

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

June 23, 2014 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. Review current status of Upper Hyde Road Community Facilities District:
 - a. Report from Director Powell regarding meetings with Upper Hyde Road residents.
 - b. Provide direction on how to proceed with Tea Fire Rebuilds and Upper Hyde Road Community Facilities District.
3. Report from the Finance Committee (copy of Agenda for Finance Committee Meeting attached).
 - a. Consider recommendation to accept Fechter & Company's Audited Annual Financial Report for the Fiscal Year ended June 30, 2013. (Craig Fechter to report via conference call.)
 - b. Consider recommendation to approve District's warrants and claims.
 - c. Consider recommendation to approve Salary and Benefit schedule for FY 2014/15.
 - d. Consider recommendation to adopt "unincorporated" calculation for the Price and Population factors for FY 2014/15 Appropriation Limits.
 - e. Consider recommendation to approve Resolution 2014-07, Preliminary Budget for FY 2014/15.
4. Report from the Community Outreach Committee (copy of Agenda for Community Outreach Committee Meeting attached).
5. Approval of Resolution 2014-08 Requesting the Santa Barbara County Board of Supervisors Authorize the Elections Official of the County Clerk-Recorder-Assessor's Office to Render Specified Services to the District Relating the Conduct of a General Election on November 4, 2014.
6. Approval of Resolution 2014-09 regarding Candidates Statements.
7. Approval of Minutes of May 27, 2014 Regular Meeting.

8. Fire Chief's report.
9. Board of Director's report.
10. Suggestions from Directors for items other than regular agenda items to be included for the July 28, 2014 Regular Board meeting.
11. Adjournment

This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of the posting is June 17, 2014.

MONTECITO FIRE PROTECTION DISTRICT



Chip Heckman, Fire Chief

Note: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District office at 969-7762. Notification at least 48 hours prior to the meeting will enable the District to make reasonable arrangements. Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Montecito Fire Protection District's office located at 595 San Ysidro Road during normal business hours.

Agenda Item #2

MONTECITO FIRE PROTECTION DISTRICT
AGENDA FOR THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
Montecito Fire Protection District Headquarters
June 6, 2014 at 2:00 p.m.

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Section 54956 of the Government Code, a SPECIAL MEETING of the Governing Board of the Montecito Fire Protection District is hereby called for the 6th day of June, 2014 at 2:00 p.m.

Said meeting will be held at
Montecito Fire District Headquarters,
595 San Ysidro Road.

1. Public comment: Any person may address the Board at this time on any agenda matter or 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. Consider request from Upper Hyde Road residents that the Montecito Fire Protection District fund a portion of the Upper Hyde Road repair expenses necessary to meet District’s rebuild requirements and provide direction to Fire Chief regarding District’s response.
3. Fire Chief’s Report.

Adjournment

This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of the posting is June 2, 2014.

MONTECITO FIRE PROTECTION DISTRICT

By John Venable
John Venable, President

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MONTECITO FIRE PROTECTION DISTRICT

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

NOTICE OF MEETING CANCELLATION

TO ALL BOARD MEMBERS OF THE
MONTECITO FIRE PROTECTION DISTRICT

The Special Meeting of the Montecito Fire Protection District Board scheduled for
Friday, June 6, 2014 at 2:00 P.M. **WILL NOT BE HELD.**

6/3/14

Date

CHIP HICKMAN, FIRE CHIEF
MONTECITO FIRE PROTECTION DISTRICT

~~Rock~~ Road - important

6/23 2.
Special meeting

**FORMAL REQUEST TO THE MFPD BOARD OF DIRECTORS BY
THE COLLECTIVE PROPERTY OWNERS OF UPPER HYDE ROAD**

JFE
2/13

The collective property owners of Upper Hyde Road (OWNERS) who are signatories hereto hereby formally request that the MONTECITO FIRE PROTECTION DISTRICT (MFPD) agree to bear the financial burden of conforming Section I of Upper Hyde Road (UHR) to MFPD standards, subject to the limits stated below.

Section I is that section of Upper Hyde Road from East Mountain Drive to the junction of the Connelly and Reisenweber driveways, including but not limited to the road section through the DeSitter property over which the MFPD has declared Eminent Domain.

The reasons for this request are numerous and complicated, and as such, are included separately as a "Historical Summary". In order to finally actuate the conforming of the road in a timely manner, the OWNERS would seek to dissolve the Mello-Roos Special Tax Assessment District and finance the conforming of the UHR privately. In order to achieve this, financial assistance is required of the MFPD.

The cost of conforming Section I of UHR is approximately \$85,000 based on the attached estimate by Lapidus Construction. Because an actual amount is impossible to accurately predict because of soil and rock conditions in that area, that the UHR owners request that, should the MFPD agree to this request, \$50,000 be deposited into a MFPD-designated escrow fund to provide the funding necessary to complete the work necessary to conform Section I of UHR to MFPD standards. It is also hereby understood and agreed upon by the OWNERS that the MFPD's monetary obligation for conforming Section I shall not exceed \$90,000. Any expense in excess of the \$90,000 shall be spread equally among the OWNERS. In addition and attached hereto, is an agreement signed by each of the OWNERS pledging to privately fund their burden of UHR (including but not limited to their share of any cost of conforming Section I that exceeds the \$90,000 figure described above) or sign a voluntary lien to be recorded for their burden of UHR, thereby giving assurance to the MFPD that UHR will be conformed in a timely manner.

Upon agreement of this request by the MFPD, OWNERS will immediately and formally request the dissolution of the Mello-Roos District. Once the dissolution is completed, the MFPD shall transfer the easement through Section I to each individual parcel on UHR and as such be released from any liability related to or arising out of the Tea Fire and related to or arising out of past restrictions, efforts, and delays in completing the work of conforming UHR to MFPD standards.

In consideration of the MFPD's agreement to this request, the OWNERS, and each of them, do agree to waive and to indemnify and hold the MFPD harmless from and against any claims or actions, past and future, associated with the conforming of UHR as per the pending approved plans by the County of Santa Barbara Dept. of Building and Safety. In exchange, the MFPD agrees in perpetuity not to seek reimbursement from the OWNERS, or any of them, for any costs associated with the Eminent Domain or formulation, operation, and dissolution of the Mello-Roos District.

It is understood that the MFPD will approve such plans and work with the OWNERS during the construction phase of the project to minimize costs and increase construction efficiencies.

Finally, the OWNERS request that a special board meeting be called to take action on this motion within the next two weeks. In order to successfully conform UHR by the end of 2014 it is critical that we move forward in the most expeditious manner possible.

Sincerely,

The Owners of Upper Hyde Road

SIGNATURE:

DATE:

Historical Summary of Events
In the aftermath of the Tea Fire
On Upper Hyde Road

After the terrible destruction of the Tea Fire on November 13th 2008, the MFPD determined it would be in the best interest of all to create a 'loop' between East Mountain Drive, UHR and the 350 Mtn. Dr. Road to the east. This was an excellent goal with the clear objective of a safe exit route for residents as well as fire fighters.

Unfortunately, the 'loop' could not be realized for reasons outside the control of the MFPD, but the goal set into motion a series of events that have proved to be paralyzing to the owners of UHR.

First, it caused the MFPD to hold UHR owners to more stringent road conforming standards; standards that were not applied to other private roads affected by the Tea Fire such as Banana Road and the 'Gottsdanker Road'.

These higher standards resulted in the first set of engineered road plans, prepared at substantial expense, including a road design with an estimated construction cost of \$1.2 Million. This extremely high cost, coupled with the unviability of the road 'loop' concept, caused tremendous delays, all while UHR owners continued to pay mortgages for homes that no longer existed as well as pay rent for temporary homes.

In the meantime, the owners of UHR accepted responsibility for meeting the District's quoted standards and committed to making improvements as required by the District without the knowledge that the standards being imposed upon UHR were greater than those legally required in a like-for-like standard.

The MFPD used the over-engineered plans, with a project valued at \$1.2 Million, to formulate the terms and conditions of a Mello-Roos Special Tax Assessment District because MFPD determined that an assessment district was the only feasible way to finance such an expensive road for this neighborhood. Initially, the UHR owners concurred with this approach because they were unaware that MFPD was offering to other private road owners who had suffered Tea Fire destruction less expensive road design options in order to rebuild houses in their neighborhoods. The the UHR project value was inflated to twice the estimated cost as a "safety" measure to ensure the road could actually be built taking into account possible contingencies.

The result of this "safety" measure inflation was that liens were placed on each property, which in turn overburdened the value of the unimproved parcels and thereby placed the inflated lien burden in "first" position ahead of mortgages. This effectively nullified any chance of using the property as equity to stake financing for rebuilding homes or financing the conforming of the Road.

For 5 ½ years, the owners of UHR have been paying mortgages on homes that did not exist and could not refinance without a Certificate of Final Occupancy, or a conformed road, or because of the inflated Mello Roos lien burden. The cost of this delay to date is estimated at over \$500,000 paid out of pocket.

As required by the MFPD the UHR owners consistently reached 100% consensus and created and recorded multiple documents establishing the financial responsibilities of conforming and maintaining the Road in perpetuity as well as being required to finance a portion of the creation of the Mello Ross prior to the activation of the bond funding.

The MFPD agreed to help the owners by declaring Eminent Domain over the DeSitter Property since only two out of the thirteen Owners had legal road easements over that property. This agreement was reached in exchange for the Owners agreeing not to sue MFPD for the loss of property from, or any actions or inactions during, the Tea Fire.

The Owners gratefully agreed to the Eminent Domain Declaration with the belief that a financially buildable road was possible. What the owners did not know, as there was no UHR Owner Representation present at the ED negotiations, was that Dr. DeSitter had built a garage within the road setback that was encroaching upon the legal easement held by Hayum and Collins.

As part of the negotiations, the MFPD agreed to pay DeSitter \$70,000 and move the Road Easement away from the DeSitter garage per her request and further into the hillside.

As a result, Section I of the Road will cost considerably more to conform, and future repairs and maintenance will be more costly over the long term.

After 5 ½ years of extreme loss, constant struggles to find solutions to engineering problems and demands, good faith in agreeing to MFPD desires and standards, and exhaustive efforts to finance the conforming of UHR, the owners have determined that they need the help of the MFPD to pay for Section I of UHR in order to allow the UHR owners to avoid the untenable financial burden of the Mello-Roos Assessment District and, instead, to privately finance the rest of the UHR construction.

Agenda

Item #3

ATTACHMENT

#A

**MONTECITO
FIRE PROTECTION DISTRICT**

MANAGEMENT REPORT

FOR THE YEAR ENDED JUNE 30, 2013

MONTECITO FIRE PROTECTION DISTRICT

Management Report
For the Year Ended June 30, 2013

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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, 2013, 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



March 15, 2014
Sacramento, California

MONTECITO FIRE PROTECTION DISTRICT
Required Communications
For the Year Ended June 30, 2013

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 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, 2013

- 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.

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 District auditor, their attorney, or 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, 2013

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**

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

MONTECITO FIRE PROTECTION DISTRICT

Annual Financial Report
For the Fiscal Year Ended June 30, 2013

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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, and the aggregate remaining fund information of the Montecito Fire Protection District as of and for the year ended June 30, 2013, 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

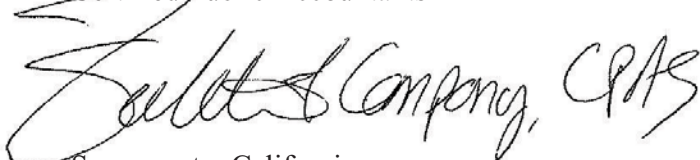
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Montecito Fire Protection District as of June 30, 2013, and the respective 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

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

Sacramento, California
April 9, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)
June 30, 2013

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, 2013. 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, 2013

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>2012</u>	<u>2013</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Assets:				
Current and other assets	\$ 13,218,247	\$ 13,729,030	\$ 510,783	3.9%
Capital assets	<u>10,230,528</u>	<u>10,374,201</u>	<u>143,673</u>	1.4%
Total assets	<u>\$ 23,448,775</u>	<u>\$ 24,103,231</u>	<u>\$ 654,456</u>	2.8%
Liabilities:				
Current and other liabilities	\$ 296,748	\$ 1,009,575	\$ (712,827)	-240%
Long-term liabilities	<u>4,326,369</u>	<u>3,507,345</u>	<u>819,024</u>	18.9%
Total liabilities	<u>4,623,117</u>	<u>4,516,920</u>	<u>106,197</u>	2.3%
Net Position:				
Invested in capital assets	10,230,528	10,374,201	143,673	1.4%
Unrestricted	<u>8,595,130</u>	<u>9,212,110</u>	<u>616,980</u>	7.2%
Total net position	<u>\$ 18,825,658</u>	<u>\$ 19,586,311</u>	<u>\$ 760,653</u>	

Total assets increased \$654,456, or 3%, when compared to the prior year. This can be attributed to a \$510,783, or 4%, increase in current and other assets resulting primarily from an increase in cash and investments of \$1,036,506.

Long-term liabilities decreased by \$819,024, or 19%. This is primarily attributed to a decrease in the pension obligation bonds of \$578,000.

Net position over time is a useful indicator of a government’s financial position. For Montecito Fire Protection District, assets exceed liabilities by \$19,586,311 at the close of the current fiscal year. The increase of \$760,653, or 4%, 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 (e.g. land, buildings, vehicles and equipment) amounts to \$10,374,200 at June 30, 2013, which is an increase of \$143,672, or 1%, 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 \$9,212,110, is available to meet the District’s ongoing obligations to citizens and creditors. Unrestricted net position increased \$616,980, or 7%, when compared to prior year due to current year’s revenues exceeding expenditures by \$827,261.

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)
June 30, 2013

Table 2 – Montecito Fire Protection District Change in Net Position

	<u>2012</u>	<u>2013</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Property taxes	\$ 13,073,414	\$ 13,365,323	\$ 291,909	2.2%
Investment income	71,622	(30,906)	(102,528)	-143%
Rental income	48,864	48,864	-	-
Intergovernmental	188,390	478,417	290,027	154%
Miscellaneous	253,136	177,180	(75,956)	-
				30.00%
Total revenues	<u>\$ 13,635,426</u>	<u>\$ 14,038,878</u>	<u>\$ 403,452</u>	3.0%
Expenses:				
Salaries and benefits	10,814,400	11,523,287	(708,887)	-6.6%
Services and supplies	1,080,377	1,083,099	(2,722)	-.25%
Other expenditures	110,949	132,759	(21,810)	-14.3%
Depreciation	431,169	472,472	(41,303)	-9.6%
Total expenses	<u>12,436,895</u>	<u>13,211,617</u>	<u>(774,722)</u>	-1.3%
Change in net position	1,198,531	827,261	(371,270)	
Net Position – Beginning	<u>17,627,127</u>	<u>18,825,658</u>	<u>1,198,531</u>	
Prior Period Adjustment	<u>-</u>	<u>(66,608)</u>	<u>(66,608)</u>	
Net Position – Ending	<u>\$ 18,825,658</u>	<u>\$ 19,586,311</u>	<u>\$ 760,653</u>	

The District's total revenues increased by \$403,452, or 3%, in the current fiscal year. The total increase is primarily attributed to the following factors:

- Property tax revenue increased by \$291,909, or 2%, primarily due to property value appreciation and increased construction within the District.
- Intergovernmental revenue increased by \$290,027, or 154%, due to more reimbursable fire activity than in the prior year.
- The decrease 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 \$774,722, or 1%, in the current fiscal year. The total change is primarily due to the following factors:

- An increase in Salaries and Benefits Expense of \$708,887, or 7%, resulting from additional pay to employees to cover reimbursable fire activity and shift vacancies.

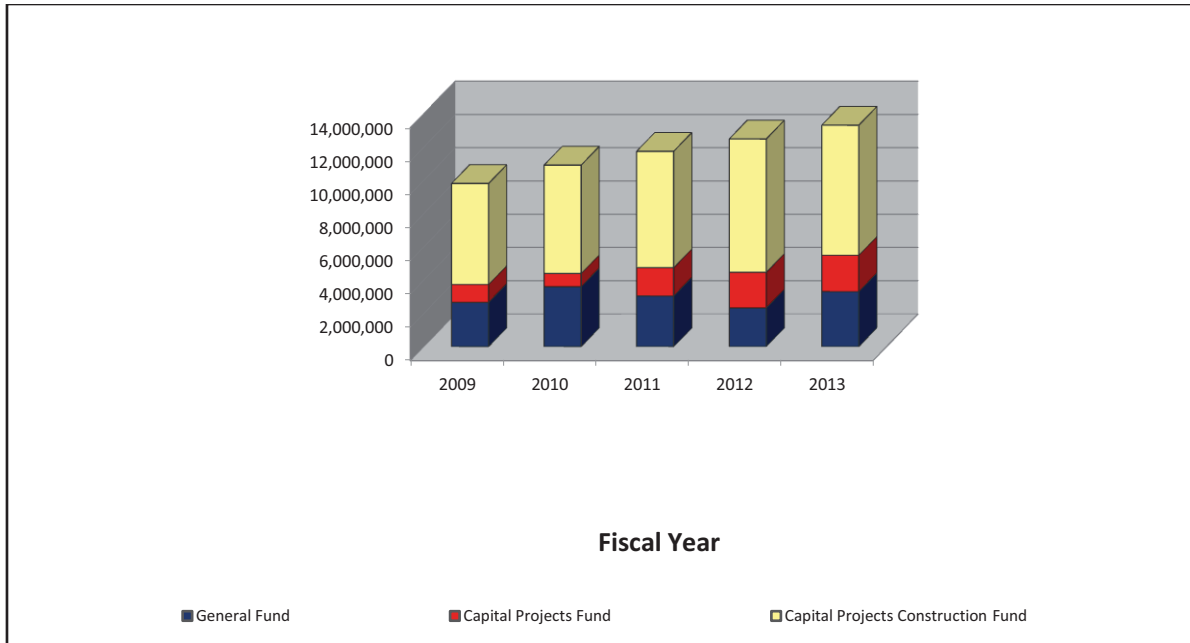
MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)
June 30, 2013

Analysis of Fund Balances of Individual Funds

The chart below displays the fiscal year end (2009 to 2013) 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 2009 to 2013. The General Fund balance includes \$1,200,000 committed to contingencies. The District established the Mello-Roos Fund in FY 2011. The fund balance was \$19,508 and \$22,228 at June 30, 2013 and June 30, 2012, respectively. The Pension Obligation Fund was established in FY 2012. The fund balance was \$2,522 and \$2,496 at June 30, 2013 and June 30, 2012, respectively.

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

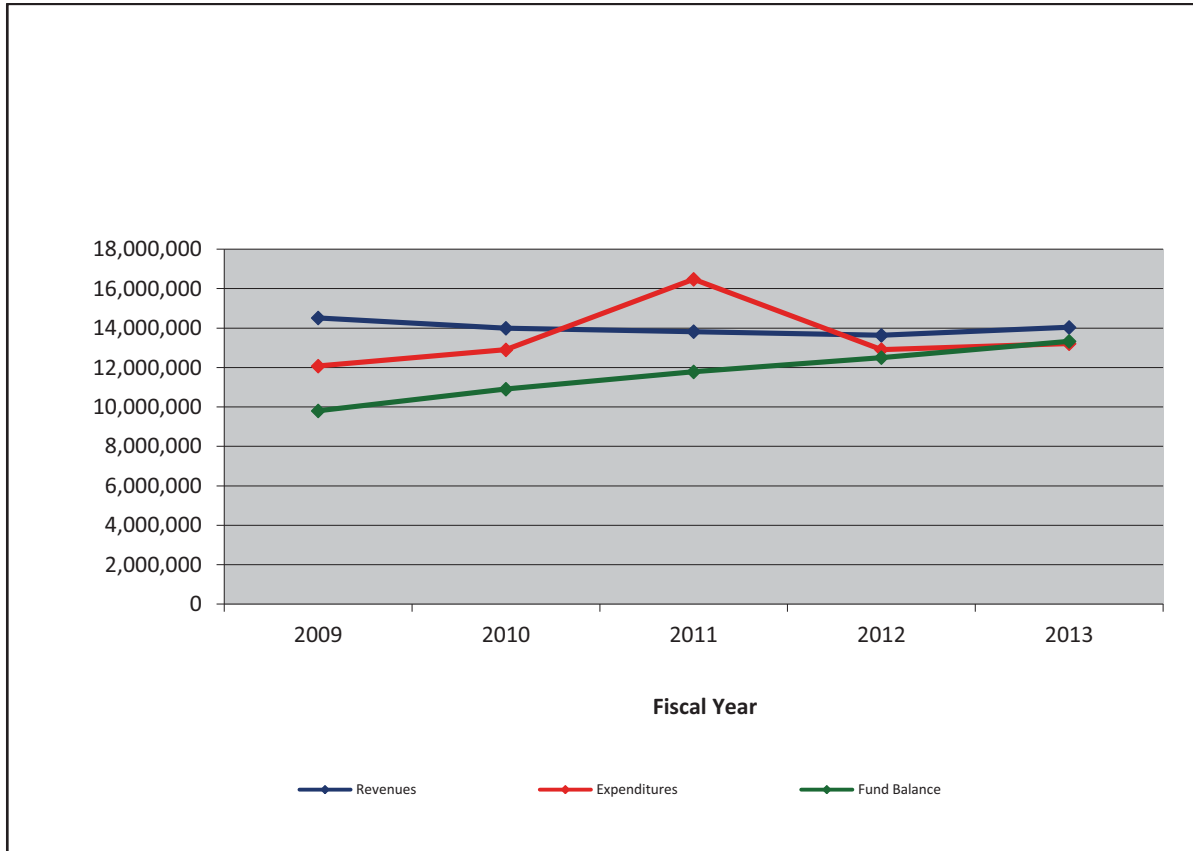
The following chart displays the District's revenues, expenditures, and ending "Memorandum Only" fund balance totals for the same five-year period. With the exception of FY 2011, when the District recorded a one-time expenditure related to the issuance of the Pension Obligation Bonds, revenue has exceeded expenditures and fund balance has steadily increased.

Revenues decreased slightly from \$13.9 million in FY 2010 to \$13.6 million in FY 2012, then followed by an increase to \$14 million this fiscal year. Total combined expenditures have increased each fiscal year.

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)
June 30, 2013

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 2012-2013 fiscal year operating budget in September of 2012 on a modified accrual basis. As adopted for the General Fund, budgeted revenues totaled \$13,429,221, while projected expenditures totaled \$12,301,486 and operating transfers to the Capital Projects Fund and Pension Obligation Fund totaled \$1,127,735, resulting in projected balanced spending.

The District formally amended its originally adopted budget in April of 2013. As amended for the General Fund, revised budgeted revenues increased by \$215,659 to \$13,644,880 while projected expenditures increased by \$215,659 to \$12,517,145, and operating transfers remained unchanged at \$1,127,735. 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 \$423,231 higher and actual expenditures were \$559,280 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, 2013

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2013, amounted to \$10,374,200 (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

	2012	2013	Dollar Change	Percent Change
Land	\$ 2,577,530	\$ 2,577,530	\$ -	-
Land easement	122,308	122,308	-	-
Construction in progress	286,661	462,185	175,524	61.23%
Structures & improvements	7,408,662	7,408,662	-	
Equipment	3,827,144	4,267,765	440,621	11.51%
Total Cost	14,222,305	14,838,450	616,145	4.33%
Less: accumulated depreciation	(3,991,777)	(4,464,249)	(472,472)	-11.8%
Total capital assets, net	\$ 10,230,528	\$ 10,374,201	\$ 143,673	1.4%

Significant capital asset activity during FY 2013 includes the following:

- Construction in Progress of \$175,524 for Station 3 developments. The total invested in the Station 3 Project as of June 30, 2013 is \$913,572. The District was a defendant in a lawsuit filed by the Montecito Agricultural Foundation (MAF). The lawsuit challenged the adequacy of the Environmental Impact Report (EIR) filed by the District pursuant to the California Environmental Quality Act (CEQA) in connection with the District's approval of the Station 3 Project. On April 16, 2013, a Santa Barbara Superior Court judge ruled in favor of MAF, stating that the District's final EIR failed to proceed in a manner required by CEQA. The District now must vacate approval of the project and the final EIR, and prepare and circulate a legally adequate EIR before moving forward with the Station 3 Project. Any actions or decisions on how the District proceeds with the Station 3 Project will be determined by the District's Board of Directors.
- The District placed in service a Type 3 Brush Engine purchased for \$361,000.
- The District recognized \$472,472 in depreciation expense.

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)
June 30, 2013

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 \$578,000 and interest payments totaling \$126,686 during the year ended June 30, 2013. The total outstanding debt at June 30, 2013 was \$2,634,000.

The deferred bond issuance charges are being amortized over the life of the debt. There were no charges recorded in the prior year. The current year amortization of bond issuance cost was \$11,786.

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, 2013

	General Fund	Pension Obligation Fund	Mello-Roos Fund	Capital Project Fund
Assets:				
Cash and investments	\$ 3,362,809	\$ 2,520	\$ 19,492	\$ 2,191,200
Accounts receivable	199,369	-	-	-
Interest receivable	4,204	2	16	1,523
Insurance deposit	63,234	-	-	-
Deferred bond issuance charge, net	-	-	-	-
Land	-	-	-	-
Land easement	-	-	-	-
Construction in progress	-	-	-	-
Other capital assets, net	-	-	-	-
Total Assets	<u>\$ 3,629,616</u>	<u>\$ 2,522</u>	<u>\$ 19,508</u>	<u>\$ 2,192,723</u>
Liabilities:				
Accounts payable	\$ 44,819	\$ -	\$ -	\$ -
Salaries and benefits payable	280,100	-	-	-
Long-term liabilities:				
Portion due within one year:				
Compensated absences	-	-	-	-
Accrued interest	-	-	-	-
Pension obligation bonds	-	-	-	-
Portion due in more than one year:				
OPEB liability	-	-	-	-
Compensated absences	-	-	-	-
Pension obligation bonds	-	-	-	-
Total Liabilities	<u>\$ 324,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances/Net Position:				
Fund Balances:				
Nonspendable	63,234	-	-	-
Committed	-	-	-	-
Assigned	1,200,000	2,522	-	-
Unassigned	2,041,463	-	19,508	2,192,723
Total Fund Balances	<u>3,304,697</u>	<u>2,522</u>	<u>19,508</u>	<u>2,192,723</u>
Total Liabilities, Fund Balance	<u>\$ 3,629,616</u>	<u>\$ 2,522</u>	<u>\$ 19,508</u>	<u>\$ 2,192,723</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, 2013

Capital Projects					
Construction	Memorandum			Statement of	
Fund	Only Total	Adjustments	Net Position		
					Assets:
\$ 7,808,887	\$ 13,384,908	\$ -	\$ 13,384,908	13,384,908	Cash and investments
-	199,369	-	199,369	199,369	Accounts receivable
5,057	10,802	-	10,802	10,802	Interest receivable
-	63,234	-	63,234	63,234	Insurance deposit
-	-	70,717	70,717	70,717	Deferred bond issuance charge, net
-	-	2,577,530	2,577,530	2,577,530	Land
-	-	122,308	122,308	122,308	Land easement
-	-	462,185	462,185	462,185	Construction in progress
-	-	7,212,178	7,212,178	7,212,178	Other capital assets, net
<u>\$ 7,813,944</u>	<u>\$ 13,658,313</u>	<u>\$ 10,444,918</u>	<u>\$ 24,103,231</u>	<u>\$ 24,103,231</u>	Total Assets
					Liabilities:
\$ 1,034	\$ 45,853	\$ -	\$ 45,853	45,853	Accounts payable
-	280,100	-	280,100	280,100	Salaries and benefits payable
					Long-term liabilities:
					Portion due within one year:
-	-	-	-	-	Compensated absences
-	-	54,622	54,622	54,622	Accrued interest
-	-	629,000	629,000	629,000	Pension obligation bonds
					Portion due in more than one year:
-	-	272,318	272,318	272,318	OPEB liability
-	-	1,230,027	1,230,027	1,230,027	Compensated absences
-	-	2,005,000	2,005,000	2,005,000	Pension obligation bonds
<u>\$ 1,034</u>	<u>\$ 325,953</u>	<u>\$ 4,190,967</u>	<u>\$ 4,516,920</u>	<u>\$ 4,516,920</u>	Total Liabilities
					Fund Balances/Net Position:
					Fund Balances:
-	63,234	(63,234)	-	-	Nonspendable
-	-	-	-	-	Committed
-	1,202,522	(1,202,522)	-	-	Assigned
7,812,910	12,066,604	(12,066,604)	-	-	Unassigned
<u>7,812,910</u>	<u>13,332,360</u>	<u>(13,332,360)</u>	<u>-</u>	<u>-</u>	Total Fund Balances
<u>\$ 7,813,944</u>	<u>\$ 13,658,313</u>				Total Liabilities, Fund Balances
					Net Position:
		10,374,201	10,374,201	10,374,201	Invested in capital assets
		9,212,110	9,212,110	9,212,110	Unrestricted
		<u>\$ 19,586,311</u>	<u>\$ 19,586,311</u>	<u>\$ 19,586,311</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, 2013

	<u>General Fund</u>	<u>Pension Obligation Fund</u>	<u>Mello-Roos Fund</u>	<u>Capital Project Fund</u>
Revenues:				
Property taxes	\$ 13,365,323	\$ -	\$ -	\$ -
Investment income	(1,673)	22	(41)	(5,324)
Rental income	48,864	-	-	-
Intergovernmental	478,417	-	-	-
Miscellaneous	177,180	-	-	-
Total Revenues	<u>14,068,111</u>	<u>22</u>	<u>(41)</u>	<u>(5,324)</u>
Expenditures:				
Salaries and benefits	10,797,817	-	-	-
Services and supplies	1,080,420	-	2,679	-
Debt service:				
Principal	-	578,000	-	-
Interest	-	138,852	-	-
Bond issuance cost amortization	-	-	-	-
Depreciation	-	-	-	-
Capital outlay	79,628	-	-	360,991
Total Expenditures/Expenses	<u>11,957,865</u>	<u>716,852</u>	<u>2,679</u>	<u>360,991</u>
Excess (deficiency) of revenues over (under) expenditures	2,110,246	(716,830)	(2,720)	(366,315)
Other Financing Sources (Uses):				
Transfers in	-	716,856	-	410,879
Transfers out	(1,127,735)	-	-	-
Total other financing sources (uses)	<u>(1,127,735)</u>	<u>716,856</u>	<u>-</u>	<u>410,879</u>
Net change in fund balances	982,511	26	(2,720)	44,564
Change in net position				
Fund Balances/Net Position - Beginning	<u>2,322,186</u>	<u>2,496</u>	<u>22,228</u>	<u>2,148,159</u>
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances/Net Position - Ending	<u>\$ 3,304,697</u>	<u>\$ 2,522</u>	<u>\$ 19,508</u>	<u>\$2,192,723</u>

MONTECITO FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

Capital Projects				
Construction	Memorandum		Statement of	
Fund	Only Total	Adjustments	Activities	
				Revenues:
\$ -	\$ 13,365,323	\$ -	\$13,365,323	Property taxes
(23,890)	(30,906)	-	(30,906)	Investment income
-	48,864	-	48,864	Rental income
-	478,417	-	478,417	Intergovernmental
-	177,180	-	177,180	Miscellaneous
<u>(23,890)</u>	<u>14,038,878</u>	<u>-</u>	<u>14,038,878</u>	Total Revenues
				Expenditures:
-	10,797,817	725,470	11,523,287	Salaries and benefits
-	1,083,099	-	1,083,099	Services and supplies
				Debt service:
-	578,000	(578,000)	-	Principal
-	138,852	(11,986)	126,866	Interest
-	-	5,893	5,893	Bond issuance cost amortization
-	-	472,472	472,472	Depreciation
175,526	616,145	(616,145)	-	Capital outlay
<u>175,526</u>	<u>13,213,913</u>	<u>(2,296)</u>	<u>13,211,617</u>	Total Expenditures/Expenses
(199,416)	824,965			Excess (deficiency) of revenues over (under) expenditures
				Other Financing Sources (Uses):
-	1,127,735	(1,127,735)	-	Transfers in
-	(1,127,735)	1,127,735	-	Transfers out
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total other financing sources (uses)
(199,416)	824,965	(824,965)	-	Net change in fund balances
		827,261	827,261	Change in net position
<u>8,012,326</u>	<u>12,507,395</u>	<u>6,318,263</u>	<u>18,825,658</u>	Fund Balances/Net Position - Beginning
<u>-</u>	<u>-</u>	<u>(66,608)</u>	<u>(66,608)</u>	Prior Period Adjustment
<u>\$ 7,812,910</u>	<u>\$ 13,332,360</u>	<u>\$ 7,078,916</u>	<u>\$19,586,311</u>	Fund Balances/Net Position - Ending

NOTES TO THE BASIC FINANCIAL STATEMENTS

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2013

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, 2013

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, 2013

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, 2013, 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, 2013

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 \$1,000. 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, 2013

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 a \$63,234 insurance deposit in the General Fund that is considered 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, 2013

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, 2013

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, 2013.

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, 2013, the District had cash on deposit with the County Treasurer in the amount of \$13,384,908.

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, 2013

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, 2013 is as follows:

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2013</u>
Capital assets, not being depreciated:				
Land	\$ 2,577,530	\$ -	\$ -	\$ 2,577,530
Land easements	122,308	-	-	122,308
Construction in progress	286,661	175,524	-	462,185
Total capital assets, not being depreciated	<u>2,986,499</u>	<u>175,524</u>	<u>-</u>	<u>3,162,023</u>
Capital assets, being depreciated:				
Structures and improvements	7,408,662	-	-	7,408,662
Equipment	3,827,144	440,621	-	4,267,765
Total capital assets, being depreciated	<u>11,235,806</u>	<u>440,621</u>	<u>-</u>	<u>11,676,427</u>
Less accumulated depreciation for:				
Structures and improvements	(1,960,049)	(157,602)	-	(2,117,651)
Equipment	(2,031,728)	(314,870)	-	(2,346,598)
Total accumulated depreciation	<u>(3,991,777)</u>	<u>(472,472)</u>	<u>-</u>	<u>(4,464,249)</u>
Total capital assets, being depreciated, net	<u>7,244,029</u>	<u>(31,851)</u>	<u>-</u>	<u>7,212,178</u>
Total capital assets, net	<u>\$ 10,230,528</u>	<u>\$ 143,673</u>	<u>\$ -</u>	<u>\$ 10,374,201</u>

Depreciation expense amounted to \$472,472 for the fiscal year ended June 30, 2013.

NOTE 4: LONG-TERM LIABILITIES

Changes to the District's long-term liabilities for the year ended June 30, 2013 are as follows:

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2013</u>	<u>Due in One Year</u>
Compensated absences	\$ 1,114,369	\$ 115,658	\$ -	\$ 1,230,027	\$ -
Pension obligation bonds	3,212,000	-	578,000	2,634,000	629,000
	<u>\$ 4,326,369</u>	<u>\$ 115,658</u>	<u>\$ 578,000</u>	<u>\$ 3,864,027</u>	<u>\$ 629,000</u>

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

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2013

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 \$578,000 and interest payments totaling \$126,866 during the year ended June 30, 2013.

Total POB debt service requirements to maturity as of June 30, 2013, are as follows:

Year Ending June 30,	Pension Obligation Bonds	
	Principal	Interest
2014	\$ 629,000	\$ 112,163
2015	684,000	83,123
2016	741,000	51,574
2017	435,000	17,402
2018	145,000	5,514
Totals	<u>\$ 2,634,000</u>	<u>\$ 269,776</u>

NOTE 6: INTERFUND TRANSFERS

Interfund transfers in the District’s fund financial statements made during the year ended June 30, 2013, are as follows:

Funds	Inter-fund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ -	\$ 1,127,735
Pension Obligation	716,856	-
Capital Projects	410,879	-
Total	<u>\$ 1,127,735</u>	<u>\$ 1,127,735</u>

During the fiscal year ended June 30, 2013, the District made the following transfers:

A transfer of \$716,856 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 \$410,879 from the General Fund to the Capital Projects Fund to finance the acquisition of a new fire truck.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2013

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 \$29,629 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 (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS 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 PERS membership eligibility requirements can participate in PERS. Retirement benefits vest after five (5) years of service with 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, 2013

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. PERS also provides death and disability benefits.

PERS issues a separate comprehensive annual financial report, copies of which may be obtained from the PERS 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 17.698% and 22.744%, 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 PERS.

Annual Pension Cost

The annual required contribution for the current year was determined as part of the June 30, 2010 actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) an investment return of 7.75%, (b) projected salary increases that vary from 3.55% to 14.45% depending on type of service, age, and an assumed inflation rate of 3.00%, (c) a payroll growth of 3.25%, 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, 2010 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 impact employees only hired from 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, 2013

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, 2011	\$ 2,154,387	100%	\$ 0
June 30, 2012	\$ 1,912,656	100%	0
June 30, 2013	\$ 1,679,002	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 \$1,389 per month for 2013, 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, 2013

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, 2013, the District contributed \$368,695 to the plan which is the entire amount of the current premiums. The District did not contribute to the PARS trust like in years past. 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, 2013, the OPEB ARC was \$978,507. This includes the normal cost of \$368,695 for the year for current active employees, and \$609,812 for UAAL amortization. The District's OPEB contribution for the fiscal year ended June 30, 2013 was \$368,695.

The following are the components of the District's OPEB cost for the fiscal year ended June 30, 2013:

Annual required contribution (ARC)	\$ 978,507
Contributions made	<u>(368,695)</u>
Increase in net OPEB asset	609,812
Net OPEB asset - beginning of year	<u>(337,494)</u>
Net OPEB asset - end of year	<u><u>\$ 272,318</u></u>

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2013

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, 2011	\$ 978,507	117%	\$ (110,176)
June 30, 2012	980,420	123%	(337,494)
June 30, 2013	978,507	38%	272,318

Funding Status and Funding Progress

Using the most recent actuarial valuation dated July 1, 2010, 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, 2013 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

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 with past expectations and new estimates are made about the future. The Schedule of

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2013

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

Funding Status and Funding Progress - continued

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 a frontline employee of the District, a retired captain of the District, and a Santa Barbara City Fire employee. 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, 2013

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	\$ 10,444,918
Long-term liabilities, including loans and notes payable not due and payable in the current period and therefore are not reported in the funds	(2,688,622)
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>(1,502,345)</u>
Combined Adjustment	<u><u>\$ 6,253,951</u></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.	\$ (137,780)
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	(589,986)
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>725,470</u>
Combined Adjustment	<u><u>\$ (2,297)</u></u>

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2013

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, 2011, 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.

NOTE 13: PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$66,608 was recorded in the statement of activities and statement of net position in order to reflect the prior year interest accrual that had not been recorded.

NOTE 14: SUBSEQUENT EVENTS

Subsequent events have been reviewed through March 15, 2014, the date the financial statements were available to be issued. No significant events were found to have happened that materially affected the District's financial position that were outside the scope of normal operations.

REQUIRED SUPPLEMENTARY INFORMATION

**MONTECITO FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET COMPARISON SCHEDULE - GENERAL FUND (Unaudited)
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property taxes	\$13,175,871	\$ 13,175,871	\$ 13,365,323	\$ 189,452
Investment income	30,000	30,000	(1,673)	(31,673)
Rental income	48,864	48,864	48,864	-
Intergovernmental	-	215,659	478,417	262,758
Miscellaneous	174,486	174,486	177,180	2,694
Total revenues	<u>13,429,221</u>	<u>13,644,880</u>	<u>14,068,111</u>	<u>423,231</u>
Expenditures				
Salaries and benefits	10,838,551	11,042,173	10,797,817	244,356
Services and supplies	1,090,435	1,102,472	1,080,420	22,052
Capital outlay	372,500	372,500	79,628	292,872
Total expenditures	<u>12,301,486</u>	<u>12,517,145</u>	<u>11,957,865</u>	<u>559,280</u>
Excess of revenues over expenditures				
Other Financing Uses:				
Transfers out	<u>(1,127,735)</u>	<u>(1,127,735)</u>	<u>(1,127,735)</u>	-
Total other financing uses	<u>(1,127,735)</u>	<u>(1,127,735)</u>	<u>(1,127,735)</u>	-
Net changes in fund balances	\$ -	\$ -	<u>982,511</u>	
Fund balances - Beginning			<u>2,322,186</u>	
Fund balances - Ending			<u><u>\$ 3,304,697</u></u>	

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Budgetary Comparison Schedules
Required Supplementary Information (Unaudited)
June 30, 2013

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 April of 2013.

MONTECITO FIRE PROTECTION DISTRICT

Required Supplementary Information
 Other Post-Employment Benefits (OPEB) Plan – Schedule of Funding Progress
 For the Fiscal Year Ended June 30, 2013

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
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%

ATTACHMENT

#B

MONTECITO FIRE PROTECTION DISTRICT
CASH IN TREASURY - ALL FUNDS
May 31, 2014

	Fund 3650 General	Fund 3651 Pension Obl.	Fund 3652 Capital Outlay	Fund 3653 Land & Bldg	Fund 3654 Mello-Roos	All Funds
Cash Balance at 5/1/14	9,870,132.97	347.22	1,854,120.93	4,858,749.96	9,696.66	16,593,047.74
Income:						
Revenues	57,031.12	-	-	-	-	57,031.12
Interest	-	-	-	-	-	-
Other:						
USFS reimb - American Fire	12,499.70	-	-	-	-	12,499.70
EMS Mgmt LLC - 1st response pmt	23,495.37	-	-	-	-	23,495.37
	93,026.19	-	-	-	-	93,026.19
Expenses:						
Claims Processed	(170,759.14)	-	-	-	(177.00)	(170,936.14)
Payroll	(945,103.65)	-	-	-	-	(945,103.65)
Other:						
Reimbursed expenses*	9,252.70	-	-	-	-	9,252.70
	(1,106,610.09)	-	-	-	(177.00)	(1,106,787.09)
Cash Balance at 5/31/14	<u>8,856,549.07</u>	<u>347.22</u>	<u>1,854,120.93</u>	<u>4,858,749.96</u>	<u>9,519.66</u>	<u>15,579,286.84</u>

* Summary of reimbursed expenses: State Compensation Ins Fund - Temporary disability payment, Bumanglag 2/14-4/24, \$9,252.70

**MONTECITO FIRE PROTECTION DISTRICT
WARRANTS AND CLAIMS DETAIL
May 2014**

Payee	Description	Amount
Fund 3650 - General		
A-OK Mower Shop Inc	Sharpen blades and chainsaws	220.00
A-OK Weed & Brush Service	Hazard mitigation work: Sycamore Cyn Rd.	1,500.00
Across The Street Productions	Blue Card Command: 5 employees	1,925.00
ACS Government Systems Inc	Firehouse Analytics Software (budgeted)	3,000.00
ACS Government Systems Inc	Upgrade to Firehouse Enterprise Software	1,220.00
ADP Inc	ADP fees, 2 periods	514.63
Aflac	Employee paid insurance	1,472.62
Allstar Fire Equipment Inc	Ladder repair	84.87
Allstar Fire Equipment Inc	Attack fire hose (budgeted)	5,668.59
Anchor Air Systems	Semi-annual preventative maintenance	629.98
Aqua Lab Industries	Hydrostatic testing (USAR)	188.00
Bound Tree Medical	Medical supplies	2,285.81
Branch Out Tree Care LLC	Chipping Projects: 5 Neighborhoods	26,975.00
Burtons Fire Inc	Vehicle supplies	184.43
California Conservation Corps	Crew for hazard mitigation projects	5,000.00
Capitol Hardware & Building Supply	Repair to gate near dumpster, Sta. 1	59.01
Capitol Public Finance Group LLC	Financial analysis services, April (\$21,000 total)	6,173.48
Carlos H Amaro	Pre-plans: Antique Store and Biltmore Hotel	875.00
Carquest Auto Parts	New brakes for Patrol 91	279.25
Chevron Business Card Services	Gasoline charges	210.32
Citygate Associates LLC	SOC Study, April (YTD \$24,115 total payments)	10,213.88
Community Radio Inc	Gibraltar space quarterly rental	825.00
Cox Communications	CAD connectivity & Internet	2,669.59
DCM Graphics	Logo for plaque engraving	220.00
Dewitt Pinto Petroleum	Diesel Fuel, 3 visits	1,985.15
Digital Combustion, Inc	Fire Studio 5 Software	1,092.50
Fechter & Company	FY13 Audit Fees - Final balance (\$7,900 total)	740.00
General Services Administration	Wildland hose and fire shelters (budgeted)	1,530.54
Hayward Lumber Company SB	Training materials for Academy	182.48
Hydrex Pest Control	Quarterly pest control maintenance	178.00
Informa Corp	Computer support, March	3,450.00
Interstate Billing Service Inc	E91 repair - Radiator replacement	2,681.86
Kimball Midwest Corp	Mechanic shop supplies	206.62
Liebert Cassidy Whitmore	Labor attorney fees, April	5,047.50
Marborg Industries	Refuse disposal	493.16
Mission Uniform Service Inc	Shop towels	338.33
Montecito Village Hardware	Sink repair and key duplicates	46.57
Montecito Water District	Water service, Sta. 1	214.26
Nestle Pure Life Direct	Bottled water	231.44
Paradise Chevrolet	Parts for new Squad 91	6.67
Peyton Scapes	Landscape maintenance	500.00
Powell, John A.	J.A. Powell Reimb: FDAC Conference	971.83
Precision Imaging	Office copier usage fee, 2 months	432.14
Precision Imaging	Printing paper for maps	151.20
Price Postel & Parma	Legal services, April	2,006.00

Payee	Description	Amount
Printing Impressions	Pre-hazard abatement brochure	928.05
Safety Kleen Corp	Quarterly solvent tank maint, Sta. 2	264.21
Sansum Clinic	Employee medical exams	4,263.00
Santa Barbara News Press	Public notice for Ordinance 2014-01	472.16
Santa Barbara Steam Cleaning	Dryer vent cleaning	279.00
SB County Auditor-Controller	Additional user tax payment	0.03
Southern California Edison	Electricity service, Sta. 1	1,195.99
Sprint	E92 Sim card for MDC, April	37.99
Staples Credit Plan	Office supplies	126.78
State Compensation Insurance Fund	Worker's comp insurance	56,349.75
The Gas Company	Gas service	127.38
The Village Service Station	Gasoline charges	2,264.28
Tilford Welding	New Squad 91 - adjust shelves (reimbursable)	65.00
Turnout Maintenance Co LLC	Turnout repairs	420.00
Unique Maintenance Inc	Carpet cleaning, Sta. 1 & 2	1,602.00
Verizon California	Phone service	3,408.53
Verizon Wireless	Wireless service, 2 months	1,555.44
Verizon Wireless	Cell phone upgrades	408.55
Vidacare Corp	Medical supplies	2,110.29
	Fund 3650 Total	<u>170,759.14</u>
 <u>Fund 3654 - UHR Mello-Roos</u>		
Price Postel & Parma	UHR Mello Roos Legal services, April	<u>177.00</u>

**MONTECITO FIRE PROTECTION DISTRICT
PAYROLL EXPENDITURES
May 2014**

Regular Salaries	\$	498,214.83
Directors Fees		4,295.00
Auxiliary		969.00
FLSA Safety		12,087.40
FLSA Dispatch		2,647.24
Regular Overtime		86,899.01
Reimbursable Overtime (approx.)		49,748.43
Chief Officers - Extra Duty		20,724.00
Dispatch Cadre Earnings		2,300.64
Hartford 457 Contribution		<u>8,600.00</u>
Gross Wages	\$	686,485.55
District Contributions to Insurance		103,598.87
District Contributions to Medicare/FICA		9,119.37
District Contributions to SUI		160.09
CalPERS Employee Contribution, District paid		48,644.56
CalPERS Employer Contribution, Employee paid		(24,525.21)
CalPERS, District Contribution		123,121.64
Due to AFLAC		<u>(1,501.22)</u>
Total Benefits		<u>258,618.10</u>
Grand Total	\$	<u>945,103.65</u>

Name	Date Worked	Comp Time Hrs	OT Hrs	Total Amount	Sick Relief	Reimb. - Fire Assignment	Emergency Callback	Class Cover	Paramedic Con. Ed	Flex Day	Extra Staffing	Shift Vacancy	BC Coverage	Dispatch Coverage	Other	Description
Bennewate, B.	05/26/14		24.00	1,017.00								1,017.00				
Blake, G.	05/14/14		25.50	1,514.70								1,514.70				
Blake, G.	05/21/14		4.50	287.30										267.30		Image Trend training
Chapman, S.	05/17/14		24.00	1,262.52		1,262.52										
Chapman, S.	05/18/14		24.00	1,262.52		1,262.52										
Davis, S.	05/13-19/14		97.00	5,520.27		5,520.27										
Davis, S.	05/24/14		24.00	1,365.84						1,365.84						
Ederer, T.	05/13/14		18.00	1,285.20			1,285.20									
Ederer, T.	5/14-18/14	24.00	48.00	3,427.20		3,427.20										499.80 Wildland fire instruction
Ederer, T.	05/13/14		7.00	499.80												
Fuentes, E.	05/13/14		15.00	1,073.70			1,073.70									
Fuentes, E.	05/16/14		24.00	1,717.92						1,717.92						
Fuggles, K.	05/16/14		-	-		0.00										
Fuggles, K.	05/20/14		8.50	561.38					561.38							
Galbraith, R.	05/14-17/14	16.00	69.50	3,955.25		3,955.25										
Hauser, B.	05/13/14		15.00	826.42			826.42									
Hauser, B.	05/20/14		7.00	385.67											385.67	Wildland fire instruction
Hauser, B.	05/20/14		17.50	964.16			964.16									
Hickman, K.	05/13/14		16.00	983.76								983.76				
Hickman, K.	05/14/14	8.00	16.00	983.76								983.76				
Hickman, K.	05/16/14		24.00	1,475.64							1,475.64					
Holthe, D.	05/02/14		3.50	238.61				238.61								
Holthe, D.	05/03/14		2.00	136.36											136.36	Wildland training
Holthe, D.	05/13/14		18.00	1,227.15		1,227.15										
Holthe, D.	05/17/14		13.50	920.36		920.36										
Klamowicz, E.	05/13/14		16.00	885.60		885.60										
Klamowicz, E.	05/14/14		12.00	684.20							684.20					
Klamowicz, E.	05/16/14		24.00	1,328.40							1,328.40					
Koepke, B.	05/13/14		2.00	156.93					156.93							
Koepke, B.	05/13/14		18.50	1,451.60			1,451.60									
Koepke, B.	05/15/14		24.00	1,883.16							1,883.16					
Lopez, G.	05/14/14		24.00	1,459.80		1,459.80										
Lopez, G.	05/16/14		24.00	1,459.80		1,459.80										
Mann, K.	05/16/14		24.00	1,636.20							1,636.20					
Mann, K.	05/19/14		8.50	579.49		579.49										
Mann, K.	05/21/14		16.00	1,090.80								1,090.80				
McCracken, R.	05/14/14		1.00	60.93		60.93										
McCracken, R.	05/15/14		10.00	609.30								609.30				
McCracken, R.	05/18/14		2.00	121.86								121.86				
McCracken, R.	05/21/14		5.50	335.12				335.12								
Poulos, T.	05/22/14		24.00	1,459.80						1,459.80						
Powell, K.	05/14/14		13.00	719.55		719.55										
Powell, K.	05/14/14		11.00	608.85												
Powell, K.	05/15/14		24.00	1,328.40							1,328.40					
Powell, K.	05/16/14		24.00	1,328.40							1,328.40					
Powell, K.	05/13/14		7.00	499.80			499.80									
Skel, E.	05/15/14		24.00	1,713.60								1,713.60				
St. Oegger, D.	05/13/14		18.50	1,176.05		1,176.05										
St. Oegger, D.	05/15-19/14		81.00	5,149.17		5,149.17										
Villareal, J.	05/14-17/14		85.50	6,254.75		6,254.75										
Villareal, J.	05/21/14		5.00	365.78				365.78								
Walkup, R.	05/14-19/14	24.00	81.00	4,483.35		4,483.35										
Zeitsoff, J.	05/14-17/14		85.50	4,497.73		4,497.73										
Bedarrao, J.	05/13/14		15.50	1,214.58							1,214.58					
Jenkins, J.	05/13-15/14		14.50	1,438.11		1,438.11										
Jenkins, J.	05/20/14		2.50	247.95											247.95	Image Trend training
Lauritson, R.	05/04/14	3.00	20.00	2,304.90								2,304.90				
Lauritson, R.	05/13-16/14	8.00	50.00	5,762.25		5,762.25										
Gregson, A.	05/25/14		24.00	1,884.00									1,884.00			
McLeod, G.	05/14/14		24.00	1,884.00									1,884.00			
McLeod, G.	05/16/14		24.00	1,884.00									1,884.00			
McLeod, G.	05/22/14		24.00	1,884.00									1,884.00			
McLeod, G.	05/23/14		24.00	1,884.00									1,884.00			
McLeod, G.	05/27/14		24.00	1,884.00									1,884.00			
Ventura, G.	05/13/14		-	-												MERRAG Activation
Ventura, G.	05/15/14		2.50	242.70											242.70	Strategic Planning packet
Ventura, G.	05/27/14		1.00	97.08											97.08	Regular Board Meeting
Grand Total			157,371.41	4,949.34	49,748.43	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		
% of Total			100.00%	3.15%	31.61%	4.37%	2.62%	0.46%	2.52%	14.36%	20.00%	13.17%	2.13%	5.61%		

**MONTECITO FIRE PROTECTION DISTRICT
SUMMARY OF OVERTIME EXPENSE BY CATEGORY
FY 2012-13**

Month Paid	Sick	Fire Assign & Callback	Pre-build Inspection	Class Cover	Paramedic	Flex Day	Extra Staffing	Shift Vacancy	BC Coverage	Dispatch Coverage	Other	Total OT	Monthly % of Total	Cum. % of Total
JULY	2,934.00	4,381.03	-	429.30	790.68	8,621.64	1,865.16	37,546.02	-	6,284.02	2,941.07	65,792.92	6.1%	6.1%
AUGUST	12,344.15	76,026.26	5,674.27	3,078.82	700.61	14,043.84	1,070.37	50,526.54	1,884.00	6,776.12	2,235.79	174,360.77	16.1%	22.2%
SEPTEMBER	9,619.56	58,014.16	-	5,935.32	773.57	8,749.08	-	58,064.58	16,956.00	3,791.52	5,147.72	167,051.51	15.4%	37.6%
OCTOBER	16,776.96	4,850.59	-	6,517.80	113.82	9,017.88	5,338.47	51,423.70	1,884.00	5,265.05	5,884.17	107,072.44	9.9%	47.5%
NOVEMBER	13,379.80	5,876.93	-	-	628.82	8,289.60	1,218.24	54,593.07	5,652.00	5,481.84	598.47	95,718.77	8.8%	56.4%
DECEMBER	12,630.64	374.96	-	4,403.61	113.82	2,168.82	-	16,157.43	-	5,182.84	4,840.67	45,872.79	4.2%	60.6%
JANUARY	21,726.48	10,232.81	983.28	-	229.54	8,201.91	-	29,201.05	1,884.00	5,432.76	2,571.43	80,463.26	7.4%	68.0%
FEBRUARY	21,023.89	238.61	-	486.60	617.03	-	-	17,724.02	7,536.00	2,478.78	5,317.86	55,422.79	5.1%	73.1%
MARCH	7,806.12	1,154.21	-	1,148.59	605.89	1,462.32	-	4,574.75	5,652.00	-	1,274.42	23,678.30	2.2%	75.3%
APRIL	10,465.20	7,514.47	-	3,085.42	534.34	4,226.40	2,707.52	13,714.44	4,035.24	4,035.24	3,832.02	62,361.05	5.8%	81.1%
MAY	6,058.56	34,924.36	-	179.29	1,766.81	6,840.15	340.88	17,939.55	4,710.00	9,816.22	3,600.35	86,176.17	8.0%	89.1%
JUNE	2,804.36	68,659.48	-	-	1,092.31	2,700.72	11,628.81	20,789.40	5,652.00	3,296.52	1,856.90	118,480.50	10.9%	100.0%
TOTAL	137,569.72	272,247.87	6,657.55	25,264.75	7,967.24	74,322.36	24,169.45	372,254.55	64,056.00	57,840.91	40,100.87	1,082,451.27	100.0%	

**MONTECITO FIRE PROTECTION DISTRICT
SUMMARY OF OVERTIME EXPENSE BY CATEGORY
FY 2013-14**

Month Paid	Sick	Reimb.-Fire Assignment	Emergency Callback	Class Cover	Paramedic	Flex Day	Extra Staffing	Shift Vacancy	BC Coverage	Dispatch Coverage	Other	Total OT	Monthly % of Budget	Cum. % of Budget
JULY	17,047.80	21,550.17	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	93,933.90	11.1%	11.1%
AUGUST	15,315.23	60,900.04	-	1,322.28	110.79	10,995.72	-	20,107.22	-	861.96	824.53	110,377.77	13.0%	24.0%
SEPTEMBER	12,665.18	94,071.40	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	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	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	3.8%	51.8%
DECEMBER	6,826.38	9,239.53	1,316.32	-	-	1,687.95	-	24,260.50	12,879.42	7,330.14	399.42	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	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	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	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	9.7%	89.0%
MAY	4,949.34	49,748.43	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	157,371.41	18.5%	107.5%
JUNE	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	107.5%
TOTAL	101,921.90	235,509.57	24,240.03	20,038.70	6,409.79	35,225.79	65,600.86	227,177.31	110,847.42	37,890.98	48,913.80	913,776.15	100.0%	

Budget \$ 850,000

**MONTECITO FIRE PROTECTION DISTRICT
FIRE ASSIGNMENTS - BILLING
FY 2013-2014**

Fire Name, #	Invoice #	Period Covered	Date Billed/ Inv. Received	Agency	Total Due	Date Rec'd	Amt. Rec'd.
West Fork Complex, CO-SJF-0285	2013-04	07/02-07/11/13	08/07/13	USFS	\$ 18,460.49	11/14/13	\$ 18,460.49
Chariot Fire, CA-MVU-014084		07/08-07/11/13	09/03/13	Cal-EMA	29,226.50	12/04/13	29,226.50
Falls Fire, CA-CNF-002512		08/06-08/08/13	09/09/13	Cal-EMA	23,401.17	12/03/13	23,401.17
Silver Fire, CA-RRU-079781		08/08-08/10/13	09/03/13	Cal-EMA	29,398.41	12/04/13	29,398.41
American Fire, CA-TNF-1562	2013-06	08/12-08/19/13	09/12/13	USFS	12,499.70	05/09/14	12,499.70
American Fire, CA-TNF-1562		08/15-08/18/13	03/10/14	Cal-EMA	7,935.70	05/30/14	7,935.70
Shirley Fire, CA-SQF-3228		08/19-08/20/13	10/03/13	Cal-EMA	14,621.25	12/06/13	14,621.25
Shirley Complex, CA-SQF-3229		08/20-08/23/13	09/09/13	Cal-EMA	35,955.95	12/09/13	35,955.95
Hough Complex, CA-PNF-1324	2013-07	08/19-08/28/13	10/03/13	USFS	37,607.18	04/16/14	37,607.18
Rim Fire, CA-STF-2857		08/23-09/03/13	10/28/13	Cal-EMA	156,698.60	01/07/14	156,698.60
Pfeiffer Fire, CA-LPF-3810	2013-08	12/16-12/22/13	01/28/13	USFS	23,511.23	04/10/14	23,511.23
Miguelito Fire, CA-SBC-005573		05/13-05/16/14		Cal-EMA	TBD		
Coco's Fire, CA-MVU-010212		05/14-05/19/14		Cal-EMA	TBD		
					\$ 389,316.18		\$ 389,316.18

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

May 9, 2014
File #: 12611
Invoice #: 115908
Billing Attorney: MSM

ACCOUNT SUMMARY BALANCE

RE: GENERAL MATTERS 118.00
Our File Number: 12611-00000

RE: ORDINANCES 501.50
Our File Number: 12611-00022

RE: BOARD MTGS 1,386.50
Our File Number: 12611-00061

RE: MELLO ROOS - UPPER HYDE ROAD 177.00 - FUND 3054
Our File Number: 12611-00077

Current Total Charges 2,183.00

* * * * *

177.00
2,006.00

SUMMARY OF CURRENT CHARGES

Current Fees	2,183.00	
Total Current Fees & Costs	<u>2,183.00</u>	
Total Current Due		\$2,183.00

SUMMARY OF PAST DUE BALANCES

Total Past Due		\$0.00
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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.
 Mont. B PD -
 1255-1259 E. Valley Road
 Santa Barbara, CA 93108

Date	Payee / Payer	Type	Reference	Description	Income	Expense	Balance
				Beginning Cash Balance as of 05/01/2014			11,086.00
05/01/2014	David Ward	Receipt	0008591943	1259 - Rent Income - May 2014	1,226.00		12,312.00
05/02/2014	Larry Todd Edwards	ACH receipt	H04-021	1255 - Rent Income	1,636.00		13,948.00
05/02/2014	Thomas V. Homer	Receipt	1296	1257 - Rent Income - May 2014	1,210.00		15,158.00
05/30/2014	Cochrane Property Management, Inc.	Check	18689	Administrative Fee - Monthly service fee - min 5 - May 2014 - Monthly service fee - min 5		5.00	15,153.00
05/30/2014	Cochrane Property Management, Inc.	Check	18689	Property Mgmt Fees - Property Mgmt Fees for 05/2014		244.32	14,908.68
05/30/2014	Montecito Water District	Payment	ACH	Water/Sewer - monthly water 01-1256-0303/27/14 - 4/27/14 19 HCF usage - May 2014 - Montecito Water monthly bill		142.85	14,765.83
05/31/2014	Hydra, Inc. Santa Barbara	Check	18690	Pest Control - 4/14/14 mo rodent service		92.00	14,673.83
05/31/2014	Peyton/Scapes	Check	18691	Gardening/Landscaping - 4/30/14 mo gardening - May 2014		55.00	14,618.83
05/31/2014	Peyton/Scapes	Check	18691	Gardening/Landscaping - 4/30/14 mo gardening - May 2014		55.00	14,563.83
05/31/2014	Peyton/Scapes	Check	18691	Gardening/Landscaping - 4/30/14 mo gardening - May 2014		55.00	14,508.83
				Ending Cash Balance			14,508.83
Total					4,000.00	641.10	

Property Cash Summary

Required Reserves	5,000.00
Prepaid Rent for Future Rent	0.00

Cochrane Property Management, Inc.

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

Owner: Montecito Fire Protection District (MFPD)

Date Range: 05/01/2014 to 05/31/2014

Account Name	Select Period	% of Select Period	Fiscal Year To Date	% of Fiscal Year To Date
Operating Income & Expense				
Income				
Income				
Rent Income	4,072.00	100.00	20,360.00	100.00
Total Income	4,072.00	100.00	20,360.00	100.00
Total Operating Income	4,072.00	100.00	20,360.00	100.00
Expense				
Office Expenses				
Administrative Fee	5.00	0.12	25.00	0.12
Total Office Expenses	5.00	0.12	25.00	0.12
Repair & Maintenance				
Landscaping/ Gardening	165.00	4.05	1,425.00	7.00
Pest Control	92.00	2.26	460.00	2.26
Total Repair & Maintenance	257.00	6.31	1,885.00	9.26
Property Mgmt Fees	244.32	6.00	1,221.60	6.00
Utilities				
Water/Sewer	142.85	3.51	1,761.92	8.65
Trash/Recycling	0.00	0.00	355.36	1.75
Total Utilities	142.85	3.51	2,117.28	10.40
Total Operating Expense	409.17	10.04	5,248.88	25.78
Net Operating Income	3,662.83	89.96	15,111.12	74.22
Total Income	4,072.00	100.00	20,360.00	100.00
Total Expense	649.17	15.94	5,248.88	25.78
Net Income	3,422.83	84.06	15,111.12	74.22
Other Items				
Owner Distribution	0.00		-10,941.90	
Net Other Items	0.00		-10,941.90	
Cash Flow	3,422.83		4,169.22	
Beginning Cash	11,086.00		10,337.61	
Beginning Cash Flow	14,508.83		14,508.83	
Actual Ending Cash	14,508.83		14,508.83	

Balance Sheet

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

As of: 05/31/2014

Account Name	Balance
ASSETS	
Cash	
Cash in Bank	14,508.83
Total Cash	14,508.83
TOTAL ASSETS	14,508.83
LIABILITIES & CAPITAL	
Liabilities	
Security Deposit/Liability	
Security Deposits On Hand	3,040.00
Total Security Deposit/Liability	3,040.00
Total Liabilities	3,040.00
Capital	
Owner Distribution	-72,315.82
Calculated Retained Earnings	15,111.12
Calculated Prior Years Retained Earnings	68,673.53
Total Capital	11,468.83
TOTAL LIABILITIES & CAPITAL	14,508.83

ATTACHMENT

#C

MONTECITO FIRE PROTECTION DISTRICT
Summary of Salaries and Benefits
Full Time Employees
Effective July 1, 2014

Retirement Pension - Miscellaneous:

CalPERS 3% at 60 – First Level Members
 CalPERS 2% at 62 – PEPRA New Members

Employee pays 4.5% cost share toward employer contribution; employee contribution is paid by employer.

Retirement Pension - Safety:

CalPERS 3% at 55 – First Level Members
 CalPERS 2.7% at 57 – PEPRA New Members

Employee pays 4.5% cost share toward employer contribution; employee contribution is paid by employer.

CalPERS Health Care:

District covers a maximum of \$1,458 per month per employee towards a CalPERS-administered health plan. Plan rates vary; unused balance is not accrued.

Delta Dental Premier Plan: District covers entire cost for the employee and eligible dependents.

Current Premiums:

Employee Only	\$ 72.77
Employee +1	\$ 133.36
Family	\$ 215.56

Vision Service Plan: District covers entire cost for the employee and eligible dependents. Current premium is \$32.64.

Life Insurance: District provides \$50,000 on member's life; \$50,000 accidental death/dismemberment and \$1,000 for member's dependents. Current premium is \$15.36.

Deferred Compensation: District contributes \$200 per month towards the District-sponsored IRC 457(b) Deferred Compensation Plan for all employees after completing one year of employment.

Uniform Allowance: \$ 1,000 per year

Text Message Allowance: Department pays \$20 per month if an employee chooses to utilize his/her personal cell phone for notification purposes.

Sick Leave: 12 hours of sick leave earned per month.

Holiday Time: Safety and Dispatchers earn 12 hours per month. Office personnel receive 12 paid holidays.

Vacation:Safety and Dispatchers:

1-5 years of service – 12 hours per month
 6-10 years of service – 16 hours per month
 11-15 years of service – 20 hours per month
 16+ years of service – 24 hours per month

Battalion Chief (Safety):

16+ years of service – 24 hours per month

Chief Officers assigned to a 40 hour work week:

16.67 hours per month

40 hour personnel:

1-3 years of service – 6.67 hours per month
 4-7 years of service – 10 hours per month
 8-11 years of service – 13.33 hours per month
 12+ years of service – 16.67 hours per month

MONTECITO FIRE PROTECTION DISTRICT
Summary of Salaries and Benefits
Full Time Employees
Effective July 1, 2014

Monthly Salary Base Rates:

Rank/Title	Start	6 mo.	12 mo.	24 mo.	36 mo.
Fire Chief	15,617		17,310		
Division Chief of Operations	14,230	16,050			
Battalion Chief/Fire Marshal	12,977	14,394			
Battalion Chief	11,798	13,084			
Captain/Asst. Fire Marshal	10,754	11,265			
Captain	9,564	10,240			
Wildland Specialist	9,345	9,784			
Engineer/Inspector	9,342	9,784			
Engineer	8,314	8,896			
Firefighter/Paramedic	6,745	7,412	8,081	8,818	
Firefighter	6,073	6,669	7,276	7,937	
Dispatcher	6,325	6,581	6,764		
Communications Coordinator	9,006	9,456	9,928		
Accountant	8,267	8,684	9,120	9,578	10,057
Administrative Assistant	7,802	8,194	8,602	9,033	9,488
Mechanic	6,694	7,283	7,875		

Longevity Incentives: Special compensation pay is calculated using the employee’s base rate.

3-5 years	2.75%	15-17 years	13.75%
6-8 years	5.50%	18-20 years	16.50%
9-11 years	8.25%	21-23 years	19.25%
12-14 years	11.00%	24+ years	22.00%

Dispatch Cadre Members: Special compensation pay 5% of top step of the Firefighter classification base salary.
 Current incentive rate: \$ 396.85 per month

EMT/AED Certification Incentive: 5% Special compensation pay is calculated using the employee’s base rate, longevity incentive and Fair Labor Standards Act (FLSA) earnings, if applicable.

FLSA Earnings: Safety employees working a 24-hour shift schedule receive FLSA overtime compensation equal to 5 hours of straight time pay every 24-day period.

Dispatchers working a 24-hour shift schedule receive FLSA overtime compensation is calculated weekly for hours worked in excess of a 56 hour workweek.

MONTECITO FIRE PROTECTION DISTRICT
Summary of Salaries and Benefits
Part-Time Employees
Effective July 1, 2014

Retirement Pension - Miscellaneous:

CalPERS 3% at 60 – First Level Members
 CalPERS 2% at 62 – PEPRA New Members

Employee pays 4.5% cost share toward employer contribution; employee contribution is paid by employer.

Retirement Pension - Safety:

CalPERS 3% at 55 – First Level Members
 CalPERS 2.7% at 57 – PEPRA New Members

Employee pays 4.5% cost share toward employer contribution; employee contribution is paid by employer.

CalPERS Health Care: District covers a maximum of \$729 per month per employee towards a CalPERS-administered health plan. Plan rates vary; unused balance is not accrued.

Delta Dental Premier Plan: District covers entire cost for the employee and eligible dependents.

Current Premiums:

Employee Only	\$ 72.77
Employee +1	\$ 133.36
Family	\$ 215.56

Vision Service Plan: District covers entire cost for the employee and eligible dependents. The current monthly premium is \$32.64.

Uniform Allowance: \$ 500 per year

Text Message Allowance: Department pays \$20 per month if an employee chooses to utilize his/her personal cell phone for notification purposes.

Sick Leave: 6 hours of sick leave earned per month.

Holiday Time: Receives 12 paid holidays.

Vacation:

20 hour part-time personnel:

- 1-3 years of service – 3.33 hours per month
- 4-7 years of service – 5 hours per month
- 8-11 years of service – 6.67 hours per month
- 12+ years of service – 8.33 hours per month

Hourly Rate:

Rank/Title	Start	6 mo.
Part-time Wildland Specialist	43.24	48.32

Longevity Incentives: Special compensation pay is calculated using the employee’s base rate.

3-5 years	2.75%	15-17 years	13.75%
6-8 years	5.50%	18-20 years	16.50%
9-11 years	8.25%	21-23 years	19.25%
12-14 years	11.00%	24+ years	22.00%

Dispatch Cadre Members: Special compensation pay 5% of top step of the Firefighter classification base salary.
 Current incentive rate: \$ 396.85 per month

EMT/AED Certification Incentive: 5% Special compensation pay is calculated using the employee’s base rate and longevity incentive.

ATTACHMENT

#D



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. ■ GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 2014

Dear Fiscal Officer:

Subject: Price and Population Information

Appropriations Limit

The California Revenue and Taxation Code, section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2014, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2014-15. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2014-15 appropriations limit. Attachment B provides city and unincorporated county population percentage change. Attachment C provides population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code section 2228 for further information regarding the appropriations limit. Article XIII B, section 9(C), of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2014.**

Please Note: Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

KEELY M. BOSLER
Chief Deputy Director

Attachment

May 2014

Attachment A

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2014-15 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2014-15	-0.23

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2014-15 appropriation limit.

2014-15:

Per Capita Cost of Living Change = -0.23 percent
 Population Change = 0.95 percent

Per Capita Cost of Living converted to a ratio: $\frac{-0.23 + 100}{100} = 0.9977$

Population converted to a ratio: $\frac{0.95 + 100}{100} = 1.0095$

Calculation of factor for FY 2014-15: $0.9977 \times 1.0095 = 1.0072$

**Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2013 to January 1, 2014 and Total Population, January 1, 2014**

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2013-2014	1-1-13	1-1-14	1-1-2014
Santa Barbara				
Buellton	0.51	4,868	4,893	4,893
Carpinteria	2.51	13,113	13,442	13,442
Goleta	0.69	29,994	30,202	30,202
Guadalupe	0.51	7,108	7,144	7,144
Lompoc	1.21	39,369	39,846	43,314
Santa Barbara	0.68	89,753	90,365	90,385
Santa Maria	0.69	100,411	101,103	101,103
Solvang	1.23	5,298	5,363	5,363
Unincorporated	1.10	132,732	134,196	137,552
County Total	0.92	422,646	426,554	433,398

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

ATTACHMENT

#E

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET DETAIL
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3650 - GENERAL FUND				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>	<u>Final Budget FY 2013-14</u>	<u>Increase/ (Decrease)</u>
REVENUES				
Taxes				
3010	Property Tax - Secured (0% Increase)	13,133,310	13,092,378	40,932
3011	Property Tax - Unitary	96,768	95,036	1,732
3020	Property Tax - Unsecured	602,642	560,700	41,942
3054	Supplemental Property Tax	<u>119,717</u>	<u>126,656</u>	<u>(6,939)</u>
	Total Taxes Revenue	13,952,436	13,874,770	77,666
Use of Money and Property				
3380	Interest Income	10,000	14,345	(4,345)
3409	Rental Property Income	<u>48,864</u>	<u>48,864</u>	<u>-</u>
	Total Use of Money and Property	58,864	63,209	(4,345)
Intergovernmental Revenue - State				
4220	Homeowners Property Tax Relief	<u>85,087</u>	<u>77,800</u>	<u>7,287</u>
	Total Intergovernmental Revenue - State	85,087	77,800	7,287
Charges for Services				
5105	Reimb for District Services	177,920	177,920	-
	AMR First Response Payment	93,112	93,112	-
	CSFD Dispatch Services	84,808	84,808	-
	Total Charges for Services	177,920		-
Miscellaneous Revenue				
5909	Other Miscellaneous Revenue	4,225	4,118	107
	Westmont Payment	4,225	4,118	-
	Total Miscellaneous Revenue	4,225	4,118	107
	ESTIMATED GENERAL FUND REVENUES	<u>14,278,532</u>	<u>14,019,897</u>	<u>80,715</u>

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET DETAIL
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3650 - GENERAL FUND				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>	<u>Final Budget FY 2013-14</u>	<u>Increase/ (Decrease)</u>
EXPENDITURES				
Salaries & Employee Benefits				
6100	Regular Salaries	6,526,686	6,364,335	162,351
	Salaries	6,431,936	6,261,035	
	Uniform Allowance	45,500	45,500	
	Auxiliary	20,000	20,000	
	Directors fees	29,250	37,800	
6300	Overtime	850,000	850,000	-
6400	Retirement Contributions	1,888,792	1,793,563	95,229
6475	Retiree Medical OPEB	810,136	786,540	23,596
6550	FICA/Medicare	98,258	97,358	900
6600	Insurance Contributions	1,312,367	1,216,410	95,957
	Health Insurance	1,097,537	1,028,739	
	Dental Insurance	173,035	147,245	
	Vision Insurance	32,361	30,943	
	Life Insurance	7,972	8,021	
	Employee Assistance Program	1,462	1,462	
6700	Unemployment Insurance	8,925	9,715	(790)
6900	Workers Compensation Insurance	650,648	759,407	(108,759)
	Total Salaries & Employee Benefits	12,145,813	11,877,328	268,485
Services & Supplies				
7030	Clothing and PPE	8,000	20,036	(12,036)
7050	Communications	79,820	74,115	5,705
	Operational	73,500		
	Web site hosting	1,500		
	SBCO IT services	3,700		
	CDCE Tablet Connectivity	1,120		
7060	Food	2,500	2,600	(100)
7070	Household Expense	20,850	22,550	(1,700)
	Operational	8,000		
	Shop towels/turnouts service	5,000		
	Marborg refuse services	5,000		
	Bottled water	1,750		
	Rental housing refuse services	1,100		
7090	Insurance: Liability/Auto/Prop.	31,000	29,867	1,133

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET DETAIL
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3650 - GENERAL FUND				
Account	Line Item Description	Prelim. Budget FY 2014-15	Final Budget FY 2013-14	Increase/ (Decrease)
7120	Maintenance - Equipment	100,250	95,880	4,370
	Operational	73,500	67,000	
	Tri-Tech annual maintenance	24,000	22,000	
	VPI annual maintenance	1,850	1,850	
	RAWS annual maintenance	900	900	
7200	Structure and Grounds Maintenance	22,000	20,500	1,500
	Operational	16,500		
	Rental housing	5,500		
7205	Fire Defense Zone (Hazard Mitigation)	90,000	90,000	-
7322	Consulting and Management Fees	3,100	3,100	-
7324	Audit and Accounting Fees	24,000	25,305	(1,305)
7400	Medical & First Aid Supplies	13,850	20,564	(6,714)
	Operational	10,000		
	Lifepack maintenance service	3,850		
7430	Memberships	2,500	2,500	-
7450	Office Expense	12,000	25,851	(13,851)
	Operational	12,000		
7460	Professional and Specialized Services	267,500	336,500	(69,000)
	Other Operational	20,000		
	Legal services	90,000		
	IT services	42,000		
	Medical exams	30,000		
	Medical Director	6,000		
	Mapping support	5,000		
	CAD preplans	7,000		
	EMT Instruction	3,500		
	Helicopter Charters to Diablo	9,000		
	Citygate SOC study	55,000		
7506	Administrative Tax Expense	165,000	173,000	(8,000)
7507	ADP Payroll Fees	7,500	6,000	1,500
7530	Publications & Legal Notices	2,000	2,000	-
7580	Rents & Leases - Structure	5,500	5,535	(35)
7630	Small Tools & Instruments	6,630	38,016	(31,386)
	Operational	3,630	3,000	
	Haz mat small tools	3,000	3,000	

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET DETAIL
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3650 - GENERAL FUND					
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>	<u>Final Budget FY 2013-14</u>		<u>Increase/ (Decrease)</u>
7650	District Special Expense	38,500	48,223		(9,723)
	Operational (permits/fees)	5,000			
	Election expenses (Prop. 4)	23,000			
	LAFCO	10,500			
7653	Paramedic Advanced Training	-	2,000		(2,000)
7671	Special Projects	7,500	27,000		(19,500)
	Fire Prevention Week materials	4,000			
	Pre-hazard abatement brochure	3,500			
7730	Transportation & Travel	12,000	17,000		(5,000)
7731	Gasoline/Oil/Fuel	55,000	50,000		5,000
7732	Training	42,000	71,000		(29,000)
	Operational	40,000			
	Paramedic Advanced Training	2,000			
7760	Utilities	47,000	45,000		2,000
	Operational	42,000	40,000	-	-
	Rental housing utilities	5,000	5,000	-	-
	Total Services & Supplies	1,066,000	1,254,142		(188,142)
Fixed Assets					
8300	Total Fixed Assets	-	29,690		(29,690)
OTHER FINANCING USES					
	Transfer To Pension Obligation (Fund 3651)	769,313	741,164		28,149
	Transfer To Capital Outlay (Fund 3652)	297,406	218,281		79,125
	Other Financing Uses	1,066,719	959,445		107,274
	TOTAL EXPENDITURES & TRANSFERS	14,278,532	14,120,605		157,927
	Net Financial Impact	-	(100,708)		
Fund 3650 Equity					
	Est. Beginning Fund Balance at 7/1/2014	3,381,909	7/1/2013	3,304,697	
	Net Financial Impact	-	(100,708)		
	Projected Ending Fund Balance at 6/30/2015	3,381,909	6/30/2014	3,203,989	

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET DETAIL
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3651 - PENSION OBLIGATION FUND				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>	<u>Final Budget FY 2013-14</u>	<u>Increase/ (Decrease)</u>
REVENUES				
Financing Sources				
5910	Operating Trf (In) General Fund	769,313	741,164	28,149
	ESTIMATED FUND REVENUES	769,313	741,164	28,149
EXPENDITURES				
7460	Administration Fee	2,190	2,190	-
7830	Interest Expenses	83,123	112,164	(29,041)
	Total Expenditures	85,313	114,354	(29,041)
OTHER FINANCING USES				
7910	Long Term Debt Principal Repayment	684,000	629,000	55,000
	Other Financing Uses	684,000	629,000	55,000
	TOTAL EXPENDITURES & TRANSFERS	769,313	743,354	25,959
	Net Financial Impact	-	(2,190)	
Fund 3651 Equity				
	Est. Beginning Fund Balance at 7/1/2014	332		
	Net Financial Impact	-		
	Projected Ending Fund Balance at 6/30/2015	332		

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET DETAIL
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3652 - CAPITAL OUTLAY FUND				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>	<u>Final Budget FY 2013-14</u>	<u>Increase/ (Decrease)</u>
REVENUES				
Financing Sources				
5910	Operating Trf (In) General Fund	297,406	218,281	79,125
	ESTIMATED FUND REVENUES	297,406	218,281	79,125
EXPENDITURES				
Capital Assets				
8300	Vehicle (Division Chief)	54,200	359,605	(305,405)
	TOTAL EXPENDITURES	54,200	359,605	(305,405)
	Net Financial Impact	243,206	(141,324)	
Fund 3652 Equity				
	Est. Beginning Fund Balance at 7/1/2014	2,051,399		
	Net Financial Impact	243,206		
	Projected Ending Fund Balance at 6/30/2015	2,294,605		

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET DETAIL
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3653 - LAND AND BUILDING FUND				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>	<u>Final Budget FY 2013-14</u>	<u>Increase/ (Decrease)</u>
REVENUES				
Financing Sources				
5910	Operating Trf (In) General Fund	-	-	-
	ESTIMATED FUND REVENUES	-	-	-
EXPENDITURES				
Capital Assets				
8100	Land	100,000	100,000	-
8700	Construction in Progress	-	100,000	(100,000)
	TOTAL EXPENDITURES	100,000	200,000	(100,000)
	Net Financial Impact	(100,000)	(200,000)	
Fund 3653 Equity				
	Est. Beginning Fund Balance at 7/1/2014	7,812,910		
	Net Financial Impact	(100,000)		
	Projected Ending Fund Balance at 6/30/2015	7,712,910		

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET DETAIL
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3654 - UHR MELLO-ROOS FUND				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>	<u>Final Budget FY 2013-14</u>	<u>Increase/ (Decrease)</u>
REVENUES				
Financing Sources				
5910	Operating Trf (In) General Fund	-	-	-
	ESTIMATED FUND REVENUES	-	-	-
EXPENDITURES				
7460	Professional and Specialized Services	9,000	19,571	(10,571)
	TOTAL EXPENDITURES	9,000	19,571	(10,571)
	Net Financial Impact	(9,000)	(19,571)	
Fund 3654 Equity				
	Est. Beginning Fund Balance at 7/1/2014	9,000		
	Net Financial Impact	(9,000)		
	Projected Ending Fund Balance at 6/30/2015	-		

RESOLUTION NO. 2014-07

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MONTECITO FIRE PROTECTION DISTRICT
IN THE MATTER OF THE ADOPTION OF THE
PRELIMINARY BUDGET FOR THE
2014-15 FISCAL YEAR**

WHEREAS, Section 13890 of the Health and Safety Code requires that the District Board adopt a preliminary budget conforming to the Accounting Procedures for Special Districts and Budgeting Procedures for Special Districts, as described, on or before June 30 of each year; and

WHEREAS, Section 13893 of the Health and Safety Code requires that the District Board publish a notice on or before June 30 of each year stating: (1) that it has adopted a preliminary budget which is available for inspection at a time and place within the District specified in the notice; and (2) the date, time and place when the Board will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items; and

WHEREAS, Section 13893 of the Health & Safety Code further provides that said notice shall be published in at least one newspaper of general circulation in the District, the first publication to be at least two weeks before the date of the meeting; and

WHEREAS, the Board of Directors met at a regular meeting on June 23, 2014, to consider the District's preliminary budget for fiscal year 2014-15 as described by and recommended for approval by the Fire Chief;

NOW THEREFORE, BE IT AND IT IS HEREBY ORDERED AND RESOLVED AS FOLLOWS:

1. That the Board of Directors adopts the 2014-15 preliminary budget for the Montecito Fire Protection District in the form recommended by the Fire Chief at the Board's regular meeting on June 23, 2014.

In summary, the preliminary budget provides as follows:

<u>Fund 3650 – General Fund</u>	
Salaries & Employee Benefits	\$ 12,145,813
Services & Supplies	1,066,000
Fixed Assets	-0-
Transfer to Pension Obligation	769,313
Transfer to Capital Outlay	<u>297,406</u>
	\$ 14,278,532
<u>Fund 3651 – Pension Obligation</u>	
Services & Supplies	\$ 769,313
<u>Fund 3652 – Capital Outlay</u>	

Fixed Assets	\$ 54,200
<u>Fund 3653 – Land & Building</u>	
Land	\$ 100,000
<u>Fund 3654 – UHR Mello-Roos</u>	
Services & Supplies	\$ 9,000

Copies of the approved budget are on file with District records.

2. The adopted preliminary budget shall be available for inspection between the hours of 8:00 a.m. and 5:00 p.m. on regular business days at Montecito Fire Protection District Headquarters, 595 San Ysidro Road, Montecito, Santa Barbara County, California.

3. The Board of Directors will meet September 22, 2014, at 2:00 p.m. at District Headquarters, 595 San Ysidro Road, Montecito, Santa Barbara County, California, to consider and adopt the final budget as required by law and any person may appear at that time and be heard regarding any item in the budget or regarding the addition of other items.

4. The Secretary is directed to cause to be published the notice attached to this resolution as Exhibit A in the *Santa Barbara News Press* in accordance with Health and Safety Code Section 13893 on or before June 30, 2014.

PASSED AND ADOPTED by the Governing Board of the Montecito Fire Protection District this 23rd day of June, 2014, by the following vote, to wit:

Ayes:

Noes:

Abstain:

Absent:

President of the Board of Directors
 MONTECITO FIRE PROTECTION DISTRICT

ATTEST:

Secretary

EXHIBIT A**PUBLIC NOTICE**

Montecito Fire Protection District
in the Matter of the District's Preliminary Budget
for Fiscal Year 2014-15
Health and Safety Code Section 13893

NOTICE IS HEREBY GIVEN that the preliminary budget of the Montecito Fire Protection District for the 2014-15 fiscal year was adopted by the Board of Directors of said District on June 23, 2014, and is available for inspection between the hours of 8:00 a.m. and 5:00 p.m. on regular business days at District Headquarters, 595 San Ysidro Road, Montecito, Santa Barbara County, California. A copy of said preliminary budget will be supplied to any person upon request at District Headquarters and will be available on and after June 23, 2014.

NOTICE IS ALSO GIVEN that on the 22nd day of September, 2014, at 2:00 p.m., in the meeting room of the Board of Directors at District Headquarters, 595 San Ysidro Road, Montecito, Santa Barbara County, California, the Board of Directors will meet for the purpose of adopting the District's final budget at which time and place any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

This Notice shall be published in accordance with California Health & Safety Code Section 13893.

By order of the Board of Directors of the Montecito Fire Protection District, State of California, this 23rd day of June, 2014.

John Abraham Powell, Secretary

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET - PUBLIC COPY
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3650 - GENERAL FUND		
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>
REVENUES		
Taxes		
3010	Property Tax - Secured (0% Increase)	13,133,310
3011	Property Tax - Unitary	96,768
3020	Property Tax - Unsecured	602,642
3054	Supplemental Property Tax	<u>119,717</u>
	Total Taxes Revenue	13,952,436
 Use of Money and Property		
3380	Interest Income	10,000
3409	Rental Property Income	<u>48,864</u>
	Total Use of Money and Property	58,864
 Intergovernmental Revenue - State		
4220	Homeowners Property Tax Relief	<u>85,087</u>
	Total Intergovernmental Revenue - State	85,087
 Charges for Services		
5105	Reimb for District Services	<u>177,920</u>
	Total Charges for Services	177,920
 Miscellaneous Revenue		
5909	Other Miscellaneous Revenue	<u>4,225</u>
	Total Miscellaneous Revenue	4,225
	ESTIMATED GENERAL FUND REVENUES	<u>14,278,532</u>

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET - PUBLIC COPY
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3650 - GENERAL FUND		
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>
EXPENDITURES		
Salaries & Employee Benefits		
6100	Regular Salaries	6,526,686
6300	Overtime	850,000
6400	Retirement Contributions	1,888,792
6475	Retiree Medical OPEB	810,136
6550	FICA/Medicare	98,258
6600	Insurance Contributions	1,312,367
6700	Unemployment Insurance	8,925
6900	Workers Compensation Insurance	<u>650,648</u>
	Total Salaries & Employee Benefits	12,145,813
Services & Supplies		
7030	Clothing and PPE	8,000
7050	Communications	79,820
7060	Food	2,500
7070	Household Expense	20,850
7090	Insurance: Liability/Auto/Prop.	31,000
7120	Maintenance - Equipment	100,250
7200	Structure and Grounds Maintenance	22,000
7205	Fire Defense Zone (Hazard Mitigation)	90,000
7322	Consulting and Management Fees	3,100
7324	Audit and Accounting Fees	24,000
7400	Medical & First Aid Supplies	13,850
7430	Memberships	2,500
7450	Office Expense	12,000
7460	Professional and Specialized Services	267,500
7506	Administrative Tax Expense	165,000
7507	ADP Payroll Fees	7,500
7530	Publications & Legal Notices	2,000
7580	Rents & Leases - Structure	5,500
7630	Small Tools & Instruments	6,630

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET - PUBLIC COPY
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3650 - GENERAL FUND

Account	Line Item Description	Prelim. Budget FY 2014-15
7650	District Special Expense	38,500
7653	Paramedic Advanced Training	-
7671	Special Projects	7,500
7730	Transportation & Travel	12,000
7731	Gasoline/Oil/Fuel	55,000
7732	Training	42,000
7760	Utilities	47,000
	Total Services & Supplies	1,066,000
 Fixed Assets		
8300	Total Fixed Assets	-
 OTHER FINANCING USES		
7901	Transfer To Pension Obligation (Fund 3651)	769,313
7901	Transfer To Capital Outlay (Fund 3652)	297,406
	Other Financing Uses	1,066,719
	TOTAL EXPENDITURES & TRANSFERS	14,278,532
	Net Financial Impact	-

Fund 3650 Equity

Est. Beginning Fund Balance at 7/1/2014	3,381,909
Net Financial Impact	-
Projected Ending Fund Balance at 6/30/2015	3,381,909

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET - PUBLIC COPY
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3651 - PENSION OBLIGATION FUND		
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>
REVENUES		
Financing Sources		
5910	Operating Trf (In) General Fund	769,313
	ESTIMATED FUND REVENUES	769,313
EXPENDITURES		
7460	Administration Fee	2,190
7830	Interest Expenses	83,123
	Total Expenditures	85,313
OTHER FINANCING USES		
7910	Long Term Debt Principal Repayment	684,000
	Other Financing Uses	684,000
	TOTAL EXPENDITURES & TRANSFERS	769,313
	Net Financial Impact	-
Fund 3651 Equity		
	Est. Beginning Fund Balance at 7/1/2014	332
	Net Financial Impact	-
	Projected Ending Fund Balance at 6/30/2015	332

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET - PUBLIC COPY
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3652 - CAPITAL OUTLAY FUND		
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>
REVENUES		
Financing Sources		
5910	Operating Trf (In) General Fund	<u>297,406</u>
	ESTIMATED FUND REVENUES	<u>297,406</u>
 EXPENDITURES		
Capital Assets		
8300	Vehicle (Division Chief)	<u>54,200</u>
	TOTAL EXPENDITURES	<u>54,200</u>
	Net Financial Impact	<u>243,206</u>
 Fund 3652 Equity		
	Est. Beginning Fund Balance at 7/1/2014	2,051,399
	Net Financial Impact	<u>243,206</u>
	Projected Ending Fund Balance at 6/30/2015	2,294,605

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET - PUBLIC COPY
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3653 - LAND AND BUILDING FUND

<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>
REVENUES		
Financing Sources		
5910	Operating Trf (In) General Fund	-
	ESTIMATED FUND REVENUES	-
 EXPENDITURES		
Capital Assets		
8100	Land	100,000
8700	Construction in Progress	-
	TOTAL EXPENDITURES	100,000
	Net Financial Impact	(100,000)
 Fund 3653 Equity		
	Est. Beginning Fund Balance at 7/1/2014	7,812,910
	Net Financial Impact	(100,000)
	Projected Ending Fund Balance at 6/30/2015	7,712,910

**MONTECITO FIRE PROTECTION DISTRICT
PRELIMINARY BUDGET - PUBLIC COPY
FISCAL YEAR 2014-15
JUNE 23, 2014**

FUND 3654 - UHR MELLO-ROOS FUND
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<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2014-15</u>
REVENUES		
Financing Sources		
5910	Operating Trf (In) General Fund	-
	ESTIMATED FUND REVENUES	-
 EXPENDITURES		
7460	Professional and Specialized Services	9,000
	TOTAL EXPENDITURES	9,000
	Net Financial Impact	(9,000)
 Fund 3654 Equity		
	Est. Beginning Fund Balance at 7/1/2014	9,000
	Net Financial Impact	(9,000)
	Projected Ending Fund Balance at 6/30/2015	-

Agenda

Item #4

MONTECITO FIRE PROTECTION DISTRICT
AGENDA FOR THE COMMUNITY OUTREACH COMMITTEE MEETING

Montecito Fire Protection District Headquarters

595 San Ysidro Road

Santa Barbara, California

June 3, 2014, at 1:00 p.m.

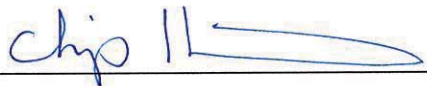
Agenda Items May Be Taken Out Of The Order Shown

1. Public comment: Any person may address the Committee 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. Review progress of website development.
3. Fire Chief's Report.
4. Requests for items to be included for the next Community Outreach Committee Meeting.

Adjournment

This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of the posting is May 28, 2014.

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 #5

RESOLUTION NO. 2014-08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTECITO FIRE PROTECTION DISTRICT REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA TO AUTHORIZE THE ELECTIONS OFFICIAL OF THE COUNTY CLERK-RECORDER-ASSESSOR'S OFFICE OF SAID COUNTY TO RENDER SPECIFIED SERVICES TO THE DISTRICT RELATING TO THE CONDUCT OF A GENERAL ELECTION OF SAID DISTRICT ON NOVEMBER 4, 2014, PURSUANT TO SECTION 10002 OF THE ELECTIONS CODE

WHEREAS, this Board of Directors has commenced proceedings for a general election in the Montecito Fire Protection District to be consolidated with the statewide general election on November 4, 2014; and

WHEREAS, the Board of Directors desires that the Board of Supervisors of the County of Santa Barbara permit the Elections Official of County Clerk-Recorder-Assessor's Office of said County to render specified services to the Montecito Fire Protection District relating to the conduct of said general election as authorized by Section 10002 of the California Elections Code;

NOW, THEREFORE, the Board of Directors of the Montecito Fire Protection District does hereby resolve, determine and order as follows:

Section 1. That the Board of Supervisors of the County of Santa Barbara is hereby requested to permit the Elections Official of the County Clerk-Recorder-Assessor's Office of said County to render services to the Montecito Fire Protection District in connection with the general election to be held on November 4, 2014, including, but not limited to, the following:

1. Prepare a calendar of events and due dates for the election.
2. Publish notice of election, candidate filing period, measure information (notice to submit arguments) and precinct officers and polling places.

3. Establish polling places and recruit and train election officers.
4. Determine all argument information, e.g., deadline dates, maximum number of words, format., etc.
5. Prepare and process the filing of nomination documents, resolve ballot designation issues, and address all other legal requirements for district offices.
6. Print candidate statements exactly as submitted unless they are not in compliance with codes, laws, and policies.
7. Arrange for the Spanish translation of all materials provided to voters.
8. Prepare and arrange for the printing of sample ballot booklets and official ballots.
9. Implement the vote-by-mail ballot process.
10. Tally votes at the polling locations or by vote-by-mail ballot.
11. Conduct election canvass procedures.
12. Provide to District a copy of the election certification and final results.
13. Furnish Certificates/Oaths of Office for District candidates.
14. Prepare and mail invoice to jurisdiction for costs of election.
15. Take all actions necessary to properly and lawfully conduct the election.

Section 2. That the Montecito Fire Protection District shall reimburse said County for services performed when the work is completed and upon presentation to the District of a properly approved bill.

Section 3. That the Secretary of the Montecito Fire Protection District is hereby directed to file with the County Clerk-Recorder-Assessor of said County a Request for Consolidated Election Services in the form specified by the Elections Official, along with a certified copy of this resolution and a separate resolution calling the general election for the Montecito Fire Protection District, and to file the original resolutions with the Board of Supervisors.

PASSED AND ADOPTED by the Governing Board of Montecito Fire Protection District
this 23rd day of June, 2014 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Board of Directors
MONTECITO FIRE PROTECTION DISTRICT

ATTEST:

Secretary

STATE OF CALIFORNIA)
)
COUNTY OF SANTA BARBARA)

ss.

I, John Abraham Powell, Secretary of the Board of Directors of MONTECITO FIRE PROTECTION DISTRICT, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 2014-08 of said Board, and that the same has not been amended or repealed.

DATED: June 23, 2014

Secretary

Agenda

Item #6

RESOLUTION 2014-09

RESOLUTION OF THE GOVERNING BOARD
OF THE MONTECITO FIRE PROTECTION DISTRICT
ESTABLISHING THE DISTRICT'S POLICY
REGARDING CANDIDATES' STATEMENTS

WHEREAS, Section 13307 of the Elections Code of the State of California requires this board to adopt certain policies in regard to statements of candidates who run for office as members of the governing board of the district:

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

- That the cost of printing handling and mailing candidates' statements shall be charged to the Candidate;
- That the candidates' statement shall not exceed 200 words;
- That candidates not be permitted to submit additional materials to be sent to the voter with the sample ballot;
- That the Registrar of Voters be directed to give a copy of these regulations to each candidate or his/her representative at the time that nomination documents are received.

BE IT FURTHER RESOLVED that these policies shall remain in full force and effect until rescinded by this Board.

PASSED AND ADOPTED by the governing board of the Montecito Fire Protection District this 23rd day of June, 2014, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Board of Directors

DISTRICT & ELECTED OFFICIALS INFORMATION

DISTRICT INFORMATION:

Name of District: Montecito Fire Protection District

Street Address: 595 San Ysidro Road

Telephone Number: (805) 969-7762

Fax Number: (805) 969-3598

E-mail Address: gventura@gmail.com

DISTRICT MAILING ADDRESS IF DIFFERENT FROM ABOVE:

Same as above

NAME OF DISTRICT SECRETARY

John Abraham Powell

NAME OF DISTRICT SUPERINTENDENT/MANAGER:

NAME: Chip Hickman

TITLE: Fire Chief

PERSON TO BE CONTACTED REGARDING THE CONDUCT OF THIS ELECTION:

NAME: Geri Ventura

TITLE: Administrative Assistant

ELECTED OFFICIAL'S SALARY REPORT: (Please Check One)

1. Elected officials of this district receive *less than \$200.00 salary per month* and therefore are not required to file semi-annual campaign expenditure reports, unless they receive or make any contributions, or make any expenditures pursuant to Section 84200(2) of the Government Code.

2. Elected officials of this district receive a salary of *\$200.00 per month or more* and therefore must file semi-annual campaign expenditure reports in compliance with the reporting requirements of Section 84200(a) of the Government Code.

Agenda

Item #7

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

Held at Fire District Headquarters, 595 San Ysidro Road, May 27, 2014 at 2:00 p.m.

The meeting was called to order by Director Venable at 2:04 p.m.

Present: Director Powell, Director Venable, Director Keller, Director Sinser and Director Jensen. 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.)**

Chief Hickman presented John Badaracco with a 10 year anniversary pin.

Director Venable asked Director Keller to preside over the meeting.

- 2. Review current status of Upper Hyde Road (UHR) Community Facilities District (CFD):**

- a. Report from Director Powell regarding meetings with Upper Hyde Road residents.**

Director Powell reported that UHR residents are working to get a permit for the road work that was approved by the District and they are also working on a formal request to the District.

- b. Provide direction on how to proceed with Tea Fire Rebuilds and Upper Hyde Road Community Facilities District (CFD).**

Public Comment: Gaby Hayum presented a formal request seeking to dissolve the CFD and asked for the District to finance a portion of the UHR road improvements.

Ivana Noell discussed her desire to dissolve the CFD quickly; her concern that the District require a consensus of residents to dissolve the CFD; the value of the turnaround at the cave to all UHR and the community at large as it relates to her portion of the cost share agreement; and her concern that members not have to give up their right to due process or litigation in negotiating any deal for the District to contribute to road improvements.

The Board reviewed the various road improvement estimates; changes in the approach taken to address the engineering of the road; District costs to date; District's use of eminent domain to acquire easement providing access to all residents; difference between conforming turnaround at the cave, and other non-conforming turnarounds; and potential conflict in the agreements relating to the road configuration.

Chief Gregson pointed out that all requests for Fire Protection Certificates to begin building on UHR have been honored.

The Board felt the UHR request to dissolve the CFD and fund a portion of the road improvements should be addressed at a Special Meeting in the near future. A survey will be sent out to Directors to determine their availability to meet.

The Board took a recess at 3:20 p.m. and reconvened 3:30 p.m.

3. Report from the Finance Committee (copy of Agenda for Finance Committee Meeting attached).

a. Consider recommendation to approve District's warrants and claims.

After an explanation of payments made to Capitol PFG and Citygate, the District's warrants and claims were unanimously approved on a motion made by Director Powell, seconded by Director Jensen.

b. Consider recommendation to approve adjustments to FY 2013/14 Budget relating to projected variances in expenditures.

Araceli Gil reviewed the staff report and explained projected spending variances. Chief Hickman and Chief McElwee explained the second recommendation added to the Board Packet includes an alternate adjustment to allow for the purchase new radios due to safety issues with existing radios.

On a motion made by Director Powell, seconded by Director Venable, the Board unanimously approved adjustments to FY 2013/14 Budget relating to projected variances in expenditures utilizing the revised proposal to include the radio purchases.

c. Consider recommendation to approve Resolution 2014-06, Amending Final Budget for FY 2013/14.

Ms. Gil explained that the proposed amendment brings in fire reimbursement revenues and allocates them to make additional contributions to the OPEB Trust account.

On a motion made by Director Sinser, seconded by Director Keller, the Board unanimously approved Resolution 2014-06, Amending Final Budget for FY 2013/14 by the following roll call vote:

Ayes:	G.B. Sinser, J.A. Powell, J. Venable, S. Keller and R.J. Jensen
Nays:	None
Abstain:	None
Absent:	None

Director Venable left at 4:00 pm.

d. Report on Preliminary Budget for FY 2014/15.

Ms. Gil reviewed the proposed preliminary budget for the Board.

Public Comment: Bob Hazard questioned the status of Station 3. It was explained that the EIR is still in process, and the status is unknown.

The Board took no action.

4. Report from the Community Outreach Committee (copy of Agenda for Community Outreach Committee Meeting attached).

- a. Consider recommendation to authorize the Fire Chief or his designee to utilize all District communication methods at his discretion when requested by other agencies to notify the community of service related interruptions.**

Director Keller reviewed the recommendation to include all District communication methods if requested by other agencies.

On a motion made by Director Sinser, seconded by Director Powell, the Board approved authorizing the Fire Chief or his designee to utilize all District communication methods at his discretion when requested by other agencies to notify the community of service related interruptions by the following vote: Directors Sinser, Powell, Keller and Jensen voting yes. Director Venable was absent.

- b. Consider recommendation to write a letter from the Board President or develop a press release acknowledging the progress of the Board and its committees.**

Director Keller reported that the Community Outreach Committee proposes a release of information from each of the Committees to the local media advising them of the progress and accomplishments of the Board and its Committees.

Public Comment: Bob Hazard stated that he is not looking for a “puff piece” and suggested that they create a list of four to five concrete accomplishments. He added that he would like to meet with the Board President to write an editorial to accompany what the Board prepares.

Warner Owens stated that he would like to see information about the acquisition of new equipment.

On a motion made by Director Sinser, seconded by Director Keller, the Board authorized Director Keller to create a release of information and accomplishments of the Board and its Committees by the following vote: Directors Keller, Sinser, and Powell voting yes. Director Jensen voting no. Director Venable was absent.

5. Report from the Personnel Committee (copy of Agenda for Personnel Meeting attached).

- a. Consider recommendation to approve changes to Battalion Chief job description.**

Chief Hickman reported that a Battalion Chief will be retiring at the end of this month and explained the proposed changes in the job description.

On a motion made by Director Sinser, seconded by Director Powell, the Board approved the changes to the Battalion Chief job description by the following vote: Directors Sinser, Powell, Keller, and Jensen voting yes. Director Venable was absent.

- b. Consider recommendation to approve temporary promotion for Engineer Drue Holthe to Captain, April 16, 2014 through May 5, 2014.**
- c. Consider recommendation to approve temporary promotion for Firefighter Aaron Briner to Engineer, effective April 16, 2014 through May 5, 2014.**
- d. Consider recommendation to approve temporary promotion for Engineer Ed Fuentes to Captain effective April 12, 2014.**
- e. Consider recommendation to approve temporary promotion for Firefighter Paramedic Kurt Hickman to Engineer, effective April 21, 2014.**

Items 5b – 5e were combined. Chief Hickman reported that items 5b and 5c were necessary to cover for a Captain being taken off shift to run the new hire fire academy, and items 5d and 5e are due to having an Captain off on administrative leave.

All recommended temporary promotions were approved on a motion made by Director Powell, seconded by Director Sinser. Directors Sinser, Powell, Keller, and Jensen voting yes. Director Venable was absent.

6. Report from the Strategic Planning Committee (copy of Agenda for Strategic Planning Meeting attached).

Director Powell reported that the Strategic Planning Committee reviewed the Citygate resident survey and made a few minor changes. The survey is expected to be sent out to residents in early July.

Public Comment: Warner Owens suggested that the some categories for questions 2 and 3 be changed to: Excellent, Very Good, Acceptable, Needs Improvement, and Unacceptable.

Director Jensen left at 5:02 p.m.

The Board agreed to Mr. Owens' recommended changes.

7. Approve and authorize the Fire Chief to enter into a contract with Aspen Helicopters, Inc. for emergency pre-positioning of a fire suppression helicopter to be utilized during severe fire weather events.

Chief Hickman reported that he has been working with a local helicopter vendor to expedite air support during down canyon wind events. A local helicopter would be a valuable resource if a fire were to occur during these kinds of predicted weather events.

Public comment:

Sylvia Easton stated that it would be beneficial to have a helicopter on scene during the initial critical minutes of a wind driven wildfire.

Bob Hazard suggested cost sharing with neighboring agencies.

On a motion by Director Powell, seconded by Director Keller, the Board authorized the Fire Chief to enter into a contract with Aspen Helicopters, Inc. for emergency pre-positioning of a fire suppression helicopter to be utilized during severe fire weather events by the following vote: Directors Sinser, Powell, and Keller voting yes. Directors Venable and Jensen were absent.

8. Approval of Minutes of April 28, 2014 Regular Meeting.

On a motion made by Director Powell, seconded by Director Sinser, the Minutes of April 28, 2014 Regular Meeting were approved by the following vote: Directors Sinser, Powell, and Keller voting yes. Directors Venable and Jensen were absent.

9. Fire Chief's report.

The Fire Chief had nothing to report.

10. Board of Director's report.

Director Sinser reported that he attended the recent Montecito Water Board meeting.

11. Suggestions from Directors for items other than regular agenda items to be included for the June 23, 2014 Regular Board meeting:

- Special meeting for the UHR request for funding and to dissolve the CFD.

12. CLOSED SESSION - Conference with Legal Counsel – Pending Litigation (Government Code Section 54956.9.)

Claimant: The Ivana Noell Family Trust and Ivana Noell

Agency claimed against: Montecito Fire Protection District

The Board entered closed session at 5:20 p.m. and reconvened at 5:45 p.m.

District Counsel announced that the Board considered the claim and directed the Fire Chief to reject the claim and provide a response to the claimant.

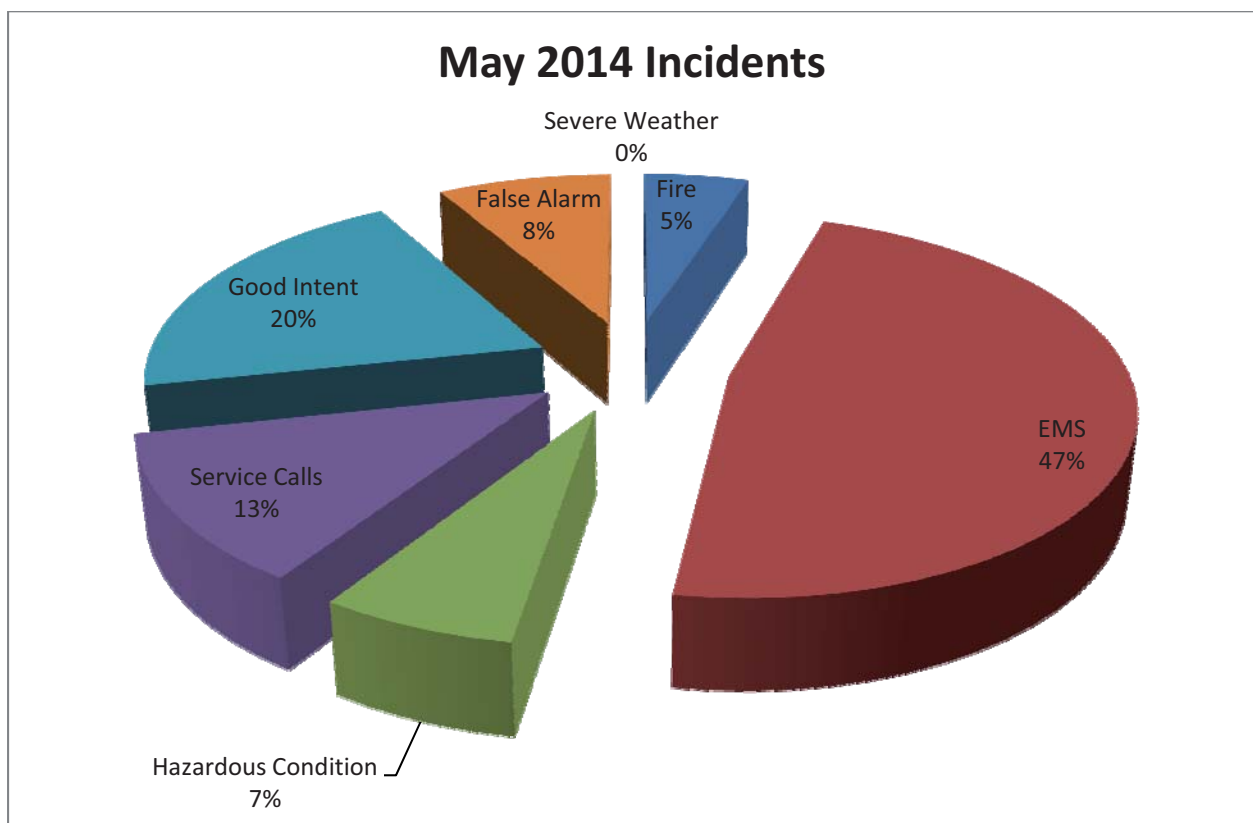
The meeting was adjourned at 5:46 p.m.

Agenda

Item #8

**MAY 2014
CALLS BY INCIDENT TYPE
TOTAL INCIDENTS: 120**

FIRE: 6	EMS: 57
HAZ. CONDITION: 8	PUBLIC SERVICE**: 15
GOOD INTENT*: 24	FALSE ALARM: 10
SEVERE WEATHER: 0	



*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.

Virginia Castagnola-Hunter

for Jeff Saley

Heart felt thanks to you
and the many you engaged
to clear the very dangerous
eucalyptus debris in our
hobby-pasture on East Valley.
Now there is a fire break
in a very important location.
Yours is a very conscious
and thoughtful and efficient
force in our precious community.

Yours Sincerely,
Virginia Hunter

28 May 2014