



DAN HAVERTY  
Interim Fire Chief

# Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 · Mather, California 95655 · Phone (916) 859-4300 · Fax (916) 859-3700

## BOARD OF DIRECTORS - REGULAR MEETING AGENDA

Thursday, August 24, 2023 – 6:00 PM  
Sacramento Metropolitan Fire District  
10545 Armstrong Avenue

Board Room – Second Floor  
Mather, California

&

Remotely Via Zoom

Webinar ID: 827 3461 0232 #

Passcode: metro2101

Phone: 1 (669) 444-9171 or 1 (669) 900 6833

 Passcode: 838771796 #

<https://us06web.zoom.us/j/82734610232?pwd=SFILQ1Znd25RSmlhdXZVQVh4d1VWZz09>

D'Elman Clark  
Board President  
Division 6

Grant Goold  
Board Vice President  
Division 2

Ted Wood  
Board Secretary  
Division 4

Cynthia Saylor  
Board Member  
Division 1

Robert Webber  
Board Member  
Division 3

Jennifer Sheetz  
Board Member  
Division 5

Brian Rice  
Board Member  
Division 7

Gay Jones  
Board Member  
Division 8

John Costa  
Board Member  
Division 9

*The mission of the Sacramento Metropolitan Fire District is to provide professional and compassionate protection, education and service to our community.*

The Public's health and well-being are the top priority for the Board of Directors of the Sacramento Metropolitan Fire District and you are urged to take all appropriate health safety precautions. **To view the meeting via the Zoom Application, please click on the link above.**

Members of the public seeking to attend and to address the Board who require reasonable accommodations to access the meeting, based on disability or other reasons, should contact the following person at least forty-eight (48) hours in advance of a Regular meeting to make arrangements for such reasonable accommodations:

Marni Rittburg  
Board Clerk  
(916) 859-4305

[rittburg.marni@metrofire.ca.gov](mailto:rittburg.marni@metrofire.ca.gov)

The Board will convene in open session at 6:00 p.m.



# Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 · Mather, California 95655 · Phone (916) 859-4300 · Fax (916) 859-3700

REGULAR BOARD MEETING

THURSDAY, AUGUST 24, 2023

- CALL TO ORDER
- ROLL CALL
- PLEDGE TO FLAG

## METRO CABLE ANNOUNCEMENT:

This meeting of the Sacramento Metropolitan Fire District will be cablecast on Metro Cable 14, the local government affairs channel on Comcast, Consolidated Communications and AT&T U-Verse cable systems. This meeting is also webcast at [metro14live.saccounty.gov](http://metro14live.saccounty.gov). Today's meeting replays at 2:00 p.m. on Sunday, August 27, 2023 and 6:00 p.m. on Monday, August 28, 2023 on Channel 14. This meeting can also be viewed at [youtube.com/metrocable14](http://youtube.com/metrocable14).

## PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON AGENDA:

*The Board of Directors of the Sacramento Metropolitan Fire District appreciates and encourages public interest and welcomes questions and opinions at its meetings. Public members wishing to address the Board are requested to first be recognized by the presiding officer and identify themselves for the record. The presiding officer may, in the interest of time and good order, limit the number of public member presentations. Speakers' comments will be limited to **three (3) minutes** (Per Section 31 of the Board of Directors Policies and Procedures).*

*In accordance with Section 31 of the Board of Directors Policies and Procedures, members of the Public requesting their written comments be read into the meeting record must be present or have a representative present to read their comments during the time allotted.*

## CONSENT ITEMS:

*Matters of routine approval including but not limited to action summary minutes, referral of issues to committee, committee referrals to the full Board, items that require yearly approval, declaration of surplus equipment, and other consent matters. The Consent Agenda is acted upon as one unit unless a Board member requests separate discussion and/or action.*

## CONSENT ITEMS

Page No.

1. **Action Summary Minutes** 5  
**Recommendation:** Approve the Action Summary Minutes for the Regular Board Meeting of July 13, 2023.
2. **Revision of Board Policy – Policy 01.010.03 Purchasing and Contracting Policy** 14  
**Recommendation:** Approve the Purchasing and Contracting Policy revisions.



# Sacramento Metropolitan Fire District

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REGULAR BOARD MEETING

THURSDAY, AUGUST 24, 2023

## PRESENTATION ITEMS:

1. **Financial Planning and Budget Policy – Policy 02.021.01** **37**  
(CFO Dave O'Toole)  
**Recommendation:** Receive presentation, no action required.
  
2. **Service Delivery Update** **\*\***  
(Deputy Chief Mitchell)  
**Recommendation:** Receive presentation, no action required.

## REPORTS:

1. **PRESIDENT'S REPORT** — (President Clark)
  
2. **FIRE CHIEF'S REPORT** — (Chief House)  
**OPERATIONS REPORT** – (Deputy Chief Mitchell)  
**ADMINISTRATIVE REPORT** – (Chief Development Officer Jeff Frye)  
**SUPPORT SERVICES REPORT** – (Deputy Chief Wagaman)
  
3. **SMFD – FIREFIGHTERS LOCAL 522 REPORT** – (BC Matt Cole, Local 522 Vice President)
  
4. **COMMITTEE AND DELEGATE REPORTS**  
*All Committee Meetings will be held at the Sacramento Metropolitan Fire District Board Room, 10545 Armstrong Avenue, Mather, California unless otherwise specified.*
  - A. **Executive Committee** – (President Clark)  
Next Meeting: TBD
  
  - B. **Communications Center JPA** – (DC Wagaman)  
Next Meeting: September 12, 2023 at 9:00 AM
  
  - C. **Finance and Audit Committee** – (Director Wood)  
Next Meeting: August 24, 2023 at 5:00 PM  
Report Out: August 24, 2023
  
  - D. **Policy Committee** – (Director Costa)  
Next Meeting: September 14, 2023

## BOARD MEMBER QUESTIONS AND COMMENTS

## ADJOURNMENT



## Sacramento Metropolitan Fire District

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REGULAR BOARD MEETING

THURSDAY, AUGUST 24, 2023

### NEXT BOARD MEETING(S):

*Unless specified differently, all meetings of the Board are held at Sacramento Metropolitan Fire District at 10545 Armstrong Avenue, Mather, CA*

- Regular Board Meeting – September 14, 2023 at 6:00 PM
- Regular Board Meeting – September 28, 2023 at 6:00 PM


Posted on August 21, 2023 by 4:30 p.m.

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Marni Rittburg, CMC, CPMC

Clerk of the Board

\*\* No written report

\*\*  Separate Attachment

### DISABILITY INFORMATION:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (916) 859-4305. Notification at least 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.



# Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 • Mather, CA 95655 • Phone (916) 859-4300 • Fax (916) 859-3702

## ACTION SUMMARY MINUTES – REGULAR MEETING

### BOARD OF DIRECTORS SACRAMENTO METROPOLITAN FIRE DISTRICT

Thursday, July 13, 2023

Held at the following locations:

10545 Armstrong Avenue – Board Room

Mather, California

&

Remotely Via Zoom

### CALL TO ORDER

The meeting was called to order at 6:01 pm by President Clark. Board members present: Clark, Costa, Goold, Jones, Rice, Saylor, Sheetz, Webber and Wood. Board members absent: None. Staff present: Interim Chief Haverty, and Board Clerk Marni Rittburg.

### PUBLIC COMMENTS

No public comments were received.

### CONSENT ITEMS

**Action:** Moved by Director Sheetz, seconded by Webber, and carried unanimously by members present to adopt the consent calendar as follows:

1. **Action Summary Minutes**

**Recommendation:** Approve the Action Summary Minutes for the Regular Board Meeting of June 8, 2023.

**Action:** Approved the Action Summary Minutes

2. **Approval of the Purchase of two (2) 2024 Ford E-Transit Vans from the National Auto Fleet Group**

**Recommendation:** Approve the purchase of two (2) 2024 Ford E-Transit Vans from the National Auto Fleet Group.

**Action:** Approved the purchase of two (2) 2024 Ford E-Transit Vans.

### PRESENTATION ITEMS

1. **Presentation on the Personal Protective Equipment Program**

*(Assistant Chief Lozano & Robert "Bobbie" Sestito)*

**Recommendation:** Receive presentation.

**Action:** Presentation received.

## PUBLIC HEARINGS

1. **Introduction of Ordinance 2023-02 updating the Fee Schedule For Operational Permits, Plan Review, New Construction Inspections, General Fire and Life Safety Inspections, and Other Miscellaneous Services.**

*(Assistant Chief Law)*

**Recommendation:** Conduct a Public Hearing and introduce Ordinance 2023-02, Amending its Fee Schedule for Operational Permits, Plan Review, New Construction Inspections, General Fire and Life Safety Inspections, and Other Miscellaneous Services.

**Action:** Director Clark opened the Public Hearing at 6:52 p.m., one public comment was heard. Director Clark closed the Pubic Hearing at 6:56 p.m. Moved by Director Jones, seconded by Rice, and carried unanimously by members present to waive the first reading of the Ordinance and move it to the second reading.

## ACTION ITEMS

1. **Disclosure of Material Expenditure – Excess General Liability Insurance – Homesite Insurance Company and HDI Global Services**

*(Brad Svennungsen, USI Insurance Services)*

**Recommendation:** Authorize payment of \$263,321 to Homesite Insurance Company and \$175,544 to HDI Global Services.

**Action:** Moved by Director Goold, seconded by Wood, and carried unanimously by roll call vote of members present to Authorize payment of \$263,321 to Homesite Insurance Company and \$175,544 to HDI Global Services.

## REPORTS

1. **PRESIDENT'S REPORT - *(President Clark)***

No Report

2. **FIRE CHIEF'S REPORT - *(Interim Chief Haverty)***

### **1. New Hire**

- a. Please join me in welcoming Sergey Voznyuk, hired as a Logistics Technician effective June 27.

### **2. Retirement**

- a. Congratulations to Captain Colin Swarthout on his retirement on June 30, 2023, after 22 years of service.

### 3. Reclassifications

- a. Congratulations to the following personnel for being reclassified to their respective positions effective July 1, 2023:
- i. Lara Kelley - Business Application Analyst (formerly Staffing Specialist)
  - ii. Sarah Ortiz – Payroll Manager (formerly Payroll Supervisor)
  - iii. RMarie Jones – Grant Specialist (formerly Accounting Specialist)

### 4. Promotions

- a. Congratulations to the following members for being promoted to their respective ranks effective June 30, 2023:
- i. Battalion Chief:

| <b>Battalion Chief</b> | <b>Assignment</b> |
|------------------------|-------------------|
| Aldrich, Joe           | B5 – C Shift      |
| Pittman, Ryan          | B7 – B Shift      |

- i. Captain:

#### A Shift

| <b>Captain</b>      | <b>Assignment</b> |
|---------------------|-------------------|
| Covington, Nicholas | E105              |
| Currie, Jacob       | E61               |
| Guseynov, Mark      | E50               |

#### B Shift

| <b>Captain</b>  | <b>Assignment</b> |
|-----------------|-------------------|
| Fritz, Kyle     | E62               |
| Jamison, Trevor | E23               |
| McDermott, Ryan | E55               |
| White, Tim      | E65               |
| Zalutskiy, Igor | E103              |

#### C Shift

| <b>Captain</b>  | <b>Assignment</b> |
|-----------------|-------------------|
| Field, Andy     | E103              |
| Miller, Jeffrey | E24               |
| Wynne, Aaron    | E53               |

ii. Engineer:

**A Shift**

| <b>Engineer</b> | <b>Assignment</b> |
|-----------------|-------------------|
| Thomas, Pierce  | E54               |

**B Shift**

| <b>Engineer</b> | <b>Assignment</b> |
|-----------------|-------------------|
| Klein, Trevor   | E114              |

**C Shift**

| <b>Engineer</b>      | <b>Assignment</b> |
|----------------------|-------------------|
| Franco, Omar         | E117              |
| Gallisdorfer, Justin | E101              |

**5. Reassignments**

- a. Congratulations to the following members who have been selected to join Drill Master Dillon Fader for the 23-1 MMP Academy, effective July 2, 2023:

- Firefighter Frank Valente
- Firefighter Kyle DiBiase
- Firefighter Josh Eusebio
- Firefighter Cameron Mitchell
- Paramedic Diana Borshch

The Academy start date was July 10, 2023 and will run 6 weeks total.

- b. Congratulations to Paramedic Cody Parker for being selected to fill the Mobile Integrated Health Paramedic position, effective July 5, 2023.

Paramedic Diana Borshch has been reassigned from the Mobile Integrated Health Paramedic position effective July 2, 2023. The District would like to thank Paramedic Borshch for her dedication and commitment while working in the MIH Program.

- c. Congratulations to Captain Eric Sacht for being selected to fill the EMS Shift Captain, B Shift position, effective July 24, 2023.

- d. Congratulations to Captain Carl Jewell for being selected to fill the EMS Shift Captain, C Shift position effective October 4, 2023.

The District would like to thank Captain Matthew Smotherman and Captain Shawn Burke for their dedication and commitment while working in EMS.



## 6. Recruitment

- a. HR is accepting applications for:
  - i. Fire Mechanic (internal and external) with a final filing date of July 31 by 4 PM.
  - ii. Paramedic (external) with a final filing date of July 31 by 4 PM.

## 7. Miscellaneous

- a. June 29: several of our Executive Staff (and BC House) joined in the Groundbreaking Ceremonies in the City of Folsom for their new Park and Fire Station 34.
- b. Fourth of July: While the daytime hours were suspiciously slow for fire related call volume, the evening hours proved to be busy with a number of working structure fires, as well as many small grass fires. It is no overstatement to herald our "Land, Sea, and Air" capabilities that provided an excellent response. Our field crews did an excellent job with aggressive attacks, prudent use of resources, and admirable resilience moving from one incident to another. The Command Staff worked alongside our Field Commanders aiding them in the many fires that were fought during the evening and early morning hours. Our CRRD personnel were out in full force over both July 3<sup>rd</sup> and 4<sup>th</sup> monitoring the three major Public Fireworks shows at Northridge CC, Del Paso CC and Hagan Park. There were no issues of consequence at any of the shows thanks to good planning and our Inspector's oversight. CRRD confiscated at least two very large caches (truckloads) of illegal fireworks with citations given.
- c. Several of our Executive Staff (and BC House) welcomed recruits to the Metro Medic Program (MMP) 23-1 Academy on July 10.
- d. AB 40 & AB 1168 Hearings on July 12
  - a. BC House, Local 522 representatives, and I gave testimonial support at the Senate Committee on Health for :
    - i. **AB 40 Ambulance Patient Off-load Times**, which is sponsored by CPF.
    - ii. Much later in the evening I gave testimonial support at the Senate Committee on Governance & Finance for **AB 1168 City of Oxnard JPA for ambulance 201 rights**, which is sponsored by Cal Cities.
  - e. Reframing Organizations: July and August sessions will be combined, sessions will take place in August and led by Chief House.

- f. Transition briefings for BC House are still underway, as he becomes more informed of the District's Administrative functions, liabilities and current positions on various topics.

## **OPERATIONS REPORT (AC Charlie Jenkins for Deputy Chief Adam Mitchell)**

### **1. STATISTICS**

A. 4,383 total incidents since our last report on June 29; an average of 313 calls per day. 307 fire incidents were responded to which is an average of 22 calls per day.

### **2. JULY 4TH**

A. July 1 -5. 58 incidents involving fireworks which were dispatched as EMS, Fire, or Special Ops related. 12 incidents involved illegal fireworks, 11 Legal safe and sane, and 35 incidents were undetermined of the type of fireworks involved

B. During the same time frame there were 6 incidents with fireworks related injuries:

- 6-year-old female with minor burns to the leg. Illegal firework was thrown by teenager into group of people at a park.
- 44-year-old male with severe explosive injury to left hand while lighting illegal firework, also had burns & scrapes to abdomen and hands.
- 35-year-old male amputated finger while lighting a safe & sane fountain that exploded.
- 49-year-old male burns to hands, abdomen, lower extremities and shrapnel wounds to same areas from a mortar that exploded when he was lighting it.
- 7-year-old male struck with flying illegal fireworks debris, 1st degree burn to left lower leg.
- 4-year-old female with first degree burn to right shoulder. Undetermined type firework went off and struck her shoulder.

### **3. RECENT SIGNIFICANT CALLS & TOPICS**

A. Copter 1 responded to Placer County / Nyack area for a successful Hoist Rescue after a citizen fell over 30 feet in rugged terrain and needed extrication.

B. Retired Annuitant AC Mike Johnson has been deployed as part of the FEMA / USAR IMT deploying to the Vermont Flooding Incident. There were reports of over 6 inches of rain falling in an hour. Expecting more rain with swollen rivers / creeks, and saturated ground.

C. Grass Fires are on the uptick with 3 working vegetation fires burning at the same time this past Tuesday in the afternoon. A fire in Rancho Cordova burned 87 acres and had spotting of fires 600 feet from the main fire. A firing operation was put into place to contain the fire. A fire off Pershing Ave in Orangevale was 7 acres in tough terrain / progressive hose lays, thousands of feet, in steep terrain. Another near Bannister Park and the Governor's Mansion about 3 acres with progressive hose lays, thousands of feet, being put in to in inaccessible / unable to drive into areas. Day staff of multiple ranks and off duty Command Officers reported to work to cover the 911 system during the drawdown.

D. Yesterday we had 2 good working fires in the District, one was in Battalion 9 / kitchen fire in a Duplex. A father and son discovered the fire and called 911. The Son went to the front door and saw a victim inside crawling on the floor. The Son kicked in the front door, and with the assistance of his father, placed the victim in a wheel chair and extricated him from the building. Victim was transported with burn injuries but is expected to survive. PIO working with BC9 on getting all the information to acknowledge the Father and Son for their heroic efforts. B5 / Antelope Area had a 2nd alarm fire with a fire starting between two / 2 story homes. The fire became well established in both homes including the attics. Multiple hose lines, vertical vent, and search performed in both structures. BC5 Aldrich ran the fire with 3 divisions utilizing a CMD channel and 2 tac channels. Crews worked tails off in high outside and interior temps. Many members became overheated and we focused on getting them cooled down and rotating fresh crews in for overhaul.

E. I would like to thank the Board of Directors for supporting Tablet Command for our BC's and Chief Officers. Tablet Command is an Accountability and Tracking Tool that can be used to track decision points made by Command and lets incoming Chief Officers see where units are and what are their assignments.

F. Shout out to PIO Parker Wilbourn and his Staff on their great work pushing out information to the public, social media, News Networks etc. showcasing Metro Fire and informing our Citizens of events happening in our District.

#### **ADMINISTRATIVE REPORT** *(Deputy Chief Ty Bailey)*

No Report

#### **SUPPORT SERVICES REPORT** *(Deputy Chief Tyler Wagaman)*

DC Wagaman thanked the Board for approving two new E-Transit Vans tonight which will be the first fully electric vehicles for the District. We have a new Logistics Technician starting on July 24<sup>th</sup>. Chief Wagaman commended Chief Law and her staff on the hard work and countless hours updating the Fee Schedule. Chief Law was then brought up and she introduced Krista Aney who successfully completed POST training on June 21<sup>st</sup> and Krista will be filling for the Arson Investigator position on C-shift. Chief Law thanked Deputy Fire Marshall Amy Nygren and Krista Aney for all their hard work over the July 4<sup>th</sup> weekend and they did a tremendous job confiscating over 2,000 pounds of illegal fireworks.

#### **3. SMFD – FIREFIGHTERS LOCAL 522 REPORT** *(Firefighter Mike Gildone for Vice President Matt Cole)*

FF Mike Gildone welcomed the new recruits and congratulated the 17 personnel who recently promoted to their respective ranks effective June 30, 2023.

#### **4. COMMITTEE AND DELEGATE REPORTS**

*All Committee Meetings will be held at the Sacramento Metropolitan Fire District Board Room, 10545 Armstrong Avenue, Mather, California unless otherwise specified.*

##### **A. Executive Committee – (President Clark)**

Next Meeting: TBD

No Report.

- B. Communications Center JPA – (AC Greene)**  
Next Meeting: July 24, 2023 at 9:00 AM (Special Meeting)  
July 25, 2023 at 9:00 AM

The Communications Center JAP Board met on June 27<sup>th</sup> and took action on the following items:

1. Approved a two-year contract renewal with Concern EAP.
2. Approved the final FY 2023/2024 budget representing an approximately 11% increase from the previous year.
3. Approved the centralized Tablet Command contract management under the Center and pass-through of contract costs.

The Communications Center JPA Board will meet on July 24, 2023 for a Special Board Meeting and July 25, 2023 for its regularly scheduled meeting.

- C. Finance and Audit Committee – (Director Wood)**  
Next Meeting: July 27, 2023 at 5:30 PM

Will meet on 7/27/2023, No Report.

- D. Policy Committee – (Director Costa)**  
Reported Out: June 8, 2023  
Next Meeting: August 10, 2023

Will meet on 8/10/2023, No Report.

### **BOARD MEMBER QUESTIONS AND COMMENTS**

Director Costa thanked staff for all the hard work over the 4<sup>th</sup> of July holiday/weekend.

Director Jones thanked Robert “Bobbie” Sestito for the great presentation on this excellent program.

Director Webber thanked Robert “Bobbie” Sestito for the very informative presentation on this great program.

Director Sheetz welcomed the new employees and congratulated staff and their promotions and the well-deserved retirement.

Director Rice thanked staff for their amazing work over the July 4<sup>th</sup> weekend. Director Rice expressed excitement about completing the Fire Chief recruitment process and encouraged staff to rally around the new Fire Chief.

Director Wood gave kudos to Brenda Briggs and April West and the entire team for a very successful Fire Camp. He also thanked Public Information Officer Parker Wilbourn for the excellent work getting the social media posts out and keeping the public informed. Director Wood expressed gratitude to President Clark and Director Rice for attending Luau on the Links on Saturday which is put on by the Firefighters Burn Institute. On Saturday, September 16, 2023 there is a Chili Cook-Off at the Sacramento Regional Fire Museum from 6 to 9 p.m. benefiting and hosted by the Firefighters Burn Institute.

Director Goold thanked all the applicants who went through the Fire Chief selection process as it takes a tremendous amount of courage to go through the process. Every candidate was outstanding and it was not an easy decision. Thank you to the City Managers of Citrus Heights and Rancho Cordova who took the time to sit on the community panel.

The Board recessed to Closed Session at 8:09 p.m. on the following matter:

**CLOSED SESSION:**

- 1. PERSONNEL MATTERS – PUBLIC EMPLOYEE EMPLOYMENT**  
**Pursuant to California Government Code § Sections 54957 and 54957.6**  
**Fire Chief Contract and Discussion**  
**Negotiator: John Lavra, General Counsel.**

**CLOSED SESSION REPORT OUT**

The board reconvened to open session at 9:27 p.m. and stated there was no reportable action taken in closed session.

To view the video of the meeting, please visit the Metro Fire Website or our YouTube channel:

<https://metrofire.ca.gov/2023-07-13-board-meeting>  
[https://www.youtube.com/channel/UC9t-uKlc\\_oOUGNrmogdQ\\_QA](https://www.youtube.com/channel/UC9t-uKlc_oOUGNrmogdQ_QA)

**ADJOURNMENT**

The meeting was adjourned at 9:27 p.m.

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D'Elman Clark, President

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Ted Wood, Secretary

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Marni Rittburg, CMC, Board Clerk



Adam House  
Fire Chief

# Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 · Mather, CA 95655 · Phone (916) 859-4300 · Fax (916) 859-3702

**DATE:** August 24, 2023  
**TO:** Board of Directors  
**SUBJECT:** Revision of Board Policy  
Policy 01.010.03 - Purchasing and Contracting

## TOPIC

Review the proposed changes to the current Policy 01.010.03 - Purchasing and Contracting.

## DISCUSSION

Attached is the amended Purchasing and Contracting Policy, which was last approved by the Board on March 25, 2021. This policy was reviewed by the Finance Division and language has been amended to clarify processes pertaining to procurements using federal funding and update other sections of the policy. The original policy and the newly revised policy are attached for your review.

The revised policy was presented to the Policy Committee on August 24, 2023 and was approved for referral to the Board of Directors for consideration.

## RECOMMENDATION

Staff recommends that the Board of Directors approve the Purchasing and Contracting Policy revisions.

Submitted By:

Approved By:

  
Dave O'Toole (Aug 18, 2023 10:50 PDT)

Dave O'Toole  
Chief Financial Officer



Adam House  
Fire Chief

# Sacramento Metropolitan Fire District

## BOARD POLICY

POLICY TITLE: Purchasing and Contracting                      OVERSIGHT: Administration  
POLICY NUMBER: 01.010.03                      EFFECTIVE DATE: 11/04/92                      REVIEW DATE: 03/25/2021

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### *Background*

The Sacramento Metropolitan Fire District's (District) Purchasing and Contracting Policy was established to stimulate and promote competition for the procurement of District goods and services; ensure that all qualified and responsible suppliers have an opportunity to do business with the District; implement public purchasing best-practices that comply with all federal, state and, local laws; and adopt business practices that will facilitate effective business relationships and retain public confidence.

### *Purpose*

The purpose of this policy is to provide direction for procuring goods and services to be utilized by the District in meeting its mission of providing protection, education, and service to our community.

### *Scope*

This policy applies to all District personnel.

### *Definitions*

1. **Bid:** A statement of cost for goods and services, when specifics are known.
2. **Board:** The Board of Directors of the Sacramento Metropolitan Fire District.
3. **Capital Asset:** Assets of significant value, broadly classified as land, buildings and improvements, infrastructure, equipment, and intangible assets, with a capitalization amount in excess of \$5,000, and anticipated practical use period exceeding one fiscal year.
4. **Emergency:** A sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.
5. **Fire Chief's Designee:** An employee of the Sacramento Metropolitan Fire District who has been designated by the Fire Chief to requisition and contract on behalf of the District.
6. **Capital Asset:** Assets of significant value, broadly classified as land, buildings and improvements, infrastructure, equipment, and intangible assets, with a capitalization amount in excess of \$5,000, and anticipated practical use period exceeding one fiscal year.

7. **Formal Bid/Proposal:** A competitive bid or proposal submitted in response to a formal solicitation process and pursuant to the requirements, terms, and conditions outlined in the formal solicitation.
8. **Formal Solicitation Process:** The process of issuing a Request for Bids/Proposals and receiving sealed written bids/proposals for purchases exceeding the minimum amount prescribed by the County of Sacramento's Purchasing Ordinance (any amount in excess of \$100,000). This does not include Public Projects, which must follow a different formal solicitation process.
9. **Informal Solicitation Process:** The process of receiving a minimum of three informal bids/proposals, if available, for purchases in excess of \$45,000 but less than the minimum amount prescribed in the County of Sacramento's Purchasing Ordinance (any amount in excess of \$100,000) that would require the formal solicitation process. This does not include Public Projects, which must follow a different informal solicitation process.
10. **Informal Bid/Proposal:** A competitive bid, price quotation, or proposal for supplies or services that is conveyed via letter, fax, email, or other written manner that does not require a formal sealed bid or proposal, public opening, or other formalities.
11. **Lowest Responsive and Responsible Bidder:** The entity that submits a bid that was responsive to the requirements of the solicitation and who has been deemed to have demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the requested work and at the most competitive price.
12. **Multiple Award Schedule:** A schedule of non-exclusive contracts to provide similar or comparable goods or services of indefinite quantity that are awarded to more than one supplier or vendor at varying prices for a specified term after completion of a formal solicitation process.
13. **Personal Property:** Any goods, material, supplies, vehicles, machinery, furnishings, equipment, and any other tangible article required for the conduct of the business of the District.
14. **Proposal:** A statement that includes the cost, timing, source, conditions, and related parameters associated with procurement of equipment, materials, supplies, and services, when specifics are not known or a solution is being sought.
15. **Public Project:** Includes either (1) construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility, or (2) painting or repainting of any publicly owned, leased, or operated facility. Public project" does not include maintenance work, which includes (1) routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes, (2) minor repainting, and (3) landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.



16. **Purchase:** Any contractual arrangement or transaction involving payment for the acquisition of title to real or personal property; the use by rental, lease or otherwise of real or personal property, the provision of services by independent contractor or otherwise; or any combination of the foregoing.
17. **Real Property:** Land, that which is affixed to land, that which is incidental or appurtenant to land, that which is immovable by law.
18. **Request for Bid (RFB):** A written solicitation for sealed bids issued for the procurement of personal property or services in excess of \$100,000, with clearly defined specifications.
19. **Request for Information (RFI):** A non-binding method used to solicit information from potential suppliers of goods and services.
20. **Request for Proposal (RFP):** A written solicitation for sealed proposals issued for the procurement of personal property or services in excess of \$100,000, where requirements are qualitative rather than quantitative, or where the supplier/vendor is proposing a solution to a problem posed by the District.
21. **Request for Qualifications RFQ:** A pre-procurement process used to establish a pre-qualified list of suppliers/vendors who are eligible to respond to future formal solicitations for similar or comparable goods or services for a specified term due to their demonstrated qualifications and experience.
22. **Special Services:** Such services shall be limited to the fields of accounting, administration, ambulance, architecture, custodial, economics, engineering, finance, insurance, labor relations, law, maintenance, mechanics, medicine, planning, science, technology, and other services which are incidental to the operation of the District.

### *Policy*

1. The Fire Chief shall designate purchasing authority to the Purchasing Agent and other designees, giving each the ability to make a purchase or enter into an agreement once all applicable purchasing procedures have been followed as described in this policy.
2. All District personnel having purchasing authority shall conduct themselves in such a manner as to foster public and Board confidence in the integrity of the District's purchasing procedures.

### *Procedures*

1. General Purchasing and Procurement Procedures
  - a. The Purchasing Agent ("Purchasing") may review all procurement requests (requisitions) for supplies and services prior to the order being placed with the vendor to determine if the best value to the District is being met. Purchasing

and the divisional budget officer are jointly responsible for identifying acceptable vendors for a specific product or service. The divisional budget officer is responsible for technical aspects of the evaluation and Purchasing is responsible for the financial and service aspects. Once acceptable vendors have been established, Purchasing, in conjunction with the divisional budget officer, shall be responsible for ensuring vendors selected can best respond to the requirements of each particular order.

- b. A Purchase Order is required for all procurements that exceed \$1,000.
  - c. Purchasing will review all requisitions to assure compliance with this policy.
  - d. Purchasing, in conjunction with the divisional budget officer, will be responsible for all communication with suppliers regarding performance issues.
  - e. No contract for services or supplies may be finalized without Purchasing providing review and approval.
  - f. Purchasing will assume responsibility for issuing all RFBs, RFPs, RFIs, and RFQs for goods and services through a coordinated effort with the involved division.
2. Purchases of Personal Property
- a. Except as otherwise provided by law, all purchases shall be made in the name of the District.
  - b. Amounts included in the annual budget approved by the Board for the purchase of specifically identified items of personal property shall constitute spending authority to the Fire Chief or Fire Chief's Designee for such items of personal property up to the approved amounts. All such purchases shall be in accordance with the methods and procedures described herein.
  - c. Where the cost of personal property is any amount in excess of \$45,000 but does not exceed \$100,000, the Fire Chief or Fire Chief's Designee shall be required to follow the informal solicitation process set forth in section 5 herein.
  - d. Where the cost of personal property is any amount in excess of \$100,000, the Fire Chief or Fire Chief's Designee shall be required to follow the formal solicitation process set forth in section 6 or section 7 of this policy.
3. Procurement of Special Services
- a. The District may contract for special services (as defined in the Definitions section of this policy) with persons or expert firms specially trained, experienced, and competent to perform the special service.
  - b. The Fire Chief or Fire Chief's Designee is hereby authorized to enter into agreements, by which independent contractors provide such special services to the District. Any special service contract or agreement that is less than

\$100,000 can be entered into without the informal solicitation process, providing the Fire Chief or the Fire Chief's Designee has researched all options and has determined that the decision is based on the best value for the District.

- c. Except as otherwise provided herein, any Special Service contract or agreement as defined herein, which is expected to exceed \$100,000 shall be solicited through the formal solicitation process.
4. Purchases up to \$45,000
    - a. These purchases are known as "Best Judgment Purchases." This means that individual purchases for personal property or services up to \$45,000 can be completed using the purchaser's best judgment. Informal bidding is encouraged at this level by getting quotes over the phone or email (preferred), or by using the Internet to document competitor pricing and make sure the District is receiving the best value. A purchase order is required for any transaction over \$1,000.
    - b. For those purchases of personal property and services that do not require the formal or informal solicitation process, staff must research and evaluate to make sure the District is getting the best value, ensuring that the best price is obtained for the particular goods or service taking into consideration the total cost of ownership (TCO). This can be achieved by obtaining, if available, a minimum of three comparison bid evaluations using verbal and/or written quotations, or any other method of obtaining comparison costing or estimates.
  5. Informal Solicitation Process (Purchases totaling \$45,000.01 to \$100,000.00)
    - a. When the expenditure required for the purchase of personal property or services is in excess of \$45,000.00 and up to \$100,000.00, procurement of the personal property or services must be obtained through the following informal solicitation process:
      - i. Obtain and complete the Informal Bid/Proposal Form found on Metro Apps > Documents.
      - ii. Obtain at least three (3) written quotes. If three (3) quotes were not acquired, a detailed explanation detailing why the required number of quotes were not obtained must be provided on the Informal Bid/Proposal Form. This exception may be approved at the discretion of the Purchasing Agent if it is determined that the making of the purchase without three (3) quotes is reasonably necessary for the conduct of District business.
      - iii. Enter a requisition for purchase into the District's financial system. A completed Informal Bid/Proposal Form and all quotes (if applicable) shall be attached to the requisition for Purchasing to review. Upon approval from Purchasing, a purchase order will be issued.

6. Formal Solicitation Process (Purchases Exceeding \$100,000)
  - a. Except as otherwise provided herein, when the expenditure required for the purchase of personal property or services exceeds \$100,000, the District shall notify Purchasing to initiate the formal solicitation process. Contract shall be awarded to the most responsive and responsible bidder offering the best value to the District, and is subject to approval by the Board.
  - b. Purchasing will conduct all correspondence with suppliers involving prices or quotations for formal solicitations. Only Purchasing is authorized to release formal solicitation information related to vendor prices, quotations, questions, or related information.
  
7. Exception to Bidding
  - a. Purchases may be allowed without competitive bidding under the following circumstances:
    - i. When the aggregate or cumulative price to be paid under the purchase contract is one hundred thousand dollars (\$100,000) or less, unless otherwise required by state law.
    - ii. In the event of an Emergency.
    - iii. When the following types of personal property or services are being acquired, obtained, rented or leased:
      - A. Advertising;
      - B. Books, recordings, motion picture films, subscriptions;
      - C. Election supplies;
      - D. Insurance;
      - E. Public utility services;
      - F. Travel services;
      - G. Property or services provided by or through other governmental agencies; or obtainable from suppliers which have in force a current contract with another governmental agency for the same item or service
      - H. Property or services the price of which is fixed by law.
    - iv. When a patented or proprietary item is being purchased (including single/sole source).
    - v. When the branch Deputy Chief and Purchasing Agent determine that making of a purchase without competitive proposals is reasonably necessary for the conduct of District business.

b. Exception to Formal Solicitation Process:

- i. If purchase does not qualify for one of the exceptions to competitive bidding detailed in Section 7, Part a., i-iii, a request for an exception from the formal solicitation process shall be made. Requests for an exception from the formal solicitation process shall follow this process:
  - A. Fill out the Request for Exception to Formal Solicitation Process Form and Disclosure Statement found on Metro Apps > Documents
  - B. Submit completed form and any applicable supporting documentation to branch Deputy Chief and Purchasing for review and preliminary approval.
  - C. Submit to Board of Directors for review and approval.

8. Request for Qualification Process

- a. When the District is seeking to establish a pre-qualified list of suppliers/vendors for the purpose of streamlining future formal solicitation processes for similar or comparable goods or services the pre-qualified list must be established through the following Request for Qualifications (RFQ) process.
  - i. Purchasing shall work with the divisional budget officer to prepare an RFQ document that describes the type of goods or services and identifies the minimum qualifications required for a supplier/vendor to be eligible to respond to future formal solicitations for that type of goods or services.
  - ii. Only Purchasing is authorized to issue RFQ documents. Purchasing will conduct all correspondence with suppliers related to the RFQ process.
  - iii. A pre-qualified list of suppliers/vendors may be established at the conclusion of the RFQ process to include suppliers/vendors with demonstrated qualifications and experience. These suppliers/vendors will become eligible to respond to future formal solicitations for similar or comparable goods or services.

9. Contracts

- a. When the Board determines that it is in the public interest, the District may contract with any other public or private agency for fire protection services, rescue services, emergency medical services, hazardous material emergency response services, ambulance services, and any other emergency services for the protection of lives and property.
- b. All contracts for consulting services shall require review by Legal Counsel.
- c. All contracts for goods and services up to the informal bid threshold of \$45,000 shall require the review and approval of Purchasing.

10. Conflict of Interest

- a. The Fire Chief, Fire Chief's Designee, or Board of Directors shall ensure that any purchase of any Personal Property or Special Services shall be in compliance with California Government Code Section 87100 et. seq., pertaining to Conflict of Interest, which states:

*A public official at any level of state or local government shall not make, participate in making, or in any way attempt to use the public official's official position to influence a governmental decision in which the official knows or has reason to know the official has a financial interest.*

11. Bid Splitting Prohibited

- a. It is unlawful, for the purpose of evading any requirements herein, to split or separate into smaller units of purchase any purchase covered by this policy.

12. Former District Employees

- a. For the three (3) year period from the date the former District employee left District employment, no former District employee may enter into or participate in a contract in which they engaged in any of the negotiations, transactions, planning arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by the District.

13. Public Projects

- a. The District has elected to become subject to the procedures outlined in the Uniform Public Construction Cost Accounting Act (Act). Public projects of sixty thousand dollars (\$60,000) or less may be performed by the employees of the District by force account, by negotiated contract, or by purchase order. Public projects of two hundred thousand dollars (\$200,000) or less may be let to contract by informal procedures as set forth in the Act. Public projects of more than two hundred thousand dollars (\$200,000) shall, except as otherwise provided in the Act, be let to contract by formal bidding procedure. Such formal and informal bidding procedures are outlined in the California Government Code, commencing with Section 22030.
- b. In cases of Emergency when repair or replacements are necessary, the District shall follow the Emergency Contracting Procedures detailed in the California Public Contract Code, Section 22050.

14. District Procurement Card

- a. The District issues procurement cards to certain individuals for District-specific purchases. All purchases made with the District procurement card must meet ALL procurement requirements stated in this document AND closely adhere to the District's procurement card policy, which includes these provisions:

- i. District procurement cards may only be used as a purchase option for small purchases up to \$1000, when items are not available from Logistics.
  - ii. District procurement cards may only be used for official business and may not be used for personal purchases under any circumstances.
  - iii. District procurement cards are only issued to cardholders who have certified that they understand and will comply with all related District policies.
  - iv. District procurement cards may be suspended or revoked due to misuse.
  - v. District procurement cards shall not be used for grant funded purchases. Any exceptions to this must be approved by the grant management team prior to making a purchase.
15. Capital Asset Policy
  - a. The District has a Capital Asset Policy to provide a mechanism for controlling property acquisition, availability, transfer, disposal and proper documentation. Specifics can be found in the District's Capital Asset Policy.
16. Purchases Made with Federal Grant Funds
  - a. Grant Purchases shall follow all procurement standards as outlined in 2 Code of Federal Regulations (CFR) Part 200, specifically sections 200.317 through 200.326. If this policy deviates from the Federal procurement standards as set forth in 2 CFR 200 in any way, the District shall follow the more restrictive standard for all procurements involving Federal funds.

### *References*

1. Sacramento Metropolitan Fire District Capital Asset Policy
2. Grants Management Procedures 05-2021
3. Sacramento Metropolitan Fire District Procurement Card Policy
4. California Public Contract Code
5. Sacramento County Purchasing Code

# Sacramento Metropolitan Fire District

## BOARD POLICY

POLICY TITLE: Purchasing and Contracting OVERSIGHT: Administration  
POLICY NUMBER: 01.010.03 EFFECTIVE DATE: 11/04/92 REVIEW DATE: 03/25/2021

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### *Background*

The ~~intent of the policy is to seek~~ Sacramento Metropolitan Fire District's (District) Purchasing and Contracting Policy was established to stimulate and promote competition; ~~procure personal property for the procurement of District goods~~ and services ~~at a standard consistent with the required levels of quality; assure; ensure~~ that all qualified and responsible suppliers ~~and bidders~~ have an equal opportunity to do business with the ~~Sacramento Metropolitan Fire District (District); utilize accepted~~ District; implement public purchasing best-practices for the conduct of our service; that comply with all federal, state and local laws; conform to ethical and adopt business practices in all transactions; conduct all District business in a manner that will inspire good facilitate effective business relationships and insure the retain public confidence ~~of the public~~.

### *Purpose*

The purpose of this policy is to provide a single resource of information direction for the procurement of all equipment, material, supplies, procuring goods and services to be utilized by the District in meeting its mission of providing protection, education, and service to our community.

### *Scope*

This policy ~~is applicable~~ applies to all District personnel.

### *Definitions*

1. **Bid:** ~~The process~~ A statement of obtaining quotes cost for the purchase of equipment, materials, supplies, goods and services, when specifics are known.
2. ~~Proposal:~~ The process of obtaining quotes for the purchase of equipment, materials, supplies, and services when specifics are not known or a solution is being sought.
- 3.2. **Board:** The Board of Directors of the Sacramento Metropolitan Fire District.
4. ~~Construction:~~ The work of constructing, altering, renovating, or any other repair work improving buildings or facilities, including labor and materials thereby required. Minor repainting or other routine maintenance required for the protection and preservation of any District property is not considered construction.
3. **Capital Asset:** Assets of significant value, broadly classified as land, buildings and improvements, infrastructure, equipment, and intangible assets, with a



capitalization amount in excess of \$5,000, and anticipated practical use period exceeding one fiscal year.

5.4. ~~Emergency: An unforeseen circumstance(s) in which an~~ Emergency: A sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate purchase, service, or construction is necessary in order ~~to avoid a substantial hazard to prevent or mitigate the loss or impairment of life, health, property, or an interruption to the operation of the District~~ essential public services.

6.5. Fire Chief's Designee: An employee of the Sacramento Metropolitan Fire District who has been authorized ~~designated by the Fire Chief~~ to requisition and contract on behalf of the District.

6. Capital Asset: Assets of significant value, broadly classified as land, buildings and improvements, infrastructure, equipment, and intangible assets, with a capitalization amount in excess of \$5,000, and anticipated practical use period exceeding one fiscal year.

7. Formal Bidding Bid/Proposal: A competitive bid or proposal submitted in response to a formal solicitation process and pursuant to the requirements, terms, and conditions outlined in the formal solicitation.

7.8. Formal Solicitation Process: The process of issuing a Request for Bids/Proposals and receiving sealed written bids/proposals for purchases exceeding the minimum amount prescribed by the County of Sacramento's Purchasing Ordinance (any amount in excess of \$100,000). This does not include Public Projects, which must follow a different formal solicitation process.

8.9. Informal Bidding Solicitation Process: The process of receiving a minimum of three written informal bids/proposals, if available, for purchases in excess of \$45,000 but less than the minimum amount prescribed in the County of Sacramento's Purchasing Ordinance (any amount in excess of \$100,000) that would require the formal biddingsolicitation process. This does not include Public Projects, which must follow a different informal solicitation process.

10. Informal Bid/Proposal: A competitive bid, price quotation, or proposal for supplies or services that is conveyed via letter, fax, email, or other written manner that does not require a formal sealed bid or proposal, public opening, or other formalities.

9.11. Lowest Responsive and Responsible Bidder: The ~~bidder who's entity that submits a bid that was responsive and responsible bid offers the best value~~ to the District requirements of the solicitation and who has been deemed to have demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the requested work and at the most competitive price.

12. Multiple Award Schedule: A schedule of non-exclusive contracts to provide similar or comparable goods or services of indefinite quantity that are awarded to

more than one supplier or vendor at varying prices for a specified term after completion of a formal solicitation process.

- 40.13. **Personal Property:** ~~includes~~Any goods, material, supplies, vehicles, machinery, furnishings, equipment, and any other tangible article required for the conduct of the business of the District.
14. **Proposal:** A statement that includes the cost, timing, source, conditions, and related parameters associated with procurement of equipment, materials, supplies, and services, when specifics are not known or a solution is being sought.
15. **Public Project:** Includes either (1) construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility, or (2) painting or repainting of any publicly owned, leased, or operated facility. Public project" does not include maintenance work, which includes (1) routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes, (2) minor repainting, and (3) landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
- 44.16. **Purchase or Purchases:** Any contractual arrangement or transaction involving payment for the acquisition of title to real or personal property; the use by rental, lease or otherwise of real or personal property, the provision of services by independent contractor or otherwise; or any combination of the foregoing.
17. **Real Property:** Land, that which is affixed to land, that which is incidental or appurtenant to land, that which is immovable by law.
- 42.18. **Request for ~~Formal Bid: Used when (RFB):~~ A written solicitation for sealed bids issued for the procurement of** personal property or services ~~to be purchased is~~ in excess of \$100,000 ~~and can be, with~~ clearly defined ~~with~~ specifications.
19. **Request for Informal Bid: Used when Request for Information (RFI):** A non-binding method used to solicit information from potential suppliers of goods and services.
13. **Request for Proposal (RFP):** A written solicitation for sealed proposals issued for the procurement of personal property or services to be purchased is in excess of \$45,000 but less than \$100,000 ~~and can be clearly defined with specifications.~~
- 44.20. **Request for Formal Proposal:** Used when, where requirements are qualitative rather than quantitative, or where the specific personal property or service is not easily identified or detailed specifications are not available and the anticipated cost supplier/vendor is expected to be in excess of \$100,000. Suppliers are asked to propose their own proposing a solution to achieve a problem posed by the desired results District.

- ~~15. **Request for Informal Proposal:** Used when the specific personal property or service is not easily identified or detailed specifications are not available and the expected cost is expected to be in excess of \$45,000 but less than \$100,000. Suppliers are asked to propose their own solution to achieve the desired results.~~
- ~~16.21. **Request for Qualifications:** Used when the District is seeking to obtain information to qualify firms and/or their proposals in order to decide which company would be the most beneficial to do business with, or a pre-procurement process used to establish a qualified vendor list/pre-qualified list of suppliers/vendors who are eligible to respond to future formal solicitations for similar or comparable goods or services for a specified term due to their demonstrated qualifications and experience.~~
- ~~17.22. **Special Services:** Any service of a specialized nature required in the conduct of operations of the District, which may include services in the areas Such services shall be limited to the fields of accounting, administration, ambulance, architecture, custodial, economics, engineering, finance, insurance, labor relations, law, maintenance, mechanics, medicine, planning, science, technology, and other services which are incidental to the operation of the District/district.~~
- ~~18. **Surety:** A financial guarantee to insure the performance of a contract. Surety requirements are mandated for construction and can be optional for personal property and services.~~
- ~~19. **Fixed Asset:** Assets of significant value that extends beyond the current year and that are broadly classified as land, buildings and improvements, infrastructure, equipment and intangible assets, and exceed a capitalization amount of \$5,000.~~

### *Policy*

1. The Fire Chief shall designate purchasing authority to certain individual/the Purchasing Agent and other designees, giving each the ability to make a purchase or enter into an agreement once all applicable purchasing procedures have been followed as described in this policy.
2. All District personnel having purchasing authority shall conduct themselves in such a manner as to foster public and Board confidence in the integrity of the District's purchasing procedures.

### *Procedures*

1. General Purchasing and Procurement Procedures
  - a. The Purchasing Manager (Agent ("Purchasing")) may review all procurement requests (requisitions) for supplies and services prior to the order being placed with the vendor to determine if the best value to the District is being met. ~~This will include determining if the best vendor has been selected.~~ Purchasing and the Budget Officer/divisional budget officer are jointly responsible for identifying

acceptable vendors for a specific product or service. —The ~~Budget Officer~~divisional budget officer is responsible for technical aspects of the evaluation and Purchasing is responsible for the financial and service aspects. Once acceptable vendors have been established, Purchasing, in conjunction with the ~~Budget Officer~~divisional budget officer, shall be responsible for ~~selection of a vendor who~~ensuring vendors selected can best respond to the requirements of each particular order.

- b. -A Purchase Order is required for all procurements that exceed \$1,000.
- c. Purchasing will review all requisitions to assure compliance with ~~bidding, contracting, and fixed asset policies~~this policy.
- d. ~~Purchasing will conduct all correspondence with vendors involving prices or quotations for formal bids. Only Purchasing is authorized to release information relative to vendor prices, quotations, questions, or any other formal bidding information.~~
- e.d. Purchasing, in conjunction with the divisional budget officer, will be responsible for all communication with suppliers regarding performance issues.
- f.e. ~~Purchasing will review all contracts. No contract for services and/or supplies prior to the contract being may be finalized. without Purchasing providing review and approval.~~
- g.f. Purchasing will assume responsibility for issuing all Requests~~RFBs, RFPs, RFIs, and RFQs~~ for Formal Bids, Formal Proposals and Formal Qualifications for supplies~~goods~~ and services through a coordinated effort with the involved division.

## 2. Purchases of Personal Property ~~or Supplies~~

- a. Except as otherwise provided by law, all purchases shall be made in the name of the District.
- b. Amounts included in the annual budget approved by the Board for the purchase of specifically identified items of personal property shall constitute spending authority to the Fire Chief or Fire Chief's Designee for such items of personal property up to the approved amounts. —All such purchases shall ~~meet~~be in accordance with the ~~requirements, if any, of the formal or informal bidding procedure prior to purchase~~methods and ~~the contracting limits as specified in sections 3, 4, 5 and 6 of this policy.~~procedures described herein.
- c. Where the cost of personal property is any amount in excess of \$45,000 but ~~is less than~~does not exceed \$100,000, the Fire Chief or Fire Chief's Designee shall be required to follow the informal biddingsolicitation process set forth in section 5 herein.

- d. Where the cost of personal property is any amount in excess of \$100,000, the Fire Chief or Fire Chief's Designee shall be required to follow the formal biddingsolicitation process set forth in section 6 or section 7 herein of this policy.

3. Procurement of Special Services

- a. The District may contract for special services (as defined in the Definitions section of this policy) with persons or expert firms specially trained, experienced, and competent to perform the special service.
- b. The Fire Chief or Fire Chief's Designee is hereby authorized to enter into agreements, by which independent contractors provide such special services to the District. Any special service contract or agreement that is less than \$100,000 can be entered into without the informal bidsolicitation process, providing the Fire Chief or the Fire Chief's Designee has researched all options and has determined that the decision is based on the best value for the District.
- c. Any Except as otherwise provided herein, any Special Service contract or agreement as defined herein, which is expected to exceed \$100,000 shall be solicited through the formal biddingsolicitation process.

4. ~~Purchases~~ Services Less Than up to \$45,000

- a. These purchases are known as "Best Judgment Purchases". This means that individual purchases for personal property or services less than up to \$45,000 can be completed using the purchaser's best judgment. Informal bidding is encouraged at this level by getting ~~phone~~ quotes over the phone or email (preferred), or by using the internet to research document competitor pricing and make sure the District is receiving the best value. A purchase order is required for any transaction over \$1,000.
- ~~b.~~ For those purchases of personal property and services that do not require the formal or informal biddingsolicitation process, staff is encouraged to must research, and evaluate to make sure the District is getting the best value, and assure ensuring that the best price is obtained for the particular goods or service taking into consideration the total cost of ownership (TCO).
- ~~e.~~ b. This can be achieved by obtaining, if available, a minimum of three comparison bid evaluations using verbal and/or written quotations, or any other method of obtaining comparison costing or estimates.

5. Informal Bidding Solicitation Process (Purchases totaling \$45,000.01 to \$100,000.00)

- a. When the expenditure required for the purchase of personal property or services is in excess of \$45,000 ~~but less than .01 and up to~~ \$100,000.00 District staff is required to obtain, procurement of the personal property or

services must be obtained through the following informal biddingsolicitation process-;

b. Procedure:

- i. Fill out Obtain and complete the Informal Bid/Proposal Form found at P:\\_Forms\Purchasing Forms\on Metro Apps > Documents.
- ii. Obtain at least three (3) written quotes. If three (3) quotes were not acquired, a detailed explanation detailing why the required number of quotes were not obtained must be provided on the Informal Bid/Proposal Form. This exception may be approved at the discretion of the purchasing agent if it is determined that the making of the purchase without three (3) quotes is reasonably necessary for the conduct of District business.
  1. Obtain at least three (3) quotes.
- iii. Submit Informal Bid Form and all quotes to Purchasing for review and enter into INCODE Enter a requisition for the purchase-purchase into the District's financial system. A completed Informal Bid/Proposal Form and all quotes (if applicable) shall be attached to the requisition for Purchasing to review. Upon approval from Purchasing, a purchase order will be issued.

6. Informal Proposal Formal Solicitation Process

7.6. When the expenditure required for the purchase of personal property or services is in excess of \$45,000 but less than (Purchases Exceeding \$100,000, and detailed specifications are unknown or a solution is being sought, District staff is required to obtain personal property or services through the informal proposal process.)

a. Procedure:

1. Fill out the Informal Proposal Form found at P:\\_Forms\Purchasing Forms\Informal Proposal Form.
2. Obtain at least three (3) quotes.
3. Submit Informal Proposal Form and all quotes to Purchasing for review and enter into INCODE a requisition for the purchase. Upon approval from Purchasing, a purchase order will be issued.

8. Formal Bidding Process

- a. Except as otherwise provided herein, when the expenditure required for the purchase of personal property or services exceeds \$100,000, the District shall utilizenotify Purchasing to initiate the formal biddingsolicitation process. Contract shall be awarded to the most responsive and award the contract to the lowest-responsible bidder at offering the best value to the District-, and is subject to approval by the Board.

b. Procedure:

- ~~1. Fill out the Formal Bid Form found at P:\\_Forms\Purchasing Forms\Formal Bid Form.~~
- ~~2. Submit completed form to Purchasing for publishing and solicitation for sealed bids.~~
- ~~3. Purchasing will handle all further actions required.~~

~~9. Formal Proposal Process~~

~~b. When the expenditure required for the purchase Purchasing will conduct all correspondence with suppliers involving prices or quotations for formal solicitations. Only Purchasing is authorized to release formal solicitation information related to vendor prices, quotations, questions, or related information.~~

~~7. Exception to Bidding~~

~~a. Purchases may be allowed without competitive bidding under the following circumstances:~~

~~i. When the aggregate or cumulative price to be paid under the purchase contract is one hundred thousand dollars (\$100,000) or less, unless otherwise required by state law.~~

~~i. When a patented or proprietary item is being purchased.~~

~~ii. In the event of an Emergency.~~

~~iii. When the following types of personal property or services is in excess of \$100,000, and detailed specifications are unknown or a solution is being sought, District staff is required to obtain personal property or being acquired, obtained, rented or leased:~~

~~A. Advertising;~~

~~B. Books, recordings, motion picture films, subscriptions;~~

~~C. Election supplies;~~

~~D. Insurance;~~

~~E. Public utility services;~~

~~F. Travel services;~~

~~A.G. Property or services provided by or through the formal proposal process, other governmental agencies; or obtainable from suppliers which have in force a current contract with another governmental agency for the same item or service~~

~~a. Procedure:~~

H. Fill out Property or services the Formal Proposal Form found at P:\\_Forms\price of which is fixed by law.

- iv. When a patented or proprietary item is being purchased (including single/sole source).
- v. When the branch Deputy Chief and Purchasing Forms\Formal Proposal Form Agent determines that making of a purchase without competitive proposals is reasonably necessary for the conduct of District business.

Submit completed form b. Exception to Purchasing Formal Solicitation Process:

- 1. If purchase does not qualify for one of the exceptions to competitive bidding detailed in Section 7, Part a., i-iii, a request for an exception from the formal solicitation process shall be made. Requests for publishing and an exception from the formal solicitation for sealed bids.
- 2. Purchasing will handle all further actions required.

#### 10. Request for Qualification

- i. When the District is seeking individual firms to do business with, to establish a multiple award schedule, or to establish a qualified vendor list, staff is required to process shall follow the Request for Qualification this process outlined herein.;

#### b. Procedure:

- A. Fill out the Fill out the Request for Exception to Formal Solicitation Process Form and Disclosure Statement found on Metro Apps > Documents
- B. Submit completed form and any applicable supporting documentation to branch Deputy Chief and Purchasing for review and preliminary approval.
- C. Submit to Board of Directors for review and approval.

#### 8. Request for Qualification Form found at P:\\_Forms\Purchasing Forms\Vendor Request Process

- a. When the District is seeking to establish a pre-qualified list of suppliers/vendors for Qualification Form the purpose of streamlining future formal solicitation processes for similar or comparable goods or services the pre-qualified list must be established through the following Request for Qualifications (RFQ) process.
  - 1. Submit completed form to Purchasing for publication and solicitation of firms.



- i. Purchasing shall work with the divisional budget officer to prepare an RFQ document that describes the type of goods or services and identifies the minimum qualifications required for a supplier/vendor to be eligible to respond to future formal solicitations for that type of goods or services.
- ii. Only Purchasing is authorized to issue RFQ documents. Purchasing will handleconduct all further actions requiredcorrespondence with suppliers related to the RFQ process.
- iii. A pre-qualified list of suppliers/vendors may be established at the conclusion of the RFQ process to include suppliers/vendors with demonstrated qualifications and experience. These suppliers/vendors will become eligible to respond to future formal solicitations for similar or comparable goods or services.

#### 44.9. Contracts

- a. When the Board determines that it is in the public interest, the District may contract with any other public or private agency for fire protection services, rescue services, emergency medical services, hazardous material emergency response services, ambulance services, and any other emergency services for the protection of lives and property.
- b. All contracts for consulting services shall require review by Legal Counsel.
- c. All contracts for goods and services ever up to the informal bid amount threshold of \$45,000 shall require the review and approval of Purchasing.

#### 10. Conflict of Interest

- a. The Fire Chief, Fire Chief's Designee, or Board of Directors shall ensure that any purchase of any ~~personal property~~ Personal Property or ~~special services~~ Special Services shall be in compliance with California Government Code Section 87100 et. seq., pertaining to Conflict of Interest. ~~All transactions over \$10,000 will require an additional Disclosure Statement to safeguard against any financial interest or personal relationship with the vendor that may be deemed a conflict, which states:~~

*A public official at any level of state or local government shall not make, participate in making, or in any way attempt to use the public official's official position to influence a governmental decision in which the official knows or has reason to know the official has a financial interest.*

#### 11. Bid Splitting Prohibited

- a. It is unlawful, for the purpose of evading any requirements herein, to split or separate into smaller units of purchase any purchase covered by this policy.

#### 12. Former District Employees

- a. For the three (3) year period from the date the former District employee left District employment, no former District employee may enter into or participate in a contract in which they engaged in any of the negotiations, transactions, planning arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by the District.

#### 14. ~~Construction Contracting~~

#### 13. Public Projects

- a. ~~The District has adopted~~~~to become subject to~~ the procedures outlined in the Uniform Public Construction Cost Accounting Act ~~and as such requires a bid process for the construction or completion (Act). Public projects of any building, structure, or improvement. When the expenditure required for the project is expected to exceed \$45~~sixty thousand dollars (\$60,000 but) or less than \$100~~may be performed by the employees of the District by force account, by negotiated contract, or by purchase order. Public projects of two hundred thousand dollars (\$200,000, it shall be contracted for and awarded to the lowest responsible bidder by the District's ) or less may be let to contract by informal bidding process in conjunction with the procedures of as set forth in the Uniform Act. Public Construction Cost Accounting Act.~~

- a. ~~For construction projects estimated to be of more than \$100,000, the District's~~two hundred thousand dollars (\$200,000) shall, except as otherwise provided in the Act, be let to contract by formal bidding process will be followed in conjunction with the procedures of the Uniform Public Construction Cost Accounting Act procedure. Such formal and informal bidding procedures are outlined in the California Government Code, commencing with Section 22030.

#### b. ~~Procedure:~~

1. ~~Fill out the Formal Bid Form found at P:\\_Forms\Purchasing Forms\Formal Bid Form~~
2. ~~Submit completed form to Purchasing for publishing and solicitation for sealed bids.~~
3. ~~Purchasing will handle all further actions required by the Uniform Public Construction Cost Accounting Act.~~

#### 15. In cases of Emergency

- a. ~~In the case of an emergency, the Board may adopt by resolution or motion and by a majority vote of all members of the Board, to when repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the~~replacements are necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.

b. ~~Before the Board takes any action pursuant to section 15a of this policy, it, the District shall make a finding, based on substantial evidence set forth follow the Emergency Contracting Procedures detailed in the minutes of its meeting, that the emergency will not permit a delay for the purposes of a competitive solicitation for bids, and that the action is necessary to respond to the emergency~~California Public Contract Code, Section 22050.

~~b. If the Fire Chief or Fire Chief's Designee orders any action specified in section 15a of this policy, that person shall report to the Board at its next meeting the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.~~

14. District Purchasing Procurement Card

a. The District issues ~~a purchasing card~~procurement cards to certain individuals for District ~~use only. Requests for a purchasing card will be sent to the Controller.~~specific purchases. All purchases made with the District ~~Purchasing Card~~procurement card must ~~first~~ meet ALL procurement requirements stated in this document. ~~AND closely adhere to the District's procurement card policy, which includes these provisions:~~

~~b. A Purchase Order is required for all procurements that exceed \$1,000.~~

~~i. Fixed~~District procurement cards may only be used as a purchase option for small purchases up to \$1000, when items are not available from Logistics.

~~ii. District procurement cards may only be used for official business and may not be used for personal purchases under any circumstances.~~

~~iii. District procurement cards are only issued to cardholders who have certified that they understand and will comply with all related District policies.~~

~~iv. District procurement cards may be suspended or revoked due to misuse.~~

~~v. District procurement cards shall not be used for grant funded purchases. Any exceptions to this must be approved by the grant management team prior to making a purchase.~~

15. Capital Asset Policy

a. The District has a Fixed Capital Asset Policy to provide a mechanism for controlling property acquisition, availability, transfer, disposal and proper documentation. ~~Specifics can be found in the Fixed District's Capital Asset Policy 106.01.~~

~~1816.~~ Purchases Made Withwith Federal Grant Funds

- a. Grant Purchases shall follow all procurement standards as outlined in 2 Code of Federal Regulations (CFR) Part 200, specifically sections 200.317 through 200.326. If this policy deviates from the Federal procurement standards as set forth in 2 CFR 200 in any way, the District shall follow the more restrictive standard for all procurements involving Federal funds.

### *References*

1. Sacramento Metropolitan Fire District [FixedCapital](#) Asset Policy ~~106.01~~
2. Grants Management Procedures 05-2021
- ~~3. All current policies can be found in the Policy App~~
- ~~2. [Sacramento Metropolitan Fire District Procurement Card Policy](#)~~
- ~~3. [California Public Contract Code](#)~~
- ~~4. [Sacramento County Purchasing Code](#)~~



ADAM A. HOUSE  
Fire Chief

# Sacramento Metropolitan Fire District

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10545 Armstrong Ave., Suite 200 • Mather, CA 95655 • Phone (916) 859-4300 • Fax (916) 859-3702

**DATE:** August 24, 2023  
**TO:** Board of Directors  
**SUBJECT:** Administration Policy  
Policy 02.021.01 - Financial Planning and Budget Policy

## TOPIC

Review new Administrative Policy 02.021.01 Financial Planning and Budget Policy.

## SUMMARY

This policy provides and formalizes processes used to develop, administer, and report on the District's budget.

## DISCUSSION

Attached is the new Financial Planning and Budget Policy 02.021.01. The Financial Planning and Budget Policy serves a guide for District fiscal planning, deliberations and decisions toward maintaining long-term financial stability, providing adequate funding for Capital Improvement Program (CIP) expenditures, and accelerating payment of unfunded liabilities. This policy will assist the Board in making informed choices about the provision of District services and management of capital assets, and facilitate effective and informed budget input by District constituents.

This policy guides the development of the District's annual budget and directs Finance Division staff on budget development practices, including recognition of year-end revenues and calculation of the General Fund reserve.

This policy was approved by the Policy Committee on August 10 with the request that it be presented to the Board of Directors for consideration and comment.

## FISCAL IMPACT

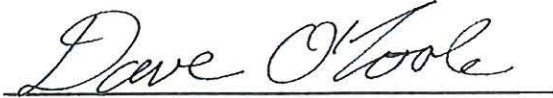
No fiscal impact.

**RECOMMENDATION**

Administration Policy review is for informational purposes only as previously directed by the Policy Committee.

Submitted by:

Approved by:



Dave O'Toole  
Chief Financial Officer



Adam House  
Fire Chief

# Sacramento Metropolitan Fire District

## ADMINISTRATIVE POLICY

POLICY TITLE: Financial Planning and Budget Policy

OVERSIGHT: Finance

POLICY NUMBER: XX.XXX.XX EFFECTIVE DATE: Xx/xx/xx

REVIEW DATE: Xx/xx/xx

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### *Background*

The Sacramento Metropolitan Fire District (District) is an independent special district governed by an elected Board of Directors (Board) responsible for ensuring the appropriate expenditure of all property taxes, emergency medical service (EMS) fees, and other income sources.

This policy serves as a guiding document for the District and Board, directing financial planning and annual budget practices that will support long-term fiscal sustainability.

This policy was adopted by the Board of Directors and implemented with the FY 2023/24 Final Budget.

### *Purpose*

The purpose of this policy is to guide District fiscal planning, deliberations and decisions toward maintaining long-term financial stability, providing adequate funding for Capital Improvement Program (CIP) expenditures, and accelerating payment of unfunded liabilities. This policy will assist the Board in making informed choices about the provision of District services and management of capital assets, and facilitate effective and informed budget input by District constituents.

This policy guides the development of the District's annual budget and directs Finance Division staff on budget development practices, including recognition of year-end revenues and calculation of the General Fund reserve.

### *Scope*

This policy applies to all District personnel.

### *Definition*

1. **Balanced Budget:** An annual budget in which operating revenues and any one-time revenues are greater than or equal to ongoing operating expenditures.
2. **Capital Improvement Program (CIP):** A multi-year plan that identifies needed capital projects and equipment, provides a planning schedule, and financing options.
3. **CIP Reserves:** Reserves accumulated for the purchase of apparatus, equipment, and the construction, rehabilitation, and improvements to District facilities and properties. These reserves are comprised of the reserves from both the Capital Facilities Fund and the Development Impact Fees Fund.

4. **Encumbrances:** Commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments).
5. **Final Budget:** Using the preliminary budget as a basis, the District budget scheduled and developed for consideration by the Board before October 1 every year. The final budget is subsequently updated in the Midyear Budget.
6. **Five-Year Budget Forecast:** A budget forecast including the upcoming fiscal year and at least four (4) additional years, displaying major revenue and expenditure sources, transfers, ending General Fund reserve balance, and General Fund reserve ratio.
7. **Fund Balance:** Governmental Fund balance sheet assets less liabilities, equals fund balance. Accountants distinguish up to five (5) separate categories of fund balance, based on the extent to which the government is bound to honor specific purposes spending constraints.
8. **General Fund:** For budgeting and reporting purposes, the District records all transactions in the General Fund that are not specifically accounted for in any other fund. The other funds include the Capital Facilities Fund, the Leased Properties Fund, the Grant Fund, the Development Impact Fees Fund, the Intergovernmental Transfer (IGT) Fund, and Special Projects Fund.
9. **Labor Budget:** A component of the District's budget comprising compensation (e.g., wages, overtime, constant staffing, leave balances used, and incentives) and benefits (e.g., pensions, workers' compensation, and employee medical, dental, and vision insurance).
10. **Midyear Budget:** Based on the approved Final Budget for that fiscal year and incorporating actual revenue and expenditure information from the first six months of the fiscal year and projections for the last six months, the Midyear Budget provides updated budget information and is considered by the Board before April 1 every year.
11. **Operating revenues:** For purposes of this policy, operating revenues are defined as District revenue in the General Fund and any transfers to the General Fund that have either been (a) transferred to the General Fund for each of the five (5) prior fiscal years or (b) transferred from a program established and funded through state or federal law and does not have an expiration or sunset date. Operating revenues do not include revenues or transfers to the General Fund that are known to be one-time.
12. **Operating expenditures:** District expenditures paid from General Fund balances, including transfers from the General Fund to other funds.
13. **Preliminary Budget:** The District Budget scheduled and developed for consideration by the Board before July 1 every year. The Preliminary Budget is subsequently updated in the Final Budget and Midyear Budget.



## *Policy*

1. Budget Development Process
  - a. The District prepares and presents to the Finance and Audit Committee and Board of Directors three (3) separate budget plans: the Preliminary Budget Final Budget and Midyear Budget.
  - b. The District's budget development process follows these seven (7) steps for each budget process (Preliminary Budget, Final Budget, and Midyear Budget):
    - i. The Finance Division prepares and distributes to division budget personnel a calendar for the upcoming budget process.
    - ii. Divisions input their budget requests into the financial management system.
    - iii. Divisions explain and discuss their requests with branch leadership and the Finance team.
    - iv. Requests are evaluated and presented to the District's executive management team, and adjustments are identified to ensure proposed expenditures match available revenues and the District's strategic direction and priorities.
    - v. The Finance Division prepares and presents budget materials for the Finance and Audit Committee and Board.
    - vi. The Board amends (if necessary) and ultimately adopts the proposed Budget.
    - vii. The Finance Division monitors revenues and expenditures, and reports variances in bimonthly fiscal reports, or as often as necessary to ensure the Board is informed about unanticipated budget trends.
  - c. Appropriations in all budgeted funds lapse at the end of the fiscal year, even if there are related encumbrances. Valid outstanding encumbrances (those for which performance under an executory contract is anticipated in the next year) must be re-appropriated in the Final Budget.
  - d. Budget Transfers
    - i. Transfers between District funds or objects (salaries and benefits, services and supplies, capital outlay, and debt service or other expenditures) must be approved by the Board.
    - ii. Transfers within the same fund or object (salaries and benefits, services and supplies, capital outlay, and debt service or other expenditures), including transfers within divisions and between divisions, must be

approved by the Deputy Chief(s) overseeing the division(s) affected by the transfer.

2. Balanced Budget

- a. The District shall endeavor to propose balanced budgets for all funds, as defined above. If a balanced General Fund budget is not proposed, the budget shall specify the amount and share of General Fund reserves to be used.
- b. The District shall also endeavor to achieve a projected General Fund budget that is balanced for all years included in the Five-Year Budget Forecast.

3. Financial Stability

- a. The District will strive to achieve sustained financial stability by:
  - i. Building Capital Facilities Fund balances that accumulate and deplete in harmony with the needs and timing of capital projects identified in the five-year CIP Plan and capital outlay budget, and
  - ii. Facilitating accelerated payment of the District's unfunded liabilities.

4. General Fund Reserve

- a. In order to minimize the variance between Final Budget and Midyear Budget revenues, expenditures, and transfers, the beginning General Fund reserve reported in the Final Budget shall incorporate the most up-to-date prior year revenue, expenditure, and transfer data available when the Final Budget is prepared.
- b. The District shall strive to maintain a reserve ratio in the General Fund set at 15 percent of General Fund expenditures for unplanned emergencies.
- c. The reserve ratio will be calculated and established at budget adoption (Preliminary Budget, Final Budget, or Midyear Budget).
- d. For purposes of calculating the General Fund reserve ratio, accelerated payments toward unfunded liabilities, expenditures approved as a one-time expenditure in the given fiscal year, and operating transfers out of the General Fund to other funds to support one-time expenditures in those funds (e.g., capital outlay in the Capital Facilities Fund) are excluded.
- e. The General Fund reserve calculation shall incorporate the estimated balance of General Fund on June 30 of the budget year.
- f. Calculation
  - i. The General Fund reserve shall be determined by first calculating the projected fund balance of the General Fund at the end of the fiscal year,

incorporating all General Fund revenues, expenditures, and financing sources and uses. This calculation is the numerator of the reserve ratio.

- ii. The denominator of the reserve ratio shall be the projected General Fund expenditures (excluding capital and one-time expenditures) and other financing uses, including transfers out (excluding any capital outlay support cost transfers to other funds).
- iii. The reserve ratio is calculated by dividing i by ii above.

5. One-Time and Limited Term Revenues

- a. The District recognizes the considerable financial risk posed by applying one-time and limited term revenue sources to long-term expenditures.
- b. The District will only pay for ongoing expenditures from recurring operating revenue sources as defined in this policy.

6. Excess Reserves

- a. In March of each year, after the Fifteen (15) percent General Fund reserve ratio has been achieved, the remaining surplus shall be allocated as follows:
  - i. Fifty (50) percent of the remaining surplus shall be transferred to the Capital Facilities Fund for capital improvement expenditures, and
  - ii. Fifty (50) percent shall be allocated as accelerated payment of District's unfunded liabilities (first toward pension liability until achieving an eighty-five (85) percent funding level, and then toward Other Post Employment Benefit costs).
- b. If the Fifty (50) percent allocation to the Capital Facilities Fund, when combined with planned revenues from the Capital Facilities Fund is sufficient to fund that year's capital expenditures in the Capital Facilities Fund, then the remainder shall be allocated as an accelerated payment of the District's unfunded liabilities.

7. Labor Cost as a Share of General Fund Revenues Calculation

- a. For purposes of budget information, labor cost as a share of General Fund revenues shall be calculated by dividing the budgeted costs of labor expenses (numerator) by all General Fund operating revenues (denominator), as defined.

8. Five-Year Budget Forecast

- a. The Five-Year Budget Forecast shall be used as a budget tool updated annually in conjunction with the preliminary and final budget for projected revenues and expenditures.

- b. The Five-Year Budget Forecast will also be updated whenever a significant financial event occurs or is anticipated to occur mid-year in order to assess the severity of the impact.
- c. The Five-Year Budget Forecast shall also be evaluated before undertaking any significant financial commitment to ensure the District's fiscal health will be maintained.
- d. Accuracy.
  - i. Data included in the first two (2) years of the forecast is the most predictable and reliable.
  - ii. Data contained in later years of the forecast is less reliable due to uncertainties regarding items such as future property tax growth, service costs, and capital needs. Although less reliable, the information is a useful indicator of trends and the potential need for early corrective intervention.

### *References*

1. Debt Management Policy
2. Reserve Funding Policy
3. Capital Asset Policy
4. Capital Improvement Program Policy