

VALLEY CENTER FIRE PROTECTION DISTRICT



**BOARD OF DIRECTORS' REGULAR MEETING
VCMWD Board Room**

Thursday – June 20, 2024 at 6:00 p.m.

Valley Center Fire Protection District Board of Directors
REGULAR MEETING AGENDA
June 20, 2024 / 6:00 p.m.

Valley Center Municipal Water District Board Room
29300 Valley Center Rd Valley Center, CA 92082

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Any member of the Public may speak on any matter that is not on the Agenda. However, under State law, no decisions or actions can be taken and any such matters will be referred to the next meeting.

5. PROCLAMATIONS AND PRESENTATIONS

- A. Fire Marshal Recognition by the District and Firefighters Association Local 5187
- B. Introduce Chief Loffredo and Captain Chalmers

6. CONSENT CALENDAR

All items listed on the Consent Calendar listed as Consent Items are considered routine and will be enacted in one motion. There will be no separate discussion of these items prior to the Board action on the motion, unless members of the Board, Staff or public request specific items be removed from the Consent Calendar from the Board Agenda for discussion.

- A. Approve Board Meeting Minutes on the Regular Meeting May 16, 2024
Standing Item – Review and Approve
- B. Proposal to adopt Resolution NO 2024-15 (Calle Oro Verde) and Resolution NO 2024-16 (Guejito) on Intention to Annex Territory to CFD 2008-1.

Review and Approve

7. STAFF REPORTS

- A. Fire Chief's Report
- B. Operations Division Report
- C. Fire Station Project Monthly Update
- D. Administrative Services & Community Risk Reduction Division Report
- E. Valley Center Firefighters Association Report

8. OLD BUSINESS

- A. Review and Approve Updated Resolution 2024-19, Approving The Form Of And Authorizing The Execution And Delivery Of A Site Lease, A Lease/Purchase Agreement, And An Escrow Agreement And Authorizing Certain Additional Actions

9. NEW BUSINESS

- A. Proposal to adopt Resolution 2024-14 to Participate In The County Of San Diego Fire Mitigation Fee Program For Fiscal Year 2024-2025 And Adopt A Capital Improvement Plan For The Use Of Fire Mitigation Fee Revenue.
- B. Proposal to adopt Resolution 2024-17 Acknowledging Receipt Of A Report Made By Fire Chief Josef Napier of Certain Occupancies Required To Perform Annual Inspections In Such Occupancies Pursuant To Sections 13146.2 And 13146.3 Of The California Health and Safety Code, in the form and content as attached hereto.
- C. Proposal to adopt Resolution 2024-18 Approving the Memorandum of Understanding Between the Valley Center Fire Protection District and the Valley Center Firefighters Association IAFF LOCAL 5187.
- D. Approve Audit Engagement Letter from Nigro & Nigro
- E. Final Reading of the FY 2024-25 Budget

10. TREASURER'S REPORT

Review of Fiscal Recap for May 2024.

11. CLOSED SESSION

Personnel Matters / Litigation

Negotiation with County Board of Supervisors regarding 6% of 1%

54957.7. Announcement prior to Closed Session:

- (a) Prior to holding any closed session, the legislative body of the local agency shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the legislative body may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.
- (b) After any closed session, the legislative body shall reconvene into open session prior to adjournment and shall make any disclosures required by Section 54957.1 of action taken in the closed session.
- (c) The announcements required to be made in open session pursuant to this section may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcements.

12. ANNOUNCEMENT OF CLOSED SESSION ACTIONS

None

13. BOARD OF DIRECTORS COMMENTS

14. ADJOURNMENT

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (760) 751-7600, at least 48 hours before the meeting, if possible

NEXT REGULAR MEETING – July 18, 2024

CONSENT CALENDAR

BOARD OF DIRECTORS' PACKET

VALLEY CENTER FIRE PROTECTION DISTRICT



**Minutes
Of A Regular Meeting
Of the Board of Directors of
Valley Center Fire Protection District
May 16, 2024 / 6:00 p.m.**

Valley Center Municipal Water District Board Room
29300 Valley Center Rd
Valley Center, CA 92082

1. Call to Order at 6:00 p.m.
2. Roll Call:
 - Ron Duff - Present
 - Phil Bell – Present
 - Steve Hutchison – Present
 - Robb Rattray – Present
 - Lin Werkheiser - Present
3. Pledge of Allegiance – led by Chief Davidson
4. Public Comment
None
5. Proclamations and Presentations
 - A. President Bell administered the oath of office to newly appointed director, Lin Werkheiser.
6. Consent Calendar – The consent calendar, containing the minutes from the Regular Meeting April 18, 2024, Ordinance 64 regarding Fire Service Availability and Standby Cost of Living Increase and Resolution 2024-12 regarding Community Facility District 2000-01 Annual Increase for Fire Suppression and Fire Protection Services, after motion made and seconded, and a roll call vote, was approved unanimously by Directors Werkheiser, Duff, Bell, Hutchison and Rattray.
7. Staff Reports
 - A. Fire Chief's Report – Chief Duncan presented the month's activities for Chief Napier who was not at the meeting.
 - B. Operations Division Report – was also presented by Chief Duncan.
 - C. Fire Station Project Monthly Update – presented by Chief Duncan
 - D. Administrative Services & Community Risk Reduction Division Report – Chief Davidson presented his report and a report on the activities of the CERT group.
 - E. Valley Center Firefighters Association Report – None

8. Old Business
None

9. New Business

A. The second reading of the FY 2024-25 budget was held. Chief Davidson noted that the updated actuals are more reflective of the year.

B. There was a Proposal to adopt Resolution 2024-13 Approving The Form Of And Authorizing The Execution And Delivery Of A Site Lease, A Lease/Purchase Agreement, And An Escrow Agreement And Authorizing Certain Additional Actions Necessary For The Consummation Of The Transactions Contemplated By This Resolution, after a long, detailed discussion regarding the terms of the agreements, after motion made and seconded, the Board voted 2-3 not to move forward with the agreements. The two aye votes were Directors Bell and Rattray and Directors Werkheiser, Duff and Hutchison voted no.

10. Treasurers Report – Chief Davidson presented the Treasurers Report. There was some discussion regarding utility costs and the probable cause and also the reason operational payroll was high. After motion made and seconded, the Treasurer's Report was unanimously approved by the Board.

11. Closed Session – Contract Negotiations - Review of the labor negotiations with VCFA Local 5187 MOU

12. Announcement of Closed Session Actions – Chief Duncan updated the Board on negotiations with Local 5187. No action was taken.

13. Board of Directors Comments

Director Rattray appreciates all the hard work everybody has put in, He welcomed both of the new directors.

Director Hutchison had questions concerning lift assists and if it is affecting the District.

Director Werkheiser said that it was a pleasure to be here and an honor to work with the Board. Thanks to Director O'Connor for his 10 years of service. Looking forward to finding our way through this stuff to a good end.

Director Duff thanked the Chief, for his time and patience in trying to keep his level of knowledge up.

Director Bell hopes to bring the update for the 6% to the next meeting. Chief Napier is at the CSDA meeting tonight and did receive their endorsement. Welcome to the new directors, would like to take them out for coffee or lunch.

Adjournment – 8:36 p.m.

Ronald Duff, Secretary

NEXT REGULAR MEETING: June 20, 2024

RESOLUTION NO. 2024-15
A RESOLUTION OF INTENTION
OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER FIRE PROTECTION DISTRICT
TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2008-1
AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at section 53311 of the California Government Code, the Board of Directors (the "Board") of the Valley Center Fire Protection District (the "District") has conducted proceedings to establish Community Facilities District No. 2008-1 (the "CFD"), and

WHEREAS, the Board is the legislative body for the CFD and is empowered with the authority to annex territory to the CFD and now desires to undertake proceedings to annex territory to the CFD, and

WHEREAS, a petition requesting institution proceedings to annex territory to Community Facilities District No.2008-1 District has been received from landowners owning not less than 10% of the proposed land to be annexed to the CFD, and

WHEREAS, the petition dated May 23, 2024 has been found to meet the requirements of Government Code section 53319, and

WHEREAS, this Board, having received indications of interest from the owner of the areas of land proposed to be annexed to the CFD, now desires to proceed with the annexation to the CFD in order to finance the balance of the costs of certain public services and facilities necessary or incident to development in the CSD.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Valley Center Fire Protection District as follows:

1. This Board hereby finds and determines that public convenience and necessity require that territory be added to the CFD be formed and that the Board is authorized to conduct proceedings for the annexation of territory to the CFD pursuant to the Act.
2. The name of the existing CFD is "Community Facilities District No. 2008-1."
3. The territory included in the existing CFD is as shown on the map thereof filed in Book 42 of Maps of Assessment and Community Facilities Districts at Page 27 in the office of the County Recorder, County of San Diego, State of California to which map reference is hereby made for further particulars. The territory now proposed to be annexed to the CFD is as shown on Annexation Map No.2 to the CFD on file with the Clerk of the Board, the boundaries of which territory are hereby preliminarily approved and which map is incorporated in full herein by reference. The Clerk of the Board is hereby directed to record, or cause to be recorded, said map showing the territory to be annexed to the CFD in the office of the County Recorder of the County of San Diego within fifteen days of the date of adoption of this Resolution.

4. The types of services financed by the CFD and pursuant to the Act consist of those services (the "Services") described in Exhibit A to Resolution 2008-09, adopted by the Board on May 29, 2008 (the "Resolution of Formation"). It is presently intended that the Services will be shared, without preference or priority, by the existing territory in the CFD and the territory proposed to be annexed to the CFD.

5. Except to the extent that the funds are otherwise available to the CFD to pay for the Services, a special tax sufficient to pay the costs thereof is intended to be levied annually within the CFD and collected in the same manner and at the same time as ordinary *ad valorem* property taxes. The proposed rate and method of apportionment of the special tax among the parcels of real property within the CFD, as now in existence and following the annexation proposed herein, in sufficient detail to allow each landowner within the territory proposed to be annexed to the CFD to estimate the maximum amount such owner will have to pay are described in detail in Exhibit A attached to the Resolution of Formation, which by this reference is incorporated herein.

6. The Board shall hold a public hearing (the "Hearing") on the annexation of territory to the CFD and the proposed Rate and Method of Apportionment at 6 p.m., or as soon thereafter as practicable, on July 18, 2024, at the Valley Center Municipal Water District, at 29300 Valley Center Road, Valley Center, California. At the hearing, the Board will consider and finally determine whether the public interest, convenience and necessity require the annexation of territory to the CFD. Should the Board determine to annex territory to the CFD, a special election will be held to authorize the levy of the special tax in accordance with the procedures contained in Government Code section 53326. If held, the proposed voting procedure at the election is expected to be a landowner vote with each landowner of record as of the close of the Hearing having one vote for each acre of land or portion thereof owned within the territory to be annexed to the CFD. Ballots for the special election may be distributed by mail or by personal service. At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within the proposed CFD, may appear and be heard.

7. The District may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying any cost incurred by the District in the annexation of territory to the CFD. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by this Board, with or without interest.

8. The District Secretary is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication shall be completed at least seven days before the date of the public hearing in Section 6. The Secretary shall also cause notice of the hearing to be given to each property owner within the CFD by first class mail, postage prepaid, to each such owner's addresses as it appears on the most recent tax records of the District or as otherwise known to the Secretary to be correct. Such mailed notice shall be completed not less than fifteen days before the date of the public hearing. Each of the notices shall be substantially in the form specified in section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

9. Except as may otherwise be provided by law or by the rate and method of apportionment of the special tax for the CFD, all lands owned by any public entity, including the United States, the State of California and/or the District, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax to be made to cover the costs and expenses of the

Services and the CFD. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the special tax, this Board will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD that is not exempt in order to yield the required revenues to pay for the Services and other annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the special tax.

10. The officers, employees and agents of the District are hereby authorized and directed to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution.

PASSED AND ADOPTED by the Board of Directors of the Valley Center Fire Protection District on the 20th day of June, 2024 by the following vote:

Ayes:
Noes:
Absent:
Abstain:

ATTEST:

President, Board of Directors

Secretary, Board of Directors

RESOLUTION NO. 2024-16
A RESOLUTION OF INTENTION
OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER FIRE PROTECTION DISTRICT
TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2008-1
AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at section 53311 of the California Government Code, the Board of Directors (the "Board") of the Valley Center Fire Protection District (the "District") has conducted proceedings to establish Community Facilities District No. 2008-1 (the "CFD"), and

WHEREAS, the Board is the legislative body for the CFD and is empowered with the authority to annex territory to the CFD and now desires to undertake proceedings to annex territory to the CFD, and

WHEREAS, a petition requesting institution proceedings to annex territory to Community Facilities District No.2008-1 District has been received from landowners owning not less than 10% of the proposed land to be annexed to the CFD, and

WHEREAS, the petition dated June 5, 2024 has been found to meet the requirements of Government Code section 53319, and

WHEREAS, this Board, having received indications of interest from the owner of the areas of land proposed to be annexed to the CFD, now desires to proceed with the annexation to the CFD in order to finance the balance of the costs of certain public services and facilities necessary or incident to development in the CSD.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Valley Center Fire Protection District as follows:

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3. The territory included in the existing CFD is as shown on the map thereof filed in Book 42 of Maps of Assessment and Community Facilities Districts at Page 27 in the office of the County Recorder, County of San Diego, State of California to which map reference is hereby made for further particulars. The territory now proposed to be annexed to the CFD is as shown on Annexation Map No.2 to the CFD on file with the Clerk of the Board, the boundaries of which territory are hereby preliminarily approved and which map is incorporated in full herein by reference. The Clerk of the Board is hereby directed to record, or cause to be recorded, said map showing the territory to be annexed to the CFD in the office of the County Recorder of the County of San Diego within fifteen days of the date of adoption of this Resolution.

4. The types of services financed by the CFD and pursuant to the Act consist of those services (the "Services") described in Exhibit A to Resolution 2008-09, adopted by the Board on May 29, 2008 (the "Resolution of Formation"). It is presently intended that the Services will be shared, without preference or priority, by the existing territory in the CFD and the territory proposed to be annexed to the CFD.

5. Except to the extent that the funds are otherwise available to the CFD to pay for the Services, a special tax sufficient to pay the costs thereof is intended to be levied annually within the CFD and collected in the same manner and at the same time as ordinary *ad valorem* property taxes. The proposed rate and method of apportionment of the special tax among the parcels of real property within the CFD, as now in existence and following the annexation proposed herein, in sufficient detail to allow each landowner within the territory proposed to be annexed to the CFD to estimate the maximum amount such owner will have to pay are described in detail in Exhibit A attached to the Resolution of Formation, which by this reference is incorporated herein.

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7. The District may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying any cost incurred by the District in the annexation of territory to the CFD. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by this Board, with or without interest.

8. The District Secretary is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication shall be completed at least seven days before the date of the public hearing in Section 6. The Secretary shall also cause notice of the hearing to be given to each property owner within the CFD by first class mail, postage prepaid, to each such owner's addresses as it appears on the most recent tax records of the District or as otherwise known to the Secretary to be correct. Such mailed notice shall be completed not less than fifteen days before the date of the public hearing. Each of the notices shall be substantially in the form specified in section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

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Services and the CFD. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the special tax, this Board will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD that is not exempt in order to yield the required revenues to pay for the Services and other annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the special tax.

10. The officers, employees and agents of the District are hereby authorized and directed to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution.

PASSED AND ADOPTED by the Board of Directors of the Valley Center Fire Protection District on the 20th day of June, 2024 by the following vote:

Ayes:
Noes:
Absent:
Abstain:

ATTEST:

President, Board of Directors

Secretary, Board of Directors

STAFF REPORTS

BOARD OF DIRECTORS' PACKET

VALLEY CENTER FIRE PROTECTION DISTRICT



VALLEY CENTER FIRE PROTECTION DISTRICT

28234 Lilac Road, Valley Center, CA 92082
(760) 751-7600 Fax (760) 749-3892
Website: vcfpd.org



June 20, 2024

Fire Chief's Report Valley Center Fire Protection District Board

1. The Valley Center Fire Department had a very busy month with 218 Emergency Incidents, Training, Public Education, Inspections, the Stampede Rodeo over memorial weekend and Western Days Chili Cook-off and Parade.
2. ALS Program: 300 CPR Certifications for High School Seniors
3. Operational Area Update: RT130 Annual Wildland Update
4. Local and Regional Training: Wildland Hoselays and Pala Battery Facility Tour
5. Cal Fire Valley Center Battalion: Station 71 is a full staffing: 2, Type 3 with 3/0 staffing and 1 Ambulance staffed by AMR employees.
6. Law Enforcement / Fire /Tribal Interagency Operations: Genasys Protect (Zonehaven) Training Completed. Changed the Roll-out happened on May 31st.
7. Fire Station Projects: Station 3 construction: Erikson Hall is working with the County on the Cole Grade Widening and their responsibility to Storm Water and our Storm Water Requirements.

Valley Center Fire Station 1
28234 Lilac Road
Valley Center, CA 92082

Valley Center Fire Station 2
28205 N. Lake Wohlford Road
Valley Center, CA 92082

VCFPD OPERATIONAL REPORT: May, 2024

Monthly Incident Data:

	VCFPD Station 1 E161	VCFPD Station 2 E162	VCFPD Station 2 OES E370	VCFPD Station 2 S162	VCFPD Admin Command	VCFPD Admin Prevention	Auto Aid Received	Auto Aid Given	Total Incidents	Turnout Time	Travel Time	Response Time
	Total Incidents	Total Incidents	Total Incidents	Total Incidents	Total Incidents	Total Incidents	Total Incidents	Total Incidents	Total VCFPD Incidents	90 th Percentile	90 th Percentile	90 th Percentile
JAN	106	46	0	65	5	0	71	28	185	0:2:20	0:10:41	0:12:47
FEB	88	35	0	59	6	0	34	24	156	0:2:25	0:12:09	0:14:05
MAR	65	51	0	80	5	1	69	33	161	0:2:24	0:12:26	0:13:57
APR	111	41	0	72	4	0	61	31	182	0:2:17	0:11:50	0:13:12
MAY	104	46	0	72	11	1	84	44	218	0:2:01	0:13:48	0:14:54
JUN												
JUL												
AUG												
SEP												
OCT												
NOV												
DEC												
May 2023	106	52	0	68	10	3	38	35	187	0:02:00	0:10:56	0:12:47
2023 Year End Total	1268	598	4	872	87	22	545	415	2236	0:2:34	0:13:53	0:15:19
2024 Year to Date	474	219	0	348	31	2	306	157	902	0:02:25	0:13:15	0:14:34
2024 YTD % Change												
Concurrent Incidents	Total Incidents	Two Concurrent Incidents	Three Concurrent Incidents	Four Concurrent Incidents	Five Concurrent Incidents	Two Concurrent Incidents	Three Concurrent Incidents	Four Concurrent Incidents	Five Concurrent Incidents			
2024 Monthly Total	218	49	21	2	0	25.26%	10.82%	1.03%	0%			
2023 Ambulance Responses Monthly	Medic 11	Medic 70	Medic 71	Medic 151	Rincon Fire Rescue Ambulance 181,182	North Zone Rescue Ambulance 132,114,143	Mercy Air	Total Unit Responses	Total Unit Transports	90 th Percentile Turnout	90 th Percentile Travel	90 th Percentile Response
Ambulance Transports	13	9	64	0	12	0	0	169	98	0:2:38	0:11:21	0:18:34

Firefighters in the program: 34

- Firefighter Driver Operators: 1
- Firefighter Paramedics: 15
- Firefighter EMTs: 19
- Fire Explorers: 8

Apparatus and Equipment:

Station 1:

- E-161 - In Service
- C-1601 - In Service
- C-1602 - In Service
- C-1603 – In Service

- CP-1616 - In Service
- E169 – In Shop: Pump Transfer Case
- C-1604 – In Reserve
- BR161 – In Service/Cross Staffed

Station 2:

- E-162 – In Service
- S-162 – In Service

- E-168 – In Reserve
- OES E370 – In Service/Cross Staffed

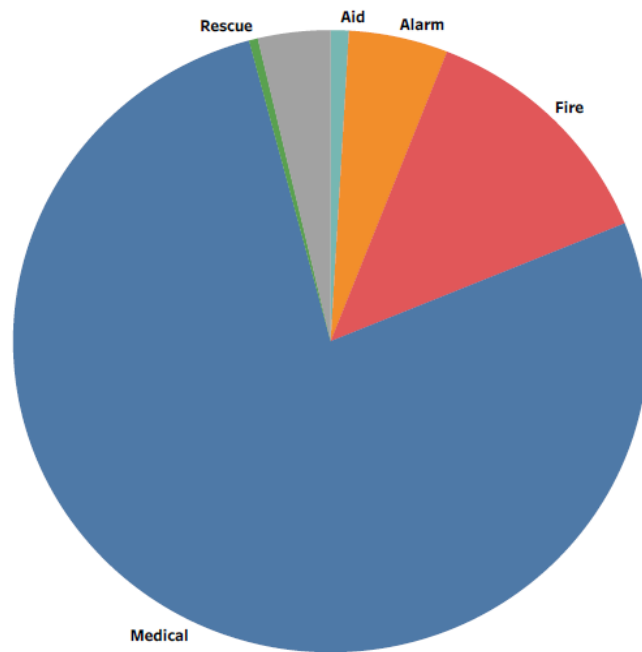
Valley Center Fire Station 1
28234 Lilac Road
Valley Center, CA 92082

Valley Center Fire Station 2
28205 N. Lake Wohlford Road
Valley Center, CA 92082

Assigned Incidents for VALLEY CENTER FPD
May 2024

Agency
VALLEY CENTER FPD

Month
May 2024 to May 2024



Aid	2 incidents / 0.92%
Alarm	11 incidents / 5.05%
Fire	28 incidents / 12.84%
Medical	168 incidents / 77.06%
Rescue	1 incidents / 0.46%
Other	8 incidents / 3.67%
Grand Total	218 incidents / 100.00%

Problem Category

- Aid
- Alarm
- Fire
- Medical
- Rescue
- Other

Data Source: AgencyDashboard_v3_Extract_v4
Data Last Updated: 6/3/2024 2:27:04 PM

Special Training and Future Community Events:

- Planning Group Evacuation Sub-Committee Quarterly Meeting: July 25, 2024 at 6:30pm
- SDG&E Safety Fair and Wildland Symposium at Bates Nut Farm: August 24, 2024, 9:00am to 1:00pm

Legislative / Political Updates:

San Diego County 6% of the 1%: We have gained the support of Cal Fire – County Fire.

Grants/Awards FY22-24:

- AFG Prevention Grant Application FY2021: Awarded \$63,000: Migrant Outreach Program
- Safer Grant Application FY2023: In Application Review by FEMA
- AFG Grant Application FY2023: In Application Review by FEMA

Valley Center Fire Station 1
28234 Lilac Road
Valley Center, CA 92082

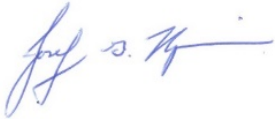
Valley Center Fire Station 2
28205 N. Lake Wohlford Road
Valley Center, CA 92082

Significant Incidents/Station Activities:

- Rescue Traffic Collision: Lilac and Old Castle
- Motorcycle TC: Woods Valley and Valley Center Road
- Electrical Fire: Coral Court

Trauma Intervention Program (TIP):

- 2 TIP responses for the month of May, 2024 to Valley Center. TIP served 3 clients in Valley Center by responding directly to the scene or hospital as requested by our Fire Captains and the Sheriff's Department.



Josef G. Napier
Fire Chief, Valley Center Fire Protection District

MEMORANDUM

DATE: June 12, 2024
TO: Joe Napier, Fire Chief, Valley Center Fire Protection District
FROM: Robin Biglione, Biglione Construction Management
SUBJECT: Update on Erickson-Hall Design-Build Agreement Progress

Temporary Fire Station No. 3

County Building Permit approval is pending approval of the Street Improvement Plans.

The changes to the plans requested by the County have been made and the associated revisions to the stormwater report were also completed. Erickson-Hall filed the resubmittal with the County on June 12. Assuming the County will take two weeks to review the changes, the plan approval date is estimated to be the end of June or the first week in July. It is anticipated that the amendment to the Erickson-Hall contract, to allow construction of Temporary Fire Station No. 3, will be on the July Fire Protection District Board agenda.

Fire Station Nos. 1 and 2

As soon as Fire Station No. 3 is underway, bidding and GMP compilation needs to be completed for Fire Station Nos. 1 and 2. If all of the work that has been designed cannot be financed at this time, scope reductions will be discussed.

Next Steps

1. Obtain final permit from County
2. Present First Amendment to Erickson-Hall contract (for construction of Temporary Fire Station No. 3) to Fire District Board of Directors



VALLEY CENTER FIRE PROTECTION DISTRICT

28234 Lilac Road, Valley Center, CA 92082
(760) 751-7600 Fax (760) 749-3892
Website: vcfpd.org



Administrative Services and Community Risk Reduction Division Board Report for May 2024

Section 1.0 - Administrative Services Report

Unrestricted Fund Balances

This section describes the state of the property tax bank accounts at the county, and our accounts at Cal-Trust. These accounts are the basis for our general operating funds, and can be used as needed without restriction. Accrual based, meaning these are the bank balances minus any outstanding payments like uncashed checks. This is a snapshot of the accounts on 5/31/2024.

*Accounts marked with * are held at the County, all others are with our bank.*

Description	Balance as of 5/31/24
Property Tax/Standby Fee/CFD 2001-1*	\$1,481,329.94
CFD 2008-01 Tax Account*	\$607,450.33
General Operating	\$442,314.13
Payroll	\$20,266.65
Training	\$34,789.76
Explorer	\$27,655.45
Fire Foundation	\$7,290.16
Total	\$2,621,096.42

Valley Center Fire Station 1
28234 Lilac Road
Valley Center, CA 92082

Valley Center Fire Station 2
28205 N. Lake Wohlford Road
Valley Center, CA 92082

May Expenses

Description	Amount
Payroll (There were three pay periods)	\$310,000.00
Expenses	\$211,202.91
Total	\$521,202.91

Expected Expenses in June

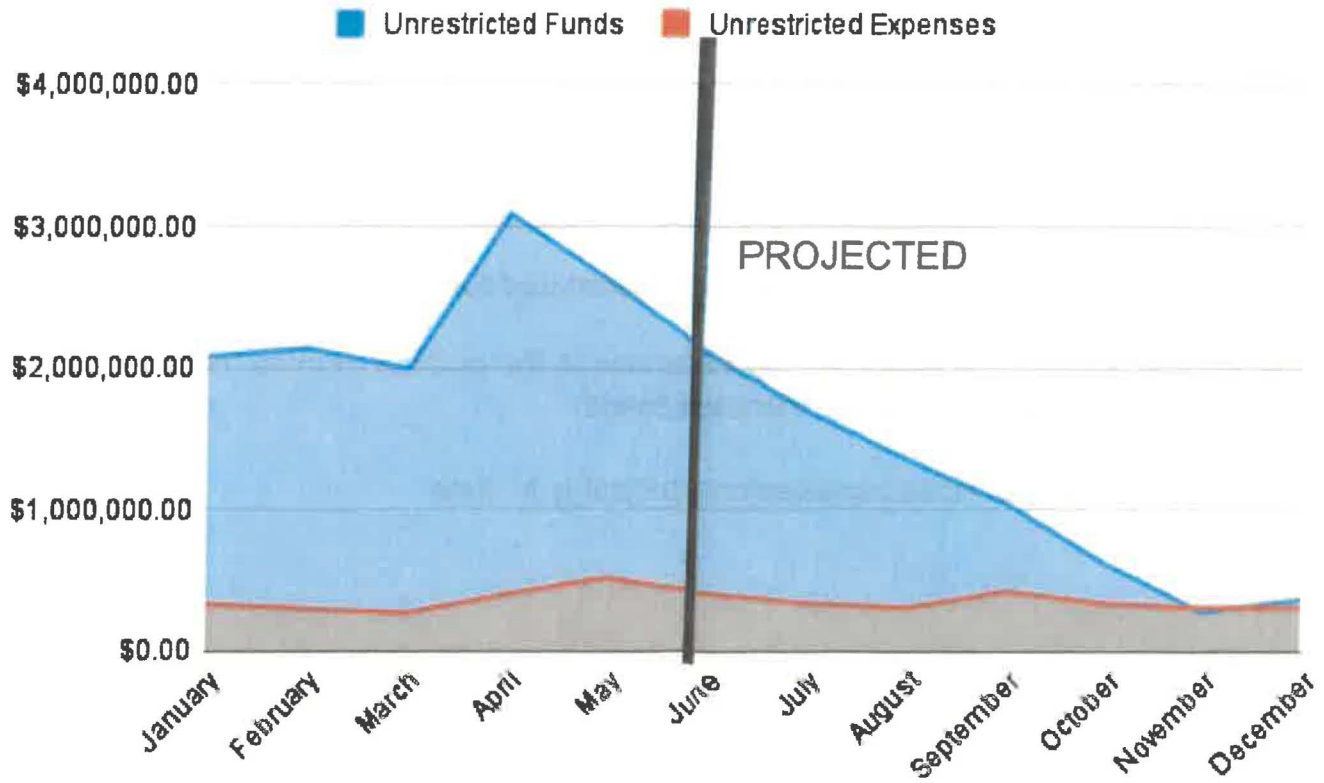
This section outlines the expected big expenses in the coming months that will be paid out of unrestricted funds.

- Expenses in June are expected to be about \$52,360.00 FAIRA P&C/Autos
- Litigation Expenses are running approx \$2000/month-\$8,500 credit

May additional expenses were:

Pinnacle Finance (Engine)	\$97,417.16
Bigilone Construction	\$25,548.75
Discount Cell	\$18,235.99
No. County Dispatch	<u>\$22,917.75</u>
Totals	\$164,119.65

In the chart below, January thru May are actuals, **June through December are projections based on previous years revenue and expenses.** We are officially on the “glide-slope” until December.



Valley Center Fire Station 1
 28234 Lilac Road
 Valley Center, CA 92082

Valley Center Fire Station 2
 28205 N. Lake Wohlford Road
 Valley Center, CA 92082

Restricted fund balances

This section is the restricted fund balances. These funds are restricted in their usage, and cannot be used for general expenses. In the case of mitigation funds, they can only be used for apparatus, equipment and facilities upgrades (not maintenance). Grant monies can only be used within the requirements of the grants.

Account	Balance as of 5/31/24
Fire Mitigation*	\$472,550.39
Grant Account	\$68,709.05
Total	\$541,259.44

Expected Expenses in Restricted funds

This section outlines the expected big expenses in the coming months that will be paid out of mitigation or grant restricted funds.

- \$10,000 for 2.5" hose replacement, probably in June

Section 2 - Fire Marshal's Report

Recent Events

- CERT WEP grant projects

The Business of Prevention in May

Description	Qty
2.1.1 New Residential or remodel Plan Review (Any type under 4000 sq ft, includes Inspections)	1
2.2.1 New Residential or remodel Plan Review (Any type 4000 sq ft and above, includes inspections)	1
2.3.1 Room Addition or < 50% w/o sprinklers plan review	2
2.3.10 CFD 2008-01 Recording Fee (1 APN)	1
2.3.2 Accessory Dwelling Unit Plan Review (Includes 2 inspections)	3
2.3.3 Barns & Outbuildings under 500 Sq Ft	1
2.3.4 Barns & Outbuildings (500 Sq Ft and over and under 4,000 Sq Ft)	3
3.3.7 Commercial Solar Plan Review	1
4.1.21 AB-38 Defensible Space Inspection	3
4.1.3 Business License Inspection / Reinspection (Engine Company Inspection)	1
4.2.26 Commercial High Hazard False Alarm	8

Valley Center Fire Station 1
28234 Lilac Road
Valley Center, CA 92082

Valley Center Fire Station 2
28205 N. Lake Wohlford Road
Valley Center, CA 92082

VC CERT Monthly Update June 2024

VC CERT Basic Training Academy

We conducted our first FEMA authorized VC CERT Basic Training Academy Class on Saturday May 11, and Saturday May 18, 2024.

- VCFPD Engineer **Rodney Ewing**, and VCFPD Fire Apparatus Engineer **Elfego Covarrubias**, joined Chief Davidson and [Bill Leininger](#) (Palomar CERT Program Manager) to conduct our 16 hour in-person training at the Church of Latter Day Saints here in Valley Center.
- We were further supported by Chief Napier and Chief Duncan by their visits to the training class. In addition, one of our engines provided hand-on training for cribbing and participated in an impromptu Q&A session with the students.
- We had 7 sign-ups, and 5 completed the training.

WEP GRANT UPDATE

WEP Grant community outreach projects in support of Valley Center seniors, low income residents, children, and families to reduce social isolation and improve home safety environment continue.

To date we have completed the following:

- **Family Fun Festival**

- **Venue:** St. Stephens - 4/13/2024 - 11:30 3:30
- **Caterer:** Cocina Tex/Mex
- **Menu:** Ribs, chicken, BBQ beans, corn on the cob, salad, dinner rolls
- **79 guests (39 adults/ 40 kids) plus 10 volunteers** sign-ups
- Chief Napier will provided an engine to the site in support of event
- **Activities included:** Capture the flag, freeze tag, red light/green light, hula hoops, jump rope, 3-legged races, dodgeball, frisbee, craft table, play doh, pages to color, bubbles/bubble maker)

- **Senior Luncheon #1**

- Ridgeview Church 5/7/2024
- Luncheon catered by local vendor: Julie Stroh
- Significant civic and faith community support
- Served approximately 50 guests
- New friendships formed

- Received thank you notes and calls to VCFPD station with appreciation and positive feedback
 - Requests by guests for another senior event
 - Gift certificates purchased from local business
- **Senior Luncheon #2**
 - **Scheduled for 6/25/2024** at Ridgeview Church - The response from our initial Senior Luncheon was overwhelmingly positive! We received numerous requests for another luncheon. Due to the generous extension of the duration of time to spend the WEP grant funds, we have scheduled a second Senior Luncheon.
 - Luncheon will again be catered by local vendor: Julie Stroh
 - Continued civic and faith community support
 - Goal is for 50 - 60 guests
 - Continue to receive 'thank you' notes from attendees of the first luncheon.
 - Gift certificates will again be purchased from local business and provided as gifts/door prizes for guests.
-
- **Brush clearance**
 - We have initiated and/or completed brush clearance for **14 Valley Center residents**. An additional 3 requests are currently in the queue to be addressed.
 - Team Rubicon 'free' resources are less available. We are revisiting opportunities for reduced rates from local landscaping companies.
 - **Fil's Landscaping Service** has been a valuable partner in completing the weed abatement requests in a timely and economical manner.
 - Local businesses and churches provided deeply discounted or free services and facility access for our Free Family Fun Event and both of our Senior Luncheons. The funds freed up were **redirected** to weed abatement. The heavy rains of the past two winters has resulted in rapid vegetation growth. Many of our residents are physically or financially unable to address this risk. Almost half of the budget will ultimately be spent/allocated for weed clearance. As individual homes are safer, our entire community is safer.
-
- **Senior Housekeeping**
 - LaEspy Cleaning Services
 - Twice monthly professional cleaning continue for two residents
 - Response to LaEspy Cleaning Services has been consistently positive.

OLD BUSINESS

BOARD OF DIRECTORS' PACKET
VALLEY CENTER FIRE PROTECTION DISTRICT

RESOLUTION NO. 2024-19

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLEY CENTER FIRE PROTECTION DISTRICT
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION
AND DELIVERY OF A SITE LEASE, A LEASE/PURCHASE AGREEMENT, AND AN
ESCROW AGREEMENT AND AUTHORIZING CERTAIN ADDITIONAL ACTIONS**

WHEREAS, the Valley Center Fire Protection District (the “District”), a fire protection district duly organized and validly existing under and by virtue of the laws of the State of California, wishes to finance the construction of a new fire station and renovations to existing stations (the “Project”);

WHEREAS, pursuant to Health and Safety Code section 13861(b), the District may acquire any property within the District by any means, convey property, and create a leasehold interest in property for the benefit of the District;

WHEREAS, pursuant to Health and Safety Code section 13906, the District may acquire any necessary property by purchase or purchase on contract with money borrowed; provided that (1) the amount of indebtedness not exceed an amount equal to three times the actual income from property taxes received pursuant to Section 13896 for the fiscal year preceding the year in which the indebtedness is incurred, (2) the indebtedness be repaid within 10 years from the date on which it is incurred, and (3) the rate of interest borne by the indebtedness not exceed 12% per annum;

WHEREAS, pursuant to the request of the District, Municipal Finance Corporation (the “Corporation”) and Capital One Public Funding, LLC (the “Lender”), will assist the District in financing the Project pursuant to a Lease/Purchase Agreement (the “Lease/Purchase Agreement”) between the District, the Corporation, and the Lender the form of which has been presented to this meeting;

WHEREAS, the financing of the Project will be accomplished by (i) the Corporation’s entering into a site lease (the “Site Lease”) with the District, whereby the District will lease Fire Station No. 2 (the “Leased Property”) to the Corporation in exchange for an advance rental, (ii) the Corporation’s leasing the Leased Property back to the District pursuant to the Lease/Purchase Agreement under which the District will be obligated to make Rental Payments to the Corporation; (iii) the Corporation’s assignment without recourse of all rights to receive such Rental Payments to the Lender; (iv) the Lender’s making a loan to the District pursuant to the Lease/Purchase Agreement in the amount of \$1,155,979.13; and (v) the application of the amount payable as advance rental under the Site Lease and the loan amount (a portion of which will be held and disbursed pursuant to an escrow agreement (the “Escrow Agreement”), between Argent Institutional Trust Company, the Lender, and the District), and other funds made available by the District to pay the costs of the Project and transaction costs;

WHEREAS, the District’s actual income from property taxes received pursuant to Health and Safety Code section 13896 for fiscal year 2023-24 was at least \$400,000;

WHEREAS, it appears to the Board that the authorization, approval, execution, and delivery of the Site Lease, the Lease/Purchase Agreement, and the Escrow Agreement described

above or contemplated thereby or incidental thereto are desirable and in the best interests of the District;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Valley Center Fire Protection District as follows:

Section 1. Recitals. This Board finds and determines that all of the above recitals are true and correct.

Section 2. Authorization of Officers to Execute and Deliver Documents. The Board hereby authorizes and directs the Fire Chief of the District, the President of the Board of Directors, and their designees (the "Designated Officers"), and each of them individually, for and in the name of and on behalf of the District, to approve, execute, and deliver the Site Lease, the Lease/Purchase Agreement, and the Escrow Agreement in substantially the forms presented to this meeting, which agreements are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer or officers executing the agreements for the District; provided that the total principal components of the District's rental and loan payments thereunder may not exceed \$3,030,000 and that the rate at which the interest components of the rental and loan payments are calculated may not exceed 4.95% per annum. The execution of the foregoing by a Designated Officer or Officers of the District constitutes conclusive evidence of such officer's or officers' and the Board's approval of any such changes, insertions, revisions, corrections, or amendments to the forms of the agreements presented to this meeting.

Section 3. Designation as Qualified Tax-Exempt Obligation. The Board hereby finds that the District's obligations under the Lease/Purchase Agreement will not be a private activity bond as defined in Section 141 of the Internal Revenue Code of 1986; and the Board reasonably anticipates that the District and all subordinate entities and all entities that issue obligations on its behalf will not issue more than \$10 million of tax-exempt obligations (excluding private activity bonds) during the current calendar year. The District hereby designates the District's obligations under the Lease/Purchase Agreement as a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

Section 4. Disclosure of Specified Financing Information. Pursuant to the requirements of Government Code section 5852.1, the District is required to disclose at a public meeting certain information related to the financing. The Board has obtained from the Lender good faith estimates of this required information and hereby discloses the information as shown in Exhibit A attached hereto and incorporated herein by this reference.

Section 5. General Authorization. The Designated Officers, and each of them individually, are hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver any and all documents, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to effect the purposes of this resolution. All actions heretofore taken by the Designated Officers that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

Section 6. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Valley Center Fire Protection District on June 20, 2024, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

President, Board of Directors

Secretary, Board of Directors

DRAFT

Exhibit A

Specified Financial Information

The good faith estimates set forth herein are provided with respect to the Lease/Purchase Agreement (the "Lease/Purchase Agreement") between the Valley Center Fire Protection District (the "District"), Municipal Finance Corporation, and Capital One Public Funding, LLC (the "Lender"). Such good faith estimates have been provided to the District by the Lender.

Principal Amount. The estimated aggregate amount of the principal components of the rental payments under the Lease Agreement is \$3,030,000.

True Interest Cost. The estimated true interest cost of the Lease/Purchase Agreement, which means the rate necessary to discount the amounts payable on the respective rental and loan interest payment dates to the advance rental and loan proceeds received for the Lease/Purchase Agreement, is 4.95%.

Finance Charge. The estimated finance charge for the Lease/Purchase Agreement, which means the sum of all fees and charges paid to third parties, is \$30,000.

Amount of Proceeds to be Received. The estimate of the amount of proceeds to be received by the District from the Lease/Purchase Agreement is \$3,030,000.

Total Payment Amount. The estimated total payment amount is \$4,842,106.64, which includes the sum total of all rental and loan payments the District will make under the Lease/Purchase Agreement, \$4,842,106.64, plus the finance charges not paid with the proceeds of the Lease/Purchase Agreement, \$0.

The foregoing estimates are good faith estimates only. The actual figures may differ from the estimates owing to changes in the District's financing plan.

Summary of Financing

The Valley Center Fire Protection District (the “District”) is seeking \$3 million in financing for the acquisition and construction of a temporary fire station #3 as well as improvements to fire stations #1 and 2.

Municipal Finance Corporation (“MFC”), as consultant to the California Special Districts Association Finance Corporation, has surveyed the market of lenders and identified Capital One Public Funding LLC (“Capital One”) as the lender offering the most favorable terms to the District.

The financing terms being offered to the District are:

- 1) 20 year term with annual payments commencing on June 30, 2025
- 2) 4.95% interest rate
- 3) \$30,000 in costs of issuance for MFC arranger fee and other costs
- 4) Optional prepayment in full commencing on June 30, 2031 as well as partial prepayment up to \$500,000 on any payment date

In order to do a lease financing, the District must identify an asset that is subject to the lease to justify the fair rental value of the lease payments. The insured value of the buildings that comprise fire station #2 is \$1,882,666 but the financing amount is \$3,030,000. Hence, there is a “gap” of \$1,147,334 that must be funded in another manner.

Health and Safety Code Section 13906 permits a fire protection district to borrow money for a term up to 10 years under certain conditions. Hence, the District can obtain the full financing amount by combining the ability to borrow a portion of the financing amount over 10 years and finance the remaining amount over the following 10 year period on a lease basis. This combined financing accomplishes the goals of (1) minimizing the collateral required of the District to obtain the financing while (2) amortizing the financing over 20 years with level payments.

The documents to be approved for the financing are:

- 1) Site Lease – The District leases the site comprising fire station #2 to MFC.
- 2) Lease/Purchase Agreement – District leases fire station #2 back from MFC as well as obtains a loan from Capital One.
- 3) Assignment Agreement – MFC assigns its rights under the Site Lease and Lease/Purchase Agreement to Capital One to provide the means of funding the loan to the District.

LEASE/PURCHASE AGREEMENT

between

MUNICIPAL FINANCE CORPORATION

the

VALLEY CENTER FIRE PROTECTION DISTRICT, and

CAPITAL ONE PUBLIC FUNDING, LLC

Dated July 2, 2024

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DRAFT

LEASE/PURCHASE AGREEMENT

This Lease/Purchase Agreement dated July 2, 2024, and entered into between Municipal Finance Corporation (the “Corporation”), a corporation duly organized and existing under the laws of the State of California, as lessor; the Valley Center Fire Protection District (the “District”), a public agency duly organized and validly existing under and by virtue of the laws of the State of California, as lessee; and Capital One Public Funding, LLC, a New York limited liability company,

WITNESSETH:

WHEREAS, the District intends to finance the construction of a new fire station and renovations to existing stations (the “Project”);

WHEREAS, pursuant to Health and Safety Code section 13861(b), the District may acquire any property within the District by any means, convey property, and create a leasehold interest in property for the benefit of the District;

WHEREAS, pursuant to Health and Safety Code section 13906, the District may acquire any necessary property by purchase or purchase on contract with money borrowed; provided that (1) the amount of indebtedness not exceed an amount equal to three times the actual income from property taxes received pursuant to Section 13896 for the fiscal year preceding the year in which the indebtedness is incurred, (2) the indebtedness be repaid within 10 years from the date on which it is incurred, and (3) the rate of interest borne by the indebtedness not exceed 12% per annum;

WHEREAS, pursuant to the request of the District, the Corporation and Capital One Public Funding, LLC (the “Lender”) will assist the District in the financing of the Project;

WHEREAS, the financing will be accomplished by (i) the District’s leasing property to the Corporation pursuant to the Site Lease dated July 2, 2024 (the “Site Lease”), in exchange for an advance rental in the amount of \$1,874,020.87, (ii) the Corporation’s leasing to the District the property leased under the Site Lease pursuant to this Lease/Purchase Agreement, under which the District will be obligated to make Rental Payments (as such term is defined herein) to the Corporation; (iii) the Corporation’s assignment without recourse of all rights to receive such Rental Payments to the Lender, in exchange for the amount payable by the Corporation under the Site Lease; (iv) the Lender’s making a loan to the District in the amount of \$1,155,979.13; and (v) the application of the amount payable as advance rental under the Site Lease and the loan amount (which will be held and disbursed pursuant to an escrow agreement between the Lender, the District, and Argent Institutional Trust Company), together with other funds made available by the District, to the payment of Project costs;

WHEREAS, the District is authorized to enter into this Lease/Purchase Agreement for the purposes and subject to the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereby agree as follows:

ARTICLE 1.
DEFINITIONS; OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions. For all purposes of this Lease/Purchase Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires:

(a) The terms defined in this Section have the meanings herein specified and include the plural as well as the singular.

(b) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

(c) All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of applicability thereof.

(d) All references herein to “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Lease/Purchase Agreement as originally executed.

(e) The words “herein,” “hereof,” “hereby,” “hereunder,” and other words of similar import refer to this Lease/Purchase Agreement as a whole and not to any particular Article, Section, or other subdivision.

(f) Words of any gender shall mean and include words of all other genders.

Applicable Environmental Laws means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 USC Sections 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC Sections 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sections 1251 et seq.; the Clean Air Act, 42 USC Sections 7401 et seq.; the California Hazardous Waste Control Law (“HWCL”), California Health & Safety Code Sections 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), California Health & Safety Code Sections 25300 et seq.; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), California Water Code Sections 13000 et seq.; the Air Resources Act, California Health & Safety Code Sections 39000 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 et seq.; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (1) the existence, cleanup, and/or remedy of contamination on property;
- (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (3) the control of hazardous wastes; or
- (4) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

Authorized District Representative means the Fire Chief, the Board President and the Board Secretary, or the designee of any of them.

Business Day means any day other than a Saturday, Sunday, or a day on which banking institutions in the State of California are authorized or obligated by law or executive order to be closed.

Code means the Internal Revenue Code of 1986 and the regulations applicable to or issued thereunder.

Corporation means Municipal Finance Corporation, or its successors or assigns as lessee under the Site Lease and lessor hereunder.

District means the Valley Center Fire Protection District.

Effective Interest Rate means the rate of interest per annum specified on Exhibit B.

Escrow Agent means Argent Institutional Trust Company, as Escrow Agent under the Escrow Agreement.

Escrow Agreement means the escrow agreement dated July 2, 2024, between the District, the Lender, and the Escrow Agent.

Event of Default means any of the events specified in Section 7.1 (Events of Default).

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other twelve-month period hereafter selected and designated as the official fiscal year period of the District.

Funding Date means the date payment is made by or on behalf of the Corporation to or for the account of the District under the Site Lease and the Loan proceeds are paid to the District by the Lender.

Hazardous Substance means any substance that shall, at any time, be listed as “hazardous” or “toxic” in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Leased Property, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 et seq.) and any hazardous, toxic or regulated substances or related materials as defined in the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Sections 110001 et seq.) (“Title III”), the Clean Water Act, as amended (33 U.S.C. Sections 1321 et seq.) (“CWA”), and the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601 et seq.) (“TSCA”).

Leased Property means the real property described in Exhibit A attached to this Lease/Purchase Agreement, together with all present and future improvements and fixtures located thereon.

Lease/Purchase Agreement means this Lease/Purchase Agreement between the Corporation and the District, dated July 2, 2024, wherein the Corporation leases the Leased Property to the District, as originally executed and as it may from time to time be supplemented, modified, or amended pursuant to the provisions hereof.

Lender means Capital One Public Funding, LLC, a limited liability company organized under the laws of the State of New York, and its successors and assigns as permitted by this Lease/Purchase Agreement.

Loan means the loan of \$1,155,979.13 made by the Lender to the District.

Loan Repayments means the payments payable by the District to the Lender in repayment of the Loan pursuant to the provisions of this Lease/Purchase Agreement.

Payment Date means June 30 in each year, commencing June 30, 2025, and continuing until June 30, 2044, as specified in Section 3.3 (Lease Term; Occupancy), unless the term hereof is terminated or extended as set forth herein.

Payments means the Rental Payments and the Loan Repayments.

Person means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Project means the new fire station and renovations to existing stations financed by this Lease/Purchase Agreement.

Rental Payments means the rental payments payable by the District pursuant to the provisions of this Lease/Purchase Agreement.

Site Lease means the Site Lease between the District and the Corporation, dated July 2, 2024, wherein the District leases the Leased Property to the Corporation, as originally executed and as it may from time to time be supplemented, modified, or amended pursuant to the provisions hereof and thereof.

Statement, Certificate, Request, Requisition, and Order of the District mean, respectively, a written statement, certificate, request, requisition, or order signed in the name of the District by an Authorized District Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Tax Certificate means the tax certificate delivered by the District at the time of the execution and delivery of this Lease/Purchase Agreement, as the same may be further amended or supplemented in accordance with its terms.

Section 1.2. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to:

District: Valley Center Fire Protection District
28234 Lilac Road
Valley Center, CA 92082
Attention: Fire Chief

Corporation: Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Attention: President

Lender: Capital One Public Funding, LLC
1307 Walt Whitman Road, 3rd Floor
Melville, NY 11747
Attention: President

The District, the Corporation, and the Lender may, by notice given hereunder, designate any further or different address to which subsequent notices shall be sent.

Section 1.3. Successors and Assigns. Whenever in this Lease/Purchase Agreement either the District, the Corporation, or the Lender is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Lease/Purchase Agreement contained by, on behalf of, or for the benefit of the District, the Corporation, or the Lender shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 1.4. Benefits of Agreement. Nothing in this Lease/Purchase Agreement expressed or implied is intended or shall be construed to give to any person other than the District, the Corporation, and the Lender, any legal or equitable right, remedy, or claim under or in respect of this Lease/Purchase Agreement or any covenant, condition, or provision therein or herein contained; and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Corporation, and the Lender.

Section 1.5. Amendments. This Lease/Purchase Agreement may be altered, amended, or modified in writing as may be mutually agreed by the District and the Lender.

Section 1.6. Payments/Actions Otherwise Scheduled on Non-Business Days. Any payments or transfers that would otherwise become due on any day that is not a Business Day shall become due or shall be made on the next succeeding Business Day. When any other action is provided for herein to be done on a day named or within a specified time period and the day named or the last day of the specified period falls on a day other than a Business Day, such action may be performed on the next succeeding Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 1.7. Effect of Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Lease/Purchase Agreement.

Section 1.8. Validity and Severability. If any one or more of the provisions contained in this Lease/Purchase Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Lease/Purchase Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Lease/Purchase Agreement, and this Lease/Purchase Agreement shall be construed as if such invalid or illegal or unenforceable provision

had never been contained herein. The District and the Corporation hereby declare that they would have entered into this Lease/Purchase Agreement and each and every other Section, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Lease/Purchase Agreement may be held illegal, invalid, or unenforceable.

If for any reason it is held that any of the covenants and conditions of the District hereunder, including the covenant to pay Rental Payments hereunder, is unenforceable for the full term hereof, then and in such event this Lease/Purchase Agreement is and shall be deemed to be a lease from year to year under which the Rental Payments are to be paid by the District annually in consideration of the right of the District to possess, occupy, and use the Leased Property, and all of the rental and other terms, provisions, and conditions of this Lease/Purchase Agreement, except to the extent that such terms, provisions, and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

Section 1.9. Governing Law. This Lease/Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 1.10. Execution in Counterparts. This Lease/Purchase Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1.11. Recording. The District shall cause the recording of this Lease/Purchase Agreement by memorandum of lease, in the form attached hereto as Exhibit C, with the San Diego County Recorder concurrently with the recording of the Site Lease.

ARTICLE 2. REPRESENTATIONS OF CORPORATION AND DISTRICT

Section 2.1. Representations, Warranties, and Covenants of the Corporation. The Corporation makes the following covenants, representations and warranties to the District and the Lender as of the date of the execution and delivery of this Lease/Purchase Agreement:

(A) Valid Existence. The Corporation has been duly organized and is validly existing as a corporation under the laws of the State of California.

(B) Power to Enter into Agreements. The Corporation is authorized under the terms of its articles of incorporation and its bylaws to enter into the Site Lease and this Lease/Purchase Agreement and perform all of its obligations thereunder and hereunder.

(C) Due Authorization and Execution. The Site Lease and this Lease/Purchase Agreement have been duly authorized by all necessary actions on the part of the Corporation. The representatives of the Corporation executing the Site Lease and this Lease/Purchase Agreement are fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.

(D) Enforceability of Agreements. The Corporation represents, covenants, and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of the Site Lease and this Lease/Purchase Agreement (except as such enforceability

may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and by the application of equitable principles).

(E) No Fiduciary Relationship. The Corporation is entering into this Lease/Purchase Agreement as an arm's length commercial transaction and not acting in the capacity of a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, or as a fiduciary of the District.

Section 2.2. Representations, Warranties, and Covenants of the District. The District makes the following covenants, representations and warranties to the Corporation and the Lender as of the date of the execution and delivery of this Lease/Purchase Agreement:

(A) Valid Existence. The District has been duly organized and is validly existing as a fire protection district under the laws of the State of California.

(B) Power to Enter into Agreements. The District is authorized under the California Health & Safety Code to enter into the Site Lease, this Lease/Purchase Agreement, and the Escrow Agreement and perform all of its obligations thereunder and hereunder.

(C) Due Authorization and Execution. The Site Lease, this Lease/Purchase Agreement, and the Escrow Agreement have been duly authorized by all necessary actions on the part of the District. The representatives of the District executing the Site Lease, this Lease/Purchase Agreement, and the Escrow Agreement are fully authorized to execute the same under official action taken by the District.

(D) Enforceability of Agreements. The District represents, covenants, and warrants that the Site Lease, this Lease/Purchase Agreement, and the Escrow Agreement are valid and binding obligations of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles.

(E) No Violation of Law or Breach of Contract. The execution and delivery of the Site Lease, this Lease/Purchase Agreement, and the Escrow Agreement and compliance with the provisions thereof and hereof will not (i) violate any applicable provision of statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the District under any court order or administrative decree to which the District is subject, or (iii) breach, or result in a default under, any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the District is a party or is otherwise subject or bound.

(F) No Adverse Litigation. No litigation is pending before any court or administrative agency or, to the knowledge of the District, threatened against the District (i) regarding the Leased Property or the District's use of the Leased Property for the purposes contemplated by the Site Lease or the Lease/Purchase Agreement or (ii) that will materially adversely affect the ability of the District to perform its obligations under the Site Lease, this Lease/Purchase Agreement, or the Escrow Agreement.

(G) No Defaults. To the best of the District's knowledge, at no time in the last ten (10) years has the District failed to appropriate funds for or defaulted under any of its payment or

performance obligations or covenants, either under any financing lease of the same general nature as this Lease/Purchase Agreement, or under any of its bonds, notes, or other debt obligations.

(H) Fee Title; Encumbrances. The District is the owner in fee of title to the Leased Property. No lien or encumbrance on the Leased Property materially impairs the District's use of the Leased Property for the purposes for which it is, or may reasonably be expected to be, held. The Site Lease and this Lease/Purchase Agreement are the only leases that encumber the Leased Property. All rental payments due under Lease #91-059, dated April 25, 1991, between the District and Municipal Leasing Associates, Inc., have been paid.

(I) Use of the Leased Property. During the term of this Lease/Purchase Agreement, the Leased Property will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority.

(J) Essential Facilities. The District hereby represents that the facilities located on the Leased Property are essential District facilities.

(K) Current Compliance. To the best of the District's knowledge, the District is in all material respects in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to the Leased Property, including seismic building code requirements of the State of California at the time the fire stations on the Leased Property were constructed.

(L) Hazardous Substances. To the best of the District's knowledge, the Leased Property is free of all Hazardous Substances that would impair the District's use of the Leased Property for the purposes for which it is, or may reasonably be expected to be, held or that will materially adversely affect the ability of the District to perform its obligations under the Site Lease and this Lease/Purchase Agreement.

(M) Flooding Risk. To the best of the District's knowledge, the Leased Property is not located in a "Special Flood Hazard Area" shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map used in connection with the National Flood Insurance Program and has not been subject to material damage from flooding within the last ten (10) years.

(N) Value of Leased Property. The insured value of Fire Station No. 2 is at least \$1,882,666.

(O) Useful Life. To the best of the District's knowledge, Fire Station No. 2 was constructed in 1991. The Leased Property has a remaining useful life that extends at least to June 30, 2054.

(P) Financial Condition. The financial statements of the District for the year ended June 30, 2023, supplied to the Lender (i) were prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) fairly present the District's financial condition as of the date of the statements. There has been no material adverse change in the District's financial condition subsequent to June 30, 2023.

(Q) Acknowledgment of Disclaimers of the Lender and the Corporation. The District acknowledges that:

(1) The Lender is acting solely for its own loan account and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor;

(2) The Lender and the Corporation have not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District (including to any financial advisor or placement agent engaged by the District) with respect to the structuring of the financing or the execution and delivery of this Lease/Purchase Agreement;

(3) The Lender and the Corporation have no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the District with respect to the transactions relating to the structuring of the financing or the execution and delivery of this Lease/Purchase Agreement and the discussions, undertakings, and procedures leading thereto;

(4) To the extent that the District or any municipal advisor or placement agent engaged by the District desires to, should, or needs to seek or obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the lease financing transaction, it shall seek or obtain such advice from its financial, legal, and other advisors (and not the Lender or its affiliates);

(5) The Lender has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to any municipal advisor or placement agent engaged by the District, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to any municipal advisor or placement agent engaged by the District, with respect to any such matters; and

(6) The District and the Lender are entering into the transactions relating to this Lease/Purchase Agreement as an arm's-length, commercial transaction in which the Lender is acting and has acted solely as a principal and for its own interest, and the Lender has not made recommendations to the District with respect to the transactions relating to this Lease/Purchase Agreement.

(R) Financial Obligation Disclosure. If the District enters into a continuing disclosure undertaking (a "Continuing Disclosure Agreement") pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), and the District is required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system or its successor ("EMMA") notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Lease/Purchase Agreement and related documents, in each case including a full copy thereof or a description of the material terms thereof (each such posting, an "EMMA Posting"), the District shall provide the Lender a copy of the proposed EMMA Posting for review and approval, which approval shall not be unreasonably withheld and which shall be provided in a timely manner. The District agrees that it shall not file or submit or permit the filing or submission of any EMMA Posting that includes the following information relating to the Lender: unredacted sensitive or confidential information about the Lender or its affiliates; address and account information of the

Lender or any affiliates; e mail addresses, telephone numbers, or fax numbers; or names and signatures of officers, employees and signatories of the Lender or its affiliates. The District acknowledges and agrees that the Lender and its affiliates are not responsible for the District's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities or other laws, including but not limited to those relating to the Rule.

ARTICLE 3. LEASE OF LEASED PROPERTY

Section 3.1. Lease of Leased Property. The Corporation hereby leases to the District, and the District hereby leases from the Corporation, the Leased Property in accordance with the provisions of this Lease/Purchase Agreement, to have and to hold for the term of this Lease/Purchase Agreement.

Section 3.2. No Merger of Estates. The leasing by the Corporation to the District of the Leased Property pursuant to this Lease/Purchase Agreement shall not effect or result in a merger of the District's leasehold estate pursuant hereto and its fee estate. The Corporation shall continue to have and hold a leasehold estate in the Leased Property pursuant to the Site Lease throughout the term thereof and the term of this Lease/Purchase Agreement. As to the Leased Property, this Lease/Purchase Agreement shall be deemed and constitutes a sublease.

Section 3.3. Lease Term; Occupancy.

(A) Term. The term of this Lease/Purchase Agreement commences on the Funding Date and ends on June 30, 2044, unless such term is extended or sooner terminated upon prepayment as provided in Section 4.10 (Prepayment) or pursuant to Section 7.2(A) (Termination of Lease). If on June 30 2044, the obligation to make Rental Payments hereunder shall have been abated at any time and for any reason and not otherwise paid from rental abatement insurance or other sources, or the District shall have defaulted in its payment of Rental Payments hereunder or any Event of Default has occurred and continues without cure by the District, then the term of this Lease/Purchase Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, but not to exceed ten (10) years. When the aggregate amount of Rental Payments paid under this Lease/Purchase Agreement equals the total amount of Rental Payments originally scheduled herein, and the District has paid and performed in full all of its other obligations under this Lease/Purchase Agreement, the term of this Lease/Purchase Agreement shall end ten (10) days thereafter or ten (10) days after written notice by the District to the Corporation, whichever is earlier.

(B) Occupancy. The District will remain in possession of the Leased Property upon commencement of the term of this Lease/Purchase Agreement.

Section 3.4. Modifications to the Leased Property. Subject to Section 5.5 (Liens and Encumbrances) hereof, the District shall, at its own expense, have the right to remodel, make alterations or improvements to, or attach fixtures, structures, or signs to the Leased Property if the alterations, improvements, fixtures, structures, or signs are necessary or beneficial for the use of the Leased Property by the District, provided, however, that such actions by the District shall not materially adversely affect the value of the Leased Property.

Section 3.5. Title to the Leased Property. At all times during the term of this Lease/Purchase Agreement, the District will hold fee title to the Leased Property, subject to the Site Lease. During the term of this Lease/Purchase Agreement, the Corporation does and shall hold a leasehold interest in the Leased Property pursuant to the Site Lease. Upon the termination or expiration of the term of this Lease/Purchase Agreement (other than under Section 7.2(A) (Remedies on Default – Termination of Lease) hereof) or upon payment in full of all Rental Payments, the Corporation's leasehold interest in the Leased Property will automatically terminate.

Section 3.6. Actions in the Event of Uninsured Casualty.

(A) Substitution of Property. If the Leased Property is damaged or destroyed owing to a risk (such as earthquake) against which the District is not insured and/or for which rental abatement insurance is not available, the District shall substitute under the Site Lease and this Lease/Purchase Agreement one or more parcels of real property owned by the District, to the extent available, (i) that are subject only to encumbrances that do not materially impair the ability of the District to perform its obligations under the Site Lease and this Lease/Purchase Agreement and (ii) the insured value of which, in the aggregate, is at least one hundred ten percent (110%) of the unpaid principal components of the Rental Payments.

(B) Refinancing. If the District is unable to substitute real property for the Leased Property in the amount required under subsection (A) above, the District may prepay principal components of the Rental Payments (without prepayment penalty) in an amount such that the insured value of the undamaged Leased Property is at least one hundred ten percent (110%) of the remaining unpaid principal components of the Rental Payments.

(C) Subordination. If the District is unable to implement (A) above or does not exercise its option under (B) above, the District and the Corporation hereby agree that the obligations evidenced by this Lease/Purchase Agreement shall be the senior encumbrance on the Leased Property and any future encumbrance, including without limitation any lease, mortgage, deed of trust or security interest, shall be subordinate to this Lease/Purchase Agreement and there shall be no payments during the term of this Lease/Purchase Agreement on the obligations evidenced or secured thereby until all of the scheduled Rental Payments set forth on Exhibit B hereto have been paid in full.

ARTICLE 4. LOAN; PAYMENTS

Section 4.1. Loan. The Lender hereby lends to the District and the District hereby borrows from the Lender the amount of \$1,155,979.13. The Lender shall deposit the Loan amount with the Escrow Agent pursuant to the Escrow Agreement.

Section 4.2. Rental Payments; Loan Repayments. The District (a) agrees to pay to the Corporation, its successor or assigns, as rental for the use of the Leased Property (subject to the provisions of Section 4.7 (Abatement of Rental) hereof) the Rental Payments and (b) agrees to pay to the Lender the Loan Repayments, in following amounts, at the following times, in the manner hereinafter set forth:

(A) Amount and Timing. The District shall pay Rental Payments, comprising principal and interest components, in installments of the amounts and at the times set forth in

the Schedule of Rental Payments attached as Exhibit B hereto. The interest components of the Rental Payments shall be paid by the District as and constitute interest paid on the principal components of the Rental Payments. The District shall pay Loan Repayments in the amounts and at the times set forth in the Schedule of Loan Repayments attached as Exhibit B hereto.

(B) Extension of Lease Term. If the term of this Lease/Purchase Agreement shall have been extended pursuant to Section 3.3 (Lease Term; Occupancy) hereof because of an abatement of rental, Rental Payments shall continue to be due as described herein. Rental Payment installments shall continue to be payable in installments on June 30 in each year, continuing to and including the date of termination of this Lease/Purchase Agreement. Upon such extension of this Lease/Purchase Agreement, the principal and interest components of the Rental Payments shall be established so that the principal components will, in the aggregate, be sufficient to pay all unpaid principal components and the interest components will be sufficient to pay all unpaid interest components plus interest on the extended principal components at the Effective Interest Rate, computed on the basis of a 360-day year composed of twelve 30-day months.

(C) Rental Period. Each payment of Rental Payments shall be for the use of the Leased Property for the twelve-month period ending on the Payment Date.

(D) Medium and Place of Payment. Each installment of the Rental Payments and the Loan Repayments hereunder shall be paid in lawful money of the United States of America to or upon the order of the Lender, such payment to be made by wire or other form of electronic payment in accordance with written instructions provided by the Lender or, with the Lender's consent, by such other commercially reasonable method of payment.

(E) Rate on Overdue Payments. Any Payment installment that is not paid when due shall bear interest at the rate of eight percent (8%) per year, or such lesser rate allowed by law, from the date the installment was due hereunder until the same shall be paid.

Section 4.3. Allocation of Payments. All Payments received shall be applied first, pro rata, to the interest components of the Rental Payments and interest on the Loan due hereunder, then, pro rata, to the principal components of the Rental Payments and principal of the Loan due hereunder, but no such application of any payments that are less than the total amount of Payments due and owing shall be deemed a waiver of any default hereunder.

Section 4.4. No Offsets. Notwithstanding any dispute between the Corporation and the District, the District shall make all Payments when due without deduction or offset of any kind and shall not withhold any Payments pending the final resolution of such dispute. If it is determined that the District was not liable for the Payments or any portion thereof, the payments or excess payments, as the case may be, shall, at the option of the District, be credited against subsequent Payments due hereunder or be refunded at the time of such determination.

Section 4.5. Net Lease. This Lease/Purchase Agreement shall be deemed and construed to be a "net-net-net lease" and the District hereby agrees that the Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges, or setoffs whatsoever.

Section 4.6. Covenant to Budget and Appropriate. The District covenants and agrees to take such action as may be necessary to include all Payments due hereunder in its annual budgets and to make the necessary annual appropriations for all such Payments. Annually within thirty (30) days of the adoption of the budget, and if requested in writing by the Lender, the District will furnish to the Lender a Certificate of the District certifying that such budget contains the necessary appropriation for all Payments. If requested in writing by the Lender, the District will furnish a copy of such budget.

The agreements and covenants on the part of the District herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the agreements and covenants in this Lease/Purchase Agreement agreed to be carried out and performed by the District.

Section 4.7. Abatement of Rental. Rental Payments shall be abated proportionately during any period in which, by reason of damage to, destruction of, taking under the power of eminent domain (or sale to any entity threatening the use of such power) of, or title defect with respect to any portion of the Leased Property, there is substantial interference with the use and possession of the Leased Property or a portion thereof. The amount of abatement shall be such that the resulting Rental Payments represent fair consideration for the use and possession of the portion of the Leased Property not so interfered with. Such abatement shall commence with the date of such interference and shall end only with cure thereof.

Section 4.8. No Termination Upon Damage or Destruction. The District waives the benefits of Civil Code Sections 1932, subd. 2, and 1933, subd. 4, and any and all other rights to terminate this Lease/Purchase Agreement by virtue of any damage to or destruction of the Leased Property.

Section 4.9. Contributions/Advances. Nothing contained in this Lease/Purchase Agreement shall prevent the District from making contributions or advances to the Corporation from time to time for any purpose now or hereafter authorized by law, including the making of repairs to, or the restoration of, the Leased Property in the event of damage to or the destruction of the Leased Property.

Section 4.10. Prepayment. On any Payment Date on or after June 30, 2031, the District may prepay its obligations hereunder in whole by paying to the Lender the Payment due on such date together with an amount equal to a percentage of the unpaid principal components of the Rental Payments and the unpaid principal of the Loan, plus the amount of any interest components of the Rental Payments that were abated and that have not been otherwise paid from rental abatement insurance or other sources or paid during an extension of the lease term, if any (the "Prepayment Price"), as follows:

<u>Prepayment Dates</u>	<u>Prepayment Price</u>
June 30, 2031	102%
June 30, 2032	101
June 30, 2033, and thereafter	100

The District may prepay unpaid principal components of the Payments, once in each calendar year, in an amount up to \$500,000, on any Payment Date, without premium. Any partial prepayment shall be applied in inverse order of principal Payment Date.

The District shall, at least thirty (30) days prior to any such prepayment, notify the Lender of its intention to prepay its obligations hereunder. The District agrees that, if following such prepayment the Leased Property is damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of any prepaid Rental Payments and shall not be entitled to any reimbursement of such Rental Payments. Upon such prepayment, and satisfaction of all other obligations of the District hereunder, the term of this Lease/Purchase Agreement shall terminate.

ARTICLE 5. COVENANTS

Section 5.1. Quiet Enjoyment. The Corporation hereby covenants to provide the District during the term of this Lease/Purchase Agreement with quiet use and enjoyment of the Leased Property and the District shall during the term of this Lease/Purchase Agreement peaceably and quietly have, hold, and enjoy the Leased Property without suit, trouble, or hindrance from the Corporation, so long as the District observes and performs its covenants and agreements and is not in default hereunder.

Section 5.2. Right of Entry. Upon reasonable notice, the Corporation and its assignees shall have the right (but not the duty) to enter the Leased Property during reasonable business hours and upon reasonable notice to the District (a) to inspect the same, (b) for any purpose connected with the Corporation's or the District's rights or obligations under this Lease/Purchase Agreement, and (c) for all other lawful purposes.

Section 5.3. Maintenance of the Leased Property by District. The District agrees that, at all times during the term of this Lease/Purchase Agreement, the District will, at the District's own cost and expense, maintain, preserve, and keep the Leased Property and every portion thereof in good repair, working order, and condition and that the District will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals.

Section 5.4. Taxes and Other Governmental Charges; Utility Charges; Contest of Charges.

(A) Taxes and Other Governmental Charges on the Leased Property. The parties to this Lease/Purchase Agreement contemplate that the Leased Property will be used for governmental purposes of the District and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to property. In the event that the use, possession, or acquisition by the District, the Corporation, or the Lender of the Leased Property, or the assignment of the Corporation's interests therein to the Lender, is found to be subject to taxation in any form, the District will pay during the term of this Lease/Purchase Agreement, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property, and any equipment or other property acquired by the District in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Leased Property; provided that, with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years,

the District shall be obligated to pay only such installments as are accrued during such time as this Lease/Purchase Agreement is in effect.

(B) Utility Charges. The District shall pay or cause to be paid all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility, and other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the Leased Property.

(C) Contest of Charges. The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, or other charges and, in the event of any such contest, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lender shall notify the District that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Lender in the Leased Property will be materially endangered or the Leased Property, or any part thereof, will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments, or charges or provide the Lender with full security against any loss that may result from nonpayment, in form satisfactory to the Lender.

Section 5.5. Liens and Encumbrances.

(A) Liens. If the District shall at any time during the term of this Lease/Purchase Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Leased Property, the District shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, or equipment furnished or alleged to have been furnished to or for the District in, upon or about the Leased Property and shall keep the Leased Property free of any and all mechanics' or materialmen's liens or other liens against the Leased Property or the Corporation's interest therein. In the event any such lien attaches to or is filed against the Leased Property or the Corporation's interest therein, the District shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the District desires to contest any such lien it may do so in good faith. If any such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and the stay thereafter expires, the District shall forthwith pay (or cause to be paid) and discharge such judgment. The District agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Corporation, the Lender, their directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Leased Property or the Corporation's interest therein.Encumbrances. Except as provided in this Article 5, the District shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Leased Property that materially impairs the District's use of the Leased Property for the purposes for which it is, or may reasonably be expected to be, held (referred to herein as a "material encumbrance"). Except as expressly provided in this Article 5, the District shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any material encumbrance for which it is responsible, if the same shall arise at any time; provided that the District may in good faith contest any such encumbrance, if it provides security to the Lender against any loss or forfeiture. The District shall reimburse the Lender for any expense incurred by it in order to discharge or remove any material encumbrance. If the District is unable to discharge or remove any material encumbrance, the District shall substitute under the Site Lease and this Lease/Purchase Agreement one or more parcels of real property owned by the District, to the

extent available, (a) that are subject only to encumbrances that do not materially impair the ability of the District to perform its obligations under the Site Lease and this Lease/Purchase Agreement and (b) the insured value of which, in the aggregate, is at least one hundred ten percent (110%) of the unpaid principal components of the Rental Payments.

Section 5.6. Environmental Covenants.

(A) Compliance with Laws; No Hazardous Substances. The District will comply with all Applicable Environmental Laws with respect to the Leased Property and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Leased Property. The District shall indemnify and hold the Corporation and the Lender harmless from any liabilities, damages, or expenses incurred in connection with a violation by the District of this Section 5.6(A).

(B) Remediation. The District shall conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances on, from, or affecting the Leased Property, in accordance with all Applicable Environmental Laws and (b) in accordance with the orders and directives of all Federal, state and local governmental authorities.

(C) Notification of the Lender. The District will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Leased Property and any operations conducted thereon or any conditions existing thereon to the Lender, and the District will notify the Lender in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Leased Property, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Lender.

(D) Access for Inspection. The District will permit the Lender, its agents, or any experts designated by the Lender to have full access to the Leased Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Lender has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

Section 5.7. Assignment and Subleasing by District. Neither this Lease/Purchase Agreement nor any interest of the District hereunder shall be mortgaged, pledged, assigned, sublet, or transferred by the District by voluntary act or by operation of law or otherwise, except with the prior written consent of the Lender, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest components of the Rental Payments payable by the District hereunder. No such mortgage, pledge, assignment, sublease, or transfer shall in any event affect or reduce the obligation of the District to make the Rental Payments required hereunder.

Section 5.8. District Consent to Assignments; Restrictions on Transfers. The Corporation's rights under the Site Lease and this Lease/Purchase Agreement, including the right to receive and enforce payment of the Rental Payments, are being assigned to the Lender. The District hereby consents to such assignment.

The Lender and its assignees may further assign, sell, or transfer their rights under the Site Lease and this Lease/Purchase Agreement, including the right to receive and enforce payment of the Rental Payments and the Loan Repayments. The District hereby consents to any such assignment, sale, or transfer of such rights by the Lender or its assignees; provided that any such assignment, sale, or transfer by the Lender or its assignees shall be made in accordance with applicable law only in whole to (a) an affiliate of the Lender or the assignee or (b) a bank, trust, custodian, insurance company, or other financial institution or an affiliate of such an entity.

The Lender and its assignees further retain the right to sell or assign participation interests in the Lease/Purchase Agreement to one or more entities listed in (a) or (b) of the preceding paragraph, provided that any participation, custodial, or similar agreement under which multiple ownership interests are created in the Lease/Purchase Agreement shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer, or other fiduciary or agent acting on behalf of all of the assignees to act on their behalf with respect to the rights and interests of the registered owner of this Lease/Purchase Agreement, including with respect to the exercise of rights and remedies of the registered owner on behalf of such owners upon the occurrence of an event of default under this Lease/Purchase Agreement.

The District agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, that may be reasonably requested by the Lender or its assignees to protect their interests in the Leased Property and in this Lease/Purchase Agreement.

Section 5.9. Corporation's Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY, OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, HABITABILITY, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR FITNESS FOR USE OF THE LEASED PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION HAS NOT CONSTRUCTED THE LEASED PROPERTY AND IS NOT A REAL ESTATE BROKER, THAT THE DISTRICT LEASES THE LEASED PROPERTY AS-IS, ITS BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event shall the Corporation or the Lender be liable for any incidental, indirect, special, or consequential damage in connection with or arising out of this Lease/Purchase Agreement or the existence, furnishing, functioning, or the District's use of the Leased Property or any item or products or services provided for in this Lease/Purchase Agreement.

Section 5.10. Corporation and Lender Not Liable; Indemnification of the Corporation and the Lender. The Corporation and the Lender and their directors, officers, agents, and employees shall not be liable to the District or to any other party whomsoever for any death, injury, or damage that may result to any person or property by or from any cause whatsoever in, on or about the Leased Property.

The District shall to the full extent then permitted by law, indemnify, protect, hold harmless, save, and keep harmless the Corporation and its assignees (including the Lender) and their directors, officers, and employees from and against any and all liability, obligations, losses, claims, and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of (i) the District's performance of any of its obligations under this Lease/Purchase Agreement or any other agreement entered into in connection herewith or therewith, (ii) the District's maintenance of the Leased Property, (iii) the design or ownership of the Leased Property,

(iv) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any part of the Leased Property, or (v) any accident in connection with the operation, use, condition, possession, storage, or return of any item of the Leased Property resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the District or the Corporation; any claim for patent, trademark, or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease/Purchase Agreement or the termination of the term of this Lease/Purchase Agreement for any reason. The District and the Corporation mutually agree to promptly give notice to each other and the Lender of any claim or liability hereby indemnified against following either's learning thereof.

No indemnification is made under this Section or elsewhere in this Lease/Purchase Agreement for claims, losses or damages, including legal fees and expenses arising out of the willful misconduct or negligence under this Lease/Purchase Agreement by the Corporation, the Lender, or any of their respective directors, officers, agents, employees, successors or assigns.

Section 5.11. Federal Income Tax Covenants. The District shall at all times do and perform all acts and things permitted by law and this Lease/Purchase Agreement that are necessary and desirable in order to assure that the interest component of the Rental Payments and interest on the Loan will be excludable from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excludable. Without limiting the generality of the foregoing, the District agrees to comply with the provisions of the Tax Certificate. This covenant shall survive the payment in full of the District's obligations hereunder.

Section 5.12. Further Assurances. The District and the Corporation agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered such supplements hereto and such further instruments as may be necessary or proper to carry out the intention or to facilitate the performance of this Lease/Purchase Agreement.

Section 5.13. Financial Statements. During the term of this Lease/Purchase Agreement, the District shall furnish or cause to be furnished to the Lender, at the District's expense, (i) the audited financial statements of the District within six (6) months of the end of the Fiscal Year, or as soon as practicable thereafter, and (ii) any interim or unaudited financial statements that may be reasonably requested by the Lender as soon as available. Any audited financial statements furnished to the Lender shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the District's financial condition as of the date of the statements. Any such audited or unaudited financial statements may be delivered to the Lender in electronic form.

ARTICLE 6. INSURANCE; EMINENT DOMAIN

Section 6.1. Insurance Coverage. At its own expense, the District shall maintain (i) the usual and customary "all risk" property insurance (which may exclude the risk of earthquake) insuring the Leased Property against loss or damage, which insurance shall be provided by an insurer rated no less than "A" by A.M. Best, or as otherwise approved by the Lender, in an amount equal to 100% of the replacement cost without deduction for depreciation; (ii) liability insurance that protects the Lender from liability in all events in a reasonable amount satisfactory to the Lender; (iii) rental

abatement insurance in an amount equal to at least two years' Rental Payments; and (iv) workers' compensation insurance covering all employees working on, in, near or about the Leased Property.

Section 6.2. Alternative Risk Management. The District may provide the insurance required by Section 6.1 (Insurance Coverage) through (i) a self-insurance method or plan of protection, but only with the Lender's prior written consent, (ii) a program involving captive insurance companies, (iii) participation in state or federal insurance programs, (iv) participation with other public agencies in mutual or other cooperative insurance or other risk management programs, including those made available through joint exercise of powers agencies, or (v) establishment or participation in other alternative risk management programs; provided that the District may not self-insure against the risk of rental abatement. The District may not increase any of its self-insurance retention amounts with respect to the insurance required by Section 6.1 (Insurance Coverage) without the Lender's prior written consent.

Section 6.3. General Provisions. All such insurance shall be with insurers that are authorized to issue such insurance in the State of California, (other than the workers' compensation insurance) shall name the Lender as an additional insured, and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially and adversely to the interest of the Lender without first giving written notice thereof to the Lender in accordance with the policy terms or memorandum of coverage. The District shall not agree to such changes' becoming effective without the Lender's prior consent, which consent shall not be unreasonably withheld. The District shall, at the Lender's request, furnish to the Lender certificates evidencing such coverage.

The "all risk" insurance shall contain a provision making any losses payable to the Lender and the District as their respective interests may appear. All insurance proceeds from rental abatement insurance shall be paid to the Lender or its assigns and shall be credited toward the payment of Rental Payments in the order in which the Rental Payments come due and payable.

Section 6.4. Advances. In the event the District shall fail to maintain the full insurance coverage required by this Lease/Purchase Agreement or shall fail to keep the Leased Property in good repair and operating condition, the Lender may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and the District agrees to reimburse the Lender all amounts so advanced within thirty (30) days of a written request therefor. The Lender shall notify the District of its intent to purchase a policy of insurance and pay premiums thereof no fewer than five (5) days prior to purchasing the policy.

Section 6.5. Damage, Destruction, and Condemnation. If (a) the Leased Property or any portion thereof is damaged or destroyed, in whole or in part, or (b) title to, or the temporary use of, the Leased Property or any part thereof is taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the District and the Corporation shall cause the proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt repair, reconstruction, or replacement of the Leased Property, unless the District has exercised its right to prepay this Lease/Purchase Agreement as provided herein. Any balance of the proceeds not required for such repair, reconstruction, or replacement shall be paid to the District.

ARTICLE 7.
DEFAULT AND REMEDIES

Section 7.1. Events of Default. The following events shall be Events of Default:

(A) Payment Default. Failure of the District to pay any Payments payable hereunder when the same become due and payable, time being expressly declared to be of the essence of this Lease/Purchase Agreement;

(B) Breach of Covenant. Failure of the District to keep, observe, or perform any other term, covenant or condition contained herein to be kept or performed by the District for a period of thirty (30) days after written notice of the same has been given to the District by the Lender; provided that the Lender shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected, except that such grace period shall not exceed sixty (60) days without the prior written consent of the Lender;

(C) Transfer of District's Interest. Assignment or transfer of the District's interest in this Lease/Purchase Agreement or any part hereof without the written consent of the Lender, either voluntarily or by operation of law or otherwise;

(D) Bankruptcy or Insolvency. Institution of any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency, or similar law or any law providing for the appointment of a receiver, liquidator, trustee, or similar official of the District or of all or substantially all of its assets, by or with the consent of the District, or institution of any such proceeding without its consent that is not permanently stayed or dismissed within sixty (60) days, or agreement by the District with the District's creditors to effect a composition or extension of time to pay the District's debts, or request by the District for a reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or a general or any assignment by the District for the benefit of the District's creditors;

(E) Abandonment of the Leased Property. Abandonment by the District of any part of the Leased Property.

Section 7.2. Remedies on Default. Upon the occurrence and during the continuance of an Event of Default, it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or the following remedies granted pursuant to this Lease/Purchase Agreement:

(A) Termination of Lease.

(1) Notice of Termination; Re-entry. By written notice to the District, to terminate this Lease/Purchase Agreement and to re-enter the Leased Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Leased Property and place such personal property in storage in any warehouse or other suitable place in the county in which the District is located. In the event of such termination, the District agrees to surrender immediately possession of the Leased Property, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of default by the District, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the

Leased Property and removal or storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained.

(2) No Termination Except by Notice. Neither (a) notice to pay rent or to deliver up possession of the Leased Property given pursuant to law, nor (b) any entry or re-entry by the Corporation, nor (c) any proceeding brought by the Corporation to recover possession of the Leased Property, nor (d) the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interests under this Lease/Purchase Agreement shall of itself operate to terminate this Lease/Purchase Agreement. No termination of this Lease/Purchase Agreement on account of default by the District shall be or become effective by operation of law or acts of the parties hereto, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease/Purchase Agreement. The District covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Lease/Purchase Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(B) Continuation of Lease; Reletting.

(1) Continuation Remedies. Without terminating this Lease/Purchase Agreement, (a) to collect each Rental Payment as it becomes due and enforce any other term or provision hereof to be kept or performed by the District, regardless of whether or not the District has abandoned the Leased Property, and/or (b) to enter, retake possession of, and re-let the Leased Property. The term "re-let" or "re-letting" as used in this Article shall include, but not be limited to, re-letting by means of the operation by the Corporation of the Leased Property.

(2) District to Remain Liable. If the Corporation does not elect to terminate this Lease/Purchase Agreement in the manner provided for in subsection (A) hereof, the District shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the District. If the Leased Property is not re-let, the District agrees to pay the full amount of the Rental Payments to the end of the term of this Lease/Purchase Agreement; if the Leased Property is re-let, the District agrees to pay any deficiency in Rental Payments that results therefrom. The District further agrees to pay the Rental Payments punctually at the same time and in the same manner as for the payment of rent hereunder (without acceleration), notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified and notwithstanding any entry or re-entry by the Corporation or proceeding brought by the Corporation to recover possession of the Leased Property. Notwithstanding this obligation, the District shall not be obligated to make any rental payments in excess of the Rental Payments provided in this Lease/Purchase Agreement.

(3) Agency. Should the Corporation elect to enter or re-enter the Leased Property as herein provided, the District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to re-let the Leased Property, or any item or part thereof, from time to time, either in the Corporation's name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable. The District further appoints the Corporation as its agent to remove all persons in possession of

the Leased Property and all personal property whatsoever situated upon the Leased Property and to place such personal property in storage in any warehouse or other suitable place in the county in which the District is located, for the account of and at the expense of the District. The District hereby exempts and agrees to save harmless the Corporation from any costs, loss, or damage whatsoever arising out of, in connection with, or incident to any such retaking of possession and re-letting of the Leased Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance herewith.

(4) Adequate Notice. The District agrees that the terms of this Lease/Purchase Agreement constitute full and sufficient notice of the right of the Corporation to re-let the Leased Property and to do all other acts to maintain or preserve the Leased Property as the Corporation deems necessary or desirable in the event of such retaking or re-entry without effecting a surrender of this Lease/Purchase Agreement, and further agrees that no acts of the Corporation in attempting such re-letting shall constitute a surrender or termination of this Lease/Purchase Agreement, irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease/Purchase Agreement shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subsection (A) hereof.

(5) Waiver of Right to Excess Rent; Agreement to Pay Costs. The District further waives the right to rental obtained by the Corporation in excess of the Rental Payments herein specified and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-letting the Leased Property or any items or part thereof.

The District hereby waives any and all claims for damages caused or that may be caused by the Corporation in entering or re-entering and taking possession of the Leased Property as herein provided and all claims for damages that may result from the destruction of or injury to the Leased Property and all claims for damages to or loss of any property belonging to the District, or any other person, that may be in or upon the Leased Property.

(C) Remedies under the Site Lease. If an Event of Default occurs and continues hereunder, the Corporation may exercise its rights under the Site Lease.

(D) Acceleration of Loan.

(1) Declaration. The Lender may, at its option, declare all principal components of the unpaid Loan Repayments, together with accrued interest thereon, to be immediately due and payable, whereupon the same shall become immediately due and payable.

(2) Rescission. The provisions of the preceding clause (1) are subject to the condition that if, at any time after the principal components of the unpaid Loan Repayments have been so declared due and payable under the preceding clause (1), and before any judgment or decree for the payment of the moneys due has been obtained or entered, the District deposits with the Lender a sum sufficient to pay all principal components of the Loan Repayments coming due prior to such declaration and all matured interest components (if any) of the Loan Repayments, with interest on such overdue principal

and interest components calculated at the overdue rate set forth in Section 4.2(E), and a sum sufficient to pay all reasonable costs and expenses incurred by the Lender in the exercise of its rights and remedies hereunder, and any and all other defaults known to the Lender (other than in the payment of the principal and interest components of the Loan Repayments due and payable solely by reason of such declaration) have been made good, then, and in every such case, the Lender shall, by written notice to the District, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

(E) Other Action. The Lender may, at its option, by mandamus or other action, suit, or proceeding at law or in equity to enforce the Lender's rights against the District or any of the officers or employees of the District, and to compel the District or any such officers or employees to perform and carry out their duties under the Health and Safety Code and the agreements and covenants with the Lender contained herein.

Section 7.3. No Acceleration of Rental Payments. Notwithstanding anything herein to the contrary, there shall be no right under any circumstance to accelerate the Rental Payments or otherwise declare any Rental Payments not yet due to be immediately due and payable.

Section 7.4. No Remedy Exclusive. Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Corporation to any or all other remedies. If any statute or rule of law validly shall limit the remedies given to the Corporation hereunder, the Corporation nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

Section 7.5. Corporation Defaults; District Remedies.

(A) Corporation Defaults. The Corporation shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Corporation shall have failed to perform such obligation within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the District to the Corporation properly specifying wherein the Corporation has failed to perform any such obligation.

(B) District Remedies. The Corporation's failure to perform any of its obligations hereunder shall not be an event permitting the nonpayment of Payments by the District. The parties hereto agree that the performance of the Corporation is unique, that the remedies at law for the Corporation's nonperformance would be inadequate, and that the District shall institute a suit for specific performance by the Corporation upon any default by the Corporation.

Section 7.6. Attorneys' Fees. Upon the occurrence of an Event of Default, the District agrees to pay to Corporation or reimburse Corporation for, in addition to all other amounts due hereunder, all of Corporation's costs of collection, including reasonable attorneys' fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to the District. If suit or action is instituted to enforce any of the terms of this Lease/Purchase Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

Section 7.7. No Additional Waiver. Failure of the Corporation to take advantage of any default on the part of the District shall not be, or be construed as, a waiver thereof, nor shall any custom or practice that may grow up between the parties in the course of administering this Lease/Purchase Agreement be construed to waive or to lessen the right of the Corporation to insist upon performance by the District of any term, covenant or condition hereof, or to exercise any rights given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Lease/Purchase Agreement.

Section 7.8. Application of Amounts Collected. All amounts collected by the Corporation under this Article shall be credited towards the Payments in order of Payment Dates.

ARTICLE 8. ASSIGNMENT OF RIGHTS OF THE CORPORATION

Section 8.1. Assignment. The Corporation hereby transfers, assigns, and sets over to the Lender all of the Corporation's rights under the Site Lease and this Lease/Purchase Agreement (hereinafter, collectively, the "Assigned Property"), including, in particular:

(A) the right to receive and collect all of the Rental Payments from the District under this Lease/Purchase Agreement;

(B) the right to take all actions and give all consents under the Site Lease and this Lease/Purchase Agreement; and

(C) the right to exercise such rights and remedies conferred on the Corporation pursuant to the Site Lease and this Lease/Purchase Agreement as may be necessary or convenient (i) to enforce payment of the Rental Payments, or (ii) otherwise to protect the interests of the Lender in the event of default by the District under this Lease/Purchase Agreement.

In consideration of such assignment, the Lender shall deliver \$1,874,020.87 for the account of or at the direction of the District in satisfaction of the Corporation's obligation under the Site Lease to make a payment to or for the account of the District.

Section 8.2. Acceptance. The Lender hereby accepts the foregoing assignment. The above assignment is intended to be an absolute and unconditional assignment to the Lender and is not intended as a loan by the Lender to the Corporation. Accordingly, in the event of bankruptcy of the Corporation, the Assigned Property shall not be part of the Corporation's estate. However, if the above assignment is deemed to be a loan by the Lender to the Corporation, then the Corporation shall be deemed to have granted to the Lender, and hereby grants to the Lender, a continuing first priority security interest in the Assigned Property and all proceeds thereof as collateral security for all obligations of the Corporation thereunder and all obligations of the District under this Lease/Purchase Agreement and this assignment shall be deemed a security agreement with respect to such loan.

Section 8.3. Representations. The Corporation represents and warrants to the Lender that:

(A) Enforceability of Assignment. The Corporation has the power, authority, and legal right to execute, deliver and perform this assignment and this assignment is a valid, binding, and enforceable obligation of the Corporation, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles; and

(B) Marketable Title. Good and marketable title to the Assigned Property has been duly vested in the Lender free and clear of any liens, security interests, encumbrances or other claims other than the rights of the District hereunder, and the Corporation has not assigned or transferred any of the Assigned Property or any interest in the Assigned Property to any party other than the Lender.

Section 8.4. Covenants.

(A) Non-impairment of Lease/Purchase Agreement. The Corporation agrees that it (1) has no right to amend, modify, compromise, release, terminate or permit prepayment of this Lease/Purchase Agreement, and (2) shall not take any action that may impair the payment of Rental Payments or the validity or enforceability of this Lease/Purchase Agreement.

(B) Rental Payments. If the Corporation receives any Rental Payments, then the Corporation shall receive such payments in trust for the Lender and shall immediately deliver the same to the Lender in the form received, duly endorsed by the Corporation for deposit by the Lender.

(C) Further Assurances. The Corporation shall execute and deliver to the Lender such documents, in form and substance reasonably satisfactory to the Lender, and the Corporation shall take such other actions, as the Lender may reasonably request from time to time to evidence, perfect, maintain, and enforce the Lender's rights in the Assigned Property and/or to enforce or exercise the Lender's rights or remedies under this Lease/Purchase Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Lease/Purchase Agreement by their duly authorized officers.

MUNICIPAL FINANCE CORPORATION, Lessor

By: _____
William A. Morton, President

VALLEY CENTER FIRE PROTECTION DISTRICT, Lessee

By: _____

CAPITAL ONE PUBLIC FUNDING, LLC, as assignee of the Corporation and as Lender

By: _____

DRAFT

EXHIBIT A

PROPERTY DESCRIPTION

All that certain real property located in the State of California, County of San Diego, City of Valley Center, described as follows:

All that portion of the Northeast quarter of the Northwest Quarter Section 15, Township 11 South, Range 1 West, San Bernardino Meridian, in the County of San Diego, State of California according to the Official Plat thereof being more particularly described as follows:

Beginning at the Northwest corner of said Section 15, also being a point on Valley Center Road, thence South 89° 34' East 1359.31 feet to the Northwest corner of the said Northeast quarter of the Northwest quarter of Section 15, also being the intersection of Valley Center Road and Lake Wohlford Road; thence South 00°22'10" West along Lake Wohlford Road a distance of 602.50 feet to the true point of beginning; thence South 73°14'30" East 501.00 feet; thence South 32°04'49" West 286.61 feet; thence South 89°57'00" West 330.00 feet to a point on Lake Wohlford road; thence North 00° 22'10" East, along Lake Wohlford Road 387.60 feet to the true point of beginning.

Excepting there from that portion conveyed to the County of San Diego by Deeds recorded June 6, 2000 Instrument No. 294860 and recorded September 28, 2000 Instrument No. 518992 of official Records.

APN: 189-052-32-00

This property is commonly known as Fire Station No. 2 and is located at 28205 N. Lake Wohlford Road, Valley Center, California.

EXHIBIT B

SCHEDULE OF PAYMENTS

<u>Due Date</u>	<u>Amount Attributable to Principal</u>	<u>Amount Attributable to Interest</u>	<u>Total Payment</u>
June 30, 2025	\$ 92,120.33	\$149,151.75	\$ 241,272.08
June 30, 2026	96,680.29	145,425.04	242,105.33
June 30, 2027	101,465.96	140,639.37	242,105.33
June 30, 2028	106,488.53	135,616.80	242,105.33
June 30, 2029	111,759.71	130,345.62	242,105.33
June 30, 2030	117,291.82	124,813.51	242,105.33
June 30, 2031	123,097.76	119,007.57	242,105.33
June 30, 2032	129,191.10	112,914.23	242,105.33
June 30, 2033	135,586.06	106,519.27	242,105.33
June 30, 2034	142,297.57	99,807.76	242,105.33
June 30, 2035	149,341.30	92,764.03	242,105.33
June 30, 2036	156,733.69	85,371.64	242,105.33
June 30, 2037	164,492.01	77,613.32	242,105.33
June 30, 2038	172,634.37	69,470.97	242,105.34
June 30, 2039	181,179.77	60,925.57	242,105.34
June 30, 2040	190,148.17	51,957.17	242,105.34
June 30, 2041	199,560.50	42,544.83	242,105.33
June 30, 2042	209,438.74	32,666.59	242,105.33
June 30, 2043	219,805.96	22,299.37	242,105.33
June 30, 2044	<u>230,686.36</u>	<u>11,418.97</u>	<u>242,105.33</u>
Total	\$3,030,000.00	\$1,811,273.38	\$4,841,273.38

Effective Interest Rate: 4.95%

SCHEDULE OF LOAN REPAYMENTS

<u>Due Date</u>	<u>Amount Attributable to Principal</u>	<u>Amount Attributable to Interest</u>	<u>Total Loan Repayment</u>
June 30, 2025	\$ 92,120.33	\$ 56,903.07	\$ 149,023.40
June 30, 2026	96,680.29	52,661.01	149,341.30
June 30, 2027	101,465.96	47,875.34	149,341.30
June 30, 2028	106,488.53	42,852.77	149,341.30
June 30, 2029	111,759.71	37,581.59	149,341.30
June 30, 2030	117,291.82	32,049.48	149,341.30
June 30, 2031	123,097.76	26,243.54	149,341.30
June 30, 2032	129,191.10	20,150.20	149,341.30
June 30, 2033	135,586.06	13,755.24	149,341.30
June 30, 2034	<u>142,297.57</u>	<u>7,043.73</u>	<u>149,341.30</u>
Total	\$1,155,979.13	\$337,115.97	\$1,493,095.10

Effective Interest Rate: 4.95%

SCHEDULE OF RENTAL PAYMENTS

<u>Due Date</u>	<u>Amount Attributable to Principal</u>	<u>Amount Attributable to Interest</u>	<u>Total Rental Payment</u>
June 30, 2025		\$ 92,248.68	\$ 92,248.68
June 30, 2026		92,764.03	92,764.03
June 30, 2027		92,764.03	92,764.03
June 30, 2028		92,764.03	92,764.03
June 30, 2029		92,764.03	92,764.03
June 30, 2030		92,764.03	92,764.03
June 30, 2031		92,764.03	92,764.03
June 30, 2032		92,764.03	92,764.03
June 30, 2033		92,764.03	92,764.03
June 30, 2034		92,764.03	92,764.03
June 30, 2035	\$149,341.30	92,764.03	242,105.33
June 30, 2036	156,733.69	85,371.64	242,105.33
June 30, 2037	164,492.01	77,613.32	242,105.33
June 30, 2038	172,634.37	69,470.97	242,105.34
June 30, 2039	181,179.77	60,925.57	242,105.34
June 30, 2040	190,148.17	51,957.17	242,105.34
June 30, 2041	199,560.50	42,544.83	242,105.33
June 30, 2042	209,438.74	32,666.59	242,105.33
June 30, 2043	219,805.96	22,299.37	242,105.33
June 30, 2044	<u>230,686.36</u>	<u>11,418.97</u>	<u>242,105.33</u>
Total	\$1,874,020.87	\$1,474,157.41	\$3,348,178.28

Effective Interest Rate: 4.95%

EXHIBIT C

MEMORANDUM OF LEASE

RECORDING REQUESTED BY:
Valley Center Fire Protection District

WHEN RECORDED RETURN TO:
Lozano Smith, LLP
One Capitol Mall, Suite 640
Sacramento, CA 95814
Attn.: Deborah Fields

This document is recorded for the benefit of the Valley Center Fire Protection District, and recording is exempt from recording fees pursuant to Government Code §27383.

The term of this lease is less than 35 years. This transaction is exempt from documentary transfer tax under Revenue & Taxation Code §11928.

MEMORANDUM OF LEASE/PURCHASE AGREEMENT

This Memorandum of Lease/Purchase Agreement dated as of July 2, 2024, is made and entered into by and between Municipal Finance Corporation, a corporation duly organized and existing under the laws of the State of California (the “Corporation”), as Lessor, the Valley Center Fire Protection District (the “District”), a public agency duly organized and validly existing under and by virtue of the laws of the State of California, as lessee, and Capital One Public Funding, LLC (the “Lender”), a New York limited liability company, as assignee of the Corporation and as Lender.

The Corporation, the District, and the Lender have entered into that certain Lease/Purchase Agreement dated July 2, 2024 (the “Lease/Purchase Agreement”), pursuant to which the Corporation has leased to the District and does hereby lease to the District and the District does hereby lease from the Corporation all of that certain Leased Property in the County of San Diego, State of California, described in *Exhibit A* attached hereto and incorporated herein by reference, for a term commencing on July 2, 2024, and ending on June 30, 2044, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease/Purchase Agreement. Pursuant to the Lease/Purchase Agreement, the Corporation has assigned its interests therein to the Lender.

This Memorandum has been prepared for the purpose of giving notice of the Lease/Purchase Agreement and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease/Purchase Agreement, the terms of which remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease/Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

MUNICIPAL FINANCE CORPORATION, Lessor

By: _____
William A. Morton, President

VALLEY CENTER FIRE PROTECTION DISTRICT, Lessee

By: _____

**CAPITAL ONE PUBLIC FUNDING, LLC,
assignee of the Corporation and as Lender**

By: _____

DRAFT

**Insert Notary Acknowledgments for District, Municipal Finance Corporation,
and Capital One Public Funding, LLC**

DRAFT

EXHIBIT A

LEGAL DESCRIPTION OF LEASED PROPERTY

PROPERTY DESCRIPTION

All that certain real property located in the State of California, County of San Diego, City of Valley Center, described as follows:

All that portion of the Northeast quarter of the Northwest Quarter Section 15, Township 11 South, Range 1 West, San Bernardino Meridian, in the County of San Diego, State of California according to the Official Plat thereof being more particularly described as follows:

Beginning at the Northwest corner of said Section 15, also being a point on Valley Center Road, thence South $89^{\circ} 34'$ East 1359.31 feet to the Northwest corner of the said Northeast quarter of the Northwest quarter of Section 15, also being the intersection of Valley Center Road and Lake Wohlford Road; thence South $00^{\circ} 22' 10''$ West along Lake Wohlford Road a distance of 602.50 feet to the true point of beginning; thence South $73^{\circ} 14' 30''$ East 501.00 feet; thence South $32^{\circ} 04' 49''$ West 286.61 feet; thence South $89^{\circ} 57' 00''$ West 330.00 feet to a point on Lake Wohlford road; thence North $00^{\circ} 22' 10''$ East, along Lake Wohlford Road 387.60 feet to the true point of beginning.

Excepting there from that portion conveyed to the County of San Diego by Deeds recorded June 6, 2000 Instrument No. 294860 and recorded September 28, 2000 Instrument No. 518992 of official Records.

APN: 189-052-32-00

This property is commonly known as Fire Station No. 2 and is located at 28205 N. Lake Wohlford Road, Valley Center, California.

ESCROW AGREEMENT

COPF:

Capital One Public Funding, LLC
1307 Walt Whitman Road 3rd Floor
Melville, NY 11747

ESCROW AGENT:

Argent Institutional Trust Company
101 Summit Avenue, Suite 510
Ft. Worth, TX 76102
Attention: Barbara James, Vice President

DISTRICT:

Valley Center Fire Protection District
288234 Lilac Road
Valley Center, CA 92082

THIS ESCROW AGREEMENT (this “Escrow Agreement”) dated July 2, 2024, is entered into between Capital One Public Funding, LLC (“COPF”), Valley Center Fire Protection District (the “District”), and Argent Institutional Trust Company (the “Escrow Agent”). Municipal Finance Corporation, the District, and COPF have entered into that certain Lease/Purchase Agreement dated July 2, 2024 (the “Lease Agreement”), the Corporation’s interests in which have been assigned to COPF. The Lease Agreement contemplates the construction of a fire station and renovations of existing stations (the “Project”).

The Lease Agreement contemplates that COPF will deposit with the Escrow Agent cash in the amount of \$3,000,000, to be held in escrow by the Escrow Agent and applied on the express terms and conditions set forth herein. Such deposit, together with all interest and additions received with respect thereto (hereinafter, the “Escrow Fund”), is to be applied from time to time to pay certain costs of constructing or acquiring the Project.

The parties desire to set forth the terms on which the Escrow Fund is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, the parties agree as follows:

1. The Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The Escrow Agent represents that it is a trust company duly organized and existing under the laws of the State of Florida, with full power and authority to act as Escrow Agent as provided in this Escrow Agreement under the laws of the State of California. The Escrow Agent agrees that the Escrow Fund shall be held irrevocably in trust for the account and benefit of the District and COPF and all interest earned with respect to the Escrow Fund shall accrue to the benefit of the District and shall be applied as expressly set forth herein.

To the limited extent required to perfect the security interest granted by the District to COPF in the cash and negotiable instruments from time to time comprising the Escrow Fund, COPF hereby appoints the Escrow Agent as its security agent, and the Escrow Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash and negotiable instruments on behalf of COPF.

2. On such day as determined to the mutual satisfaction of the parties (the “Commencement Date”), COPF shall deliver to the Escrow Agent cash in the amount of

\$3,000,000 to be held by the Escrow Agent on the express terms and conditions set forth herein. The Escrow Agent agrees to accept the deposit of the Escrow Fund by COPF, and further agrees to hold the amount so delivered, together with all interest and other additions received with respect thereto in escrow on the express terms and conditions set forth herein.

3. The Escrow Agent shall at all times segregate the Escrow Fund into a fund maintained for that express purpose, which shall be clearly identified on the books and records of the Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the Escrow Fund from time to time shall be held or registered in the name of the Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by COPF).

4. The District hereby directs the Escrow Agent to invest the cash comprising the Escrow Fund from time to time in Qualified Investments (as hereinafter defined). Interest or other amounts earned and received by the Escrow Agent with respect to the Escrow Fund shall be held in and comprise a part of the Escrow Fund. No investment shall be made that would cause the Agreement to be deemed to be an arbitrage bond within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended. For the purpose of this paragraph 4, the term "Qualified Investments" means an interest-bearing demand account of any bank or trust company which the Escrow Agent has a fiduciary banking relationship located within the United States; provided that any such bank or trust company must have capital and surplus of at least \$500,000, or such other investments as the District may specify in writing, to the extent the same are at the time legal for investment of the funds being invested.

5. COPF and the District hereby authorize the Escrow Agent to take the following actions with respect to the Escrow Fund:

a. From time to time, the Escrow Agent shall pay contractors or the District or other payee upon receipt of the following: (i) Payment Request in the form attached as **Exhibit A** to this Escrow Agreement (a "Payment Request") duly executed by an Authorized District Representative and approved for payment by an Authorized COPF Representative, (ii) the contractor(s) invoice(s) specifying the costs described in the Payment Request, and (iii) any additional documentation required by COPF. An "Authorized District Representative" shall be a person designated in the Incumbency Certificate attached hereto as **Exhibit B**, or on a subsequent Incumbency Certificate of the District actually received and acknowledged by COPF and the Escrow Agent. An "Authorized COPF Representative" shall be a person designated in the Certificate of Authorized COPF Representatives" attached hereto as **Exhibit C**.

b. Upon receipt of a Payment Request for payment of funds from the Escrow Fund, COPF and the Escrow Agent are authorized to seek confirmation of such instructions by telephone call-back to any Authorized District Representative designated on **Exhibit B** hereto, and COPF and the Escrow Agent may rely upon the confirmations of anyone purporting to be such Authorized District Representative. The Escrow Agent shall confirm any Payment Request by telephone call-back to the person or persons designated for verifying such draw requests on **Exhibit C** (such person verifying the request shall be different than the person initiating the request). COPF and the District hereby confirm that any call-back performed by the Escrow

Agent to verify a disbursement instruction pursuant to a Payment Request submitted pursuant to this Section before release shall be made to COPF only and the Escrow Agent shall have no obligation to call-back the District. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by COPF and the Escrow Agent. The parties to this Escrow Agreement acknowledge that such security procedure is commercially reasonable.

c. It is understood that COPF, the Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying number provided by any party hereto to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank.

d. In the event that COPF provides to the Escrow Agent written notice of the occurrence of an Event of Default by the District that has continued for thirty days under the Agreement, the Escrow Agent shall thereupon promptly remit to COPF the entire balance of the Escrow Fund.

e. Upon receipt by the Escrow Agent of a duly executed Payment Request identified as the final such request, the remaining monies in the Escrow Fund shall, *first* be applied to all reasonable fees and expenses incurred by the Escrow Agent, if applicable, in connection herewith as evidenced by its statement forwarded to COPF and the District; and, *second* be paid to COPF, for application against the outstanding principal components of Rental Payments (as defined in the Agreement), including prepayment of Rental Payments under the Agreement, as provided therein, unless COPF directs that payment of such amount be made in such other manner directed by COPF that, in the opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to COPF, will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes. If any such amount is used to prepay principal, the Payment Schedule attached to the Agreement will be revised accordingly as specified by COPF.

6. The reasonable fees and expenses of the Escrow Agent incurred in connection herewith shall be the responsibility of COPF and are herein defined as the sum of \$1,500, for escrow services as described herein; plus any extraordinary expenses incurred by the Escrow Agent at the request of COPF or the District.

7. The Escrow Agent shall have no liability for acting upon any written instruction presented by the District and COPF in connection with this Escrow Agreement which the Escrow Agent in good faith believes to be genuine. Furthermore, the Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own gross negligence, willful misconduct or bad faith. Notwithstanding any contrary provision herein, the Escrow Agent shall be liable to any parties for any loss, expense, claim or damage that may result by reason of the Escrow Agent materially breaching this Escrow Agreement. The Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investment decisions made pursuant to Section 4 in Qualified Investments at the direction of the District.

8. To the extent authorized by law, the District hereby agrees to indemnify and save the Escrow Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Escrow Agent's gross negligence or willful misconduct. No indemnification will be made under this Section or elsewhere in this Escrow Agreement for damages arising solely out of gross negligence, willful misconduct or bad faith by the Escrow Agent, its officers, agents, employees, successors or assigns.

9. The Escrow Agent may at any time resign by giving at least 30 days' prior written notice to the District and COPF, but such resignation shall not take effect until the appointment of the successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of COPF and the District. In addition, the Escrow Agent may be removed at any time, with or without cause, by instrument in writing executed by COPF and the District. Such notice shall set forth the effective date of the removal. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by COPF and the District. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to COPF, the District and the predecessor Escrow Agent. Upon the effective date of resignation or removal, the Escrow Agent will transfer the Escrow Fund then held by it to the successor Escrow Agent selected by COPF and District.

10. This Escrow Agreement and the Escrow Fund established hereunder shall terminate upon receipt by the Escrow Agent of the written notice from COPF specified in Section 5(d) or Section 5(e) hereof.

11. All notices hereunder shall be in writing, sent by certified mail, return receipt requested, or by mutually recognized overnight carrier addressed to the other party at its respective address shown on page 1 of this Escrow Agreement or to such other address as such party shall from time to time designate in writing to the other parties hereto; and shall be effective on the date of receipt.

12. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of the Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of COPF and the District. COPF may at any time assign its rights, duties, and obligations hereunder to an assignee who shall thereafter become the COPF under this Escrow Agreement.

13. This Escrow Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification or change of terms hereof shall bind any party unless in writing signed by all parties.

14. The Escrow Agent may employ agents, attorneys, and accountants in connection with its duties hereunder and shall not be liable for any action taken or omitted in good faith in accordance with the advice of counsel, accountants or other skilled persons.

15. This Escrow Agreement shall be governed by and be construed and interpreted in accordance with the internal laws of the State of California.

16. This Escrow Agreement may be executed in several counterparts, and each counterpart so executed will be an original. In addition, the parties agree that the transaction described herein may be conducted and related documents may be received, sent, or stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

17. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Escrow Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed.

CAPITAL ONE PUBLIC FUNDING, LLC

VALLEY CENTER FIRE PROTECTION DISTRICT

By: _____

By: _____

ARGENT INSTITUTIONAL TRUST COMPANY, as Escrow Agent

APPROVED AS TO FORM:

By: _____
Authorized Officer

District Counsel

DRAFT

EXHIBIT A

PAYMENT REQUEST

Argent Institutional Trust Company (the “Escrow Agent”), as escrow agent under that certain Escrow Agreement dated July 2, 2024 (the “Escrow Agreement”), between Valley Center Fire Protection (the “District”), Capital One Public Funding, LLC (“COPF”), and the Escrow Agent, is hereby requested to pay from the Escrow Fund established and maintained thereunder, to each of the parties designated on the attached Schedule the amount set forth opposite such party’s name. The amount(s) shown is/are due and payable under a contract (or has been paid by and not previously reimbursed to the District) for a portion of the cost of the Project described in the Escrow Agreement.

The undersigned hereby certifies that:

- (a) Attached hereto is a duplicate original or certified copy of an invoice, payment request form, or equivalent document relating to the Project;
- (b) The amount requested for payment is for costs previously paid or incurred, is now due and owing (or has been paid by the District), and has not been included in any earlier Payment Request;
- (c) All necessary permits and approvals required for the portion of the work related to the Project for which payment is requested have been issued and are in full force and effect; and
- (d) No Event of Default, as that term is defined in the Lease Agreement, and no event that, with the giving of notice or lapse of time or both, would become an Event of Default, has occurred and is continuing on the date hereof.

Based on the foregoing, Escrow Agent is hereby authorized and directed to pay, or cause to be paid, to the contractor(s) named in the attached invoice, payment request form, or equivalent document (or the District, in the case of reimbursements) the amounts set forth on the attached invoice(s) from the Escrow Fund held under the Escrow Agreement in accordance with its terms.

Date: _____ IF REQUEST IS FINAL REQUEST, CHECK HERE .

Approved:

CAPITAL ONE PUBLIC FUNDING, LLC

VALLEY CENTER FIRE PROTECTION DISTRICT

By: _____
[name/title]

By: _____
District Representative

SCHEDULE

<u>ITEM</u>	<u>PAYEE</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
1.	[NAME AND ADDRESS]		[general classification]
2.			

DRAFT

**EXHIBIT B
TO ESCROW AGREEMENT**

INCUMBENCY CERTIFICATE REGARDING DISTRICT REPRESENTATIVES

\$3,030,000

**LEASE/PURCHASE AGREEMENT DATED JULY 2, 2024, BETWEEN
MUNICIPAL FINANCE CORPORATION, VALLEY CENTER FIRE PROTECTION DISTRICT,
AND CAPITAL ONE PUBLIC FUNDING, LLC**

The undersigned officer of the Valley Center Fire Protection District (the "District") hereby certifies that the persons listed below are each designated as an authorized representative of the District for the Escrow Agreement dated July 2, 2024 (the "Escrow Agreement"), between the District, Capital One Public Funding, LLC ("COPF") and Argent Institutional Trust Company, as escrow agent (the "Escrow Agent"), including but not limited to initiating and approving transactions under the Escrow Agreement and confirming such approvals through call-backs from COPF relating thereto, all on behalf of the District. Each such person is the current holder of the office or title indicated, and the signature set forth opposite the name of each such authorized representative is the true and correct specimen of such person's signature:

Name/Title/Telephone/Email

Specimen Signature

Name

Signature

Title

Telephone #

Email Address

Name/Title/Telephone/Email

Specimen Signature

Name

Signature

Title

Telephone#

Email Address

Dated: July 2, 2024

VALLEY CENTER FIRE PROTECTION DISTRICT

By: _____
Title: _____

**EXHIBIT C
TO ESCROW AGREEMENT
AUTHORIZED COPF REPRESENTATIVES
FOR ESCROW AGREEMENT**

[To be provided.]

DRAFT

NEW BUSINESS

BOARD OF DIRECTORS' PACKET
VALLEY CENTER FIRE PROTECTION DISTRICT

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER FIRE PROTECTION DISTRICT TO PARTICIPATE IN THE COUNTY OF SAN DIEGO FIRE MITIGATION FEE PROGRAM FOR FISCAL YEAR 2024-2025 AND ADOPT A CAPITAL IMPROVEMENT PLAN FOR THE USE OF FIRE MITIGATION FEE REVENUE

WHEREAS, the Valley Center Fire Protection District (District) requires long-term fire protection facilities and equipment (Facilities) to provide fire suppression or emergency medical services within the District's boundaries;

WHEREAS, new development is anticipated in the District, and existing Facilities will be inadequate to provide fire suppression or emergency medical services, creating a situation perilous to public health and safety;

WHEREAS, to mitigate the impacts caused by new development, the District must improve or expand existing Facilities and/or construct or acquire new Facilities;

WHEREAS, the District lacks sufficient funds for new or improved Facilities from fund balances, capital facility funds, property tax sources, or any other appropriate source, and annexation and plan check fees charges by the District do not include a payment toward the costs of Facilities as a component of those fees;

WHEREAS, pursuant to California Government Code Section 66000, et seq. (Mitigation Fee Act), the County of San Diego (County) is authorized to collect a mitigation fee from applicants for new development to defray costs related to Facilities that are incurred due to the development;

WHEREAS, the County has established fee ceilings for types of construction by Chapter 3 of Division 10 of Title 8 (commencing with Section 810.301) of the County Code of Regulatory Ordinances (Fire Mitigation Fee Ordinance);

WHEREAS, the District desires to participate in the County's Fire Mitigation Fee (FMF) program;

WHEREAS, pursuant to Section 66002 of the Mitigation Fee Act, the governing body of a local agency that levies a mitigation fee may adopt a capital improvement plan, which shall be adopted by and annually updated by a resolution at a noticed public hearing;

WHEREAS, the County's Fire Mitigation Fee (FMF) Ordinance requires that fire agencies participating in the FMF Program adopt a five-year Capital Improvement Plan indicating the approximate location, size, time of availability, and cost estimates for long-term Facilities to be financed with the FMF revenue; and

WHEREAS, notice of the hearing to update the District's Capital Improvement Plan was given, as required by law, as shown by the affidavit of publication on file herein.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE VALLEY CENTER FIRE PROTECTION DISTRICT HEREBY RESOLVES AS FOLLOWS:

1. The District shall participate in the County's FMF Program for Fiscal Year 2024-2025 and agrees to comply with all applicable requirements of the County's FMF Ordinance and the Mitigation Fee Act.
2. The District requests that the County collect 100 percent of the FMF ceiling on the District's behalf from applicants for building permits or other permits for development within the District's boundaries. The percent of the ceiling fee is equal to or less than the Facilities needs caused by new development.
3. Except as otherwise provided in the County Code or state law, all FMF revenue shall be used only to expand the availability of Facilities to serve new development within the District's boundaries. FMF revenue shall not be used to address existing deficiencies, but may be used in response to increased demand reasonably related to the new development to refurbish existing facilities to maintain an existing level of service or achieve an adopted level of service.
4. The District shall deposit all FMF revenue received from the County and all interest subsequently accrued by the District on these funds in a separate account to be known as the "San Diego County Fire Mitigation Fee."
5. The District shall defend, indemnify, and hold harmless the County, its officers, officials, employees, agents, and volunteers, from and against any and all demands, claims, actions, litigation, or other proceedings, liability, damages, and costs (including, but not limited to, attorney fees) that are based in whole or in part upon the levy, imposition, collection, or payment of FMF, or the denial of a permit until the FMF is paid, excepting only matters that are based upon the County's gross negligence or willful misconduct.
6. The District shall make its records justifying the basis for the FMF amount available to the public on request.
7. The District resolves that five-year Capital Improvement Plan for use of Fire Mitigation Fee revenue within the District is as follows:

Fiscal Year 2024-2025 New Project	
Debt Service Payback on a 3 Million Dollar Fire Station 3 and Station Renovation Projects over a 20-year term	\$81,000

Fiscal Year 2024-2025	\$97,418
Spartan Type 1 Lease Purchase Payment Year 3 of a 7 Year Term	

Fiscal Year 2025-2026 Debt Service Payback on a 3 Million Dollar Fire Station 3 and Station Renovation Projects over a 20-year term	\$81,000
Fiscal Year 2025-2026 Spartan Type 1 Lease Purchase Payment Year 4 of a 7 Year Term	\$97,418
Fiscal Year 2026-2027 Debt Service Payback on a 3 Million Dollar Fire Station 3 and Station Renovation Projects over a 20-year term	\$81,000
Fiscal Year 2026-2027 Spartan Type 1 Lease Purchase Payment Year 5 of a 7 Year Term	\$97,418
Fiscal Year 2027-2028 Debt Service Payback on a 3 Million Dollar Fire Station 3 and Station Renovation Projects over a 20-year term	\$81,000
Fiscal Year 2027-2028 Spartan Type 1 Lease Purchase Payment Year 6 of a 7 Year Term	\$97,418
Fiscal Year 2028-2029 Debt Service Payback on a 3 Million Dollar Fire Station 3 and Station Renovation Projects over a 20-year term	\$81,000
Fiscal Year 2028-2029 Spartan Type 1 Lease Purchase Payment Year 7 of a 7 Year Term	\$97,418

BE IT FURTHER RESOLVED that this Resolution supersedes Resolution No. 2023-17 adopted June 15, 2023 to participate in the FMF program.

PASSED AND ADOPTED by the Board of Directors of the Valley Center Fire Protection District, County of San Diego, State of California, on this 20th day of June, 2024, by the following vote:

Resolution No. 2024-14
Meeting Date: June 20, 2024

Motion by:
Seconded by:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

Phil Bell, President

ATTEST:

Ronald Duff, Secretary
Clerk Seal: (Include Affidavit of Publication or Clerk confirmation of notice)

DRAFT

RESOLUTION NO.2024-17

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER FIRE PROTECTION DISTRICT, CALIFORNIA ACKNOWLEDGING RECEIPT OF A REPORT MADE BY FIRE CHIEF JOSEF NAPIER, REGARDING THE INSPECTION OF CERTAIN OCCUPANCIES REQUIRED TO PERFORM ANNUAL INSPECTIONS IN SUCH OCCUPANCIES PURSUANT TO SECTIONS 13146.2 AND 13146.3 OF THE CALIFORNIA HEALTH AND SAFETY CODE.

WHEREAS, California Health & Safety Code Section 13146.4 was added in 2018, and became effective on September 27, 2018; and,

WHEREAS, California Health & Safety Code Sections 13146.2 and 13146.3 requires all fire departments, including the Valley Center Fire Protection District, that provide fire protection services to perform annual inspections in every building used as a public or private school, hotel, motel, lodging house, apartment house, and certain residential care facilities for compliance with building standards, as provided and,

WHEREAS, California Health & Safety Code Section 13146.4 requires all fire departments, including the Valley Center Fire Protection District, that provide fire protection services to report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3 and,

WHEREAS, the Board of the Valley Center Fire Protection District intends this Resolution to fulfill the requirements of the California Health & Safety Code regarding acknowledgment of the Valley Center Fire Protection District compliance with California Health and Sections 13146.2 and 13146.3.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Valley Center Fire Protection District that said Board expressly acknowledges the measure of compliance of the Valley Center Fire Protection District with California Health and Safety Code Sections 13146.2 and 13146.3 in the area encompassed by the County of San Diego, as follows:

A. EDUCATIONAL GROUP E OCCUPANCIES:

Educational Group E occupancies are generally those public and private schools, used by more than six persons at any one time for educational purposes through the 12th grade. Within the Valley Center Fire Protection District, there lie six Group E occupancies, buildings, structures and/or facilities.

During fiscal year 2023-2024, the Valley Center Fire Protection District completed 4 of the six Group E occupancies, buildings, structures and/or facilities. This is a compliance rate of 66% for this reporting period. The remaining two inspections are scheduled with the school administration, and will be completed before July 1, 2024.

Additional items of note regarding this compliance rate can be found in the accompanying staff report for this resolution.

B. RESIDENTIAL GROUP R OCCUPANCIES:

Residential Group R occupancies, for the purposes of this resolution, are generally those occupancies containing sleeping units, and include hotels, motels, apartments (three units or more), etc. as well as other residential occupancies (including a number of residential care facilities). These residential care facilities have a number of different sub-classifications, and they may contain residents or clients that have a range of needs, including those related to custodial care, mobility impairments, cognitive disabilities, etc. The residents may also be non-ambulatory or bedridden. Within the Valley Center Fire Protection District, there lies no Group R (and their associated sub-categories) occupancies of this nature. During fiscal year 2023-2024, the Valley Center Fire Protection District had no annual inspection of any Group R occupancy, building, structure and/or facility.

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) ss.
VALLEY CENTER FIRE PROTECTION DISTRICT)

I, Ronald Duff, Secretary of the Board of Directors of the Valley Center Fire Protection District certify that the foregoing resolution was adopted by the Board for the Valley Center Fire Protection District, at a regular meeting held on the 20th day of June, 2024.

AYES :
NOES :
ABSENT:
ABSTAIN :

BY: _____
Ronald Duff, Secretary
Valley Center Fire Protection District

APPROVED AS TO FORM:
San Diego County Attorney's Office

BY: _____
Attorney

Attachments:
• Exhibit "1" – Staff Report



VALLEY CENTER FIRE PROTECTION DISTRICT

28234 Lilac Road, Valley Center, CA 92082
(760) 751-7600 Fax (760) 749-3892
Website: vcfpd.org



Staff Report

June 20, 2024

Josef Napier, Fire Chief
Valley Center Fire Protection District

The following are the required inspections per California Health & Safety Code Sections 13146.2 and 13146.3 during fiscal year 2022-2023:

Valley Center High School, 31322 Cole Grade (Completed);

Oak Glen High School, 14172 West Oak Glen (Completed);

Valley Center Middle School, 28102 N. Lake Wohlford (Completed);

Valley Center Elementary School, 28751 Cole Grade (Scheduled);

Valley Center Primary, 14249 Fruitvale (Scheduled);

Lilac School, 30109 Lilac (Completed);

Any questions regarding inspections may be directed to the Community Risk Reduction Division.

Respectfully,

Jim Davidson, Fire Marshal
Valley Center Fire Protection District

Valley Center Fire Station 1
28234 Lilac Road
Valley Center, CA 92082

Valley Center Fire Station 2
28205 N. Lake Wohlford Road
Valley Center, CA 92082

RESOLUTION NO. 2024-18

**A RESOLUTION OF THE VALLEY CENTER FIRE PROTECTION DISTRICT,
APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE
VALLEY CENTER FIRE PROTECTION DISTRICT AND THE VALLEY CENTER
FIREFIGHTERS ASSOCIATION IAFF LOCAL 5187**

WHEREAS, the Valley Center Fire Protection District and the Valley Center Firefighters Association IAFF Local 5187, a recognized employee bargaining group, have entered into a Memorandum of Understanding (MOU) after meeting and conferring in good faith following the Meyers-Milias-Brown Act (MMBA) over wages and benefits; and

WHEREAS, the duration of the terms and conditions of this Memorandum of Understanding (MOU) between the Valley Center Fire Protection District and the Valley Center Firefighters Association IAFF Local 5187 are from July 1, 2024 with the wages and benefits enacted on the first day of the FLSA cycle, July 8, 2024 to June 30, 2025; and

WHEREAS, the Memorandum of Understanding between the Valley Center Fire Protection District and the Valley Center Firefighters Association IAFF Local 5187 creates a binding agreement which may not be altered or cancelled unless mutually agreed upon by both parties; and

NOW, THEREFORE, BE IT RESOLVED,
The Memorandum of Understanding between the Valley Center Fire Protection District and the Valley Center Firefighters Association IAFF Local 5187 dated July 1, 2024 is approved.

PASSED AND ADOPTED: June 20, 2024 at the regular Valley Center Fire Protection District Board of Directors Meeting

AYES:

NOES:

ABSTAIN:

ABSENT:

Phil Bell, President

ATTEST:

Ronald Duff, Secretary

Valley Center Fire Protection District

AND



VALLEY CENTER FIRE FIGHTERS ASSOCIATION

Memorandum of Understanding

July 1, 2024-June 30, 2025

**VALLEY CENTER FIRE PROTECTION DISTRICT
MEMORANDUM OF UNDERSTANDING
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MEMORANDUM OF UNDERSTANDING

July 1, 2024 - June 30, 2025

SECTION 1: GENERAL

1.1: Preamble

This Memorandum of Understanding is entered into pursuant to applicable provisions of State law and local ordinance between the Valley Center Fire Fighters Association and the Valley Center Fire Protection District, IAFF Local 5187, containing the complete results of negotiations concerning wages, hours and other terms and conditions of employment for employees represented herein. The parties hereto have met and conferred in good faith in order to reach this agreement.

1.2: Provisions of Law

It is understood and agreed that this MOU is subject to all current and future applicable federal and State laws and regulations. If any part or provision of this MOU is in conflict or inconsistent with such applicable provisions of those federal or State enactments or is otherwise held to be invalid or unenforceable by any court of competent jurisdiction, such part or provision shall be suspended and superseded by such application law or regulation, and the remainder of the MOU shall not be affected thereby. If any substantive part or provision of this MOU is suspended or superseded, the parties agree to reopen negotiations regarding the suspended or superseded part provided that total compensation to employees under the MOU shall not be reduced or increased as a result of this Article.

1.3: SOGs, Policies and General Orders Referenced Within the MOU

Given the constantly evolving nature of the District, several District Policies, SOGs, and General Orders are referenced within this MOU. When referenced, these shall be recognized as binding documents within the scope of this MOU and shall not be amended, altered, or revised without a written agreement between both the Administration and the VCFFA. However, it is recognized that these documents may need updating or revisions during the term of this agreement and that these changes may be mutually agreed upon outside of the formal meet-and-confer process. If, however, the changes cannot be mutually agreed to, no changes will be implemented without a formal re-opening of the MOU and a recognized meet-and-confer process.

Any side wishing to make changes to any of the policies, SOG's, and General Orders etc. referenced within this MOU must provide the other side with the proposed changes on official letterhead. Should there be no objection to the changes, the propositioned side will accept the suggested changes on official letterhead. Changes then will be implemented and a notification be sent to all affected parties. If either side wishes to discuss the changes, a representative meeting will be arranged within seven (7) business days to meet and discuss the changes suggested and the rationale behind the changes. If the changes are then agreed upon, they will be implemented. If the changes cannot be agreed to, there will be no change to that document until the matter can be re-introduced during formal negotiations. This only pertains to the sections of any SOG, Policy, GO, or other material that directly relate to the employee classifications covered by this MOU.

Lexipol Policies References within this MOU:

- Policy 1008 - Tuition Reimbursement
- Policy 1029 - Uniform Regulations
- Policy 1047 - Sick and Bereavement Leave
- Policy 1048 - Family and Medical Leave
- Policy 1049 - Staffing and Scheduling
- Policy 1050 - Vacation, Personal Time Off and Comp Time

1.4: Agreement Term

The term of this Agreement shall become effective July 1, 2024. This Agreement shall expire and otherwise fully terminate on June 30, 2025. If a successor MOU has not been reached by June 30, 2025, the terms and conditions of the current MOU will be extended until a successor MOU is adopted.

In the event either party hereto desires to negotiate a successor MOU, such party shall serve upon the other its written request to commence negotiations, as well as any written proposals for such successor MOU. Upon receipt of such proposal, negotiations shall begin no later than thirty (30) calendar days after such receipt.

In the event that the proposed tax reapportionment from the county is granted, and the District receives an increase in the tax apportionment during this contract period, both parties agree to reopen negotiations for the purpose of wages and benefits.

1.5: Recognition

Pursuant to the provisions of local ordinance and applicable State law, effective May 16, 2020, the Valley Center Fire Fighters Association, IAFF Local 5187 (henceforth referred to as the VCFFA), is hereby acknowledged as the exclusive recognized employee organization for District employees in the full-time positions identified in 1.5.1.

1.5.1: Recognized Unit Members

The following full-time positions are covered by this MOU:

- Fire Captain (including Administrative Captain)
- Fire Engineer
- Firefighter Paramedic
- Firefighter EMT

1.6: Agreements, Modifications, and Waivers

This Agreement sets forth the full and entire agreement of the parties regarding wages, hours and other terms of employment, and any other prior or existing understanding or agreements over these matters between parties, whether formal or informal, are hereby superseded and terminated in their entirety.

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed by all parties hereto.

The waiver of any breach, term, or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

1.7: Authorized Agents and Representatives

The Districts' principal authorized agent shall be the District Fire Chief or the District Fire Chief's authorized representative. The District Fire Chief may assign a particular chief officer, management employee or contract legal services specifically designated in connection with the performance of a specific function or obligation set forth in the MOU. The VCFFA's principal authorized agent shall be its Association President or a duly authorized designee of the president.

SECTION 2: RIGHTS AND PRIVILEGES

2.1: Employee Rights

As a result of this MOU, no person shall be favored or discriminated against by either the District or VCFFA, to the extent provided by law because of political or religious opinions or affiliations, race, national origin, age, sex, sexual orientation or disability. Neither the District nor VCFFA shall interfere with, intimidate, restrain, coerce, or discriminate against employees covered by this MOU because of the exercise of rights to engage or not engage in VCFFA activity or because of the exercise of any right provided to employees by this MOU or the Meyers-Milias-Brown Act. Nothing in this MOU shall be construed as a waiver of any of the following rights of individual employees, which may be exercised in compliance with applicable laws, ordinances and rules and regulations.

2.2: VCFFA Rights

As the recognized employee organization, VCFFA has the following rights which the District hereby recognizes:

(a) To govern its internal affairs;

(b) To use bulletin boards at District offices in locations convenient to VCFFA and approved by the Fire Chief. VCFFA shall have exclusive control over the material placed on the bulletin boards designated for its use; provided, however, that VCFFA agrees to not post, and to immediately remove any unauthorized material, which is defamatory, violates District policies designed to assure a workplace free from harassment or discrimination, violates rules relating to political advocacy in the workplace, or violates any state or federal law;

(c) To use, with prior approval of the Fire Chief, District facilities for off-duty meetings of VCFFA members; provided, however that use of District equipment or supplies other than incidental use during such meetings of items normally used at business meetings such as desks, chairs, blackboards, dry boards, and similar items.

(d) Union Access: Duly authorized representatives of the Union shall have access to the locations where work is being carried on, during working hours, for the purpose of observing working and safety conditions, investigating grievances, and seeing that the provisions of this Agreement are observed, provided that the employees are not interfered with in their work. This shall include, but is not limited to Fire Stations, drill grounds, and emergency scenes.

(e) To have up to two of its members designated as representatives for the

purposes of meeting and conferring with the District and to have those members provided with reasonable time off without loss of pay, during scheduled work hours, when those representatives are meeting and conferring with representatives of the District on matters within the scope of representation.

(f) A representative shall be allowed to be present, at the request of the represented employee, during any hearing or meeting regarding discipline or a grievance.

(g) VCFFA may designate one employee representative to assist an employee in preparing and presenting materials for disciplinary or grievance procedures. The designated employee representative shall be allowed reasonable release time from regularly scheduled duties for the purpose of investigating and preparing material for such procedures. Supervisors shall be given at least one-day prior written notice in the event release time is requested, unless the supervisor agrees otherwise. Employee representatives, who investigate, prepare, or present materials during off-duty time shall do so on their own time and shall not be considered to be working. Employee representatives and employees who attend personnel hearings during their off-duty time shall do so on their own time and shall not be considered to be working. If an employee who would otherwise be off-duty during the time of a personnel hearing is subpoenaed or ordered to attend the hearing, then the employee shall be considered to be working during the time the employee is in at the hearing in response to the order or subpoena.

(h) A designated employee representative requesting time off under this Section shall direct the request to the Fire Chief in writing within a reasonable time before the date requested. The Fire Chief shall respond to the request as soon as feasible, but not later than 5:00 p.m. on the next business day following the request. The request may be denied only if the Fire Chief determines that it would unreasonably interfere with district staffing or sufficient coverage of district assignments. If the Fire Chief or his designee does not grant the release time because of workload or other scheduling reasons, the Fire Chief or Designee shall give notice to the employee of a date or dates when the release time will be provided.

(i) VCFFA shall have the right upon request and prior to implementation, to meet and confer, with Management any significant change in terms and/or conditions of employment, which results in a significant impact on employees, except in emergencies.

Emergencies or emergency conditions as defined as civil emergency conditions that may exist including, but not limited to, riots, civil disorders, earthquakes, floods, greater alarm fires, or other similar declared/recognized catastrophes.

2.3: District Management Rights

All management rights shall remain vested exclusively with the District except those which are clearly and expressly limited or explicitly eliminated by this MOU. It is recognized merely by way of illustration that such management rights include, but are not limited to:

(a) The right to determine the mission of the District, its advisory boards and commissions and work units.

(b) The right of full exercise and control of the management of the District, supervision of all operations, determination of the methods, means and personnel required to perform any and all work; and composition, assignment, direction, location and determination of the size and mission of the workforce.

(c) The right to determine the work to be done by the employees, including the establishment of levels of service and staffing patterns.

(d) The right to change or introduce new or improved operations, methods, means, equipment, or facilities.

(e) The right to prescribe qualifications for employment and determine whether they are met; to hire, set and enforce performance standards and promote employees; to establish, revise and enforce work rules; to schedule work time; to transfer, reassign or lay off employees; to determine the content of job classifications; to assign job classifications; to suspend, reduce in step, demote, discharge or otherwise discipline employees for cause; and, to otherwise maintain orderly, effective, efficient operations.

SECTION 3: WORKING CONDITIONS

3.1: Shift Schedules

FULL TIME BENEFITED: A shift is defined by 2, 24-hour shifts (48/96) between the hours of 8:00am to 8:00am or a 4/10 Administrative Schedule as outlined below (sec. 3.2)

48/96 schedule A, B, C shift
IE: AABBC, repeats

If a shift schedule for a particular calendar year shows that the same shift would be scheduled to work December 24th and 25th during a calendar year and both days fall within the 14 day pay period, the shift scheduled to work December 23rd will instead work on December 24th, and the shift scheduled to work December 24th will instead work on December 23rd.

IE: If the schedule were as follows:
22 23 24 25
A A B B

The schedule would become:
22 23 24 25
A B A B

3.2: Administrative Captain

The Administrative Captain is an assignment in the classification of Fire Captain subject to the following:

(a) The Administrative Captain works 40 hours per calendar week on a 4/10 schedule Monday through Thursday between 7:00 a.m. and 5:00 p.m. and when applicable will receive overtime compensation per this MOU for hours worked in excess of their regular scheduled hours in the calendar week. In the event that the administrative schedule changes, the Fire Chief and the VCFFA agree to meet and confer over this issue without re-opening the entire MOU.

(b) The Administrative Captain may work overtime, in an administrative capacity, and with the approval of the Fire Chief (or his designee) at 1 ½ X the Administrative Captain's regular rate of pay when exceeding the FLSA 80-hour pay period.

(c) The job duties, qualifications, experience, and expectations for the Administrative Captain, as with a Shift Captain, will be outlined in the job description and are subject to management rights.

(d) Employees at the rank of Fire Captain shall be selected for the assignment of Administrative Captain by submitting a letter of interest to the Fire

Chief. If no one is selected based on the letter of interest cards (during the Fire Chiefs review), or if no employees submit letters of interest for the assignment, the Fire Chief may assign an employee to the position.

(e) Any Fire Captain in the position of Administrative Captain is not precluded at any time from seeking a promotion while in the assignment. If the employee is promoted while in the position, the employee will leave the assignment upon promotion.

(f) The hourly rate of pay for the Administrative Captain position will be adjusted to ensure that there is no reduction in the annual regular rate of pay. (IE: the administrative regular rate of pay will be adjusted so that the annual salary remains the same as that of the Shift Captain, except that the Holiday Pay will be removed from the equation and “paid” as days off work for the Administrative Captain and an annual dollar amount will be added to the total compensation as an administrative offset to equal the equivalent annual compensation for an equivalent shift classification. The Administrative Captain position will retain the same classification levels as the Shift Captain position.

(g) An Administrative Captain is not subject to force-hire for shift work.

(h) Sick leave and vacation accrual will continue and the rate of accrual shall meet the accrual rates cited for Administrative personnel (Lexipol policies 1047 and 1050). (i.e.: Going from a 56-hour to a 40-hour position, vacation leave hours will be multiplied by 0.714. Going from a 40-hour position back to a 56-hour position, the accrued hours will be multiplied by 1.4. Sick leave accrued hours shall be adjusted per Policy 1047 Sick and Bereavement Policy)) Any vacation or sick leave hours used will be paid at the regular rate of pay based on the employee’s position at the time the leave was taken.

(i) The Administrative Captain position will include the use of a department vehicle while on duty (when available.) There is no take-home vehicle allowance.

(j) In lieu of overtime hours, the Administrative Captain may “flex” hours during the work week by shifting the work schedule with the approval of the Fire Chief (or designee) (ie: If scheduled for an event on a day off, the Administrative Captain may take an equal number of hours off during his regularly scheduled work period instead of taking overtime.) The Administrative Captain cannot be forced to work outside of the regularly scheduled hours without either voluntarily flexing time or being paid overtime. Flexing of hours must be completed within the same pay period, to avoid any FLSA violations.

(k) District and position seniority will continue to accrue during an

Administrative Captain assignment.

3.3: Probationary Period

3.3.1: Initial Probationary Period

The initial probationary period for newly hired, full-time employees is 26 pay periods. The initial probationary period may be extended at the discretion of the Fire Chief for up to six months. Absences of 6 or more shift days (not due to vacation hours) during the initial probationary period shall result in an extension of the initial probationary period commensurate with the length of the absence.

3.3.2: Promotional Employees

The probationary requirements for members promoted to the rank of Captain or Engineer, or employees promoted from FF/EMT to FF/PM is 26 pay periods. Absences of 6 or more shift days (not due to vacation hours) during the promotional probationary period shall result in an extension of the promotional probationary period commensurate with the length of the absence.

Members who do not successfully complete the probationary period shall be returned to his or her prior rank and position unless failing the probation was due to disciplinary reasons resulting in termination.

3.4: District Seniority

District seniority (District ID number) shall be determined by time of employment with the District and within a given rank. Seniority is only accrued while working at the VCFPD, no outside seniority (employment time or rank) shall be counted.

EXAMPLE 1: An employee hired as a FF/EMT, works for one (1) year in that rank and then “promotes” to FF/PM and works six (6) months as a FF/PM would have 18 months of District seniority and six months of PM seniority. An employee hired as a FF/PM, who worked 12 months as a FF/PM, would have 12 months of Department/PM seniority.

EXAMPLE 2: An employee who works for five (5) years as an EMT/PM and promotes to Captain and works six (6) months as a Captain would have five years and six months of District seniority and six months of Captain seniority. An employee who was hired as a Captain and works three years as a Captain (with VCFPD) would have three years of District seniority and three years of Captain seniority.

In the event of layoffs or restructuring; Position seniority would prevail over District seniority but the District seniority would be used to initiate “bumping” rights. An

employee who loses his/her position due to the position seniority of another employee can revert to a previously held position and “bump” another member with less District seniority provided that the member maintains all required education, certificates, and licensure for the lower position.

To determine overall seniority, in the event that two employees have the same hire/promotion date, then the seniority will be determined in the following manner: By employment (FF/PM and FF/EMT) or promotional test ranking (ENG and Capt), and then by total time in the VCFPD (by full-time hire date) would be used to determine seniority.

SECTION 4: PAY AND REIMBURSEMENTS

4.1: Pay Schedules

The current pay schedules for the following ranks:

Class 1, Class 2, and Class 3 Captain/Paramedic

Class 1, Class 2, and Class 3 Captain

Class 1, Class 2, and Class 3 Administrative Captain (EMT and PM)

Class 1, Class 2, and Class 3 Engineer/Paramedic

Class 1, Class 2, and Class 3 Engineer

Class 1, 2, 3 & 4 FF/Paramedic

Class 1, 2, 3 & 4 FF/EMT

The pay and benefits schedules listed below shall be honored throughout the length of the bargaining agreement unless mutually agreed changes occur through the collective “meet and confer” bargaining process.

Captain

See Attachment A-1: Captain pay schedule to include a 3.2% pay increase for F/Y 2024/25

Engineer

See Attachment A-2: Engineer pay schedule to include a 4.5% pay increase for F/Y 2024/25

Firefighter/Paramedic

See Attachment A-3: Firefighter/Paramedic pay schedule to include a 4.5% pay increase for F/Y 2024/25

Firefighter/EMT

See Attachment A-4: Firefighter/EMT pay schedule to include a 4.5% pay increase for F/Y 2024/25

4.2: Training/Court Pay

4.2.1 : Mandatory Training

It is recognized that employees required by the District to attend training while off-duty shall be compensated in accordance with the Fair Labor Standards Act.

4.2.2 : Court Standby and Appearance Pay:

4.2.2- A: Court Standby Pay

An employee on court standby status pursuant to a subpoena issued in a court proceeding related to the performance of his duties or employment shall provide a telephone number where the employee may be reached while on standby. Such time is not considered "hours worked" for purposes of the FLSA or for determining overtime under this memorandum of understanding. The employee will receive a credit of two (2) hours provided that the employee is not required to be present in the court building. If the employee is actually called to court, the two hours standby will be applied to the time spent for court pay.

4.2.2-B: Court Pay

When an employee is physically called to court, the employee shall be credited an hour-for-hour basis for the time actually spent in court. An employee shall be credited for a minimum of two (2) hours for each scheduled court appearance. Only one minimum shall apply per day. Travel time shall not be considered hours worked and shall not be compensated in any matter whatsoever.

4.3: Acting Pay

A member who is qualified to work out-of-classification in a higher-ranked position (engineer, captain or division chief), and is on a current eligibility list, will have their pay classification set at "Class 1" for the rank they hold. Members who are eligible for the Class 1 rating will be paid at that level for all work, not just when in the acting position. Should a member fail to remain eligible, the Class-1 pay differential is forfeited and they will be placed and paid at the Class-2 level. This is considered a change in classification and not subject to FFBOR unless the change is a result of disciplinary action.

4.4: Holiday Pay

The following are the recognized holidays for the VCFPD:

December 31 st (New Year's Eve.)	January 1 st (New Year's Day)
Presidents' Day	Easter Sunday
Memorial Day	July 4 th (Independence Day)
Labor Day	November 11 th (Veterans Day)

Thanksgiving Day
Martin Luther King Day
Day June 19th (Juneteenth)

December 25th (Christmas Day)
Columbus

Annual holiday pay is calculated into the employee's regular rate of pay. This is calculated as eight (8) hours of straight time (1X) pay for each holiday X 13 holidays for a total of 104 hours of holiday pay per year.

4.5: Emergency Employee Recall Pay

Emergency Employee Recall duty occurs when an employee is ordered to return to duty on a non-regularly scheduled work shift. Emergency Employee Recall does not occur when an employee is held over from the prior shift or is working his or her regularly scheduled shift. An employee shall report within a reasonable amount of time after being called back, absent extraordinary circumstances. An employee who is called back to duty under this section shall receive a minimum of two (2) hours credit. Hours worked in excess of two hours shall be credited on an hour-for-hour basis for actual time worked.

The Emergency Employee Recall pay begins from the time the member begins travel to the station for callback duty. In the event that the member's callback is canceled while they are still enroute, they are paid from the start of travel up to the time they are canceled (minimum of 2 hours).

4.6: Limit on Consecutive Hours Worked:

Affected employees shall be limited to a maximum of 144 consecutive forced or voluntary hours of time worked followed by a minimum of 12 hours off-duty time. Exceptions: The Fire Chief (or his designee) shall be advised if any member is scheduled to work over the 144 hours and may authorize an extension of the consecutive hours worked. This section does not affect employees assigned to Strike Team or other deployment positions.

4.7: Overpayment Remedy

Permanent employees shall reimburse the District for any overpayment of wages or benefits. The reimbursement is not required until the District notifies the affected employee in writing. Reimbursement shall be accomplished by a reasonable repayment method mutually acceptable to the employee and the District.

4.8: Reimbursement Pay

4.8.1 : Paramedic and EMT License Renewal Reimbursement

Members will be reimbursed the administrative costs for accreditation/license renewal fees for San Diego County and State of California EMT and Paramedic licenses. This does not include any late fees charged due to the employee failing to submit the renewal information in a timely manner.

4.8.2: Tuition Reimbursement

It is the intent of the Valley Center Fire Protection District to reimburse, the classroom costs only, for the certifications and successful completion of classes authorized by the District as outlined in the:

Tuition Reimbursement Policy. Lexipol 1008.

4.9: Jury Duty Pay

The District will cooperate fully with local, state, and federal courts in allowing its employees to serve on juries.

4.9.1 : Pay While on Jury Duty

Employees who are called for jury duty will receive time off to cover their jury time. If the jury time falls on a regularly scheduled shift, the member will be paid for their time. Members are encouraged to defer their jury duty to times of the year that are less impactful to the Department.

4.9.2 : Notifying Supervisors

An employee who receives a notice of jury duty must notify their supervisor as soon as possible in order that arrangements may be made to cover the employee's position.

4.10 : Witness Pay

An employee called as a witness for any criminal or civil trial directly related to their duties while employed with the VCFPD, or called to be deposed for any job-related activities, are entitled to time off or paid compensation (whichever is appropriate) to perform that duty as referenced in this agreement.

Any member called as a witness for any criminal or civil trial, or being deposed for any legal proceedings, which are not directly related to their employment at the VCFPD must arrange their own time off and are not eligible for compensation from the District.

4.11 : Education Incentive

Members who complete a formal degree program from an accredited college or university at the level of BA/BS or MA/MS (or higher) are eligible to be placed into a pay classification one class higher in the pay scale. IE: A Captain-Paramedic class 2, who completes a Bachelor's degree, is eligible to be paid as a Captain-Paramedic, class 1. The classification change must be accompanied by proof of the completed degree submitted to the administration and a completed PAF indicating the change. Only one classification change is allowed, regardless of the number of degrees. A member is eligible for this incentive at any time during employment, including any probationary period, and payment will begin once the PAF paperwork has been completed and at the beginning of the next FLSA period. All changes to classifications are at the sole discretion of the Fire Chief.

SECTION 5: BENEFITS

5.1: Uniform Allowance

Reference the Uniform Policy: Lexipol 1029

5.2: VCFPD Medical Benefits Plan

The VCFPD will provide medical, dental, and vision insurance pursuant to: SOG# 2020-07-02.

5.3: Employee Assistance Program (EAP)

The District shall provide an Employee Assistance Program (EAP) at no premium cost to the affected employees. Any change within benefit levels shall be subject to meet and confer.

5.4: Deferred Compensation Program (457 Savings Account):

The District will manage an employee contribution individual retirement IRS 457(b) account for the employees through payroll deduction.

5.5: 401(a) Public Employer Retirement Contribution Program

The District and the VCFFA will establish a committee to develop a defined contribution retirement plan (401(a)) and present that plan to the District and the Membership.

SECTION 6: HOLIDAYS, LEAVE, AND TRADES

6.1: Vacation, Comp time, Sick, and Bereavement Leave:

Reference:

1050: Vacation, PTO, and Comp Time Policy and, 1047: Sick and Bereavement Leave Policy Lexipol Policy 1048

6.1.1: Temporary Light Duty Assignment

Temporary light duty assignment shall be considered in instances where employees are unable to perform the required duties of their current position due to an injury, illness, or medical condition (including pregnancy), at the discretion of the Fire Chief. Transfers to said position shall be made in accordance with a medical doctor's recommendation and the District's return to work policy, provided an opening exists within the capabilities of the injured/disabled employee.

6.2: Shift Trade Policy

Reference Staffing and Scheduling Policy: Lexipol 1049

SECTION 7: GRIEVANCE PROCEDURE

7.1: Purpose:

The purposes and objectives of the grievance procedure are to:

- A. Assure just treatment of all employees and promote harmonious relations among employees, supervisors and management.
- B. Encourage the settlement of disagreements informally at the employee-supervisor level and provide an orderly procedure to handle grievances through the several supervisory levels where necessary.
- C. Resolve grievances as quickly as possible and correct, if possible, the causes of grievances thereby reducing the number of grievances and future similar complaints.

7.2: Definitions:

For the purpose of this grievance procedure, the following definitions shall apply:

- A. "District" - The Valley Center Fire Protection District.
- B. "District Head" - The Fire Chief of the Valley Center Fire Protection District.
- C. "Employee" - An employee of the Valley Center Fire Protection District in the bargaining unit represented by the Valley Center Firefighters' Association.
- D. "Employee Representative" - An individual who appears on behalf of the employee.
- E. "Grievant" - An employee, a group of employees or the Association.
- F. "Grievance" - A complaint by a grievant arising out of the interpretation or application of the provisions of this agreement, District policies, Procedures and or practices.
- G. "Immediate Supervisor" - The individual who assigns, reviews, or directs work of an employee (the Captain).
- H. "Superior" - The individual to whom an immediate supervisor reports (Supervising Chief Officer).

7.3: Grievance Procedure:

A grievance shall be defined as an allegation by an employee or the Association of a misinterpretation, misapplication or violation of a particular provision of this MOU or the District's Rules and Regulations. The grievance procedure expressly excludes disciplinary matters, employee performance evaluations or improvement plans decisions made pursuant to management rights, and matters subject to other District complaint procedures.

A. Informal Complaint.

1. Within 21 calendar days from the occurrence of the matter on which the complaint is based or within 21 calendar days from his/her knowledge of such occurrence, whichever is later, an employee shall discuss the complaint in a meeting with the immediate supervisor.

2. Within 21 calendar days from the day of discussion with the employee, the immediate supervisor, or in his/her absence his/her designee, shall orally reply to the employee's complaint.

B. Formal Complaint.

1. Step I - Immediate Supervisor.

A. If the informal complaint is not resolved to the employee's satisfaction, within 14 calendar days of receipt of the oral answer from the immediate supervisor (or designee), the employee shall file a formal written grievance. Such written grievances shall:

1. Reasonably and adequately describe the grievance and how the employee was adversely affected.
2. Set forth the section(s) of the Memorandum of Understanding or District Rule or Regulation violated.
3. Indicate the date(s) of the incident(s) grieved or the date the employee acquired knowledge and how such knowledge was acquired.
4. Specify the remedy or solution to the grievance sought by the employee.

B. Within 14 calendar days, the immediate supervisor or designee shall give his/her decision in writing to the employee on the original copy of the grievance.

2. Step II - Fire Division Chief.

A. If the grievance is not resolved to the employee's satisfaction, within 14 calendar days from receipt of the decision at Step I, the employee may appeal the grievance to the Fire Division Chief. The original copy of the grievance form, with the reasons for dissatisfaction with the answer given by the immediate supervisor shall be submitted in writing to the Fire Division Chief.

B. Within 14 calendar days from receipt of the grievance, the Fire Division Chief shall meet with the employee and give his/her answer in writing. The employee may be accompanied by the employee's designated representative at the meeting.

3. Step III - Fire Chief.

- A. If the grievance is not resolved to the employee's satisfaction, within 14 calendar days from receipt of the decision at Step II, the employee may appeal the grievance to the Fire Chief. The original copy of the grievance form, with the reasons for dissatisfaction with the answer given by the Fire Division Chief, shall be submitted in writing to the Fire Chief.
- B. Within 14 calendar days from the receipt of the employee's grievance, the Fire Chief, or a designee who has not been involved in the grievance in prior steps, shall make a thorough review of the grievance and give a written decision to the employee. The Fire Chief's decision is final and not subject to further review.

If the parties mutually agree that the utilization of any or all of these steps are unnecessary, the matter may then proceed to the next appropriate step.

SECTION 8: DISCIPLINARY PROCEDURE

8.1: Applicability:

- a. Only those non-probationary District employees who are employed in the following classifications are "Firefighters" who are eligible to use these procedures to appeal "punitive action": Firefighter, Fire Engineer, Firefighter/Paramedic, and Fire Captain.
- b. The term "punitive action" is defined by Government Code §3251(c), as may be amended from time to time, and is currently defined as "any action that may lead to dismissal, demotion, suspension, reduction in salary, written reprimand, or transfer for purposes of punishment." Written reprimands are not subject to any appeal.

8.2: Pre-disciplinary Procedure

With the exception of Written Reprimands, the following pre-disciplinary procedure shall apply:

- 1. Whenever disciplinary action is proposed, a Notice of Proposed Disciplinary Action shall be served upon the employee either personally or by registered or certified mail, return receipt requested, which shall include:
 - 1.1. A statement of the nature of the disciplinary action;
 - 1.2. A statement in ordinary and concise language of all the specific facts or upon which the disciplinary action is based;

- 1.3. A copy of documents upon which the proposed action is based;
 - 1.4. A statement advising the employee of their right to refute the charges in person or in writing at a Pre-disciplinary Conference.
2. Upon receipt of the Notice of Proposed Disciplinary Act, the employee shall provide a written response or request a meeting with the Fire Chief or designee within five (5) calendar days. A failure to timely respond will result in a waiver of a pre-disciplinary response.

8.3 Informal Disciplinary Appeal Procedure

Pursuant to Government Code § 11445.20, the following informal hearing procedure shall be utilized for a punitive action involving suspension or reduction in salary of no more than two 24 hour shifts (48 hours) or 5 days (40 hours).

- a. Notice of Appeal: Within 5 calendar days of receipt of written notification of punitive action as defined above, the employee shall notify the Fire Chief in writing of the employee's intent to appeal the punitive action. The written notice of appeal shall specify the action being appealed and the substantive and procedural grounds for the appeal.
- b. Hearing Officer: In an informal hearing, the Fire Chief or his/her designee shall be the Hearing Officer. The Fire Chief or his/her designee shall conduct the informal hearing in accordance with these procedures. The determination of the Fire Chief shall be final and binding. If the Fire Chief cannot serve as the hearing officer because of actual bias, prejudice or interest as defined by Government Code § 11425.40, then the Fire Chief's designee shall serve as the Hearing Officer. In such cases, the determination of designee shall be final and binding.
- c. Burden of Proof: The District shall have the burden of proving by a preponderance of the evidence that the facts which form the basis for the charges occurred, and that the level of penalty was reasonable under the circumstances.
- d. Conduct of Informal Hearing:
 - 1) The formal rules of evidence do not apply, although the Hearing Officer shall have discretion to exclude or limit evidence which is incompetent, irrelevant or cumulative, or the presentation of which will otherwise consume undue time. The Hearing Officer may limit the use of witnesses, testimony, evidence and argument. There is no right of intervention, discovery, or prehearing conferences.
 - 2) The parties may present opening statements.

- 3) The parties may present evidence through documents and testimony.
 - i. Witnesses shall testify under oath.
 - ii. Subpoenas may be issued pursuant to Government Code §§ 11450.05 – 11450.50. The Hearing Officer shall have discretion to allow cross-examine witnesses.
- 4) Following the presentation of evidence, if any, the parties may submit oral and/or written closing arguments for consideration by the Hearing Officer.

e. Recording of the Hearing: The hearing shall be stenographically recorded by a certified court reporter or may be tape recorded. The per diem cost of the court reporter shall be equally shared by the parties. The cost to receive a transcript of the hearing shall be the responsibility of the party requesting the transcript.

f. Representation: The member may be represented by an association representative or attorney of his or her choice at all stages of the proceedings. All costs associated with such representation shall be borne by the member.

g. Decision: The decision shall be in writing pursuant to Government Code § 11425.50. The decision shall be served by first class mail, postage pre-paid, upon the employee as well as his/her attorney or representative, shall be accompanied by an affidavit or certificate of mailing. The Hearing Officer's decision is final and not subject to any appeal.

8.4: Formal Disciplinary Appeal Procedure:

Pursuant to Government Code § 11500 et seq., the following formal hearing procedure shall be utilized for a punitive action involving termination, demotion, suspension or reduction in salary of greater than two 24 hour shifts (48 hours) or 5 days (40 hours):

A. Final Notice of Discipline Serves as the Accusation: The final notice of discipline which may be issued at the conclusion of any pre-disciplinary procedures shall serve as the Accusation described in Government Code §§ 11500, et seq. Pursuant to Government Code § 3254(f), the discipline shall not be effective sooner than 48 hours of issuance of the final notice of discipline. The final notice of discipline shall be prepared and served in person or by registered mail. The final notice of discipline shall include a statement to the employee that advises him or her of the right to request a hearing by filing a Notice of Defense as provided in Government Code § 11506. A copy of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the

Government Code shall be provided to the member concurrently with the final notice of discipline.

B. Notice of Defense: In accordance with Government Code § 11506, within fifteen (15) calendar days after service of the final notice of discipline on the member as set forth above, the member shall notify the Human Resources Manager in writing of the member's intent to appeal the punitive action by filing a Notice of Appeal. The Notice of Appeal must be signed by either the member or on his or her behalf, and must include the mailing address of the member and/or his representative. Failure to file a timely Notice of Defense constitutes a waiver of the member's right to a hearing.

C. Pursuant to Government Code §§ 11507 and 11516, at any time before or after the case is submitted for decision, the District may file an amended or supplemental Accusation in the form of a notice of discipline. All parties must be notified of the amended or supplemental Accusation.

D. Administrative Law Judge: Pursuant to Government Code § 11512, the District has determined that appeals shall be presided over by an administrative law judge on staff of the State Office of Administrative Hearings, hereinafter referred to as the "ALJ". The ALJ shall preside at the appeal hearing, rule on the admission and exclusion of evidence and determine and rule on all matters of law, both procedural and substantive. In conducting the hearing, the ALJ shall follow the evidentiary standards described in section 11513 of the Government Code.

E. Time and Place of Hearing: Pursuant to Government Code § 11508, unless otherwise decided by the Fire Chief or his/her designee, a hearing shall be conducted at the District at a time to be determined by the Fire Chief or his/her designee.

F. Notice of the Hearing: The District will mail or deliver a written notice of the hearing with the information required by Government Code § 11509, no later than 10 days prior to the hearing.

G. Findings: The appeal proceedings shall be reported by a stenographic reporter. However, upon the consent of all the parties, the proceedings may be reported electronically. Within 30 days after the case is submitted to him or her, the ALJ shall prepare a proposed written decision to be submitted to the Fire Protection District Board. Within 60 days of receipt by the Fire Protection District Board of the ALJ's proposed decision, the Fire Protection District Board may take any of the following actions:

- 1) Adopt the proposed decision in its entirety.
- 2) Reduce or otherwise mitigate the proposed penalty and adopt the balance of the proposed decision.

- 3) Make technical or other minor changes in the proposed decision and adopt it as the decision. Action by the Fire Protection District Board under this paragraph is limited to a clarifying change or a change of a similar nature that does not affect the factual or legal basis of the proposed decision.
- 4) Reject the proposed decision and refer the case to the same ALJ if reasonably available, otherwise to another ALJ, to take additional evidence. If the case is referred to the ALJ pursuant to this subparagraph, he or she shall prepare a revised proposed decision based on both the additional evidence and the transcript and other papers that are part of the record of the prior appeal hearing. A copy of the revised proposed decision shall be furnished to each party and his or her attorney in the manner specified in this procedure.
- (5) Reject the proposed decision, and decide the case upon the record, including the transcript, or upon an agreed statement of the parties, with or without taking additional evidence. By stipulation of the parties, the Fire Protection District Board may decide the case upon the record without including the transcript.

H. Decision: The Fire Protection District Board decision will be reduced to writing and shall be final and binding on the parties. The Fire Protection District Board written decision shall be served by first class mail, postage prepaid, upon the member as well as his/or her attorney or representative, shall be accompanied by an affidavit or certificate of mailing, and shall advise the member that the time within which judicial review of the decision may be sought is 90 days from the date of mailing as governed by Code of Civil Procedure section 1094.6.

Attachments:

Exhibit A - Pay Scales

Classification	FY 2024/25			
	Wage Increase (%) from FY 2023	Annual Pro-Pay	Reg. Rate of Pay - Hrly (Incl. Straight-Time + Pro-Pay + Medical Pay + Holiday Pay)	Annual Total Comp
Admin Captain-Paramedic - Class 1 (Act. Div. Chief)	3.20%	\$ 600.00	\$53.27	\$110,803.43
Admin Captain-Paramedic - Class 2*	3.20%	\$ 600.00	\$51.67	\$107,482.38
Admin Captain-Paramedic - Class 3 (Probationary)	3.20%	\$ 600.00	\$50.08	\$104,161.34
Admin Captain - Class 1 (Act. Div. Chief)	3.20%		\$53.06	\$110,370.10
Admin Captain - Class 2*	3.20%		\$51.47	\$107,049.05
Admin Captain - Class 3 (Probationary)	3.20%		\$49.87	\$103,728.00
Captain-Paramedic - Class 1 (Act. Div. Chief)	3.20%	\$ 600.00	\$37.03	\$111,016.44
Captain-Paramedic - Class 2*	3.20%	\$ 600.00	\$35.85	\$107,475.29
Captain-Paramedic - Class 3 (Probationary)	3.20%	\$ 600.00	\$34.67	\$103,934.13
Captain - Class 1 (Act. Div. Chief)	3.20%		\$36.82	\$110,391.82
Captain - Class 2*	3.20%		\$35.64	\$106,850.66
Captain - Class 3 (Probationary)	3.20%		\$34.46	\$103,309.50
Engineer-Paramedic - Class 1 (Act. Capt.)	4.50%	\$ 600.00	\$26.94	\$ 80,757.42
Engineer-Paramedic - Class 2*	4.50%	\$ 600.00	\$26.10	\$ 78,239.52
Engineer-Paramedic - Class 3 (Probationary)	4.50%	\$ 600.00	\$25.26	\$ 75,721.61
Engineer - Class 1 (Act. Capt.)	4.50%		\$26.73	\$ 80,132.79
Engineer - Class 2*	4.50%		\$25.89	\$ 77,614.89
Engineer - Class 3 (Probationary)	4.50%		\$25.05	\$ 75,096.98
Firefighter-Paramedic - Class 1 (Act. Eng. on list)	4.50%		\$23.44	\$ 70,275.37
Firefighter-Paramedic - Class 2 (D/O qual. off list)	4.50%		\$22.71	\$ 68,090.81
Firefighter-Paramedic - Class 3*	4.50%		\$22.01	\$ 65,980.12
Firefighter-Paramedic - Class 4 (Probationary)	4.50%		\$21.30	\$ 63,869.43
Firefighter-EMT - Class 1 (Act. Eng. on list)	4.50%		\$22.63	\$ 67,863.95
Firefighter-EMT - Class 2 (D/O qual. off list)	4.50%		\$21.93	\$ 65,760.93
Firefighter-EMT - Class 3*	4.50%		\$21.26	\$ 63,729.03
Firefighter-EMT - Class 4 (Probationary)	4.50%		\$20.58	\$ 61,697.13

Definitions

Pay Component Definitions

Pro-Pay - \$600 extra yearly pay for Paramedic Certification. This is divided by 2880 hours, and added to hourly pay for paramedics, so it's reflected in any OT payments

Medical Pay - A fixed amount added to your pay (again, divided by 2880 and added as an hourly amount so it is reflected in OT) to help pay for medical insurance costs. Everyone gets it, even those who don't opt for medical coverage. If it's not used to pay for medical, it gets taxed.

Holiday Pay - This is to offset working on holidays. Hourly rate, multiplied by 8 hours and 13 holidays, again, divided by 2880 hours and added in as an hourly uptick so it is included in overtime



May 1, 2024

Board of Directors and Mr. Joseph Napier, Fire Chief
Valley Center Fire Protection District
28234 Lilac Rd
Valley Center, CA 92082

We are pleased to confirm our understanding of the services we are to provide Valley Center Fire Protection District (District) as of and for the year ended June 30, 2024.

Audit Scope and Objectives

We will audit the governmental activities and each major fund of the District, as of June 30, 2024 and for the year then ended and the related notes, which collectively comprise the District's basic financial statements as listed in the table of contents of the financial statements.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and, if applicable, in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements will always detect a material misstatement when it exists.

Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information (RSI) such as management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule – General Fund
3. Budgetary Comparison Schedule – Mitigation Fund

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with *Government Auditing Standards*. As part of an audit in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
4. Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a) For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b) For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c) To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.
 - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- d) For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e) For identifying and ensuring that the District complies with the laws and regulations applicable to its activities;
- f) For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g) For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h) For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i) For informing us of any known or suspected fraud affecting the District involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j) For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility:

- a) for the preparation of the supplementary information in accordance with the applicable criteria;
- b) to provide us with the appropriate written representations regarding supplementary information;
- c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and
- d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform,

At the end of the year, we agree to perform the following:

- a) Propose adjusting or correcting journal entries detected during the audit, if applicable, to be reviewed and approved by the District's management.
- b) Word process the financial statements using information provided by management.

We will not assume management responsibilities on behalf of the District. However, we will provide advice and recommendations to assist management of the District in performing its responsibilities.

The District's management is responsible for:

- a) making all management decisions and performing all management functions;
- b) assigning a competent individual to oversee the services;
- c) evaluating the adequacy of the services performed;
- d) evaluating and accepting responsibility for the results of the services performed; and
- e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- a) We will perform the services in accordance with applicable professional standards
- b) The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise the District with regard to tax positions taken in the preparation of the tax return, but the District must make all decisions with regard to those matters.

Reporting

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Preparation of State Controller Report **Our Responsibilities**

The objective of our engagement is to prepare the annual Financial Transactions Report (FTR) in accordance with the California State Controller's Office Instructions based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the FTR.

Our engagement cannot be relied upon to identify or disclose any FTR misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the District or noncompliance with laws and regulations.

Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the FTR in accordance with the State Controller's Office Instructions. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your FTR in accordance with SSARs:

- a) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements
- b) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- c) The prevention and detection of fraud
- d) To ensure that the District complies with the laws and regulations applicable to its activities
- e) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements
- f) To provide us with:
 - i. Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
 - ii. Additional information that may be requested for the purpose of the preparation of the financial statements, and
 - iii. Unrestricted access to persons of whom we determine necessary to communicate.

As part of our engagement, we will issue a disclaimer that will state that the FTR were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

Scheduling

Scheduling of the Audit Final-Fieldwork Dates will be based on an agreeable timetable with the District. We ask that the District prepare a completed and finalized Trial Balance and General Ledger in Excel form as of the June 30, 2024 date with all Balance Sheet accounts properly reconciled in Excel or PDF form and uploaded into the Suralink Portal System by the date scheduled. Failure to complete all the above noted items by the date scheduled will result in a \$1,000 extra fee charge and postponement of the audit to a later date. A 30-day notice before the initial scheduled Audit Final-Fieldwork date is required to change the date and avoid the extra \$1,000 fee. However, if a December or January date is chosen for the re-scheduled Audit Final-Fieldwork date, the \$1,000 fee will still apply to cover Overtime costs incurred during those months and will only guarantee the audit will be completed by January 31, 2025.

Engagement Fees

Our fixed fees for the services previously outlined will be as follows:

Financial Statements and Auditor Reports	\$12,500
Preparation of the State Controller's Report	500
Total	\$13,000

If significant changes occur in the District's audit requirements with the implementation of new Governmental Accounting Standards Board (GASB) Standards, Government Auditing Standards or the Audit and Accounting Guide for State and Local Governments issued by the AICPA for attest and/or nonattest services, this may render additional services needed which may increase the above noted fixed fee.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if the District's account becomes 60 days or more overdue and may not be resumed until the District's account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. The District will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from District personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

Additionally, our fees are dependent on the availability, quality, and completeness of the District's records and, where applicable, upon the District's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., District employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.).

We will schedule the engagement based in part on deadlines, working conditions, and the availability of District key personnel. We will plan the engagement based on the assumption that District personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, District personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

If circumstances occur related to the condition of District records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable.

Other Engagement Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

Paul J Kaymark, CPA is the engagement partner responsible for supervising the engagement and signing the report.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

The audit documentation for this engagement is the property of Nigro & Nigro, PC and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulatory agencies pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Nigro & Nigro, PC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulatory agencies. The regulatory agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will notify the District of any such request.

Conflict Resolution

Should any litigation or adverse action (such as audits by outside governmental agencies and/or threatened litigation, etc.), by third parties arise against the District or the board of directors subsequent to this engagement, which results in the subpoena of documents from Nigro & Nigro, PC and/or requires additional assistance from us to provide information, depositions or testimony, the District hereby agrees to compensate Nigro & Nigro, PC (at our standard hourly rates) for additional time charges and other costs (copies, travel, etc.), and to indemnify us for any attorney's fees to represent Nigro & Nigro, PC.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

The District and Nigro & Nigro, PC both agree that any dispute over fees charged by the auditor to the District will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.** The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

Conclusion

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- a) Our view about the qualitative aspects of the District's significant accounting practices;
- b) Significant difficulties, if any, encountered during the audit;
- c) Uncorrected misstatements, other than those we believe are trivial, if any;
- d) Disagreements with management, if any;
- e) Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- f) Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- g) Representations we requested from management;
- h) Management's consultations with other accountants, if any; and
- i) Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report on the most recent peer review of our firm.

We appreciate the opportunity to provide these services and believe this letter accurately summarizes the significant terms of our engagement.

Very truly yours,

Nigro & Nigro, PC

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

VALLEY CENTER FIRE PROTECTION DISTRICT - FY 2024-2025 DRAFT as of 4-3-24		Budget Entry Type	FY 2023-2024 Budget	Expected increase over FY2024 budget or projected actuals.	FY 2023-2024 Actuals YTD (7/1/2023-3/31/24)	FY 2023-2024 Projection calculated from Actuals	FY 2024-2025 Proposed	FY2024 Budget Meeting Notes	2023 budget meeting notes	FY 2022 Notes
OPERATIONAL REVENUE										
30130 . CFD2008-1 Interest	Operating Revenue	\$3,954.44	3.00%	\$8,303.90		\$8,636.06				
40000 . Benefit Fees/Standby (315001)	Operating Revenue	\$1,976,722.24	5.50%	\$1,149,827.59	\$3,254,321.27	\$2,085,441.96	Actuals are from "oracle" account 47850 which includes Benefit/Standby, property taxes AND CFD 2000-1 revenue together are 3,084,664.71 on 4/22/2024	7% bump from 2022 From 4/12 apportionment report. FY20:\$1,673,387.82 FY21:\$1,680,943, FY22: \$1,716,438		
40100 . Taxes, Property (315000)	Operating Revenue	\$815,560.58	2.00%	\$496,786.49		\$831,871.80	See 40100 for actuals	3% bump over 2022 FY20: \$594,292.13 FY21: \$580,801 FY22: \$644,000		
40150 . Misc Revenue	Operating Revenue		0.00%	\$9,306.97		\$9,000.00				
40200 . CFD-2000-1 (315002)	Operating Revenue	\$341,911.50	2.00%	\$198,945.30		\$348,749.73	See 40100 for actuals	2% bump over 2022 FY20: \$305,121.84 FY21: \$300,304 FY22: \$318,277		
40300 . CFD-2008-01 (315003)	Operating Revenue	\$435,072.27	4.00%	\$616,888.49	\$691,564.03	\$691,564.03	Actuals are from Oracle account 47853 - Projection includes 50 new homes entered in the CFD in FY2025. Go INFILL!	4% bump over 2022. JAD FY20: \$110,500.00 FY21:\$151,289 FY 22:383,066		
40400 . General Fund Interest	Operating Revenue	\$6,500.00	3.00%	\$22,222.29		\$6,695.00				
40600 . First Responder Fees	Operating Revenue	\$40,000.00	0.00%	\$0.00		\$40,000.00		Our Target needs to be \$10,000 per quarter recovered or 340,000 IGIN	Status of billing for these fees in-house - this will impact budget numbers	
40700 . Community Development Fees	Operating Revenue	\$48,000.00		\$71,352.05		\$70,000.00	Actuals are from Square. Expect development fees to drop somewhat. Square also includes the False Alarm income	From Square - 7/1/22 to 3/23/23 - 93,592.71 Figure on 50 houses, 100 AB-38 inspections, and 50 ADUs total, using the new fee schedule		
40900 . CFAA Reimbursement	Operating Revenue	\$0.00	3.00%	\$0.00		\$0.00			Inmaterial revenue (20% admin fee - ONLY when there is a fire)	
41000 . Fixed Asset Disposal	Operating Revenue		0.00%	\$0.00		\$0.00				
42000 . Incident Cost Recovery-Fire USA	Operating Revenue	\$18,000.00	3.00%	\$6,943.60		\$18,540.00	Low participation by crews, 9 payments received	This should include Fire Alarm activation fees. JGIN		
43000 . Training Reimb-Target & Palomar	Operating Revenue	\$30,000.00	0.00%	\$21,771.72		\$30,000.00				
49000 . NCD JPA Capital Equipment Reimbursement	Operating Revenue	\$18,000.00	3.00%	\$0.00		\$63,540.00	Added new MDC replacement program	We have \$29768 in northcomm replacement reserve		
49001 . SAFER Grant	Operating Revenue	\$0.00		\$0.00		\$0.00		I've marked the safer grant as ZERO, and have not placed the station 3 personnel in the operations payroll costs. If we open station 3 with a full crew in FY23, we will need to revisit		
41100 SDG&E Lease	Operating Revenue	\$30,000.00		\$40,000.00		\$60,000.00		Lease income from back 5 acres		
70001.2 - RCS Nextgen 2021 reimbursement	Operating Revenue			\$0.00						
OPERATIONAL REVENUE		\$3,793,721.93				\$4,264,038.57				
OPERATIONAL EXPENSES: TRAINING										
50000 . Explorer Post	Operating Expense	\$5,000.00	3.00%	\$500.00	\$665.00	\$5,150.00			Explorers have Chili Cook-off annually - should be a Grant item	
50100 . EMT & Paramedic License Renewal	Operating Expense	\$4,680.00	4.00%	\$3,033.00	\$4,033.89	\$4,867.20				
50200 . Tuition and Reference Materials expenses	Operating Expense	\$8,764.00	4.00%	\$2,992.47	\$3,979.99	\$9,114.56			Includes palomar tuition and reference books	
50500 . Training & Expenses								Just a header.		
50501 . Training Expenses - Operating expense funded	Operating Expense	\$18,000.00	3.00%	\$7,448.75	\$9,906.84	\$18,540.00				
OPERATIONAL EXPENSES: ADMINISTRATIVE SERVICES										
51000.1. Administrative Support Expenses	Operating Expense	\$140,000.00	3.00%	\$100,190.66	\$133,253.58	\$144,200.00		Add a couple of computers for station 3 - \$3k	Includes: Service awards, bank fees, IT equipment, Office supplies, Broadband/telephone, internet, Google suite, copier lease, printing costs, crew scheduling software, dues and subscriptions, Target (vector) solutions, first arriving (\$1000/year),PC upgrades (\$6k)	
51001 . Contingencies & Misc.	Operating Expense	\$13,000.00	5.00%	\$849.29	\$1,129.56	\$13,650.00			Any additional contingency costs for all areas, includes fire line meals	
51002 . Recruitment and on boarding expenses	Operating Expense	\$6,000.00	5.00%	\$5,443.34	\$7,239.64	\$6,300.00			Advertising, FF Recruit & Physicals (excluding uniforms)	
51006 . Election/Annexation Service	Operating Expense	\$2,000.00		\$3,729.10	\$4,959.70	\$15,000.00	three seats for the board	No election this year	Election services for new Directors on our fire board. Election fees	
51010 . Reserve exchange (NEW)	Operating Expense			\$0.00	\$0.00	\$100,000.00	Money set aside each year to create financial reserves			
OPERATIONAL EXPENSES: CONTRACT SERVICES										
51101 . Professional and contract services	Operating Expense	\$90,000.00	3.00%	\$69,380.86	\$92,276.54	\$92,700.00		White/Bright retainer to reduce costs? Did any station 3 costs go into this? Like the CEQA? any property stuff? If so we can move to mitigation and capitalize it. Includes \$3k bump for LandVision Can we dump Lynx and move to Interra?	Lexipol, Land Vision, Acctg Audit, Legal, HR, RGM, Pest Control, palomar health for resp supervisory program (includes \$18k for new strat plan) Add grant support from CPF. Minus \$10k extra for audit and \$25k for contract book keeper that pushed us over last year	
51105 . Insurance (FAIRA General Liability)	Operating Expense	\$47,930.40	18.00%	\$42,258.00	\$56,203.14	\$66,319.71	Assume 18% increase. Do not have estimate yet. - Does not include FRMs which is below	Bump by 14% over 2022 actual	FAIRA Gen Liability, fasis	
51107 . Trauma Intervention Program	Operating Expense	\$3,450.00	0.00%	\$0.00	\$0.00	\$3,450.00		Invoice for 2022-23 received Oct 1, 2022 for \$3450	From TIP Invoice: On-scene, 24 hour volunteer response services 3,450.00 Fiscal Year 2022-2023	
51109 . Burn Inst/Youth Fire Prevent	Operating Expense	\$642.00	0.00%	\$0.00	\$0.00	\$642.00		unless they raise it	per susan day email to Chief, may 3	

VALLEY CENTER FIRE PROTECTION DISTRICT - FY 2024-2025 DRAFT as of 4-3-24							FY2024 Budget Meeting Notes	2023 budget meeting notes	FY 2022 Notes
Budget Entry Type	FY 2023-2024 Budget	Expected increase over FY2024 budget or projected actuals.	FY 2023-2024 Actuals YTD (7/1/2023-3/31/24)	FY 2023-2024 Projection calculated from Actuals	FY 2024-2025 Proposed				
OPERATIONAL EXPENSES: COMMUNITY RISK REDUCTION									
51200.1 . CRRD Operational Expenses	Operating Expense	\$7,500.00	0.00%	\$263.26	\$350.14	\$7,500.00			Public education, Safety products, hydrant maintenance, CERT, outreach programs, and POST recertification costs
51200.2 - FEMA FP&S Grant - Migrant Outreach	Grant Expense	\$36,000.00		\$0.00	\$0.00	\$27,000.00		Prepare - Expect to spend about \$36k	
OPERATIONAL EXPENSES: FIRE FACILITIES									
FIRE STATION #1									
51301 . #1 Facility Maint/Repairs/replacement	Operating Expense	\$25,000.00	3.00%	\$16,360.74	\$21,759.78	\$25,000.00		Reduce to \$25,000.JGN	Includes modular buildings at st 1, this includes appliance repair/replacement, building repairs, septic, garage doors, etc. Anything nailed down, or is a 'durable' good. Replace 2 public chairs and 3 rolling chairs in st 1 (Capitalize station repairs/deferred maint? no)
51302 . #1 Utilities	Operating Expense	\$3,100.00	3.00%	\$5,327.63	\$7,085.75	\$3,193.00	Actuals may be higher	Add Direct TV for both stations. We can probably reduce this more. Water is \$200 per month for ST1 (Direct TV is \$2700/2 (spread over 2 stations = \$675/station) JD	Electric, gas, water, but not phone/or internet. Estimate FY22 usage of electricity to be 45% of FY21 for both station 1 and station 2. Station 1 electricity was ~\$12k in FY 21 Add Direct TV for all stations to this (\$2700/year total, split with the association)
51303 . #1 Consumables	Operating Expense	\$3,600.00		\$1,067.23	\$1,419.42	\$1,500.00		Check to make sure consumables are being pulled from the right bucket	TP, supplies other than station repairs (Updated numbers from Sandy)
FIRE STATION #2									
51310 . #2 Facility Maint/Repairs	Operating Expense	\$16,000.00		\$5,447.35	\$7,244.98	\$8,000.00		no lazy boys	Lazy-Boys: Buy 3 now, buy 2 next year - Office chairs \$850
51312 . #2 Utilities	Operating Expense	\$3,700.00	3.00%	\$8,939.42	\$11,889.43	\$3,811.00	Actuals may be higher	Add Direct TV for both stations. We can probably reduce this more. Water is \$250 per month for ST2 (Direct TV is \$2700/2 (spread over 2 stations = \$675/station) JD	Station 2 electric was \$7200 for FY21
51313 . #2 Consumables	Operating Expense	\$3,600.00		\$1,997.27	\$2,656.37	\$2,000.00			
FIRE STATION #3									
51320 . #3 Facility Maint/Repairs	Operating Expense	\$2,500.00	3.00%	\$0.00	\$0.00	\$2,575.00		Note: startup items that are not covered under capital mitigation go here. We will need a decent number when we ask for \$ from mit	
51322 . #3 Utilities	Operating Expense	\$6,000.00	3.00%	\$0.00	\$0.00	\$6,180.00		Assuming 1/3 year occupancy	Estimate, assuming 1/2 year of occupancy without solar
51323 . #3 Consumables	Operating Expense	\$1,800.00		\$275.44	\$366.34				Estimate, assuming 1/2 year of occupancy
OPERATIONAL EXPENSES: OPERATIONS / FIRE APPARATUS									
51400 . Operations expenses	Operating Expense	\$120,000.00	5.00%	\$84,944.05	\$112,975.59	\$126,000.00		Probably trimmable a little? - trimmed a little (JAD)	Includes apparatus repairs, maintenance and all tools and supplies in station and on apparatus except what falls under the programs, does not include PPE or uniforms. includes tires, brakes, etc. Add \$4k for 4-gas monitors (critical, 2 recip saws (\$1000)
51402 . Fuel	Operating Expense	\$60,400.00	10%	\$36,673.38	\$48,775.60	\$66,440.00	Fuel costs bumped 10%	\$7.5gas/\$9diesel	Includes DEF, and small engine fuels and additives
OPERATIONAL EXPENSES: OPERATIONS PROGRAMS									
51511 Hose/Nozzles/fittings/ladders	Operating Expense	\$8,000.00		\$0.00	\$0.00	\$8,000.00		Where did new hose payment come from? Sit down with Dianne and re-categorize the expenses	I suggest putting everything to 51400 - too hard to track this way as the Purchase Orders from employees are NOT using these GL codes
51512 Tools/minor equip/small engines	Operating Expense	\$16,000.00		\$279.29	\$371.46	\$16,000.00		Expected to spend this year to upgrade some equipment	I suggest putting everything to 51400 - too hard to track this way as the Purchase Orders from employees are NOT using these GL codes
51513 BAs, fit testing, flow testing, compressor maintenance, air sampling	Operating Expense	\$16,000.00		\$4,200.33	\$5,586.44	\$12,000.00	Trimmed based on actuals	Includes budget requests 1 and 2 from Marquez, for SCBA masks and hydro static testing	I suggest putting everything to 51400 - too hard to track this way as the Purchase Orders from employees are NOT using these GL codes
51514 Rescue systems/equipment	Operating Expense	\$2,500.00		\$0.00	\$0.00	\$2,500.00		Includes budget request #4 from Fego, for pulleys and a storage bag	I suggest putting everything to 51400 - too hard to track this way as the Purchase Orders from employees are NOT using these GL codes
51514.1 Rescue Equipment Grant (Was 51503 equipment grant)	Operating Expense	\$0.00		\$0.00	\$0.00				Was categorized here in 2022-2023; however, should be a grant
51515 PPE/Uniforms		\$0.00		\$0.00	\$0.00				Was categorized here in 2022-2023; however, should be a grant
51515.2 PPE non-Grant	Operating Expense	\$18,000.00		\$8,471.72	\$11,267.39	\$18,000.00		\$20k after shsgp and mitigation	Includes budget request #3 from Robinson for PPE. Could this be a fire foundation grant item?
OPERATIONAL EXPENSES: COMMUNICATIONS									
51600 . North County Dispatch	Operating Expense	\$171,638.00		\$176,174.32	\$176,174.32	\$161,211.00	new numbers from Northcomm: \$145,823 base, \$6089 medical director, \$6300 Tablet Comand, \$568 Tableau, \$2431 Water RMS.	Base assessment:152875, MDC Maint and repair:4947, Medical Director: 5952, Tablet Command: 1450, Tableau: 504 GIS services:6000 (JAD 5/9/23)	Base assessment \$142,000 + \$6293 medical + \$6000 GIS
51601 . RCS Communication Fees	Operating Expense	\$14,022.00	0.00%	\$10,992.50	\$14,620.03	\$14,022.00	Adding brush and engine 163 800 Mhz radios.	Including 6 additional 800 radios	997.50/month (\$28.50 per radio) knock fees

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OPERATIONAL EXPENSES: PARAMEDIC EMERGENCY SUPPLIES									
51700 . Medical Equipment & Supplies	Operating Expense	\$18,000.00	3.00%	\$14,023.79	\$18,651.64	\$18,540.00		Need to budget for at least 3 new ipads. JAD One for scott and two as replacements. Includes new trauma bags, budget request #5: Reduced to \$18,000 and Shift to Capital or Foundation:JGN	Includes: Cardiac Monitor Calibration/Repairs, medications, durable medical supplies. Include 5 ipads at \$3040. Check if these actuals are correct, and can we purchase ipads today? Two ipads purchased in 2021, so only 3 allocated here
OPERATIONAL EXPENSES: PAYROLL-ADMINISTRATIVE									
60000 . Admin Payroll	Operating Expense	\$ 398,436.38		\$413,614.33	\$550,107.06	\$486,046.35	Imported from Comp Calc worksheet. Does not include WC or taxes	Imported from comp calc worksheet	Payroll less medical \$50,834
OPERATIONAL EXPENSES: PAYROLL-OPERATIONAL PERSONNEL									
61000 . Operational Payroll	Operating Expense	\$1,760,517.93		\$1,451,755.30	\$1,930,834.55	\$1,992,998.97	Imported from comp calc worksheet. Does not include WC or taxes	Imported from comp calc worksheet. Does not include 4.5 employees for 1/2 year of station 3	Payroll less medical of \$143,695
66000 . PAYROLL EXPENSES									
66008 . Taxes, FICA, SUTA, Unemployment	Operating Expense	\$245,939.01		\$138,950.15	\$184,803.70	\$259,060.24			Imported from compensation spreadsheet
66002 . FRMS (Formerly FASIS) Workers Comp insurance and Emp Asst	Operating Expense	\$202,399.57	17%	\$211,284.00	\$247,202.28	\$237,708.45	Updated to reflect WC 7.75% for safety and 6.1% non-safety	8.6% from FASIS (\$200,666 against payroll of \$2,312,505)	Imported from compensation spreadsheet
66003 . Payroll Service	Operating Expense	\$6,000.00	3.00%	\$4,348.45	\$5,783.44	\$6,180.00			Updated price from Sandy on 5/5/2022
66004 . Accident/Life&AD&D/STD Insurance & Medical costs	Operating Expense	\$200,501.67		\$293,877.52	\$293,877.52	\$90,204.38	actuals are quarter numbers multiplied by 4 and include employee contributions. This line item includes COBRA admin costs and FSA administration costs		New insurance offerings from pickering (from Cost Spreadsheet) : Life/AD&D/Accident/Short Term Disability \$5972.67 Est Medical Pd \$194,529
CAPITAL PROJECTS									
70020.1 - Fire Station # Debt Service (operating) (NEW)	Operating Expense			\$0.00	\$0.00	\$80,701.78	From CSDA Finance Corp Quote dated March 25,2024 - This represents 1/3 of the debt service. Entire yearly payment is 242105.33		
70010.2 - Fire Hose - Op Expense	Operating Expense	\$0.00		\$0.00	\$0.00				All Capital Projects should be "classified" in Grants as we don't have the operational budget to afford these items in standard Operating Revenue.
70007 - Fire Station Electrical Resiliency Program - complete		\$0.00		\$0.00	\$0.00				All Capital Projects should be "classified" in Grants as we don't have the operational budget to afford these items in standard Operating Revenue.
70008 - MDC Replacement program - New		\$11,400.00		\$0.00	\$0.00	\$50,000.00	new MDC replacement program	From Northcomm "Other Services Rebills", MDC Capital Replacement	All Capital Projects should be "classified" in Grants as we don't have the operational budget to afford these items in standard Operating Revenue.
70012 - Cardiac Monitor Replacement		\$0.00		\$0.00	\$0.00				All Capital Projects should be "classified" in Grants as we don't have the operational budget to afford these items in standard Operating Revenue.
70012.1 - Cardiac Monitor Replacement - General fund expense	Operating Expense	\$0.00		\$0.00	\$0.00				All Capital Projects should be "classified" in Grants as we don't have the operational budget to afford these items in standard Operating Revenue.
Operating Revenue		\$3,763,721.03				\$4,264,038.57			
Operating Expense		\$3,718,020.95		\$3,125,092.94	\$3,967,451.06	\$4,212,305.63			
Operating Surplus		\$45,700.07				\$51,732.94			

VALLEY CENTER FIRE PROTECTION DISTRICT - FY 2024-2025 DRAFT as of 4-3-24							FY2024 Budget Meeting Notes	2023 budget meeting notes	FY 2022 Notes
Budget Entry Type	FY 2023-2024 Budget	Expected increase over FY2024 budget or projected actuals.	FY 2023-2024 Actuals YTD (7/1/2023-3/31/24)	FY 2023-2024 Projection calculated from Actuals	FY 2024-2025 Proposed				
MITIGATION REVENUE									
30100 . Mitigation Fees Capital Expected Expenditures	Fire Mitigation revenue	\$812,523.54		\$95,040.90		\$407,054.54	Expected Mitigation revenue. \$440000 in account 4/1/2024. \$97500 and \$73000 already expected to spend. Expect about \$130k revenue throughout the year.		\$738k is county mitigation account as of January, \$124k is estimate of park circle mitigation funds for FY2021
30120 . Mitigation Interest	Fire Mitigation revenue			\$9,392.65					
MITIGATION EXPENSES									
70001 - RCS NextGen Network Infrastructure	Capital Exp. (Mitigation)	\$10,290.00		\$6,002.50		\$10,290.00			\$24.50 per radio per month (857.50 /month) - Review past payments, reimburse from mitigation (See below)
70001.1 - RCS Nextgen 2021 reimbursement from mitigation	Fire Mitigation revenue	\$10,290.00		\$0.00		\$10,290.00			These two lines are the reimbursement of operating expense from mitigation for the nextgen infrastructure upgrades of FY2021
70009.2 - Type 3 engine - Mitigation funds	Capital Exp. (Mitigation)	\$72,000.00		\$152,987.83		\$0.00		Upgrade Darley Pump, Comms and Chassis: \$30,000	
70004.5 - Fire Station Developments Costs - Fire Mitigation	Capital Exp. (Mitigation)	\$350,000.00		\$41,567.79		\$0.00		Just station 3	
70005.1 - New Station Consulting	Capital Exp. (Mitigation)	\$90,000.00		\$0.00		\$0.00		Need estimate for robin	Biglone construction managing
70010.1 - Fire Hose - Mitigation funds	Capital Exp. (Mitigation)	\$10,000.00		\$1,249.58		\$10,000.00		Wildland hose From Fire Etc.	
70011 - VHF Radio replacement	Capital Exp. (Mitigation)	\$0.00		\$11,795.43		\$0.00		VHF Mobile radios (Finished FY2022-23)	VHF radios from mitigation funds (american radio quote)
70012.3 - Cardiac Monitor Replacement - Mitigation Funds	Capital Exp. (Mitigation)	\$0.00		\$0.00		\$0.00		Finished in FY 2022-23	1/2 of \$108k from mitigation. Napier staff report Jan 2022. This number is lower due to cost of monitors being less than quoted.
70003.2 - PPE 6 sets	Capital Exp. (Mitigation)	\$20,000.00		2138.85		\$20,000.00		6 sets of PPE	
70009.5 - Type 1 payments	Capital Exp. (Mitigation)	\$97,500.00		\$0.00		\$97,500.00		Type 1 engine payments - constant for 7 years	Fire Engine
70005.2 - Fire Station Expansion	Capital Exp. (Mitigation)	\$150,000.00		\$0.00		\$0.00		Station 1 and 2 upgrades	
70003.3 - New TIC (replacement for E161)	Capital Exp. (Mitigation)	\$7,758.54		\$0.00		\$7,758.54		New Thermal imaging Camera	
70003.4 - Airbag system for E161	Capital Exp. (Mitigation)	\$4,975.00		\$0.00		\$4,975.00		Air Bag System for E161	
MDC->iPad Program	Capital Exp. (Mitigation)	\$0.00		\$0.00		\$12,764.12	Cost of project is \$58764.12, minus approx \$46000 from NCDJPA	One iPad/TC with mounts for C1602 (Pilot) - pull from Northcomm	
VHF Mobile Radio Installs	Capital Exp. (Mitigation)	\$0.00		\$0.00		\$0.00		Installation of VHF Mobiles (done in FY 2022)	
70020.1 - Fire Station 3 Debt Service (Mitigation) (NEW)	Capital Exp. (Mitigation)			\$0.00		\$161,403.55	From CSDA Finance Corp Quote dated March 25, 2024 - This represents 2/3 of the debt service. Entire yearly payment is 242105.33		
Mitigation Balance FY 2024 (Capital Expenses)		\$812,523.54				\$92,653.33			

VALLEY CENTER FIRE PROTECTION DISTRICT - FY 2024-2025 DRAFT as of 4-3-24							FY2024 Budget Meeting Notes	2023 budget meeting notes	FY 2022 Notes
Budget Entry Type	FY 2023-2024 Budget	Expected increase over FY2024 budget or projected actuals.	FY 2023-2024 Actuals YTD (7/1/2023-3/31/24)	FY 2023-2024 Projection calculated from Actuals	FY 2024-2025 Proposed				
GRANT REVENUE									
45000 . Fire Explorer Post Donations	Grant Revenue	\$5,000.00		\$250.00		\$5,000.00			Expected to be about the same in FY22
46000.1 - Applied UASI Grant income - 2019	Grant Revenue			\$0.00		\$0.00		Done	
46000.2 - Applied UASI Grant income - 2020	Grant Revenue			\$0.00		\$0.00		Done	
46000.3 - Applied UASI Grant income - 2021	Grant Revenue			\$0.00		\$0.00			
46000.4 - Applied UASI Grant income - 2022	Grant Revenue	\$42,100.00		\$6,175.03		\$0.00		2022 uasi to to be spent after Sept 2023 on CFED, RS1, fresno, etc	
46000.5 - Applied UASI Grant Income - 2023	Grant Revenue			\$0.00		\$0.00			
47000 . Applied SHSGP Grant Income	Grant Revenue	\$11,000.00		\$0.00		\$11,000.00			
48000 . Applied Grant Income-Other	Grant Revenue	\$30,000.00		\$0.00		\$30,000.00			Other, non-federal grants, not NRGF
44000 . Fire Foundation Fund				\$0.00		\$0.00			
46000 . Applied UASI Grant Income	Grant Revenue	\$42,100.00		\$0.00		\$42,100.00			Each of the below refer to a specific grant year. This entry is the rolled up sum of all the years
49002 - San Diego COVID-19 ARPA Grant (3/11/2021)	Grant Revenue	\$179,000.00		\$0.00		\$0.00		Fire Station HVAC Systems and Kitchen Remodels:JGN	ARPA Grant for infrastructure
49003 - San Diego COVID-19 ARPA Grant (12/22/2021)	Grant Revenue	\$0.00		\$0.00		\$0.00		100% Spent:JGN	ARPA Grant for cardiac monitors
49004 - Waldron Award	Grant Revenue	\$1,060,000.00		\$0.00		\$0.00		Fire Station 3 and BME Type 3:JGN	
49005 - VC Fire Foundation Grant	Grant Revenue	\$576,000.00		\$0.00		\$550,000.00			Fire Foundation Grant for FS3. Is this a promise from the fire foundation?
49006 - Neighborhood Reinvestment Grant Program	Grant Revenue	\$100,000.00		\$0.00		\$100,000.00			NRGP - Is this a new grant for 2022 or remaining funds from the 2021 grant? If it is remaining, there is ~58k left
49007 - San Diego County fire foundation grants	Grant Revenue	\$0.00		\$0.00		\$0.00			Need to find out status of this grant? Is this a new grant for 22 or leftover from 21
49008 - CPF Grant - wellness	Grant Revenue	\$0.00		\$0.00		\$0.00		100% spent:JGN	Need to find out status of this grant? Is this a new grant for 22 or leftover from 21
49009 - FEMA FP&S Grant - Migrant Outreach	Grant Revenue	\$63,000.00		\$21,000.00		\$0.00		New grant recieved in 2022, for migrant outreach videos	
GRANT EXPENSES									
50502.1 - Applied UASI Grant income - 2019	Grant Expense			\$0.00		\$0.00			These grants mirror the training expenses for the indicated years
50502.2 - Applied UASI Grant income - 2020	Grant Expense			\$0.00		\$0.00			
50502.3 - Applied UASI Grant income - 2021	Grant Expense			\$0.00		\$0.00			
50502.4 - Applied UASI Grant income - 2022	Grant Expense	\$42,100.00		\$0.00		\$42,100.00			
50502.5 - Applied UASI Grant Income - 2023	Grant Expense			\$0.00		\$0.00			
51101.1 Professional and contract services - grant funded	Grant Expense	\$5,000.00		\$5,775.00		\$5,000.00			Cordico funded from wellness grant
51515.1 PPE Grant (Was 51502 SHSGP Grant PPE)	Grant Expense	\$11,000.00		\$13,083.03	\$17,400.43	\$11,000.00			Expected grant income
51514.1 Rescue Equipment Grant (Was 51503 equipment grant)	Operating Expense	\$0.00		\$0.00		\$0.00			Was categorized in OPERATING EXP in prior FY - should be a grant
70000 . Engine 163 & Equipment	Grant Expense			\$0.00		\$0.00			This entire expense is moved to FY23. \$200k for equipment, total of \$792561.74 to be financed. First payment in FY 2023
70009.1 - Type 3 engine - Waldron Award	Grant Expense	\$380,000.00		\$360,276.40		\$0.00			
70004.1 - Fire Station Development Costs - Waldron Award	Grant Expense	\$178,000.00		\$56,053.44		\$0.00			\$502k out of \$680k went in fy21 for design portion of the contract, and workout gear
70004.2 - Fire Station Development Costs - COVID-19 ARPA Funds	Grant Expense	\$179,000.00		\$0.00		\$0.00			
70004.3 - Fire Station Development Costs - Fire Foundation Award	Grant Expense	\$576,000.00		\$0.00		\$0.00			
70004.4 - Fire Station Development Costs - Neighborhood reinvestment grant	Grant Expense	\$100,000.00		\$0.00		\$0.00		Fire station Expansion	
70012.2 - Cardiac Monitor Replacement - COVID-19 ARPA Funds	Grant Expense	\$0.00		\$0.00		\$0.00			
70013 - Workout gear - CPF wellness grant	Grant Expense	\$0.00		\$0.00		\$0.00			may be purchasable in FY21
65001 - SAFER grant FS 3 Payroll		\$0.00		\$0.00		\$0.00			target for year 1, station 3 starting in FY 23. 100% for all three years. This year, just expense 1/2 year of 3 captains, 3 engineers, and 3 FFs. \$2544286.50 for all three years, this is 1/2 of one years worth
70009.1	Grant Expense			\$360,276.40					
70009.2				\$152,987.83					
70009 . Type Three Engine				\$0.00		\$0.00			\$380k from Marie Waldron \$, \$44201.61 from mitigation Total:421611 per invoiceoct 3, 2021 from BME
70004 - Fire Station Development Costs	Grant Expense			-\$179,200.00		\$550,000.00	San Diego Couny Deposit		Build phase of erikson hall contract (estimate)
70004.1	Grant Expense			\$56,053.44					
50502 . Training Expenses - UASI Grant Funded				\$0.00		\$0.00			was just uasi. Need sub categories for all grants and years of uasi

VALLEY CENTER FIRE PROTECTION DISTRICT - FY 2024-2025 DRAFT as of 4-3-24							FY2024 Budget Meeting Notes	2023 budget meeting notes	FY 2022 Notes
Budget Entry Type	FY 2023-2024 Budget	Expected increase over FY2024 budget or projected actuals.	FY 2023-2024 Actuals YTD (7/1/2023-3/31/24)	FY 2023-2024 Projection calculated from Actuals	FY 2024-2025 Proposed				
Grant Revenue	\$2,108,200.00				\$738,100.00				
Grant Expense	\$1,507,100.00				\$635,100.00				
Grant Surplus	\$601,100.00				\$103,000.00				

TREASURER'S REPORT

BOARD OF DIRECTORS' PACKET

VALLEY CENTER FIRE PROTECTION DISTRICT

Valley Center Fire Protection District
Profit & Loss
May 2024

	May 24
Ordinary Income/Expense	
Income	
OPERATING REVENUE	
41100 · SDG&E Lease	5,000.00
40150 · Misc Revenue	8,000.00
40700 · Community Development Fees	4,619.65
42000 · Incident Cost Recovery-Fire USA	934.40
43000 · Training Reimb-Target & Palomar	545.50
Total OPERATING REVENUE	19,099.55
Total Income	19,099.55
Gross Profit	19,099.55
Expense	
Freight	23.00
OPERATIONS PROGRAMS	
51515.1 · PPE Grant	12,678.50
Total OPERATIONS PROGRAMS	12,678.50
TRAINING	
50501 · Training Exp - Oper Exp Funded	3,915.92
50100 · EMT & Paramedic License Renewal	853.50
50500 · Training & Expenses	-1,661.24
Total TRAINING	3,108.18
OVERHEAD / ADMINISTRATIVE SERV	
51000.1 · Administrative Support Expenses	11,045.61
51001 · Contingencies & Misc.	153.75
51003 · Bank Fees / Interest Expense	15.00
51004 · IT Equipment & Software	14.95
Total OVERHEAD / ADMINISTRATIVE SERV	11,229.31
CONTRACT SERVICES	
51101 · Professional & Contract Svcs	1,694.00
51103 · Contract Labor	5,387.87
Total CONTRACT SERVICES	7,081.87
FIRE FACILITIES	
FIRE STATION #2 Utilities	0.00
FIRE STATION #1	
51303 · #1 Consumables	25.85
51301 · #1 Facility Maint/Repairs	3,592.30
51302 · #1 Utilities	193.81
Total FIRE STATION #1	3,811.96
FIRE STATION #2	
51310 · #2 Facility Maint/Repairs	875.00
Total FIRE STATION #2	875.00
Total FIRE FACILITIES	4,686.96
FIRE APPARATUS	
51400 · Operations Expense	4,925.82
Total FIRE APPARATUS	4,925.82
COMMUNICATIONS	
51600 · North County Dispatch	22,917.75
51601 · RCS Communication Fees	1,938.00
Total COMMUNICATIONS	24,855.75
PARAMEDIC EMERGENCY SUPPLIES	

Valley Center Fire Protection District
Profit & Loss
May 2024

06/03/24

Accrual Basis

	May 24
51700 · Medical Equipment & Supplies	766.19
Total PARAMEDIC EMERGENCY SUPPLIES	766.19
PAYROLL-ADMINISTRATIVE	
60000 · Division Chief-Operations/Train	14,101.09
60200 · Battalion Chief-Fire Marshal	13,537.05
60300 · Administrative Captain	12,463.57
60400 · Administrative Asst-Office Mgr.	6,976.43
60500 · Bookkeeper	5,670.00
60600 · Fire Chief	14,501.85
Total PAYROLL-ADMINISTRATIVE	67,249.99
PAYROLL - OPERATIONAL PERSONNEL	
61000 · Fire Engineers	60,127.43
63000 · Firefighter-Paramedics	82,514.17
64000 · Fire Captains	88,317.58
Total PAYROLL - OPERATIONAL PERSONNEL	230,959.18
PAYROLL EXPENSES	
66008 · Employer Taxes-FICA,SUTA,FUTA	21,980.41
66003 · Payroll Service	428.15
66004 · Health Benefit Costs	8,256.59
Total PAYROLL EXPENSES	30,665.15
CAPITAL PROJECTS	
70009.5 · Type 1 Engine	97,417.16
70005.1 · New Station Consulting - Mitig	25,548.75
Total CAPITAL PROJECTS	122,965.91
Total Expense	521,195.81
Net Ordinary Income	-502,096.26
Net Income	-502,096.26

Valley Center Fire Protection District

Balance Sheet

As of May 31, 2024

06/03/24

Accrual Basis

	May 31, 24
ASSETS	
Current Assets	
Checking/Savings	
11011 · Petty Cash	47.17
1101 · General Operating #4811	395,918.78
1102 · Payroll Acct #2271	19,851.27
11013 · Fire Foundation #8451	7,290.16
11014 · Explorer #8469	27,655.45
11015 · Training #7024	33,128.52
11016 · Grant Acct #7073	68,709.05
11021 · VCFPD Oracle Gen Fund - #47850	1,481,329.94
11022 · VCFPD Mitigation Fund - #47855	472,550.39
11023 · CFD 2008-01 - #47853	607,450.33
Total Checking/Savings	3,113,931.06
Accounts Receivable	
11000 · Accounts Receivable	465.93
Total Accounts Receivable	465.93
Other Current Assets	
1310000 · Deposit	4,124.30
12000 · Undeposited Funds	2,581.00
Total Other Current Assets	6,705.30
Total Current Assets	3,121,102.29
Fixed Assets	
1502100 · Engines and Vehicles	2,510,620.15
1500014 · Bldg Improvements	1,362,213.78
1501000 · Const in Progress	212,952.00
1503100 · Furniture & Equipment	1,921,937.35
15902 · General Fixed Asset - Depreciat	-4,556,603.08
16000 · Land	481,600.00
Total Fixed Assets	1,932,720.20
Other Assets	
18001 · Accu Amorization-Right of Use	-5,435.03
18000 · Right-of-use - Finance Lease	16,909.00
Total Other Assets	11,473.97
TOTAL ASSETS	5,065,296.46
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	60,698.19
Total Accounts Payable	60,698.19
Credit Cards	
8180 · 8180 CitiBank	3,576.68
9349 · 9349-VCFPD	103.98
Total Credit Cards	3,680.66
Other Current Liabilities	
20002 · Lease liability - due w/in 1 yr	4,386.75
20015 · Citibank	50.00
24000 · Payroll Liabilities	
24700 · PTO & Sick Time Accrual Payable	46,660.61
23200 · Wages Payable	28,281.80
24100 · FF Assoc Dues& Cond Fee Payable	-165.40
24200 · Child Support Payable	-1,038.45
24300 · Cafe Health Payable	78,825.50

Valley Center Fire Protection District
Balance Sheet
As of May 31, 2024

	May 31, 24
24400 · ACF Local Payable	185.40
24500 · 457 Payable	-6,007.80
24600 · Payroll Taxes Payable	-1,584.54
Total 24000 · Payroll Liabilities	145,157.12
Total Other Current Liabilities	149,593.87
Total Current Liabilities	213,972.72
Total Liabilities	213,972.72
Equity	
39000 · Investment in Gen Fixed Asset	1,939,807.42
30000 · Opening Balance Equity	2,234,798.00
32000 · Retained Earnings	646,344.04
Net Income	30,374.28
Total Equity	4,851,323.74
TOTAL LIABILITIES & EQUITY	5,065,296.46

Valley Center Fire Protection District Profit & Loss Budget vs. Actual July 2023 through May 2024

	Jul '23 - May 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
GRANT REVENUE				
49009 · FEMA FP&S Grant - Outreach	21,000.00	63,000.00	-42,000.00	33.3%
46000 · Applied UASI Grant Income	0.00	42,100.00	-42,100.00	0.0%
48000 · Applied Grant Income-Other	0.00	30,000.00	-30,000.00	0.0%
49008 · CPF - Wellness Grant	0.00	0.00	0.00	0.0%
49007 · SD County Fire Foundation Grant	0.00	0.00	0.00	0.0%
49006 · Neighborhood Reinvestment Grant	0.00	100,000.00	-100,000.00	0.0%
49005 · VC Fire Foundation Grant	0.00	576,000.00	-576,000.00	0.0%
49004 · Waldron Grant	0.00	1,060,000.00	-1,060,000.00	0.0%
49003 · SD COVID-19 ARPA Grant (12/21)	0.00	0.00	0.00	0.0%
49002 · SD COVID-19 ARPA Grant (03/21)	0.00	179,000.00	-179,000.00	0.0%
49001 · SAFER Grant	0.00	0.00	0.00	0.0%
45000 · Fire Explorer Post Donations	250.00	5,000.00	-4,750.00	5.0%
47000 · Applied SHSGP Grant Income	0.00	11,000.00	-11,000.00	0.0%
46000.4 · Applied UASI Grant - 2022	6,175.05	42,100.00	-35,924.95	14.7%
Total GRANT REVENUE	27,425.05	2,108,200.00	-2,080,774.95	1.3%
NON-OPERATING REVENUE				
30100 · Mitigation Fees Capital Expendi	95,040.90	812,523.54	-717,482.64	11.7%
30120 · Mitigation Interest	10,255.88	0.00	10,255.88	100.0%
Total NON-OPERATING REVENUE	105,296.78	812,523.54	-707,226.76	13.0%
OPERATING REVENUE				
41100 · SDG&E Lease	45,000.00	30,000.00	15,000.00	150.0%
30130 · CFD2008-1 Interest	13,882.95	3,954.44	9,928.51	351.1%
40150 · Misc Revenue	16,891.97			
49000 · NCD JPA Capital Equipment Reimb	0.00	18,000.00	-18,000.00	0.0%
40000 · Benefit Fees/Standby (315001)	1,931,110.00	1,976,722.24	-45,612.24	97.7%
40100 · Taxes, Property (315000)	805,341.17	815,560.58	-10,219.41	98.7%
40200 · CFD-2000-1 (315002)	330,746.52	341,911.50	-11,164.98	96.7%
40300 · CFD-2008-01 (315003)	603,248.01	435,072.27	168,175.74	138.7%
40400 · General Fund Interest	52,491.78	6,500.00	45,991.78	807.6%
40500 · Mercy Transport Fees	0.00	0.00	0.00	0.0%
40600 · First Responder Fees	0.00	40,000.00	-40,000.00	0.0%
40700 · Community Development Fees	80,874.36	48,000.00	32,874.36	168.5%
40800 · Fire Prevention Inspection Fees	0.00	0.00	0.00	0.0%
42000 · Incident Cost Recovery-Fire USA	8,345.20	18,000.00	-9,654.80	46.4%
43000 · Training Reimb-Target & Palomar	22,317.22	30,000.00	-7,682.78	74.4%
Total OPERATING REVENUE	3,910,249.18	3,763,721.03	146,528.15	103.9%
Total Income	4,042,971.01	6,684,444.57	-2,641,473.56	60.5%
Gross Profit	4,042,971.01	6,684,444.57	-2,641,473.56	60.5%

Valley Center Fire Protection District Profit & Loss Budget vs. Actual July 2023 through May 2024

Expense	Jul '23 - May 24	Budget	\$ Over Budget	% of Budget
Freight	23.00			
49009.1 · 49009.1	21,000.00			
OPERATIONS PROGRAMS				
51515.2 · PPE Non-Grant	9,989.33	18,000.00	-8,010.67	55.5%
51515.1 · PPE Grant	-404.53	11,000.00	-11,404.53	-3.7%
51515 · PPE/Uniforms	-383.46			
51514.1 · Rescue Equip Grant	0.00	0.00	0.00	0.0%
51514 · Rescue Sys/Equipment	0.00	2,500.00	-2,500.00	0.0%
51513 · BA's/Fit & Flow Test/Compressor	5,233.61	16,000.00	-10,766.39	32.7%
51512 · Tools/Minor Equip/Small Engines	279.29	16,000.00	-15,720.71	1.7%
51511 · Hose/Nozzles/Fittings/Ladders	0.00	8,000.00	-8,000.00	0.0%
Total OPERATIONS PROGRAMS	14,714.24	71,500.00	-56,785.76	20.6%
8610000 · Bad Debt/ Fraud / Bounced check	194.74			
TRAINING				
50502.4 · Applied UASI Grant - 2022	0.00	42,100.00	-42,100.00	0.0%
50501 · Training Exp - Oper Exp Funded	11,542.18	18,000.00	-6,457.82	64.1%
50000 · Explorer Post	500.00	5,000.00	-4,500.00	10.0%
50100 · EMT & Paramedic License Renewal	4,136.50	4,680.00	-543.50	88.4%
50200 · Tuition & Reference Materials	3,347.47	8,764.00	-5,416.53	38.2%
50500 · Training & Expenses	4,974.95	0.00	4,974.95	100.0%
Total TRAINING	24,501.10	78,544.00	-54,042.90	31.2%
OVERHEAD / ADMINISTRATIVE SERV				
51000.1 · Administrative Support Expenses	117,773.16	140,000.00	-22,226.84	84.1%
51000 · Service Awards & Commendations	0.00	0.00	0.00	0.0%
51001 · Contingencies & Misc.	1,284.98	13,000.00	-11,715.02	9.9%
51002 · Recruitment and On Boarding Exp	5,433.34	6,000.00	-566.66	90.6%
51003 · Bank Fees / Interest Expense	427.00			
51004 · IT Equipment & Software	277.17			
51005 · Office & Computer Supplies	244.44			
51006 · Election/Annexation Service	3,729.10	2,000.00	1,729.10	186.5%
Total OVERHEAD / ADMINISTRATIVE SERV	129,169.19	161,000.00	-31,830.81	80.2%
CONTRACT SERVICES				
51101.1 · Prof. & Contract Svcs - Grant	-5,775.00	5,000.00	-10,775.00	-115.5%
51100 · Broadband Services & Telephone	3,716.14			
51101 · Professional & Contract Svcs	76,376.38	90,000.00	-13,623.62	84.9%
51102 · Equipment Rental/Copier Lease	669.27			
51103 · Contract Labor	5,387.87			
51105 · Insurance	50,181.51	47,930.40	2,251.11	104.7%
51107 · Trauma Intervention Program	0.00	3,450.00	-3,450.00	0.0%
51109 · Burn Inst/Youth Fire Prevent	0.00	642.00	-642.00	0.0%
51110 · MDC Equip Replacement-HP Lease	0.00	0.00	0.00	0.0%

Valley Center Fire Protection District Profit & Loss Budget vs. Actual July 2023 through May 2024

	Jul '23 - May 24	Budget	\$ Over Budget	% of Budget
Total CONTRACT SERVICES	130,556.17	147,022.40	-16,466.23	88.8%
COMMUNITY RISK REDUCTION				
51200.2 · FEMA FP&S Grant - Outreach	0.00	36,000.00	-36,000.00	0.0%
51200.1 · CRRD Operational Expenses	263.26	7,500.00	-7,236.74	3.5%
51203 · POST Recertification Materials	60.00			
Total COMMUNITY RISK REDUCTION	323.26	43,500.00	-43,176.74	0.7%
FIRE FACILITIES				
FIRE STATION #2 Utilities	228.03			
FIRE STATION #1				
51303 · #1 Consumables	1,093.13	3,600.00	-2,506.87	30.4%
51301 · #1 Facility Maint/Repairs	23,614.22	25,000.00	-1,385.78	94.5%
51302 · #1 Utilities	5,724.89	3,100.00	2,624.89	184.7%
Total FIRE STATION #1	30,432.24	31,700.00	-1,267.76	96.0%
FIRE STATION #2				
#1 Consumables	222.94			
51313 · #2 Consumables	2,046.81	3,600.00	-1,553.19	56.9%
51310 · #2 Facility Maint/Repairs	6,496.42	16,000.00	-9,503.58	40.6%
51312 · #2 Utilities	9,506.83	3,700.00	5,806.83	256.9%
Total FIRE STATION #2	18,273.00	23,300.00	-5,027.00	78.4%
FIRE STATION #3				
51323 · #3 Consumables	275.44	1,800.00	-1,524.56	15.3%
51320 · #3 Facility Maint/Repairs	0.00	2,500.00	-2,500.00	0.0%
51322 · #3 Utilities	0.00	6,000.00	-6,000.00	0.0%
Total FIRE STATION #3	275.44	10,300.00	-10,024.56	2.7%
Total FIRE FACILITIES	49,208.71	65,300.00	-16,091.29	75.4%
FIRE APPARATUS				
51400 · Operations Expense	108,895.81	120,000.00	-11,104.19	90.7%
51401 · Apparatus Shop Tools/Rpr Supp	12.91			
51402 · Fuel	40,486.29	60,400.00	-19,913.71	67.0%
Total FIRE APPARATUS	149,395.01	180,400.00	-31,004.99	82.8%
COMMUNICATIONS				
51600 · North County Dispatch	199,092.07	171,638.00	27,454.07	116.0%
51601 · RCS Communication Fees	14,838.50	14,022.00	816.50	105.8%
Total COMMUNICATIONS	213,930.57	185,660.00	28,270.57	115.2%
PARAMEDIC EMERGENCY SUPPLIES				
51700 · Medical Equipment & Supplies	16,365.46	18,000.00	-1,634.54	90.9%

Valley Center Fire Protection District Profit & Loss Budget vs. Actual July 2023 through May 2024

	Jul '23 - May 24	Budget	\$ Over Budget	% of Budget
Total PARAMEDIC EMERGENCY SUPPLIES	16,365.46	18,000.00	-1,634.54	90.9%
PAYROLL-ADMINISTRATIVE				
60000 · Division Chief-Operations/Train	108,261.59	0.00	108,261.59	100.0%
60200 · Battalion Chief-Fire Marshal	112,277.19			
60300 · Administrative Captain	101,288.57			
60400 · Administrative Asst-Office Mgr.	57,271.26			
60500 · Bookkeeper	29,985.00			
60600 · Fire Chief	115,759.25			
PAYROLL-ADMINISTRATIVE - Other	156.73	395,436.38	-395,279.65	0.0%
Total PAYROLL-ADMINISTRATIVE	524,999.59	395,436.38	129,563.21	132.8%
PAYROLL - OPERATIONAL PERSONNEL				
61000 · Fire Engineers	489,963.31	0.00	489,963.31	100.0%
63000 · Firefighter-Paramedics	659,025.00			
64000 · Fire Captains	684,170.15			
PAYROLL - OPERATIONAL PERSONNEL - Other	0.00	1,757,597.93	-1,757,597.93	0.0%
Total PAYROLL - OPERATIONAL PERSONNEL	1,833,158.46	1,757,597.93	75,560.53	104.3%
PAYROLL EXPENSES				
66008 · Employer Taxes-FICA,SUTA,FUTA	175,617.83	245,633.87	-70,016.04	71.5%
66002 · FASIS Workers Comp Emp Asst	-10.00	202,148.45	-202,158.45	-0.0%
66003 · Payroll Service	5,187.44	6,000.00	-812.56	86.5%
66004 · Health Benefit Costs	91,666.83	200,501.67	-108,834.84	45.7%
Total PAYROLL EXPENSES	272,462.10	654,283.99	-381,821.89	41.6%
CAPITAL PROJECTS				
70005.2 · Fire Station Expansion - Mit Fu	0.00	150,000.00	-150,000.00	0.0%
70003.4 · Airbag System E161 - Mitig Fund	0.00	4,975.00	-4,975.00	0.0%
70003.3 · New TIC replcmnt for E161 - Mit	0.00	7,758.54	-7,758.54	0.0%
70003.2 · PPE 6 Sets - Mitigation Fund	2,138.85	20,000.00	-17,861.15	10.7%
70009.5 · Type 1 Engine	97,417.16	97,500.00	-82.84	99.9%
70013 · Workout Gear-CPF Wellness Grant	0.00	0.00	0.00	0.0%
70012.3 · Cardiac Monitor - Mit Funds	0.00	0.00	0.00	0.0%
70012.2 · Cardiac Monitor - COVID-19 ARPA	0.00	0.00	0.00	0.0%
70011 · VHF Radio Replacement	11,795.43	0.00	11,795.43	100.0%
70010.2 · Fire Hose - Op Expense	0.00	0.00	0.00	0.0%
70010.1 · Fire Hose - Mitigation Funds	1,249.58	10,000.00	-8,750.42	12.5%
70004.5 · Fire Station Dev - Fire Mitig	43,665.39	350,000.00	-306,334.61	12.5%
70004.4 · Fire Station Dev - Neighborhood	0.00	100,000.00	-100,000.00	0.0%
70004.3 · Fire Station Dev - Fire Found.	0.00	576,000.00	-576,000.00	0.0%
70004.2 · Fire Station Dev-COVID-19 ARPA	0.00	179,000.00	-179,000.00	0.0%
70004.1 · Fire Station Dev - Waldron Gran	56,053.44	178,000.00	-121,946.56	31.5%
70009.2 · Type 3 Engine - Mitigation Fund	189,411.64	72,000.00	117,411.64	263.1%
70009.1 · Type 3 Engine - Waldron Grant	360,276.40	380,000.00	-19,723.60	94.8%
70009 · Type 3 Engine	0.00	0.00	0.00	0.0%

Valley Center Fire Protection District
Profit & Loss Budget vs. Actual
 July 2023 through May 2024

	Jul '23 - May 24	Budget	\$ Over Budget	% of Budget
70001.2 · RCS Nextgen '21 Reimbursement	0.00	0.00	0.00	0.0%
70001.1 · RCS Nextgen '21 - Mitigation	0.00	10,290.00	-10,290.00	0.0%
70000 · Engine 163 & Equipment	0.00	0.00	0.00	0.0%
70001 · RCS NextGen Network Infrastruct	6,002.50	10,290.00	-4,287.50	58.3%
70004 · Fire Station Development Costs	-179,200.00			
70005.1 · New Station Consulting - Mitig	25,548.75	90,000.00	-64,451.25	28.4%
70008 · MDC Replacement Program	18,235.99	11,400.00	6,835.99	160.0%
CAPITAL PROJECTS - Other	0.00			
Total CAPITAL PROJECTS	632,595.13	2,247,213.54	-1,614,618.41	28.2%
Total Expense	4,012,596.73	6,005,458.24	-1,992,861.51	66.8%
Net Ordinary Income	30,374.28	678,986.33	-648,612.05	4.5%
Net Income	30,374.28	678,986.33	-648,612.05	4.5%