

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

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**December 10, 2014**

TO: Sacramento Local Agency Formation Commission  
FROM: Peter Brundage, Executive Officer  
RE: Herald Fire Protection District Status Update (LAFC 06-14)

**RECOMMENDATION:**

Receive and File the status report on the Herald Fire Protection District.

**DISCUSSION:**

**Staffing**

The Herald Fire Protection District has hired an Interim Fire Chief as a retired annuitant. The Interim Fire Chief was formerly with Galt Fire Protection District and is familiar with the Herald community and fire district operations within this community. This position is part-time and is limited to 960 hours per year.

In addition, the fire chief has hired an assistant fire chief who has 29 years of experience and who is certified to train firefighters as required. They are in the process of establishing a training schedule.

**Public Accountability**

District Staff realize that they need to correct the deficiencies identified by the Sacramento Grand Jury and improve communication with the Herald Community. They are improving the District's web site and procedures for the use of its facilities by the community.

District staff has indicated that they will be changing the accounting practices for leasing its facilities so that funds are properly accounted for. In addition, the District is no longer accepting cash or credit card payments for the use of its facilities. The District is

developing a tracking mechanism to document usage. Finally, the District is standardizing fees and incorporating an appeals process.

### **Governance**

The Herald Fire Protection District is governed by five (5) Board of Directors. Currently, all seats are filled based on the November 2014 election.

### **Financial Audit and Accounting Procedures**

The District has hired Richardson and Company to conduct a financial audit of the District. The audit is in progress, however, at this time the date of completion has not been determined. District staff recognizes the need to complete the audit and implement appropriate accounting practices, policies, and procedures related to expenditure control and internal control procedures.

### **Budget**

The District has adopted a Final Budget for FY 2014-15 as required by State law.

### **District Policies and Procedures**

The current management staff has indicated that they will be addressing all of the issues identified by the Sacramento Grand Jury in order to reach compliance. They will be examining personnel policies, operational policies, and the Fire Fighter Bill of Rights. The Fire Chief has also indicated that they will be incorporating a citizen's group to review the proposed policies and recommendations to the Board of Directors prior to a Public Hearing.

### **Operations and Maintenance**

The District is currently working on upgrading and repairing equipment as needed.

### **Training**

The Fire Chief has indicated that they will be working on establishing appropriate training for all staff and volunteers.

### **PERS**

The District is current with all payments to Cal PERS.

### **Reserves and Cash Flow**

The District is using excess fund balance to eliminate past debt and establish a reserve for emergencies.

While the reserves have decreased, District staff has indicated that there should be sufficient cash flow for this year's current operation and maintenance budget.

### **Conclusion**

District staff realizes that it may take a while to make all the necessary changes and improvements. However, it appears that they have been willing to acknowledge and also identify the issues in order to evaluate the appropriate course of action to be taken.

District staff will be working with the Board of Directors to establish the priority actions to address both concerns raised by the community and the Sacramento Grand Jury.

LAFCo staff will continue to monitor the status of District compliance with these issues and will provide any assistance that we can.