

**CHINO VALLEY INDEPENDENT FIRE DISTRICT**  
*Special Meeting/Budget Workshop of the Board of Directors*

**MINUTES**  
*June 1, 2011*

**ROLL CALL**

Board Members Present: Espinosa, Gray, DeMonaco, Evinger, and Marquez.  
Board Members Absent: None.

**OPEN SESSION**

President Espinosa called the Open Session to order.

**FLAG SALUTE**

Vice President Gray.

**PUBLIC COMMUNICATIONS**

Rob DePartee provided an invocation.

**OLD BUSINESS**

None.

**NEW BUSINESS**

1. **2011-2012 PRELIMINARY BUDGET.** Purpose is to present the 2011-2012 Preliminary Budget to the Board of Directors for review and input.

Finance Manager Heide reported that the initial draft of the proposed 2011-2012 Preliminary Budget has been reviewed by the Finance Committee and a Public Hearing on the budget will be held at the regularly scheduled Board Meeting on June 8, 2011. He also reported that following the Public Hearing, the Board may elect to adopt the 2011-2012 Preliminary Budget. The final budget will be presented for adoption at the September Board Meeting.

Finance Manager Heide reviewed the following highlights of the draft 2011-2012 Preliminary Budget:

- Projection of about a 2.5% reduction in total revenues in comparison to 2010/2011, primarily due to the loss of one-time revenues associated with capital acquisition reimbursement for Engine 7 from the City of Chino in '10/11, as well as the termination of dispatch reimbursement from Chino upon the issuance of the certificate of occupancy for Station 7 (reimbursement assumed to terminate after July);

- The addition of twelve (12) safety personnel in support of new Station 7, beginning in late July;
- Equipment, furnishings, utilities and other overhead and support costs associated with the opening of the two newly constructed fire stations and new training center;
- Consistent with long-standing District budgetary practices, the assumption of full staffing for budgetary purposes;
- Significant budget requests in the '11/12 Preliminary Budget include:
  - Breathing apparatus replacement for \$515,000
  - CalFire wildland fire protection contract at \$184,801;
  - Election costs estimated at \$182,000 contributed the full ARC to the trust, in addition to making the payments to retirees from operating funds.

Finance Manager Heide reported that based on the proposed budget, the District would need to transfer \$1,490,520 from undesignated reserve funds to balance the budget. It should be noted, however, that the total proposed expenditures include \$707,400 in one-time or non-recurring costs, including an estimated \$400,000 associated with workers compensation liability and \$300,000 plus in budget carryovers from '10-11. He also reported that exclusive of these non-recurring costs, the operating deficit for '11-12 is projected at roughly \$783,000.

Finance Manager Heide reported that staff is evaluating the potential to either refinance at a favorable interest rate, or payoff out of fund balance, the District's CalPERS retirement plan side fund obligation, which is approximately \$5.1 million on a combined basis, for the safety and miscellaneous retirement plans. He also reported that the fiscal impact of this is not yet determinable, but additional budgetary savings would be realized. He also stated that as more information becomes available, the Board will be advised of the options available to the District to further reduce budgetary costs.

Discussion was held regarding Mutual Aid Recovery.

Finance Manager Heide reported that the District and others do not have the ability to footnote that there may be increased compensation in the form of overtime associated in the form of Mutual Aid in the State Controller's Report.

Vice President Gray suggested that this be footnoted in the District's Budget.

Discussion was held regarding defining part-time employment.

Human Resources Manager Nelson reported that the part-time designation is defined by the Personnel Rules and does not include an hour limitation. She also reported that full-time positions are designated as Regular within the Personnel Rules, and that Regular positions are authorized by Board action either through the budget process or by separate Board action. She stated that a part-time employee can work a few hours or they can work 40 hours and maintain part-time status.

Director DeMonaco stated that he was concerned with part-time employees working a 40-hour week and still be identified as part-time. He asked that this be addressed at another Board meeting for discussion.

Discussion was held regarding the cost savings for the all-mail ballot election and for the postage associated with the returned ballots.

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Fire Chief Summers stated that the all-mail ballots election was initially presented to the District as a cost-savings.

Clerk of the Board Heney reported that when the Registrar of Voters originally quoted the costs for the all-mail ballot election, the cost was based on an automatic system, which the State has since deregulated.

Fire Chief Summers also stated that staff will contact the Registrar of Voters for clarification regarding the postage costs associated with returned ballots.

Discussion was held regarding the increase in salaries and benefits, and the possible reduction of costs associated with training and travel.

President Espinosa suggested the Board of Directors consider evaluating a reduction in Board travel. He requested that Board travel be placed on the agenda for a future Board meeting for further discussion.

Discussion was held regarding the payoff of the PERS side fund. The Board of Directors requested that this item be placed on the agenda for the upcoming Regular Board meeting.

Discussion was held regarding service agreement options with the prisons, which could allow the District to receive reimbursement for response into the prisons.

Director Marquez requested that staff research fire departments throughout the State to gather information regarding reimbursement options for prison responses.

President Espinosa thanked Finance Manager Heide for his hard work on the Budget.

Vice President Gray thanked Finance Manager Heide for clarification on the Budget.

**RECOMMENDATION:** It is recommended that the Board of Directors review the proposed Preliminary Budget and provide staff direction.

**Moved by Director Marquez, seconded by Director Evinger, carried by a 5-0 voice vote, that the Board of Directors approve the proposed Preliminary Budget.**

**AYES: BOARD MEMBERS: Espinosa, Gray, DeMonaco, Evinger, and Marquez**

**NOES: BOARD MEMBERS: None**

**ABSTAIN: BOARD MEMBERS: None**

**ABSENT: BOARD MEMBERS: None**

### **BOARD COMMENTS**

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Director Marquez thanked Finance Manager Heide and his staff for the work on the Budget.

Vice President Gray stated he appreciated Finance Manager Heide and his staff for the work on the Budget.

Director DeMonaco also that stated he appreciated Finance Manager Heide and his staff for their work. He stated that he would like to agendize the clarification of the identification of part-time positions at the next Board meeting and would also like to discuss a hiring freeze at the next Regular Board meeting.


Vice President Gray stated that these items should be presented to the Human Resources Committee prior to bringing them to a Regular Board meeting for discussion.

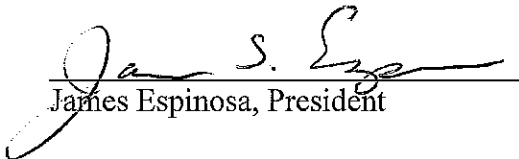
Director Evinger also thanked the Finance Committee and Finance Manager Heide and his staff for the work that was involved in the Budget process.

### **ADJOURNMENT**

President Espinosa adjourned the meeting at 6:08 p.m. to a Regular Board Meeting scheduled for Wednesday, June 8, 2011, at 6:00 p.m. The meeting will be held at the District Headquarters Office located at 14011 City Center Drive, Chino Hills, CA.

APPROVED AND ADOPTED THIS 13th DAY OF JULY 2011.

  
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Sandra Heney, Clerk of the Board

  
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James Espinosa, President