

CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: April 16, 2024

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To: Honorable Mayor and City Councilmembers
From: Fire Ad Hoc Committee
Subject: Report out of Recommendations from the Fire Ad Hoc Committee on the Future of Fire Delivery Services for the City of Sebastopol

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RECOMMENDATIONS:

1. City Council direct staff to move forward with the merger of the Sebastopol Volunteer Fire Department with the Gold Ridge Fire Department; and
2. City Council direct staff to send a letter to the Local Agency Formation Commission (LAFCO) requesting initiation of the consolidation process, including a waiver of fees to the extent feasible; and
3. City Council authorize staff to take other actions as needed to initiate process with LAFCO, including payment of \$10,000 deposit from Fire Department budget; and
4. Council authorize the City Manager to enter into a short-term agreement with Gold Ridge to provide Chief Officer services at the Sebastopol Fire Station during the transition period while developing a longer-term agreement subject to the approval of the City Council and Gold Ridge Board of Directors, and
5. Council Terminate Current Ad Hoc Fire Committee; and
6. Council Authorize Creation of new Ad Hoc Committee and Appointment to Ad Hoc Committee to represent the City in negotiations with LAFCO and the Gold Ridge Fire Department and related matters, with a description of tasks, roles, and responsibilities to be presented to the City Council for approval at a future Council meeting; and
7. City Staff to terminate recruitment for Fire Chief for City of Sebastopol; thereby terminating the 960 Annuitant Agreement with Todd Derum, and
8. Authorize the City Manager to explore Consulting Services for Negotiations and related assistance for Consolidation

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EXECUTIVE SUMMARY: Consolidation with the Gold Ridge Fire District is the best option for the sustainability of quality fire services in Sebastopol.

The City’s level of response to calls for service is inadequate, either in the length of time to respond to calls, the number of qualified staff responding, or both. The key to improving response is to increase staff. Providing appropriate fire apparatus (trucks and engines) and a much-improved fire station are also essential. Even with Measure H adding \$1.1 million/year to fire services in Sebastopol, combining those funds with current City funding – which is at risk given the City’s financial challenges - the level of funding is insufficient to provide an acceptable level of services. Consolidation would bring an additional \$1.1 million in annual funding through a parcel tax, along with opportunities for economies of scale, that would provide sufficient funding for quality fire services.

In addition to support from the Ad Hoc Committee, consolidation is also supported by the current and two prior Interim Fire Chiefs and the City Manager.

With consolidation clearly needed, we have the question of which fire agency to merge with. After extensive research and analysis, we conclude that merging with the Gold Ridge Fire District is the best option. It provides economies of scale, quality and depth of leadership, strategic thinking, governance advantages, and the benefits of experience in mergers compared to the Graton Fire District.

Background: The topic of consolidating the Sebastopol Fire Department with a neighboring fire district has been under discussion for seven years. There have been numerous meetings, analyses, discussions, and debates. With the passage of Measure H, consolidating will allow the hiring of more staff and improve response time to emergency calls; we believe the time is right for a decision.

Throughout these years the many participants in this process have consistently expressed a common interest in finding the solution that is best for the Sebastopol community. There is also a common if not universal recognition that the current levels of service and financing – which are closely related – are not acceptable.

After reviewing available data and extensive discussions, the Ad Hoc Committee recommends that the City pursue merging, or reorganizing, the Sebastopol Fire Department with the Gold Ridge Fire District. Staff concur with this recommendation. The current Interim Fire Chief Todd Derum, along with his two predecessors (Jack Piccinini and Bruce Martin), also support the concept of a mindfully designed and vetted consolidation fire service delivery option. Together, these Chiefs represent 125 years in the Fire Service. A memo from former Interim Chief Bruce Martin – a member of the California Fire Chiefs Hall of Fame who served in Sebastopol in November and December of 2023 - is included as Attachment A.

It is important to note that a decision to proceed with consolidation with Gold Ridge is not a commitment to consolidate. It represents an important step in a process that would continue with negotiations between the City and District. It is like agreeing to date seriously, then getting engaged, but not taking the final step of getting married. It is the ‘end of the beginning’ of the consolidation process – meaning a conclusion to the work over the past seven years – rather than the end result. The negotiations would begin once the Council has made a determination whether to consolidate or not. A definitive timeline for consolidation cannot be provided tonight as there are outside factors that would dictate that timeline (i.e. length of LAFCO process).

We have frequently been asked why we would reorganize the Sebastopol Fire Department with a neighboring agency. The short answer is that re-organization represents the most sustainable option for quality fire and emergency services that we can afford in the long run. It represents the most cost and operationally effective option. The remainder of this document explains how we reached this conclusion.

The Sebastopol community has been extremely fortunate to have a committed group of residents serve as our firefighters. Our firefighters deserve much gratitude. While not commonly known, their commitment includes giving up one evening every week for training. It includes responding in the middle of the night. They put themselves at personal risk to serve others. They have bucked national trends by recruiting a cadre of younger members in recent years. They have saved taxpayers considerable money, allowing the City to provide more services in other areas. And they will continue to be an important part of our emergency response efforts if we re-organize with Gold Ridge.

Quality of Service: As grateful as we are to our firefighters, our current model has significant flaws and is not sustainable. Most importantly, the quality of service as measured by response capabilities is

unacceptable. An appropriate response considers response times “speed” and adequate staffing of qualified personnel “weight.” Appropriate speed and weight of response are critical in saving lives and property. Given the importance of a timely, robust response to medical and fire emergencies, there have been too many cases in which responses were inadequate, including instances in which we were unable to respond at all. This is largely a matter of staffing at the fire station. Adding sufficient staffing requires adding funding.

The National Fire Protection Association (NFPA) has established national standards for responding to calls. Recognizing that volunteer-based departments are by their nature not able to respond as quickly as career staff-based departments, NFPA has established standards for both types of departments.

NFPA 1720 is the standard for volunteer departments. While Sebastopol’s Department is recognized as perhaps the best volunteer Department in Sonoma County, it is consistently not meeting the standards for speed and weight of response.

While the level of staffing is foundational to effective services, fire departments also need quality apparatus (trucks and engines), equipment, and fire stations. In Sebastopol we are modernizing our trucks and engines, not sufficiently funding equipment, and have a fire station in need of significant investment.

Financing: To a significant degree, the challenges of staffing, apparatus, and the fire station are a matter of funding. Proceeds from Measure H will make a substantial difference in these areas. The passage of Measure H adds \$1.1 million annually to Sebastopol’s budget for fire, although it’s Maintenance of Effort provisions allow the City to reduce our General Fund contribution to fire by about \$230,000 from our FY 23-24 level.

We do not believe that those proceeds alone will be sufficient. The City’s General Fund is in serious condition and will remain challenged for the foreseeable future. Re-organization could bring an additional \$1.1 million in revenue as the parcel tax from Gold Ridge would apply to Sebastopol. Re-organization may also present opportunities for economies of scale – such as needing fewer apparatus (trucks and engines)– that would not be available should we retain an independent department. Additionally, it might also allow the City to reduce our General Fund support for fire services once they reach a sufficient level.

Regional and National Context: While some view re-organization as a first step toward offering fire services on a regional basis, this occurs already. For example, with mutual aid practices, neighboring fire agencies often respond automatically to structure fires and major vehicle collisions within Sebastopol. However, an integrated training program and common operational standards are vital to maximize a safe and efficient emergency response.

Ambulance services, which complement the Fire Department’s response to medical calls, are offered regionally. The same is true of dispatching for Fire, which is managed regionally by REDCOM.

Furthermore, we have seen the regional approach on consolidation through at least a dozen mergers in Sonoma County over roughly the past decade – because it is the most cost-effective way to provide services in rural and small suburban areas such as Sebastopol. We see a regional model in most of the smaller cities in Sonoma County, which are served by larger Fire Districts: Cotati, Sonoma, Windsor, and Cloverdale.

The trend of moving toward regional districts reflects the nature of volunteer firefighting. For a variety of well-documented reasons, the volunteer-driven model of firefighting is largely giving way to a blended or career model. Passage of the Sonoma County fire tax demonstrates public recognition of this reality and the need to fund career firefighters. In our case as in much of the County – and country – we envision this backbone to have a crucial complement of volunteer firefighters.

Staffing and Operational Costs:

Core staffing: We believe that Sebastopol residents deserve a better, core level of staffing than we have historically provided – with enough staff available 24/7 to meet appropriate response standards. This level includes three firefighters available at all times – a Captain, an Engineer, and a firefighter. This is the most common level of staff for comparable communities, achievable with the resources provided by Measure H and consolidation.

The table below (Titled: Core Staffing Costs) compares four core staffing options and related costs:

- COLUMN A: Current City of Sebastopol Personnel Staffing (Volunteer Fire Department)
- COLUMN B: Independent with Measure H (Sebastopol): This represents the costs of the core level of staffing, with three staff on duty 24/7.
- COLUMN C: This represents the costs of the core level of staffing for the Gold Ridge District, which we anticipate we would have with consolidation.
- COLUMN D: This represents the costs of the core level of staffing for the Graton Fire District, which we anticipate we would have with consolidation.

This table illustrates that properly staffing a Sebastopol fire station costs substantially more than our current model; if we were to continue as an independent organization, we would need to roughly double our staff costs.

The table also suggests significantly higher costs with consolidation with either Gold Ridge or Graton. It is notable that the staffing costs for Gold Ridge are considerably lower than either an independent or Graton model. This in part reflects economies of scale, particularly in the leadership and administrative functions. Gold Ridge is suggesting that Sebastopol would pay for 1/8 of these positions since we would be one of their eight stations. We consider this a starting point for negotiations with Gold Ridge should we pursue that path.

Based upon the proposals, the Gold Ridge proposal is the most cost effective, provides quality, depth, and experience of leadership for the community, and continues the strong commitment to career and volunteer firefighters.

CORE STAFFING COSTS

| | | A | | B | | C | | D |
|---|--------------------------------------|---------------------------|-------|---------------------------|---------|--------------------------|-------------|-----------------------|
| | | Sebastopol Current/No Tax | | Sebastopol With Measure H | | Gold Ridge wth Measure H | | Graton With Measure H |
| Position/Role | | | Count | | Count | | Count | |
| Fire Chief | Full time position vacant | \$283,065.00 | 1 | \$283,065.00 | 1/8th | \$35,625.00 | 10 hrs week | \$48,000.00 |
| Battalion Chief | | | | \$0.00 | 1/8th | \$30,102.00 | ***1 | \$220,907.00 |
| Fire Marshall | | | | \$0.00 | 1/8th | \$21,373.00 | | \$0.00 |
| Prevention Captain | | | **1 | \$187,122.00 | | \$187,122.00 | | \$0.00 |
| Admin support/services | 50% shared with building department | \$174,000.00 | 1 | \$174,000.00 | 1/8**** | \$22,930.00 | 0.5 | \$87,000.00 |
| Captain | | | **3 | \$571,382.00 | 3 | \$571,382.00 | 3 | \$586,505.00 |
| Engineer | 1 position filled / 1 vacant | \$275,660.00 | 3 | \$413,490.00 | 3 | \$442,543.00 | 3 | \$493,615.00 |
| Firefighter Career(Graton only) | | 0 | | | | | | 3 \$433,247.00 |
| Volunteer FireFighter Stipened Shift | This includes \$40,000 Retention Pay | \$125,000 | | \$125,000.00 | | \$129,609.00 | | \$153,800.00 |
| Volunteer FF Reimbursements calls/drills ## | | \$150,000 | | \$150,000.00 | | \$150,000.00 | | \$150,000.00 |
| Volunteer Battalion Chief Coverage | | \$28,800.00 | | \$28,800.00 | | | | \$26,000.00 |
| Total Staffing Costs | | \$1,036,525.00 | | \$1,932,859.00 | | \$1,590,686.00 | | \$2,199,074.00 |
| | | | | | | | | |
| | | | | | | | | |
| ** Using Gold Ridge rates | | | | | | | | |
| ***Dedicated to act as Sebastopol station chief also responsilbe for fire marshall duties | | | | | | | | |
| **** 1/8th cost of combined Exec. Asst. & Admin. Asst. | | | | | | | | |
| # Based on SCFD | | | | | | | | |
| ## Currently in Sebastopol budget Calls/Drills | | | | | | | | |

ANALYSIS:

The sustainability of a staffing model is important in deciding if consolidation is appropriate. We recognize and commend our Fire Department for recruiting numerous new firefighters in recent years, bringing us from 14 firefighters 5 years ago to 32 firefighters today. Recruitment and training of new volunteer/stipend firefighters will need to continue with any option. However, remaining independent will pose a significantly greater challenge in volunteer recruitment as we would need more of them than with consolidation. We are not alone in this challenge; Graton has had difficulties in getting their volunteers to attend drills, and Occidental is interested in Sebastopol’s volunteers because they do not have enough of their own.

On the other hand, we recognize that there may well be recruitment challenges in a consolidated approach. We expect neighboring departments – Santa Rosa in particular – to recruit many new career firefighters in the next few years as many of their current firefighters retire. The same is likely to occur in the higher-paying Departments in the Bay Area. On balance, we believe that the greater use of career firefighters that will be possible with consolidation – along with retention and recruitment of volunteers – is the most viable approach. This is in part because Gold Ridge is a larger Department with more resources and opportunities, and thus likely to be more successful in its recruitment than Graton or an independent Sebastopol Fire Department.

Leadership Staffing: Should Sebastopol retain an independent Department, we anticipate hiring and funding a full-time Fire Chief. The costs of this position, including benefits, are \$283,000/year. We also anticipate a full-time administrative support position at \$174,000/year.

Should we consolidate, we anticipate that we would not have our own full-time Chief nor administrative support position. As a starting point for future discussions, Sebastopol will share the Full Time Fire Chief.

Gold Ridge has proposed that Sebastopol pay 1/8 of the costs of their Chief, a Battalion Chief, and administrative support. The rationale is that Sebastopol would be one of eight stations in the District.

Should we consolidate with Graton, Sebastopol will share a part time Fire Chief with Graton. Graton has proposed that Sebastopol fund ½ (ten hours) of their Chief position and a full-time Battalion Chief, and half (or more if requested) of an administrative support position.

Overall, core and leadership staffing costs would be considerably less expensive with a merger with Gold Ridge than a stand-alone Department.

Other Operational Costs: Staffing costs typically represent the largest share of operating costs for a fire department. We anticipate that other operational costs – including fuel, equipment, vehicle maintenance, insurance, utilities, etc. – should generally be similar no matter which option we choose.

The table below begins with Sebastopol’s FY 23-24 budget for other operating costs; however, the figures stated for *‘‘Other Operating Costs’’ includes an additional \$50,000 to better reflect the costs to provide effective fire delivery services. (i.e., additional personal protective equipment).

EXPENSES:

| Cost Categories | Sebastopol Current | Sebastopol Best Practices | Gold Ridge | Graton |
|------------------------|--------------------|---------------------------|----------------|----------------|
| Core Staffing | \$1,036,525.00 | \$1,932,859.00 | \$1,590,686.00 | \$2,199,074.00 |
| Other Operating Costs* | \$530,000.00 | \$530,000.00 | \$530,000.00 | \$530,000.00 |
| Total Operating Costs | \$1,566,525.00 | \$2,462,859.00 | \$2,120,686.00 | \$2,729,074.00 |

This table suggests that consolidation with Gold Ridge is likely to be the most efficient option. We recognize that this is based largely on the staffing costs noted above, and that the final costs are subject to negotiation.

It is important to note that the operating costs do not include the costs for apparatus and a new fire station. We expect these costs to be similar across the different options, with greater potential for some savings due to the economies of scale if we merge with Gold Ridge.

The costs to replace apparatus in a timely manner will be significant, although we have not analyzed them in detail. Similarly, the costs for a new fire station will also be substantial. A \$5 million estimate was used for purposes of allocating Measure H revenues across the County. We believe that the total could be much higher, based on the costs of building new stations in recent years in Healdsburg, Santa Rosa, and Rohnert Park. Remodeling the current station may be a better option. In any case, the costs will be high.

REVENUES

The table below shows potential revenues under different options.

| Revenue Sources | Sebastopol Current | Sebastopol Independent | Consolidation/Gold Ridge | Consolidation/Graton |
|--------------------------|-----------------------|------------------------|--------------------------|-----------------------|
| City General Fund | \$1,553,903.00 | \$1,553,903.00 | \$1,553,903.00* | \$1,553,903.00** |
| Measure H | | \$1,080,000.00 | \$1,080,000.00 | \$1,080,000.00*** |
| Consolidation Parcel Tax | | | \$1,111,058.00 | \$1,060,806.00 |
| TOTAL | \$1,553,903.00 | \$2,633,903.00 | \$3,744,961.00 | \$3,694,709.00 |

* Gold Ridge proposal states that the amount would be a fixed percentage of the City’s annual revenue; we’ve used the amount in the City’s FY 23-24 budget for ease of comparison.

** Graton’s proposal on City General Fund is unclear. It includes a \$1,245,065 amount, but states that the amount would be close to the current level of \$1,553,903. We have used the current budget for comparison purposes.

*** Graton’s projected amount from the Fire Tax is \$1,125,000; we adjusted this estimate to reflect the City’s expectations of revenue.

The key difference among the options is that consolidation includes about \$1.1 million/year in parcel tax revenues. Gold Ridge’s tax is \$265/year for a typical single-family home. Graton’s tax is slightly lower at \$250/year. Both Departments indicated that they are cautious about raising their tax, and both last raised it in 2019.

When comparing the tables of expenses and revenues, it shows that the annual operating costs for Sebastopol to remain independent are about \$2.4 million/year. With Measure H and FY 23-24 General Fund (GF) funding, the City could cover those costs. However, this would leave little funding for a new firehouse and proper replacement of apparatus, unless the City dedicated considerable amounts of additional General Funds. Given the City’s dire fiscal outlook this does not appear feasible in the foreseeable future. Also, the City is looking at all options to reduce projected General Fund deficits estimated at an average of nearly \$3 million/year for ten years. Thus, the City cannot remain independent if we want the quality of fire delivery services we believe our residents deserve.

Consolidation gives us an additional \$1.1 million/year with either option. This would provide substantial funding towards fleet and buildings. Just how much we need for those purposes is undetermined and may depend on part of consolidation because it creates the potential for economies of scale and thus lower costs. If we do not need this full \$1.1 million for fleet and buildings, we may be able to reduce our General Fund contribution below the level required by Measure H, which we project at approximately \$1.2 million. The actual General Fund contribution is a topic for negotiations during the consolidation process.

Other topics/issues considered by the Ad Hoc Committee:

Governance: The Sebastopol Fire Department is governed by the City of Sebastopol City Council. The Graton Fire Board currently has five directors who serve four-year terms. The terms are staggered so that no more than three directors change each election cycle. Graton has proposed creating elections by

district, with two of seven districts in Sebastopol. This is too little representation for Sebastopol, which responds to more calls than Graton. The Gold Ridge Fire Protection District Board of Directors is comprised of seven Directors elected to four-year terms of office. Gold Ridge would retain District-wide elections. While not allocating a particular number to Sebastopol, it allows for potentially greater City representation. Per Gold Ridge, their Board believes in transparency and community representation, and based on this belief they have stated there will be an opportunity to integrate residents from the city to serve on the Board as seats become available.

Fleet: It should be noted that there are differences in the proposals related to Fleet Management. We believe that Gold Ridge suggests a more appropriate, strategic approach. Sebastopol has minimal funding set aside for vehicle replacement. Although the City has recently purchased Type 1 and Type 3 Fire Engines, the City is still behind in vehicle replacement.

Gold Ridge will provide a comprehensive preventive maintenance (PM) program consisting of semi-annual service and safety inspections by equipment/safety specialists and a certified fire mechanic, brake and lamp inspections, and Basic Inspection of Terminal, if applicable. Repairs will be completed in-house, within their capability, and by outside vendors such as Twin Oaks Garage, Burton's Fire Apparatus in Modesto, Pete's Automotive in Sebastopol, as well as others, depending on the nature of repair. Reserve apparatus may also be available when equipment is out of service for an extended time period. Gold Ridge Fire District has a comprehensive Fleet Replacement plan. Per Gold Ridge, while there are several apparatus approaching or beyond the replacement schedule, they believe they can manage the replacement of apparatus by utilizing a lease purchase plan. The replacement of the fleet requires immediate action, but Gold Ridge has indicated it can be prioritized and spread across the next 5 years. While we agree with this approach, we have not analyzed the viability of full fleet replacement in five years.

Graton stated their approach is to manage the two fleets separately. Per Graton, the current engines are designed to serve each other's districts; there is nothing logical or any interest in moving engines around. Their fleet replacement strategy varies based on use, reliability, and engine type. They indicated they will work with the City to determine immediate needs and estimate the fleet replacement budget necessary to ensure reliable service to the community. Such an approach locks in the current situation and limits flexibility that may be desirable over time. It also presumes that there are no economies of scale such as the possibility of needing fewer apparatus with a combined agency. Their Chief later said that there is flexibility on fleet over time; what they submitted is intended to be the initial approach.

New Station: In addition to response capabilities, our current model does not adequately fund a new and much-needed fire station. Also, we believe that prior estimates of \$5 million for a new station may be considerably understated.

Whether the City remains an independent department or merges with Gold Ridge or Graton, in all scenarios alterations and improvements may be the responsibility of the City of Sebastopol. Measure H can help to fund some improvements, but the City would be responsible for all maintenance, repair, and alterations considered a capital improvement (Capital improvements are any single project that exceeds a cost of \$15,000.).

It is recommended that the City review options for either remodel or new building and propose that this be addressed in the new fiscal year. Currently, draft drawings are being developed to allow us to better estimate remodel cost.

Administrative Support: Graton currently has a contract administrative assistant that supports their department and works 10-20 hours/week. Their proposal states they would like to extend an offer to the current administrative assistant (City of Sebastopol) to become full-time, serving the needs of Sebastopol and Graton Fire. The City of Sebastopol's current administrative position works half time for the Fire Department and half time for the Building Department. While we appreciate the sensitivity to retaining her as a current staff person, Graton does not explain why they would need to add a full time position, and has requested if merged with Graton that the city provide \$87,000 towards the salary of the new full-time position.

The Gold Ridge Fire Protection District has three administrative employees who serve as support staff for the Fire Chief and management staff, as well as provide assistance to the public when they call or visit the station. Administrative staff is also responsible for the following tasks: payroll, human resources (health insurance, PERS retirement and worker's compensation), accounts payable, accounts receivable, contracts, budgeting, banking, finance, grant writing assistance, volunteer onboarding and scheduling, and serves as clerk of the board. Gold Ridge has indicated that the integration of the current City of Sebastopol administrative assistant position will need to be evaluated; we concur with this approach.

Emergency Management: Currently, the Sebastopol Fire Chief is the Emergency Manager for the City of Sebastopol. However, we propose that if the fire service responsibility is transferred to an outside fire agency, the City's Emergency Management function be delegated to the City's Police Department. As such, the City's Chief of Police or their designee will serve as the City's Emergency Manager. The Gold Ridge Proposal indicates that the Gold Ridge Fire Chief, or their designee, will provide leadership to the City's emergency management function as it relates to emergency management, incident command, mitigation, preparedness, response, and recovery. Graton's proposal did not address their relationship to the City's emergency management function.

Fire Marshall/Prevention: Currently, we address our marshal/prevention responsibilities by conducting routine inspections by the one fire engineer as additional duties. As such there is a heavy reliance on the relationship with the City's currently contracted Building Inspector. The City relies on contract or consulting services in the event of major or specialized new developments.

Gold Ridge: The 40-hour Prevention Captain will be supervised by the Administrative Division Chief. Plan Check for new construction and tenant improvements would be conducted by an independent contractor with those costs passed along to the applicant. The contractor (H & S Associates) is the current contractor that the City of Sebastopol uses for plan review. The Prevention Captain will conduct the new construction and tenant improvement inspections. The Prevention Captain will also have a suppression background and will be able to augment the response to greater alarm calls for service. Many of the current annual fire prevention inspections and pre-fire plan inspections would be handled by the engine company. Managing the annual inspections would be coordinated by the Prevention Captain. The Fire Prevention Captain would handle community outreach programs as well as act as the department Public Information Officer (PIO). 24/7 Fire Investigation would be coordinated by the Administrative Division Chief. There are

currently 2 available investigators with an additional investigator in trainee status. While large scale fires may incorporate the Sonoma County Fire Investigation Task Force, the majority of the incidents can be investigated internally by department personnel.

Graton: The engine captains are responsible for commercial building inspections and updating preplans annually. Graton contracts with the County of Sonoma for hazardous materials inspections (CUPA). Their plan checks and building inspections are contracted with Permit Sonoma at no cost to the fire department. Graton proposes that the stipend fire chief for Cloverdale Fire conduct inspection and prevention needs and that it is manageable within his part-time role. To provide a higher level of customer service, Graton recommends that the Sebastopol Station Chief be responsible for the fire prevention aspects needed within the City of Sebastopol. The Station Chief would be supported by the engine captains as needed. The captains would complete the commercial building inspections and preplans to ensure a working knowledge of the properties.

Role of Volunteers:

If Sebastopol merges with Gold Ridge, Gold Ridge is committed to making the transition process as smooth as possible. All volunteers and career firefighters would transfer to the fire district holding their current rank. Gold Ridge regularly hires from our volunteer ranks and this would be an added benefit to the members who meet the minimum qualifications for open positions. A merger creates greater opportunities for career advancement. The proposed staffing model will include participation from volunteers. The inclusion of volunteers is important to ensure appropriate response depth when multiple resources are required i.e. fires, traffic accidents, storm flood events, and multiple calls within the response area. A larger volunteer and paid labor force will enhance the ability to cover responses and station coverage. Combining the two agencies will act as a recruitment and retention tool providing more choices and opportunity for participation.

If Sebastopol merges with Graton, they would focus on incorporating the current volunteer firefighters into the process. This assessment would start with surveying the current volunteers about what is essential and what would encourage their retention.

Culture: We recognize that combining organizations is a complex, often emotionally charged experience. We also recognize that there is considerable value in matching the 'culture' of organizations. Culture includes factors such as traditions and symbols. Examples in the fire services are often around the identity of the parties involved. For example, it is important to some that the names on the apparatus reflect the 'home station,' and that the patches on uniforms do so as well.

Graton: Their Board is not interested in changing the name of their department or ours. They are definitive on that point. Per Graton, doing so would definitely impact our ability to recruit and retain volunteers as well as Graton's. Graton does not propose changing the name on the station, engines, patches, etc. Fire engines will remain with respective departments; and Graton indicates fire engines were built for different service areas, and there is no rational reason to change anything.

Gold Ridge: Integrating two agencies that have a tremendous amount of pride and history will be challenging. There will be a strong emotional response to the idea alone. The approach must be inclusive, allowing input from all stakeholders. A collaborative management style will be necessary. Ultimately the

most important outcome of consolidating our two agencies is that our community will receive the benefit of a sustainable, community minded, dedicated, and professional emergency response.

Gold Ridge has indicated that their vehicles will include both the District's and City's names. Their patches will note that the personnel are part of Gold Ridge and may include a way of identifying those from Sebastopol as well.

Transition: The process for transitioning to a new organization must be done thoughtfully and collaboratively. Gold Ridge has a successful record of fire service reorganizations. In 1993, the Gold Ridge Fire Protection District was formed following the merger of the Twin Hills and Hessel Fire Districts. Since that time, Gold Ridge has also provided management, administrative, and fire protection services through several cooperative agreements or contracts. Most recently, Gold Ridge has successfully annexed and increased the level of services to some of those areas known as Sonoma County CSA-40, which included 8 volunteer fire companies. Gold Ridge is experienced with transitions. While there have been challenges which would be expected, we would work with them to apply lessons from their experiences to help with our merger.

Graton has not completed any mergers.

Regarding expanded staffing, Gold Ridge provides a more complete response. They indicate that all volunteers would transfer to the District with their current rank. The full-time Engineer would be promoted to the proposed Prevention Captain's position or be assigned to the Sebastopol station. They indicated that they regularly hire from their volunteer ranks and suggest that they would continue this practice and include Sebastopol volunteers within their candidate pool.

Graton has indicated that they would hire current volunteers or prioritize internal candidates.

Both proposals recognize the need for discussions to occur at different levels once the City commits to merge with a partner. As an example, these discussions would include negotiations at the management level with LAFCO, to tactical agreements to ensure continuity of safe fire ground operations at the firefighter level. To achieve this, task groups or committees comprised of members from both agencies will be established to address these issues and opportunities. Member selections are to be based on expertise, experience, and diversity. This should also include establishing ways to collaborate on the operational details, ideally with firefighters with varying levels of skills and expertise. It is anticipated that working groups will be established to help coordinate the transition.

LAFCO Process: Any merger – or reorganization- is subject to approval by the County's Local Agency Formation Commission, or LAFCO. A letter from Mark Bramfitt, LAFCO's Executive Director, is attached. This letter outlines the process, timing, and costs in detail. A summary is provided here.

At this point LAFCO cannot provide definitive timelines or cost estimates. Should the City Council decide to pursue consolidation and should Gold Ridge (or Graton if selected by the Council) also formally approve moving forward, we would work with LAFCO to begin the process and better define timelines and costs.

The potential reorganization would consist of two steps: an amendment to the sphere of influence of the district that would be taking on service provision, followed by the reorganization itself, which is contingent on a protest proceeding that may or may not extend the timeframe significantly or annul the reorganization outright.

To amend a sphere of influence, LAFCO conducts a Municipal Service Review and attendant Sphere of Influence Study (MSR/SOI). LAFCO would conduct these studies upon request by the City and Gold Ridge or Graton after receiving a letter from each agency asking that the study be conducted; a formal resolution is not required.

Cost: LAFCO asks that one or both of the subject agencies pay the staff costs involved in conducting an MSR/SOI study. This includes a \$10,000 deposit; the costs for an MSR/SOI study for the entirety of a City (all functions) have generally been on the order of \$25,000 when the commission hires a consultant to do the work.

For fire and EMS services, the Commission conducted an expansive study for west county agencies, including the City, in 2019, using commission staff resources. Additionally, staff is currently completing a study covering the Gold Ridge Fire District and another agency. Therefore, a study for Gold Ridge (if that is the City's chosen agency partner) and the City could be completed fairly expeditiously and at a lower cost.

The City is also welcome to seek a waiver of fees from the Commission. In the past, when the Commission has waived fees, they have waived staff time costs but not any costs associated with noticing hearings (in this case a newspaper posting) or other external costs (such as legal services).

Depending on other workload, LAFCO staff considers an optimistic timeframe to complete an MSR/SOI study at four months, which includes a required 21-day public posting of the report. LAFCO has a considerable number of other efforts underway which may affect this timing. Hiring a consultant to do this work does not shorten the timeframe and has always extended timelines.

A reorganization proposal to the Commission involves an application by the annexing agency, including a resolution of application, a deposit against fees, a plan for service, an application form, and a map of the territory being annexed that meets State Board of Equalization requirements. It is helpful, but not required, that the agency "ceding" territory (in this case the City) submit a resolution in support of the reorganization. (The Commission would be unlikely to approve an annexation against the City's wishes.)

The most critical component of the application is the plan for service, which must describe how the annexing agency intends to provide service and how it will be funded. The Commission has approved a half-dozen fire agency reorganizations in recent years, so examples of plans for service from those proposals are available. It would be important for the Commission to see any proposed or executed financial agreement between the City and the annexing agency that would speak to the financial viability of the reorganization.

Because of the parcel tax that would come with consolidation, every Sebastopol landowner must be notified directly (by mail) of the proceeding, and again if the reorganization is approved and then subject to a protest proceeding. Also, if there is sufficient protest by landowners and/or voters, an election must be undertaken at the applicant's expense.

LAFCO staff has not evaluated how many parcels are within City limits, which would yield an estimate of noticing costs. Previous reorganizations of this scope have generated fees on the order of \$15,000, though it should be noted that none of the prior reorganizations had protest levels that resulted in a required election.

From the date of submission of a **complete** application, a reorganization can be completed and recorded in about six months, assuming there is not sufficient protest to trigger an election.

If the Council decides to proceed, LAFCO recommends that getting the MSR/SOI underway is the critical first step. Letters from both agencies to the Commission would start the process and should include a request for a fee waiver if that is necessary. While LAFCO staff is reticent to make this recommendation, if there is urgency to move this proposal forward, the proponents can seek to have the Commission prioritize staff resources for the effort.

LAFCO staff would then recommend that the City and the partner agency begin preparation of an application package, and most notably the plan for service document. Drafting or even executing a financial agreement might also be undertaken concurrently with the MSR/SOI preparation. The proponents should also consider consulting with the State Board of Equalization regarding mapping requirements, and the County's Auditor-Controller-Treasurer-Tax Collector regarding deadlines for application of special taxes on annexed territories.

LAFCO staff also recommend that the City engage with its populace regarding any proposal, in part to avoid the potential for extending the timeframe of a reorganization due to protests.

Next Steps

Should the City Council decide to proceed with a merger with Gold Ridge, there are several next steps that we recommend:

1. City Council direct staff to move forward with the merger of the Sebastopol Volunteer Fire Department with the Gold Ridge Fire Department; and
2. City Council direct staff to send a letter to the Local Agency Formation Commission (LAFCO) requesting initiation of the consolidation process, including a waiver of fees to the extent feasible; and
3. City Council authorize staff to take other actions as needed to initiate process with LAFCO, including payment of \$10,000 deposit from Fire Department budget; and
4. Council authorize the City Manager to enter into a short-term agreement with Gold Ridge to provide Chief Officer services at the Sebastopol Fire Station during the transition period while developing a longer-term agreement subject to the approval of the City Council and Gold Ridge Board of Directors, and
5. Council Terminate Current Ad Hoc Fire Committee; and
6. Council Authorize Creation of new Ad Hoc Committee and Appointment to Ad Hoc Committee to represent the City in negotiations with LAFCO and the Gold Ridge Fire Department and related matters, with a description of tasks, roles, and responsibilities to be presented to the City Council for approval at a future Council meeting; and
7. City Staff to terminate recruitment for Fire Chief for City of Sebastopol; thereby terminating the 960 Annuitant Agreement with Todd Derum, and
8. Authorize the City Manager to explore Consulting Services for Negotiations and related assistance for Consolidation

COMMUNITY OUTREACH:

The Fire Ad Hoc Committee has met multiple times with Graton Fire Department Board, Gold Ridge Fire Department Board, former and current Fire chiefs, as well as meeting with members of the Sebastopol Volunteer Fire Department, both as a group and with some individuals. The City Manager and the Interim Fire Chief have also met with the fire volunteers upon request and with the Fire Chiefs from Gold Ridge and Graton.

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

FISCAL IMPACT:

A financial analysis/comparison can be found in the staff report above.

OPTIONS:

If the Council does not support merging with the Gold Ridge Fire Department, the City Council has the option to:

1. Merge with Graton Fire Department
2. Maintain an Independent Fire Department

ATTACHMENTS:

- Attachment 1 Memo from Former Interim Chief Bruce Martin
- Attachment 2 Gold Ridge Fire Department Proposal
- Attachment 3 Graton Fire Department Proposal
- Attachment 4 LAFCO Letter re: Consolidation
- Attachment 5 Organizational Charts from Sebastopol; Gold Ridge and Graton

MEMORANDUM

DATE: February 1, 2024
TO: Don Schwartz, City Manager
FROM: Bruce Martin, former Interim Fire Chief Consultant
SUBJECT: Fire Department Observations and Recommendation

Following my two months in Sebastopol in November and December 2023 I have made several observations on the decisions facing the City with regards to its provision of fire services. I have mentioned some of these and offer them for your evaluation.

These comments are made about organization, positions and structure, not individual performance. The incumbents in the Fire Department are a skilled, dedicated group with a host of institutional knowledge. Their resilience has been tested during the inevitable consequences of pandemics, economic downturns, and changes in volunteerism. They have kept their mission focus and performed admirably. The department is clearly wrestling with a desire to perform at historic high and broad levels with a changed workforce. With that in mind, the City and SFD must resolve to focus on core mission activities and how best to sustainably provide them.

Background

Fire protection in the State of California is a matter of local interest. That is, local communities and their governments decide if and how fire protection is provided, and to what level. If fire protection is provided, it then must comply with a variety of regulations concerning operation, training and personnel (e.g. CalOSHA regulations).

Overview:

The Sebastopol Fire Department's mission is to be a leading emergency service organization by:

- Meeting the service requirements of our community in fire prevention, fire suppression, rescue and education
- Utilizing and improving the dedication and skills of our people

- Continually improving all of our services and operations

In order to accomplish this mission the City established a volunteer fire department organization, which evolved and currently exists with a full-time Fire Chief position, half-time administrative support, and two 40 hour Fire Engineer (driver) positions, one of which is unfilled. The Chief acts as a generalist manager with operations experience who supervises volunteer Assistant Chiefs, Fire Captains, Engineers and Firefighters and other staff, manages the organization, and provides emergency command for incidents. The Fire Chief also performs Fire Marshal duties, and acts as the City's Emergency Manager.

Previous internal (Chiefs Braga and Piccinini) and consultant reports (RGS and Matrix) have identified and articulated specific staffing and response issues in which SFD is failing to serve its citizens as well as it could. Several mitigating SFD options were offered and analyzed in those reports. Solutions to this community need could be internal or external, as past reports have discussed.

Of chief concern is the lack of adequate and qualified response staffing (volunteer firefighter drivers) during the working hours of the week. There have been several documented cases of no response, or unacceptably long delay in response due to this issue. It happened several times in my two months.

The City has enjoyed a lower than average cost for its fire department due to its all-volunteer operational staffing. Some of the options described below could cost a greater portion of the City budget than previously experienced. (By way of background I taught financial management/budget at the California Fire Academy/Regional Academies for twenty years and have seen hundreds of municipal fire budgets).

Internal

The internal solution moves the department towards a combination staffing model, with fulltime paid Fire Captain (3.0) and Fire Engineer (3.0) positions to cover response 24/7/365, supplemented by the volunteer firefighters. There are necessary improvements to the fire station facility for a 24 hour workforce. These efforts likely require additional funding per the studies and a mechanism to generate it (e.g. tax) is required.

The Fire Chief position is more and more difficult to fill; this is true around the State in my observation. Given the compensation against the cost of housing, it is difficult for out of area candidates to make the move. Housing assistance for the Fire Chief would be a difficult policy choice in light of the current fiscal emergency, which itself may discourage candidates.

An internal mitigation to the response issue was to create the Fire Engineer positions in SFD. That provides driver coverage four days a week now; hiring the other position would fill the remaining open days and would be a worthy short-term action.

Maintaining an adequate cadre of volunteers will be a continuing effort. In general, volunteerism had diminished across the nation in many sectors; firefighters are no exception. Volunteers seem to have two general motivations: community and career. Community minded volunteers live in town, are response available most of the time, and serve for more traditional reason of community care. Career minded volunteers may live remotely, will work scheduled volunteer days, and serve to gain experience and help their search for career employment elsewhere. Career minded volunteers likely have a shorter “career” in the SFD, necessitating constant recruiting, training and renewal of the force. It also results in periodic capability gaps such as the current dearth of qualified drivers.

Additionally, there are several operational and personnel issues I observed which can be resolved by filling the role of Fire Chief in a permanent and full-time manner. Most of these issues are likely addressed by updating and implementing existing policies, and include the areas of emergency medical level of service, volunteer hiring processes, driving standards, training mandates, and scheduling volunteer shift coverage.

The Fire Marshal role of the Chief is not a large time commitment, but some expertise in fire protection planning is required. This requirement acts as another barrier to candidates and is not worth it for a City the size and complexity of Sebastopol. The simple solution would be to outsource new construction fire plan checking to the existing City contractor for the Building Department.

The Emergency Manager role is a plan maintenance and training function within the City’s Disaster ordinance. It can fit with this position, perhaps augmented by some planning funds to buy consultant time for more involved exercises and projects.

External

The external solution which the City has been contemplating for some time is to consolidate with a neighboring jurisdiction. While that could take the form of several different governance options (e.g. Joint powers agreement, contract for service), the option most common in Sonoma County is a true City/Fire Protection District deannexation/annexation. The particulars are found in the government code and it is an involved process, however it has occurred successfully several times in the past thirty years within Sonoma County. The Fire Districts, Board of Supervisors and LAFCO are attuned to the process and generally supportive. The

process could take many months to design and execute and include bringing over a new tax override to Sebastopol citizens, which would need to be marketed.

Benefits of consolidation fire protection responsibilities with a neighbor include relieving the City of the necessity to staff and operate its fire department; that duty is transferred over to the successor fire protection district. Additionally, districts may bring capacity to handle unaddressed or lightly addressed FD issues mentioned above. Governance of the fire department transfers completely to the fire protection district, itself an autonomous political subdivision of the State, with its own elected Board. City influence on the Board would be collaborative rather than authoritative. The studies presented the idea that the successor district could be funded by its own tax overlay and an annual city funding commitment to be negotiated, but in the range of current city budget appropriations for fire. The City could negotiate a CPI based escalator and/or cap to provide more budget certainty.

Operationally, the successor district and its funding mechanism could result in a 24/7/365 staffed fire station in Sebastopol. Of the two choices currently contemplated by the City (Gold Ridge and Graton), Gold Ridge has full time career staff chief officers and a depth of resources greater than Graton. While the staff and members of Graton FPD are quite capable, they work part-time or as volunteers and would have to develop how to handle the internal aspects of City needs. Gold Ridge stations and resources seem to have more adjacency and depth than Graton FPD's, meaning the City would have greater back-up coverage during simultaneous and full alarm (fire) calls. Gold Ridge could handle Fire Marshal needs in conjunction with the City and may or may not be able to take on Emergency Management functions – that would have to be negotiated or shifted over to another City department, such as Police.

Both options would weave the current volunteers into the new organization, and the volunteers are absolutely necessary to provide the depth of staffing needed. Both options would require fire station improvements for 24/7/365 staffing.

Recommendation

Based on my experience and observations at the City of Sebastopol I recommend it pursue consolidation efforts with the Gold Ridge Fire Protection District. An immediate effort to cover the fire chief role and mitigate the weekday lack of response could be negotiated, as the parties progress towards a successful consolidation effort.

This is a dynamic process and if it was easy there would be many less fire departments in California. The National Volunteer Fire Council and International Association of Fire Chiefs have some general guidance on consolidation efforts, which I shared with the

Fire ad Hoc Committee. Above all it will be critically important to gain the trust and cooperation of the volunteer firefighters. They will continue to play an important role in the future organization.

Gold Ridge Fire Protection District

Proposal for Consolidation

With Sebastopol Fire Department



Shepley Schroth-Cary
2-23-2024

Introduction

The Gold Ridge Fire Protection District was formed in 1993 when the Hessel and Twin Hills Fire Departments merged. In July of 2023, we completed the consolidation of the Volunteer Fire Companies CSA 40 into the District. This was the conclusion of an extended shared service agreement between the County of Sonoma, North Bay Fire, and the Gold Ridge Fire Protection District. The District is comprised of three staffed fire stations and 7 volunteer staffed stations located in the communities of Fort Ross, Camp Meeker, Freestone, Twin Hills, Bodega, Valley Ford, Hessel, Two Rock, Wilmar, and Lakeville. The district offers all-risk fire protection and emergency medical response spanning 226 square miles of rural Sonoma County, serving a population of roughly 25,000 residents, as well as providing mutual aid to all surrounding fire districts.

Gold Ridge is a combination Fire District consisting of 20 full-time firefighters, 3 battalion chiefs, 2 division chiefs, a fire chief, 3 administrative staff and approximately 180 volunteers. The full-time fire suppression staff at Gold Ridge works a 48 hour on-duty, 96 hour off-duty schedule covering three rotating shifts. Gold Ridge volunteers contribute to the organization in several important ways. They are available for response whenever needed, they fill stipend daytime and sleeper shifts, they staff engine companies during large wildland fire response, and provide station coverage. Our volunteers are comprised of district residents and out of district members. We recruit interns from the Junior College who make a year-long commitment to the organization. After their year-long internship, they have the option to become volunteers. Additionally, we have an Explorer Post which continues to mentor new volunteers.

Operations

The Fire Chief, or his designee, will provide leadership in the areas of emergency management, mitigation, preparedness, response and recovery. Under the authority of the Fire Chief, the Battalion Chief is responsible for planning and directing the regular daily operation of the assigned shift using discretion and independent judgment. Duties include supervising equipment operation, fire suppression, fire prevention, equipment maintenance, facilities maintenance, training, incident command, public education, daily activities, and personnel management, which includes assigning work schedules for paid and volunteer staff. The Battalion Chief will handle community concerns and staff discipline for events occurring during their assigned shift. There will be a Captain, an Engineer and a Volunteer Firefighter assigned to each shift. Captains are responsible for completing projects assigned by the shift Battalion Chief, ensuring equipment readiness, managing emergency response, and coordinating daily training of paid staff and weekly training of volunteer staff.

Administration

The Gold Ridge Fire Protection District has three administrative employees who serve as support staff for the Fire Chief and management staff, as well as provide assistance to the public when they call or visit the station. Administrative staff is also responsible for the following tasks: payroll, human resources (health insurance, PERS retirement and worker's compensation), accounts payable, accounts receivable, contracts, budgeting, banking, finance, grant writing assistance, volunteer onboarding and scheduling, and serves as clerk of the board.

Fire Prevention

The 40-hour Prevention Captain will be supervised by the Administrative Division Chief. Plan Check for new construction and tenant improvements would be conducted by an independent contractor with those costs passed along to the applicant. The contractor (H & S Associates) is the current contractor that the City of Sebastopol uses for plan review. The Prevention Captain will conduct the new construction and tenant improvement inspections. The Prevention Captain will also have a suppression background and will be able to augment the response to greater alarm calls for service. Many of the current annual fire prevention inspections and pre-fire plan inspections would be handled by the engine company. Managing the annual inspections would be coordinated by the Prevention Captain. The Fire Prevention Captain would handle community outreach programs as well as act as the department Public Information Officer (PIO). 24/7 Fire Investigation would be coordinated by the Administrative Division Chief. There are currently 2 available investigators with an additional investigator in trainee status. While large scale fires may incorporate the Sonoma County Fire Investigation Task Force, the majority of the incidents can be investigated internally by department personnel.

Added Service Level

An increased service level will be achieved in several ways. The new revenue from the tax overlay will provide staffing at the Sebastopol Station. The addition of staffing will be the most significant enhancement to public safety. The proposed staffing model will include participation from volunteers. The inclusion of volunteers is important to ensure appropriate response depth when multiple resources are required i.e. fires, traffic accidents, storm flood events, and multiple calls within the response area. A larger volunteer and paid labor force will enhance the ability to cover responses and station coverage. Combining the two agencies will act as a recruitment and retention tool providing more choices and opportunity for participation. A combined work force will strengthen specialized programs like water rescue, large animal rescue, and technical rescue. The Gold Ridge Fire Protection District has made a significant investment in providing meaningful training to our members. Recently, two training captains have been hired who are supervised by the B shift Battalion Chief and are tasked with ensuring training is engaging for volunteers. Additionally, the district was awarded a Staffing for Adequate Fire and Emergency Response (SAFER) Grant to bolster recruitment, retention and training of volunteers. As one agency, immediate efficiencies will be achieved on a day-to-day

operational level. This includes 24-hour Battalion Chief coverage. The Division Chiefs and Fire Chief provide duty chief coverage providing redundancy and depth of supervision for significant events including EOC activations. Full time staffing, an established training program, operational efficiencies, and a continued investment in volunteer participation will create a sustainable and efficient fire service for the City of Sebastopol and its residents.

Proposed Staffing Model

The proposed staffing model at the Sebastopol Station would include daily staffing of one full-time Captain, one full-time Engineer, and one Volunteer Firefighter Stipend. The primary work location for the 40-hour Prevention Captain would be the Sebastopol station. Daily operations would be overseen by the on-duty Battalion Chief. The chart below represents the approximate cost to achieve the desired staffing model.

| POSITION | # EE | Annual Salary | 5910 PR EXP | 5923 PERS | 5924 MEDIC | 5930 HEALTH | 5940 W COMP | 5911 Drill Pay | 5922 FICA | Total |
|------------------------|----------|---------------|----------------|----------------|---------------|----------------|---------------|----------------|--------------|------------------|
| Prevention Captain (C) | 1 | 115,078 | 115,078 | 33,131 | 1,669 | 24,540 | 12,705 | | | 187,122 |
| Captain (C) | 3 | 115,079 | 345,237 | 99,394 | 15,018 | 73,619 | 38,114 | | | 571,382 |
| Engineer (P) | 3 | 94,676 | 284,028 | 41,184 | 12,355 | 73,619 | 31,357 | | | 442,543 |
| Volunteer/Stipend Pay | 1 | 87,600 | 87,600 | - | 1,583 | - | 12,056 | 21,600 | 6,770 | 129,609 |
| | 8 | | 831,943 | 173,709 | 30,625 | 171,778 | 94,231 | 21,600 | 6,770 | 1,330,656 |

EE's calculated at top step. Captains calculated as Classic Members, Engineers as PEPRAs. All calculated at Family cap Health.

PERS District Rates 2023/24

| | | | | | | | | | |
|----------------|---------|--|--|----------------------|-----------|----------|-----------|--|--|
| Classic Safety | 28.790% | | | | | | | | |
| PEPRA Safety | 14.500% | | | | | | | | |
| Medicare | 1.450% | | | BS Health Fam no cap | \$ 29,544 | \$ 2,150 | \$ 34,100 | | |
| FICA | 6.200% | | | Family cap | \$ 22,390 | \$ 2,150 | \$ 24,540 | | |
| Workers Comp | 11.04% | | | Plus 1 cap | \$ 17,246 | \$ 1,262 | \$ 18,508 | | |
| | | | | Single cap | \$ 8,673 | \$ 646 | \$ 9,319 | | |
| | | | | Dental Vis | \$ - | \$ 2,150 | \$ 2,150 | | |

Gold Ridge is committed to making the transition process as smooth as possible. All volunteers would transfer to the District holding their current rank. In the case of the full-time Fire Engineer, he would have the opportunity to be promoted to the proposed 40-hour Prevention Captain's position or work as an Engineer assigned to the Sebastopol station working a 56 hour work week. Gold Ridge regularly hires from our volunteer ranks this would be an added benefit to the members who meet the minimum qualifications for open positions. The current Fire Chief would be offered an opportunity to assist during the transition period. The integration of the current Senior Administrative Assistant position will need to be evaluated.

Revenue

The Gold Ridge special taxes would generate approximately \$1.1 million of new revenue if applied to Sebastopol boundary parcels. The summary of our taxes are as follows: The 1997 tax is a unit of risk assessment at \$5.00 per unit of risk. A typical residential home is 4 units of risk equaling a total charge of \$20.00. This tax passed with 84% percent support. Measure O was passed in 2008 with 76% support. Measure O is a very simple tax and is only applied to improved parcels at the rate of \$45.00/parcel. Our most recent tax Measure E was passed in 2019 with 70% support. The three taxes combined when applied to a typical single-family home comes to a total of \$265.00 annually. Attached are the individual ordinances for each tax. Measure H allocates 1.8% of approximately 60 million dollars or \$1,080,000 annually. The funds from Measure H are meant to be used for staffing and facility improvements.

Estimated Revenue Using Gold Ridge Special Tax applied to Sebasopol City Parcels

| Use Code Type | Use Code count | Base Rate | Building Primary Size | .14 per sq ft | Building Secondary Size | .14 per sq ft |
|----------------------|-----------------|----------------------|-----------------------|----------------------|-------------------------|---------------------|
| Agricultural Total | 2.00 | \$ 200.00 | - | \$ - | - | \$ - |
| Commercial Total | 329.00 | \$ 98,700.00 | 1,749,064.00 | \$ 244,868.96 | 194,921.00 | \$ 27,288.94 |
| MultiFamily Total | 114.00 | \$ 99,345.00 | | \$ - | | \$ - |
| Residential Total | 2,350.00 | \$ 640,655.00 | | \$ - | | \$ - |
| Total | 2,795.00 | \$ 838,900.00 | 1,749,064.00 | \$ 244,868.96 | 194,921.00 | \$ 27,288.94 |
| Revenue Total | | | | | | 1,111,057.90 |

Gold Ridge Tax

| USE CODE SUMMARY GROUP | RATE PER APN | RATE PER ADDITIONAL UNIT | CHARGE BASE |
|------------------------|-----------------|--------------------------|------------------|
| Residential | \$200.00 | \$100.00 | Residence |
| Commercial | \$300.00 | \$0.14 | Sq Ft |
| Other Parcels | \$100.00 | N/A | Parcel |

The City of Sebastopol should continue to contribute to the cost of providing fire protection in the City. The City’s funding contribution should be expressed as a fixed percentage of the City’s annual revenue; therefore, it would fluctuate with the economic ups and downs. The initial amount would be negotiated and dictated by immediate and projected needs. The funding effort by the City will be largely dependent on the success of Measure H. The goal of the funding agreement would be to provide consistency to the City budget process, while also meeting infrastructure, apparatus, and operational needs for adequate fire response.

Fleet Management

Gold Ridge will provide a comprehensive preventive maintenance (PM) program consisting of semi-annual service and safety inspections by equipment/safety specialists and a certified fire mechanic, brake and lamp inspections, and Basic Inspection of Terminal, if applicable. Repairs will be completed in-house, within our capability, and by outside vendors such as Twin Oaks Garage, Burton's Fire Apparatus in Modesto, Pete's Automotive in Sebastopol, as well as others, depending on the nature of repair. Reserve apparatus may also be available when equipment is out of service for an extended time period. Gold Ridge Fire District has a comprehensive Fleet Replacement plan:

- Command Vehicles: 10 years. Battalion Chief's unit runs 3-4 years front-line, then is moved into utility use for the balance.
- Type 1 Engine: 20 years. No reserves.
- Type 3 Engine: 20 years. One reserve, so most reliable unit retired from front-line is moved into reserve capacity.
- Water Tender: 25 years. No reserves.
- Ladder Truck: 25 years.
- Rescue: 25 years.

While there are several apparatus approaching or beyond the replacement schedule, we believe we can manage the replacement of apparatus by utilizing a lease purchase plan. It is estimated that there is around \$3 million worth of expenditure to replace the aging fleet and meet the District Fleet Replacement schedule. An old financing quote provided to the District quoted a %3.25 interest rate for a \$3 million loan with an annual payment of \$486,066.11 over seven years. Current rates are high and are expected to increase. The replacement of the fleet requires immediate action, but it can be prioritized and spread across the next 5 years.

Facilities

The station requires upgrades to the bathrooms and the addition of sleeping quarters. The cost and timing of these improvements is challenging. It may be necessary to house staff in a temporary building while station improvements are completed. Further analysis is required to provide an associated cost with the needed improvements. There are several ways to approach the ownership of the building and future improvements. One example would be:

The City of Sebastopol will lease the Fire Station to the Gold Ridge Fire Protection District for the nominal fee of \$1.00 per year. Gold Ridge will use the premises for public safety purposes. The City shall be responsible for insurance protection of improvements against fire and other risks. Gold Ridge will provide normal, daily operations, and maintenance for the leased facility consistent with established district standards. Gold District will be responsible for all utilities, including gas, electricity, water, and trash removal.

Normal daily operations and maintenance services include janitorial supplies, cleaning, maintenance of interior and exterior surfaces; service and repair of plumbing and electrical systems; trash pickup; and other minor repairs. Repairs of major items—such as air conditioning, apparatus doors, heating systems, and exterior coverings—are covered by participation in the station maintenance plan. Alterations and improvements in excess of \$15,000 will be the responsibility of the City of Sebastopol and would be submitted to the City by the Chief for consideration. It is assumed that the station will be in operational order at time of transition and that the identified repairs at the station will be complete or a plan to correct any issues will be agreed upon.

The City shall be responsible for all maintenance, repair, and alterations considered a capital improvement (Capital improvements are any single project that exceeds a cost of \$15,000.). Capital projects may include seismic repair, major remodel, renovation/relocation of stations and new fire station construction including structural upgrade required by law.

The above proposed handling of the facilities does not resolve the challenge of funding the needed improvements to the fire station, but there are other options to explore. We are not the first two agencies to be challenged with this possible scenario. The subject needs to be discussed in greater detail.

Governance

The Gold Ridge Fire Protection District Board of Directors is comprised of seven Directors elected to four-year terms of office. The formation of the Board of Directors is pursuant to the provision of the California Health and Safety Code section 13842 and Government Code section 56886(n). The terms of four Directors expire in December of 2022, and three expire in 2023.

Our Board believes in transparency and community representation, based on this belief there will be an opportunity to integrate residents from the city limits to serve on the Board as seats become available. During preliminary discussions regarding consolidation, the Gold Ridge Board Chair has expressed the desire for inclusion of representation from city residents on the Board. Initially, an oversight committee consisting of representatives from the City, Sebastopol Fire and Gold Ridge may be the best way to ensure collaboration. During the transition period the oversight committee would have a standing report on the Gold Ridge Board Agenda.

Summary

The benefit of consolidating our two agencies is shared. Operational and managerial efficiencies would be achieved. New opportunities to our volunteer and paid staff will be provided. A consolidated training program will ensure that responders are effective and efficient. The addition of a staffed engine company will enhance the safety of the region. We will be prepared for the challenges of the future.

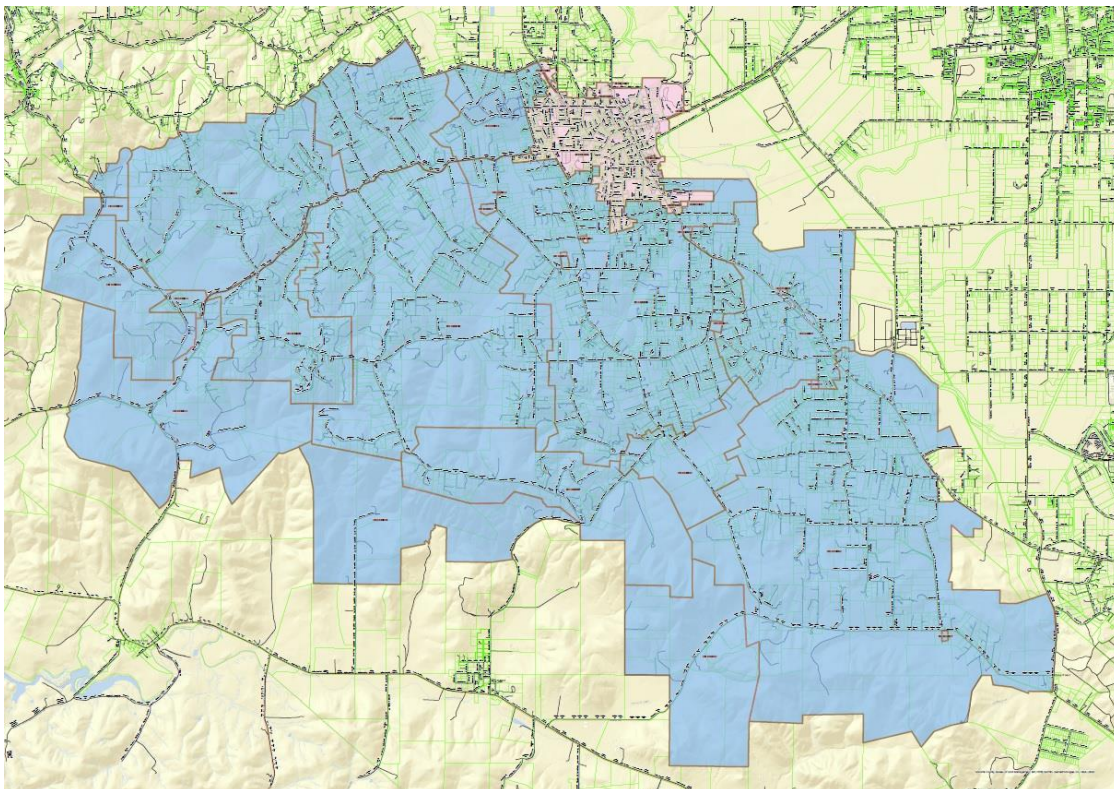
Integrating two agencies that have a tremendous amount of pride and history will be challenging. There will be a strong emotional response to the idea alone. The approach must be inclusive, allowing input from all stakeholders. A collaborative management style will be necessary. The leadership of the Gold Ridge Fire Protection District is prepared and capable of bringing our two departments together. It will be important that City leadership and Sebastopol Fire Department leadership are also up to the challenge and committed to the end goal.

The next steps towards consolidation should include:

- LAFCO engagement
- Short-term shared service agreement
- Negotiations
- Engaging a political consultant to educate the community on the benefits of consolidation.
- Co-authored Sphere of Influence (SOI) Study request to LAFCO
- Application for Reorganization and a collaborative Plan for Service

Ultimately the most important outcome of consolidating our two agencies is that our community will receive the benefit of a sustainable, community minded, dedicated, and professional emergency response. While we look forward to next steps, we should always ask the question, does this make sense and how will it serve the public?

Gold Ridge District and Sebastopol City Contiguous Boundary



Index of Attachments

1. Fire Chiefs Expectations
2. Current Salary Schedule
3. Stipend Timecard
4. Gold Ridge Special Tax Information
 - a. 1997 Tax Ordinance
 - i. Units of Risk Use Codes
 - b. Measure O
 - c. Measure E
5. Fleet Inventory and Replacement Schedule
6. Gold Ridge Fire Protection District Budgets (3 fiscal years)
 - a. Final Budget FY 2021-2022
 - b. Final Budget FY 2022-2023
 - c. Final Budget FY 2023-2024
7. Gold Ridge Fire Protection District Financial Audits (3 fiscal years)
 - a. Financial Audit FY 2020-2021
 - b. Financial Audit FY 2021-2022
 - c. Financial Audit FY 2022-2023
8. Current District Map



GOLD RIDGE FIRE PROTECTION DISTRICT

Proudly serving the communities of Hessel, Twin Hills, Freestone, Fort Ross, Camp Meeker, Bodega, Valley Ford, Bloomfield, Two Rock, Wilmar, San Antonio, and Lakeville

FIRE CHIEF EXPECTATIONS

MISSION STATEMENT: Our mission is to protect our communities through emergency response, public education, and community engagement.

VISION STATEMENT: We strive for excellence and seek improvement through innovation, education, training, and teamwork.

OUR CORE VALUES ARE: [Honesty](#) | [Professionalism](#) | [Respect](#) | [Service](#) | [Teamwork](#)

Emergency Response

- Equipment and personnel will always be prepared to respond.
- Always maintain situational awareness and be physically and mentally prepared.
- Appropriate PPE will be worn by all responders.
- More time is saved by quickly initiating a response than by driving fast.

Training

- Train as close to reality as possible.
- Wear the appropriate PPE for the training activity.
- When possible, participate in training as a member of the crew not as an instructor.
- Seek training opportunities, and when possible, train with neighboring agencies.

Relationships

- Your success is dependent on your relationship with your supervisors, peers, and subordinates. Treat everyone with respect and in the manner that you would want to be treated.
- Provide a high level of customer service internally and to the community.
- Communicate with people effectively and handle conflict at the lowest level.
- Do not participate in rumors and bad-mouthing of other shifts and agencies.
- Have an open mind and be inclusive of others and their ideas.

Safety

- Keep yourself and your crew safe during all activities and times.
- Apply a risk versus gain approach to all your decisions.
- Wear your PPE.

Leadership

- Take responsibility for your actions and the actions of your subordinates.
- Perform your duties with pride and integrity.
- Invest in your subordinates and help them achieve their goals.
- Recognize that you are being watched and always scrutinized by the public, your peers, and your subordinates.
- Lead by example.

Gold Ridge Fire Protection District
Publicly Available Pay Schedule

Effective 07/01/2023

Chiefs Annual Salary Schedule

| Classification / Title | Step 1 | Step 2 | Step 3 | Step 4 |
|--------------------------|------------|------------|------------|------------|
| Fire Chief 40 hours | \$ 171,328 | \$ 179,894 | \$ 188,889 | \$ 198,333 |
| Division Chief 40 hours | \$ 155,422 | \$ 163,193 | - | - |
| Battalion Chief 56 hours | \$ 127,867 | \$ 134,260 | \$ 140,973 | \$ 148,022 |

Suppression Annual Salary Schedule

| Classification / Title | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------|------------|------------|------------|-----------|-----------|
| Captain | \$ 104,381 | \$ 109,600 | \$ 115,080 | - | - |
| Engineer | \$ 77,503 | \$ 81,582 | \$ 85,876 | \$ 90,168 | \$ 94,676 |
| Firefighter | \$ 66,854 | - | - | - | - |

Administration Annual Salary Schedule

| Classification / Title | Step 1 | Step 2 | Step 3 | Step 4 |
|---|------------|------------|------------|------------|
| Executive Assistant 40 hours | \$ 105,373 | \$ 110,641 | \$ 116,174 | \$ 121,982 |
| Administrative Assistant up to 32 hours | \$ 72,800 | - | - | - |
| Volunteer Coordinator up to 32 hours | \$ 53,248 | - | - | - |

Gold Ridge Fire Stipend Timecard

Agenda Item Number: 5

NAME: _____

MONTH / YEAR: _____

STA # _____

| DAY | FST | FSL | OST | OSL | INT | Misc |
|-----|-----|-----|-----|-----|-----|------|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| 16 | | | | | | |

| DAY | FST | FSL | OST | OSL | INT | Misc |
|--------------|-----|-----|-----|-----|-----|------|
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | | | | | | |
| 30 | | | | | | |
| 31 | | | | | | |
| TOTAL | | | | | | |

| | | | | | |
|--|-------|---|----------------------|---|-------|
| FF Stipend (FST) | _____ | X | \$32 | = | _____ |
| FF Sleeper (FSL) | _____ | X | \$60 | = | _____ |
| Officer Stipend (OST) | _____ | X | \$40 | = | _____ |
| Officer Sleeper (OSL) | _____ | X | \$80 | = | _____ |
| Intern (INT) | _____ | X | \$188 | = | _____ |
| Misc. Hourly Pay (Misc) | _____ | | | | _____ |
| | | | Total Amount: | | _____ |
| Description of Misc. hrs. worked _____ | | | | | |
| | | | | | |

1 STIPEND CREDIT = 3 HOUR BLOCK
1 INTERN CREDIT = 24 HOUR BLOCK

24 Hour Stipend Block = 4 Stipend Credits and 1 Sleeper Credit

Please enter the TOTAL number of completed CREDITS per day under the

Volunteer Signature: _____ Date: _____

Dept. Chief Approval: _____ Date: _____

EXHIBIT "A"

ORDINANCE NO. 96-97-1

**AN ORDINANCE OF THE GOLD RIDGE FIRE PROTECTION DISTRICT
AUTHORIZING IMPOSITION OF A SPECIAL TAX TO PROVIDE
AUTHORIZED SERVICES AND EXERCISE THE OTHER RIGHTS AND
POWERS OF THE DISTRICT, AND REPEALING THE EXISTING
BENEFIT ASSESSMENT LEVIED BY THE DISTRICT**

The people of the Gold Ridge Fire Protection District ordain as follows:

SECTION I. DEFINITIONS.

For the purposes of this ordinance, the following words and phrases shall have the meanings respectively ascribed to them by this section unless the context clearly requires a different meaning. The definition of a word or phrase applies to any of that word's or phrase's variants.

Board of Directors means the Board of Directors of the Gold Ridge Fire Protection District.

District means the Gold Ridge Fire Protection District in Sonoma County, California.

Parcel of real property means a separate parcel of real property having a separate Assessor's parcel number as shown on the secured tax rolls of the County of Sonoma, or an assessment of a structural property on the unsecured tax rolls of the County of Sonoma, or an assessment made by the State Board of Equalization.

Special tax means the special tax authorized by and imposed pursuant to this ordinance. The special tax is a special tax within the meaning of Article XIII A, section 4 and Article XIII C, section 1 of the California Constitution.

SECTION II. AUTHORITY.

This ordinance is adopted pursuant to Article XIII A, section 4, and Article XIII C, section 2 of the California Constitution, Article 3.7 (commencing with Section 53720) of Chapter 4 of Division 2 of Title 5 of the California Government Code, Section 13911 of the California Health and Safety Code, and Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the California Government Code.

SECTION III. DETERMINATION OF NECESSITY.

The amount of revenue available to the District from property taxes is inadequate to meet the cost of providing services pursuant to Section 13862 of the California Health and Safety Code and the District must establish a stable source of supplementary revenue to meet the costs of providing such services and exercising the other rights and powers of the District.

SECTION IV. PURPOSE OF SPECIAL TAX.

The purpose for which the special tax authorized herein shall be imposed is to raise revenue for the District to use in meeting (1) the costs of providing services pursuant to Section 13862 of the California Health and Safety Code, and (2) the costs of exercising the other rights and powers granted to the District in Chapter 5 (commencing with Section 13860) of Part 2.7 of Division 12 of the California Health and Safety Code.

SECTION V. SPECIAL TAX AUTHORIZATION AND LIMIT.

The Board of Directors is authorized to levy a special tax each year on each parcel of real property within the District, except parcels of real property owned by a federal, state, or local agency, for the purpose stated in Section IV of this ordinance. The special tax may be levied at a rate not to exceed \$5.00 per unit of risk and shall be imposed in accordance with the schedule set forth in Exhibit "A," attached hereto and incorporated herein by this reference. The Board of Directors shall set the rate of the special tax each year as provided in Section VI of this ordinance, provided that in no year shall the rate exceed the maximum specified in this section.

SECTION VI. REPORT AND HEARING ON SPECIAL TAX.

Each year prior to the imposition of the special tax, the Board of Directors shall cause a report to be prepared showing each parcel of real property subject to the tax, the owner(s) thereof, the land use classification applied thereto, and the proposed levy thereon. Upon the receipt of such report, the Board of Directors shall set a date for a public hearing thereon and shall cause notice of the hearing to be given pursuant to Section VII of this ordinance. At the public hearing, the Board of Directors shall set the rate and make such corrections to the taxes proposed to be levied as may be required to conform to the schedule set forth in Exhibit "A."

SECTION VII. NOTICE OF HEARING.

Notice of any public hearing held pursuant to this ordinance shall be posted in at least three (3) public places within the District at least fifteen (15) days prior to the hearing and published twice pursuant to Section 6066 of the California Government Code in at least one (1) newspaper of general circulation within the District. The notice shall include the date, time, and place of the public hearing, a general explanation of the matter to be considered, and a statement of where additional information may be obtained.

SECTION VIII. COLLECTION.

The special tax shall be collected in the same manner and subject to the same penalty as other charges and taxes collected by or on behalf of the District by the County of Sonoma. The Sonoma County Tax Collector may deduct reasonable administrative costs incurred in collecting the special tax and deposit the amounts deducted in the Sonoma County General Fund.

SECTION IX. REPEAL OF EXISTING BENEFIT ASSESSMENT.

The existing benefit assessment of the District established by and levied pursuant to Ordinance No.87-88-1 is repealed.

SECTION X. SEVERABILITY CLAUSE.

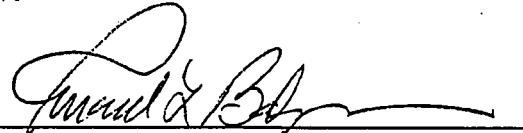
If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The people of the Gold Ridge Fire Protection District hereby declare that they would have passed this

ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

SECTION XI. EFFECTIVE DATE.

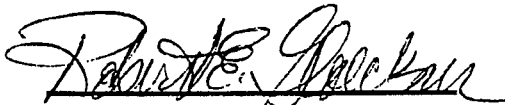
This Ordinance shall take effect immediately upon its confirmation by two-thirds of the voters of the District casting votes upon the proposition of approving the ordinance.

APPROVED by two-thirds of the votes cast by voters of the Gold Ridge Fire Protection District voting upon the proposition of approving the ordinance at the special election held on March 4, 1997.



Chair, Board of Directors
Gold Ridge Fire Protection District

ATTEST:



Robert Gloeckner
Clerk of the Board of Directors

SPECIAL ELECTION

TITLE: GOLD RIDGE FIRE PROTECTION DISTRICT

MEASURE E - SPECIAL TAX

ELECTION DATE: MARCH 4, 1997

REGISTERED VOTERS: 9,970

RESULTS

| | | |
|------------|--------------|--------------|
| YES | 1,729 | 84.3% |
| NO | 322 | 15.7% |

| | |
|---|-----|
| MEASURES SUBMITTED TO VOTE OF VOTERS | |
| DISTRICT | |
| GOLDRIDGE FIRE PROTECTION DISTRICT | |
| E Shall Ordinance No. 96-97-1-R of the Goldridge Fire Protection District authorizing imposition of a special tax having a maximum rate of \$5.00 per unit of risk for providing authorized services and exercising the other rights and powers of the District, and repealing the existing benefit assessment of \$5.00 per unit of benefit levied by the District be approved? | Yes |
| | No |

PASSED

2/3 MAJORITY? X

YES X

SIMPLE MAJORITY?

NO

TAX Code 532

AGREEMENT FOR COLLECTION OF SPECIAL TAXES, FEES, AND ASSESSMENTS

THIS AGREEMENT is made and entered into this 4 day of JUNE, 1997, by and between the COUNTY OF SONOMA, a political subdivision of the State of California, hereinafter referred to as "County" and the GOLDRIDGE FPD, a municipal corporation of the State of California, hereinafter referred to as "District".

WITNESSETH:

WHEREAS, state law authorizes the County to recoup its collection costs when the County collects taxes, fees, or assessments for any School District, Special District, zone or improvement District thereof; and

WHEREAS, when requested by District, it is in the public interest and efficient that the County collect for District the special taxes, fees, and assessments imposed on parcels subject to real property tax;

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. County agrees, when requested by District as hereinafter provided, or as required by law, to collect on the County tax rolls the special taxes, fees, and assessments (hereinafter collectively referred to as "charges") of District, and of each zone or improvement district thereof, except as follows: (1) Tax bills will not be generated for charges imposed on parcels exempt from real property taxation because of low value. Existing charges on such parcels will be removed from the tax rolls and referred to the District for further collection efforts. (2) Tax bills will be generated for parcels that are immune or otherwise exempt from real property taxation; however, unpaid charges on such parcels will be removed from the roll if they become delinquent, and the charge referred to the District for further collection efforts.

2. When County is to collect District's special taxes, fees, and assessments, District agrees to notify the Auditor-Controller of the County on or before the 10th day of August of each fiscal year of the Assessor's parcel numbers and the amount of each special tax, fee, or assessment to County, and including, but not limited to, any act of omission or assessment to be so collected. Provided, however, to be effective, the notice must be received by the Auditor-Controller by said date.

3. In 1997-98 the County may charge .01 of the annual levy, as specified by the district;

however, beginning in 1998-99 County may charge the sum of .0085 of the annual levy for each special tax, fee, or assessment that is to be collected on the County tax rolls by the County for the District.

4. District warrants that the taxes, fees, or assessments imposed by District and collected pursuant to this Agreement comply with all requirements of state law, including but not limited to Articles XIII C and XIII D of the California Constitution (Proposition 218).

5. District agrees to re-certify each year that the taxes, fees, or assessments imposed by the District and collected pursuant to this Agreement comply with all requirements of state law, including but not limited to Articles XIII C and XIII D of the California Constitution (Proposition 218).

6. District hereby releases and forever discharges County and its officers, agents and employees from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of District's responsibility under this agreement, or other action taken by District in establishing a special tax, fee, or assessment and implementing collection of special taxes, fees, or assessments as contemplated in this agreement.

7. District agrees to and shall defend, indemnify and save harmless County and its officers, agents and employees ("indemnified parties") from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of or resulting from implementation of this agreement by the indemnified parties. If any judgment is entered against any indemnified party as a result of action taken to implement this Agreement, District agrees that County may offset the amount of any judgment paid by County or by any indemnified party from any monies collected by County on District's behalf, including property taxes, special taxes, fees, or assessments. County may, but is not required to, notify District of its intent to implement any offset authorized by this paragraph.

8. District agrees that its officers, agents and employees will cooperate with County by answering inquiries made to District by any person concerning District's special tax, fee, or assessment, and District agrees that its officers, agents and employees will not refer such individuals making inquiries to County officers or employees for response.

9. District shall not assign or transfer this agreement or any interest herein and any such assignment or transfer or attempted assignment or transfer of this agreement or any interest herein

by District shall be void and shall immediately and automatically terminate this agreement.

10. This agreement shall be effective for the 19~~97~~⁹⁸ fiscal year and shall be automatically renewed for each fiscal year thereafter unless terminated as hereinafter provided.

11. Either party may terminate this agreement for any reason for any ensuing fiscal year by giving written notice thereof to the other party prior to May 1st of the preceding fiscal year.

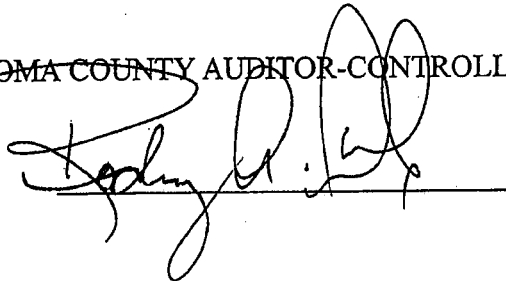
12. County's waiver of breach of any one term, covenant, or other provision of this agreement, is not a waiver of breach of any other term, nor subsequent breach of the term or provision waived.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

District: GOLD RIDGE FPD

By: 

SONOMA COUNTY AUDITOR-CONTROLLER



Shall Ordinance No. 08-09-1-R of the Gold Ridge Fire Protection District authorizing it to impose and levy a new special tax of \$45.00 on all improved parcels of real property within the Fire Protection District to assist in meeting costs of providing services and exercising rights and powers be approved?

Full Text of Measure O: Appendix "A", Ordinance No. 08-09-1

An ordinance of the Gold Ridge Fire Protection District authorizing the district to impose and levy a new special \$45.00 parcel tax on all improved parcels of real property to assist the district in meeting the costs of providing authorized services and exercising other rights and powers of the district.

The people of the Gold Ridge Fire Protection District ordain as follows:

Section I, Definitions:

For the purposes of this ordinance, the following words and phrases shall have the meanings respectively ascribed to them by this section unless the context clearly requires a different meaning. The definition of a word or phrase applies to any of that word's or phrases variants.

"Board of Directors" means the Board of Directors of the Gold Ridge Fire Protection District.

"District" means the Gold Ridge Fire Protection District in Sonoma County, California.

"New special tax" means the special tax authorized by and imposed pursuant to this ordinance. The new special tax is a special tax within the meaning of article XIII, section 4 and article XIII C, section 1 of the California Constitution.

"Parcel of real property" means a separate parcel of real property having a separate Assessor's parcel number as shown on the secured tax rolls of the County of Sonoma, or an assessment of a structural property on the unsecured tax rolls of the County of Sonoma, or an assessment made by the State Board of Equalization.

"Improved Parcel" means a parcel of real property with a permanent building or portion thereof, including manufactured and mobile homes designated or used exclusively as a residence or business. Improved parcel does not include a tent, travel trailer, recreational vehicle, or similar vehicle or structure.

Section II. Authority

This ordinance is adopted pursuant to article XIII A, section 4, article XIII B, section 4, and article XIII C, section 2 of the California Constitution, Government Code sections 50075 et seq. and 53720 et seq., and Health and Safety Code section 13911.

Section III. Determination of Necessity

The amount of revenue available to the District from property taxes and the existing special tax is inadequate to meet the cost of providing services pursuant to Health and Safety Code section 13862. Therefore, the District must establish a larger stable source of supplementary revenue to assist in meeting the costs of providing such service and exercising other rights and powers of the District.

Section IV. Purpose of New Special Tax

The purpose for which the new special tax shall be imposed and levied is to raise revenue for the District to use in meeting the costs of (i) providing services pursuant to Health and Safety Code section 13862, and (ii) exercising other rights and powers granted to the District pursuant to Health and Safety Code section 13860 et seq.

Section V. Special Tax Authorization and Limit

The Board of Directors is authorized to impose and levy the new special tax each year on each parcel of real property within the District, except parcels of real property owned by a federal state, or local agency, based on the use or right of use of the parcel. The proceeds of the new special tax shall be used only for the purpose stated in section IV of this ordinance.

Section VI. Collection

The new special tax shall be collected in the same manner and subject to the same penalty as other charges and taxes collected by or on behalf of the District by the County of Sonoma. The proceeds of the new special tax shall be deposited into a fund held by the Sonoma County Treasurer – Tax Collector. The Sonoma County Treasurer – Tax Collector may deduct reasonable administrative costs incurred in collecting the new special tax and deposit the amounts deducted in the Sonoma Country General Fund.

Section VII. Severability Clause

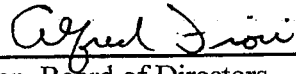
If any section, subsection, sentence clause or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The people of the Gold Ridge Fire Protection District hereby declare that they would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

Section VIII. Effective Date

This ordinance shall take effect the day following its approval by two-thirds of the District's qualified voters voting for or against the same at the general election on November 04, 2008.

APPROVED, by a two-thirds vote of the voters of the District at the general election held on November 04, 2008, and

SO ORDERED.



Chairman, Board of Directors
Gold Ridge Fire Protection District

ATTEST:



Clerk of the Board of Directors

T/C 53201
New

RESOLUTION NO. 08-09-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GOLD RIDGE FIRE PROTECTION DISTRICT CALLING AN ELECTION FOR TUESDAY, NOVEMBER 04, 2008, ON AN ORDINANCE AUTHORIZING THE DISTRICT TO IMPOSE AND LEVY A NEW SPECIAL TAX TO ASSIST THE DISTRICT IN MEETING THE COSTS OF PROVIDING AUTHORIZED SERVICES AND EXERCISING OTHER RIGHTS AND POWERS OF THE DISTRICT, AND REQUESTING THAT THE ELECTION BE CONSOLIDATED WITH ANY OTHER ELECTION HELD ON THE SAME DATE IN TERRITORY THAT IS THE SAME OR IS IN PART THE SAME

RESOLVED, by the Board of Directors (“the Board”) of the Gold Ridge Fire Protection District (“the District”), that:

Whereas, the amount of revenue available to the District from property taxes and the District’s existing special tax is inadequate to meet the costs of providing authorized services and exercising other rights and powers of the District; and

Whereas, a new special tax would provide a larger stable source of supplementary revenue to assist in meeting such costs; and

Whereas, article XIII A, section 4 and article XIII C, section 2 of the California Constitution, Government Code sections 50075 et seq. and 53720 et seq., and Health and Safety Code section 13911 authorize the Board, following notice and hearing, to propose the adoption of a new special tax and to submit the proposition to the voters of the District; and

Whereas, the Board desires to propose an ordinance authorizing the District to impose and levy a new special tax to assist the District in meeting the costs of providing authorized services and exercising other rights and powers of the District, and

Whereas, state law requires that such an ordinance be submitted to the voters of the District for their approval, and authorizes the Board to call a special election for that purpose and to request consolidation of the election with any other election held on the same date in territory that is the same or is in part the same;

NOW, THEREFORE, the Board hereby resolves and orders as follows:

1. The Board finds and declares that the amount of revenue available to the District from property taxes and the District's existing special tax is inadequate to meet the costs of providing authorized services and exercising other rights and powers of the District.
2. The Board finds and declares that imposing a new special tax is necessary to establish a larger stable source of supplementary revenue to assist the District in meeting the costs of providing authorized services and exercising other rights and powers of the District.
3. The Board finds and declares that the District has complied with all laws requiring notice of the actions contained herein, and has held a public hearing as required by law.

4. The Board determines that an ordinance authorizing the District to impose and levy a new special tax having a rate of \$45.00 on all improved parcels of real property within the Fire Protection District to assist the District in meeting the costs of providing authorized services and exercising other rights and powers of the District, shall be presented to the voters of the District. The Board further determines that the form of the ordinance, which is hereby designated Ordinance No. 08-09-1-R, shall be as set forth in Appendix 'A,' attached hereto and incorporated herein by this reference. Pursuant to state law, Ordinance No. 08-09-1-R shall not go into effect unless it is approved by two-thirds of the votes cast by voters of the District voting upon the question of its approval.

5. The Board hereby calls an election for Tuesday, November 04, 2008, and directs that the foregoing proposition shall be submitted to voters of the District at the election in the following manner:

(a) There shall be included on the ballot to be marked by the voters of the District, in addition to any other matters required by law, ballot language in the following form:

Shall Ordinance No. 08-09-1-R of the Gold Ridge Fire Protection District authorizing it to impose and levy a new special tax of \$45.00 on all improved parcels of real property within the Fire Protection District to assist in meeting costs of providing services and exercising rights and powers be approved?

(b) The ballot to be used at the election shall be both as to form and matter contained therein such as may be required by law. On the ballot, in addition to any other printed matter required by law, opposite the question to be voted upon and to its right, the words "yes" and "no" shall be printed on separate lines with voting squares.

(c) The Sonoma County Registrar of Voters is hereby authorized, instructed, and directed to provide and furnish any and all official ballots, notices, printed matter, and all supplies, equipment, and paraphernalia that may be necessary to properly and lawfully conduct the election.

(d) The Sonoma County Registrar of Voters is hereby further directed to take the necessary and appropriate actions to provide the necessary election officers, polling places, and voting precincts for the election.

(e) The polls for the election shall be open during the hours required by law, and the election shall be held and conducted as provided by law.

(f) All notices required by law shall be given by the Sonoma County Registrar of Voters.

(g) Arguments for and against the measure may be, and other analyses provided for by law shall be submitted in accordance with law.

(h) It is hereby requested that the election be consolidated with any other election held on the same date in territory that is the same or in part the same.

(i) The canvass of ballots cast at the election shall be conducted in accordance with law.

6. The Clerk of the Board is directed to forward a certified copy of this resolution to the Sonoma County Board of Supervisors and to the Sonoma County Registrar of Voters.

THE FOREGOING RESOLUTION was introduced at a meeting of the Board on July 9, 2008, and ordered adopted by the following vote:

DIRECTORS:

| NAME | | VOTE | |
|-------------------|------------|------------------|------------|
| Ronald Balzer | <u>aye</u> | Robert Gloeckner | <u>aye</u> |
| Gary Petersen | <u>aye</u> | Charles Lachman | <u>aye</u> |
| Domenic Carinalli | <u>aye</u> | Patrick Farrell | <u>aye</u> |
| Al Fiori | <u>aye</u> | | |

AYES: 7 NOES: 0 ABSENT OR NOT VOTING 0

WHEREUPON, the Chairman declared the foregoing resolution adopted, and

SO ORDERED.

Al Fiori
 Al Fiori
 Chairman of the Board

EXHIBIT "A"

ORDINANCE NO. 19/20-1

AN ORDINANCE OF THE GOLD RIDGE FIRE PROTECTION DISTRICT AUTHORIZING THE DISTRICT TO IMPOSE AND LEVY A SPECIAL TAX

The people of the Gold Ridge Fire Protection District ordain as follows:

SECTION I. DEFINITIONS.

For the purposes of this Ordinance, the following words and phrases shall have the meanings respectively ascribed to them by this section unless the context clearly requires a different meaning. The definition of a word or phrase applies to any of that word's or phrase's variants.

"Special Tax" means the special tax authorized by and imposed pursuant to this Ordinance. The additional special tax is a special tax within the meaning of Article XIII A, section 4 and Article XIII C, section 1 of the California Constitution.

"Board of Directors" means the Board of Directors of the Gold Ridge Fire Protection District.

"District" means the Gold Ridge Fire Protection District in Sonoma County, California.

"Parcel of Real Property" means a separate parcel of real property having a separate Assessor's parcel number as shown on the secured tax rolls of the County of Sonoma, or an assessment of a structural property on the unsecured tax rolls of the County of Sonoma, or an assessment made by the State Board of Equalization.

SECTION II. AUTHORITY.

This Ordinance is adopted pursuant to Article XIII A, section 4, Article XIII B, section 4 and Article XIII C, section 2 of the California Constitution, Article 3.7 (commencing with Section 53720) of Chapter 4 of Division 2 of Title 5 of the California Government Code, Section 13911 of the California Health and Safety Code, and Article 3.5 (commencing with Section 50075) of Chapter 1 of Part I of Division 1 of Title 5 of the California Government Code.

SECTION III. DETERMINATION OF NECESSITY.

The amount of revenue available to the District from property taxes and existing District funding measures is inadequate to meet the cost of continuing to provide fire and emergency services pursuant to Section 13862 of the California Health and Safety Code. Therefore, the District must establish a larger stable source of supplementary revenue to assist in meeting the costs of providing such services and exercising the other rights and powers of the District.

SECTION IV. PURPOSE OF SPECIAL TAX.

The purpose for which the special tax shall be imposed and levied is to raise revenue for the District to use in meeting the costs of (1) continuing to provide fire and emergency services pursuant to Section 13862 of the California Health and Safety Code, and (2) exercising other rights and powers granted to the District in Chapter 5 (commencing with Section 13860) of Part 2.7 of Division 12 of the California Health and Safety Code.

SECTION V. SPECIAL TAX AUTHORIZATION AND LIMIT.

The Board of Directors is authorized to impose and levy the additional special tax each year on each parcel of real property within the District, except parcels of real property owned by a federal, state, or local agency, based on the use or right of use of the parcel and for the purpose stated in Section IV of this Ordinance. As shown in Attachment "A" to this Ordinance, the special tax may be levied at a rate not to exceed \$200.00 per assessor's parcel number plus \$100.00 per additional unit or site for residential and lodging properties; \$300.00 per assessor's parcel plus 0.14 per square foot for commercial, industrial and warehouse property; \$50.00 for pasture land; and \$100.00 per assessor's parcel for other agricultural and vacant land. In accordance with Section 53739 of the California Government Code, the rate shall be adjusted each year for inflation by an amount equal to the annual adjustment factor determined pursuant to Section 7902 of the California Government Code and applied by the District to its appropriations limit. The special tax shall be imposed annually until repealed in accordance with the schedule set forth in Exhibit "A," attached hereto and incorporated herein by this reference. The Board of Directors shall set the rate of the special tax each year as provided in Section VI of this Ordinance, provided that in no year shall the rate exceed the maximum specified in this section.

SECTION VI. REPORT AND HEARING ON SPECIAL TAX.

Each year prior to the imposition of the special tax, the Board of Directors shall cause a report to be prepared showing each parcel of real property subject to the special tax, the owner(s) thereof, the land use classification or classifications applied thereto, and the proposed levy thereon. Upon receipt of the report, the Board of Directors shall set a date for a public hearing thereon and shall cause notice of the hearing to be given pursuant to Section VIII of this Ordinance. At the public hearing, the Board of Directors shall set the rate and make such corrections to the taxes proposed to be levied as may be required.

SECTION VII. ANNUAL REPORT ON SPECIAL TAX REVENUES.

Each year the District shall cause a report to be prepared and filed with the Board of Directors containing information regarding the amount of special tax revenues collected and expended as well as the status of projects funded with proceeds of the special tax.

SECTION VIII. NOTICE OF HEARING.

In the absence of state law specifying the procedure for giving notice, notice of any public hearing held pursuant to this ordinance shall be given by posting in at least three (3) public places within the District at least fifteen (15) days prior to the hearing and publishing twice pursuant to Section 6066 of the California Government Code in at least one (1) newspaper of general circulation within the District. The notice shall include the date, time, and place of the public hearing, a general explanation of the matter to be considered, and a statement of where additional information may be obtained.

SECTION IX. COLLECTION.

The special tax shall be collected in the same manner and subject to the same penalty as other charges and taxes collected by or on behalf of the District by the County of Sonoma. The Sonoma County Tax Collector may deduct reasonable administrative costs incurred in collecting the special tax and deposit the amounts deducted in the Sonoma County General Fund. In accordance with Article 1 (commencing with section 29300) of Chapter 2 of Division 3 of Title 3 of the California Government Code, there shall be added to the amount of the special tax an amount for the reasonable administrative costs incurred in collecting the special tax.

SECTION X. APPROPRIATIONS LIMIT.

The appropriations limit for the District shall be increased by the amount of the additional tax money raised to permit spending of the revenue raised by the special tax, for the maximum four (4) year period permitted by law.

SECTION XI. SEVERABILITY CLAUSE.

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The people of the Gold Ridge Fire Protection District hereby declare that they would have passed this Ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

SECTION XII. EFFECTIVE DATE.

This Ordinance shall take effect the day following its approval by two-thirds of the District's qualified voters voting on its approval at the special election on November 5, 2019.

APPROVED, by a two-thirds vote of the voters of the Gold Ridge Fire Protection District at the special election held on November 5, 2019, and

SO ORDERED.

ATTEST:

President, Board of Directors
Gold Ridge Fire Protection District

Clerk of the Board of Directors

EXHIBIT A

**GOLD RIDGE FIRE PROTECTION DISTRICT
2019 SPECIAL TAX PARCEL - USE CODES**

| USE CODE SUMMARIES | RATE PER APN | RATE PER ADDITIONAL UNIT/SITE |
|-----------------------|--------------|-------------------------------|
| RESIDENTIAL | \$200.00 | \$100.00 |
| COMMERCIAL/INDUSTRIAL | \$300.00 | plus \$0.14 per square foot |
| OTHER | \$100.00* | \$0.00 |
| PASTURE | \$50.00 | \$0.00 |

* Contiguous parcels totaling less than one acre with same owner will be charged only \$100.00

USE CODE CLASSIFICATION DETAILS (as adopted and amended by the County of Sonoma)

| | |
|-----------------------|---|
| RESIDENTIAL | 0010, 0013, 0014, 0016, 0021, 0022, 0023, 0032, 0034, 0035, 0042, 0051, 0052, 0055, 0056, 0057, 0062, 0064, 0090, 0093, 0095, 0411, 0421, 0423, 0461, 0471, 0481, 0483, 0486, 0511, 0516, 0541, 0546, 561 |
| COMMERCIAL/INDUSTRIAL | 0110, 0111, 0112, 0113, 0114, 0120, 0140, 0170, 0210, 0210, 0280, 0281, 0290, 0291, 0301, 0302, 0310, 0311, 0320, 0351, 0353, 0354, 0360, 0381, 0590, 0592, 0602, 0640, 0680, 0710, 720, 750, 751, 0752, 0770 |
| PASTURE | 0540 |
| OTHER | 0000, 0001, 0002, 0003, 0005, 0050, 0053, 0054, 0100, 0101, 0201, 0202, 0255, 0323, 0392, 0400, 0410, 0420, 0422, 0425, 0431, 0470, 0500, 0501, 0502, 510, 0520, 0547, 0555, 0560, 0561, 0570, 0811, 0812, 0820, 0850, 0851, 0860, 0925 |

Resolution No. 19/20-02

Date: August 1, 2019

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GOLD RIDGE FIRE PROTECTION DISTRICT CALLING A SPECIAL ELECTION FOR TUESDAY, NOVEMBER 5, 2019, ON AN ORDINANCE AUTHORIZING THE DISTRICT TO IMPOSE AND LEVY A SPECIAL TAX TO ASSIST THE DISTRICT IN MEETING THE COSTS OF CONTINUING TO PROVIDE AUTHORIZED FIRE AND EMERGENCY SERVICES AND EXERCISING OTHER RIGHTS AND POWERS OF THE DISTRICT, INCREASING THE DISTRICT'S APPROPRIATIONS LIMIT FOR THE MAXIMUM PERIOD ALLOWED BY LAW TO ALLOW THE USE OF THE PROCEEDS OF THE SPECIAL TAX, AND REQUESTING THAT THE ELECTION BE CONSOLIDATED WITH ANY OTHER ELECTION HELD ON THE SAME DATE IN THE SAME TERRITORY

RESOLVED, by the Board of Directors ("the Board") of the Gold Ridge Fire Protection District ("the District"), that:

WHEREAS, in 1992, District voters approved a use charge of approximately \$20.00 for residential parcels for operational costs for the District services; and

WHEREAS, in 2008, District voters approved District Measure O, which established a District-wide \$45.00 parcel tax to partially fund operational costs for the District services; and

WHEREAS, the amount of revenue available to the District from property taxes and existing District funding measures is inadequate to meet the current costs of providing authorized services and exercising other rights and powers of the District; and

WHEREAS, a special tax would provide a larger stable source of supplementary revenue to assist in meeting such costs; and

WHEREAS, Article XIII A, section 4 and Article XIII C, section 2 of the California Constitution, Article 3.7 (commencing with Section 53720) of Chapter 4 of Division 2 of Title 5 of the California Government Code, Section 13911 of the California Health and Safety Code and Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the California Government Code authorize the Board, following notice and hearing, to propose the adoption of such an additional special tax and to submit the proposition to the voters of the District; and

WHEREAS, Article XIII B section 4 of the California Constitution allows the voters of the District to change the appropriations limit of the District for a period not exceeding four (4) years; and

WHEREAS, the Board desires to propose an Ordinance (i) authorizing the District to impose and levy a special tax to assist the District in meeting the costs of providing authorized services and exercising other rights and powers of the District, and (ii) increasing the District's appropriations limit for the maximum period allowed by law to allow use of the proceeds of the special tax; and

WHEREAS, state law requires that such an Ordinance be submitted to the voters of the District for their approval, and authorizes the Board to call a special election for that purpose and to request consolidation of the election with any other election held on the same date in territory that is the same or is in part the same;

NOW, THEREFORE, the Board hereby resolves and orders as follows:

1. The Board finds and declares that the amount of revenue available to the District from property taxes is inadequate to meet the costs of continuing to provide authorized fire and emergency services and exercising other rights and powers of the District.

2. The Board finds and declares that imposing a special tax in addition to existing District funding measures is necessary to establish a larger stable source of supplementary revenue to assist the District in meeting the costs of providing authorized services and exercising other rights and powers of the District.

3. The Board finds and declares that the District has complied with all laws requiring notice of the actions contained herein, and has held a public hearing as required by law.

4. The Board determines that an Ordinance authorizing the District to impose and levy a special tax having a maximum rate as shown on Attachment "A" of the Ordinance of \$200.00 per assessor's parcel number plus \$100.00 per additional unit or site for residential and lodging properties; \$300.00 per assessor's parcel plus 0.14 per square foot for commercial, industrial and warehouse property; \$50.00 for pasture land; and \$100.00 per assessor's parcel for other agricultural and vacant land; in order to assist the District in meeting the costs of continuing to provide authorized fire and emergency services and exercising other rights and powers of the District, shall be presented to the voters of the District. In accordance with Section 53739 of the California Government Code, the rate shall be adjusted each year for inflation by an amount equal to the annual adjustment factor determined pursuant to Section 7902 of the California Government Code and applied by the District to its appropriations limit. The Board further determines that the form of the Ordinance, which is hereby designated Ordinance No. 2019/20-1, shall be as set forth in Exhibit "A," attached hereto and incorporated herein by this reference. Pursuant to state law, Ordinance No. 2019/20-1 shall not go into effect unless it is approved by two-thirds of the votes cast by voters of the District voting upon the question of its approval.

5. The Board hereby calls a special election for Tuesday, November 5, 2019, and directs that the foregoing proposition shall be submitted to voters of the District at the election in the following manner:

(a) There shall be included on the ballot to be marked by the voters of the District, in

addition to any other matters required by law, ballot language in the following form:

“In order to continue to provide fire and emergency services, shall Gold Ridge Fire Protection District Ordinance No. 2019/20-1, authorizing the District to levy a special tax based on use codes shown on Attachment “A” of the Ordinance of \$200.00 for residential properties; \$300.00 plus \$0.14 per square foot for commercial properties; \$50.00 for pasture land; and \$100.00 for other land; raising approximately \$1,200,000.00 annually until repealed; and increasing the District’s appropriations limit, be adopted?”

(b) The ballot to be used at the election shall be both as to form and matter contained therein such as may be required by law. On the ballot, in addition to any other printed matter required by law, opposite the measure to be voted upon and to its right, the words “yes” and “no” shall be printed on separate lines with voting squares.

(c) The Sonoma County Registrar of Voters is hereby authorized, instructed, and directed to provide and furnish any and all official ballots, notices, printed matter, and all supplies, equipment, and paraphernalia that may be necessary to properly and lawfully conduct the election.

(d) The Sonoma County Registrar of Voters shall give all notices required by law.

(e) Arguments for and against the measure may be, and other analyses provided for by law shall be, submitted in accordance with law.

(f) It is hereby requested that the election be consolidated with any other election held on the same date in territory that is the same or in part the same.

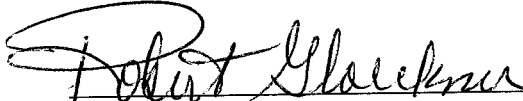
(g) The canvass of ballots cast at the election shall be conducted in accordance with law.

6. The Clerk of the Board is directed to forward a certified copy of this resolution to the Sonoma County Board of Supervisors and to the Sonoma County Registrar of Voters.

THE FOREGOING RESOLUTION was introduced at a meeting of the Board on August 1, 2019 by Director Techouet, who moved its adoption, seconded by Director Doyle, and ordered adopted by the following vote:

AYES: 6 NOES: 0 ABSTAIN: 0 ABSENT: 1

WHEREUPON, the President declared the foregoing Resolution adopted, and **SO ORDERED**.



President, Board of Directors
Gold Ridge Fire Protection District

Attest: 

Clerk of the Board

Fleet Inventory

| Location | E# | YR | Type | Description | Replace | | Mfr. | Model | License |
|-------------|----------|------|---------|---------------------|---------|-----|--|--------------------|----------|
| | | | | | Year | Due | | | |
| Bodega | 8782 | 2008 | Type 1 | Engine | 2028 | -4 | Rosenbauer | INT'L 4400 | 1300700 |
| Bodega | 8740 | 2020 | Utility | Pickup | 2030 | -6 | Chevy | K1500 | 1593682 |
| Bodega | 8762 | 2011 | Type 3 | Engine (4x4) | 2031 | -7 | Rosenbauer | Navistar /INT'L | 1303758 |
| Bodega | 8792 | 2018 | Type 2 | Water Tender | 2043 | -19 | Rosenbauer | INT'L 7400 | 1411767 |
| Camp Meeker | 5585 | 1986 | Type 1 | Engine | 2006 | 18 | Kenworth | Beck | 494725 |
| Camp Meeker | 5562 | 2014 | Type 6 | Engine (4x4) | 2029 | -5 | Ford | F550 | 1375656 |
| Fort Ross | 4363 | 1984 | Type 3 | Engine | 2004 | 20 | Ford | 750 | 1028464 |
| Fort Ross | 4331 | 1996 | Utility | Truck 1-Ton (Squad) | 2006 | 18 | Chevy | 3500HD | 1001711 |
| Fort Ross | 4396 | 1988 | Type 2 | Water Tender | 2013 | 11 | Ford | | E209313 |
| Fort Ross | 4340 | 2010 | Utility | Pickup | 2020 | 4 | Ford | F150 | 73891U2 |
| Fort Ross | 4356 | 2008 | Type 6 | Engine (4x4) | 2023 | 1 | Ford | F550 | 1449910 |
| Fort Ross | 4372 | 2004 | Type 3 | Engine | 2024 | 0 | Chevy | 7500 | 1182196 |
| Fort Ross | 4356 | 2009 | Type 6 | Engine (4x4) | 2024 | 0 | Ford | F550 | 1305958 |
| Fort Ross | 4371 | 2003 | Type 2 | Engine | 2028 | -4 | Ford | F-650 | 1094898 |
| Freestone | 8193 | 1995 | Type 2 | | 2015 | 9 | Inter'l Central States Water Tender 8191 | | E358009 |
| Freestone | 8143 | 2015 | Utility | | 2025 | -1 | CHEVROLET TAHOE | | 1403071 |
| Hessel | 8131 | 2008 | Utility | | 2018 | 6 | Ford F550/Boise Air/Light Unit 8131 | | 1286640 |
| Hessel | 8141 | 2011 | Utility | | 2021 | 3 | Chevrolet Silverado | | 1339614 |
| Hessel | 8191 new | 2021 | Type 2 | | 2023 | 1 | Rosenbauer Water Tender | | |
| Hessel | 8181 | 2003 | Type 1 | | 2023 | 1 | HME/Ferrara Fire Engine-1250 GPM Class | | E425159 |
| Hessel | 8171 | 2022 | Type 3 | | 2022 | 2 | Rosenbauer Type 3 Engine | | BW33H09 |
| Hessel | 8161 | 2009 | Type 3 | | 2029 | -5 | Rosenbauer HME Engine 8161 | | 1321540 |
| Hessel | C8100 | 2023 | Utility | | 2033 | -9 | Chevrolet Tahoe | | 1625263 |
| Lakeville | 9744 | 2002 | Type 3 | Fire Boat | 2022 | 2 | SAFE | RBHS-B | CF5447XC |
| Lakeville | 9781 | 2012 | Type 1 | Engine | 2032 | -8 | Spartan | Metro Star | 1351354 |
| Lakeville | 9777 | 2003 | Type 3 | Engine | 2023 | 1 | International | 7400 | 1449906 |
| Lakeville | 9701 | 2013 | Utility | Command | 2023 | 1 | Ford | EXPEDIT | 1412465 |
| Lakeville | 9741 | 2016 | Utility | SUV | 2026 | -2 | Ford | Police Interceptor | 1470718 |
| Lakeville | 9779 | 2021 | Type 3 | Engine | 2041 | -17 | Rosenbauer | International | 1416550 |
| Twin Hills | 8192 | 2005 | Type 2 | | 2025 | -1 | HME/Ferrara Water Tender 8192 | | 1233524 |
| Twin Hills | U8142 | 2015 | Utility | | 2025 | -1 | Chevrolet Silverado | | 1403069 |

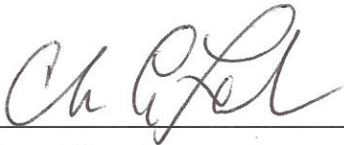
| Location | E# | YR | Type | Description | Replace | | Mfr. | Model | License |
|-------------|-------|------|---------|-------------------------|---------|-----|----------------|----------------------|---------|
| | | | | | Year | Due | | | |
| Twin Hills | 8162 | 2018 | Utility | | 2028 | -4 | Rosenbauer | 2018 IH Chassis 8162 | |
| Twin Hills | B81 | 2019 | Utility | | 2029 | -5 | Chevrolet | Silverado | |
| Twin Hills | 8182 | 2011 | Type 1 | | 2031 | -7 | Ferrara | Type 1 Custom Pumper | 1321592 |
| Twin Hills | 8102 | 2022 | Utility | | 2032 | -8 | Chevrolet | Silverado | 1639987 |
| Twin Hills | B8112 | 2023 | Utility | | 2033 | -9 | Chevrolet | | 1625264 |
| Twin Hills | B8111 | 2023 | Utility | | 2033 | -9 | Chevrolet | | 1633501 |
| Two Rock | 9640 | 2006 | Utility | SUV (4x4) | 2016 | 8 | Ford | Expedition | 1167289 |
| Two Rock | 8980 | 1998 | Type 1 | Engine | 2018 | 6 | Central-States | HME | 055994 |
| Two Rock | 9669 | 2009 | Type 6 | Engine | 2024 | 0 | Ford | F550 | 1269126 |
| Two Rock | 9791 | 2009 | Type 1 | Engine/ Tender | 2029 | -5 | Rosenbauer | Spartan | 1313140 |
| Two Rock | 9671 | 2021 | Type 3 | Engine | 2041 | -17 | Rosenbauer | International | 1416499 |
| Valley Ford | 8690 | 1991 | Type 2 | Water Tender | 2016 | 8 | INT'L | Beck | E099888 |
| Valley Ford | 8630 | 2004 | Type 6 | Engine (4x4) | 2019 | 5 | Ford | F550 | 1182177 |
| Valley Ford | 8640 | 2014 | Utility | Command | 2024 | 0 | Ford | EXPLORE | 1418282 |
| Wilmar | 9401 | 2020 | Utility | 3/4 Ton Pickup | 2030 | -6 | Chevy | K2500 | Temp |
| Wilmar | 9441 | 2002 | Utility | 3/4 Ton (4x4) 4-door PU | 2012 | 12 | Chevy | 2500HD | 1222425 |
| Wilmar | 9471 | 2003 | Type 3 | Engine | 2023 | 1 | Freightliner | American LaFrance | 1158625 |
| Wilmar | DC89 | 2020 | Utility | Pickup | 2030 | -6 | Chevy | K1500 | 1593683 |
| Wilmar | 9496 | 2007 | Type 2 | Tactical Water Tender | 2032 | -8 | Freightliner | Westgates | 1233655 |
| Wilmar | 9481 | 2016 | Type 1 | Engine | 2036 | -12 | Spartan | Riverside/ER Star | 1534569 |

FY 2021-22 FINAL Budget Summary
Gold Ridge Fire Protection District
4500 Hessel Road
Sebastopol, CA 95472

| | |
|--|---------------|
| (1) Fund Balance as of 6/30/21 | \$4,064,267 |
| (2) Plus: Budgeted FY 2021/22 Revenues: (total from attached worksheet) | 5,078,269 |
| (3) Less: Budgeted FY 2020/21 Expenditures: (total from attached worksheet) | 5,078,269 |
| (4) Estimated Ending Fund Balance ending 7/31/22 | \$4,064,267 |
| (5) FINAL Budget Approval Date: | <u>8/4/21</u> |

Aye by phone

Board Member
Joe Petersen



Board Member
Charles Lachman




Board Member
Chris Tachouet

Board Chair
Robert Gloeckner

Aye by phone

Board Member
Tonia Bello



Board Member
Steve Petrucci



Board Member
Domenic Carinalli

**Gold Ridge Fire Protection District
FY 2021/22 FINAL Budget Worksheet**

| Account and Description | FY 2021/22 |
|---|-------------------|
| 10 · Tax Rev | |
| 1000 · Prop Tax - CY secured | 1,709,183 |
| 1001 · Flat Charges - CY | 1,438,950 |
| 1011 · SB 2557 Prop Tax Admin | (18,718) |
| 1020 · Prop Tax CY sup | 31,231 |
| 1040 · Prop Tax -CY unscce | 52,692 |
| 1042 · Cost Reimb-Coll Del CY Uns | 0 |
| 1060 · Prop Tax PY sec | (30) |
| 1061 · Flat Charges PY | 5,138 |
| 1070 · 1100 Prop Tx PY unsec | 846 |
| 1080 · Property Taxes-PY Supp | (30) |
| Total 10 · Tax Rev | 3,219,262 |
| 17 Use of Money/Property | |
| 1701 · Interest Earned | 6,506 |
| 1801 · Rent of Real Estate | 21,000 |
| Total 17 · Use of Money/Property | 27,506 |
| 20 · Intergovernmental Revenues | |
| 2440 · ST-Homeowners Prop Tax Relief | 10,000 |
| 2500 · ST Strike Team | 100 |
| 2900 · So.Co. Enhanced Services | 600,000 |
| 2910 · Government Agency - MRFD | 20,000 |
| 2920 · Government Agency - NBF | 675,000 |
| 2930 · So.Co. DSI | 5,000 |
| Total 20 · Intergovernmental Revenues | 1,310,100 |
| 30 · Charges for Services | |
| 3600 · Address Signs | 550 |
| 3661 · Fire Control Services | 0 |
| 3700 · Copy Fees | 10 |
| Total 30 · Charges for Services | 560 |
| 40 · Miscellaneous Revenues | |
| 4040 · Cell Tower | 18,840 |
| 4100 · Workers' comp Ins. Refund | 0 |
| 4101 · Miscellaneous Revenues | 1,000 |
| 4102 · Donations/Reimbursements | 1,000 |
| 40 · Miscellaneous Revenues - Other | 0 |
| Total 40 · Miscellaneous Revenues | 20,840 |
| 45 · Carry over revenue from prior year(s) | 500,000 |
| Total 45 · Carry Over from prior year(s) | 500,000 |
| Grand Total Revenues | 5,078,269 |

**Gold Ridge Fire Protection District
FY 2021/22 FINAL Budget Worksheet**

| Account and Description | FY 2021/22 |
|---|-------------------|
| 50 · Salaries/Emp Benefits | |
| 5910 · Payroll Expenses | 2,067,708 |
| 5911 · Extra Help | 8,500 |
| 5912 · Strike Team Payroll Expenses | 100 |
| 5913 · Boards | 2,100 |
| 5915 · Overtime | 60,000 |
| 5922 · FICA Retirement | 12,500 |
| 5923 · PERS | 439,183 |
| 5924 · Medicare | 31,106 |
| 5930 · Health Insurance | 341,942 |
| 5931 · Disability Insurance | 5,111 |
| 5935 · Unemployment | 2,000 |
| 5940 · Workers' Comp | 162,504 |
| Total 50 · Salaries/Emp Benefits | 3,132,754 |
| 60 · Services/Supplies | |
| 6020 · Clothing/Personal | 12,000 |
| 6040 · Communications | 20,000 |
| 6060 · Food | 8,000 |
| 6080 · Household Expense | 6,000 |
| 6100 · Insurance | 20,500 |
| 6140 · Fleet Maintenance | 55,000 |
| 6145 · Equipment Maintenance | 25,000 |
| 6149 · Radio Maintenance | 5,000 |
| 6180 · Building Maintenance | 25,000 |
| 6261 · Medical Supplies | 7,000 |
| 6280 · Memberships/Subscriptions | 35,000 |
| 6290 · Other Dept. Expense | 6,000 |
| 6400 · Office Expense | 5,000 |
| 6405 · Computer Expenses | 2,500 |
| 6410 · Postage | 900 |
| 6461 · Operating Supplies | 10,000 |
| 6540 · Payroll Services | 6,500 |
| 6587 · LAFCO Charges | 3,900 |
| 6610 · Legal Services | 6,000 |
| 6630 · Audit Services | 12,000 |
| 6640 · ALS Professional Services | 265,000 |
| 6654 · Medical Exams | 5,500 |
| 6800 · Public/Legal Notices | 600 |
| 6801 · Newsletter | 6,000 |
| 6820 · Equipment Lease | 3,384 |
| 6880 · Small Tools | 30,000 |
| 6881 · Safety Equipment | 38,000 |

**Gold Ridge Fire Protection District
FY 2021/22 FINAL Budget Worksheet**

| Account and Description | FY 2021/22 |
|-------------------------------------|-------------------|
| 7005 · Election Expense | 10,500 |
| 7120 · Training | 14,000 |
| 7121 · Fire Prevention | 2,500 |
| 7201 · Fuel | 30,000 |
| 7202 · Water/Sewer Expense | 850 |
| 7300 · Transportation/Travel | 5,000 |
| 7320 · Utilities | 7,700 |
| Total 60 · Services/Supplies | 690,334 |
| 75 · Other Charges | |
| 7910 · L.T. Debt Principal | 58,389 |
| 7930 · L.T. Debt Interest | 8,318 |
| 7970 · Taxes/Assessments | 2,714 |
| Total 75 · Other Charges | 69,422 |
| 85 · Assets | |
| 8510 · Building | 55,000 |
| 8560 · Equipment | 200,000 |
| Total 85 · Assets | 255,000 |
| 90 · Appropriations | |
| 9000 · Contingencies | 440,759 |
| 9010 · AED Purchase | 15,000 |
| 9020 · UAL Prefund | 475,000 |
| Total 90 · Appropriations | 930,759 |
| Grand Total Expenditures | 5,078,269 |

Increase/Decrease to Fund Balance **0**

**Gold Ridge Fire Protection District
FY 2022/2023 FINAL Budget**

| Account and Description | FY 2022/23 |
|---|-------------------|
| 10 · Tax Rev | |
| 1000 · Prop Tax - CY secured | 1,823,097 |
| 1001 · Direct Charges - CY | 1,589,706 |
| 1011 · SB 2557 Prop Tax Admin | (23,260) |
| 1020 · Prop Tax CY sup | 46,988 |
| 1040 · Prop Tax -CY unsce | 55,756 |
| 1042 · Cost Reimb-Coll Del CY Uns | 0 |
| 1060 · Prop Tax PY sec | (134) |
| 1061 · Direct Charges PY | 15,198 |
| 1070 · 1100 Prop Tx PY unsec | 1,169 |
| 1080 · Property Taxes-PY Supp | (56) |
| Total 10 · Tax Rev | 3,508,464 |
| 17 · Use of Money/Property | |
| 1701 · Interest Earned | 9,500 |
| 1801 · Rent of Real Estate | 21,000 |
| Total 17 · Use of Money/Property | 30,500 |
| 20 · Intergovernmental Revenues | |
| 2440 · ST-Homeowners Prop Tax Relief | 10,000 |
| 2500 · ST Strike Team | 100 |
| 2900 · So.Co. Enhanced Services | 600,000 |
| 2910 · Government Agency - MRFD | 20,000 |
| 2920 · Government Agency - NBF | 675,000 |
| 2930 · Government Agency - OCC | 18,000 |
| 2930 · So.Co. DSI | 5,000 |
| Total 20 · Intergovernmental Revenues | 1,328,100 |
| 30 · Charges for Services | |
| 3600 · Address Signs | 550 |
| 3661 · Fire Control Services | 0 |
| 3700 · Copy Fees | 10 |
| Total 30 · Charges for Services | 560 |
| 40 · Miscellaneous Revenues | |
| 4040 · Cell Tower | 18,840 |
| 4100 · Workers' comp Ins. Refund | 0 |
| 4101 · Miscellaneous Revenues | 1,000 |
| 4102 · Donations/Reimbursements | 1,000 |
| 40 · Miscellaneous Revenues - Other | 0 |
| Total 40 · Miscellaneous Revenues | 20,840 |
| 45 · Carry over revenue from prior year(s) | 350,000 |
| Total 45 · Carry Over from prior year(s) | 350,000 |
| Grand Total Revenues | 5,238,464 |

**Gold Ridge Fire Protection District
FY 2022/2023 FINAL Budget**

| Account and Description | FY 2022/23 |
|---|-------------------|
| 50 · Salaries/Emp Benefits | |
| 5910 · Payroll Expenses | 2,193,715 |
| 5911 · Extra Help | 20,000 |
| 5912 · Strike Team Payroll Expenses | 100 |
| 5913 · Boards | 2,100 |
| 5915 · Overtime | 100,000 |
| 5922 · FICA Retirement | 42,063 |
| 5923 · PERS | 500,000 |
| 5924 · Medicare | 31,508 |
| 5930 · Health Insurance | 431,514 |
| 5931 · Disability Insurance | 6,000 |
| 5935 · Unemployment | 10,000 |
| 5940 · Workers' Comp | 230,000 |
| Total 50 · Salaries/Emp Benefits | 3,567,000 |
| 60 · Services/Supplies | |
| 6020 · Clothing/Personal | 7,000 |
| 6040 · Communications | 20,000 |
| 6060 · Food | 8,000 |
| 6080 · Household Expense | 6,500 |
| 6100 · Insurance | 48,717 |
| 6140 · Fleet Maintenance | 55,000 |
| 6145 · Equipment Maintenance | 25,000 |
| 6149 · Radio Maintenance | 5,000 |
| 6180 · Building Maintenance | 25,000 |
| 6261 · Medical Supplies | 8,000 |
| 6280 · Memberships/Subscriptions | 35,000 |
| 6290 · Other Dept. Expense | 8,000 |
| 6400 · Office Expense | 5,000 |
| 6405 · Computer Expenses | 2,500 |
| 6410 · Postage | 900 |
| 6461 · Operating Supplies | 7,000 |
| 6526 · Dispatch Fees | 7,500 |
| 6540 · Payroll Services | 6,500 |
| 6587 · LAFCO Charges | 13,900 |
| 6610 · Legal Services | 12,000 |
| 6630 · Audit Services | 8,000 |
| 6640 · ALS Professional Services | 265,000 |
| 6654 · Medical Exams | 5,500 |
| 6800 · Public/Legal Notices | 600 |
| 6801 · Newsletter | 6,000 |
| 6820 · Equipment Lease | 3,700 |
| 6880 · Small Tools | 30,000 |

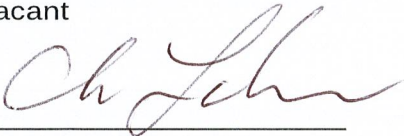
**Gold Ridge Fire Protection District
FY 2022/2023 FINAL Budget**

| Account and Description | FY 2022/23 |
|--|-------------------|
| 6881 · Safety Equipment | 38,000 |
| 7005 · Election Expense | 10,500 |
| 7120 · Training | 17,000 |
| 7121 · Fire Prevention | 2,500 |
| 7201 · Fuel | 45,000 |
| 7202 · Water/Sewer Expense | 850 |
| 7300 · Transportation/Travel | 5,000 |
| 7320 · Utilities | 9,000 |
| Total 60 · Services/Supplies | 753,167 |
| 75 · Other Charges | |
| 7910 · L.T. Debt Principal | 86,278 |
| 7930 · L.T. Debt Interest | 22,779 |
| 7970 · Taxes/Assessments | 2,757 |
| Total 75 · Other Charges | 111,814 |
| 85 · Assets | |
| 8510 · Building | 100,000 |
| 8560 · Equipment | 342,000 |
| Total 85 · Assets | 442,000 |
| 90 · Appropriations | |
| 9000 · Contingencies | 354,483 |
| 9030 · Wellness Program | 10,000 |
| Total 90 · Appropriations | 364,483 |
| Grand Total Expenditures | 5,238,464 |
| Increase/Decrease to Fund Balance | (0) |

FY 2023-24 FINAL Budget Summary
Gold Ridge Fire Protection District
4500 Hessel Road
Sebastopol, CA 95472

| | |
|--|-----------------|
| (1) Beginning Fund Balance (Balance Sheet as of 6/30/23) | \$4,983,276 |
| (2) Plus: Budgeted FY 2023/24 Revenues: (total from attached worksheet) | 9,294,439 |
| (3) Less: Budgeted FY 2023/24 Expenditures: (total from attached worksheet) | 9,294,439 |
| (4) Estimated Ending Fund Balance ending 7/31/24 | \$4,983,276 |
| (5) Preliminary Budget Approval Date: | <u>9/6/2023</u> |

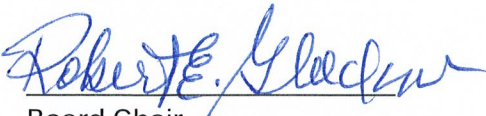
Board Member
Vacant



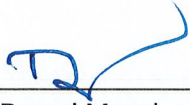
Board Member
Charles Lashman



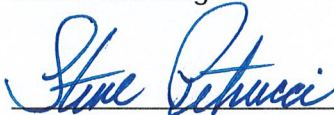
Board Member
Chris Tachouet



Board Chair
Robert Gloeckner



Board Member
David Warburg



Board Member
Steve Petrucci



Board Member
Domenic Carinalli

**Gold Ridge Fire Protection District
FY 2023/24 FINAL Budget**

| Account and Description | FY 2023/24 |
|--|-------------------|
| Income | |
| 10 · Tax Rev | |
| 1000 · Prop Tax - CY secured | 2,537,597 |
| 1001 · Direct Charges - CY | 2,393,181 |
| 1011 · SB 2557 Prop Tax Admin | (23,260) |
| 1020 · Prop Tax CY sup | 46,988 |
| 1040 · Prop Tax -CY unsce | 55,756 |
| 1060 · Prop Tax PY sec | (134) |
| 1061 · Flat Charges PY | 15,198 |
| 1070 · 1100 Prop Tx PY unsec | 1,169 |
| 1080 · Property Taxes-PY Supp | (56) |
| Total 10 · Tax Rev | 5,026,439 |
| 17 · Use of Money/Property | |
| 1700 · Interest on Pooled Cash | 0 |
| 1701 · Interest Earned | 9,500 |
| 1801 · Rent of Real Estate | 0 |
| Total 17 · Use of Money/Property | 9,500 |
| 20 · Intergovernmental Revenues | |
| 2440 · ST-Homeowners Prop Tax Relief | 9,500 |
| 2500 · ST -Other | 100 |
| 2900 · So. Co. Funding Agreement | 4,200,000 |
| 2910 · Government Agency - MRFD | 24,000 |
| 2920 · Government Agency - NBF | 0 |
| 2925 · Government Agency - OCC | 0 |
| 2930 · So. Co. DSI | 5,000 |
| Total 20 · Intergovernmental Revenues | 4,238,600 |
| 30 · Charges for Services | |
| 3600 · Address Signs | 750 |
| 3700 · Copy Fees | 10 |
| Total 30 · Charges for Services | 760 |
| 40 · Miscellaneous Revenues | |
| 4040 · Cell Tower | 18,840 |
| 4050 · Grant Income | 100 |
| 4100 · Workers' comp Ins. Refund | 0 |
| 4101 · Miscellaneous Revenues | 100 |
| 4102 · Donations/Reimbursements | 100 |
| Total 40 · Miscellaneous Revenues | 19,140 |
| 45 · Carry over PY | |
| Total Income | 9,294,439 |

| Account and Description | FY 2023/24 |
|--|------------------|
| Expense | |
| 50 · Salaries/Emp Benefits | |
| 5910 · Payroll Expenses | 3,670,000 |
| 5911 · Drill/Call Pay | 150,000 |
| 5912 · Strike Team Payroll Expenses | 100 |
| 5913 · Boards | 2,100 |
| 5915 · Overtime | 250,000 |
| 5922 · FICA Retirement | 70,000 |
| 5923 · PERS | 720,000 |
| 5924 · Medicare | 53,203 |
| 5930 · Health Insurance | 757,100 |
| 5931 · Disability Insurance | 10,000 |
| 5935 · Unemployment | 5,000 |
| 5940 · Workers' Comp | 505,100 |
| Total 50 · Salaries/Emp Benefits | 6,192,603 |
| 60 · Services/Supplies | |
| 6020 · Clothing/Personal/Uniform | 35,000 |
| 6040 · Communications | 50,000 |
| 6060 · Food | 10,500 |
| 6080 · Household Expense | 25,000 |
| 6100 · Insurance | 146,151 |
| 6140 · Fleet Maintenance | 270,000 |
| 6145 · Maintenance Equipment | 60,000 |
| 6149 · Radio Maintenance | 10,000 |
| 6180 · Building Maintenance | 100,000 |
| 6261 · Medical Supplies | 36,000 |
| 6280 · Memberships | 63,000 |
| 6290 · Other Dept. Expense/Chief's Desc. | 5,000 |
| 6400 · Office Expense | 7,000 |
| 6405 · Computer Expenses | 8,400 |
| 6410 · Postage | 2,400 |
| 6461 · Operating Supplies | 6,000 |
| 6526 · Dispatch Services | 19,715 |
| 6540 · Payroll Services | 19,000 |
| 6587 · LAFCO Charges | 5,000 |
| 6610 · Legal Services | 65,000 |
| 6620 · Grant Services | 5,000 |
| 6630 · Audit Services | 12,000 |
| 6640 · ALS Professional Services | 278,250 |
| 6650 · Financial Services | 25,000 |
| 6654 · Medical Exams | 11,000 |
| 6800 · Public/Legal Notices | 1,000 |
| 6801 · Newsletter | 6,000 |
| 6820 · Equipment Lease | 4,000 |
| 6880 · Small Tools | 60,000 |
| 6881 · Safety Equipment/PPE | 100,000 |
| 7005 · Election Expense | 10,500 |

| Account and Description | FY 2023/24 |
|-------------------------------------|-------------------|
| 7120 · Training | 100,000 |
| 7121 · Fire Prevention | 10,000 |
| 7201 · Gas/Oil | 130,000 |
| 7202 · RENT NBF | 35,000 |
| 7300 · Transportation/Travel | 7,500 |
| 7320 · Utilities | 91,000 |
| Total 60 · Services/Supplies | 1,829,416 |
| 75 · Other Charges | |
| 7910 · L.T. Debt Principal | 65,599 |
| 7930 · L.T. Debt Interest | 20,679 |
| 7970 · Taxes/Assessments | 2,500 |
| Total 75 · Other Charges | 88,778 |
| 85 · Assets | |
| 8510 · Building | 200,000 |
| 8560 · Equipment | 250,000 |
| Total 85 · Assets | 450,000 |
| 90 · Appropriations | |
| 9000 · Contingencies | 387,440 |
| 9030 · Wellness Program | 20,000 |
| SCBA on order for NBF | 226,202 |
| Consolidation Costs | 100,000 |
| Total 90 · Appropriations | 733,642 |
| Total Expense | 9,294,439 |
| Net Income | 0 |

GOLD RIDGE FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2021 AND 2020



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Gold Ridge Fire Protection District
Sebastopol, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Gold Ridge Fire Protection District, as of and for the years ended June 30, 2021 and 2020 and the related notes to the financial statements, which collectively comprise Gold Ridge Fire Protection 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.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Gold Ridge Fire Protection District, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof 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 and analysis and budgetary comparison information on pages 3 - 8 and 16 - 17, schedule of CalPERS on pages 32 - 35, and roster of board members in page 36 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.

Goranson and Associates, Inc.

December 1, 2021
Santa Rosa, CA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Gold Ridge Fire Protection District (District) we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with the District's financial statements (pages 9-17) and the accompanying notes to the basic financial statements (pages 18-31).

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$5,987,804 and \$4,198,924 (net position) for 2021 and 2020, respectively. Of this amount \$3,842,879 and \$2,131,758 (unrestricted net position) for 2021 and 2020, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$1,788,880 and \$601,185 for 2021 and 2020. This increase for 2021 is a result of an increase in property taxes and intergovernmental revenue. The increase for 2020 is primarily due to intergovernmental revenue.
- As of the close of the current fiscal year, the District's governmental funds reported an ending fund balance of \$3,966,383 and \$2,728,131 for 2021 and 2020, respectively, a net increase of \$1,238,252 and \$654,353 for 2021 and 2020 in comparison with the prior years.
- The District's long-term liabilities of notes payable had a net increase of \$205,212 and a net increase of \$5,786,907 for 2021 and 2020. The increase for 2021 is primarily due to the net pension liability. The net increase for 2020 is due to a revaluation of the net pension liability.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets present information on all of the District's assets and liabilities, with the difference between two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 9-11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District uses governmental funds to account for its activities, which include fire protection services in the district boundaries. The district adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12-17 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18-31 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$5,987,804 and \$4,198,924 at the close of the fiscal years ended 2021 and 2020, respectively.

A large portion of the district's net position (36 percent for 2021 and 49 percent for 2020) reflects its investment in capital assets (e.g. buildings and improvements and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

NET POSITION

| | 2021 | 2020 |
|---|--------------|--------------|
| Current and other assets | \$ 4,084,278 | \$ 2,792,401 |
| Capital assets | 2,144,925 | 2,067,166 |
| Non current assets | 6,491,582 | 5,881,840 |
| Total assets | 12,720,785 | 10,741,407 |
| Long-term liabilities outstanding | 6,615,086 | 6,409,874 |
| Liabilities due within one year | 117,895 | 132,609 |
| Total liabilities | 6,732,981 | 6,542,483 |
| Net position: | | |
| Invested in capital assets, net of related debt | 2,144,925 | 2,067,166 |
| Unassigned | 3,842,879 | 2,131,758 |
| Total net position | \$ 5,987,804 | \$ 4,198,924 |

The balance of the unrestricted net position \$3,842,879 for 2021 and \$2,131,758 for 2020 may be used to meet the District's ongoing obligations to citizens and vendors.

Long-term liabilities increased by \$205,212 during 2021 and increased by \$5,786,907 in 2020 due to the recording of the CalPERS retirement deferred outflows and principal payments to note payables for 2021 and 2020 as well as an increase in compensated absences.

At the end of the current fiscal year, the District is able to report positive balances in all categories of net assets. The same held true for the prior fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities - Governmental activities increased the Districts net position by \$1,788,880 for 2021 and \$601,185 for 2020. This increase is a result of net income in the governmental activities.

CHANGES IN NET POSITION

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|---------------------|---------------------|
| Revenues: | | |
| Program revenues: | | |
| Public safety - fire protection | \$ 2,709,339 | \$ 1,632,527 |
| General revenues: | | |
| Property taxes | 3,311,411 | 2,086,004 |
| Investment income and other | 6,125 | 4,388 |
| Total revenues | <u>6,026,875</u> | <u>3,722,919</u> |
| Expenses: | | |
| Public safety - fire protection | <u>4,237,995</u> | <u>3,121,734</u> |
| Change in net position | 1,788,880 | 601,185 |
| Net position - beginning of the year | <u>4,198,924</u> | <u>3,597,739</u> |
| Net position - end of the year | <u>\$ 5,987,804</u> | <u>\$ 4,198,924</u> |

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the 2021 fiscal year, the District's governmental funds reported ending fund balances of \$3,966,383, a net increase of \$1,238,252 in comparison with the prior year. As of the end of the 2020 fiscal year, the District's governmental funds reported ending fund balances of \$2,728,131, a net increase of \$654,353 in comparison with the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,734,557 for 2021 and \$2,496,305 for 2020. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 78 percent of total general fund expenditures which were \$4,788,622 for 2021. Unreserved fund balance represents 81 percent of total general fund expenditures which were \$3,068,566 for 2020.

General Fund Budgetary Highlights

Material differences between the original budget and the final amended budget can be briefly summarized as follows:

- Increase in property tax revenue
- Increase in salaries and benefits

Capital Assets

Capital assets - The District's investment in capital assets, as of June 30, 2021 and 2020, amounts to \$2,144,925 and \$2,067,166 (net of accumulated depreciation). This investment in capital assets includes equipment, buildings and improvements.

Additional information on the District's capital assets can be found on Note 1 on page 21 and note 5 on pages 24-25 of this report.

Debt Administration

At the end of the fiscal year ended 2021, the District had total long-term obligations of \$136,696 in compensated absences \$6,478,390 in deferred outflows for a total of \$6,615,086. During the fiscal year, the District's long-term debt increased by \$205,212. At the end of the fiscal year ended 2020, the District had total long-term obligations of \$110,908 in compensated absences, \$5,987,982 in deferred outflows and \$310,984 in notes payable for a total of \$6,409,874. During the fiscal year, the District's long-term debt increased by \$5,786,907.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the District's budget for the fiscal year ending June 30, 2021.

- Property tax revenues – the county anticipates a small increase in tax collection levels. The budget is adjusted accordingly
- Amount of intergovernmental revenue anticipated based on contracts.
- Equipment purchases planned for fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Request for Information

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Gold Ridge Fire Protection District, 4500 Hessel Road, Sebastopol, California.

GOLD RIDGE FIRE PROTECTION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2021 and 2020

| | 2021 | 2020 |
|---|---------------|---------------|
| ASSETS | | |
| Cash and investments | \$ 3,920,478 | \$ 2,546,274 |
| Accounts receivable, government agency | 163,800 | 246,127 |
| Total current assets | 4,084,278 | 2,792,401 |
| Capital assets (net of accumulated depreciation): | | |
| Land | 40,066 | 40,066 |
| Building and improvements | 714,692 | 571,399 |
| Equipment | 1,390,167 | 1,455,701 |
| Total capital assets | 2,144,925 | 2,067,166 |
| Deferred inflows | 6,491,582 | 5,881,840 |
| Total assets | \$ 12,720,785 | \$ 10,741,407 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 117,895 | \$ 77,597 |
| Current portion of note payable | - | 55,012 |
| Total current liabilities | 117,895 | 132,609 |
| Long term liabilities: | | |
| Note payable | - | 310,984 |
| Compensated absences | 136,696 | 110,908 |
| Deferred outflows | | |
| Net pension liability | 6,478,390 | 5,987,982 |
| Total long term liabilities | 6,615,086 | 6,409,874 |
| Total liabilities | 6,732,981 | 6,542,483 |
| NET POSITION | | |
| Net investment in capital assets | 2,144,925 | 2,067,166 |
| Unassigned | 3,842,879 | 2,131,758 |
| Total net position | 5,987,804 | 4,198,924 |
| Total liabilities and net position | \$ 12,720,785 | \$ 10,741,407 |

GOLD RIDGE FIRE PROTECTION DISTRICT
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 and 2020

| Program Expenses | <u>2021</u> | <u>2020</u> |
|-------------------------------------|---------------------|---------------------|
| Public safety - fire protection | | |
| Salaries and employee benefits | \$ 3,497,740 | \$ 2,564,274 |
| Services and supplies | 542,743 | 407,038 |
| Interest | 58,474 | 14,281 |
| Depreciation | 139,038 | 136,141 |
| Total program expenses | <u>4,237,995</u> | <u>3,121,734</u> |
| Program Revenues | | |
| Intergovernmental revenue | 2,603,534 | 1,575,384 |
| Donations | 11,210 | 11,116 |
| Rent revenue | 39,840 | 39,940 |
| Charges for services | 1,955 | 2,192 |
| Other charges for services | 52,800 | 3,895 |
| Total program revenues | <u>2,709,339</u> | <u>1,632,527</u> |
| Net program revenues (expenses) | <u>(1,528,656)</u> | <u>(1,489,207)</u> |
| General revenues | | |
| Property taxes | 3,311,411 | 2,086,004 |
| Investment earnings | 6,125 | 4,388 |
| Total general revenues | <u>3,317,536</u> | <u>2,090,392</u> |
| Change in net position | 1,788,880 | 601,185 |
| Net position, beginning of year | <u>4,198,924</u> | <u>3,597,739</u> |
| Net position, end of year | <u>\$ 5,987,804</u> | <u>\$ 4,198,924</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from government, grants, program revenue | \$ 5,983,743 | \$ 3,457,129 |
| Cash paid to vendors and employees | (4,032,871) | (2,921,128) |
| Investment income received | 6,125 | 4,388 |
| Net cash provided (used) by operations | <u>1,956,997</u> | <u>540,389</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of equipment | <u>(216,797)</u> | <u>(7,081)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net proceeds (principal payments) on note payable | <u>(365,996)</u> | <u>(50,285)</u> |
| NET CHANGE IN CASH | 1,374,204 | 483,023 |
| CASH, beginning of year | <u>2,546,274</u> | <u>2,063,251</u> |
| CASH, end of year | <u>\$ 3,920,478</u> | <u>\$ 2,546,274</u> |
| RECONCILIATION OF OPERATING INCOME TO | | |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | |
| Change in net position | \$ 1,788,880 | \$ 601,185 |
| Adjustments to reconcile change in net | | |
| assets to cash from operations | | |
| Depreciation and amortization | 139,038 | 136,141 |
| (Increase) decrease in: | | |
| Receivables | 82,327 | (172,755) |
| Prepays | (609,742) | (5,881,840) |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 66,086 | 64,465 |
| Net deferred inflows and outflows | 490,408 | 5,793,193 |
| Total cash provided (used) by operations | <u>\$ 1,956,997</u> | <u>\$ 540,389</u> |

The accompanying notes are an integral part of these financial statements.

GOLD RIDGE FIRE PROTECTION DISTRICT
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2021 and 2020

| | 2021 | 2020 |
|---|--------------|--------------|
| ASSETS | | |
| Cash and investments | \$ 3,920,478 | \$ 2,546,274 |
| Accounts receivable | 163,800 | 246,127 |
| Total assets | \$ 4,084,278 | \$ 2,792,401 |
| LIABILITIES and FUND BALANCE | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 117,895 | \$ 64,270 |
| Total liabilities | 117,895 | 64,270 |
| Fund balance | | |
| Assigned for capital improvements | 231,826 | 231,826 |
| Unreserved | 3,734,557 | 2,496,305 |
| Total fund balance | 3,966,383 | 2,728,131 |
| Total liabilities and fund balances | \$ 4,084,278 | \$ 2,792,401 |

GOLD RIDGE FIRE PROTECTION DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS
 TO THE STATEMENTS OF NET POSITION
 JUNE 30, 2021 and 2020

| | 2021 | 2020 |
|--|--------------|--------------|
| Fund balances - total government funds | \$ 3,966,383 | \$ 2,728,131 |
| <p>Non current assets are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p> | | |
| Deferred inflows | 6,491,582 | 5,881,840 |
| <p>Amount reported for governmental activities in the statement of net assets is different because:</p> | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 2,144,925 | 2,067,166 |
| <p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p> | | |
| Compensated absences | (136,696) | (110,908) |
| Deferred outflow | (6,478,390) | (6,001,309) |
| Notes and interest payable | - | (365,996) |
| Net position of governmental activities | \$ 5,987,804 | \$ 4,198,924 |

GOLD RIDGE FIRE PROTECTION DISTRICT
 STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEARS ENDED JUNE 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|-------------------------|-------------------------|
| Revenues: | | |
| Property taxes | \$ 3,311,411 | \$ 2,086,004 |
| Investment earnings | 6,125 | 4,388 |
| Intergovernmental revenue | 2,603,534 | 1,575,384 |
| Donations | 11,210 | 11,116 |
| Rental income | 39,840 | 39,940 |
| Charges for Services | 1,955 | 2,192 |
| Miscellaneous | 52,799 | 3,895 |
| Total revenues | <u>6,026,874</u> | <u>3,722,919</u> |
| Expenditures: | | |
| Current: | | |
| Salaries and employee benefits | 3,814,911 | 2,588,155 |
| Services and supplies | 542,744 | 414,120 |
| Debt Service: | | |
| Principal | 372,493 | 50,285 |
| Interest | 58,474 | 16,006 |
| Total expenditures | <u>4,788,622</u> | <u>3,068,566</u> |
| Net change in fund balances | 1,238,252 | 654,353 |
| Fund balance, beginning of year | <u>2,728,131</u> | <u>2,073,778</u> |
| Fund balance, end of year | <u>\$ 3,966,383</u> | <u>\$ 2,728,131</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT
 RECONCILIATION OF STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED JUNE 30, 2021 and 2020

Amount reported for governmental activities in the statements of activities
 is different because:

| | 2021 | 2020 |
|--|--------------|-------------|
| Net change in fund balance - governmental funds | \$ 1,238,252 | \$ 654,353 |
| <p>Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | | |
| Current year depreciation | (139,038) | (136,141) |
| Capital outlay | 223,627 | 7,081 |
| <p>Repayment of the note's principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net positions</p> | | |
| Principal repayment | 372,493 | 50,285 |
| <p>Some expenses reported in the statements of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds</p> | | |
| Change in compensated balances | (25,788) | (49,713) |
| Change in deferred inflows | 609,742 | 5,881,840 |
| Change in deferred outflows | (490,408) | (5,806,520) |
| Change in net position of governmental activities | \$ 1,788,880 | \$ 601,185 |

The accompanying notes are an integral part of these financial statements.

GOLD RIDGE FIRE PROTECTION DISTRICT
 STATEMENTS OF REVENUE, EXPENDITURE AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 GENERAL FUND
 FOR THE YEARS ENDED JUNE 30, 2021 and 2020

| | 2021 | | Actual | Variance |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Budgeted Amounts | | | Positive |
| | Original | Final | | (Negative) |
| Revenues | | | | |
| Property taxes | \$ 3,022,813 | \$ 3,180,955 | \$ 3,311,411 | \$ 130,456 |
| Investment earnings | 4,178 | 4,178 | 6,125 | 1,947 |
| Intergovernmental revenue | 1,290,480 | 1,290,480 | 2,603,534 | 1,313,054 |
| Donations | 2,000 | 2,000 | 11,210 | 9,210 |
| Miscellaneous revenue | 39,840 | 39,840 | 92,639 | 52,799 |
| Total revenues | <u>4,359,871</u> | <u>4,518,013</u> | <u>6,026,874</u> | <u>1,508,861</u> |
| Expenditures | | | | |
| Current: | | | | |
| Salaries and employee benefits | 2,970,804 | 3,069,136 | 3,814,911 | (745,775) |
| Services and supplies | 462,450 | 480,950 | 542,744 | (61,794) |
| Debt service: | | | | |
| Principal | 50,994 | 50,994 | 372,493 | (321,499) |
| Interest | 15,297 | 15,297 | 58,474 | (43,177) |
| Appropriations for contingency | 857,612 | 898,922 | - | 898,922 |
| Total expenditures | <u>4,357,157</u> | <u>4,515,299</u> | <u>4,788,622</u> | <u>(273,323)</u> |
| Net change in fund balance | 2,714 | 2,714 | 1,238,252 | 1,235,538 |
| Fund balance, beginning of year | <u>2,728,131</u> | <u>2,728,131</u> | <u>2,728,131</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 2,730,845</u> | <u>\$ 2,730,845</u> | <u>\$ 3,966,383</u> | <u>\$ 1,235,538</u> |

The accompanying notes are an integral part of these financial statements.

GOLD RIDGE FIRE PROTECTION DISTRICT
 STATEMENTS OF REVENUE, EXPENDITURE AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 GENERAL FUND
 FOR THE YEARS ENDED JUNE 30, 2021 and 2020

| | 2020 | | Actual | Variance Positive (Negative) |
|---------------------------------|---------------------|---------------------|---------------------|------------------------------------|
| | Budgeted Amounts | | | |
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 2,060,507 | \$ 2,022,812 | \$ 2,086,004 | \$ 63,192 |
| Investment earnings | 1,935 | 4,178 | 4,388 | 210 |
| Intergovernmental revenue | 1,010,518 | 1,010,480 | 1,575,384 | 564,904 |
| Donations | 8,293 | 8,293 | 11,116 | 2,823 |
| Charges for services | 2,334 | 2,435 | 2,192 | (243) |
| Miscellaneous revenue | 39,244 | 39,244 | 43,835 | 4,591 |
| Total revenues | <u>3,122,831</u> | <u>3,087,442</u> | <u>3,722,919</u> | <u>635,477</u> |
| Expenditures | | | | |
| Current: | | | | |
| Salaries and employee benefits | 2,316,491 | 2,316,491 | 2,588,155 | (271,664) |
| Services and supplies | 317,714 | 317,714 | 414,120 | (96,406) |
| Debt service: | | | | |
| Principal | 50,995 | 50,995 | 50,285 | 710 |
| Interest | 15,297 | 15,297 | 16,006 | (709) |
| Appropriations for contingency | 422,334 | 386,945 | - | 386,945 |
| Total expenditures | <u>3,122,831</u> | <u>3,087,442</u> | <u>3,068,566</u> | <u>18,876</u> |
| Net change in fund balance | - | - | 654,353 | 654,353 |
| Fund balance, beginning of year | <u>2,073,778</u> | <u>2,073,778</u> | <u>2,073,778</u> | - |
| Fund balance, end of year | <u>\$ 2,073,778</u> | <u>\$ 2,073,778</u> | <u>\$ 2,728,131</u> | <u>\$ 654,353</u> |

The accompanying notes are an integral part of these financial statements.

GOLD RIDGE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The District was formed in 1993 when the fire districts of Hessel and Twin Hills merged, serving the communities of Hessel, Twin Hills, and Freestone. They provide all-risk fire protection and emergency medical response across 75 square miles of rural Sebastopol and mutual aid to all surrounding fire districts. The June 29, 1993 resolution approved by the Board of Supervisors of Sonoma County created the reorganization under Resolution No. 93-0888. Under resolution No. 92-93-05, the Gold Ridge Fire District name was created. The District operates under Health and Safety Code Sections, 13816 through 13822. The District's governmental powers are exercised through the seven-member Board of Directors.

INTRODUCTION

The District's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major fund).

In the government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities), the district's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in two parts:(1) net investment in capital assets, and (2) unrestricted net position. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the grantor have been met.

GOLD RIDGE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

GOVERNMENT-WIDE STATEMENTS (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are supported by general government revenues (property taxes, Intergovernmental revenues, and fire related charges, i.e. fire permit fees). The Statement of Activities reduces gross expense's (including depreciation) by related program revenues, operating and capital grants and contributions, including special assessments. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflect capital-specific grants.

When both restricted and unrestricted resources are available for use, it is the district's policy to use restricted resources first, then unrestricted resources as they are needed.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balance for its major governmental fund. An accompanying schedule is present to reconcile and explain the difference in net position as presented in these statements to the net position presented in the Government-wide financial statements.

The General fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures.

The District reports on the following major governmental fund:

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments – The District reports certain investments at fair value in the balance sheet, and recognizes the corresponding change in the fair value of investments in the year in which the change occurred.

GOLD RIDGE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Receivables and Payables

Flat charges Receivable – Flat charges collected are apportioned to the District to supplement property taxes collected for operating costs. Not all of the assessments are collected as of June 30, 2021 and 2020; therefore, the remainder of the uncollected assessments is considered flat charges receivable.

Property Taxes – The County of Sonoma is responsible for assessing, collecting and distributing property taxes in accordance with state law. Liens on real property are established January 1 for the ensuing fiscal year. The property tax is levied as of July on all taxable property located in the County of Sonoma. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

Since the passage of California's Proposition 13, beginning with the fiscal year 1978/1979, general property taxes are based either on a flat 1% rate applied to the 1975/1976 full value, or on one percent of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of two percent per year.

On June 30, 1993, the board of Supervisors adopted the "Teeter" Method of property tax allocation. This method allocates property taxes based on the total property tax billed. At Year-end, the county advances cash to each taxing jurisdiction equal to its current year delinquent property taxes based on the total property tax billed. At year-end, the County advances cash to each taxing jurisdiction equal to its current year delinquent property taxes. In exchange, the county receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing the cash used for the advances.

GOLD RIDGE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost of purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Buildings and improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| Asset | Years |
|----------------------------|-------|
| Buildings and improvements | 30-50 |
| Equipment | 5-20 |

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation 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 resignation and for retirement.

Deferred Inflows and Outflows

The District has deferred inflows and outflows for the CalPERS retirement plans they hold and per GASB No. 68.

GOLD RIDGE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

Net position is classified into two components – invested in capital assets and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, net accumulated depreciation and net of related debt if any.
- Unrestricted net position – This component of net assets consists of net assets that do not meet the definition of ‘restricted’ or ‘Invested in capital assets, net of related debt.’

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustments which were contingent upon new or additional revenue resources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a non-GAAP basis. The District’s budgetary information was amended during the year.

GOLD RIDGE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

NOTE 3 CASH AND INVESTMENTS

Hold funds in an Insured Cash Sweep account and other funds that are all federally insured, except for a petty cash fund at local financial institutions.

The amount of cash at June 30 is as follows:

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|---------------------|---------------------|
| Cash held with financial institution | \$ 3,920,046 | \$ 2,546,093 |
| Petty Cash | 432 | 181 |
| Total | <u>\$ 3,920,478</u> | <u>\$ 2,546,274</u> |

NOTE 4 ACCOUNTS RECEIVABLE

Accounts Receivable represents the outstanding balance for services provided rendered to fire service clients that haven't paid for services rendered as well as flat charges collected that are apportioned to the District to supplement property taxes collected for operating costs, and other intergovernmental revenue. Management believes receivables at June 30, 2021 and 2020 will be fully collected. Accordingly, no allowance for doubtful receivables is recorded. The balance of accounts receivable at June 30 is as follows:

| | <u>2021</u> | <u>2020</u> |
|---------------------------|-------------------|-------------------|
| Property tax receivable | \$ 163,800 | \$ 83,627 |
| Other government agencies | - | 162,500 |
| Total | <u>\$ 163,800</u> | <u>\$ 246,127</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

NOTE 5 DETAILED NOTES

Capital Assets

Capital asset activity for the years ended on June 30 is as follows:

| | 2021 | | |
|--|----------------------|-------------------|---------------------|
| | Beginning Balance | Additions | Ending Balance |
| | <u> </u> | <u> </u> | <u> </u> |
| Capital assets, not being depreciated: | | | |
| Land | \$ 40,066 | | \$ 40,066 |
| Total capital assets, not being depreciated | <u>40,066</u> | | <u>40,066</u> |
| Capital assets, being depreciated: | | | |
| Buildings and improvements | 1,239,932 | \$ 172,527 | 1,412,459 |
| Equipment | 2,817,096 | 44,267 | 2,861,363 |
| Total capital assets, being depreciated | <u>4,057,028</u> | <u>216,794</u> | <u>4,273,822</u> |
| Less accumulated depreciation for: | | | |
| Buildings and improvements | (668,533) | (29,234) | (697,767) |
| Equipment | (1,361,392) | (109,804) | (1,471,196) |
| Total accumulated depreciation | <u>(2,029,925)</u> | <u>(139,038)</u> | <u>(2,168,963)</u> |
| Total capital assets, being depreciated, net | <u>2,027,103</u> | <u>77,756</u> | <u>2,104,859</u> |
| Capital assets, net | <u>\$ 2,067,169</u> | <u>\$ 77,756</u> | <u>\$ 2,144,925</u> |

Depreciation expense is charged to functions/programs of the Gold Ridge Fire Protection District government as follows:

Governmental activities:

| | |
|---------------------------------|-------------------|
| Public safety - fire protection | <u>\$ 139,038</u> |
|---------------------------------|-------------------|

GOLD RIDGE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021 and 2020

NOTE 5 DETAILED NOTES (continued)

Capital Assets, continued

| | 2020 | | |
|--|----------------------|---------------------|---------------------|
| | Beginning Balance | Additions | Ending Balance |
| | <u> </u> | <u> </u> | <u> </u> |
| Capital assets, not being depreciated: | | | |
| Land | \$ 40,066 | | \$ 40,066 |
| Total capital assets, not being depreciated | <u>40,066</u> | | <u>40,066</u> |
| Capital assets, being depreciated: | | | |
| Buildings and improvements | 1,239,932 | | 1,239,932 |
| Equipment | 2,810,012 | \$ 7,083 | 2,817,095 |
| Total capital assets, being depreciated | <u>4,049,944</u> | <u>7,083</u> | <u>4,057,027</u> |
| Less accumulated depreciation for: | | | |
| Buildings and improvements | (641,256) | (27,277) | (668,533) |
| Equipment | (1,252,528) | (108,867) | (1,361,395) |
| Total accumulated depreciation | <u>(1,893,784)</u> | <u>(136,144)</u> | <u>(2,029,928)</u> |
| Total capital assets, being depreciated, net | <u>2,156,160</u> | <u>(129,060)</u> | <u>2,027,099</u> |
| Capital assets, net | <u>\$ 2,196,226</u> | <u>\$ (129,060)</u> | <u>\$ 2,067,166</u> |

Depreciation expense is charged to functions/programs of the Gold Ridge Fire Protection District government as follows:

Governmental activities:

| | |
|---------------------------------|-------------------|
| Public safety - fire protection | <u>\$ 136,141</u> |
|---------------------------------|-------------------|

GOLD RIDGE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

NOTE 5 DETAILED NOTES (continued)

Long-term Liabilities

Changes in long-term liabilities

Long term liability activity for the years ended June 30, was as follows:

| | 2021 | | | | |
|-----------------------------|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
| Note payable | \$ 310,984 | | \$ (310,984) | | |
| Deferred outflows | 5,987,982 | \$ 490,408 | - | \$ 6,478,390 | |
| Compensated absences | 110,908 | 25,788 | - | 136,696 | \$ - |
| Total long-term liabilities | <u>\$ 6,409,874</u> | <u>\$ 516,196</u> | <u>\$ (310,984)</u> | <u>\$ 6,615,086</u> | <u>\$ -</u> |

| | 2020 | | | | |
|-----------------------------|------------------------------|---------------------|---------------------|---------------------------|--------------------------------|
| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
| Note payable | \$ 366,983 | | \$ (55,999) | \$ 310,984 | \$ 55,012 |
| Deferred outflows | 194,789 | \$ 5,881,840 | (88,647) | 5,987,982 | - |
| Compensated absences | 61,195 | 49,713 | - | 110,908 | - |
| Total long-term liabilities | <u>\$ 622,967</u> | <u>\$ 5,931,553</u> | <u>\$ (144,646)</u> | <u>\$ 6,409,874</u> | <u>\$ 55,012</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 OTHER INFORMATION

Employee Retirement Plan

During fiscal year 2005/2006 the District enrolled in the California Public Employees Retirement System (PERS) cost-sharing multiple-employer Defined Benefit Pension Plan. In cost-sharing multiple-employer plans the benefit obligations are pooled. A single actuarial valuation is performed covering all participants, all employers contribute at the same rate, and all plan assets are available to pay plan benefits pertaining to the employee and retirees of any employer.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

| | |
|-------------------------|-------------------------------|
| Valuation Date (VD) | June 30, 2021 |
| Measurement Date (MD) | June 30, 2020 |
| Measurement Period (MP) | July 1, 2019 to June 30, 2020 |

Plan Description, Benefits Provided and Employees Covered

The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2020 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

GOLD RIDGE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

NOTE 6 OTHER INFORMATION, continued.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2020 (the measurement date), the active employee contribution rate is 6.891 percent of annual pay, and the average employer's contribution rate is 11.623 percent of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. Both the June 30, 2019 total pension liability and the June 30, 2020 total pension liability were based on the following actuarial methods and assumptions:

| | |
|-----------------------------------|---|
| Actuarial Cost Method | Entry Age Normal in accordance with the requirements of GASB Statement No. 68 |
| Actuarial Assumptions | |
| Discount Rate | 7.50% |
| Inflation | 2.75% |
| Salary Increases | Varies by Entry Age and Service |
| Investment Rate of Return | 7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation |
| Mortality Rate Table | Derived using CalPERS' Membership Data for all Funds |
| Post Retirement Benefits Increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter |

GOLD RIDGE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 OTHER INFORMATION, continued

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes.

GOLD RIDGE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

NOTE 6 OTHER INFORMATION, continued.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2022. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017 -2018 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| Asset Class | New Strategic Allocation | Real Return Years 1 - 101 | Real Return Years 11+2 |
|-------------------------------|--------------------------|---------------------------|------------------------|
| Global Equity | 47.00% | 5.25% | 5.71% |
| Global Fixed Income | 19.00 | 0.99 | 2.43 |
| Inflation Sensitive | 6.00 | 0.45 | 3.36 |
| Private Equity | 12.00 | 6.83 | 6.95 |
| Real Estate | 11.00 | 4.50 | 5.13 |
| Infrastructure and Forestland | 3.00 | 4.50 | 5.09 |
| Liquidity | 2.00 | (0.55) | (1.05) |

GOLD RIDGE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 OTHER INFORMATION, continued

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in your GASB 68 accounting valuation report may differ from the plan assets reported in your funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in your funding actuarial valuation. In addition, differences may result from early CAFR closing and final reconciled reserves.

NOTE 7 SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 1, 2021, the date the financial statements were available to be issued.

Prior to year ending June 30, 2021, The District signed a purchase and sale agreement for a new Water Tanker with a sales price of \$583,895. Delivery of the Tanker was not taken as of June 30, 2021.

In January 2020, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions. This could have a material effect on the District's operations, financial position, and cash flows.

REQUIRED SUPPLEMENTARY INFORMATION

GOLD RIDGE FIRE PROTECTION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2021

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE IN RELATION TO PERF C

Net pension liability and fiduciary net position are allocated to the pension are allocated to the plan based on its propositions as a percentage of the total plan (PERF C, excluding the 1959 Survivors Risk Pool), which includes both the Miscellaneous or Safety within PERF C. Therefore, to assist employers in meeting the requirements of GASB 68, proportions shown in the table below represent the plan's proportion of PERF C, excluding the 1959 Survivors Risk Pool, and not its proportions of the Miscellaneous Risk Pool.

MISCELLANEOUS PLAN

| | <u>06/30/2020</u> |
|---|-------------------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.00239% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 421,174 |
| Plan's Covered-Employee Payroll | \$ 71,705 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 587.37% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 0.00241% |
| Plan's Proportionate Share of Aggregate Employer Contributions | \$ 24,583 |

GOLD RIDGE FIRE PROTECTION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2021

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE IN RELATION TO PERF C

SAFETY

| | 06/30/2020 |
|---|--------------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.02640% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 6,057,216 |
| Plan's Covered-Employee Payroll | \$ 216,983 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 2791.56% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 0.02497% |
| Plan's Proportionate Share of Aggregate Employer Contributions | \$ 70,885 |

GOLD RIDGE FIRE PROTECTION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2021

SCHEDULE OF PLAN CONTRIBUTIONS

MISCELLANEOUS PLAN

| | Fiscal Year 2019-2020 |
|--|--------------------------|
| Actuarially Determined Contribution | \$ 24,583 |
| Contributions in Relation to the Actuarially Determined Contribution | (24,583) |
| Contribution Deficiency (Excess) | \$ - |
| Covered-Employee Payroll | \$ 71,705 |
| Contributions as a Percentage of Covered-Employee Payroll | 34.28% |

SAFETY

| | Fiscal Year 2019-2020 |
|--|--------------------------|
| Actuarially Determined Contribution | \$ 70,885 |
| Contributions in Relation to the Actuarially Determined Contribution | (70,885) |
| Contribution Deficiency (Excess) | \$ - |
| Covered-Employee Payroll | \$ 216,983 |
| Contributions as a Percentage of Covered-Employee Payroll | 32.67% |

GOLD RIDGE FIRE PROTECTION DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2021

NOTES TO SCHEDULE

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2021 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Change in Assumptions: None

GOLD RIDGE FIRE PROTECTION DISTRICT
ROSTER OF BOARD MEMBERS
JUNE 30, 2021

Directors:

| | | |
|----------------------|-----------|---------------|
| Robert Gloeckner | Chairman | December 2022 |
| Domenic Carinalli | Secretary | December 2022 |
| Joe Petersen | | December 2024 |
| Christopher Tachouet | | December 2024 |
| Antonia Bello | | December 2022 |
| Charles Lachman | | December 2024 |
| Steve Petrucci | | December 2022 |

Clerk of the Board:

| | | |
|----------------------|-------|------------|
| Shepley Schroth-Cary | Chief | Continuous |
|----------------------|-------|------------|

Regular Meetings: The regular meetings of the Board of Directors is held at 7:00 PM on the first Wednesday of each month. The schedule of locations can be found on the District's website.

**GOLD RIDGE FIRE
PROTECTION DISTRICT**

**Financial Statements and
Independent Auditor's Report
For the Fiscal Year Ended June 30, 2022**
(With Comparative Amounts for fiscal Year 2021)

GOLD RIDGE FIRE PROTECTION DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Gold Ridge Fire Protection District
Sebastopol, California

Opinions

We have audited the accompanying financial statements of the and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Gold Ridge Fire Protection District, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Gold Ridge Fire Protection District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gold Ridge Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gold Ridge Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, budgetary comparison on pages 29-30 and schedule of CalPERS on pages 31-32 information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information

and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

Other auditors have previously audited Gold Ridge Fire Protection District June 30, 2021, financial statements, and their report dated December 01, 2021, express an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information present herein as of and for the year ended June 30, 2021, is consistent in all material respect, with the audited financial statements from which it has been derived.

Blomberg & Griffin A.C.
Blomberg & Griffin A.C.
Stockton, CA

October 25, 2022

GOLD RIDGE FIRE PROTECTION DISTRICT

Agenda Item Number: 5

Management Discussion and Analysis

June 30, 2022 and 2021

As management of the Gold Ridge Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with the District's financial statements and the accompanying notes to the basic financial statements.

Financial Highlights

Fiscal Year 2022

- The assets of the District exceeded their liabilities at fiscal year ended June 30, 2022 by \$5,577,544 (net position). This amount includes unrestricted net position of \$3,228,409 at fiscal year ended June 30, 2022.
- The District's net position increased by 7.83% or \$405,024. The increase is the result of revenues exceeding expenses. The total revenues were \$5,523,159 and total expenses were \$5,118,135.
- The District reported a fund balance of \$4,627,907, an increase of \$661,524 or 16.68%.
- For the fiscal year ended June 30, 2022, the District's total assets were \$8,949,448. The total assets included current assets of \$4,712,846, capital assets of \$2,804,206, and deferred outflows of resources of \$1,432,396. The total liabilities were \$3,371,904. The total liabilities included current liabilities of \$129,771 and non-current liabilities of \$2,207,894. The non-current liabilities included compensated absences of \$136,480, lease payable of \$410,239, and net pension liability of \$1,661,175. The total liabilities also included deferred inflows of resources of \$1,034,239.

Fiscal Year 2021

- The assets of the District exceeded their liabilities at fiscal year ended June 30, 2021 by \$5,172,520 (net position). This amount includes unrestricted net position of \$3,027,595 at fiscal year ended June 30, 2021.
- The District's net position increased by 23.19% or \$973,596. The increase is the result of revenues exceeding expenses. The total revenues were \$6,026,875 and total expenses were \$5,053,279.
- The District reported a fund balance of \$3,966,383, an increase of \$1,238,252 or 45.39%.
- For the fiscal year ended June 30, 2021, the District's total assets were \$6,939,711. The total assets included current assets of \$4,084,278, capital assets of \$2,144,925, and deferred outflows of resources of \$710,508. The total liabilities were \$1,767,191. The total liabilities included current liabilities of \$117,895 and non-current liabilities of \$1,623,897. The non-current liabilities included compensated absences of \$136,696 and net pension liability of \$1,487,201. The total liabilities also included deferred inflows of resources of \$25,399.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected rental revenue and earned but unused vacation leave).

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are governmental funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District uses governmental funds to account for its activities, which include fire protection services in the District boundaries. The District adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

GOLD RIDGE FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2022 and 2021

Overview of the Financial Statements (Continued)

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$5,577,544 and \$5,172,520 at fiscal years ended June 30, 2022 and 2021, respectively.

The net position category labeled "Net investment in Capital Assets" reflects the District's investment in capital assets (e.g., land, buildings and improvements, and equipment) less accumulated depreciation and outstanding debt used for the acquisition of these assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

| Statement of Net Position | | | | |
|----------------------------------|---------------------|---------------------|--------------------------------|------------------------------|
| <u>June 30,</u> | | | | |
| | <u>2022</u> | <u>2021</u> | <u>Increase (Decrease)</u> | <u>Percentage Change</u> |
| Current Assets | \$ 4,712,846 | \$ 4,084,278 | \$ 628,568 | 13.34% |
| Capital Assets | 2,804,206 | 2,144,925 | 659,281 | 23.51% |
| Deferred Outflows | 1,432,396 | 710,508 | 721,888 | 50.40% |
| Total Assets | 8,949,448 | 6,939,711 | 2,009,737 | 28.96% |
| Current Liabilities | 129,771 | 117,895 | 11,876 | 10.07% |
| Long-Term Liabilities | 2,207,894 | 1,623,397 | 584,497 | 36.00% |
| Deferred Inflows | 1,034,239 | 25,399 | 1,008,840 | 3971.97% |
| Total Liabilities | 3,371,904 | 1,766,691 | 1,605,213 | 90.86% |
| Net Position | | | | |
| Net Investment in Capital Assets | 2,349,135 | 2,149,925 | 199,210 | 9.27% |
| Unrestricted | 3,228,409 | 3,023,095 | 205,314 | 6.79% |
| Total Net Position | \$ 5,577,544 | \$ 5,173,020 | \$ 404,524 | 7.82% |

Governmental Activities: Governmental activities for fiscal years ended June 30, 2022, and 2021 increased the District's general fund by \$661,524 and \$1,238,252, respectively, due to the result of revenues exceeding expenditures. In addition, the District's net position increased by \$405,024 and \$973,596 during the fiscal years ended June 30, 2022 and 2021, respectively as reported on the statement of activities on page 10.

GOLD RIDGE FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2022 and 2021

Overview of the Financial Statements (Continued)

| | Change in Net Position | | Increase (Decrease) | Percentage Change |
|--------------------------------------|------------------------|---------------------|------------------------|----------------------|
| | Year ended June 30, | | | |
| | 2022 | 2021 | | |
| Revenues: | | | | |
| Program Revenues: | | | | |
| Intergovernmental & Fees | \$ 2,103,554 | \$ 2,656,539 | \$ (552,985) | -26.29% |
| General Revenues: | | | | |
| Property Taxes | 3,378,231 | 3,311,411 | 66,820 | 2.02% |
| Other Revenue (expense) | 21,758 | 451 | 21,307 | 4724.39% |
| Total Revenues | <u>5,503,543</u> | <u>5,968,401</u> | <u>(464,858)</u> | <u>-7.79%</u> |
| Expenses: | | | | |
| Program Expenses: | | | | |
| Salaries and Wages | 4,196,231 | 4,313,024 | (116,793) | -2.71% |
| Services and Supplies | 763,250 | 542,743 | 220,507 | 40.63% |
| Depreciation Expense | 139,038 | 139,038 | - | 0.00% |
| Total Expenses | <u>5,098,519</u> | <u>4,994,805</u> | <u>103,714</u> | <u>2.08%</u> |
| Change in Net Position | 405,024 | 973,596 | (568,572) | -58.40% |
| Net Position - Beginning of the Year | <u>5,172,520</u> | <u>4,198,924</u> | <u>973,596</u> | <u>23.19%</u> |
| Net Position - End of the Year | <u>\$ 5,577,544</u> | <u>\$ 5,172,520</u> | <u>\$ 405,024</u> | <u>7.83%</u> |

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with legal and governmental accounting requirements.

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the fiscal year ended June 30, 2022, the District's governmental fund reported a fund balance of \$4,627,907 an increase of \$661,524 in comparison with fiscal year ended June 30, 2021. The District's governmental fund balance was of \$3,966,383, an increase of \$1,238,252 compared to the fiscal year ended June 30, 2020. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 81.91% and 82.83% of the total general fund expenditures on June 30, 2022, and 2021, respectively.

GOLD RIDGE FIRE PROTECTION DISTRICT

Agenda Item Number: 5

Management Discussion and Analysis

June 30, 2022 and 2021

General Fund Budgetary Highlights

June 30, 2022: The budgetary highlights for fiscal year ended June 30, 2022, are as follows:

- Property taxes revenue were higher by \$148,969.
- Intergovernmental revenues were higher by \$703,070.
- Salaries and benefits expenses were more than budget by \$602,767.
- Services and supplies expenses were higher by \$70,202.
- Capital expenditures were more than budget by \$543,320.

June 30, 2021: The budgetary highlights for fiscal year ended June 30, 2021, are as follows:

- Property taxes revenue were higher by \$130,456
- Intergovernmental revenues were higher by \$1,313,054
- Salaries and benefits expenses were higher by \$745,775.
- Services and supplies expenses were lower by \$61,794.

All of these factors above were considered in preparing the District's budget for the fiscal year ending June 30, 2023.

Capital Asset and Debt Administration

Capital Assets: The District's capital assets, as of June 30, 2022, and 2021, amounts to \$2,804,206 and \$2,144,925 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements and equipment.

Additional information on the District's capital assets can be found in note 5 of the notes to basic financial statements.

Lease Payable: The District lease payable as of June 30, 2022, amounts to \$455,071. The lease purchased agreement dated February 03, 2022, in the amount of \$505,143 with an interest rate of 2.979%. The additional information can be found in note 6 of the notes to basic financial statements.

Net Pension Liability: As of June 30, 2022, and 2021, the District net pension liability is \$1,661,175 and \$1,487,201, respectively.

Request for Additional Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Gold Ridge Fire Protection District, 4500 Hessel Road, Sebastopol, California.

GOLD RIDGE FIRE PROTECTION DISTRICT

Agenda Item Number: 5

Statement of Net Position

June 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> <u>(Restated)</u> |
|---|----------------------------|----------------------------------|
| Assets | | |
| Current Assets: | | |
| Cash and Investments | \$ 4,712,846 | \$ 3,920,478 |
| Accounts Receivable, government agency | - | 163,800 |
| Total Current Assets | <u>4,712,846</u> | <u>4,084,278</u> |
| Non-current Assets: | | |
| Capital Assets | | |
| Non-Depreciable | 40,066 | 40,066 |
| Building and Improvements | 1,449,078 | 1,412,459 |
| Equipment and Vehicles | 3,623,063 | 2,861,363 |
| Accumulated Depreciation | <u>(2,308,001)</u> | <u>(2,168,963)</u> |
| Total Non-Current Assets | <u>2,804,206</u> | <u>2,144,925</u> |
| Deferred Outflows of Resources | <u>1,432,396</u> | <u>710,508</u> |
| Total Assets | <u><u>\$ 8,949,448</u></u> | <u><u>\$ 6,939,711</u></u> |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable and Accrued Expenses | \$ 73,642 | \$ 117,895 |
| Accrued Interest | 11,297 | - |
| Loan Payable - Current Portion | <u>44,832</u> | <u>-</u> |
| Total Current Liability | <u>129,771</u> | <u>117,895</u> |
| Non-Current Liabilities | | |
| Compensated Absences | 136,480 | 136,696 |
| Loan Payable - Noncurrent portion | 410,239 | - |
| Net Pension Liability | <u>1,661,175</u> | <u>1,487,201</u> |
| Total Non-Current Liability | <u>2,207,894</u> | <u>1,623,897</u> |
| Deferred Inflows of Resources | <u>1,034,239</u> | <u>25,399</u> |
| Total Liabilities | <u>3,371,904</u> | <u>1,767,191</u> |
| Net Position | | |
| Net Investment in Capital Assets | 2,349,135 | 2,144,925 |
| Unrestricted | <u>3,228,409</u> | <u>3,027,595</u> |
| Total Net Position | <u>5,577,544</u> | <u>5,172,520</u> |
| Total Liabilities and Net Position | <u><u>\$ 8,949,448</u></u> | <u><u>\$ 6,939,711</u></u> |

The notes to the financial statements are an integral part of this statement.

GOLD RIDGE FIRE PROTECTION DISTRICT

Agenda Item Number: 5

Statement of Activities

For the Fiscal Years Ended June 30, 2022 and 2021

| | <u>2022</u> | <u>2021 (Restated)</u> |
|---------------------------------|---------------------|----------------------------|
| Program Expenses | | |
| Public Safety - Fire Prevention | | |
| Salaries and Employee Benefits | \$ 4,196,231 | \$ 4,313,024 |
| Services and Supplies | 763,250 | 542,743 |
| Depreciation | 139,038 | 139,038 |
| | <hr/> | <hr/> |
| Total Program Expenses | 5,098,519 | 4,994,805 |
| | <hr/> | <hr/> |
| Program Revenues | | |
| Charges for Services | | |
| Intergovernmental Revenue | 2,003,170 | 2,603,534 |
| Donations | 59,456 | 11,210 |
| Rent Revenue | 39,840 | 39,840 |
| Charges for Services | 1,088 | 1,955 |
| | <hr/> | <hr/> |
| Total Program Revenues | 2,103,554 | 2,656,539 |
| | <hr/> | <hr/> |
| Net Program Revenues (Expenses) | (2,994,965) | (2,338,266) |
| | <hr/> | <hr/> |
| General Revenues | | |
| Property Taxes | 3,378,231 | 3,311,411 |
| Investment earnings | 9,076 | 6,125 |
| Interest Expense | (19,616) | (58,474) |
| Miscellaneous income | 32,298 | 52,800 |
| | <hr/> | <hr/> |
| Total General Revenues | 3,399,989 | 3,311,862 |
| | <hr/> | <hr/> |
| Change in Net Position | 405,024 | 973,596 |
| Net Position, Beginning of Year | 5,172,520 | 4,198,924 |
| | <hr/> | <hr/> |
| Net Position, End of Year | <u>\$ 5,577,544</u> | <u>\$ 5,172,520</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT

Enterprise Funds, Statement of Cash Flows
For the Years Ended June 30, 2022 and 2021

Agenda Item Number: 5

| | <u>2022</u> | <u>2021 (Restated)</u> |
|--|-----------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from program revenues | \$ 1,545,466 | \$ 7,910,198 |
| Cash paid to vendors and employees | <u>(3,809,839)</u> | <u>(9,265,063)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>(2,264,373)</u> | <u>(1,354,865)</u> |
| CASH FLOWS FROM NON-CAPITAL AND RELATED | | |
| Property Taxes Received | 3,378,231 | 3,311,411 |
| Miscellaneous | <u>32,298</u> | <u>52,800</u> |
| Net Cash Provided (Used) from Non-Capital Activities | <u>3,410,529</u> | <u>3,364,211</u> |
| CASH FLOWS FROM CAPITAL AND RELATED | | |
| FINANCING ACTIVITIES: | | |
| Proceeds from Note | 505,143 | - |
| Principal Payment on Note | (50,071) | (365,996) |
| Interest Paid | (19,616) | (58,474) |
| Payment for Capital Purchase | <u>(798,320)</u> | <u>(216,797)</u> |
| Net Cash Provided (Used) from Capital and Related Financing Activities | <u>(362,864)</u> | <u>(641,267)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Income | <u>9,076</u> | <u>6,125</u> |
| Net Cash Provided (Used) from Investing Activities | <u>9,076</u> | <u>6,125</u> |
| Net Increase (Decrease) in Cash | 792,368 | 1,374,204 |
| Cash-Beginning of Year | <u>3,920,478</u> | <u>2,546,274</u> |
| Cash-End of Year | <u>\$ 4,712,846</u> | <u>\$ 3,920,478</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Net Operating Income (Loss) | \$ (2,994,965) | \$ (2,338,266) |
| Depreciation | 139,038 | 139,038 |
| (Increase) Decrease in: | | |
| Accounts Receivables | 163,800 | 82,327 |
| Deferred Outflows of Resources | (721,888) | 5,171,332 |
| Increase (Decrease) in: | | |
| Accounts Payable and Accrued Expenses | (33,172) | 66,086 |
| Net Pension Liability | 173,974 | (4,500,781) |
| Deferred Inflows of Resources | <u>1,008,840</u> | <u>25,399</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (2,264,373)</u> | <u>\$ (1,354,865)</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT

Agenda Item Number: 5

Balance Sheet
 Governmental Fund
 June 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| Assets | | |
| Cash and Investments | \$ 4,712,846 | \$ 3,920,478 |
| Accounts Receivable | - | 163,800 |
| | <hr/> | <hr/> |
| Total Assets | <u>\$ 4,712,846</u> | <u>\$ 4,084,278</u> |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts Payable & Accrued Expenses | \$ 84,939 | \$ 117,895 |
| | <hr/> | <hr/> |
| Total Liabilities | <u>84,939</u> | <u>117,895</u> |
| Fund balance: | | |
| Committed | 231,826 | 231,826 |
| Unassigned | 4,396,081 | 3,734,557 |
| | <hr/> | <hr/> |
| Total Fund Balance | <u>4,627,907</u> | <u>3,966,383</u> |
| | <hr/> | <hr/> |
| Total Liabilities and Fund Balance | <u>\$ 4,712,846</u> | <u>\$ 4,084,278</u> |

The notes to the financial statements are an integral part of this statement.

GOLD RIDGE FIRE PROTECTION DISTRICT
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position
 June 30, 2022 and 2021

Agenda Item Number: 5

| | 2022 | 2021 (Restated) |
|--|--------------|----------------------------|
| Total Fund Balances - Governmental Funds | \$ 4,627,907 | \$ 3,966,383 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Deferred Outflows of Resources | 1,432,396 | 710,508 |
| Capital assets used in governmental activities not financial recourses and, therefore are not reported in the governmental funds | 2,804,206 | 2,144,925 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. | | |
| Loan Payable | (455,071) | - |
| Compensated Absences | (136,480) | (136,696) |
| Deferred Inflows of Resources | (1,034,239) | (25,399) |
| Net Pension liability | (1,661,175) | (1,487,201) |
| Net Position of Governmental Activities | \$ 5,577,544 | \$ 5,172,520 |

GOLD RIDGE FIRE PROTECTION DISTRICT Agenda Item Number: 5
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For Fiscal Years Ended June 30, 2022 and 2021

| | 2022 | 2021 |
|---|--------------|--------------|
| Revenues | | |
| Property Taxes | \$ 3,378,231 | \$ 3,311,411 |
| Investment Earnings | 9,076 | 6,125 |
| Intergovernmental revenue | 2,003,170 | 2,603,534 |
| Donations | 59,456 | 11,210 |
| Rental Income | 39,840 | 39,840 |
| Charges for Services | 1,088 | 1,955 |
| Miscellaneous Income | 32,298 | 52,799 |
| | 5,523,159 | 6,026,874 |
| Expenditures | | |
| Current: | | |
| Salaries and Employee Benefits | 3,735,521 | 3,814,911 |
| Services and Supplies | 763,250 | 542,744 |
| Non-Current | | |
| Capital Expenditures | 798,320 | - |
| Debt Service: | | |
| Principal Payment | 50,071 | 372,493 |
| Interest Expense | 19,616 | 58,474 |
| | 5,366,778 | 4,788,622 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 156,381 | 1,238,252 |
| Other Financing Sources (Uses) | | |
| Proceeds from Long-term Note | 505,143 | - |
| | 505,143 | - |
| Net Change in Fund Balance | 661,524 | 1,238,252 |
| Fund Balance, Beginning of Year | 3,966,383 | 2,728,131 |
| Fund Balance, End of Year | \$ 4,627,907 | \$ 3,966,383 |

GOLD RIDGE FIRE PROTECTION DISTRICT
 Reconciliation of the Statements of Revenues, Expenditures and
 Changes in Fund Balance of the Governmental Fund to the
 Statement of Activities
 For the Fiscal Years Ended June 30, 2022 and 2021

Agenda Item Number: 5

| Amounts reported for governmental activities in the statement of activities are different because: | 2022 | 2021 (Restated) |
|--|-------------|--------------------|
| Net change in fund - total governmental fund | \$ 661,524 | \$ 1,238,252 |
| 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 and reported as depreciation expense. | | |
| Capital asset addition | 798,320 | 223,627 |
| Current year depreciation | (139,038) | (139,038) |
| Proceeds from the note's is a source in the governmental funds, but, the loan increases long-term liabilities in the statement of net position | (505,143) | - |
| Repayment of the note's principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position | 50,071 | 372,493 |
| Some expense reported in the statements of activities do not require use of current financial resources, and therefore, are not reported as expenditures in governmental funds | | |
| Change in compensated absences | 216 | (25,788) |
| Change in deferred outflows of resources | 721,888 | (5,171,332) |
| Change in deferred inflows of resources | (1,008,840) | (25,399) |
| Change in net pension liability | (173,974) | 4,500,781 |
| Change in Net Position of Governmental Activities | \$ 405,024 | \$ 973,596 |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies**Reporting Entity**

The District was formed in 1993 when the fire District's of Hessel and Twin Hills merged, serving the communities of Hessel, Twin Hills, and Freestone. They provide all-risk fire protection and emergency medical response across 75 square miles of rural Sebastopol and mutual aid to all surrounding fire districts. The June 29, 1993 resolution approved by the Board of Supervisors of Sonoma County created the reorganization under Resolution No. 93-0888. Under resolution No. 92- 93-05, the Gold Ridge Fire District name was created. The District operates under Health and Safety Code Sections, 13816 through 13822. The District's governmental powers are exercised through the seven-member Board of Directors.

Introduction

The District's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts recorded as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statement

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for its governmental funds. An accompanying schedule is presented to reconcile and explain the difference in Net Position as presented in these statements to the Net Position presented in the Government-wide financial statements. The District's General Fund is its only major governmental funds.

The new model as defined in GASB Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Governmental funds are accounted for on a spending, or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets are current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

sources, which have been treated as susceptible to accrual by the District, are property taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the difference created by the integrated approach.

The District uses the following fund types:

Governmental Funds

General Fund – The General Fund is the general operating fund of the system. It is used to account for all financial resources except those required to be accounted for in other fund.

1. Assets, Liabilities, and Net Assets or Equity

Cash and Investments – The District reports certain investments at fair value in the balance sheet and recognized the corresponding change in the fair value of investments in the year in which the change occurred.

2. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment's, are reported in the applicable governmental activities' columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Buildings and improvements and equipment of the primary government, is depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 30-50 |
| Equipment and Vehicles | 5 to 20 |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)**3. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results differ from those estimates.

4. Net Position

In the government-wide financial statements, net position is classified into two components – invested in capital assets and unrestricted. These classifications are defined as follows:

- Invested in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and net of related debt.
- Unrestricted net position – This component of net position consists of net position that do not meet the definition of “restricted” or “invested” in capital assets, net of related debt.

5. Fund Equity

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54), which has been adopted by the District in fiscal year 2011. This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories lists below:

- Non-spendable: Non-spendable fund balance consists of inventories, prepaid expenses, long-term loans, notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- Restricted: Restricted fund balance consists of amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed: Committed fund balance consists of amounts designated by the Board of Directors for a certain purpose.
- Assigned: Assigned fund balance is classified for specific purpose but cannot be name restricted or committed.

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

- Unassigned: Unassigned fund balance is the residual classification for the general fund and all spendable amounts not contained in the other classifications.

Note 2 Cash and Investments

The District reports certain investments at fair value in the balance sheet and recognizes the corresponding change in the fair value of investments in the year which the change occurred.

Cash on Hand and In Banks

Cash and investments on June 30, 2022 and 2021 consist of the following:

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|---------------------|---------------------|
| Cash held with financial institutions | \$ 4,712,534 | \$ 3,920,046 |
| Petty Cash | <u>312</u> | <u>432</u> |
| Total Cash and Investments | <u>\$ 4,712,846</u> | <u>\$ 3,920,478</u> |

Bank accounts are subject to FDIC insurance for amounts up to \$250,000.

Note 3 Property Taxes

The County of Sonoma is responsible for assessing, collecting, and distributing property taxes in accordance with state law. Liens on real property are established on January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in County of Sonoma. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10 and April 10, respectively.

Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

Since the passage of California's Proposition 13, beginning with fiscal year 1978/1979, general property taxes are based either on a flat 1% rate applied to the 1975/1976 full value or on 1% of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year.

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 3 Property Taxes (Continued)

On June 29, 1993, the Board of Supervisors adopted the “Teeter” Alternate Method of Property Tax Allocation. This method allocates property taxes based on the total property tax billed. At year-end the County advances cash to each taxing jurisdiction equal to its current year delinquent property taxes. In exchange, the County receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing cash used for the advances.

Note 4 Accounts Receivable

Accounts receivable represents the outstanding balance of flat charges collected that are apportioned to the District to supplement property taxes collected for operating costs, and other intergovernmental revenue. Management believes receivable on June 30, 2022 and 2021 will be fully collected. Accordingly, no allowance for doubtful receivable is recorded. The balance of accounts receivable on June 30, is as follows:

| | <u>2022</u> | <u>2021</u> |
|---------------------------|-------------|-------------------|
| Property taxes receivable | <u>\$ -</u> | <u>\$ 163,800</u> |

Note 5 Capital Assets

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

| | <u>Balance July 1, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2022</u> |
|--|---------------------------------|-------------------|------------------|----------------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 40,066 | \$ - | \$ - | \$ 40,066 |
| Total capital assets, not being depreciated | <u>40,066</u> | <u>-</u> | <u>-</u> | <u>40,066</u> |
| Capital assets, being depreciated | | | | |
| Building and Improvements | 1,412,459 | 36,619 | - | 1,449,078 |
| Equipment and vehicles | <u>2,861,363</u> | <u>761,700</u> | <u>-</u> | <u>3,623,063</u> |
| Total capital assets being depreciated | <u>4,273,822</u> | <u>798,319</u> | <u>-</u> | <u>5,072,141</u> |
| Less Accumulated Depreciation for: | (2,168,963) | (139,038) | - | (2,308,001) |
| Total capital assets, being depreciated, net | <u>2,104,859</u> | <u>659,281</u> | <u>-</u> | <u>2,764,140</u> |
| Total Capital Assets-Net | <u>\$ 2,144,925</u> | <u>\$ 659,281</u> | <u>\$ -</u> | <u>\$ 2,804,206</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 5 Capital Assets (Continued)

Capital assets summary for the year ended June 30, 2021 is as follows:

| | <u>Balance July 1, 2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2021</u> |
|--|---------------------------------|------------------|------------------|----------------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 40,066 | \$ - | \$ - | \$ 40,066 |
| Total capital assets, not being depreciated | <u>40,066</u> | <u>-</u> | <u>-</u> | <u>40,066</u> |
| Capital assets, being depreciated | | | | |
| Building and Improvements | 1,239,932 | 172,527 | - | 1,412,459 |
| Equipment and vehicles | <u>2,817,096</u> | <u>44,267</u> | <u>-</u> | <u>2,861,363</u> |
| Total capital assets being depreciated | <u>4,057,028</u> | <u>216,794</u> | <u>-</u> | <u>4,273,822</u> |
| Less Accumulated Depreciation for: | (2,029,925) | (139,038) | - | (2,168,963) |
| Total capital assets, being depreciated, net | <u>2,027,103</u> | <u>77,756</u> | <u>-</u> | <u>2,104,859</u> |
| Total Capital Assets-Net | <u>\$ 2,067,169</u> | <u>\$ 77,756</u> | <u>\$ -</u> | <u>\$ 2,144,925</u> |

Depreciation expense is charged to function/programs of the Gold Ridge Fire Protection District:

| | <u>2022</u> | <u>2021</u> |
|---------------------------------|-------------------|-------------------|
| Governmental activities: | | |
| Public Safety - Fire Protection | <u>\$ 139,038</u> | <u>\$ 139,038</u> |

Note 6 Long-term Liabilities

Long term liability activity for the years ended June 30, was as follows:

| | 2022 | | | | Due Within One Year |
|-----------------------------|------------------------------|-------------------|-------------------|-----------------------|---------------------------|
| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | |
| Lease payable | \$ - | \$ 505,143 | \$ 50,071 | \$ 455,072 | \$ 44,833 |
| Net Pension Liability | 1,487,201 | 173,974 | - | 1,661,175 | - |
| Compensated Absences | <u>136,696</u> | <u>-</u> | <u>216</u> | <u>136,480</u> | <u>-</u> |
| Total Long-term Liabilities | <u>\$ 1,623,897</u> | <u>\$ 679,117</u> | <u>\$ 50,287</u> | <u>\$ 2,252,727</u> | <u>\$ 44,833</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 6 Long-term Liabilities (Continued)

| | 2021 (Restated) | | | | Due Within One Year |
|------------------------------------|----------------------|------------------|-------------------|---------------------|---------------------------|
| | Beginning Balance | Additions | Reductions | Ending Balance | |
| Note payable | \$ 310,984 | \$ - | \$ 310,984 | \$ - | \$ - |
| Net Pension Liability | 1,382,148 | 105,053 | - | 1,487,201 | - |
| Compensated Absences | 110,908 | 25,788 | - | 136,696 | - |
| Total Long-term Liabilities | \$ 1,804,040 | \$130,841 | \$ 310,984 | \$ 1,623,897 | \$ - |

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation 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 resignation and for retirement. As of June 30, 2022, and 2021, the compensated absences payable balance is \$136,480 and \$136,696, respectively.

Lease Payable

The District has a lease payable dated February 2021. The lease is for the amount \$505,143, has an interest rate of 2.979 percent and matures August 2030. As of June 30, 2022, the remaining lease payable balance is \$455,071.

Below is the lease payable schedule:

| FY | Installment Payment | Principal | Interest |
|--------------|------------------------|------------------|-----------------|
| 2023 | \$ 58,389 | \$ 44,833 | \$ 13,556 |
| 2024 | 58,389 | 46,168 | 12,221 |
| 2025 | 58,389 | 47,544 | 10,845 |
| 2026 | 58,389 | 48,960 | 9,429 |
| 2027-2030 | 300,266 | 267,566 | 32,700 |
| Total | \$ 533,822 | \$455,071 | \$78,751 |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 District Employees Retirement Plan (Defined Benefit Pension Plan)

Defined Benefit Pension Plan

The District provides eligible employee’s pension plans benefits through the Gold Ridge Fire Protection District – Safety Plan and Miscellaneous Plan.

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2020 Annual Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2021 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and assets information within certain defined timeframes. The timeframe for this reporting is:

| | |
|--------------------|-------------------------------|
| Valuation Date | June 30, 2020 |
| Measurement Date | June 30, 2021 |
| Measurement Period | July 1, 2020 to June 30, 2021 |

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. The contribution rate and unfunded liability information are as follows:

| | <u>Employer Contribution Rate</u> | <u>Unfunded Contribution</u> | <u>Employee Contribution Rate</u> |
|---------------------|---------------------------------------|----------------------------------|---|
| Safety Plan Tier I | 0.000% | \$80,648 | 0.00% |
| Safety Plan Tier II | 26.120% | \$29,490 | 8.99% |
| PEPRA Safety Plan | 13.980% | \$3,479 | 13.75% |
| Miscellaneous Plan | 16.780% | \$5,945 | 7.80% |
| PEPRA Misc Plan | 7.590% | \$290 | 6.75% |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Defined Benefit Pension Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability based on the following actuarial methods of assumptions.

| | |
|----------------------------------|---|
| Actuarial Cost Method | Entry Age Normal in accordance with the requirements of GASB Statement No. 68 |
| Actuarial Assumptions | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table | Delivered using CalPERS' Membership Data for all Funds |
| Post Retirement Benefit Increase | Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies |

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Defined Benefit Pension Plan (Continued)

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Real Return Years 1 - 10</u> | <u>Real Return Years 11 +</u> |
|---------------------|---------------------------------|---------------------------------|-------------------------------|
| Global Equity | 50.0% | 4.80% | 5.98% |
| Global Fixed Income | 28.00 | 1.00 | 2.62 |
| Inflation Sensitive | 0.00 | 0.77 | 1.81 |
| Private Equity | 8.00 | 6.30 | 7.23 |
| Real Estate | 13.00 | 3.75 | 4.93 |
| Liquidity | 1.00 | 0.00 | -0.92 |

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

| | <u>Plan Total Pension Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Plan Net Pension Liability/(Asset) (c) = (a) - (b)</u> |
|-----------------------------|---|--|---|
| Balance at : 6/30/2020 (MD) | \$ 6,478,390 | \$ 4,991,189 | \$ 1,487,201 |
| Balance at : 6/30/2021 (MD) | \$ 7,301,192 | \$ 5,640,017 | \$ 1,661,175 |
| Net Changes during 2020-21 | \$ (822,802) | \$ (648,828) | \$ (173,974) |

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

| | <u>Discount Rate - 1% (6.15%)</u> | <u>Current Discount Rate (7.15%)</u> | <u>Discount Rate + 1% (8.15%)</u> |
|---|-----------------------------------|--------------------------------------|-----------------------------------|
| Plan's Net Pension Liability/(Asset) - 2022 | \$ 2,642,894 | \$ 1,661,175 | \$ 854,519 |
| Plan's Net Pension Liability/(Asset) - 2021 | \$ 2,365,841 | \$ 1,487,201 | \$ 765,875 |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Defined Benefit Pension Plan - Safety Plan (Continued)

Deferred Outflows and Deferred Inflows

For the fiscal years ended June 30, 2022 and 2021 pension expense recognized is as follows:

| | <u>2022</u> | <u>2021</u> |
|---|-------------------------|--------------------------|
| Total Service Costs | \$ 245,557 | \$ 109,733 |
| Interest on TPL | 859,611 | 378,733 |
| Recognize Changes of Assumptions | (11,400) | 51,102 |
| Changes of Benefit Terms | 232 | 18 |
| Plans Share of Employee Contribution | (98,233) | (42,705) |
| Net Plan to Plan Resource Movement | (136,869) | (32,052) |
| Projected Earnings on PPI | (636,387) | (45,240) |
| Recognized Difference Between Projected and Actual Plan Earnings | (311,124) | 29,915 |
| Recognized Difference Between Expected & Actual Experience | 171,030 | 58,523 |
| Administrative Expenses | 9,067 | 5,488 |
| Other Miscellaneous Income | - | - |
| Total Pension Expense Recognized | <u><u>\$ 91,484</u></u> | <u><u>\$ 513,515</u></u> |

For the measurement period ended June 30, 2021 (the measurement date), Gold Ridge Fire Protection District incurred a pension expense of \$91,484 for the Plan (the pension expense for risk pool for the measurement period is \$188,401,318).

As of June 30, 2022, and 2021, Gold Ridge Fire Protection District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

| | <u>FY21-22 Deferred Outflows of Resources</u> | <u>FY21-22 Deferred Inflows of Resources</u> | <u>FY20-21 Deferred Inflows/(Outflows) of Resources</u> |
|--|---|--|---|
| Difference between Expected and Actual Experience | \$ 278,286 | \$ - | \$ 113,139 |
| Changes of Assumptions | - | - | (5,273) |
| Difference between Projected and Actual Earnings on Pension Plan Investments | - | 1,014,852 | 32,993 |
| Difference between Employer's Contribution and Proportionate Share of Contribution | 129,955 | 19,387 | 68,530 |
| Changes in Employees Proportion | 578,858 | - | 85,383 |
| Pension Contributions made Subsequent to Measurement Date | 445,297 | - | 390,337 |
| Total | <u><u>\$ 1,432,396</u></u> | <u><u>\$ 1,034,239</u></u> | <u><u>\$ 685,109</u></u> |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Defined Benefit Pension Plan - Safety Plan (Continued)

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

| <u>Measurement Period</u> <u>Ended June 30,</u> | <u>FY21-22 Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u> | <u>FY20-21 Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u> |
|--|---|---|
| 2022 | \$ - | \$ 191,860 |
| 2023 | 262,947 | 186,411 |
| 2024 | 192,455 | 134,224 |
| 2025 | 44,004 | 94,545 |
| 2026 | (190,310) | 78,067 |
| 2027 | 89,057 | - |
| Thereafter | - | - |

Note 8 Prior Year Restated Financial Statements

Other auditors have audited fiscal year ended June 30, 2021 financial statements. However, we have restated prior year financial statements to reflect the correct pension plan amounts under GASB Statement 68.

Note 9 Subsequent Events

Subsequent events are those events or transactions that occur subsequent to the effective date of the financial statements, but prior to the issuance of the financial reports, which may have a material effect on the financial statements or disclosure therein. There are no subsequent events that have occurred through October 31, 2022 that meet the above definition.

GOLD RIDGE FIRE PROTECTION DISTRICT *Agenda Item Number: 5*
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budgets and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property Taxes | \$ 3,229,262 | \$ 3,229,262 | \$ 3,378,231 | \$ 148,969 |
| Investment earnings | 6,506 | 6,506 | 9,076 | 2,570 |
| Intergovernmental Revenue | 1,300,100 | 1,300,100 | 2,003,170 | 703,070 |
| Donations | 1,000 | 1,000 | 59,456 | 58,456 |
| Miscellaneous/Other Income | 41,400 | 41,400 | 73,226 | 31,826 |
| | <u>4,578,268</u> | <u>4,578,268</u> | <u>5,523,159</u> | <u>944,891</u> |
| Expenditures | | | | |
| Current: | | | | |
| Salaries and Employee Benefits | 3,132,754 | 3,132,754 | 3,735,521 | (602,767) |
| Services and Supplies | 693,048 | 693,048 | 763,250 | (70,202) |
| Capital expenditures | 255,000 | 255,000 | 798,320 | (543,320) |
| Debt Service: | | | | |
| Principal | 58,389 | 58,389 | 50,071 | 8,318 |
| Interest | 8,318 | 8,318 | 19,616 | (11,298) |
| Appropriations for contingency | 930,759 | 930,759 | - | 930,759 |
| | <u>5,078,268</u> | <u>5,078,268</u> | <u>5,366,778</u> | <u>(288,510)</u> |
| Excess (Deficiency of Revenues Over (Under) Expenditures | <u>(500,000)</u> | <u>(500,000)</u> | 156,381 | 656,381 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Long-term Note | | | <u>505,143</u> | |
| Total Other Financing Sources (Uses) | | | <u>505,143</u> | |
| Net Change in Fund Balance | | | 661,524 | |
| Fund Balance, Beginning of Year | | | <u>3,966,383</u> | |
| Fund Balance, End of Year | | | <u>\$ 4,627,907</u> | |

GOLD RIDGE FIRE PROTECTION DISTRICT *Agenda Item Number: 5*
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budgets and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| Revenues | | | | |
| Property Taxes | \$ 3,022,813 | \$ 3,180,955 | \$ 3,311,411 | \$ 130,456 |
| Investment earnings | 4,178 | 4,178 | 6,125 | 1,947 |
| Intergovernmental Revenue | 1,290,480 | 1,290,480 | 2,603,534 | 1,313,054 |
| Donations | 2,000 | 2,000 | 11,210 | 9,210 |
| Miscellaneous/Other Income | 39,840 | 39,840 | 94,594 | 54,754 |
| | <u>4,359,311</u> | <u>4,517,453</u> | <u>6,026,874</u> | <u>1,509,421</u> |
| Expenditures | | | | |
| Current: | | | | |
| Salaries and Employee Benefits | 2,970,804 | 3,069,136 | 3,814,911 | (745,775) |
| Services and Supplies | 462,450 | 480,950 | 542,744 | (61,794) |
| Debt Service: | | | | |
| Principal | 50,994 | 50,994 | 372,493 | (321,499) |
| Interest | 15,297 | 15,297 | 58,474 | (43,177) |
| Appropriations for contingency | 857,612 | 898,922 | - | 898,922 |
| | <u>4,357,157</u> | <u>4,515,299</u> | <u>4,788,622</u> | <u>(273,323)</u> |
| Excess (Deficiency of Revenues Over (Under) Expenditures | <u>2,154</u> | <u>2,154</u> | <u>1,238,252</u> | <u>1,236,098</u> |
| Net Change in Fund Balance | | | 1,238,252 | |
| Fund Balance, Beginning of Year | | | <u>2,728,131</u> | |
| Fund Balance, End of Year | | | <u>\$ 3,966,383</u> | |

GOLD RIDGE FIRE PROTECTION DISTRICT
Schedules of Required Supplementary Information - Safety Plan
 As of June 30,
 Last 10 Years*

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------------|--------------|--------------|--------------|--------------|------------|------------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.00690% | 0.00774% | 0.00758% | 0.00673% | 0.00729% | 0.00562% | 0.00424% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 1,567,087 | \$ 1,403,157 | \$ 1,304,509 | \$ 1,089,312 | \$ 1,105,506 | \$ 774,037 | \$ 594,148 |
| Plan's Covered-Employee Payroll | \$ 1,219,827 | \$ 794,478 | \$ 648,049 | \$ 694,338 | \$ 660,460 | \$ 694,251 | \$ 580,002 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 128.5% | 176.6% | 201.3% | 156.9% | 167.4% | 111.5% | 102.4% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 77.2% | 76.8% | 76.6% | 78.3% | 75.4% | 80.2% | 82.5% |

Schedule of Plan Contributions

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|--------------|--------------|------------|------------|------------|------------|------------|
| Actuarially Determined Contribution | \$ 117,527 | \$ 98,753 | \$ 86,572 | \$ 58,320 | \$ 42,750 | \$ 33,635 | \$ 33,635 |
| Contributions in Relation to the Actuarially Determined Contribution | (117,527) | (98,753) | (86,572) | (58,320) | (42,750) | (33,635) | (33,635) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-Employee Payroll | \$ 1,437,664 | \$ 1,219,827 | \$ 794,478 | \$ 648,049 | \$ 694,338 | \$ 660,460 | \$ 694,251 |
| Contributions as a Percentage of Covered-Employee Payroll | 8.17% | 8.10% | 10.90% | 9.00% | 6.16% | 5.09% | 4.84% |

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2020 as they have minimal cost impact.

Change in Assumptions: None

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GOLD RIDGE FIRE PROTECTION DISTRICT
Schedules of Required Supplementary Information
Miscellaneous Plan PEPRA Miscellaneous

As of June 30,
 Last 10 Years*

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|------------|-----------|-----------|-----------|------------|-----------|-----------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.00052% | 0.00057% | 0.00048% | 0.00048% | 0.00053% | 0.00039% | 0.00029% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 94,088 | \$ 84,047 | \$ 67,639 | \$ 62,629 | \$ 64,380 | \$ 42,114 | \$ 31,719 |
| Plan's Covered-Employee Payroll | \$ 161,674 | \$ 68,076 | \$ 67,430 | \$ 65,250 | \$ 134,484 | \$ 78,445 | \$ 71,248 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 58.20% | 123.46% | 100.31% | 95.98% | 47.87% | 53.69% | 21.84% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 77.64% | 80.05% | 80.94% | 83.57% | 79.47% | 85.31% | 86.80% |

Schedule of Plan Contributions

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------------|------------|-----------|-----------|-----------|------------|-----------|
| Actuarially Determined Contribution | \$ 6,450 | \$ 6,591 | \$ 5,231 | \$ 3,243 | \$ 2,373 | \$ 1,875 | \$ 1,875 |
| Contributions in Relation to the Actuarially Determined Contribution | (6,450) | (6,591) | (5,231) | (3,243) | (2,373) | (1,875) | (1,875) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-Employee Payroll | \$ 182,054 | \$ 161,674 | \$ 68,076 | \$ 67,430 | \$ 65,250 | \$ 134,484 | \$ 78,445 |
| Contributions as a Percentage of Covered-Employee Payroll | 3.54% | 4.08% | 7.68% | 4.81% | 3.64% | 1.39% | 2.39% |

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2020 as they have minimal cost impact.

Change in Assumptions: None

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GOLD RIDGE FIRE PROTECTION DISTRICT
Notes to Required Supplementary Information
June 30, 2022 and 2021

Budget: The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 of the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Unused appropriations for the budgeted funds lapse at the end of the fiscal year. Budgets are adopted on a modified accrual basis. Expenditures in excess of budgeted amounts are approved individually by the Board.

Change in Benefit Terms: The figure above does not include any liability impact that may have resulted from plan changes which occurred after June 30, 2022 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statements as CalPERS considered such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes in Assumptions: None

GOLD RIDGE FIRE PROTECTION DISTRICT
Roster of Board Members

Agenda Item Number: 5

Directors:

| | | |
|----------------------|-----------|---------------|
| Robert Gloeckner | Chairman | December 2026 |
| Domenic Carinalli | Secretary | December 2026 |
| Joe Peterson | | December 2024 |
| Christopher Tachouet | | December 2024 |
| David Warburg | | December 2026 |
| Charles Lachman | | December 2024 |
| Steve Petrucci | | December 2026 |

Clerk of the Board:

| | | |
|----------------------|-------|------------|
| Shepley Schroth-Cary | Chief | Continuous |
|----------------------|-------|------------|

Regular Meetings:

The regular meeting of the Board of Directors is held at 7:00 P.M. on the first Wednesday of each month. The schedule of location can be found on the District website.

**GOLD RIDGE FIRE
PROTECTION DISTRICT**

**Financial Statements and
Independent Auditor's Report
For the Fiscal Year Ended June 30, 2023**
(With Comparative Amounts for fiscal Year 2022)

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Gold Ridge Fire Protection District
Sebastopol, California

Opinions

We have audited the accompanying financial statements of the and for the years ended June 30, 2023, and 2022, and the related notes to the financial statements, which collectively comprise the Gold Ridge Fire Protection District, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Gold Ridge Fire Protection District, as of June 30, 2023, and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gold Ridge Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gold Ridge Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

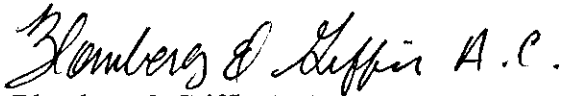
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, budgetary comparison on pages 29-30 and schedule of CalPERS on pages 31-32 information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information

and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We audited Gold Ridge Fire Protection District June 30, 2022, financial statements, and their report dated October 25, 2022, express an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presents herein as of and for the year ended June 30, 2022, is consistent in all material respect, with the audited financial statements from which it has been derived.



Blomberg & Griffin A.C.
Stockton, CA

November 16, 2023

Agenda Item Number: 5

GOLD RIDGE FIRE PROTECTION DISTRICT
Management Discussion and Analysis
June 30, 2023 and 2022

As management of the Gold Ridge Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with the District's financial statements and the accompanying notes to the basic financial statements.

Financial Highlights

Fiscal Year 2023

- The assets of the District exceeded their liabilities at fiscal year ended June 30, 2023 by \$5,662,420 (net position). This amount includes unrestricted net position of \$3,224,641 at fiscal year ended June 30, 2023.
- The District's net position increased by 1.52% or \$84,876. The increase is the result of revenues exceeding expenses. The total revenues were \$5,746,096 and total expenses were \$5,661,220.
- The District reported a fund balance of \$4,935,940, an increase of \$308,033 or 6.66%.
- For the fiscal year ended June 30, 2023, the District's total assets were \$9,323,335. The total assets included current assets of \$5,076,847, capital assets of \$3,054,467, and deferred outflows of resources of \$1,192,021. The total liabilities were \$3,660,915. The total liabilities included current liabilities of \$206,506 and non-current liabilities of \$1,605,445. The non-current liabilities included compensated absences of \$165,173, lease payable of \$551,089, and net pension liability of \$889,183. The total liabilities also included deferred inflows of resources of \$1,848,964.

Fiscal Year 2022

- The assets of the District exceeded their liabilities at fiscal year ended June 30, 2022 by \$5,577,544 (net position). This amount includes unrestricted net position of \$3,228,409 at fiscal year ended June 30, 2022.
- The District's net position increased by 7.83% or \$405,024. The increase is the result of revenues exceeding expenses. The total revenues were \$5,523,159 and total expenses were \$5,118,135.
- The District reported a fund balance of \$4,627,907, an increase of \$661,524 or 16.68%.
- For the fiscal year ended June 30, 2022, the District's total assets were \$8,949,448. The total assets included current assets of \$4,712,846, capital assets of \$2,804,206, and deferred outflows of resources of \$1,432,396. The total liabilities were \$3,371,904. The total liabilities included current liabilities of \$129,771 and non-current liabilities of \$2,207,894. The non-current liabilities included compensated absences of \$136,480, lease payable of \$410,239, and net pension liability of \$1,661,175. The total liabilities also included deferred inflows of resources of \$1,034,239.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected rental revenue and earned but unused vacation leave).

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are governmental funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District uses governmental funds to account for its activities, which include fire protection services in the District boundaries. The District adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Agenda Item Number: 5

GOLD RIDGE FIRE PROTECTION DISTRICT
 Management Discussion and Analysis
 June 30, 2023 and 2022

Overview of the Financial Statements (Continued)

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$5,662,420 and \$5,577,544 at fiscal years ended June 30, 2023 and 2022, respectively.

The net position category labeled "Net investment in Capital Assets" reflects the District's investment in capital assets (e.g., land, buildings and improvements, and equipment) less accumulated depreciation and outstanding debt used for the acquisition of these assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

| | Statement of Net Position | | Increase (Decrease) | Percentage Change |
|----------------------------------|----------------------------------|---------------------|------------------------|----------------------|
| | June 30, | | | |
| | 2023 | 2022 | | |
| Current Assets | \$ 5,076,847 | \$ 4,712,846 | \$ 364,001 | 7.17% |
| Capital Assets | 3,054,467 | 2,804,206 | 250,261 | 8.19% |
| Deferred Outflows | 1,192,021 | 1,432,396 | (240,375) | -20.17% |
| Total Assets | <u>9,323,335</u> | <u>8,949,448</u> | <u>373,887</u> | <u>4.18%</u> |
| Current Liabilities | 206,506 | 129,771 | 76,735 | 59.13% |
| Long-Term Liabilities | 1,605,445 | 2,207,894 | (602,449) | -27.29% |
| Deferred Inflows | 1,848,964 | 1,034,239 | 814,725 | 78.78% |
| Total Liabilities | <u>3,660,915</u> | <u>3,371,904</u> | <u>289,011</u> | <u>8.57%</u> |
| Net Position | | | | |
| Net Investment in Capital Assets | 2,437,779 | 2,349,135 | 88,644 | 3.77% |
| Unrestricted | 3,224,641 | 3,228,409 | (3,768) | -0.12% |
| Total Net Position | <u>\$ 5,662,420</u> | <u>\$ 5,577,544</u> | <u>\$ 84,876</u> | <u>1.52%</u> |

Governmental Activities: Governmental activities for fiscal years ended June 30, 2023, and 2022 increased the District's general fund by \$308,033 and \$661,524, respectively, due to the result of revenues exceeding expenditures. In addition, the District's net position increased by \$84,876 and \$405,024 during the fiscal years ended June 30, 2023 and 2022, respectively as reported on the statement of activities on page 10.

Overview of the Financial Statements (Continued)

| | Change in Net Position | | Increase (Decrease) | Percentage Change |
|--------------------------------------|-------------------------------|---------------------|--------------------------------|------------------------------|
| | Year ended June 30, | | | |
| | <u>2023</u> | <u>2022</u> | | |
| Revenues: | | | | |
| Program Revenues: | | | | |
| Intergovernmental & Fees | \$ 2,034,464 | \$ 2,103,554 | \$ (69,090) | -3.40% |
| General Revenues: | | | | |
| Property Taxes | 3,623,374 | 3,378,231 | 245,143 | 7.26% |
| Other Revenue (expense) | <u>59,794</u> | <u>21,758</u> | <u>38,036</u> | <u>174.81%</u> |
| Total Revenues | <u>5,717,632</u> | <u>5,503,543</u> | <u>214,089</u> | <u>3.89%</u> |
| Expenses: | | | | |
| Program Expenses: | | | | |
| Salaries and Wages | 4,474,141 | 4,196,231 | 277,910 | 6.62% |
| Services and Supplies | 862,859 | 763,250 | 99,609 | 13.05% |
| Depreciation Expense | <u>295,756</u> | <u>139,038</u> | <u>156,718</u> | <u>112.72%</u> |
| Total Expenses | <u>5,632,756</u> | <u>5,098,519</u> | <u>534,237</u> | <u>10.48%</u> |
| Change in Net Position | 84,876 | 405,024 | (320,148) | -79.04% |
| Net Position - Beginning of the Year | <u>5,577,544</u> | <u>5,172,520</u> | <u>405,024</u> | <u>7.83%</u> |
| Net Position - End of the Year | <u>\$ 5,662,420</u> | <u>\$ 5,577,544</u> | <u>\$ 84,876</u> | <u>1.52%</u> |

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with legal and governmental accounting requirements.

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the fiscal year ended June 30, 2023, the District's governmental fund reported a fund balance of \$4,935,940 an increase of \$308,033 in comparison with fiscal year ended June 30, 2022. The District's governmental fund balance was of \$4,627,907, an increase of \$661,524 compared to the fiscal year ended June 30, 2021. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 82.48% and 81.91% of the total general fund expenditures on June 30, 2023, and 2022, respectively.

GOLD RIDGE FIRE PROTECTION DISTRICT

Agenda Item Number: 5

Management Discussion and Analysis

June 30, 2023 and 2022

General Fund Budgetary Highlights

June 30, 2023: The budgetary highlights for fiscal year ended June 30, 2023, are as follows:

- Property taxes revenue was higher by \$243,080.
- Intergovernmental revenues were higher by \$506,354.
- Salaries and benefits expenses were more than budget by \$610,340.
- Services and supplies expenses were higher by \$116,011.
- Capital expenditures were more than budget by \$169,107.

June 30, 2022: The budgetary highlights for fiscal year ended June 30, 2022, are as follows:

- Property taxes revenue was higher by \$148,969.
- Intergovernmental revenues were higher by \$703,070.
- Salaries and benefits expenses were more than budget by \$602,767.
- Services and supplies expenses were higher by \$70,202.
- Capital expenditures were more than budget by \$543,320.

All of these factors above were considered in preparing the District's budget for the fiscal year ending June 30, 2024.

Capital Asset and Debt Administration

Capital Assets: The District's capital assets, as of June 30, 2023, and 2022, amounts to \$3,054,467 and \$2,804,206 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements and equipment.

Additional information on the District's capital assets can be found in note 5 of the notes to basic financial statements.

Lease Payable: The District lease payable as of June 30, 2023, amounts to \$618,688. The lease purchased agreement dated February 03, 2022, in the amount of \$505,143 with an interest rate of 2.979%. There was another lease purchase agreement started dated May 27, 2023, in the amount of \$225,117, with an interest rate of 4.097 percent. The additional information can be found in note 6 of the notes to basic financial statements.

Net Pension Liability: As of June 30, 2023, and 2022, the District net pension liability is \$889,183 and \$1,661,175, respectively.

Request for Additional Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Gold Ridge Fire Protection District, 4500 Hessel Road, Sebastopol, California.

GOLD RIDGE FIRE PROTECTION DISTRICT

Agenda Item Number: 5

Statement of Net Position

June 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------------|----------------------------|
| Assets | | |
| Current Assets: | | |
| Cash and Investments | \$ 4,972,741 | \$ 4,712,846 |
| Accounts Receivable, government agency | 104,106 | - |
| Total Current Assets | <u>5,076,847</u> | <u>4,712,846</u> |
| Non-current Assets: | | |
| Capital Assets | | |
| Non-Depreciable | 40,066 | 40,066 |
| Building and Improvements | 1,485,780 | 1,449,078 |
| Equipment and Vehicles | 4,019,225 | 3,623,063 |
| Accumulated Depreciation | <u>(2,490,604)</u> | <u>(2,308,001)</u> |
| Total Non-Current Assets | <u>3,054,467</u> | <u>2,804,206</u> |
| Deferred Outflows of Resources | <u>1,192,021</u> | <u>1,432,396</u> |
| Total Assets | <u><u>\$ 9,323,335</u></u> | <u><u>\$ 8,949,448</u></u> |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable and Accrued Expenses | \$ 130,018 | \$ 73,642 |
| Accrued Interest | 10,889 | 11,297 |
| Lease Payable - Current Portion | <u>65,599</u> | <u>44,832</u> |
| Total Current Liability | <u>206,506</u> | <u>129,771</u> |
| Non-Current Liabilities | | |
| Compensated Absences | 165,173 | 136,480 |
| Lease Payable - Noncurrent portion | 551,089 | 410,239 |
| Net Pension Liability | <u>889,183</u> | <u>1,661,175</u> |
| Total Non-Current Liability | <u>1,605,445</u> | <u>2,207,894</u> |
| Deferred Inflows of Resources | <u>1,848,964</u> | <u>1,034,239</u> |
| Total Liabilities | <u>3,660,915</u> | <u>3,371,904</u> |
| Net Position | | |
| Net Investment in Capital Assets | 2,437,779 | 2,349,135 |
| Unrestricted | <u>3,224,641</u> | <u>3,228,409</u> |
| Total Net Position | <u>5,662,420</u> | <u>5,577,544</u> |
| Total Liabilities and Net Position | <u><u>\$ 9,323,335</u></u> | <u><u>\$ 8,949,448</u></u> |

GOLD RIDGE FIRE PROTECTION DISTRICT

Agenda Item Number: 5

Statement of Activities

For the Fiscal Years Ended June 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---------------------------------|---------------------|---------------------|
| Program Expenses | | |
| Public Safety - Fire Prevention | | |
| Salaries and Employee Benefits | \$ 4,474,141 | \$ 4,196,231 |
| Services and Supplies | 862,859 | 763,250 |
| Depreciation | <u>295,756</u> | <u>139,038</u> |
| Total Program Expenses | <u>5,632,756</u> | <u>5,098,519</u> |
| Program Revenues | | |
| Charges for Services | | |
| Intergovernmental Revenue | 1,834,454 | 2,003,170 |
| Grant Income | 152,000 | - |
| Donations | 6,705 | 59,456 |
| Rent Revenue | 39,660 | 39,840 |
| Charges for Services | <u>1,645</u> | <u>1,088</u> |
| Total Program Revenues | <u>2,034,464</u> | <u>2,103,554</u> |
| Net Program Revenues (Expenses) | (3,598,292) | (2,994,965) |
| General Revenues | | |
| Property Taxes | 3,623,374 | 3,378,231 |
| Investment earnings | 16,799 | 9,076 |
| Interest Expense | (28,464) | (19,616) |
| Sale of Assets Gain (Loss) | (20,090) | - |
| Miscellaneous income | <u>91,549</u> | <u>32,298</u> |
| Total General Revenues | <u>3,683,168</u> | <u>3,399,989</u> |
| Change in Net Position | 84,876 | 405,024 |
| Net Position, Beginning of Year | <u>5,577,544</u> | <u>5,172,520</u> |
| Net Position, End of Year | <u>\$ 5,662,420</u> | <u>\$ 5,577,544</u> |

The notes to the financial statements are an integral part of this statement.

GOLD RIDGE FIRE PROTECTION DISTRICT

Enterprise Funds, Statement of Cash Flows
For the Years Ended June 30, 2023 and 2022

Agenda Item Number: 5

| | <u>2023</u> | <u>2022</u> |
|--|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from program revenues | \$ 2,170,733 | \$ 1,545,466 |
| Cash paid to vendors and employees | <u>(5,209,606)</u> | <u>(3,809,839)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>(3,038,873)</u> | <u>(2,264,373)</u> |
| CASH FLOWS FROM NON-CAPITAL AND RELATED | | |
| Property Taxes Received | 3,623,374 | 3,378,231 |
| Proceeds from Sale of Assets | 20,000 | - |
| Miscellaneous | <u>91,549</u> | <u>32,298</u> |
| Net Cash Provided (Used) from Non-Capital Activities | <u>3,734,923</u> | <u>3,410,529</u> |
| CASH FLOWS FROM CAPITAL AND RELATED | | |
| FINANCING ACTIVITIES: | | |
| Proceeds from Note | 225,117 | 505,143 |
| Principal Payment on Note | (63,500) | (50,071) |
| Interest Paid | (28,464) | (19,616) |
| Payment for Capital Purchase | <u>(586,107)</u> | <u>(798,320)</u> |
| Net Cash Provided (Used) from Capital and Related Financing Activities | <u>(452,954)</u> | <u>(362,864)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Income | <u>16,799</u> | <u>9,076</u> |
| Net Cash Provided (Used) from Investing Activities | <u>16,799</u> | <u>9,076</u> |
| Net Increase (Decrease) in Cash | 259,895 | 792,368 |
| Cash-Beginning of Year | <u>4,712,846</u> | <u>3,920,478</u> |
| Cash-End of Year | <u>\$ 4,972,741</u> | <u>\$ 4,712,846</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Net Operating Income (Loss) | \$ (3,598,292) | \$ (2,994,965) |
| Depreciation | 295,756 | 139,038 |
| (Increase) Decrease in: | | |
| Accounts Receivables | (104,106) | 163,800 |
| Deferred Outflows of Resources | 240,375 | (721,888) |
| Increase (Decrease) in: | | |
| Accounts Payable and Accrued Expenses | 84,661 | (33,172) |
| Net Pension Liability | (771,992) | 173,974 |
| Deferred Inflows of Resources | <u>814,725</u> | <u>1,008,840</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (3,038,873)</u> | <u>\$ (2,264,373)</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT

Agenda Item Number: 5

Balance Sheet

Governmental Fund

June 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Assets | | |
| Cash and Investments | \$ 4,972,741 | \$ 4,712,846 |
| Accounts Receivable | 104,106 | - |
| | <hr/> | <hr/> |
| Total Assets | <u>\$ 5,076,847</u> | <u>\$ 4,712,846</u> |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts Payable & Accrued Expenses | \$ 140,907 | \$ 84,939 |
| | <hr/> | <hr/> |
| Total Liabilities | <u>140,907</u> | <u>84,939</u> |
| Fund balance: | | |
| Committed | 231,826 | 231,826 |
| Unassigned | 4,704,114 | 4,396,081 |
| | <hr/> | <hr/> |
| Total Fund Balance | <u>4,935,940</u> | <u>4,627,907</u> |
| | <hr/> | <hr/> |
| Total Liabilities and Fund Balance | <u>\$ 5,076,847</u> | <u>\$ 4,712,846</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position
 June 30, 2023 and 2022

Agenda Item Number: 5

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Total Fund Balances - Governmental Funds | \$ 4,935,940 | \$ 4,627,907 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Deferred Outflows of Resources | 1,192,021 | 1,432,396 |
| Capital assets used in governmental activities not financial recourses and, therefore are not reported in the governmental funds | 3,054,467 | 2,804,206 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. | | |
| Loan Payable | (616,688) | (455,071) |
| Compensated Absences | (165,173) | (136,480) |
| Deferred Inflows of Resources | (1,848,964) | (1,034,239) |
| Net Pension liability | (889,183) | (1,661,175) |
| Net Position of Governmental Activities | \$ 5,662,420 | \$ 5,577,544 |

GOLD RIDGE FIRE PROTECTION DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Fund
 For Fiscal Years Ended June 30, 2023 and 2022

Agenda Item Number: 5

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Revenues | | |
| Property Taxes | \$ 3,623,374 | \$ 3,378,231 |
| Investment Earnings | 16,799 | 9,076 |
| Intergovernmental revenue | 1,834,454 | 2,003,170 |
| Grant Income | 152,000 | - |
| Donations | 6,705 | 59,456 |
| Rental Income | 39,660 | 39,840 |
| Charges for Services | 1,645 | 1,088 |
| Miscellaneous Income | 91,549 | 32,298 |
| | <u>5,766,186</u> | <u>5,523,159</u> |
| Expenditures | | |
| Current: | | |
| Salaries and Employee Benefits | 4,162,340 | 3,735,521 |
| Services and Supplies | 862,859 | 763,250 |
| Non-Current | | |
| Capital Expenditures | 586,107 | 798,320 |
| Debt Service: | | |
| Principal Payment | 63,500 | 50,071 |
| Interest Expense | 28,464 | 19,616 |
| | <u>5,703,270</u> | <u>5,366,778</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 62,916 | 156,381 |
| Other Financing Sources (Uses) | | |
| Proceeds from Sale of Assets | 20,000 | - |
| Proceeds from Long-term Note/Lease | 225,117 | 505,143 |
| | <u>245,117</u> | <u>505,143</u> |
| Net Change in Fund Balance | 308,033 | 661,524 |
| Fund Balance, Beginning of Year | 4,627,907 | 3,966,383 |
| Fund Balance, End of Year | <u>\$ 4,935,940</u> | <u>\$ 4,627,907</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT
 Reconciliation of the Statements of Revenues, Expenditures and
 Changes in Fund Balance of the Governmental Fund to the
 Statement of Activities
 For the Fiscal Years Ended June 30, 2023 and 2022

Agenda Item Number: 5

| Amounts reported for governmental activities in the statement of activities are different because: | 2023 | 2022 |
|---|------------------|-------------------|
| Net change in fund - total governmental fund | \$ 308,033 | \$ 661,524 |
| <p>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 and reported as depreciation expense.</p> | | |
| Capital asset addition | 586,107 | 798,320 |
| Current year depreciation | (295,756) | (139,038) |
| Capital asset deletion (sale of assets) | (40,090) | - |
| Proceeds from the note's is a source in the governmental funds, but, the loan increases long-term liabilities in the statement of net position | (225,117) | (505,143) |
| Repayment of the note's principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position | 63,500 | 50,071 |
| <p>Some expense reported in the statements of activities do not require use of current financial resources, and therefore, are not reported as expenditures in governmental funds</p> | | |
| Change in compensated absences | (28,693) | 216 |
| Change in deferred outflows of resources | (240,375) | 721,888 |
| Change in deferred inflows of resources | (814,725) | (1,008,840) |
| Change in net pension liability | 771,992 | (173,974) |
| Change in Net Position of Governmental Activities | \$ 84,876 | \$ 405,024 |

Note 1 Summary of Significant Accounting Policies

Reporting Entity

The District was formed in 1993 when the fire District's of Hessel and Twin Hills merged, serving the communities of Hessel, Twin Hills, and Freestone. They provide all-risk fire protection and emergency medical response across 75 square miles of rural Sebastopol and mutual aid to all surrounding fire districts. The June 29, 1993 resolution approved by the Board of Supervisors of Sonoma County created the reorganization under Resolution No. 93-0888. Under resolution No. 92- 93-05, the Gold Ridge Fire District name was created. The District operates under Health and Safety Code Sections, 13816 through 13822. The District's governmental powers are exercised through the seven-member Board of Directors.

Introduction

The District's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses

Note 1 Summary of Significant Accounting Policies (Continued)

are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts recorded as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statement

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for its governmental funds. An accompanying schedule is presented to reconcile and explain the difference in Net Position as presented in these statements to the Net Position presented in the Government-wide financial statements. The District's General Fund is its only major governmental funds.

The new model as defined in GASB Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Governmental funds are accounted for on a spending, or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets are current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue

Note 1 Summary of Significant Accounting Policies (Continued)

sources, which have been treated as susceptible to accrual by the District, are property taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the difference created by the integrated approach.

The District uses the following fund types:

Governmental Funds

General Fund – The General Fund is the general operating fund of the system. It is used to account for all financial resources except those required to be accounted for in other fund.

1. Assets, Liabilities, and Net Assets or Equity

Cash and Investments – The District reports certain investments at fair value in the balance sheet and recognized the corresponding change in the fair value of investments in the year in which the change occurred.

2. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment's, are reported in the applicable governmental activities' columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Buildings and improvements and equipment of the primary government, is depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 30-50 |
| Equipment and Vehicles | 5 to 20 |

Note 1 Summary of Significant Accounting Policies (Continued)

3. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results differ from those estimates.

4. Net Position

In the government-wide financial statements, net position is classified into two components – invested in capital assets and unrestricted. These classifications are defined as follows:

- Invested in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and net of related debt.
- Unrestricted net position – This component of net position consists of net position that do not meet the definition of “restricted” or “invested” in capital assets, net of related debt.

5. Fund Equity

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54), which has been adopted by the District in fiscal year 2011. This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories lists below:

- Non-spendable: Non-spendable fund balance consists of inventories, prepaid expenses, long-term loans, notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- Restricted: Restricted fund balance consists of amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed: Committed fund balance consists of amounts designated by the Board of Directors for a certain purpose.
- Assigned: Assigned fund balance is classified for specific purpose but cannot be name restricted or committed.

Note 1 Summary of Significant Accounting Policies (Continued)

- Unassigned: Unassigned fund balance is the residual classification for the general fund and all spendable amounts not contained in the other classifications.

Note 2 Cash and Investments

The District reports certain investments at fair value in the balance sheet and recognizes the corresponding change in the fair value of investments in the year which the change occurred.

Cash on Hand and In Banks

Cash and investments on June 30, 2023 and 2022 consist of the following:

| | 2023 | 2022 |
|---------------------------------------|--------------|--------------|
| Cash held with financial institutions | \$ 4,972,382 | \$ 4,712,534 |
| Petty Cash | 359 | 312 |
| Total Cash and Investments | \$ 4,972,741 | \$ 4,712,846 |

Bank accounts are subject to FDIC insurance for amounts up to \$250,000.

Note 3 Property Taxes

The County of Sonoma is responsible for assessing, collecting, and distributing property taxes in accordance with state law. Liens on real property are established on January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in County of Sonoma. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10 and April 10, respectively.

Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

Since the passage of California's Proposition 13, beginning with fiscal year 1978/1979, general property taxes are based either on a flat 1% rate applied to the 1975/1976 full value or on 1% of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year.

Agenda Item Number: 5

GOLD RIDGE FIRE PROTECTION DISTRICT
 Notes to Basic Financial Statements
 June 30, 2023 and 2022

Note 3 Property Taxes (Continued)

On June 29, 1993, the Board of Supervisors adopted the “Teeter” Alternate Method of Property Tax Allocation. This method allocates property taxes based on the total property tax billed. At year-end the County advances cash to each taxing jurisdiction equal to its current year delinquent property taxes. In exchange, the County receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing cash used for the advances.

Note 4 Accounts Receivable

Accounts receivable consists of the following as of June 30:

| | 2023 | 2022 |
|------------------------------|-------------|-------------|
| Accounts Receivable - Grants | \$ 104,106 | \$ - |

Note 5 Capital Assets

Capital assets summary for the year ended June 30, 2023 is as follows:

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 |
|--|---------------------------------|------------------|------------------|----------------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 40,066 | \$ - | \$ - | \$ 40,066 |
| Total capital assets, not being depreciated | 40,066 | - | - | 40,066 |
| Capital assets, being depreciated | | | | |
| Building and Improvements | 1,449,078 | 36,702 | - | 1,485,780 |
| Equipment and vehicles | 3,623,063 | 549,405 | (153,243) | 4,019,225 |
| Total capital assets being depreciated | 5,072,141 | 586,107 | (153,243) | 5,505,005 |
| Less Accumulated Depreciation for: | (2,308,001) | (295,756) | 113,153 | (2,490,604) |
| Total capital assets, being depreciated, net | 2,764,140 | 290,351 | (40,090) | 3,014,401 |
| Total Capital Assets-Net | \$ 2,804,206 | \$ 290,351 | \$ (40,090) | \$ 3,054,467 |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements
June 30, 2023 and 2022

Note 5 Capital Assets (Continued)

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

| | <u>Balance July 1, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2022</u> |
|--|---------------------------------|-------------------|------------------|----------------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 40,066 | \$ - | \$ - | \$ 40,066 |
| Total capital assets, not being depreciated | <u>40,066</u> | <u>-</u> | <u>-</u> | <u>40,066</u> |
| Capital assets, being depreciated | | | | |
| Building and Improvements | 1,412,459 | 36,619 | - | 1,449,078 |
| Equipment and vehicles | 2,861,363 | 761,700 | - | 3,623,063 |
| Total capital assets being depreciated | <u>4,273,822</u> | <u>798,319</u> | <u>-</u> | <u>5,072,141</u> |
| Less Accumulated Depreciation for: | (2,168,963) | (139,038) | - | (2,308,001) |
| Total capital assets, being depreciated, net | <u>2,104,859</u> | <u>659,281</u> | <u>-</u> | <u>2,764,140</u> |
| Total Capital Assets-Net | <u>\$ 2,144,925</u> | <u>\$ 659,281</u> | <u>\$ -</u> | <u>\$ 2,804,206</u> |

Depreciation expense is charged to function/programs of the Gold Ridge Fire Protection District:

| | <u>2023</u> | <u>2022</u> |
|---------------------------------|-------------------|-------------------|
| Governmental activities: | | |
| Public Safety - Fire Protection | <u>\$ 295,756</u> | <u>\$ 139,038</u> |

Note 6 Long-term Liabilities

Long term liability activity for the years ended June 30, was as follows:

| | 2023 | | | | Due Within |
|-----------------------------|------------------------------|-------------------|-------------------|-----------------------|------------------|
| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>One Year</u> |
| Lease payable | \$ 455,072 | \$ 225,116 | \$ 63,500 | \$ 616,688 | \$ 65,599 |
| Net Pension Liability | 1,661,175 | - | 771,992 | 889,183 | - |
| Compensated Absences | 136,480 | 28,693 | - | 165,173 | - |
| Total Long-term Liabilities | <u>\$ 2,252,727</u> | <u>\$ 253,809</u> | <u>\$ 835,492</u> | <u>\$ 1,671,044</u> | <u>\$ 65,599</u> |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements
June 30, 2023 and 2022

Note 6 Long-term Liabilities (Continued)

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|------------------------------------|------------------------------|-------------------|-------------------|-----------------------|------------------------------------|
| Lease payable | \$ - | \$ 505,143 | \$ 50,071 | \$ 455,072 | \$ 44,833 |
| Net Pension Liability | 1,487,201 | 173,974 | - | 1,661,175 | - |
| Compensated Absences | 136,696 | - | 216 | 136,480 | - |
| Total Long-term Liabilities | \$ 1,623,897 | \$ 679,117 | \$ 50,287 | \$ 2,252,727 | \$ 44,833 |

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation 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 resignation and for retirement. As of June 30, 2023, and 2022, the compensated absences payable balance is \$165,173 and \$136,480, respectively.

Lease Payable

The District has a lease payable dated February 2021. The lease is for the amount \$505,143, has an interest rate of 2.979 percent and matures August 2030. As of June 30, 2023, the remaining lease payable balance is \$410,237.

The District has a lease payable dated May 27, 2023. The lease is for the amount \$225,117, has an interest rate of 4.097 percent and matures May 27, 2032. As of June 30, 2023, the remaining lease payable balance is \$206,451.

Below is the lease payable schedule:

| <u>FY</u> | <u>Installment Payment</u> | <u>Principal</u> | <u>Interest</u> |
|--------------|--------------------------------|------------------|-----------------|
| 2024 | \$ 86,278 | \$ 65,599 | \$ 20,679 |
| 2025 | 86,278 | 67,771 | 12,221 |
| 2026 | 86,278 | 25,952 | 10,845 |
| 2027 | 86,278 | 72,337 | 9,429 |
| 2028-2032 | 314,612 | 385,029 | 25,577 |
| Total | \$ 659,724 | \$616,688 | \$78,751 |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements
June 30, 2023 and 2022

Note 7 District Employees Retirement Plan (Defined Benefit Pension Plan)

Defined Benefit Pension Plan

The District provides eligible employee’s pension plans benefits through the Gold Ridge Fire Protection District – Safety Plan and Miscellaneous Plan.

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2021 Annual Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2022 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and assets information within certain defined timeframes. The timeframe for this reporting is:

| | |
|--------------------|-------------------------------|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2022 |
| Measurement Period | July 1, 2021 to June 30, 2022 |

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. The contribution rate and unfunded liability information are as follows:

| | <u>Employer Contribution Rate</u> | <u>Unfunded Contribution</u> | <u>Employee Contribution Rate</u> |
|---------------------|---------------------------------------|----------------------------------|---|
| Safety Plan Tier I | 0.000% | \$92,068 | 0.00% |
| Safety Plan Tier II | 26.200% | \$38,438 | 8.99% |
| PEPRA Safety Plan | 13.660% | \$4,054 | 13.75% |
| Miscellaneous Plan | 16.780% | \$7,259 | 7.81% |
| PEPRA Misc Plan | 7.470% | \$209 | 6.75% |

Note 7 Defined Benefit Pension Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability based on the following actuarial methods of assumptions.

| | |
|----------------------------------|---|
| Actuarial Cost Method | Entry Age Normal in accordance with the requirements of GASB Statement No. 68 |
| Actuarial Assumptions | |
| Discount Rate | 6.90% |
| Inflation | 2.30% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table | Delivered using CalPERS' Membership Data for all Funds |
| Post Retirement Benefit Increase | Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies |

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

Note 7 Defined Benefit Pension Plan (Continued)

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Real Return Years 1 - 10</u> |
|---------------------------------|---------------------------------|---------------------------------|
| Global Equity- cap-weighted | 30.0% | 4.45% |
| Global Equity- non-cap-weighted | 12.00 | 3.84 |
| Private Equity | 13.00 | 7.28 |
| Treasury | 5.00 | 0.27 |
| Mortgage-backed Securities | 5.00 | 0.50 |
| Investment Grade Corporates | 10.00 | 1.56 |
| High Yield | 5.00 | 2.27 |
| Emerging Market Debt | 5.00 | 2.48 |
| Private Debt | 5.00 | 3.57 |
| Real Assets | 15.00 | 3.21 |
| Leverage | -5.00 | -0.59 |

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

| | <u>Plan Total Pension Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Plan Net Pension Liability/(Asset) (c) = (a) - (b)</u> |
|-----------------------------|---|--|---|
| Balance at : 6/30/2021 (MD) | \$ 7,301,192 | \$ 5,640,017 | \$ 1,661,175 |
| Balance at : 6/30/2022 (MD) | \$ 8,669,037 | \$ 7,779,854 | \$ 889,183 |
| Net Changes during 2021-22 | \$ 1,367,845 | \$ 2,139,837 | \$ (771,992) |

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

| | <u>Discount Rate - 1% (5.90%)</u> | <u>Current Discount Rate (6.90%)</u> | <u>Discount Rate + 1% (7.90%)</u> |
|---|-----------------------------------|--------------------------------------|-----------------------------------|
| Plan's Net Pension Liability/(Asset) - 2023 | \$ 2,085,534 | \$ 889,183 | \$ (88,912) |
| Plan's Net Pension Liability/(Asset) - 2022 | \$ 2,642,894 | \$ 1,661,175 | \$ 854,519 |

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements
June 30, 2023 and 2022

Note 7 Defined Benefit Pension Plan - Safety Plan (Continued)

Deferred Outflows and Deferred Inflows

For the fiscal years ended June 30, 2023 and 2022 pension expense recognized is as follows:

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| Total Service Costs | \$ 72,160 | \$ 245,557 |
| Interest on TPL | 239,536 | 859,611 |
| Recognize Changes of Assumptions | 33,237 | (11,400) |
| Changes of Benefit Terms | 134 | 232 |
| Contributions | (205,150) | (98,233) |
| Net Plan to Plan Resource Movement | 87 | (136,869) |
| Projected Earnings on PPI | (205,537) | (636,387) |
| Recognized Difference Between Projected and Actual Plan Earnings | 17,718 | (311,124) |
| Recognized Difference Between Expected & Actual Experience | 36,125 | 171,030 |
| Administrative Expenses | 1,869 | 9,067 |
| Other Miscellaneous Income | - | - |
| | <u> </u> | <u> </u> |
| Total Pension Expense Recognized | <u>\$ (9,821)</u> | <u>\$ 91,484</u> |

As of June 30, 2023, and 2022, Gold Ridge Fire Protection District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

| | <u>FY22-23 Deferred Outflows of Resources</u> | <u>FY22-23 Deferred Inflows of Resources</u> | <u>FY21-22 Deferred Inflows/(Outflows) of Resources</u> |
|---|---|--|---|
| Difference between Expected and Actual Experience | \$ 35,719 | \$ 9,787 | \$ 278,286 |
| Changes of Assumptions | 89,740 | - | - |
| Difference between Projected and Actual Earnings on Pension Plan Investments | 141,696 | - | (1,014,852) |
| Difference between Employer's Contribution and Proportionate Share of Contribution | 69,170 | 58,391 | 110,568 |
| Changes in Employees Proportion Pension Contributions made Subsequent to Measurement Date | 346,426 | 1,780,786 | 578,858 |
| | <u>509,270</u> | <u>-</u> | <u>445,297</u> |
| Total | <u>\$ 1,192,021</u> | <u>\$ 1,848,964</u> | <u>\$ 398,157</u> |

Note 7 Defined Benefit Pension Plan - Safety Plan (Continued)

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

| <u>Measurement Period</u> <u>Ended June 30,</u> | <u>FY22-23 Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u> | <u>FY21-22 Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u> |
|--|---|---|
| 2023 | \$ - | \$ 262,947 |
| 2024 | 156,102 | 192,455 |
| 2025 | (457,078) | 44,004 |
| 2026 | (442,395) | (190,310) |
| 2027 | 86,428 | 89,057 |
| 2028 | - | - |
| Thereafter | - | - |

Note 8 Subsequent Events

Subsequent events are those events or transactions that occur subsequent to the effective date of the financial statements, but prior to the issuance of the financial reports, which may have a material effect on the financial statements or disclosure therein. There are no subsequent events that have occurred through November 16, 2023 that meet the above definition.

GOLD RIDGE FIRE PROTECTION DISTRICT Agenda Item Number: 5
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgets and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| Revenues | | | | |
| Property Taxes | \$ 3,508,464 | \$ 3,380,294 | \$ 3,623,374 | \$ 243,080 |
| Investment earnings | 9,500 | 6,506 | 16,799 | 10,293 |
| Intergovernmental Revenue | 1,328,100 | 1,328,100 | 1,834,454 | 506,354 |
| Grant Income | - | - | 152,000 | 152,000 |
| Donations | 1,000 | 1,000 | 6,705 | 5,705 |
| Miscellaneous/Other Income | 41,400 | 41,400 | 132,854 | 91,454 |
| Total Revenues | <u>4,888,464</u> | <u>4,757,300</u> | <u>5,766,186</u> | <u>1,008,886</u> |
| Expenditures | | | | |
| Current: | | | | |
| Salaries and Employee Benefits | 3,567,000 | 3,552,000 | 4,162,340 | (610,340) |
| Services and Supplies | 791,424 | 746,848 | 862,859 | (116,011) |
| Capital expenditures | 442,000 | 417,000 | 586,107 | (169,107) |
| Debt Service: | | | | |
| Principal | 86,278 | 72,722 | 63,500 | 9,222 |
| Interest | 22,779 | 13,557 | 28,464 | (14,907) |
| Appropriations for contingency | 328,983 | 305,173 | - | 305,173 |
| Total Expenditures | <u>5,238,464</u> | <u>5,107,300</u> | <u>5,703,270</u> | <u>(595,970)</u> |
| Excess (Deficiency of Revenues Over (Under) Expenditures | <u>(350,000)</u> | <u>(350,000)</u> | <u>62,916</u> | <u>412,916</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sale of Assets | | | 20,000 | |
| Proceeds from Long-term Note | | | 225,117 | |
| Total Other Financing Sources (Uses) | | | <u>245,117</u> | |
| Net Change in Fund Balance | | | 308,033 | |
| Fund Balance, Beginning of Year | | | <u>4,627,907</u> | |
| Fund Balance, End of Year | | | <u>\$ 4,935,940</u> | |

GOLD RIDGE FIRE PROTECTION DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance - Agenda Item Number: 5
 Budgets and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property Taxes | \$ 3,229,262 | \$ 3,229,262 | \$ 3,378,231 | \$ 148,969 |
| Investment earnings | 6,506 | 6,506 | 9,076 | 2,570 |
| Intergovernmental Revenue | 1,300,100 | 1,300,100 | 2,003,170 | 703,070 |
| Donations | 1,000 | 1,000 | 59,456 | 58,456 |
| Miscellaneous/Other Income | 41,400 | 41,400 | 73,226 | 31,826 |
| | <u>4,578,268</u> | <u>4,578,268</u> | <u>5,523,159</u> | <u>944,891</u> |
| Expenditures | | | | |
| Current: | | | | |
| Salaries and Employee Benefits | 3,132,754 | 3,132,754 | 3,735,521 | (602,767) |
| Services and Supplies | 693,048 | 693,048 | 763,250 | (70,202) |
| Capital expenditures | 255,000 | 255,000 | 798,320 | (543,320) |
| Debt Service: | | | | |
| Principal | 58,389 | 58,389 | 50,071 | 8,318 |
| Interest | 8,318 | 8,318 | 19,616 | (11,298) |
| Appropriations for contingency | 930,759 | 930,759 | - | 930,759 |
| | <u>5,078,268</u> | <u>5,078,268</u> | <u>5,366,778</u> | <u>(288,510)</u> |
| Excess (Deficiency of Revenues Over (Under) Expenditures | <u>(500,000)</u> | <u>(500,000)</u> | <u>156,381</u> | <u>656,381</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Long-term Note | | | <u>505,143</u> | |
| Total Other Financing Sources (Uses) | | | <u>505,143</u> | |
| Net Change in Fund Balance | | | 661,524 | |
| Fund Balance, Beginning of Year | | | <u>3,966,383</u> | |
| Fund Balance, End of Year | | | <u>\$ 4,627,907</u> | |

GOLD RIDGE FIRE PROTECTION DISTRICT
Schedules of Required Supplementary Information - Safety Plan
 As of June 30,
 Last 10 Years*

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.00395% | 0.00690% | 0.00774% | 0.00758% | 0.00673% | 0.00729% | 0.00562% | 0.00424% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 838,445 | \$ 1,567,087 | \$ 1,403,157 | \$ 1,304,509 | \$ 1,089,312 | \$ 1,105,506 | \$ 774,037 | \$ 594,148 |
| Plan's Covered-Employee Payroll | \$ 1,437,664 | \$ 1,219,827 | \$ 794,478 | \$ 648,049 | \$ 694,338 | \$ 660,460 | \$ 694,251 | \$ 580,002 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 58.3% | 128.5% | 176.6% | 201.3% | 156.9% | 167.4% | 111.5% | 102.4% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 89.8% | 77.2% | 76.8% | 76.6% | 78.3% | 75.4% | 80.2% | 82.5% |

Schedule of Plan Contributions

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|--------------|--------------|--------------|------------|------------|------------|------------|------------|
| Actuarially Determined Contribution | \$ 134,560 | \$ 117,527 | \$ 98,753 | \$ 86,572 | \$ 58,320 | \$ 42,750 | \$ 33,635 | \$ 33,635 |
| Contributions in Relation to the Actuarially Determined Contribution | (134,560) | (117,527) | (98,753) | (86,572) | (58,320) | (42,750) | (33,635) | (33,635) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-Employee Payroll | \$ 1,469,576 | \$ 1,437,664 | \$ 1,219,827 | \$ 794,478 | \$ 648,049 | \$ 694,338 | \$ 660,460 | \$ 694,251 |
| Contributions as a Percentage of Covered-Employee Payroll | 9.16% | 8.17% | 8.10% | 10.90% | 9.00% | 6.16% | 5.09% | 4.84% |

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2021 as they have minimal cost impact.

Change in Assumptions: None

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GOLD RIDGE FIRE PROTECTION DISTRICT
Schedules of Required Supplementary Information
Miscellaneous Plan PEPRAs Miscellaneous

As of June 30,
 Last 10 Years*

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|------------|------------|-----------|-----------|-----------|------------|-----------|-----------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.00030% | 0.00052% | 0.00057% | 0.00048% | 0.00048% | 0.00053% | 0.00039% | 0.00029% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 50,738 | \$ 94,088 | \$ 84,047 | \$ 67,639 | \$ 62,629 | \$ 64,380 | \$ 42,114 | \$ 31,719 |
| Plan's Covered-Employee Payroll | \$ 182,054 | \$ 161,674 | \$ 68,076 | \$ 67,430 | \$ 65,250 | \$ 134,484 | \$ 78,445 | \$ 71,248 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 27.87% | 58.20% | 123.46% | 100.31% | 95.98% | 47.87% | 53.69% | 21.84% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 89.10% | 77.64% | 80.05% | 80.94% | 83.57% | 79.47% | 85.31% | 86.80% |

Schedule of Plan Contributions

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------------|------------|------------|-----------|-----------|-----------|------------|-----------|
| Actuarially Determined Contribution | \$ 7,468 | \$ 6,450 | \$ 6,591 | \$ 5,231 | \$ 3,243 | \$ 2,373 | \$ 1,875 | \$ 1,875 |
| Contributions in Relation to the Actuarially Determined Contribution | (7,468) | (6,450) | (6,591) | (5,231) | (3,243) | (2,373) | (1,875) | (1,875) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-Employee Payroll | \$ 239,454 | \$ 182,054 | \$ 161,674 | \$ 68,076 | \$ 67,430 | \$ 65,250 | \$ 134,484 | \$ 78,445 |
| Contributions as a Percentage of Covered-Employee Payroll | 3.12% | 3.54% | 4.08% | 7.68% | 4.81% | 3.64% | 1.39% | 2.39% |

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2020 as they have minimal cost impact.

Change in Assumptions: None

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GOLD RIDGE FIRE PROTECTION DISTRICT
Notes to Required Supplementary Information
June 30, 2023 and 2022

Budget: The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 of the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Unused appropriations for the budgeted funds lapse at the end of the fiscal year. Budgets are adopted on a modified accrual basis. Expenditures in excess of budgeted amounts are approved individually by the Board.

Change in Benefit Terms: The figure above does not include any liability impact that may have resulted from plan changes which occurred after June 30, 2023 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statements as CalPERS considered such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes in Assumptions: None

Agenda Item Number: 5

GOLD RIDGE FIRE PROTECTION DISTRICT
Roster of Board Members

Directors:

| | | |
|----------------------|------------|---------------|
| Robert Gloeckner | Chairman | December 2026 |
| Domenic Carinalli | Vice Chair | December 2026 |
| Joe Peterson | | December 2024 |
| Christopher Tachouet | | December 2024 |
| David Warburg | | December 2026 |
| Charles Lachman | | December 2024 |
| Steve Petrucci | | December 2026 |

Clerk of the Board:

| | | |
|------------------|--|------------|
| Leslie McCormick | | Continuous |
|------------------|--|------------|

Regular Meetings:

The regular meeting of the Board of Directors is held at 7:00 P.M. on the first Wednesday of each month. The schedule of location can be found on the District website.

County of Sonoma Fire Agencies

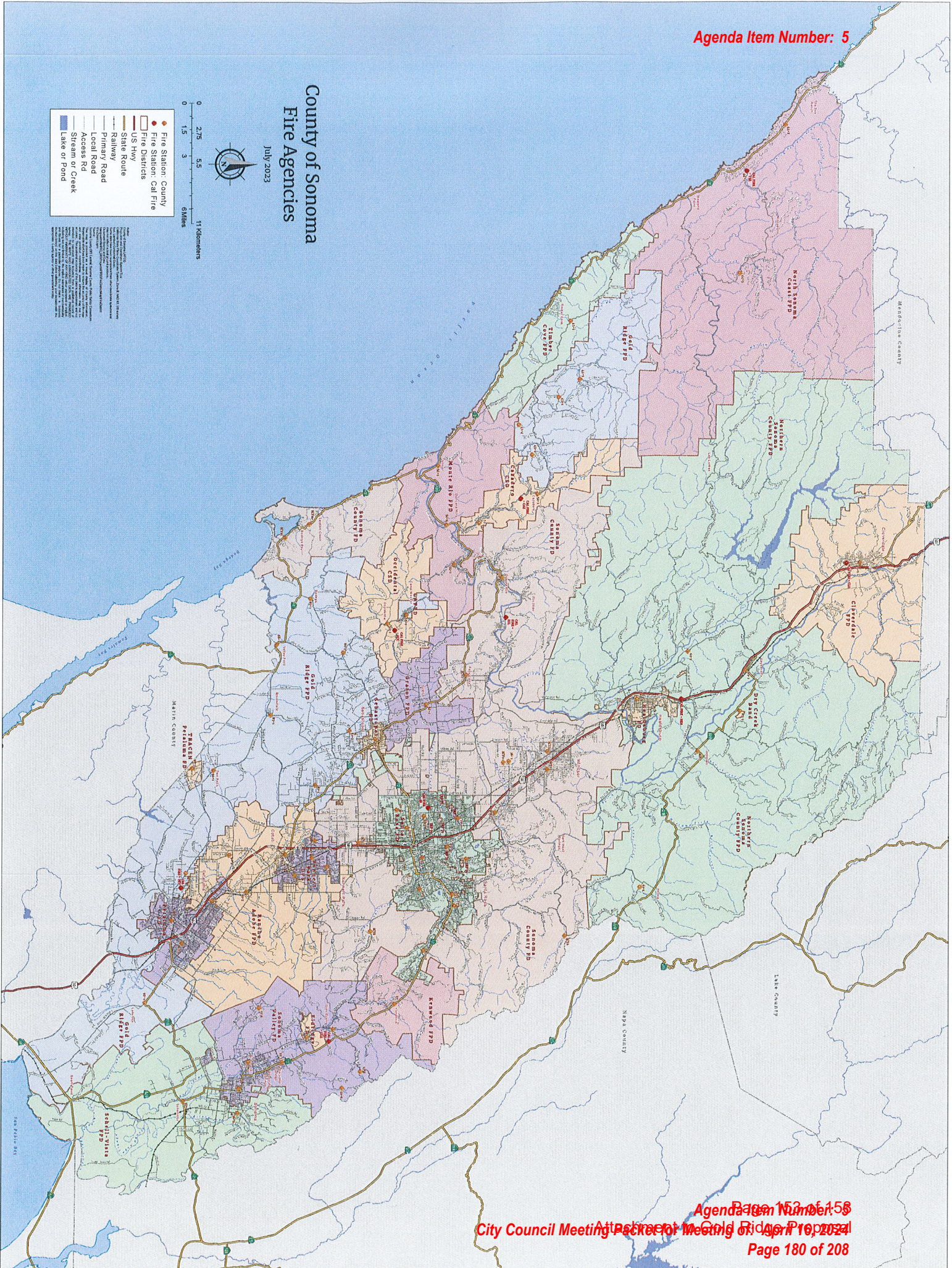
July 2023



0 2.75 5.5 11 Kilometers
0 1.5 3 6 Miles

- Fire Station: County
- Fire Station: Cal Fire
- US Hwy
- State Route
- Railway
- Primary Road
- Local Road
- Access Rd
- Stream or Creek
- Lake or Pond

Map of Sonoma County Fire Agencies, July 2023. This map is a general representation of fire agency jurisdictions and is not intended to be used for legal purposes. It is based on information provided by fire agencies and is subject to change without notice. The County of Sonoma is not responsible for any errors or omissions on this map. For more information, please contact the County of Sonoma Planning and Community Development Department at (707) 438-2200.





Partnership Opportunities Proposal

February 26, 2024



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Introduction

Thank you for asking Graton Fire to provide this proposal for merging with Sebastopol Fire. Our firefighters have always felt a strong connection with Sebastopol firefighters due to our proximity. The south end of our fire district is closer to your station, and a closer working relationship would result in better service to our residents.

History

Graton Fire was formed by sailors returning from World War II. They recognized the lack of organized fire suppression efforts and took it upon themselves to meet this need. Seventy-five years later, we are a strong and thriving fire department. Our firefighters serve roughly 8,800 residents from Western Santa Rosa to Occidental, from incorporated Sebastopol to Forestville.

After completing the fire station in 2011, we had the facilities to offer sleeper shifts to our volunteers. Shortly after that, we added day shifts. There are two day and two night shifts available daily.

Until 2019, our department was 100% volunteer, from the fire chief to the trainees. Based on a 100% increase in calls for service in 20 years, the Board decided to ask the community if they would like to pay for career staff or continue to receive longer response times and varying levels of firefighter certifications. The voters spoke clearly; they passed the parcel tax at 78%. In 2020, the department hired three firefighters and three engineers as our founding career staff. Every person hired was a current or prior volunteer with Graton. Many accomplishments were achieved quite quickly:

- 80% faster response times: average enroute times: 5:30 (2019) – 1:23 (2022).
- Improved fire insurance ratings for homeowners.
- Four grants (including Sebastopol Fire for SCBAs & extrication tools).
- Over 100 defensible space checks were completed.
- All commercial building preplans were completed.
- Seven training classes were completed in-house (Driver/Operator 1A and 1B, Rescue Systems I, Rope Rescue, Confined Space, Heavy Equipment, Incident Command) and available to outside agencies, which covered the cost of our FFs attending.

During the same time, the career firefighters and engineers were improving personally. At 18 months, they had completed the necessary training to be promoted. We held interviews and promoted all staff to engineer and captain, respectively. We continue to offer two day and night shifts for our volunteer firefighters, who work in complete unison with our career staff.

Similar to Sebastopol, we are blessed with a fantastic group of volunteers. Currently, there are 23 volunteer firefighters. These resources enabled us to staff six engines and pickup trucks with 18 volunteer and career firefighters during the recent February 4 storm night. Eleven trainees are halfway through their academy. Our volunteers are a blend of career and community-oriented firefighters.

80% faster response times [with 24/7 career staff]

23 volunteer firefighters [and] 11 trainees are halfway [done]

Why is Graton Interested?

- Our Board of Directors is concerned that someday we will be forced to consolidate with a partner we do not choose.
- Our fire departments are similar, including moving to combination departments in the same year.
- We hope to expand our staffing pool to cover when career staff are ill or injured.
- ISO deducts points because we do not have a ladder truck in our district. We can get full credit on our next ISO inspection (without moving the truck from the Sebastopol station).

Merger Strengths

- Using existing parcel tax rates would generate enough new revenue to cover six career positions. Staffing will reduce response times by four minutes based on our experience.
- With Measure H sales tax funding, three more career positions could be supported.
- There will no longer be annual competition between the City of Sebastopol departments for the fire budget percentage.
- Be governed by a Board knowledgeable on fire service needs.

Graton Merger Strengths

- We have no interest in losing our identity as Graton Fire and are committed to the same for Sebastopol Fire.
- As this possible consolidation is the first in our district's history, we are open to collaborating on all topics. We have no preconceived or required model.
- We are interested in hiring the existing administrative assistant if she is interested.
- Our department is fiscally strong, with \$2.9M in cash reserves, and we have never had a negative annual budget or deficit at year's end.
- Our Board is willing to add two positions dedicated to Sebastopol City residents.

Culture

This undertaking is probably the most significant change ever considered in Sebastopol Fire's 120-year history. When contemplating something of this scale, it is essential to understand the culture of the new partner.

Identity

Our Board is not interested in changing the name of our department or yours. They are definitive on that point. Doing so would definitely impact your ability to recruit and retain volunteers and ours. We do not propose changing the name on the station, engines, patches, etc. Fire engines will remain with their respective departments; they were built for different service areas, and there is no rational reason to change anything.

Foundation

The Sebastopol Firefighters Foundation is a separate legal entity, similar to the Graton Firefighters Association. We have no say or control over what the Foundation chooses to do. We assume both organizations would continue as they have – scheduling fundraisers, supporting sports teams, etc.

Not interested in changing the name of our department or yours.

Staffing Priority

We intend to operate the two fire stations as independent entities, whether we collaborate under a shared services agreement or a merger. Each station will be responsible for scheduling shifts with its career and volunteer staff – essentially, the “right of first refusal.” Once station personnel have filled the schedule, there may be an opportunity to share openings with the neighboring station. Our current approach to scheduling is shown in the table to the right. After the 25th of the month, that may be the correct place to allow volunteers from either station to sign up on either schedule. This same approach would be carried over for upstaffing and strike team assignments.

| Graton Scheduling | |
|-------------------|---|
| Day | Deadline |
| 15 th | Submit availability |
| 20 th | Draft schedule is posted; anyone can pick any opening |
| 25 th | Final schedule is posted |

Taxation without Representation

Next to not losing our identity, our Board is adamant that broad public support exists for any proposed merger. The directors do not want to explain what happened to a group of upset residents when the parcel tax appears on their tax bills. Ideally, this would happen through a vote; however, that is expensive and requires timing with election cycles, which may not be realistic. At a minimum, there need to be multiple town hall sessions for firefighters, residents, and businesses to learn why this is being proposed, how it benefits them, and voice their concerns. We used direct mailing before our parcel tax to guarantee every taxpayer was aware, share town hall dates, and gather feedback. For larger businesses impacted the most, one-on-one meetings were held. We would recommend both strategies should a merger be considered.

...our Board is adamant that broad public support exists

Standard Operating Policies and Guidelines (SOP/SOGs)

Every fire department has “its way” of doing things. We recommend establishing a career and volunteer firefighters committee to review our respective SOP/SOGs and identify if one policy or guideline is sufficient. There may be situations where both need to remain, possibly due to our service areas’ urban vs. suburban/rural compositions.

Vision

Our vision is to ensure the highest level of response to our community cost-effectively. We are considering on-site apartments for Graton to decrease volunteers’ time to reach the station. They are rented at/near cost or in return for covering shifts. This program has proven very effective for Schell-Vista and St. Helena Fire. We are also looking to increase our training opportunities on-site through additional props and structures. These were identified through our long-term strategic planning sessions with our firefighters.

Sebastopol Fire likely has different needs looking forward. One known example is a new or renovated fire station to support a combination fire department. Our commitment is to hold similar strategic planning sessions to understand and prioritize the future needs of the City of Sebastopol’s residents.

Operations

Current

Graton Fire currently has six career staff – three captains and three engineers. There are two day and two night shifts available for volunteers daily. When Measure H passes, we will add three career firefighter positions. The volunteer stipend shifts will continue as they do now. The sales tax measure will allow all salaries to match those of the Sonoma County Fire District.

Proposed

See Proposed Staffing Model Section.

Administration

Current

The fire chief is a stipend position who has been with Graton for 25 years – the last eight years as chief. He has a total of 38 years of fire and EMS experience. He holds a Bachelor’s Degree in Management and a Master’s in Business Administration (MBA). His dedication to Graton’s administration is exemplified by his completion of the Executive Fire Officer (EFO) 4-year program from the National Fire Academy in Maryland and his achievement of Chief Fire Officer (CFO) designation by the Center for Public Safety Excellence. A contract administrative assistant supports our department. She currently works 10-20 hours/week.

Proposed

Our recommended staffing for administrative duties would include a full-time Sebastopol Battalion Chief. This position would be the “Station Chief” for all Sebastopol’s daily needs. We would create a comparable position and responsibilities with a full-time Graton Battalion Chief. We like the current Sebastopol Duty Officer program and would like it to continue. We propose to share the role between Sebastopol and Graton captains and chief officers. The Station Chiefs would cover set days of the week, with the Duty Officer covering a similar weekend shift to today’s model. This model would guarantee Battalion Chief/Duty Officer coverage for both of our departments 24/7/365 – something that does not exist today. After 12 months, the officers of both departments would evaluate the effectiveness of the Duty Officer approach and determine any improvements.

We would like to extend an offer to the current administrative assistant to become full-time, serving the needs of Sebastopol and Graton Fire. This position would include our complete benefits package, CalPERS retirement, etc.

It should be noted that the proposed administrative services could be provided using a shared services arrangement and do not require consolidation.

Utilize Sebastopol and Graton Battalion Chiefs as Station Chiefs with weekend Duty Officers

Offer the current admin. assistant a full-time position

Fire Prevention

Current

Our engine captains are responsible for commercial building inspections and updating preplans annually. We contract with the County of Sonoma for hazardous materials inspections (CUPA). Our plan checks and building inspections are contracted with Permit Sonoma at no cost to the fire department.

Proposed

We interviewed the stipend fire chief for Cloverdale Fire. He indicated that the inspection and prevention needs are manageable within his part-time role. To provide a higher level of customer service, we recommend that the Sebastopol Station Chief be responsible for the fire prevention aspects needed within the City of Sebastopol. The Station Chief would be supported by the engine captains as needed. The captains would complete the commercial building inspections and preplans to ensure a working knowledge of the properties. Similar to administrative services, this could be accomplished through a shared services agreement.

Sebastopol Station Chief be responsible for the fire prevention aspects

Revenue

Current

Our Board of Directors provides excellent stewardship of the district's finances. As provided in the enclosed financials, our revenue ranges from \$2.3M to \$2.8M, depending on grants received and strike team deployments. Over the last five years, we have averaged \$500,000 to invest into our capital investment account. To my knowledge, we have never spent more than we collect annually. Our only long-term debt is the fire station, and we recently paid down \$1.1M of principal due to the excellent financial situation. When we buy engines, we use our capital account to purchase outright; this usually is at a vendor discount and with no interest expenses. Measure H will generate roughly \$600,000 towards three career firefighter positions, pay parity, and volunteer recruitment and retention.

\$2.9M in capital account, adding \$500,000 annually

Proposed with Measure H

When Measure H passes, Sebastopol will have the financial support for three career captains, three career engineers, and a daily stipend firefighter. There is existing funding for a Station Chief as the Sebastopol Fire Chief remains vacant. Station improvements will be a significant focus of the Measure H funding.

Proposal with Measure H and Parcel Tax

The Graton parcel tax will be applied to the Sebastopol parcels by merging the two fire departments. Based on the table below, the overlaid parcel tax is anticipated to generate \$1.06M.

| Graton Tax Model | | | | | | |
|--------------------|----------------|-----------------------|-----------------------|----------------------------------|------------------------------------|---------------------------|
| Use Code Type | Use Code Count | Tax Rate Per Use Code | Tax revenue Generated | Building Size Primary @.14/sq Ft | Building size Secondary @.14/sq Ft | Total Revenue by Use Code |
| Agricultural Total | 2 | \$ 250 | \$ 500 | | | \$ 500 |
| Commercial Total | 329 | \$ 350 | \$ 115,150 | \$ 244,868 | \$ 27,288 | \$ 387,306 |
| Multi-Family Total | 114 | \$ 750 | \$ 85,500 | | | \$ 85,500 |
| Residential Total | 2,350 | \$ 250 | \$ 587,500 | | | \$ 587,500 |
| Total | | | \$ 788,650 | \$ 244,868 | \$ 27,288 | \$ 1,060,806 |

note: *the multi-family is estimated at \$750 (our measure is \$250 + \$100/additional unit)

The additional revenue will provide sufficient funding for three career firefighter positions. In addition, two day and two night shifts for volunteer firefighters will be available.

Added Service Level

Proposed with Measure H

Regardless of any merger, we can support the Station Chief, career and volunteer staff, and the administrative assistant. This approach would include leadership, hiring, budgeting, capital projects, strategic planning, etc. With our respective Measure H funding, we can secure 24/7/365 Battalion Chief/Duty Officer coverage that does not exist today.

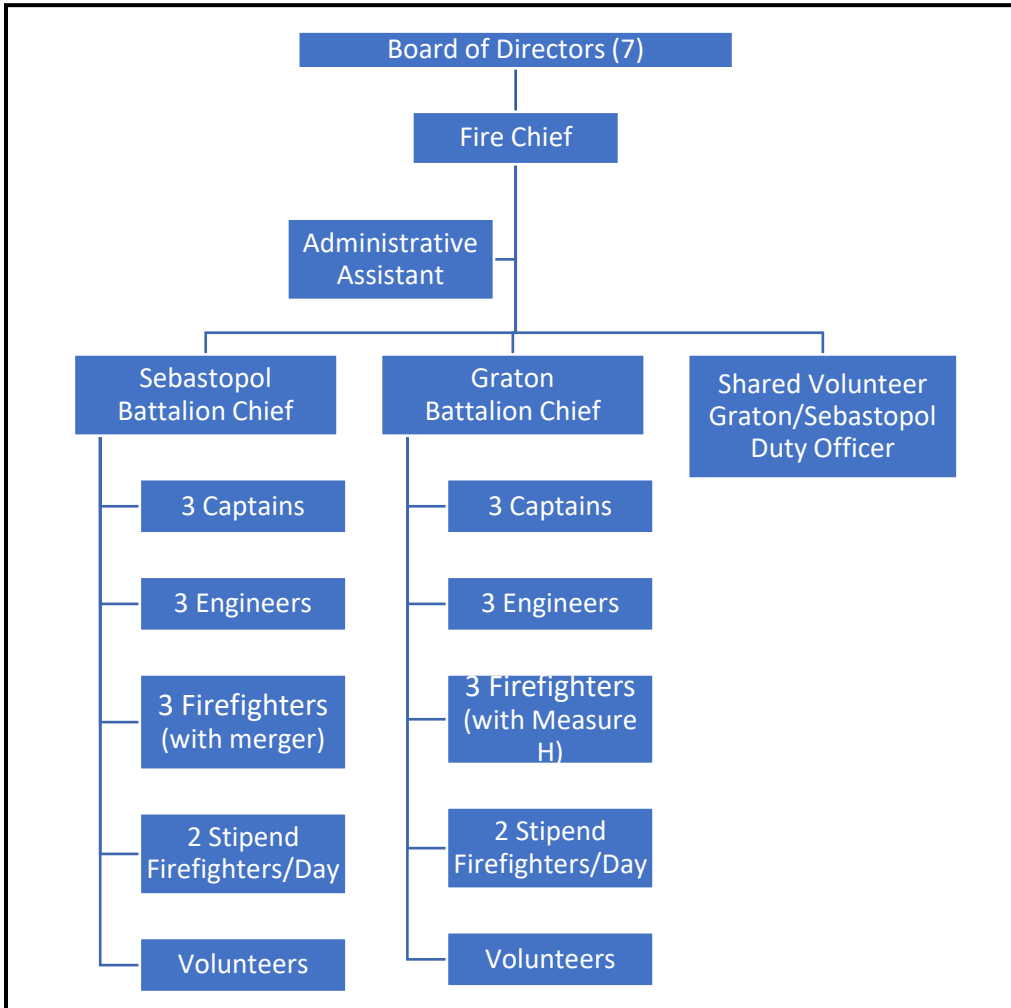
Proposed with Measure H and Parcel Tax

Adding the parcel tax funding offers a higher level of service. It provides funding for three career firefighters and a second stipend firefighter each day. The administrative assistant position becomes full-time for just the fire service needs. There are efficiencies in consolidating insurance costs, legal fees, human resources, elections, etc.

... the overlaid parcel tax is anticipated to generate \$1.06M

Proposed Organizational Chart

The chart below assumes that Measure H passes and Graton and Sebastopol choose to merge. If the decision were to remain independent and share services, the three career firefighters, second stipend firefighter, and full-time administrative assistant would be eliminated.



Proposed Staffing Model

Our approach to staffing is to have each station run independently. The career staff would have the right of first refusal for open shifts. Once exhausted, the station could contact the other station to fill the opening. Similarly, volunteer firefighters would bid shifts at their respective stations each month. Once completed, any remaining shifts would be open to volunteers from either station. A similar approach would be recommended for strike teams, and upstaffing assignments are managed by each station and only combined when necessary to build a complete crew (which we have done in the past).

With Measure H or Merger

When Measure H passes, Sebastopol will have the financial support for three career captains, three career engineers, and a daily stipend firefighter. There is existing funding for a Station Chief as the

*1 bat. chief,
3 captains,
3 engineers,
1 stipend
firefighter
using
Measure H
or a merger*

Sebastopol Fire Chief remains vacant. Station improvements will be a substantial focus of the Measure H funding.

With Measure H and Merger

Adding the parcel tax funding to Measure H offers a higher level of service. It provides funding for three career firefighters and a second stipend firefighter each day. The administrative assistant position becomes full-time for just the fire service needs. There are efficiencies in consolidating insurance costs, legal fees, human resources, elections, etc.

*1 bat. chief,
3 captains,
3 engineers,
2 stipend
firefighters,
full-time
admin.
assistant
using
Measure H
and a
merger*

Fleet Management

Our approach is to manage the two fleets separately. The current engines are designed to serve each other’s districts; there is nothing logical or any interest in moving engines around. Our fleet replacement strategy varies based on use, reliability, and engine type. Typically, primary engines are in service for 15-20 years. They can move into reserve status for another 5-10 years. We budget \$175,000 a year to maintain the age of our fleet. We will work with the City to determine immediate needs and estimate the fleet replacement budget necessary to ensure reliable service to the community.

*...there is
nothing
logical or
any interest
in moving
engines*

Facilities

We designed and built a fire station in 2011. This experience gives us insight into what a facility needs to support a combination fire department. We designed a cost-effective station that did not require asking the taxpayers for a tax or bond measure. A mortgage was secured with annual payments that we could afford out of our operating expenses.

Measure H will fund some (maybe all) of the necessary renovations for the Sebastopol Fire Station (or a new station). We commit to supporting the process in whatever way is required. Outside of the renovations, we commit to covering the maintenance and station costs under \$15,000.

Governance

Current

The Graton Fire Board has five directors who serve four-year terms. The terms are staggered so that no more than three directors change each election cycle.

Proposed

Our subcommittee is willing to add two director positions that would be dedicated to the residents of Sebastopol.

*... willing to
add two
director
positions
[for]
Sebastopol*

Supplemental Questions

1. *What assumptions does your proposal reflect regarding General Fund contributions from Sebastopol (both with and without passage of Measure H), noting that the Measure H Maintenance of Effort requirement may not apply when consolidation occurs.*

We assume the City of Sebastopol will continue to fund close to its current service level. The service impact of Measure H and our parcel tax funding is detailed in the table below. A breakdown of revenue and expenses is provided in Question #2e.

| Services Available per Revenue Stream | |
|---------------------------------------|---|
| Revenue Stream | Service Level |
| Current City Budget | Operational costs, 1 chief officer, 1 engineer, volunteer stipends |
| Measure H | Adds five career staff, funding for station renovation/build |
| Parcel Tax | Adds five career staff, full-time administrative assistant |
| Measure H + Parcel Tax | Adds eight career staff, full-time administrative assistant, funding for station renovation/build |

2. *What assumptions does your proposal reflect regarding:*
 - a. *How the on-going costs related to salaries, wages, stipends, and benefits (reflected in the information already requested) would be paid.*

We assume the City will continue similar funding to support the same level of operations as today. Additional salaries and station improvements would be covered through a combination of Measure H and parcel tax revenue commensurate with the appropriate service level to meet the needs of the City residents.

- *Please provide your schedule for stipends and all forms of compensation provided to volunteers (or use another term).*

Stipend Pay and Reimbursement

Our two stipend programs have evolved entirely separately. Sebastopol Fire currently pays more per stipend shift. We want to develop a hybrid solution with the input of Graton and Sebastopol volunteer firefighters that is mutually acceptable.

| Stipend Schedule | | | | |
|------------------|---|-------|---------------|-------|
| Shift | Length | Pay | Reimbursement | Total |
| Day | | | | |
| Sebastopol | 8 hours | \$200 | \$0 | \$200 |
| Graton Current | 12 hours (for volunteers within 5 minutes of the station, 6-8a & 5-6p can be on-call (i.e., 9 hours on-duty)) | \$125 | \$25 | \$150 |
| Graton Proposed | | \$160 | \$40 | \$200 |
| Night | | | | |
| Sebastopol | N/A | N/A | N/A | N/A |
| Graton | 12 hours (okay to miss up to 2 hours due to work) | \$0 | \$35 | \$35 |

Call/Drill Reimbursement

Below are the current schedules for each of our department’s reimbursement programs. The difference in our approaches is minimal – only \$15,554 based on 2023 data. We have the available funding to match the current Sebastopol call and drill reimbursement model. We intend to create a single call/drill reimbursement plan across both departments. Please see the table below.

| Reimbursement Models | | | |
|--|----------|------------|-----------------|
| Type | Graton | Sebastopol | Difference |
| Calls | \$7 - 11 | \$15 | \$13,296 |
| Drills | \$8 - 32 | \$15 - 20 | \$1,008 |
| Duty Weekend | \$375 | \$500 | \$1,250 |
| Total Stipend Schedule Difference | | | \$15,554 |

We have the available funding to match the current Sebastopol call and drill reimbursement model.

- Please provide your salary schedule, or range, for all career positions.

| Salaries | | |
|-----------------|------------------------|-------------------------|
| Position | Graton 2024 | Graton 2025* |
| Firefighter/EMT | \$ 65,760 - \$ 75,422 | \$ 91,873 - \$ 97,395 |
| Engineer | \$ 79,211 - \$ 87,331 | \$ 99,880 - \$ 112,774 |
| Captain | \$ 91,697 - \$ 101,096 | \$ 120,464 - \$ 134,426 |

Note: *Based on Measure H passing

- b. How other operating costs currently paid by Sebastopol would be paid

We would request the City of Sebastopol continue to support the operating costs it does today. There may be opportunities to combine expenses for mutual savings. We would assume all maintenance costs of the fire station up to \$15,000.

- c. How the costs of a new or replacement Sebastopol fire station would be addressed.

Measure H provides funding towards a new or renovated Sebastopol Fire station. This money may be sufficient to meet the need. As a city building, it would be the City’s responsibility to fund the difference between Measure H funding and the station needs. Our history building a new station shows that we are diligent and cost-efficient with station design. We built the station for \$243 per square foot, holding change costs under three percent.

- d. How the costs of apparatus replacement – particularly those currently owned or planned for replacement by Sebastopol - would be addressed.

Apparatus replacement is a recommended budget item to allow for a stable budget. The table below estimates the annual budget needed to support fleet replacement at the Sebastopol station. It is just under \$300,000 annually.

| Sebastopol Fire Fleet Replacement Program | | | | | |
|---|---------|-----|----------|------------------|---------------------------|
| Unit | Type | Age | Lifespan | Replacement Cost | Annual Budget Requirement |
| 8300 | SUV | 6 | 10 | \$50,000 | \$5,000 |
| 8340 | Pickup | 16 | 20 | \$75,000 | \$3,750 |
| 8343 | Boat | 11 | 20 | \$15,000 | \$ 750 |
| 8350 | Truck | 16 | 20 | \$2,000,000 | \$ 100,000 |
| 8355 | Squad | 4 | 15 | \$400,000 | \$ 26,667 |
| 8361 | Type 3 | - | 20 | \$900,000 | \$ 45,000 |
| 8380 | Type 1 | 13 | 20 | \$1,100,000 | \$ 55,000 |
| 8381 | Type 1 | 35 | 25 | \$1,300,000 | \$ 52,000 |
| B83 | Pickup | 9 | 10 | \$75,000 | \$7,500 |
| Tech Rsq | Trailer | 16 | 25 | \$30,000 | \$1,200 |
| Annual Replacement Budget | | | | | \$296,867 |

- e. The amount of Sebastopol General Fund support to be provided.

| City General Fund Need | | | |
|---|---|---------------------|---------------------|
| Item | Expense Description | Expenses | Revenue |
| Fire Operating Expenses | Budget FY23/24 | \$ 554,926 | |
| Staffing Plan (assumes Measure H passes and parcel tax overlay) | Ten career staff (1 BC, 3 Cpt, 3 Eng, 3 FF), 2 stipend shifts/day, weekend duty officer, half-time administrative assistant, volunteer reimbursements | \$ 2,179,075 | |
| Fleet Replacement | Annual budgeted amount to ensure fleet is maintained and reliable | \$ 296,867 | |
| Station Build/Renovations | Renovate or build a new station to support the combination fire dept. | \$ 400,000 | |
| Measure H | | | \$ 1,125,000 |
| Parcel Tax | | | \$ 1,060,806 |
| Totals | | \$ 3,430,868 | \$ 2,185,806 |
| City General Fund Need | | \$1,245,062 | |

Sebastopol General Fund support need is \$1,245,063 compared to \$1,553,902 in FY24 adopted budget

3. Please provide a list of your vehicle inventory, the age of each vehicle, and your replacement plans and/or policy.

| Graton Vehicle Inventory | | | |
|--------------------------|--------------|-----|----------------------------|
| Engine # | Type | Age | Notes |
| 8435 | Rescue Squad | 8 | |
| 8460 | Type 3 | 14 | In design stage |
| 8463 | Type 3 | 4 | |
| 8481 | Type I | 37 | Being replaced in 2 months |
| 8482 | Type I | 20 | Moving to reserve status |
| 8496 | Water Tender | 4 | |

We have a replacement plan based on the age, reliability, and engine type. Typically, primary engine service life does not exceed 15-20 years, when they would move into reserve status for 5-10 years. We budget \$175,000 annually for engine replacement. When buying an engine, we use a capital account to pay cash for engines, save interest payments, and typically get a prepay cash discount.

4. Please describe what role you envision for Sebastopol's current volunteer firefighters.

Our philosophy is a primarily volunteer fire department augmented by career firefighters. Similar to our transition in 2020, we would focus on incorporating the current volunteer firefighters into the process. This assessment would start with surveying the current volunteers about what is essential and what would encourage their retention. For Graton, that meant continued opportunities to run calls and high-caliber training opportunities. When our parcel tax passed, we held multiple round-table meetings to discuss how to implement it and what volunteers wanted to see during the transition. Every fire department is unique, and engaging Sebastopol volunteers in defining the future vision is crucial to their station's retention and future recruitment.

...primarily a volunteer fire department augmented by career firefighters

5. Please describe what you do to support your volunteers.

The volunteers have been and continue to be our department's core for the last 75 years. They allow us to surge our capacity during a fire, major car crash, or disaster. During the Tubbs, Kincade, and Walbridge Fires, our firefighters staffed five engines, two of which deployed on strike teams. The February 4 storms created 35 calls in six hours. The 14 volunteers and 4 career firefighters made it possible to handle the surge in call volume.

Some of the ways that we try to support our volunteers include:

- Annual service awards and recognition service pins every five years
- Strike team and upstaffing opportunities
- In-house certification classes
- External instructors to provide the highest level of training
- A well-equipped gym
- Use of the washer/dryer facilities
- Ability to gain experience working shifts alongside the career staff
- Access to ice machine, tool room, internet, printers, computers, etc.
- Reimbursement for fire classes and books each semester
- Support Firefighter I and II certifications

- Support overhead development (e.g., firing boss, heavy equipment boss)
- Volunteer and career staff can hold comparable ranks

6. *Please describe your history and philosophy regarding the level of parcel taxes you charge.*
 Since passing our parcel tax in 2019, our Board has not increased the tax. Through grants, strike teams, and upstaffing, we have been able to meet our financial needs. In the last five years, this includes \$400,000 in SCBAs and \$100,000 in extrication tools (we included Sebastopol and Monte Rio, who received similar amounts). A SAFER grant supported the new career staff with over \$400,000 in cost recovery. Strike teams and upstaffing assignments generated over \$1M in five years. Our philosophy is not to apply tax increases when unnecessary and to continue finding other income sources to support our community's needs.

...our Board has not increased the tax.

7. *Should Sebastopol decide to pursue consolidation with your district, what steps would you propose taking to support a smooth transition?*
 We recommend hiring from within the current volunteers or prioritizing internal candidates. This approach helped Graton streamline the transition as the career staff were known by the volunteers and already knew the service area.

We recommend hiring from within the current volunteers...

8. *Should Sebastopol decide to pursue consolidation with your district, how do you envision handling/dividing responsibilities for emergency management?*
 We would provide incident command for any emergency event within the City limits, similar to what we do today in Graton. That could be a flood, major fire, or other disaster. The Sebastopol career firefighters would support community education and messaging related to disaster preparedness. The Sebastopol Station Chief would coordinate the fire department's role with the City's designated emergency manager.

Next Steps

Shared Services

When Measure H passes, Sebastopol Fire will be able to hire five additional career staff to attain two career staff and one stipend firefighter every day. We can support the hiring process and explore Battalion Chief/Duty Officer 24/7 coverage for our combined service area. Our fire chief can offer leadership to Sebastopol Fire if that is desirable.

The Sebastopol ad hoc committee identified a possible solution to expedite the City's fire service improvements. The concept would include passing a City parcel tax now that matches our tax rate. If Sebastopol merges, the City's tax would end as the fire district's parcel tax begins.

Merger

We can consider merging our two fire departments to provide greater services to the community. This merger would allow Sebastopol Fire to receive parcel tax funding. It would add three career firefighters and a second stipend firefighter. The stipend firefighter positions could expand from eight to 24 hours each day. For this option to succeed, we would need to educate and gather approval collectively from all stakeholders— 1) firefighters, 2) taxpayers, and 3) business owners.

LAFCO would require a municipal service review. We understand the soonest any merger could happen would be July 2025 or longer, depending on LAFCO's current workload. Combining the fire departments could change the ISO fire protection rating. This concern would need to be investigated to ensure no negative impact. Finally, we would need to collaborate on the governance model, financial options, and develop a clear delineation of City vs. District responsibilities.

Summary

Regardless of the City's decision, we will continue coordinating services and identifying synergies between our two fire departments. Sebastopol Fire is our top mutual aid provider, and we must work together to ensure the highest levels of service to our communities. We look forward to further discussions and thank you for the opportunity to build upon our existing relationship.

...work together to ensure the highest levels of service to our communities

Graton Fire Budget, FY23/24

Graton Fire Protection District
Budget 2023/24

| REVENUE DESCRIPTION | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | % of Rev |
|---------------------|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|
| | | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | BUDGET | |
| 1000 | Prop Taxes - CY Secured | 800,233 | 828,847 | 879,834 | 925,401 | 978,715 | 1,021,779 | 47% |
| | <i>Growth</i> | 9.4% | 3.6% | 6.2% | 5.2% | 5.8% | 4.4% | |
| 1001 | Parcel Taxes - CY Direct Charges | | | 858,352 | 863,140 | 860,211 | 860,000 | 40% |
| 1011 | Prop Taxes - Admin Fee | (9,582) | (9,817) | (9,468) | (11,811) | (10,563) | (12,000) | -1% |
| 1012 | Prop Tax - CY Homeowner Relf | | 2,469 | 1,745 | 0 | 0 | 2,000 | 0% |
| 1014 | Prop Taxes - CY Backfill | | 370 | | 1,092 | 0 | 0 | 0% |
| 1020 | Prop Taxes - CY Supp | 17,659 | 15,497 | 12,795 | 23,792 | 25,818 | 20,000 | 1% |
| 1040 | Prop Taxes - CY Unsecured | 23,113 | 26,069 | 26,509 | 28,296 | 29,579 | 28,000 | 1% |
| 1042 | Cost Reim - CY Coll Del Uns | (362) | | | | 0 | 0 | 0% |
| 1050 | Parcel Taxes - PY Direct Charges | | | | 5,858 | 8,200 | 8,000 | 0% |
| 1060 | Prop Taxes - PY Secured | (136) | (13) | (27) | (68) | (58) | (100) | 0% |
| 1080 | Prop Taxes - PY Supp | (63) | (16) | (11) | (29) | (39) | (100) | 0% |
| 1100 | Prop Taxes - PY Unsecured | 429 | 419 | 451 | 592 | 640 | 500 | 0% |
| 1120 | State-Other in Lieu | | | 19 | 19 | 19 | 100 | 0% |
| 1122 | Prop Tax-State Homeowner Relf | | | 3,240 | 2,483 | 705 | 3,000 | 0% |
| | Taxes | 831,292 | 863,825 | 1,773,439 | 1,838,766 | 1,893,229 | 1,931,179 | 89% |
| | <i>Growth</i> | 9% | 4% | 105% | 4% | 3% | 5% | |
| 1700 | Interest on Pooled Cash | 144 | 211 | 158 | 163 | 668 | 150 | 0% |
| 1701 | Interest Earned | 1,703 | 1,557 | 393 | 353 | 1,275 | 400 | 0% |
| | Interest | 1,847 | 1,769 | 551 | 516 | 1,943 | 550 | 0% |
| 2400 | FED - Disaster Relief (FMAG) | | 44,046 | 145,189 | 179,885 | 3,996 | 0 | 0% |
| 2440 | ST - HOPTR | 2,597 | 2,523 | | 2,483 | 1,645 | 0 | 0% |
| 2500 | ST - Other (Grants) | 51,952 | 8,720 | | 14,140 | | 120,000 | 6% |
| 2550 | FED - AFG/SAFER (Grants) | | | 264,931 | 143,781 | | 0 | 0% |
| 2589 | Strike Teams/Upstaffing/Events | 117,377 | 103,601 | 237,807 | 412,436 | 186,100 | 0 | 0% |
| | County, State, Federal Revenue | 171,926 | 158,890 | 647,927 | 752,725 | 191,741 | 120,000 | 6% |
| 4020 | Tree Farm Revenue | 84,569 | 74,900 | 122,569 | 129,515 | 122,543 | 120,000 | 6% |
| 4021 | Sale-Real Property/Fixed Asset | 1,000 | 1,000 | 37,061 | 10,000 | 0 | 0 | 0% |
| 4040 | Miscellaneous Revenue | 14,736 | 900 | 16,877 | 3,441 | 974 | 2,000 | 0% |
| 4050 | Training Revenue | | | | 16,150 | 0 | 0 | 0% |
| 4100 | Workers' Comp Reimbursement | | | | 14,022 | 30,579 | 0 | 0% |
| 4101 | Ins/Personal Damage Rebate | | | | 10,924 | 14,077 | 0 | 0% |
| 4102 | Donations/Reimbursements | 20,058 | 8,074 | | | 0 | 0 | 0% |
| | Other Revenue | 120,362 | 84,874 | 176,506 | 184,052 | 168,173 | 122,000 | 6% |
| | Total Revenue | 1,125,428 | 1,109,358 | 2,598,424 | 2,776,058 | 2,255,086 | 2,173,729 | 100% |
| | <i>Growth</i> | 9% | -1% | 134% | 16% | -20% | -23% | |

**Graton Fire Protection District
Budget 2023/24**

| EXPENSE DESCRIPTION | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | % of Exp |
|--------------------------------------|----------------|----------------|------------------|------------------|------------------|------------------|-------------|
| | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | BUDGET | |
| 5910 Payroll Expenses | | | 361,659 | 373,366 | 603,337 | 500,000 | 23% |
| 5911 Reimbursement-Calls/Drills | 48,561 | 54,406 | 30,458 | 37,385 | 37,523 | 37,500 | 2% |
| 5912 Pay-Strike Team/Upstaff/Events | 91,212 | 74,258 | 339,788 | 113,018 | 41,170 | 0 | 0% |
| 5913 Reimbursement-Board | 1,650 | 2,075 | 2,025 | 1,975 | 2,475 | 2,000 | 0% |
| 5914 Pay-Administrative Payroll | | 5,209 | 21,556 | 25,279 | 25,526 | 6,080 | 0% |
| 5915 Pay-Day Shift (Stipend) | 11,781 | 123,973 | 52,755 | 46,206 | 426 | 120,450 | 6% |
| 5916 Pay-Overtime | | | | 28,294 | 0 | 94,004 | 4% |
| 5917 Reimbursement-Night (Sleeper) | 22,315 | 16,625 | 6,065 | 23,805 | 13,226 | 25,000 | 1% |
| 5918 Independent Contractor | 2,770 | 1,613 | 250 | 0 | 0 | 36,400 | 2% |
| 5923 Retirement-CalPERS/PEPRA | | | 33,515 | 149,666 | 118,466 | 133,000 | 6% |
| 5924 Retirement-457 Plan | | | | 2,500 | 15,740 | 16,000 | 1% |
| 5925 FICA (Medicare/SS) | | | | 23,072 | 24,890 | 0 | 0% |
| 5930 Insurance-Health/Dental/Vision | | | 41,997 | 55,478 | 48,990 | 60,000 | 3% |
| 5931 Insurance-Long Term Disability | | | 1,878 | 2,088 | 2,088 | 2,088 | 0% |
| 5940 Worker's Comp | 7,667 | 17,080 | 25,651 | 105,667 | 121,729 | 120,000 | 6% |
| Wages & Benefits | 185,956 | 295,238 | 917,597 | 987,799 | 1,055,585 | 1,152,522 | 53% |
| 6020 Clothing/Personal | 28,946 | 32,306 | 20,636 | 36,269 | 44,726 | 40,000 | 2% |
| 6040 Communications | 21,498 | 20,540 | 37,224 | 31,070 | 13,828 | 30,000 | 1% |
| 6080 Household Expense | 0 | 598 | 3,783 | 3,590 | 3,375 | 5,000 | 0% |
| 6100 Liability Insurance | 35,567 | 36,856 | 36,768 | 38,231 | 26,548 | 30,000 | 1% |
| 6140 Maintenance-Equipment | 12,055 | 15,534 | 3,493 | 17,939 | 34,551 | 25,000 | 1% |
| 6155 Maintenance-Vehicle | 33,913 | 55,032 | 38,099 | 29,866 | 29,787 | 70,000 | 3% |
| 6180 Maintenance-Bldg/Imp | 35,089 | 24,057 | 31,523 | 24,758 | 38,790 | 30,000 | 1% |
| 6190 Landscape Services | 6,467 | 4,638 | 5,865 | 4,121 | 2,539 | 6,000 | 0% |
| 6261 Medical Supplies | 3,451 | 7,916 | 23,520 | 10,641 | 8,559 | 10,000 | 0% |
| 6280 Memberships | 2,120 | 3,039 | 2,533 | 3,235 | 5,492 | 3,500 | 0% |
| 6400 Office Expense | 10,807 | 16,154 | 19,563 | 13,000 | 6,009 | 15,000 | 1% |
| 6526 Dispatch Services | | | | 3,919 | 9,103 | 35,000 | 2% |
| 6536 Bank Fees | | | | 75 | 25 | 0 | 0% |
| 6587 LAFCO | 1,741 | 1,803 | 1,718 | 1,660 | 1,796 | 1,840 | 0% |
| 6610 Legal Services | 9,034 | 5,288 | 109,969 | 120,326 | 132,413 | 125,000 | 6% |
| 6630 Audit/Acc't Services | 10,877 | 12,210 | 6,460 | 11,275 | 8,925 | 10,000 | 0% |
| 6800 Public/Legal Notices | 471 | 1,020 | 30 | 331 | 398 | 500 | 0% |
| 6820 Rent/Lease Equipment | | | 3,168 | 0 | 0 | 1,500 | 0% |
| 6880 Small Tools/Instruments | 15,240 | 40,438 | 36,107 | 14,375 | 30,227 | 15,000 | 1% |
| 7000 Tree Farm Expense | 77,249 | 95,895 | 93,862 | 103,300 | 85,151 | 100,000 | 5% |
| 7005 Election Expense | 29,517 | 37,986 | 6,728 | 0 | 10,139 | 10,000 | 0% |
| 7120 Training-In Service | 12,253 | 12,978 | 19,201 | 35,876 | 23,901 | 30,000 | 1% |
| 7150 Recognition/Awards | 16 | | | 2,225 | 1,171 | 2,000 | 0% |
| 7201 Gas/Oil | 7,661 | 12,059 | 16,541 | 18,287 | 20,683 | 20,000 | 1% |
| 7300 Transportation/Travel | 3,577 | 3,071 | 1,348 | 3,478 | 261 | 5,000 | 0% |
| 7303 Private Car Expense | 5,400 | 6,541 | 6,000 | 6,000 | 6,000 | 6,000 | 0% |
| 7320 Utilities | 5,563 | 6,349 | 7,306 | 5,875 | 9,995 | 8,000 | 0% |
| Operating Expenses | 368,511 | 452,308 | 531,445 | 539,724 | 554,389 | 634,340 | 29% |
| 7910 LongTerm Debt - Principal | 38,688 | 89,000 | 230,389 | 1,312,121 | 148,507 | 148,507 | 7% |
| 7930 LongTerm Debt - Interest | 254,300 | 102,073 | 119,877 | 52,996 | 32,303 | 63,360 | 3% |
| 4620 Unclaimed w/in a Fund (Capital) | 40,378 | | | 869,681 | 692,387 | 175,000 | 8% |
| Long-Term Debt | 333,366 | 191,073 | 350,266 | 2,234,798 | 873,197 | 386,867 | 18% |
| Total Expenses | 887,833 | 938,618 | 1,799,307 | 3,762,321 | 2,483,171 | 2,173,729 | 100% |
| Surplus/(Deficit) | 237,595 | 170,740 | 799,116 | 869,751 | 464,302 | 175,000 | |

SONOMA LOCAL AGENCY FORMATION COMMISSION

111 SANTA ROSA AVENUE, SUITE 240, SANTA ROSA, CA 95404

(707) 565-2577

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Sebastopol City Council
Ad Hoc Committee on Fire Services
7120 Bodega Avenue
Sebastopol, CA 95472

April 9, 2024

Re: Processes, Costs, and Projected Timeframes for Reorganization of City Fire and EMS Functions

Councilmembers-

We have been informed by City staff that the Council is considering pursuing a reorganization that would involve an independent special district taking on the fire and emergency medical service functions for the City of Sebastopol. Staff has also indicated that the Council would like an outline of the process and an estimated timeframe to conduct a potential reorganization.

While LAFCO can certainly provide an outline of the process, we can provide timelines only with significant caveats. Similarly, we can provide some idea of costs, but again with significant caveats.

The potential reorganization would consist of two steps: an amendment to the sphere of influence of the special district that would be taking on service provision, followed by the reorganization itself, which is contingent on a protest proceeding that may or may not extend the timeframe significantly or annul the reorganization outright.

Sphere of Influence Amendment

LAFCO sets “spheres of influence” for cities and special districts, which indicate where those agencies may extend boundaries in the future. For example, the spheres of influence for cities are typically aligned with Urban Growth Boundaries that have been adopted by the city’s electorates.

At present, no special district has the City of Sebastopol within its sphere, as there has not been anticipation that a district would be called upon to take on any of the City’s services.

To amend a sphere of influence, LAFCO’s enabling legislation calls for a Municipal Service Review and attendant Sphere of Influence Study (MSR/SOI).

The Municipal Service Review (MSR) evaluates both the district and the City across eight categories, including the financial ability to provide services, governance, and opportunities for efficiencies. It might be helpful to think of the MSR as a scorecard of current conditions. For the scenario that we are considering, only the City’s provision of fire and emergency medical

services would be evaluated, of course in the context of general financial issues the City is experiencing.

The Sphere of Influence Study (SOI) evaluates five other categories, and can result in a recommendation to amend the sphere of influence of one or the other of the agencies. If the sphere is amended, the agency then becomes eligible to seek annexation of the added territory.

LAFCO can conduct an MSR/SOI study at any time, and certainly upon request by the subject agencies. A simple letter from each agency asking that the study be conducted is sufficient; a formal resolution is not required.

Cost

The Commission asks that one or both of the subject agencies pay the staff costs involved in conducting an MSR/SOI study. The Commission's fee schedule asks that a deposit of \$10,000 against actual costs be levied; the costs for an MSR/SOI study for the entirety of a City (all functions) has generally been on the order of \$25,000 when the commission hires a consultant to do the work.

For fire and EMS services, the Commission conducted an expansive study for west county agencies, including the City, in 2019, using commission staff resources. Additionally, staff is currently completing a study covering the Gold Ridge Fire District and another agency.

Therefore, staff believes than an effort to conduct a study for Gold Ridge (if that is the City's chosen agency partner) and the City could be completed fairly expeditiously and at a lower cost.

The City is also welcome to seek a waiver of fees from the Commission. In the past, when the Commission has waived fees, they have waived staff time costs but not any costs associated with noticing hearings (in this case a newspaper posting) or other external costs (such as legal services).

Timeframe

Depending on other workload conditions, LAFCO staff considers an optimistic timeframe to complete an MSR/SOI study at four months, which includes a required 21-day public posting of the report. Because the Commission only meets once a month, scheduling may extend the timeframe. The Commission may also order changes to the report which would also extend the timeframe.

Commission staff will note that two MSR/SOI studies are nearing completion (using consultant services), one is nearing completion (using staff resources), and another is underway (going out for consultant bids). There are two other studies in "the queue" that are both for fire services, and both will be conducted with staff resources. There are an additional three studies that are likely to present themselves in 2024, again using staff resources.

Staff are often asked if hiring a consultant to conduct a study will shorten the timeframe. The short answer is no: issuing a request for proposals and contracting with the selected consultant has always extended project timelines.

Staff would recommend that depending on the urgency of the need to pursue a sphere amendment and subsequent reorganization, the subject agencies submit a request as soon as possible and impress upon the Commission their desire to have staff prioritize the work.

Reorganization

As stated in the introduction, once a sphere of influence has been amended, a reorganization can be sought. Just to be perfectly clear, the proposal would be for an independent special district to take on provision of fire and emergency medical services within the City's territory. The City would continue to exist and provide the balance of services as it does today.

A reorganization proposal to the Commission involves an application by the annexing agency, including a resolution of application, a deposit against fees, a plan for service, an application form, and a map of the territory being annexed that meets State Board of Equalization requirements.

It is helpful, but not required, that the agency "ceding" territory (in this case the City) submit a resolution in support of the reorganization. (The Commission would be unlikely to approve an annexation against the City's wishes.)

The most critical component of the application is the plan for service, which must describe how the annexing agency intends to provide service and how it will be funded. The Commission has approved a half-dozen fire agency reorganizations in recent years, so examples of plans for service from those proposals are available. It would be important for the Commission to see any proposed or executed financial agreement between the City and the annexing agency that would speak to the financial viability of the reorganization.

We believe that the mapping requirement will be perfunctory as the Board of Equalization has accepted existing reorganizations using existing agency boundaries before, though it is incumbent on the agency applying for reorganization to clear this with the Board.

Costs

Again, for reorganization proposals, the Commission levies a \$10,000 fee deposit against actual incurred expenses. In this case the costs include staff time, noticing, filing fees with other agencies, and any needed legal counsel costs.

It is important to note that if an agency that is annexing territory has in place any special taxes (usually a schedule of "parcel" taxes), every landowner within the territory being annexed must be notified directly (by mail) of the proceeding, and again if the reorganization is approved and then subject to a protest proceeding. Also, if there is sufficient protest by landowners and/or voters, an election must be undertaken at the applicant's expense.

The proponent of the reorganization may seek a waiver of fees from the Commission, however, the Commission has never waived fees for non-staff time expenses such as noticing costs.

Staff has not evaluated how many parcels are within City limits, which would yield an estimate of noticing costs. Previous reorganizations of this scope have generated fees on the order of \$15,000, though it should be noted that none of the prior reorganizations had protest levels that resulted in a required election.

Timeframe

From the date of submission of a **complete** application, a reorganization can be completed and recorded in about six months, assuming there is not sufficient protest to trigger an election. (Given that no reorganization in Sonoma County over the past dozen years or more has required an election, staff is bereft of an ability to provide a timeframe estimate should that become necessary.)

Other than notification requirements that compose some of this timeframe, the protest proceeding must be for a minimum of thirty-one days or a maximum of sixty-five. The Commission has preferred longer protest proceedings.

The timeframe can also be affected generally by the Commission's meeting schedule; although the Commission can call special meetings, potentially to shorten timeframes, this can be problematic.

Interim Option: Contract For Services

Staff notes that an interim option that the Council might consider is to enter into a contract for services with another agency.

There are recently-added provisions to code that direct LAFCO to review and approve contracts between agencies that involve fire and emergency medical services. If the Council considers a contract as a long-term option, LAFCO staff can review the process for seeking that approval.

However, if a contract is short-term, and in place while a reorganization is sought, staff has taken the position of working on the sphere amendment and reorganization rather than expending time and effort to review the interim contract for services.

Recommendations

LAFCO staff are of course on hand to answer questions and to work with the City Council and staff, and representatives from a partnering agency on these matters.

If the Council does decide that a reorganization is warranted and in the best interests of the community, LAFCO would recommend that getting the MSR/SOI underway is the critical first step. Letters from both agencies to the Commission would start the process and should include a

request for a fee waiver if that is necessary. While staff is reticent to make this recommendation, if there is urgency to move this proposal forward, the proponents can seek to have the Commission prioritize staff resources for the effort.

Once that process is underway, and of course depending on urgency, LAFCO staff would recommend that the City and the partner agency begin preparation of an application package, and most notably the plan for service document. Drafting or even executing a financial agreement might also be undertaken concurrently with the MSR/SOI preparation. The proponents should also consider consulting with the State Board of Equalization regarding mapping requirements, and the County's Auditor-Controller-Treasurer-Tax Collector regarding deadlines for application of special taxes on annexed territories.

We also respectfully recommend that the City engage with its populace regarding any proposal, in part to avoid the potential for extending the timeframe of a reorganization due to protests.

Staff has been invited to attend the Council's April 16 meeting and will therefore be on hand to address any questions you might have.

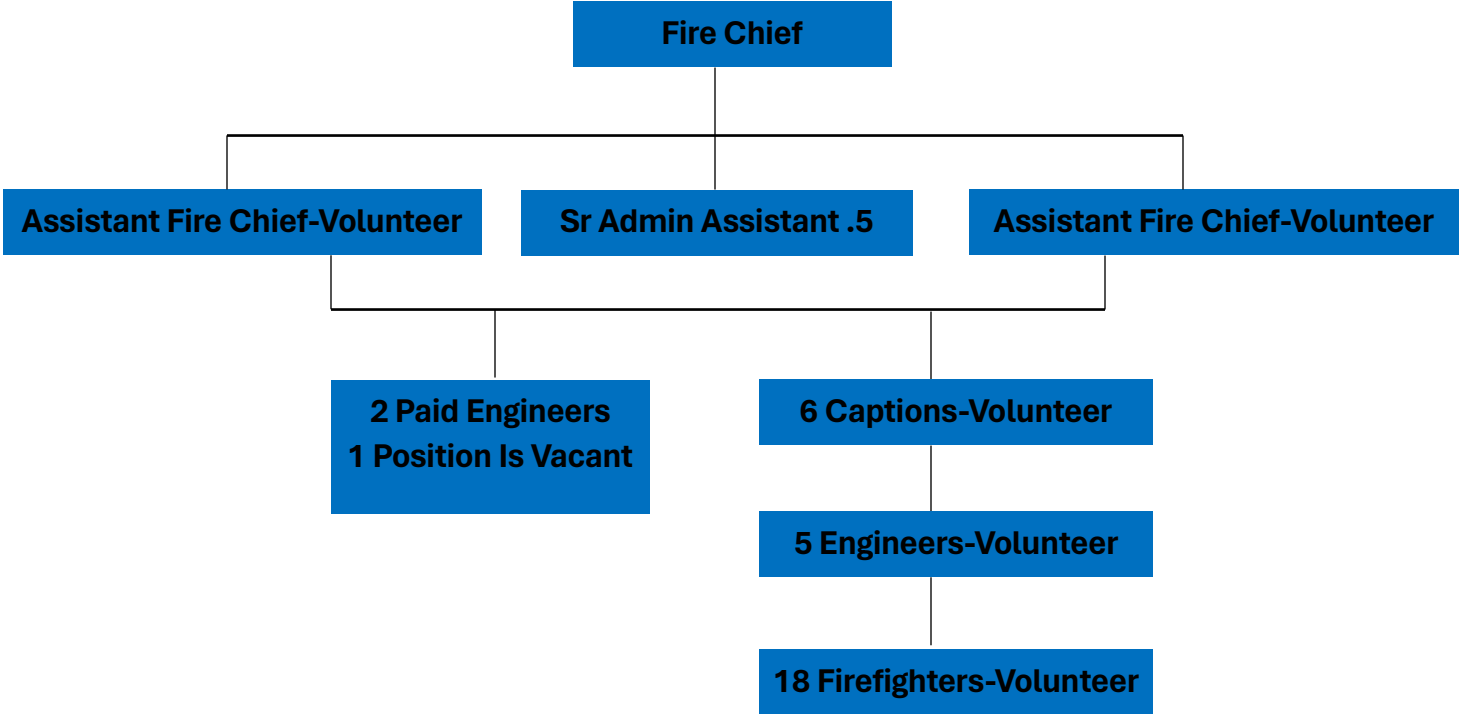
Sincerely-

A handwritten signature in blue ink that reads "Mark Bramfitt". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

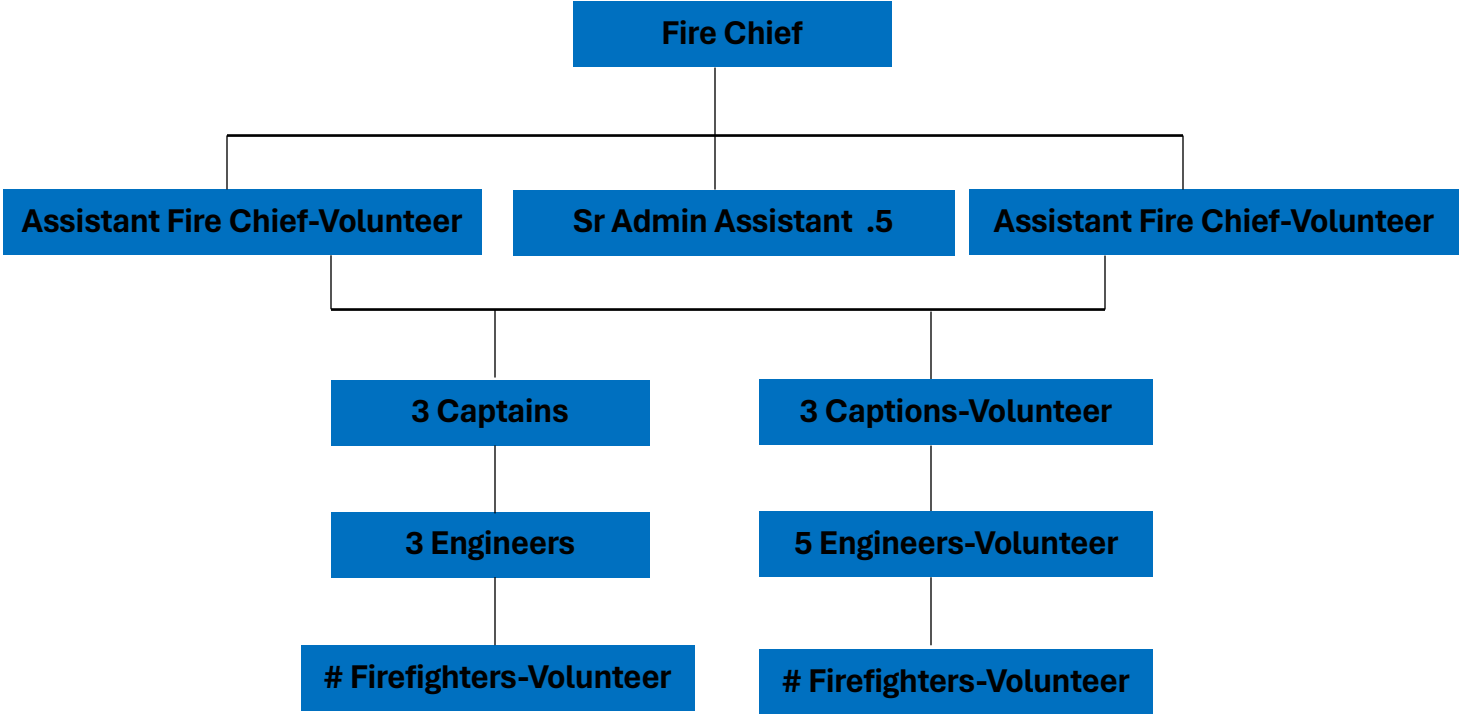
Mark Bramfitt, P.E.
Executive Officer

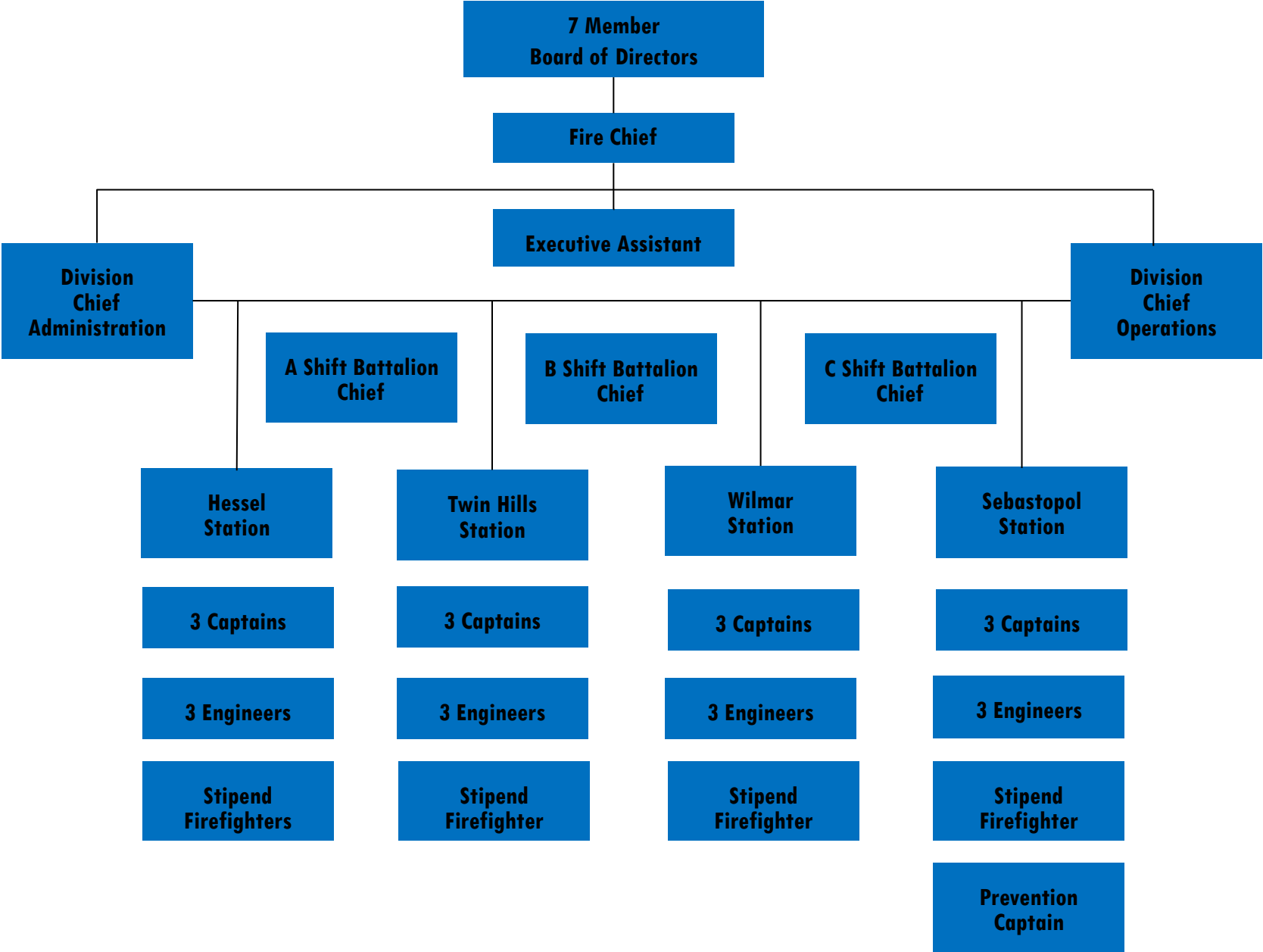
Cc: Don Schwartz, City Manager
Todd Deram, Interim Fire Chief

CITY OF SEBASTOPOL CURRENT STAFFING



CITY OF SEBASTOPOL PROPOSED STAFFING





Gold Ridge Fire Protection District Chain of Command

Safety Personnel

Firefighters and Engineers report to Fire Captains.

Fire Captains report to Battalion Chiefs.

Battalion Chiefs report to Division Chiefs.

Division Chiefs report to the Fire Chief.

Administrative Personnel

Administrative staff assist Chief Officers as the need arises.

The Bookkeeper and Volunteer Coordinator report to the Executive Assistant.

The Executive Assistant reports to the Fire Chief.

The Fire Chief has responsibility and authority over all personnel.

Board of Directors (7)

Agenda Item Number: 5

Fire Chief

Administrative Assistant

Sebastopol Battalion Chief

Graton Battalion Chief

Shared Volunteer Graton/Sebastopol Duty Officer

3 Captains

3 Captains

3 Engineers

3 Engineers

3 Firefighters (with merger)

3 Firefighters (with Measure H)

2 Stipend Firefighters/Day

2 Stipend Firefighters/Day

Volunteers

Volunteers

Agenda Item Number: 5

City Council Meeting Packet for Meeting of: April 16, 2024

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