

APPLE VALLEY FIRE PROTECTION DISTRICT

22400 Headquarters Drive ☐ Apple Valley California 92307
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MINUTES OF REGULAR MEETING BOARD OF DIRECTORS

January 21, 2020

1.0 CALL TO ORDER: President Leary 6:00 PM.

2.0 PLEDGE OF ALLEGIANCE: Director Conley

3.0 ROLL CALL:

Present: Director Conley, Director Karen, President Leary, Vice President Savage

Absent: Director Kuhn

4.0 SPECIAL ANNOUNCEMENTS/PRESENTATIONS:

.01 Promoted Employee Badge Pinning. Fire Chief Gigliotti called Engineer/Paramedic Jared Shepard forward and gave a brief synopsis of Jared's employment with Apple Valley Fire including his recent promotion to Engineer. Engineer/Paramedic Shepard's badge was pinned by his wife Kim Shepard.

.02 Presentation of FY 2018-19 Audit. Chief Gigliotti noted that Auditor/CPA Brett Van Lant from Van Lant and Frankhanel LLP had conducted the Districts annual audit calling him forward to present to the Board. Mr. Van Lant gave a PowerPoint presentation on the audit conducted. A copy of the slides are attached hereto and made a part hereof.

5.0 PUBLIC COMMENT:

.01 Captain/Paramedic Shane Simpson came forward and spoke to the Board about an incident that had occurred recently in which the Peer Support Team had been activated. He reported that the Peer Support program had done a great job in this instance adding how this program has been a fantastic resource for District employees.

.02 Mr. Thurston "Smitty" Smith came forward to introduce himself to the Board as a candidate running for the 33rd Assembly District.

6.0 DIRECTORS' RESPONSE TO PUBLIC COMMENT: None

7.0 CONSENT AGENDA: President Leary asked for questions or comments on the Consent Agenda. Vice President Savage asked that they speak about item number 7.01, Operations Report, specifically referencing the numbers for mutual aid. Director Savage, noting that he was requesting on behalf of both himself and Director Kuhn in her absence, asked Fire Chief Gigliotti if he could provide the Board with the CAD reports for calls between Apple Valley and Victorville mutual aid adding it would "provide an extra set of numbers" for the Board to review. There was some further discussion between the Fire Chief and Board members to clarify and to give a status update on the mutual aid agreement between Victorville Fire and San Bernardino County Fire.

M/S Conley/Savage to accept the Consent Agenda as presented.

Directors Conley, Karen, Leary and Savage voted aye by voice vote.

Ayes: 4 Noes: 0 Abstain: 0 Absent: 1

8.0 APPROVAL OF MINUTES:

.01 Minutes of Regular Meeting December 17, 2019. President Leary asked if there were any questions about the minutes. There was no further discussion.

M/S Karen/Savage to approve minutes of the December 17, 2019 regular board meeting.

Directors Conley, Karen, Leary and Savage voted aye by voice vote.
Ayes: 4 Noes: 0 Abstain: 0 Absent: 1

9.0 CORRESPONDENCE: President Leary stated there were several letters from the Sonoma Fire thanking Firefighters adding that the people living there are very thankful for the Firefighters that helped their community.

10.0 INFORMATION & DISCUSSION ITEMS:

.01 Information Items:

- (a) Disposition of Surplus Items. No comments or discussion.
- (b) Strategic Plan Update. No comments or discussion.
- (c) 2019 Year End Report. No comments or discussion.

.02 Discussion Items: None.

11.0 BOARD COMMITTEE REPORTS:

- .01 President Leary briefed that the Finance Committee met to review the budget. He briefed that the District is on track for the half-way through the Fiscal Year mark adding that things are moving in the right direction.

12.0 APPROVAL OF REPORTS: None.

13.0 PUBLIC HEARINGS: None.

14.0 ACTION ITEMS:

- .01 FY 2018-19 Audited Financial Statements. President Leary asked if there were any questions or comments about the presented Financial Statements. There was no further discussion.

M/S Conley/Karen to accept FY 2018-2019 Audited Financial Statements.

Directors Conley, Karen, Leary and Savage voted aye by roll call vote.

Ayes: 4 Noes: 0 Abstain: 0 Absent: 1

15.0 STAFF COMMENTS:

.01 Fire Chief Gigliotti:

- a. Congratulated Jared Shepard on his promotion to Engineer/Paramedic.

16.0 DIRECTORS' COMMENTS:

.01 Director Karen:

- a. Congratulated Jared Shepard.
- b. Said he had heard the Stairclimb team, in support of the Leukemia and Lymphoma society, and PFA Foundation had raised \$15,000 during the fill-the-boot charity event adding how great that was for the charities.
- c. Noted his appreciation for everyone's hard work.

.02 Director Conley:

- a. Congratulated Jared on his promotion.
- b. Commended the work of the Peer Support program noting the program's importance to employees.

- .03 Vice President Savage:
 - a. Added his appreciation for the good work of the Peer Support team.
 - b. Thanked Brett Van Lant for his presentation on the audit.
 - c. Congratulated Jared on his promotion.
 - d. Thanked the crew at Station 331 for letting him ride out with them that day emphasizing how seamlessly the crew worked in stressful conditions.

- .04 President Leary:
 - a. Added his congratulations to Jared noting the abundance of talented individuals at the Fire District which makes it even more of an accomplishment to promote.
 - b. Emphasized the fact that the District had put together the Peer Support program and how it was great to hear Captain Simpson's comments on the success of the program.
 - c. Congratulated Finance Officer Shaker on a clean audit.
 - d. Thanked Brett Van Lant for his work on the audit and his presentation to the Board.

17.0 CLOSED SESSION:

- .01 Public Employee Performance Evaluation for Fire Chief (Government Code §54957(b)). Announcing the closed session item to the assembly President Leary called for a motion to go to closed session.

M/S/P Savage/Conley to adjourn to closed session at 6:32 PM.


The Board returned into Open Session at 6:45 PM.

18.0 REPORT ON CLOSED SESSION: None.

19.0 FUTURE AGENDA ITEMS: None.

20.0 ADJOURNMENT: The meeting was adjourned at 6:46 PM M/S/P Savage/Conley

ATTEST:


KIMBERLY LOPEZ
Recording Secretary


DANIEL J. LEARY
Board President



Apple Valley Fire Protection District

- Financial Statement Audit Presentation
- for the Fiscal Year Ended
- June 30, 2019

- Presented by:
- Brett Van Lant
- Partner

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Audit Process

- **Preliminary Interim Audit Fieldwork**

- Assess the risk the financial statements could be materially misstated due to fraud or error
- Gain an understanding of design and implementation of internal controls over financial reporting including:
 - Cash receipts process, cash disbursements process, purchasing process, payroll process, various other significant audit areas
 - Review specific transactions, observe processes, inquire with District staff throughout the District.



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Audit Process – Cont.

- **Year-end Audit Fieldwork**
 - Audit balances and amounts in the District's financial statements
 - Procedures involve auditor's judgment based on risk assessment
 - Substantive testing of the balances and amounts to provide reasonable assurance
 - Confirmation, testing of transactions, inquiry of District Staff, analytical procedures



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Reports and Letters Issued

Audit Report - Opinion on Financial Statements

Report on the District's Appropriations Limit

SAS 114 Communication Letter



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Audit Report on the Financial Statements

Management's Financial Statements

Auditor's Responsibilities

- Express opinion
 - Reasonable assurance
- Conduct audit in accordance with applicable standards; obtain evidence
- Procedures involve auditor judgment
 - Risk assessment



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Audit Report on the Financial Statements - continued

Unmodified (clean) Opinion



Required Supplementary Information

Budgetary schedule, Pension and OPEB schedules

Limited audit procedures – no opinion expressed



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Financial Statement Key Figures

Net Pension Liability (NPL)

- NPL increased \$276,125 to \$13,959,294

Net OPEB Liability

- Net OPEB liability decreased \$1,006,203 to \$1,286,904
- Decrease is due to change in assumptions

Fund Balance for General Fund increased \$1M compared to FY 2017-18

Total CalPERS contributions in FY 2018-19: \$1,421,918, which includes \$611,873 towards unfunded liability payments

Unfunded liability payments expected to be \$944k in FY 2020-21, an increase of approx. \$330k in operating costs



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Financial Statement Key Figures - cont.

- Unrestricted Fund Balance in General Fund is approximately 66% of FY 2018-19 expenditures (8 months reserves)
 - GFOA best practices recommends a minimum of 2 months operating reserves



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Report on District's Appropriations Limit

Required by Article XIII B of the California Constitution

Specific procedures to test the calculation for the fiscal year ended June 30, 2019

- Agreed-Upon Procedures Report
- No exceptions to the District's calculation

Spending Limit from proceeds of taxes

- District is well below the appropriations limit



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SAS 114 Report

Required Communication from auditors directly to "those charged with governance" – District Board

Estimates

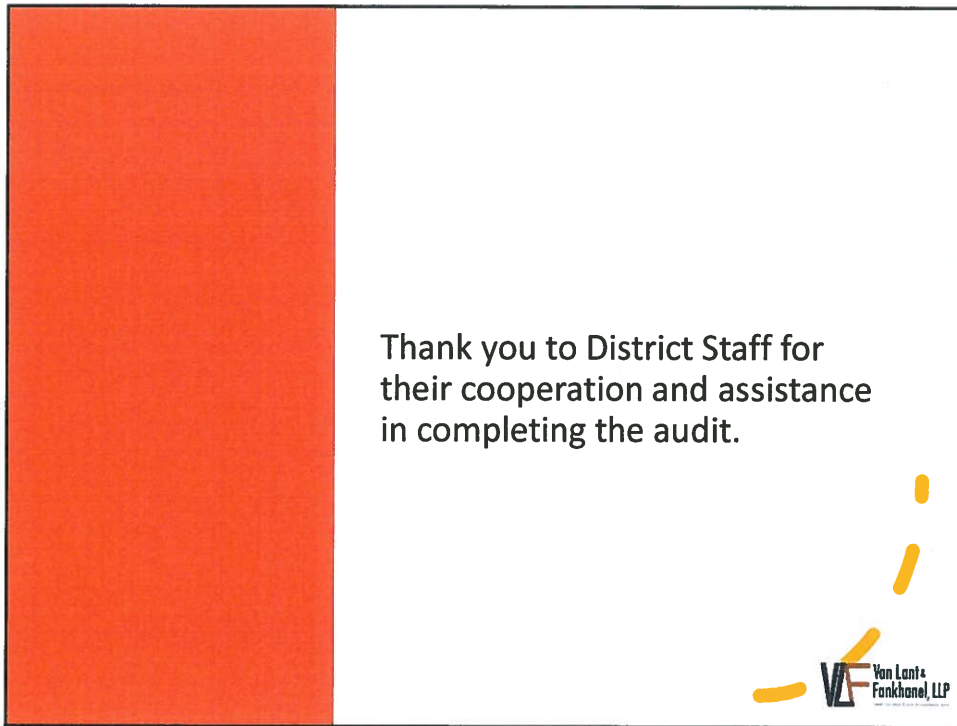
Sensitive Disclosures

Difficulties or Disagreements

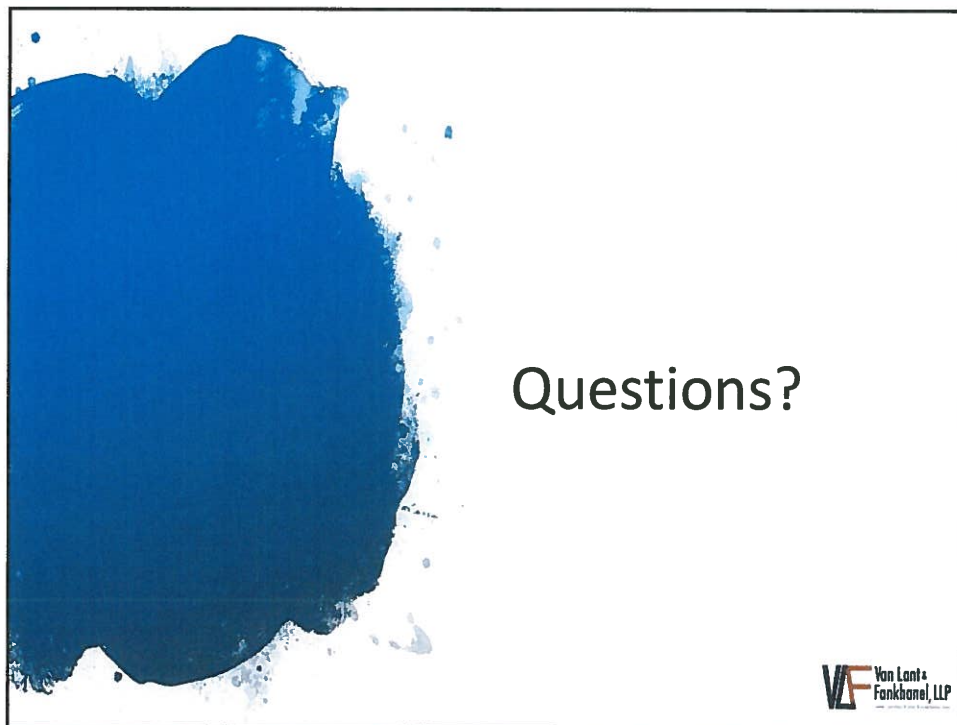
Other Audit Findings or Issues



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