

**NORTH CENTRAL FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING
THURSDAY, DECEMBER 17, 2020
5:30 P.M.
MINUTES**

Per Executive Order N-25-20, which allows local and state legislative bodies to hold meetings via teleconference and to make meetings accessible electronically," this Regular Meeting will be held via conference call and can be accessed as follows:

Please call: (669) 900-6833. Follow all prompts. To access the call, you will need to enter the ID number 559 878 4530 and passcode 4550. The public may participate in the meeting as otherwise permitted under the Brown Act by calling into this number.

1. CALL TO ORDER

District Board Chair Mr. Ken Abrahamian called the meeting to order at 5:34 p.m.

Roll Call

Board Members Present: Mrs. Cheryl Belluomini, Mr. Michael Foglio, Ms. Amanda Souza, Mr. Ken Abrahamian and Mr. Rusty Nonini.

Also present were Fire Chief Tim Henry, Deputy Chief Jacob McAfee, Mr. Ken Price and Mr. Joe Barcelos.

2. INVOCATION

The invocation was led by Pastor Hernandez.

3. SWEARING IN OF RE-ELECTED BOARD MEMBERS

A) Chief Henry to administer the Oath of Office for re-elected Board Members Ken Abrahamian and Amanda Souza.

Chief Henry administered the oath of office for Mr. Abrahamian and Ms. Souza.

4. REORGANIZATION OF BOARD OFFICERS

A) Election of Board Chair, Board Vice-Chair and Board Secretary.

Mr. Abrahamian opened the floor for nominations for the District Board Chair position. Mrs. Belluomini nominated Mr. Abrahamian. There were no other nominations so a vote was taken to elect Mr. Abrahamian for Board Chair

Motion: To approve the nomination and elect Mr. Ken Abrahamian for Board Chair.

Moved by: Mrs. Belluomini, second by Mr. Nonini.

Mr. Abrahamian: Mrs. Belluomini: Mr. Foglio: Mr. Nonini: Ms. Souza: Vote:
Aye Aye Aye Aye Aye 5/0

Mr. Abrahamian opened the floor for nominations for District Board Vice-Chair and Mrs. Belluomini nominated Mr. Nonini. There were no other nominations so a vote was taken to elect Mr. Nonini for Board Vice-Chair.

Motion: To approve the nomination and elect Mr. Rusty Nonini for District Board Vice-Chair.

Moved by: Mrs. Belluomini, second by Mr. Foglio.

Mr. Abrahamian:	Mrs. Belluomini:	Mr. Foglio:	Mr. Nonini:	Ms. Souza:	Vote:
Aye	Aye	Aye	Aye	Aye	5/0

Mr. Abrahamian opened the floor for nominations for District Board Secretary and Mr. Nonini nominated Ms. Souza. There were no other nominations so a vote was taken to elect Ms. Souza for District Board Secretary.

Motion: To approve the nomination and elect Ms. Amanda Souza for District Board Secretary.

Moved by: Mr. Nonini, second by Mr. Foglio.

Mr. Abrahamian:	Mrs. Belluomini:	Mr. Foglio:	Mr. Nonini:	Ms. Souza:	Vote:
Aye	Aye	Aye	Aye	Aye	5/0

5. PUBLIC COMMENTS

There were no public comments

6. CONSENT AGENDA

A. Consideration and Approval of Disbursements List for November 2020

B. Review and Acceptance of Monthly Financial Reports

- 1) Fresno County: Cash Balances – All Funds
- 2) Budget Variance Report: YTD Expenses Compared to Budget
- 3) Revenue and Reimbursement Report
- 4) PG&E Report

Mr. Abrahamian asked the District Board and members of the public if there were any items on the Consent Agenda they would like to pull from the agenda for discussion or questions.

Mr. Nonini asked a question about check number 5374 written for a training consultant. Chief Henry stated we have hired a consultant to help develop software for the state fire marshal and tracking training for the District. Once the software is built we won't need a consultant any longer. Mr. Nonini asked about check number 5377 which is also for a consultant. Chief Henry stated this consultant is training the District's GIS tech who is managing all of our data, so all of the incident reports you get monthly and mapping hydrant locations and occupancies and all the data, he is training are own staff on how to do that.

After the questions about the disbursements were answered, Mr. Abrahamian called for a motion to adopt the Consent Agenda.

Motion: To approve the Consent Agenda as presented.

Moved by: Mr. Nonini, second by Mr. Abrahamian

Mr. Abrahamian:	Mrs. Belluomini:	Mr. Foglio:	Mr. Nonini:	Ms. Souza:	Vote:
Aye	Aye	Aye	Aye	Aye	5/0

7. APPROVAL OF MINUTES

A) Minutes of the Regular Board Meeting of November 19, 2020.

There were no questions or comments.

Motion: To approve the minutes of the Regular Board Meeting of November 19, 2020 as presented.

Moved by: Mrs. Belluomini, second by Mr. Foglio.

Mr. Abrahamian:	Mrs. Belluomini:	Mr. Foglio:	Mr. Nonini:	Ms. Souza:	Vote:
Aye	Aye	Aye	Aye	Aye	5/0

8. FIRE CHIEF REPORT

A) Fire Incident/Fire Prevention Reports for November

Chief Henry reviewed the November incident report with the District board members. Chief Henry stated construction in the District picked up a little this month, fire prevention signed off on seventeen (17) new homes in Kerman and completed five new commercial inspections. Also approved at the City of Kerman planning commission this past week was a new construction site at California and Siskiyou, they approved to send to City Council the approval of eighty-five (85) residential lots and that is in addition to the 122 lots approved at Whitesbridge and Siskiyou a few months back.

B) COVID Update / OSHA Regulations

Chief Henry updated the District Board on COVID cases involving District employees and how the District managed the quarantine of these employees.

C) Hiring Process Update

Chief Henry stated the District has been recruiting and doing backgrounds for our first academy that starts in January to start filling the SAFER positions. We have eight cadets lined up to start the Academy on January 4th, it is a six-week academy. And then on March 10th we start the second Academy with an additional eight firefighters. We will also be sending out a job announcement to establish and do another test for firefighter training as well because we have exhausted the current list.

Chief Henry stated as I sent you a note that I sent out to all of our district personnel yesterday in there it is just giving them some updates on the things that are happening, that included the SAFER positions. The leadership team did a

workshop last week, we looked at statistics to determine what would best suit the district by taking one of the positions and adding it to station 57 in Biola, creating a 4-0 staff there so a captain, engineer and two firefighters. Taking a position to station 58 at grantland and shields to have 4-0 staffing there. And those are the outskirts where we have the most amount of structure fires where OSHA requires the two-in and two-out. So that on a general basis would give us two-in and two-out on those two engines at Biola and Grantland and Shields. The other two positions will be here and added to Kerman so we will have a total of six normally assigned positions here in Kerman and we plan on leaving a 4 staffing on the engine and putting the patrol unit in service with two firefighters. You should see your screen that is being shared right now showing a year-to-date comparison. We took the last 11 months you can see we are right on track for the amount of calls and then the current year is in blue, orange is the entire year and then there is a three-month average. We haven't changed in call volume much in the last three years. This is one of the determining factors why we decided to staff the patrol unit verses to just add additional staffing or staffing the truck, if you look at the NCKER which is the north central Kerman zone just last month we had 186 incidents out of the Kerman station and out of that 186, 23 where overlapping calls. So we had two medical aids or a fire call and medical aid at the same time with the second engine coming is either coming from Biola or Kearny Park which is a 12-minute response time into the city to cover the second call and that is an overlapping percentage of 12 percent. We looked at our overlapping percentages for the entire year and here in Kerman it was 30 percent on an average for last month November was slower or less overlapping calls so what we discovered during the covid upstaffing of the patrol unit is when it is in play, we actually keep the engine company available for fire calls more often to respond to that second call that comes in so we are providing a faster response time in the City of Kerman by staffing the patrol rig while we are using that deployment model

D) Labor Relations Update

Chief Henry we have been discussing the unionization of the membership who has requested to open negotiations. I can now advise you that we have begun to meet with the union, we have opened negotiations and our management team consists of Che Johnson which is from the Liebert Cassidy Whitmore firm you authorized last month. Mr. Johnson is the primary negotiator and Deputy Chief McAfee is also sitting on the team with Battalion Chief Larry Ervin representing the management side. As they move forward and they start getting more information we will be coming back to you.

Mr. Price stated what will happen is periodically the board will be kept informed of the negotiations in closed session and you will be able to provide direction. There is a specific exemption in the Brown act for closed session discussion for negotiations and I think kind of here on out that's where this will be. The District will not enter into any kind of collective bargaining agreement without your expressed consent and you will have your advisors to ask questions and to deliberate.

E) Board of Supervisors Meeting

Chief Henry stated I advised the board last month I had been working with Supervisor Brandau and Pacheco in regards to the CARES act. I want to recognize on September 11th I received a text message from City Manager Jansen from Kerman inviting me to a Zoom meeting with the County. It was a meeting with the 15 or so cities within the County discussing with the Board of Supervisors where each of their cities are at related to COVID and how the CARES act funds were either meeting their needs or not meeting their needs. At the end of this meeting I was able to talk to both Supervisor Brandau and Pacheco to let them know as a special district we were exempt from any CARES act funds and that we did not receive any FEMA grant funds so all our COVID related expenses were going to have to come out of the budget and how it would impact the District. In the past couple months I have received several calls from Supervisors Brandau and Pacheco to discuss how COVID has impacted the district financially. District staff put together the costs to upstaff the Patrol rig here in Kerman, the overtime costs to backfill positions of employees either testing positive or being quarantined due to exposure, and the costs of special PPE and supplies used to help prevent the spread during this pandemic. All these costs totaled approximately \$150,000 and the Board of Supervisors approved a reimbursement to the District of \$150,000. The district is really being taken care of for all of our expenditures up to this point that were above and beyond.

9. DISTRICT AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2020

A) Action item – Consider and approve the District Audit as presented by Bill Patterson with Sampson, Sampson and Patterson for the fiscal year ending June 30, 2020.

Mr. Bill Patterson attended the meeting to present the audited financial statements for the fiscal year ending June 30, 2020. Mr. Patterson called the District Board's attention to the audited financial statements and began his presentation.

A couple pages into the financial statements is the Independent Auditor's Reports. This is where we give the opinion on the financial statements and if you will notice down on the bottom of the first page of the Independent Auditor's reports there are what are called four opinion units. First of all are the governmental activities, these are shown on pages 9 and ten of the financial statements. These statements show the activities of the district as a whole based on the what is called the accrual bases of accounting so that is the same basis of accounting used by a for-profit entity and you will notice we gave what is referred to as a qualified opinion, I will get back to that in just a moment. The other opinion units are the General Fund for suppression, the Emergency Medical Services and the capital projects funds. Now we gave what is referred to as an unmodified opinion on those statements and we will get to those in just a few minutes. That means that we believe that those are fairly stated in accordance with generally accepted accounting principles. Now these three opinion units are using what is referred to as the modified accrual basis of accounting. Governmental activities is full accrual, this is modified accrual. The modified accrual basis of accounting is exclusive to governmental entities and rather than using the model that is used by for-profit entities, we are just looking at the current assets and liabilities and resources of the entity. So on these statements you won't see any long-term assets, you won't see any long-term liabilities. There is a little bit of a difference in the way certain transactions are

recorded. For example, if you look at capital assets on the full accrual method of accounting, a purchase of a capital asset is shown on the balance sheet that it is depreciated over its useful life. While the modified accrual basis it is shown as an expenditure on the statement of operating revenues, expenditures and changes in fund balance.

Getting back to the governmental activities, as I mentioned we gave what is referred to as a qualified opinion, that means we had an issue with those statements in that they were not presenting in accordance with generally accepted accounting principles. In this particular instance, the governmental accounting standards board that sets the reporting standards for governmental entities, they require that the pension liabilities be recorded on the books. An actuarial report was not conducted for the 19-20 year and the reason for that is there is one that is scheduled for the 20-21 year. Those can be rather expensive and it was decided by management just to hold off on doing one for the year ending June 30, 2020, since there was already one scheduled for the 20-21 year so that is the reason for the qualification on your financial statements for just the governmental activities and that is further explained on the top of the next page of the Independent Auditor's Reports.

Now the next section of the financial statements is called the management discussion and analysis and this is the section of the financial statements that was prepared by management. It gives an overview of the financial statements from managements perspective. I just want to take a look at a couple of things in the MD&A is what it is referred to as. On page three under the financial highlights, you can see that in the first paragraph it states that the net position or equity was \$13,163,590 as of June 30, 2020. Now this is under the full accrual method, you will note that in the next sentence it refers to equity or fund balance \$9,053,788. So you can see bases on what method of accounting that you are looking at the fund balance or the equity is going to be different. In this case there is about a \$4 million difference in the two methods of accounting. I just wanted to bring that to your attention so you can kind of get an idea of what I am talking about when I am referring to two different accounting methods. Over on page 5, now this is under the government-wide statements, the full accrual basis of accounting, this shows your assets and liabilities and net position or equity of the district as of June 30, 2020. And in the third column is that same information for the prior year, the year ending June 30, 2019. Under total assets about four line items down, you will note that at the end of 2020, there were total assets of \$15,848,952, that total was \$14,355,676 so there was an increase of about 1.5 million in assets compared to the prior year. Not most of the total assets is cash, if you see the current assets line item that is exclusively cash of \$8,509,911 compared to about \$7,382,931 for last year. You also had an increase in your capital assets which we will take a look at in just a few minutes. Your total liabilities at the end of June 30, 2020, \$2,685,362, that figure last year was just over \$3 million, so you had a decrease in liabilities of about \$360,000 compared to the prior year. Most of that having to do with the fact that you paid down your long-term debt to about \$350,000 in debt service principal. So you had an increase in assets of about \$1. Million and a decrease in liabilities of \$360,000 so overall your net position or your equity increased \$1,856,434 on the full accrual method of accounting.

Now over to page 6, these are the revenues, expenses and reconciliation of your equity. Your total revenues were just over \$10 million in the current year, that figure was \$9.5 million last year increasing about \$525,000 in revenues. The majority of that about \$465,000 had to do with an increase in your property tax revenue. As far as your total expenses, you can see that those decreased significantly from the prior year, last year they were about \$10.3 million, this year \$8.2 million a decrease of about \$2.1 million from the prior year. Reasons for that, last year you had a contract with the City of Fresno, you spent \$5.6 million, this year you had increased payroll of about \$3.5 million, so netting these two together, brings you to your \$2.1 million decrease in expenses for the current year compared to last year. You started the year with net position or equity of \$11.3 million and ended the year with equity of about \$13.2 million.

Over on page eleven, the balance sheet which uses the modified accrual basis of accounting, you will notice looking at the balance sheet, you don't see any capital assets or long-term liabilities again we are just taking a very short-term approach to looking at the financial assets and liabilities. Your total assets under this method of accounting are \$9.1 million this year compared to 7.9 million last year, an increase of \$1.1 million, again most of that having to do with cash which increased about \$450,000 from the prior year. By the way cash represents about 93% of your total assets under this accounting method. As far as your total liabilities, \$56,000 this year, last year was \$151,000 so not a major change in the amount but there was a decrease of about \$100,000 from the prior year. Going down to the fund balance or the equity in each of the funds if we look at the total column you had total fund balances or equity of \$9,053,000 as of June 30, 2020.

Moving over the page 13, this is the statement of revenues, expenditures and change in fund balances, this statement shows you the excess of revenues over expenditures for the year. You had revenues of \$9.9 million, you had expenditures of \$8.7 million so overall you had an excess of revenues over expenditures of \$1.2 million for the year. You started the year with a fund balance of \$7.8 million and ended the year with a fund balance of just over \$9 million.

Now the next section of the financial statements are the footnotes and they begin on page 15 and go through page 24. They give you some more information about some of the numbers we have looked at already. Over on page 19, is a little more detail about your cash balances, of course your cash balances are your major asset of the district. As I mentioned previously, you have a total of cash and investments of \$8.5 million and you can see the detail of that in note 2 at the top of page 19. Your primary cash balance are your deposits with the County Treasury which are \$7.5 million as of June 30, 2020. Over on page 20, are some disclosures that tell you a little bit more about the cash with the County Treasury, the disclosures relating to interest rate risk, the second paragraph shows the weighted average maturity of the investments, you can see that it is 1.91 years, 36.6 percent are fully matured within 12 months, 31.5% between 1 and 3 years and 31.9% between 3 and 5 years. And right below that is the credit risk and you can see that the county pool had an average dollar weighted quality rating of AA. Over on page 21, capital assets, this is second largest asset class. The beginning balance

shows you had at the beginning of the fiscal year \$6.3 million in capital assets. You had increases of about 750,000 roughly. You had depreciation of \$534,000 so overall you had an increase of \$215,000 in your capital assets, your ending balance was \$6.5 million. Increases for the year, the primary increase was for a parking renovation and the purchase of the patrol rig. Over on page 22, this is the long-term debt footnote, it shows you a reconciliation between the beginning of the year and the ending of the year of your long-term debt. You had a beginning balance of \$2.86 million, you had additions of about \$135,000 and you can see what those are on this table. Reductions or payments on those debts of \$402,000 and you ended the year with outstanding long-term debt of \$2.5 million. As far as the classification goes, the second column shows you that \$462,000 of that long-term debt will be coming due within the next 12 months and of course \$2.1 million will be coming due in more than one year. Below the long-term debt schedule are the annual debt service requirements down at the bottom of page 22 are the debt schedule for the 2017 lease agreements, those payments run through 2026. Over on page 23 is the same information for your capital leases for the fire engine that also runs through 2026. Over on page 24, note 8 refers to the service agreement that you have with the city of Fresno and the annual payments for the agreement. The million dollars for the June 30, 2020, the \$1,035,000 for the 20-21 year and the following \$1,066,000. Over on page 25, this is required supplementary information a comparison of actual to budget numbers. There are four columns, the first column being the original budget, the second column being the final or the amended budget, of course the actual column is what you actually received and spent during the year and the fourth column being the variance between the actual numbers and the final budget. So you can see in the total revenues you had a favorable variance of about \$42,000, for expenditures a favorable variance of about \$64,000 so overall you had a favorable variance of about \$106,000. Now the next two pages provide the same information for EMS and the capital projects funds. Both of those funds were slightly under budget for revenues and just slightly over for expenditures.

The audit report concludes with another auditor's report this one is on compliance and on internal control and I am happy to report that we had no findings in neither of those areas. The system of internal control that has been set up is very sound and is working as it was intended. Does anybody have any questions.

Motion: To approve the District Audit as submitted by Sampson, Sampson and Patterson for the fiscal year ending June 30, 2020.

Moved by: Mr. Nonini, second by Mrs. Belluomini

Mr. Abrahamian:	Mrs. Belluomini:	Mr. Foglio:	Mr. Nonini:	Ms. Souza:	Vote:
Aye	Aye	Aye	Aye	Aye	5/0

10. BOARD MEETING DATES – CALENDAR YEAR 2021

- A) Action item - Consider and approve regular board meeting dates for the 2021 calendar year.**

The District Board reviewed the schedule of dates for the 2021 calendar year regular board meetings. There were no apparent conflicts with any of the dates so Mr. Abrahamian called for a motion.

Motion: To approve the dates and times scheduled for the 2021 regular board meetings.

Moved by: Mrs. Belluomini, second by Mr. Abrahamian

Mr. Abrahamian: Mrs. Belluomini: Mr. Foglio: Mr. Nonini: Ms. Souza: Vote:
Aye Aye Aye Aye Aye 5/0

11. BOARD MEMBER COMMENTS/REPORTS

There were no comments other than to wish everyone a happy holiday season.

12. ANNOUNCEMENTS

A) Next Regular Board Meeting: Thursday, January 28, 2021 at 5:30 p.m.

13. ADJOURNMENT

Motion: To adjourn the meeting at 6:34 p.m.

Moved by: Mrs. Belluomini, second by Mr. Nonini

Mr. Abrahamian: Mrs. Belluomini: Mr. Foglio: Mr. Nonini: Ms. Souza: Vote:
Aye Aye Aye Aye Aye 5/0

Amanda Souza, Board Secretary
North Central Fire Protection District

Date