,642.32			Academy cover	
Villarreal, J.	03/09/15		24.0	1,861.20			1,861.20									Academy cover	
Ederer, T.	03/10/15		11.0	942.00								942.00					
Hickman, K.	03/10/15		8.0	509.04							509.04						
Payroll 3/16/15				26,644.59													
Andreas, D.	02/23/15		7.0	-											-	HazMat FRO prep	
Andreas, D.	02/24/15		7.5	-											-	HazMat FRO prep	
McCracken, R.	02/24/15		2.5	157.65				157.65									

**MONTECITO FIRE PROTECTION DISTRICT
OVERTIME COMPENSATION
March 2015**

Name	Date Worked	Comp Hrs	OT Hrs	Total Amount	Sick Relief	Emer. Callback	Training/Class Cover	Paramedic Cont. Ed	Flex Day	Extra Staffing	Shift Vacancy	BC Coverage	Dispatch Coverage	Fire Asgmt	Other	Description
Andreas, D.	02/25/15	10.0	-	-												HazMat FRO prep
Andreas, D.	02/26/15	-	9.5	754.11											754.11	HazMat FRO instruction
Bass, L.	02/26/15		8.5	545.70											545.70	HazMat FRO instruction
Andreas, D.	02/27/15	1.5	-	-											-	HazMat FRO instruction
Bass, L.	02/27/15		9.0	577.80											577.80	HazMat FRO instruction
McCracken, R.	02/28/15	6.0	18.0	1,135.08							1,135.08					
Lauritson, R.	03/01/15		3.5	417.48			577.80				417.48					
Bass, L.	03/03/15		9.0	577.80												
Andreas, D.	03/04/15	8.0	-	-												
Bass, L.	03/05/15		9.0	577.80			577.80									
Andreas, D.	03/06/15	3.0	-	-												
Andreas, D.	03/07/15	8.0	16.0	1,270.08	1,270.08											
Bass, L.	03/07/15		24.0	1,540.80							1,540.80					
Broumand, A.	03/10/15		5.0	302.40			302.40									
Edwards, T.	03/10/15		13.0	942.00								942.00				
Zeitsoff, J.	03/10/15		10.0	569.56			569.56									Academy instruction
Edwards, T.	03/11/15		24.0	1,884.00								1,884.00				
Fuentes, E.	03/11/15		9.0	635.04			635.04									
Hickman, K.	03/11/15		11.5	731.75			731.75									Academy cover
Jenkins, J.	03/11/15		16.0	1,642.32									1,642.32			
Lauritson, R.	03/11/15		1.5	178.92							178.92					
Powell, K.	03/11/15		24.0	1,374.48			1,374.48									Academy cover
Edwards, T.	03/12/15		24.0	1,884.00								1,884.00				
Edwards, T.	03/13/15		24.0	1,884.00								1,884.00				
Fuentes, E.	03/13/15		9.5	670.32											670.32	SB City Coverage
Fuggles, K.	03/13/15	16.0	8.0	559.44			559.44									Academy cover
Hickman, K.	03/13/15		9.0	572.67											572.67	SB City Coverage
Holthe, D.	03/13/15		10.5	852.71			852.71									
Klenowicz, E.	03/13/15		9.0	515.43											515.43	SB City Coverage
Lauritson, R.	03/13/15		13.5	1,610.28							1,610.28					
Skei, E.	03/14/15		9.0	-												
Villarreal, J.	03/14/15		15.0	1,163.25							1,163.25					
Elliott, M.	03/15/15		24.0	1,578.96							1,578.96					
Broumand, A.	03/16/15		10.0	604.80				604.80								
Hickman, K.	03/16/15		11.0	699.93				699.93								
Lauritson, R.	03/16/15		0.5	59.64							59.64					
Poulos, T.	03/16/15		8.0	503.64			503.64									
Villarreal, J.	03/16/15		11.5	891.83			891.83									Academy cover
Walkup, R.	03/16/15		24.0	1,408.68							1,408.68					
Bennewate, B.	03/17/15		9.0	433.76				433.76								
Briner, A.	03/17/15		23.0	1,605.29	1,605.29											

**MONTECITO FIRE PROTECTION DISTRICT
OVERTIME COMPENSATION
March 2015**

Name	Date Worked	Comp Hrs	OT Hrs	Total Amount	Sick Relief	Emer. Callback	Training/ Class Cover	Paramedic Cont. Ed	Flex Day	Extra Staffing	Shift Vacancy	BC Coverage	Dispatch Coverage	Fire Asgmt	Other	Description
Fuentes, E.	03/17/15		4.0	282.24			282.24									
Fuggles, K.	03/17/15		9.0	629.37				629.37								
Holthe, D.	03/17/15		10.0	812.10			812.10									Academy instruction
Klenowicz, E.	03/17/15		9.5	544.07			544.07									Academy instruction
Powell, K.	03/17/15		8.5	486.80			486.80									
Skei, E.	03/17/15	6.0	-	-			-									
Hauser, B.	03/18/15		17.0	969.26							969.26					
Hickman, K.	03/18/15		7.5	477.23			477.23									Academy cover
Holthe, D.	03/18/15		13.5	1,096.34			1,096.34									Academy instruction
Klenowicz, E.	03/18/15		11.0	629.97			629.97									Academy instruction
McCracken, R.	03/18/15		9.0	567.54				567.54								
Ventura, G.	03/18/15		2.5	283.05											283.05	Mounting servers on racks
Villarreal, J.	03/18/15		24.0	1,861.20							1,861.20					
Wilding, A.	03/18/15		24.0	1,884.00								1,884.00				
Broumand, A.	03/19/15		5.0	302.40			302.40									
Holthe, D.	03/19/15		11.0	893.31			893.31									Academy instruction
Klenowicz, E.	03/19/15		11.0	629.97			629.97									Academy instruction
Davis, S.	03/20/15		24.0	1,413.72							1,413.72					
Edwards, T.	03/20/15		24.0	1,884.00								1,884.00				
Villarreal, J.	03/20/15		24.0	1,861.20							1,861.20					
Lauritson, R.	03/21/15		24.0	2,862.72							2,862.72					
Blake, G.	03/22/15		24.0	1,475.64							1,475.64					
Fuggles, K.	03/22/15	16.0	8.0	559.44			559.44									Academy cover
McCracken, R.	03/22/15		24.0	1,513.44							1,513.44					
Walkup, R.	03/22/15	8.0	16.0	939.12					939.12							
Mann, K.	03/23/15	8.0	16.0	1,128.96							1,128.96					
McCracken, R.	03/23/15		0.5	31.53						31.53						Late call reporting
Walkup, R.	03/23/15	8.0	16.0	939.12							939.12					
Hickman, K.	03/24/15	16.0	8.0	509.04							509.04					
Klenowicz, E.	03/24/15	4.0	20.0	1,145.40							1,145.40					
Purguy, P.	03/24/15		1.0	53.93						53.93						Late call
Villarreal, J.	03/24/15		24.0	1,861.20							1,861.20					
Bass, L.	03/25/15		12.0	770.40							770.40					
Walkup, R.	03/25/15	8.0	16.0	939.12			939.12									
Briner, A.	03/26/15		24.0	1,675.08							1,675.08					
Payroll 4/1/15				67,225.28												
Grand Total			% of Total	93,869.87	100.00%	5,442.31	22,423.72	3,856.93	2,068.08	85.46	39,065.75	11,304.00	4,220.52	-	5,403.10	
						5.8%	23.9%	4.1%	2.2%	0.1%	41.6%	12.0%	4.5%	0.0%	5.8%	

**MONTECITO FIRE PROTECTION DISTRICT
SUMMARY OF OVERTIME EXPENSE BY CATEGORY**

Fiscal Year 2013-14

Month Paid	Sick Relief	Emergency Callback	Training/Class Cover	Paramedic Cont. Ed	Flex Day	Extra Staffing	Shift Vacancy	BC Coverage	Dispatch Coverage	Other	Subtotal	Fire Assignments	Total OT	Monthly % of Budget	Cum. % of Budget
JULY	17,047.80	1,005.12	1,475.64	516.83	6,730.92	13,279.82	15,550.45	9,420.00	3,630.96	3,726.19	72,383.73	21,550.17	93,933.90	11.1%	11.1%
AUGUST	15,315.23	-	1,322.28	110.79	10,935.72	-	20,107.22	-	861.96	824.53	49,477.73	60,900.04	110,377.77	13.0%	24.0%
SEPTEMBER	12,665.18	2,211.15	2,691.72	429.27	2,722.32	1,726.31	12,127.25	1,884.00	1,763.10	4,918.40	43,138.70	94,071.40	137,210.10	16.1%	40.2%
OCTOBER	21,165.09	1,961.08	1,306.28	470.86	4,835.64	-	18,184.57	9,420.00	1,993.32	7,271.41	66,608.25	-	66,608.25	7.8%	48.0%
NOVEMBER	3,594.15	6,945.40	1,586.97	350.09	1,425.60	-	5,882.79	4,710.00	2,540.88	5,462.78	32,498.66	-	32,498.66	3.8%	51.8%
DECEMBER	6,826.38	1,316.32	-	-	1,687.95	-	24,260.50	12,879.42	7,330.14	399.42	54,700.13	9,239.53	63,939.66	7.5%	59.4%
JANUARY	9,070.66	-	531.59	-	2,919.60	16,384.59	21,701.93	7,536.00	7,897.86	1,171.76	67,213.98	-	67,213.98	7.9%	67.3%
FEBRUARY	4,363.35	1,675.73	254.28	235.40	-	9,011.52	10,115.66	4,710.00	4,724.91	933.33	36,024.18	-	36,024.18	4.2%	71.5%
MARCH	4,059.13	1,259.06	4,929.53	3,421.31	-	1,459.80	24,381.64	17,898.00	2,347.38	6,257.51	66,013.35	-	66,013.35	7.8%	79.3%
APRIL	2,865.60	981.36	1,822.71	156.93	-	1,142.40	43,392.95	21,666.00	1,443.83	9,113.12	82,584.90	-	82,584.90	9.7%	89.0%
MAY	4,949.34	6,884.82	4,117.70	718.31	3,968.04	22,596.42	31,472.36	20,724.00	3,356.64	8,835.36	107,622.98	49,748.43	157,371.41	18.5%	107.5%
JUNE	4,112.40	4,416.03	2,197.94	-	2,148.12	-	35,979.06	11,304.00	12,055.32	2,442.25	74,655.12	5,900.27	80,555.39	9.5%	117.0%
TOTAL	106,034.30	28,656.06	22,236.64	6,409.79	37,373.91	65,600.86	263,156.37	122,151.42	49,946.30	51,356.05	752,921.70	241,409.84	994,331.54	117.0%	
											75.7%	24.3%	100.0%		
YTD Mar. 2014	94,106.96	16,373.85	14,098.29	5,534.55	31,257.75	41,862.04	152,312.00	68,457.42	33,090.51	30,965.33	488,058.70	185,761.14	673,819.84		

Fiscal Year 2014-15

Month Paid	Sick Relief	Emergency Callback	Training/Class Cover	Paramedic Cont. Ed	Flex Day	Extra Staffing	Shift Vacancy	BC Coverage	Dispatch Coverage	Other	Subtotal	Fire Assignments	Total OT	Monthly % of Budget	Cum. % of Budget
JULY	340.88	2,887.45	-	709.26	2,529.00	-	26,949.83	18,840.00	3,199.50	2,773.13	58,229.05	-	58,229.05	6.9%	6.9%
AUGUST	3,195.00	29,957.92	420.10	-	-	-	42,588.18	4,710.00	6,543.30	2,378.76	89,793.26	187,986.81	277,780.07	32.7%	39.5%
SEPTEMBER	9,167.77	265.49	4,534.23	-	1,578.96	24,140.76	27,240.84	7,536.00	2,254.08	956.81	77,674.94	106,053.76	183,728.69	21.6%	61.1%
OCTOBER	9,536.22	292.20	1,316.28	184.46	1,923.25	8,348.79	28,064.87	3,768.00	8,561.00	4,546.38	66,541.45	43,661.73	110,203.18	13.0%	74.1%
NOVEMBER	6,873.48	481.50	2,874.38	381.79	2,385.90	4,026.60	26,656.32	7,536.00	2,777.40	11,513.21	65,506.57	-	65,506.57	7.7%	81.8%
DECEMBER	4,333.41	-	13,067.39	286.34	2,252.12	5,643.78	52,808.90	12,246.00	13,956.94	14,196.77	118,791.63	-	118,791.63	14.0%	95.8%
JANUARY	20,304.55	-	2,491.96	-	-	29.45	47,647.78	16,956.00	5,729.48	4,832.80	97,992.02	-	97,992.02	11.5%	107.3%
FEBRUARY	10,191.28	-	7,225.03	-	1,949.04	-	22,570.02	5,652.00	1,969.97	1,354.82	50,912.16	-	50,912.16	6.0%	113.3%
MARCH	5,442.31	-	22,423.72	3,856.93	2,068.08	85.46	39,065.75	11,304.00	4,220.52	5,403.10	93,869.87	-	93,869.87	11.0%	124.4%
TOTAL	69,384.90	33,884.56	54,353.08	5,418.78	14,686.35	42,274.84	313,592.48	88,548.00	49,212.19	47,955.77	719,310.93	337,702.30	1,057,013.23	124.4%	
	6.6%	3.2%	5.1%	0.5%	1.4%	4.0%	29.7%	8.4%	4.7%	4.5%	68.1%	31.9%	100.0%		\$850,000
											8.1%	24.3%	100.0%		
YTD Mar. 2014	94,106.96	16,373.85	14,098.29	5,534.55	31,257.75	41,862.04	152,312.00	68,457.42	33,090.51	30,965.33	488,058.70	185,761.14	673,819.84		

**MONTECITO FIRE PROTECTION DISTRICT
FIRE ASSIGNMENTS - BILLING
FY 2014-2015**

Fire Name, #	Invoice #	Period Covered	Invoice Date	Agency	Total Due	Date Received	Amount Received
El Portal, CA-YNP-0083	2014-09	07/27-08/14/14	10/23/14	USFS	\$ 14,789.54	03/17/15	\$ 14,789.54
Little Deer (July), CA-KNF-005564		08/01-08/24/14	10/30/14	Cal-OES	88,267.76	01/20/15	88,267.76
Bald Fire, CA-LNF-003479		08/02-08/06/14	10/24/14	Cal-OES	33,595.73	02/09/15	33,595.73
Eiler Fire, CA-SHU-006933		08/06-08/16/14	10/24/14	Cal-OES	96,835.29	01/02/15	96,835.29
Cover BTU-August, CA-BTU-010882		08/09-08/15/14	03/09/15	Cal-OES	75,855.10		
Junction, CA-MMU-014633		08/18-08/21/14	10/30/14	Cal-OES	23,118.98	01/12/15	23,118.98
Tecolote, CA-ANF-004034		08/18/14	11/21/14	Cal-OES	9,548.73	02/09/15	9,548.73
Tecolote, CA-ANF-004034	2014-10	08/18/14	10/23/14	USFS	1,622.00	03/17/15	1,622.00
Way, CA-CND-003148	2014-11	08/19-08/25/14	10/23/14	USFS	11,203.88	01/21/15	11,203.88
Silverado Fire, CA-CNF-002873		09/13-09/15/14	11/21/14	Cal-OES	18,443.29	02/09/15	18,443.29
King Fire, CA-ENF-023461	2014-12	09/18-10/02/14	10/23/14	USFS	29,750.38	03/20/15	29,750.38
Boles Fire, CA-SKU-007064 (Revised)		09/16-09/21/14	11/12/14	Cal-OES	35,018.46	02/05/15	35,018.46
King Fire, CA-ENF-023461 (OES & 391)		09/20-09/26/14	12/04/14	Cal-OES	167,604.28	03/20/15	167,604.28
					\$ 605,653.43		\$ 529,798.32

PRICE, POSTEL & PARMA LLP

COUNSELLORS AT LAW
POST OFFICE BOX 99
SANTA BARBARA, CA 93102-0099

(805) 962-0011

TAX ID # 95-1782877

MONTECITO FIRE PROTECTION DISTRICT
595 SAN YSIDRO ROAD
SANTA BARBARA, CA 93108

March 9, 2015
File #: 12611
Invoice #: 119694
Billing Attorney: MSM

ACCOUNT SUMMARY BALANCE

RE: GENERAL MATTERS Our File Number: 12611-00000	649.00
RE: BOARD MTGS Our File Number: 12611-00061	1,327.50
RE: COYOTE ROAD Our File Number: 12611-00081	147.50
Current Total Charges	2,124.00

* * * * *

SUMMARY OF CURRENT CHARGES

Current Fees	2,124.00	
Total Current Fees & Costs	<u>2,124.00</u>	
Total Current Due		\$2,124.00

SUMMARY OF PAST DUE BALANCES

Total Past Due		\$0.00
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Cochrane Property Management, Inc.

Period: 01 Mar 2015-31 Mar 2015

P.O. Box 4370
 Santa Barbara, CA 93140

Owner Statement



Montecito Fire Protection District (MFPD)
 c/o Cochrane Property Management, Inc.
 PO Box 4370
 Santa Barbara, CA 93140



Properties
186 - Cochrane Prop.
Mgmt. FBO MFPD -
 1255-1259 E. Valley Road
 Santa Barbara, CA 93108

Date	Payee / Payer	Type	Reference	Description	Income	Expense	Balance
				Beginning Cash Balance as of 03/01/2015			5,195.38
03/02/2015	Larry Todd Edwards	ACH receipt	RAAN-HHIE	1255 - Rent Income - February 2015	76.54		5,271.92
03/02/2015	Larry Todd Edwards	ACH receipt	RAAN-HHIE	1255 - Rent Income - March 2015	1,641.46		6,913.38
03/02/2015	Brandon Bennewater	ACH receipt	EVRX-D5VG	1259 - Rent Income - March 2015	1,287.00		8,200.38
03/02/2015	Brandon Bennewater	ACH receipt	EVRX-D5VG	1259 - Charge Back - March 2015 - Property Taxes owed until June 2015	52.00		8,252.38
03/02/2015	Thomas V. Homer	Receipt	1452	1257 - Rent Income - March 2015	1,234.00		9,486.38
03/02/2015	Thomas V. Homer	Receipt	1452	1257 - Prepaid Rent - Prepaid Rent Income	76.00		9,562.38
03/04/2015	Rayne Water Conditioning	Check	18743	1257 - Water/Sewer - Monthly water softening 2/11/15 - March 2015		48.33	9,514.05
03/04/2015	Rayne Water Conditioning	Check	18743	1255 - Water/Sewer - Monthly water softening 2/11/15 - March 2015		77.12	9,436.93
03/04/2015	Rayne Water Conditioning	Check	18743	1259 - Water/Sewer - Monthly water softening 2/11/15 - March 2015		48.33	9,388.60
03/30/2015	Cochrane Property Management, Inc.	Check	18744	Administrative Fee - Monthly service fee - min \$5 - March 2015 - Monthly service fee - min \$5		5.00	9,383.60
03/30/2015	Cochrane Property Management, Inc.	Check	18744	Property Mgmt Fees - Property Mgmt Fees for 03/2015		258.30	9,125.30
03/30/2015	Montecito Water District	Payment	ACH	Water/Sewer - monthly water 01-1256-03: 1/26/15 - 2/26/15 (8 HCF) - March 2015 - Montecito Water monthly bill		64.45	9,060.85
03/31/2015	Hydrex, Inc. (Santa Barbara)	Check	18745	Pest Control - 2/9/15 mo rodent service - 30 bait stations - March 2015 - mo rodent service - 30 bait stations		92.00	8,968.85
03/31/2015	MarBorg Industries	Check	18746	Trash/Recycling - 1-65210 4: 2/28/15 - Mar 2015		178.42	8,790.43
03/31/2015	Peyton/Scapes	Check	18747	Gardening/Landscaping - 2/28/15 mo gardening - March 2015		55.00	8,735.43
03/31/2015	Peyton/Scapes	Check	18747	Gardening/Landscaping - 2/28/15 mo gardening - March 2015		55.00	8,680.43

Date	Payee / Payer	Type	Reference	Description	Income	Expense	Balance	
03/31/2015	Peyton/Scapes	Check	18747	Gardening/Landscaping - 2/28/15 mo gardening - March 2015		55.00	8,625.43	
							Ending Cash Balance	8,625.43
Total					4,367.00	936.95		

Property Cash Summary

Required Reserves	5,000.00
Prepaid Rent for Future Rent	76.00

Cash Flow**Cochrane Property Management, Inc.****Properties:** 186 - Cochrane Prop. Mgmt. FBO MFPD - 1255-1259 E. Valley Road Santa Barbara, CA 93108**Owned By:** Montecito Fire Protection District (MFPD)**Date Range:** 03/01/2015 to 03/31/2015

Account Name	Selected Period	% of Selected Period	Fiscal Year To Date	% of Fiscal Year To Date
Operating Income & Expense				
Income				
Income				
Rent Income	4,305.00	98.81	12,915.00	98.81
Charge Back	52.00	1.19	156.00	1.19
Total Income	4,357.00	100.00	13,071.00	100.00
Total Operating Income	4,357.00	100.00	13,071.00	100.00
Expense				
Office Expenses				
Administrative Fee	5.00	0.11	15.00	0.11
Total Office Expenses	5.00	0.11	15.00	0.11
Repair & Maintenance				
Gardening/ Landscaping	165.00	3.79	495.00	3.79
General Cleaning/ Janitorial	0.00	0.00	160.00	1.22
Pest Control	92.00	2.11	276.00	2.11
Smoke Alarms	0.00	0.00	55.00	0.42
Total Repair & Maintenance	257.00	5.90	986.00	7.54
Property Mgmt Fees	258.30	5.93	774.90	5.93
Utilities				
Water/Sewer	238.23	5.47	714.62	5.47
Trash/Recycling	178.42	4.10	356.84	2.73
Total Utilities	416.65	9.56	1,071.46	8.20
Total Operating Expense	936.95	21.50	2,847.36	21.78
NOI - Net Operating Income	3,420.05	78.50	10,223.64	78.22
Total Income	4,357.00	100.00	13,071.00	100.00
Total Expense	936.95	21.50	2,847.36	21.78
Net Income	3,420.05	78.50	10,223.64	78.22
Other Items				
Prepaid Rent	10.00		30.00	
Owner Distribution	0.00		-10,000.00	
Net Other Items	10.00		-9,970.00	
Cash Flow	3,430.05		253.64	

ATTACHMENT

#D



STAFF REPORT

Prepared for: Montecito Fire Protection Board of Directors

Prepared by: Chief Hickman

Date: April 20, 2015

Topic: Purchase of Medic 91 Ambulance Replacement

Summary

The purchase of a replacement for the Medic 91 ambulance was approved in the Fund 3652 Final Budget for FY 2014-15 at a budgeted amount of \$63,000.

Background

After an extended search for a used ambulance that meets the District's needs and standards, a replacement ambulance has been identified for a purchase price of approximately \$37,400, or \$31,400 with a trade-in of Medic 91. Per Resolution 2013-18, the purchase must be approved by the Board of Directors.

Additionally, the broker has offered a trade-in value of \$6,000 for the current Medic 91 ambulance. Per Resolution 2013-14, the disposal of Medic 91 must be approved by the Board of Directors.

Discussion

The ambulance is available through West Coast Ambulance and Truck Sales, Inc., a highly reputable vendor. The vehicle has been completely refurbished and does not have any mechanical issues. The body of the ambulance is more compact and the interior set up will suit our needs much better for quick transportation.

In regards to the trade-in value, this is a very appealing offer considering that the current ambulance would require many aesthetic improvements in order for us to sell it or seek a broker to assist in selling it. While it is mechanically sound, it has about 100,000 miles, therefore making it a less attractive vehicle.

Conclusion

The Finance Committee recommends that the Board approve the purchase for the replacement of Medic 91 and the disposal of the current Medic 91.

WEST COAST AMBULANCE AND TRUCK SALES, INC.

Truck and Ambulance Dealer • Specializing in 4 Wheel Drive



4101 E. Brundage Lane, Bakersfield, CA 93307

(661) 633-1449 • Fax (661) 633-1584

MOTOR VEHICLE PURCHASE ORDER

Buyer's name: Montecito Fire District

Date: April 3, 2015

Address: 595 San Ysidro Road

Stock # 6131203

City: Santa Barbara, Ca 93108

Price \$ 34,500.00

Telephone: 805-969-7762 Fax 805-969-3598

Smog Fee \$ 58.00

Driver's License #: _____ SS or Tax D# 77-0324641

Doc. Fee \$ 65.00

Make: 2003 FORD E350XLT Type 3 Wheeled Coach Ambulance

Weight Fee \$ Exempt

7.3L Power Stroke Diesel, Auto, PS, PB, AC, AM-FM, Tilt, Cruise,

License Fee \$ Exempt

PW, PDL, ALS Transport 2 Patients, Pre-Piped Oxygen 4 Outlets

Transfer Fee \$ Exempt

Suction, STAR Laser LED Light Bar, Whelen Strobe System,

DMV Fee \$ Exempt

Whelen 295 Siren, Vanner 110V Inverter & Battery Charger,

Lic. Plate Fee \$ Exempt

Ferno Cot Mounts.

Vehicle License #: NONE

Sales Tax \$ 2,765.20

Vin: #

1	F	D	W	E	3	5	F	6	3	H	A	7	4	8	7	4			
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Shipping \$ Buyer's Exp.

The odometer now reads

0	6	1	,	9	6	4	▣
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 (no tenths) miles, and to the best of my knowledge reflects the actual mileage unless one of the following statements is checked.

Smog Cert. \$ 8.25

WARNING ODOMETER DISCREPANCY

Total \$ 37,396.45

Mileage exceeds the odometers mechanical limits Odometer reading is NOT the actual mileage

** Trade In \$6,000.00

Balance Due \$31,396.45

THIS VEHICLE SOLD
AS-IS
UNLESS WRITTEN
GUARANTEE IS
GIVEN AT TIME
OF SALE

To be paid by: 4/17/15

To be picked up by: _____

Seller: West Coast Ambulance and Truck Sales, Inc.

Seller's name: Patricia Gaughan

Buyer's Signature: _____

Print Name: _____

Delivered to: _____

Received by: _____

*** Trade subject to verification of stated condition.

ATTACHMENT

#E



STAFF REPORT

Prepared for: Montecito Fire Protection Board of Directors

Prepared by: Chief Hickman

Date: April 20, 2015

Topic: Revision to Resolution 2013-18

Summary

Resolution 2013-18 provides the rules and regulations for the purchase of supplies and equipment, special services and contractors for public improvement projects, passed by the Board of Directors on November 18, 2013.

Background

The resolution allows for the purchase of supplies, equipment and special services contracts below \$20,000, and contractors for public improvement projects below \$10,000, to be acquired without procuring bids. If a bidding process is required, it must follow one of the bidding methods outlined in the resolution.

Discussion

The resolution provides a complete outline for the proper purchasing procedures and the District Staff in charge of purchases and services is aware of the rules. In many situations, Staff obtains bids regardless of whether the purchase meets the bidding requirement or not, in order to ensure the District is receiving a competitive price.

There two sections of the resolution, which often times cause delays in purchases, and can provide some redundancy to the Board. Section 3 of the resolution states that all items “included in the District’s final budget are considered approved by the Board of Directors and the Fire Chief...is authorized to cause such items to be purchased as provided in these rules and regulations.” Then section 5F states, “all supplies and equipment purchased in excess of \$10,000 shall be pursuant to a contract approved by the Board of Directors.”

In many cases, items over \$10,000 are detailed in the final budget because they are likely purchases or services that are scheduled for purchase, or considered a necessity in that budget’s fiscal year. I would like to propose a revision to section 5F, that would allow me, as the Fire Chief, to authorize the purchase of all supplies and equipment previously approved by the Board via the final budget or a motion at a public meeting. If the purchase exceeds the budgeted or approved amount, the Board must approve the expenditure.

Conclusion

The need to obtain a second approval from the Board of Directors often times causes delays and missed opportunities for purchases. Recently, the District Mechanic found an ambulance through a broker listed with a favorable price and met the needs of the District. However, we could not commit to the purchase without the Board's approval and by the time the next Board meeting packet was prepared, the ambulance was no longer available. In situations like this, it would be convenient to allow me, as the Fire Chief, to give final approval for a purchase.

The Finance Committee supports Staff's request to make changes to section 5F of Resolution 2013-18.

RESOLUTION NO. ~~2013-18~~2015-03

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**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTECITO FIRE PROTECTION DISTRICT
ADOPTING RULES AND REGULATIONS FOR THE
PURCHASING OF SUPPLIES AND EQUIPMENT, SPECIAL SERVICES
AND CONTRACTORS FOR PUBLIC IMPROVEMENT PROJECTS**

PURSUANT to the provisions of Government Code sections 54201 et seq. and Public Contract Code sections 20810 et seq., the following shall constitute the Rules and Regulations of the Montecito Fire Protection District ("District") governing the policies and procedures for purchasing of supplies and equipment, special services and contractors for public improvement projects by the District.

1. Every purchase of supplies and equipment, special services and contractors for public improvement projects by the District shall be made pursuant to these rules and regulations.
2. Except as provided in these rules and regulations, no supplies and equipment, special services or contractors for public improvement projects may be contracted without the approval of the Board of Directors of the District
3. All supplies and equipment, special services and public improvement projects included in the District's final budget are considered approved by the Board of Directors and the Fire Chief or designee ("Fire Chief") is authorized to cause such items to be purchased as provided in these rules and regulations.
4. The following contracts may be entered into by the Fire Chief without the necessity of calling for bids.
 - A. Supplies and equipment in an amount up to \$20,000.
 - B. Special services (as defined in Public Contract Code section 20812) in an amount up to \$20,000.
 - C. Contractors for public improvement projects in an amount up to \$10,000.
5. Supplies and Equipment. Whenever the expenditure required for the purchase of supplies and equipment exceeds \$20,000, the District may, in the Fire Chief's discretion, procure bids for the purchase of supplies and equipment by any one of the following methods:
 - (A) By publication of a notice inviting bids at least once in a newspaper of general circulation in the Montecito area. Such notice shall state the time and place for the opening of bids and shall state the specifications for the supplies and equipment to be purchased. Said publication must be made at least ten (10) days prior to the time set for the opening of bids.

(i) In addition to publication, the Fire Chief may notify prospective bidders by letter or telephone that bids are being called for.

(ii) At the time and place fixed for the opening of bids, the bids shall be publicly opened and read, the bids tabulated, and the contract presented to the District Board for consideration at the next scheduled meeting.

(B) In lieu of publication, the Fire Chief may submit specifications to at least three prospective bidders and request that bids be submitted at a fixed time and place. The Fire Chief shall open the bids at the time and place set for the same and present them to the District Board for consideration at the next scheduled meeting.

(C) The Fire Chief may purchase supplies and equipment in connection with any official state, federal or county bid.

(D) Notwithstanding anything to the contrary in this section, the Board of Directors reserves the right to reject any and all bids and authorize the Fire Chief to purchase necessary supplies and equipment on the open market.

(E) If, in the judgment of the Fire Chief, supplies and equipment are needed in order to make emergency repairs, construction or maintenance, which emergency will not allow the normal procedure for purchase to be followed, Fire Chief may purchase all necessary supplies and equipment on the open market without complying with the competitive bidding requirements specified herein. The Fire Chief shall make a complete report of the circumstances constituting the emergency to the Board of Directors at its next scheduled meeting following the purchase of said supplies and equipment.

(F) All supplies and equipment purchased in excess of \$10,000 shall be pursuant to a contract approved by the Board of Directors, excluding any item approved and included in the final budget.

6. Special Services. Whenever the expenditure required for the purchase of special services exceeds \$20,000, the District may, in its discretion, direct the purchase of such special services pursuant to the issuance of a request for proposals or qualifications. All special services purchased in excess of \$20,000 shall be pursuant to a contract approved by the Board of Directors.

7. Public Improvement Projects. Whenever the expenditure required for the purchase of contractors for public improvement projects exceeds \$10,000, such purchases shall be awarded to the lowest responsible bidder in accordance with the competitive bid procedures set out in Public Contract Code section 20813. All contractors for public improvement projects purchased in excess of \$10,000 shall be pursuant to a contract approved by the Board of Directors.

8. This Resolution No. ~~2013-18-2015-03~~ repeals and supersedes Montecito Fire Protection District Resolution No. 2013-~~13-18~~ dated ~~August 19~~November 18, 2013 and becomes effective immediately.

PASSED AND ADOPTED this ~~18th-27th~~ day of ~~November~~April, 2015-2013, by the following vote:

AYES: ~~G.B.Sinser, J.A. Powell, J. Venable, S. Keller, R. Jensen~~

NOES: ~~None~~

ABSTAIN: ~~None~~

ABSENT: ~~None~~

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President of the Board of Directors
MONTECITO FIRE PROTECTION DISTRICT

ATTEST:

Secretary

RESOLUTION NO. 2015-03

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTECITO FIRE PROTECTION DISTRICT
ADOPTING RULES AND REGULATIONS FOR THE
PURCHASING OF SUPPLIES AND EQUIPMENT, SPECIAL SERVICES
AND CONTRACTORS FOR PUBLIC IMPROVEMENT PROJECTS**

PURSUANT to the provisions of Government Code sections 54201 et seq. and Public Contract Code sections 20810 et seq., the following shall constitute the Rules and Regulations of the Montecito Fire Protection District ("District") governing the policies and procedures for purchasing of supplies and equipment, special services and contractors for public improvement projects by the District.

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3. All supplies and equipment, special services and public improvement projects included in the District's final budget are considered approved by the Board of Directors and the Fire Chief or designee ("Fire Chief") is authorized to cause such items to be purchased as provided in these rules and regulations.
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 - (A) By publication of a notice inviting bids at least once in a newspaper of general circulation in the Montecito area. Such notice shall state the time and place for the opening of bids and shall state the specifications for the supplies and equipment to be purchased. Said publication must be made at least ten (10) days prior to the time set for the opening of bids.

(i) In addition to publication, the Fire Chief may notify prospective bidders by letter or telephone that bids are being called for.

(ii) At the time and place fixed for the opening of bids, the bids shall be publicly opened and read, the bids tabulated, and the contract presented to the District Board for consideration at the next scheduled meeting.

(B) In lieu of publication, the Fire Chief may submit specifications to at least three prospective bidders and request that bids be submitted at a fixed time and place. The Fire Chief shall open the bids at the time and place set for the same and present them to the District Board for consideration at the next scheduled meeting.

(C) The Fire Chief may purchase supplies and equipment in connection with any official state, federal or county bid.

(D) Notwithstanding anything to the contrary in this section, the Board of Directors reserves the right to reject any and all bids and authorize the Fire Chief to purchase necessary supplies and equipment on the open market.

(E) If, in the judgment of the Fire Chief, supplies and equipment are needed in order to make emergency repairs, construction or maintenance, which emergency will not allow the normal procedure for purchase to be followed, Fire Chief may purchase all necessary supplies and equipment on the open market without complying with the competitive bidding requirements specified herein. The Fire Chief shall make a complete report of the circumstances constituting the emergency to the Board of Directors at its next scheduled meeting following the purchase of said supplies and equipment.

(F) All supplies and equipment purchased in excess of \$10,000 shall be pursuant to a contract approved by the Board of Directors, excluding any item approved and included in the final budget.

6. Special Services. Whenever the expenditure required for the purchase of special services exceeds \$20,000, the District may, in its discretion, direct the purchase of such special services pursuant to the issuance of a request for proposals or qualifications. All special services purchased in excess of \$20,000 shall be pursuant to a contract approved by the Board of Directors.

7. Public Improvement Projects. Whenever the expenditure required for the purchase of contractors for public improvement projects exceeds \$10,000, such purchases shall be awarded to the lowest responsible bidder in accordance with the competitive bid procedures set out in Public Contract Code section 20813. All contractors for public improvement projects purchased in excess of \$10,000 shall be pursuant to a contract approved by the Board of Directors.

8. This Resolution No. 2015-03 repeals and supersedes Montecito Fire Protection District Resolution No. 2013-18 dated November 18, 2013 and becomes effective immediately.

PASSED AND ADOPTED this 27th day of April, 2015, by the following vote:

AYES: NOES:

ABSTAIN:

ABSENT:

President of the Board of Directors
MONTECITO FIRE PROTECTION DISTRICT

ATTEST:

Secretary

Agenda

Item #4



STAFF REPORT

Prepared for: Montecito Fire Protection Board of Directors

Prepared by: Chief Hickman

Date: April 22, 2015

Topic: Contract Renewal for Worker's Compensation Broker of Record

Summary

Staff would like to renew an annual contract with SullivanCurtisMonroe Insurance Services, LLC, the District's current worker's compensation broker of record.

Background

In previous year's, the District experienced a substantial increase in worker's compensation insurance premiums. In 2013, the District contracted with SullivanCurtisMonroe Insurance Services, LLC (SCM), to serve as the broker on record for State Compensation Insurance Fund (SCIF). SCM worked diligently to close cases, re-evaluate and reduce SCIF's projected liabilities, and greatly reduce the District's experience modification factor (XMOD).

In 2014, SCM assisted staff in requesting proposals from other worker's compensation companies, and provided a recommendation that the Board select SDRMA as the new worker's compensation insurance company for the District. With Board approval, the District became members of SDRMA effective January 1, 2015. The change from SCIF to SDRMA resulted in an approximate savings in premiums of about \$305,000, from SCIF's \$708,000 premium in fiscal year 2014-15 to SDRMA's \$403,000 quote for fiscal year 2015-16.

Discussion

Staff would like to retain SCM's services to assist with the District's transition to SDRMA, provide claims management advice, review all the current safety program protocols and wellness programs, and provide other necessary services, in an effort to reduce the District's worker compensation exposure and liabilities.

Conclusion

Staff recommends that the Board approve a contract renewal with SullivanCurtisMonroe Insurance Services, LLC in the amount of \$24,000 to serve as the District's worker's compensation broker of record.

EXHIBIT A - SERVICE COMMITMENT**Workers Compensation Claims Administration**

SERVICE	DESCRIPTION
Introduction with Carrier Claims Representatives	We will facilitate introductions to key claims personnel and help develop and establish claims handling and communication protocol.
Claims Reporting Incident Procedure Checklist	We will work with you to review, evaluate or develop an effective claim incident procedure and checklist.
Claims Reporting Procedures and Medical Protocols	Our claims staff will work with you to develop effective claims handling procedure and reporting protocols. We will also develop a "first aid" program designed to reduce experience modification impact.
Litigation Management Program	We will introduce you to our proprietary Managed Legal Defense Program. This program allows you to pre-designate your workers compensation defense counsel, to ensure the highest quality litigation defense and increased accountability for the result.
Medical Clinic Selection and Protocol	We will work with you to review your options and help you to select the best medical clinic for your needs. We will provide the materials necessary to establish an effective vendor relationship with the provider and hold them accountable to you.
Medical Provider Network	We will work with your staff to develop and implement a Medical Provider Network program that ensures you are in compliance and retain control with of the claims within the network.
Return to Work and/or Vocational Rehab Programs	From turn key to fully customized, we will work with you to develop effective programs which will reduce your overall workers compensation costs.
Review of Open Indemnity Losses	We will monitor on all current and prior open indemnity claims to their conclusion. The process will include action plans for each adjuster to move the claim to conclusion.
Assist with Current "Hot Button" Claims	We will walk you through any difficult, complicated or potentially fraudulent claims to ensure that they are handled appropriately and you are informed throughout the process.
On-Site Claims Review	We will meet with you or your staff on a mutual agreed basis to present the updated claim statuses, review the action plans developed for the adjusters and discuss the various claim options.
Project Experience Modification Factor	Approximately six months in advance of your renewal we will project your Experience Modification to assist in your budgeting process for future insurance costs.
Unit Statistical Filing Review	To ensure that your Experience Modification Factor has been promulgated correctly, we will review the accuracy of the Unit Statistical Filings for current and prior years.
Other	Provide employee training of the worker's compensation process (i.e., employee rights, pre-designating a physician, expectations throughout the process).

EXHIBIT A - SERVICE COMMITMENT**Risk Control**

SERVICE	DESCRIPTION
Review Hiring Practices	Review the hiring process to identify possible improvements. Ordering background checks, run MVR's and by the use of various testing methods, where legal.
Review Training Process	Compliance with General Industry Safety Orders sec 3203. Development & implementation of an effective, documented training process.
Review Inspection Program	Compliance with GISO sec 3203 & CSO sec 1509 re inspections. Development and implementation of an effective, documented inspection process.
Review Investigation Process	Compliance with GISO sec 3203. Identify root causes of losses so that effective controls against recurrence can be identified & implemented
Review Safety Communications Process	Compliance with GISO requirements addressing communications: safety suggestion boxes, safety committees, safety meetings.
Review Record Keeping Process	Make certain your record keeping practices are meeting state requirements. No IIPP element is fully satisfied unless your documentation is properly maintained.
Review Insurance Company Loss Runs	Review Historical Loss Data to develop trends and suggest risk management solutions.
Assistance With Regulatory Agencies	Assist you in dealing with compliance and regulatory agencies. We will assist you in preparing for audits & inspections, preparing appeals for Cal OSHA citations, responding to informational queries.
Sound Level Testing	In house Sound Level Testing to determine if a Hearing Conservation program is necessary.
Ergonomic Evaluations and Training	Identify loss exposures before employees suffer injury and file claims. Redesign workstations to accommodate employee complaints of discomfort.
Review Job Hazard Identification Process	Assistance with the implementation of the Job Hazard Analysis process. Compliance with GISO requirements.
Review applicable State and Federal safety program requirements.	Assist with Compliance with State and Federal safety program requirements, including OSHA
Review Insurance Company Loss Control Recommendations	Review Insurance company loss control recommendation as to applicability and feasibility. We will assist with compliance when needed.

Agenda Item #5



STAFF REPORT

Prepared for: Montecito Fire Protection Board of Directors
Prepared by: Alan Widling, Battalion Chief
Date: April 22, 2015
Topic: Construction/Repair work at 1257 East Valley Road

Summary

This staff report will review the proposals received by the District for miscellaneous repairs at the District Rental Property located at 1257 East Valley Road and recommend that the Board of Directors award a contract in the amount of \$17,909 to Paragon Builders.

Background

The District's rental property located at 1257 East Valley Road will have a tenant change effective June 1, 2015. This provided an opportunity to evaluate the state of the rental and perform needed repairs prior to the new occupant taking residence.

Discussion

The following proposals were received:

Paragon Builders	\$17,909
Logan Construction	\$25,590
Apex Building & Restoration.	\$25,640

In addition to being the lowest responsive bidder, Paragon Builders have provided services to Montecito Fire in the past, and have produced high quality work.

Conclusion

Staff recommends that the Board retain Paragon Builders to perform the identified scope of work for repairs at 1257 East Valley Road.

Rental Property Repairs / Scope of Work
1257 East Valley Rd.

A. Provide misc. repairs around front house residence:

- a. Remove and replace existing French door pair at master bedroom.
- b. Repair dry-rot at trellis and eave by aforementioned French doors.
- c. Reroof at master bedroom house roof to deck roof connection.
- d. Remove and replace the master bedroom door to the hallway.
- e. Remove and Replace a 30" door (location ?)
- f. Prepare and paint towel alcove.
- g. Re-surface tub.
- h. Patch and cover old chimney vent hole in dining room ceiling.
- i. Change out glazing in porch/sitting room window (seal is broken).
- j. Remove and replace front door.
- k. Reglaze high windows in living room.
- l. Remove and relevel gutters at front of house.
- m. "Tune" windows at front bedroom.
- n. Install slide bolt at front bedroom bathroom.
- o. Prepare and paint new doors and windows and misc. patched throughout house that were worked on.
- p. Remove existing dryer vent and lower to floor level. Patch and repair hole from relocated vent.
- q. Remove existing deck posts and install new posts that attach to the side of the deck rim joists.
- r. Reflash gable above front bedroom popout window seat.
- s. Install trim at living room south wall to ceiling connection.
- t. Install new crown at kitchen upper cabinets (north side).
- u. Prime, prep and paint aforementioned items
- v. Remove existing carpets from Living Room, bedrooms and closets.
- w. Furnish and install new laminate flooring in dining room (Join bathroom area with kitchen).
- x. Furnish and install new carpet and pad (36.00 / yd allowance) in living room, two bedrooms and closets.
- y. Block out front bedroom window seat popout above window. Provide proper venting and screens.

Agenda Item #6



STAFF REPORT

Prepared for: Montecito Fire Protection Board of Directors

Prepared by: Travis Ederer, Battalion Chief

Date: April 6, 2015

Topic: Disposal of Excess Property: 2005 CAE Medical Meti-Man Patient Simulator

Summary

Consider declaring 2005 CAE Medical Meti-Man Patient Simulator as excess property in order to allow for disposal. Per Resolution 2013-14, Capital Asset Policy, Board approval is required to dispose of capital assets whose original cost was \$25,000 or more.

Discussion

In 2005, the District purchased a CAE Medical Meti-Man Patient Simulator for \$48,000 to use for training in many aspects of Emergency Medical Services (EMS). After ten years, the simulator is outdated, bulky, and complex compared to new simulators. The simulator is fully depreciated on the District's fixed asset listing.

In searching the Internet and contacting the original vendor, it has been determined that this simulator has very little to no market value, as newer models are all self-contained and wireless, requiring no remote compressor, hoses, or wires.

Allan Hancock College is interested in accepting the simulator as a donation, and in exchange will provide credit allowing the District to utilize the college's Public Safety Training Complex.

Conclusion

It is Staff's recommendation to donate or properly dispose of the CAE Medical Meti-Man Patient Simulator.

Agenda

Item #7

Site	Site Name/Ownership	Salutation	First	Last	Parcel Number	Parcel Size (ac)	Mailing Address	City/State	Zip	Location	Existing Use	Zoning
A	Peian Company Archdiocese of Los Angeles/Roman Catholic Bishop LAUSD	Mr.	Palmer	Jackson	155-070-008	76.87	3424 Wilshire Blvd. PO Box 5580	Santa Barbara, CA	93150	2500 East Valley Road	Lemon orchard	2-acre ml
B												
C	Peian Company	Mr.	Palmer	Jackson	155-070-009	1.4	3424 Wilshire Blvd. PO Box 5580	Los Angeles, CA	90010	2300 East Valley Road	Vacant	5-acre ml
D	Kimball-Griffith LP	Mr.	James	Griffith	005-030-007	17.58	660 Lilac Drive	Santa Barbara, CA	93150	2625 East Valley Road	Lemon orchard	2-acre ml
E	Kimball-Griffith LP	Mr.	James	Griffith	005-030-003	29.17	660 Lilac Drive	Santa Barbara, CA	93108	2625 East Valley Road	Vacant	10-acre r
F		Mr.	Corey	Sanders	155-050-014	16.33	2222 Featherhill Road	Santa Barbara, CA	93108	582 Ortega Ridge Road	Vacant	5-acre ml
G		Mr.	Todd	York	155-060-030	1.0	P.O. Box 1017	Agoura Hills, CA	91376	2222 Feather Hill Road	Avocado orchard and residence	2-acre ml
H	Birnam Wood Golf Club	Mr.	Michael	Gardner	007-480-032	2.22	2031 Packinghouse	Santa Barbara, CA	93108	550 Eastgate Lane	Existing maintenance facilities and residence	2-acre ml
I	Carrington Family Trust	Trustee	Theodore	Klein	007-480-016	0.62	565 Sheffield Drive	Santa Barbara, CA	93108	565 Sheffield Drive	Existing residence	2-acre ml
J		Mr.										
K	Coffin Family Trust	Trustee	Theodore	Klein	007-250-014	14.48	P.O. Box 50712	Santa Barbara, CA	93150	285 Sheffield Drive	Vacant	5-acre ml
L	Pines Trust	Trustee			005-060-028	5.28	2050 Creekside	Santa Barbara, CA	93108	2085/2090 Creekside	Horse boarding and stable facilities, partially vacant	3-acre ml
M	Pines Trust	Trustee			005-020-044	14.62	PO Box 2908	Kirkland, WA	98083	2349 East Valley Road	Existing residence and horse facilities	5-acre ml
N	Valley Club of Montecito	Mr.	Dan	Mead	005-020-050	1.78	PO Box 2908	Kirkland, WA	98083	2353 East Valley Road	Horse coral and stables	5-acre ml
						84.55	1901 East Valley Road	Santa Barbara, CA	93108	500 Sheffield Drive	Golf Course	Recreatio



MONTECITO FIRE PROTECTION DISTRICT

595 San Ysidro Road • Santa Barbara, California 93108 • (805) 969-7762 • FAX (805) 969-3598

March 25, 2015

«First» «Last»
«Site_NameOwnership__»
«Mailing_Address»
«CityState» «Zip»

Re: APN# «Parcel_Number__»
«Location»

Dear «Salutation»«Last»,

Through past¹ and recent studies², the Board of Directors of the Montecito Fire Protection District have determined that there is a need for additional fire protection and emergency services in the eastern end of the District.

It has been some time since we last inquired, but we would like to ask you directly if you are interested in selling your property, in whole or any portion of your property, for the purpose of building a third fire station in the east end of the community so that we can provide equitable services to all constituents living in the District.

Please contact me at your earliest convenience to convey your interest in selling your property, or a portion of your property for this purpose. A written response would be best, but I can be reached by telephone at 805-969-2537, or email at chickman@montecitofire.com if you have any questions.

Thank you for your consideration,

Chip Hickman
Fire Chief

¹ Ron McClain, Fire Chief (2003) *Fire Chief's Report on Need for Additional Facilities and Staffing*, AMEC (2008) *Station 3 Site Identification Study*

² Citigate LLC (2015) *Standards of Coverage and Risk Assessment*



Richard H. Coffin
2050 Creekside Road
Santa Barbara, CA 93108

March 29, 2015

Mr. Chip Hickman, Fire Chief
Montecito Fire Protection District
595 San Ysidro Road
Santa Barbara, CA 93108

Re: APN Nos. 005-060-028 and 005-060-027
2080 & 2090 Creekside Road

Dear Mr. Hickman:

I am replying to your letter dated March 25, 2015 regarding the above parcels. I am enclosing a copy of a letter we sent to Mr. Kevin Wallace in 2008 in reply to a similar request. To my knowledge, nothing has occurred in the interim years which would change our opinion of potentially locating a fire station on the above parcels. It was not a viable option in 2008, and it is still a very poor choice.

My comments in Mr. Wallace's letter are self-explanatory. The same problems and issues exist today.

Thank you for your interest.

Sincerely,

A handwritten signature in red ink, appearing to be "R. Coffin", is written over the name "Richard H. Coffin".

Richard H. Coffin

**RICHARD AND MARY COFFIN
2050 CREEKSIDE ROAD
SANTA BARBARA, CA 93108
(805) 565-3191**

March 25, 2008

**Mr. Kevin Wallace, Fire Chief
Montecito Fire Protection District
595 San Ysidro Road
Santa Barbara, CA 93108**

**Re: Site Selection Station 3
Montecito Valley Ranch
Lots 17 and 18 Tract 14038
(K-K Parcels on your Map)**

Dear Mr. Wallace:

Thank you for your letter dated March 3, 2008 which was sent by mistake to my brother Dwight Coffin. Correspondence regarding the above parcels should be directed to me since my wife, Mary Coffin and I are the owners.

We did attend the March 12, 2008 meeting at MFPD's headquarters in which you requested our comments. In a short summary, we think the above two parcels would be a terrible location for a new station, we definitely would not be willing sellers and we, along with our neighbors in Montecito Valley Ranch and along Sheffield Drive, will vigorously oppose locating a new station on Sheffield Drive.

The Montecito Valley Ranch Parcels (Lots 17 and 18 of Tract 14,038, your parcels K-K) do not make any sense in light of your site selection criteria.

Future Growth in Area 3

Any future fire station clearly needs to be located in the East Valley Road (Route 192) corridor and not on Sheffield Drive.

The lower section of Area 3 (Sheffield Drive, Ennisbrook, Montecito Valley Ranch, Ortega Ridge, beach areas, etc) are fully developed areas of Montecito. Very little additional development can occur in these areas. The future growth will occur north and east of the Valley Club in areas which are hard to reach in the event of a major disaster.

Picay Creek Flood Danger

Since 1990 we have had two major risks of flooding along Picay Creek and Sheffield Road. In “El Nino” periods of high water and debris flows, the creek banks become very unstable and cave-in as the water undercuts the banks. Debris “damming” is a real possibility at which point the creek will overflow the banks. The resulting flooding would probably impact a fire station on the site. Locating a fire station at or within a flood plain does not make good sense.

High Land Acquisition Cost

Due to the slopes and location of the Tract Map approved building envelopes on both lots, the Fire District would have to acquire all of parcels 17 and 18 not just the 1.5 to 2.0 acres you desire. Twelve acre and 5 acre “horse properties” in Montecito are not inexpensive.

Significant Neighborhood Opposition

All of our neighbors within Montecito Valley Ranch and along Sheffield Drive are very opposed to having a fire station located on these parcels. We will do everything possible to prevent the Fire District from building the station on Montecito Valley Ranch.

Mr. Wallace, we will be happy to further discuss these issues with the Board or your consultants. You may contact us at (805) 565-3191.

Sincerely,

Richard H. Coffin



Birnam Wood Golf Club

2031 Packing House Road, Santa Barbara, California 93108 • (805) 969-2223 • Fax (805) 969-5037

1 April 2015

Fire Chief Chip Hickman
Montecito Fire Protection District
595 San Ysidro Road
Santa Barbara, CA 93108

Dear Chief Hickman:

Birnam Wood Golf Club is in receipt of your letter, dated March 25, 2015, inquiring as to whether the Club is interested in selling any or all of parcel APN# 007-480-032 for the purpose of building a third fire station. While the Club appreciates the need to improve fire protection coverage, we revisited our files from 2008 and believe that it is still in our best interest to decline the requested transaction.

As always, the Club stands ready to assist MFPD in its regular needs and endeavors as they arise. Please let me know if there is any other way in which we may be of assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael-M. C. Gardner".

Michael-M. C. Gardner, CCM, CCE
General Manager/COO



April 2, 2015

P.O. BOX 5580 • SANTA BARBARA, CALIFORNIA 93150-5580

Chip Hickman

Fire Chief

Montecito Fire Protection District

595 San Ysidro Road

Santa Barbara, CA 93150

Dear Chip:

In response to your letter of March 25th, in which you ask about our interest in selling all or a portion of our Rancho San Carlos property for the purpose of building a fire station to service Eastern Montecito, we do not have any interest in pursuing a sale of property with the Fire District at this point in time.

As I mentioned when I talked to you, the property is currently for sale and under contract with a real estate broker to accomplish that. It would obviously be problematic to have any discussions about selling property while that arrangement is in place. If at some point in time our property does not sell, we may reconsider your proposal, but at the current time we are unable to do so.

If you were interested in discussing a purchase of the entire property as you mention in your letter, that would be a different matter. But I doubt the district has the need for 237 acres or the interest in allocating \$125 million for the new station.

Let me know if you have any further questions.

Best regards,

A handwritten signature in black ink, appearing to read "JH Jackson", is written over the typed name.

James H Jackson

General Manager, Petan Company

Chip Hickman

From: Michael T. Davitt [MTDavitt@la-archdiocese.org]
Sent: Friday, April 10, 2015 11:58 AM
To: Chip Hickman
Subject: Inquiry of Land

Chief Hickman

My name is Michael Davitt, and I am the Director of Real Estate for the Archdiocese of Los Angeles
We received your letter inquiring about the possibility of selling parcel 155-070-009

I recall some years back we had some ongoing conversations about the site.

As you may know or not, the site is an Abandoned Cemetery. I presume but cannot confirm at the moment that there are no human remains on the site.

This would be the biggest issue for us as that would have to be confirmed and resolved

I will investigate and get back to you

Would you like the entire site or a portion. If so, how much acres?

Thanks

Mike

Agenda

Item #10

MINUTES FOR THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MONTECITO FIRE PROTECTION DISTRICT

Held at Fire District Headquarters, 595 San Ysidro Road, March 23, 2015 at 2:00 p.m.

The meeting was called to order by Director Powell at 2:01 p.m.

Present: Director Powell, Director Keller, Director Sinser, Director Venable and Director van Duinwyk. Fire Chief Hickman, and District Counsel M. Manion were also present.

- 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 is allotted for this discussion.)**

There was no public comment.

- 2. TIME CERTAIN: 2:00 p.m.: Update from Dan Gira of AMEC on progress and timeline of Station 3 Environmental Impact Report.**

Director Sinser stepped down from the dais.

Dan Gira reported that they have worked with staff to address litigation concerns, and pending staff review of AMEC's modifications, it should be distributed in approximately three weeks. There will then be a 45 to 60 day comment period; it will likely take up to 6 months before it can then be certified by the Board.

There was no public comment.

The Board took no action.

- 3. Staff Report on Annual Emergency Notification System Testing Program.**

Chief Hickman reported that one of the recommendations made by Citygate included annual testing of our emergency notification systems. Ms. Jenkins provided an overview of the District's notification systems and explained the proposed annual testing process. The first test will be conducted on June 1, 2015.

In addition to advertising, it was suggested that the testing information be added to the website and presented to the Montecito Association.

Public Comment: Sylvia Easton asked what type of alert will be used in the test. Ms. Jenkins advised that it will likely be a medium alert tone.

The Board took no action.

- 4. Report from the Finance Committee (copy of Agenda for Finance Committee Meeting attached).**

Director Sinsler reviewed the Finance Committee meeting, including District financials, the PARS statement, and Capitol PFG recommendations. Director van Duinwyk added that they discussed the development of a Capital Plan.

a. Consider recommendation to approve District's February 2015 financial statements.

After a review of payments made to the Montecito Firefighters Association, and Price, Postel and Parma, the District's February 2015 financial statements were unanimously approved on a motion by Director Keller, seconded by Director Venable.

There was no public comment.

Director Sinsler asked that full billing statements for Price, Postel and Parma be included in future Finance Committee packets, redacting any confidential information as necessary.

b. Consider all recommendations from Capitol PFG's "Financial Analysis Related to Budgeting and Long-Term Liabilities" report.

Director Van Duinwyk reported that Capitol PFG's recommendations were reviewed thoroughly, and the Finance Committee is working on addressing their suggestions.

The Board discussed the suggestion of development impact fees, including whether or not there is a need, and how they would be established if it was determined to be necessary.

Director Sinsler recommended that progress on addressing Capitol PFG's recommendations be reviewed by the Board every 3-4 months.

There was no public comment.

The Board took no action.

The Board took a recess at 3:06 p.m., and returned at 3:15 p.m.

5. Consider award of contract for Montecito Community Wildfire Protection Plan (CWPP).

Chief Hickman reviewed the process of obtaining requests for proposals for a Community Wildfire Protection Plan (CWPP), and the evaluation process utilized to make the recommendation to select Geo Elements as the contractor.

The Board discussed the difference between an Environmental Review versus a full Environmental Impact Report (EIR).

Public Comment:

Sylvia Easton asked if the higher quote included an EIR. It was explained that the environmental documents (review or full impact report) will be a separate component of the CWPP.

Mary Rose stated that it would be best to have a separate EIR contractor.

On a motion made by Director van Duinwyk, seconded by Director Venable, the Board unanimously approved retaining Geo Elements to complete the Montecito CWPP at an amount not to exceed \$59,200.

6. Consider sending letter to property owners of sites identified in Station 3 Site Identification Study to inquire about property availability.

Chief Hickman explained that some of the Directors were concerned with the Site Selection Study being old, and therefore, he recommended sending a letter asking those property owners previously identified in the study if they would be interested in selling their property for a third station.

The Board discussed sending a letter to all properties as well as only sending a letter to Petan Company and expanding the outreach later if they are not interested.

Public Comment: Sylvia Easton stated that the Board should move quickly, adding that Petan Company could exempt the portion of their property identified for a third station from their current real estate listing.

On a motion made by Director Keller, seconded by Director van Duinwyk, the Board unanimously authorized the Fire Chief to write a letter to all properties identified in the previous site selection study to inquire about their interest in selling. Director van Duinwyk added that the letter should be simple and direct.

The Board took a recess at 4:05 p.m. and returned at 4:10 p.m.

7. Approval of Resolution 2015-02 Authorizing Overtime Pay and Portal to Portal Pay for Employees.

Chief Taylor reviewed the CFAA agreement and explained how it allows for District reimbursement for mutual aid responses.

On a motion made by Director Keller, seconded by Director van Duinwyk, the Board approved Resolution 2015-02 Authorizing Overtime Pay and Portal to Portal Pay for Employees by the following roll call vote:

Ayes:	P. van Duinwyk, G.B. Sinser, J.A. Powell, S. Keller and J. Venable
Nays:	None
Abstain:	None
Absent:	None

8. Consider request from Director Powell to attend FDAC conference April 8-April 10, 2015 in Napa, CA.

Director Powell stated that he went to this conference last year, and felt that it was very beneficial.

On a motion by Director van Duinwyk, seconded by Director Keller, the Board unanimously authorized Director Powell to attend the FDAC conference April 8-April 10, 2015 in Napa, CA.

9. Approval of Minutes of February 23, 2015 Board Meeting.

On a motion made by Director Sinser, seconded Director van Duinwyk, the Board approved the minutes of the February 23, 2015 Board meeting by the following vote: Directors van Duinwyk, Sinser, Powell, and Venable in favor, Director Keller abstained.

10. Fire Chief's report.

Chief Hickman reported on recent press coverage for the annual hazardous materials drill and the District's neighborhood clean-up program and reviewed some of the recent incidents. He also added that he will be meeting with Director Powell, Chief Taylor and Chief Ederer tomorrow to discuss diversity in the workplace.

The Board took no action.

11. Board of Director's report.

Director Sinser reported that he attended the Montecito Association meeting, where there was an active discussion relating to the community water shortage.

12. Suggestions from Directors for items other than regular agenda items to be included for the April 27, 2015 Regular Board meeting.

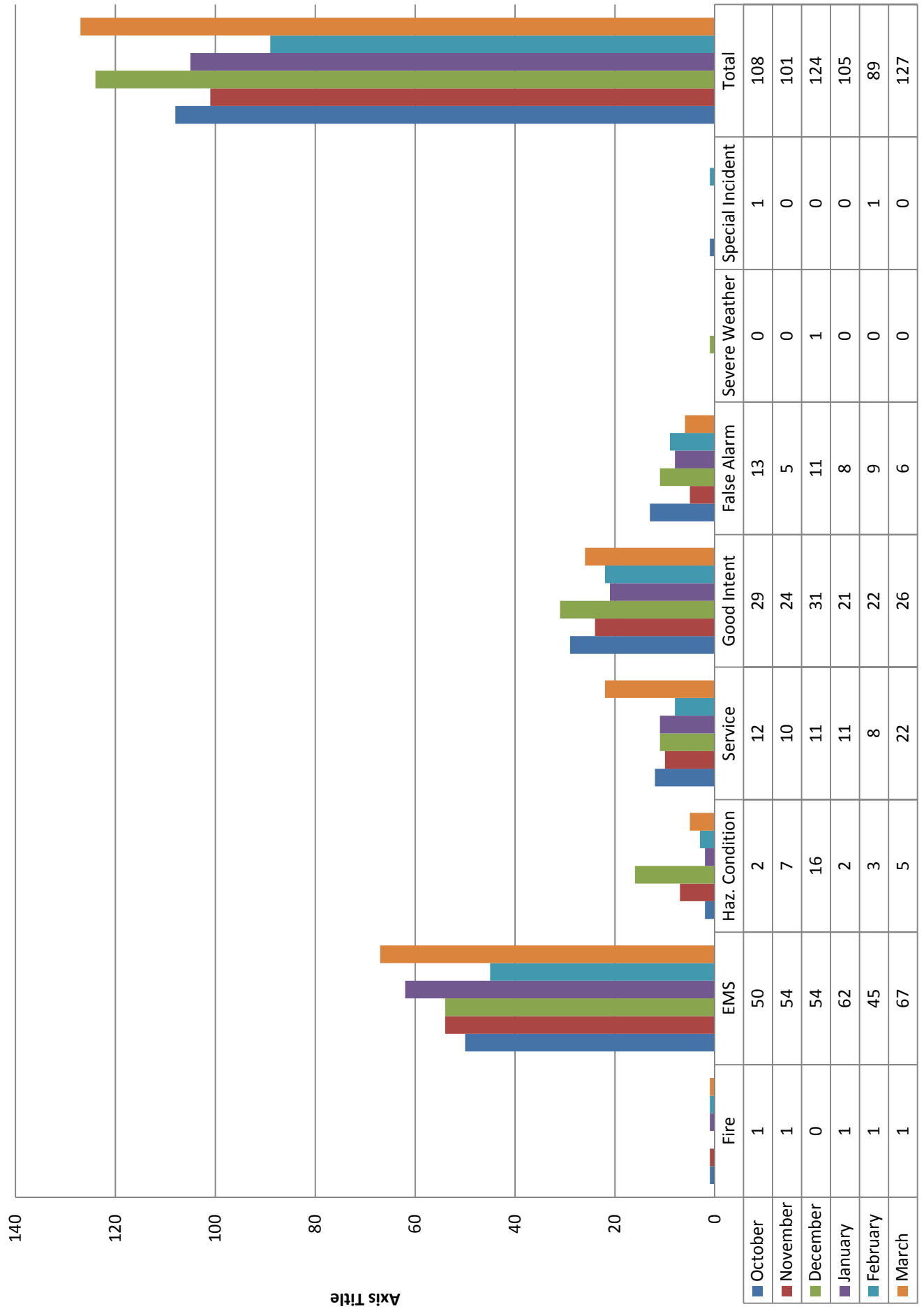
- Director Keller asked to continue a discussion on charging development impact fees.
- Director van Duinwyk asked for a follow up on letters sent to property owners for the third station.

The meeting was adjourned at 4:31 p.m.

Agenda

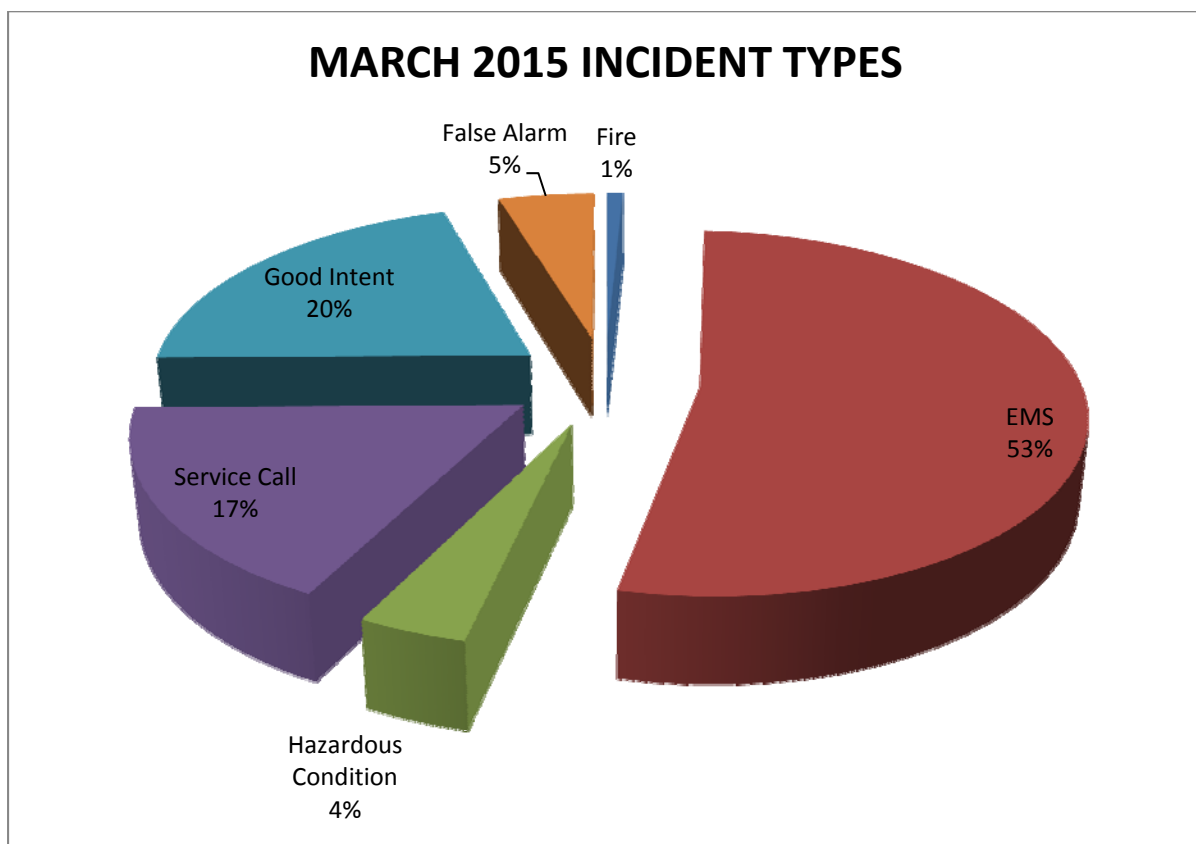
Item #11

Incident Trend October 2014 - March 2015



**MARCH 2015
CALLS BY INCIDENT TYPE
TOTAL INCIDENTS: 127**

FIRE: 1	EMS: 67
HAZARDOUS CONDITION: 5	PUBLIC SERVICE**: 22
GOOD INTENT*: 26	FALSE ALARM: 6
SEVERE WEATHER: 0	SPECIAL INCIDENT TYPE:



*Good Intent: Firefighters respond to a reported emergency, but find a different type of incident or nothing at all upon arrival to the area. Example: A caller reports smoke on the hillside. Firefighters arrive to discover a grading operation at a construction site is creating dust mistaken for smoke. Dispatched and Cancelled Enroute falls in this category.

** Public Service: Non-emergency requests for assistance. Examples: lock out, animal rescue, ring removal, water problem; lift assists, seized gate, stalled elevator, providing the Sheriff's Department with a ladder to enter a building.

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION

NOTICE OF PENDING ALTERNATE PUBLIC MEMBER VACANCY

NOTICE IS HEREBY GIVEN that a meeting of the Santa Barbara Local Agency Formation Commission will be held on **Thursday, June 4, 2015 at 1:00 p.m.** in the Board of Supervisors Hearing Room, 105 East Anapamu Street, Fourth Floor, Santa Barbara, California, to consider an appointment to fill a pending Alternate Public Member vacancy. The appointment would be for the unexpired term that ends on March 1, 2017.

Letters of interest outlining qualifications and reasons for seeking the Alternate Public Member position on the Commission should be submitted to: SBLAFCO, Attn: Paul Hood, Executive Officer, 105 East Anapamu Street, Rm 407, Santa Barbara, CA 93101. The last time and day to submit letters of interest is 5:00 P.M., May 15, 2015.

The letters of interest will be screened by a committee consisting of one City member, one County member, and one Special District member. Finalists will be selected and interviewed by the committee, which shall recommend an appointment to the Commission. The Commission, in open session, will consider the recommendation and appoint an individual as the Alternate Public Member. No Public Member may be an officer or employee of the county, or any city or district with territory in the county.

Remote Testimony is Permitted - Persons may address the Commission in person or by using the remote video testimony system in the Board of Supervisors hearing room in the Betteravia Government Center at 511 Lakeside Parkway, Santa Maria.

Disclosure of Campaign Contributions – LAFCO Commissioners are disqualified and are not able to participate in proceedings involving an “entitlement for use” if, within the 12 months preceding the LAFCO decision, the Commissioner received more than \$250 in campaign contributions from the applicant, an agent of the applicant or an financially interested person who actively supports or opposes the LAFCO decision on this matter.

Those who have made such contributions are required to disclose that fact for the official record of the proceedings. Disclosures must include the amount of the contribution and the recipient Commissioner and may be made either in writing to the Executive Officer of the Commission prior to the hearing or by an oral declaration at the time of the hearing.

The foregoing requirements are set forth in the Political Reform Act of 1974, specifically in Government Code section 84308.

Disability Accommodations - Persons with a disability who require any disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting are asked to contact the LAFCO office at least three (3) days prior to the meeting by telephone at 805/568-3391 or by email at lafo@sblafco.org.

Additional information – Additional information regarding this and other items to be considered at the meeting may be obtained by contacting the LAFCO office at 105 East Anapamu Street, Rm 407, Santa Barbara, CA 93101 or by calling 805/568-3391.

Dated this 9th day of April, 2015

PAUL HOOD
Executive Officer