

RESOLUTION NO. 2020-03

**BEFORE THE BOARD OF DIRECTORS OF THE
CONSOLIDATED FIRE AGENCIES**

Recommendation to Amend Consolidated Fire Agencies Joint Powers Agreement

RECITALS

1. **WHEREAS**, Consolidated Fire Agencies (“CONFIRE”) is a joint powers authority duly organized and existing under Section 6500 et seq. of the Government Code and its Joint Powers Agreement effective August 13, 1990, amended September 3, 2013 and September 17, 2013, and amended again on or before December 4, 2019 (collectively, the “JPA”, which is set forth in Appendix 1 to Exhibit A hereto).
2. **WHEREAS**, CONFIRE and its parties and member agencies, are considering the substantial amendment to the JPA as set forth in Exhibit B hereto.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors recommends that each current party to the JPA and member of CONFIRE take action to substantially amend the JPA as set forth in Exhibit B hereto.

THIS RESOLUTION was passed and adopted by the Board of Directors of the Consolidated Fire Agencies at a regular meeting held on the _____ of _____, 2020, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Signed and Approved by me after its passage.

Chairperson of the Board of Directors
Consolidated Fire Agencies

ATTEST:

Secretary to the Board of Directors
Consolidated Fire Agencies

**Exhibit A
To
Resolution No. [2020-03]**

**SECOND AMENDMENT TO
THE JOINT POWERS AGREEMENT
OF THE
CONSOLIDATED FIRE AGENCIES**

This Second Amendment (“Amendment”) to the Joint Powers Agreement of the Consolidated Fire Agencies, a joint powers authority of the State of California (“CONFIRE”), dated this 10th day of September, 2019, is made by and between City of Redlands, City of Loma Linda, City of Colton, City of Rialto, Rancho Cucamonga Fire Protection District, San Bernardino County Fire Protection District (collectively, the “Existing Member Agencies”), the Chino Valley Independent Fire District, a fire protection district duly authorized and existing under Health & Safety Code § 13800 et seq. (“Chino Valley”) and Apple Valley Fire Protection District, a fire protection district duly authorized and existing under Health & Safety Code § 13800 et seq. (“Apple Valley”) (the Existing Member Agencies, Chino Valley, and Apple Valley may be collectively referred to herein as the “Parties”).

WHEREAS, the Existing Member Agencies are parties to a joint powers agreement establishing CONFIRE pursuant to Section 6500 et seq. of the Government Code, as set forth in Appendix 1 (“Original JPA”) and Appendix 2 (“First Amendment to JPA”) (collectively, the “Existing JPA”).

WHEREAS, the Existing Member Agencies, Chino Valley, and Apple Valley desire to amend the Existing JPA to:

1. admit Chino Valley as a party to and a member of CONFIRE on the condition that Chino Valley pay the Required Buy-In in the amount of Four Hundred Twelve Thousand Four Hundred Twenty-Three Dollars (\$412,423.00) to CONFIRE on or before December 31, 2019; and
2. admit Apple Valley as a party and a member of CONFIRE on the condition that Apple Valley pay an initial installment of a Required Buy-In to CONFIRE in the amount of Eighty-One Thousand Two Hundred Sixty-Seven Dollars (\$81,267.00) on or before December 31, 2019 and agrees to pay four (4) equal subsequent annual installments of a Required Buy-In to CONFIRE concluding on or before December 31, 2024 of Eighty-One Thousand Two Hundred Sixty-Seven Dollars (\$81,267.00), for a total Required Buy-In of Four Hundred Six Thousand Three Hundred Thirty-Six Dollars (\$406,336.00).

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. The Parties hereby amend the Existing JPA to add Chino Valley as a Party and Apple Valley as a Party.
2. This Amendment is effective upon
 - a. full execution by the Parties;


- b. Chino Valley's payment of the Required Buy-In in the amount of Four Hundred Twelve Thousand Four Hundred Twenty-Three Dollars (\$412,423.00) to CONFIRE on or before December 31, 2019; and
 - c. Apple Valley's payment of an initial installment of a Required Buy-In to CONFIRE in the amount of Eighty-One Thousand Two Hundred Sixty-Seven Dollars (\$81,267.00) on or before December 31, 2019, and agreement to pay four (4) equal subsequent annual installments of a Required Buy-In to CONFIRE concluding on or before December 31, 2024 of Eighty-One Thousand Two Hundred Sixty-Seven Dollars (\$81,267.00), for a total Required Buy-In of Four Hundred Six Thousand Three Hundred Thirty-Six Dollars (\$406,336.00).
3. This Amendment may be executed in counterparts.
 4. All other provisions of the Existing JPA are to remain unchanged.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed and attested by their duly authorized officers as of the date written above.


[SIGNATURES ON PAGES 3 AND 4]

**SIGNATURES TO
SECOND AMENDMENT TO
THE JOINT POWERS AGREEMENT
OF THE
CONSOLIDATED FIRE AGENCIES**

ATTEST:


By: 
Name: JEANNE DONALDSON
Title: CITY CLERK

CITY OF REDLANDS


By: 
Name: Paul Foster
Title: Mayor

Dated: 10/31/19

ATTEST:

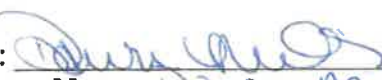
By: 
Name: Lisa Brents
Title: Exec. Asst

CITY OF LOMA LINDA

By: 
Name: Dr. Rhodes Rigsby
Title: Mayor

Dated: 10/31/19

ATTEST:


By: 
Name: Dawn Miller
Title: Executive Assistant

CITY OF COLTON

By: 
Name: Bill Smith
Title: City Manager

Dated: 10/31/19

ATTEST:

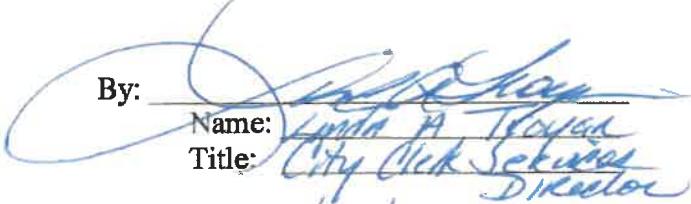
By: 
Name: Jay Villanueva
Title: Executive Assistant

CITY OF RIALTO

By: 
Name: Brian Park
Title: Interim Fire Chief

Dated: 10/23/19

ATTEST:

By: 
Name: Linda A. Trivedi
Title: City Clerk Secretary Director

RANCHO CUCAMONGA FIRE PROTECTION DISTRICT

By: 
Name: L. Dennis Michael
Title: President


Dated: 11/5/19

**SIGNATURES TO
SECOND AMENDMENT TO
THE JOINT POWERS AGREEMENT
OF THE
CONSOLIDATED FIRE AGENCIES**

(continued)

ATTEST:

**SAN BERNARDINO COUNTY FIRE
PROTECTION DISTRICT**


By: 
Name: Aurora Hernandez
Title: Executive Assistant

By: 
Name: Don Trapp
Title: Interim Fire Chief

Dated: 10-22-19

ATTEST:

**APPLE VALLEY FIRE PROTECTION
DISTRICT**

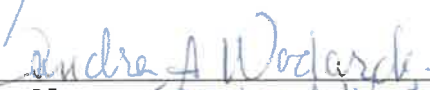
By: 
Name: Kimberly Lopez
Title: Secretary II

By: 
Name: Lorenzo Gigliotti
Title: Fire Chief

Dated: 10/24/2019

ATTEST:

**CHINO VALLEY INDEPENDENT FIRE
DISTRICT**

By: 
Name: Sandra A. Wodarski
Title: Admin Secretary

By: 
Name: Tim Shackelford
Title: Fire Chief

Dated: 10/24/19

Appendix 1
to Second Amendment to Joint Powers Agreement
[Original Joint Powers Agreement]

JOINT POWERS AGREEMENT

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THIS AGREEMENT is entered into by and between the public agencies signatory hereto, hereinafter called "public agencies."

WITNESSETH:

WHEREAS, the signatories herein have determined that there is a need by public agencies within the East End cities of San Bernardino County, California, to establish a regional fire agency to best serve the needs of all the citizens of said public agencies; and,

WHEREAS, said public agencies have heretofore determined that the interests of the citizens of each of said public agencies can best be served by the coordinated use of public safety radio channels and centralized regional computer aided communications system; and,

WHEREAS, said public agencies recognize the mutual benefit of a centralized joint effort for the development, implementation, and subsequent operation and maintenance of such a centralized system; and,

WHEREAS, said public agencies desire to centralize and provide safety communication operations; and,

WHEREAS, said public agencies have heretofore determined that it is desirable and necessary to collectively direct the management policies and operational practices of said regional fire agency; and,

WHEREAS, the cost of developing, operating and

1 maintaining said centralized systems is more cost effective
2 to such public agencies; and,

3 WHEREAS, said public agencies operate a cooperative
4 program of fire protection and related functions that are
5 mutually agreed upon; and,

6 WHEREAS, Title 1, Division 7, Chapter 5 of the Government
7 Code of the State of California authorizes public agencies to
8 enter into an agreement for the joint exercise of any power
9 common to them; and,

10 WHEREAS, these public agencies possess the power to
11 consolidate public safety communications and operational
12 programs by the execution and implementation of this
13 Agreement.

14 NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL
15 ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF
16 THE MUTUAL COVENANTS HEREIN CONTAINED, IT IS AGREED BY AND
17 BETWEEN THE PARTIES HERETO AS FOLLOWS:

18 1. Agency Established. Pursuant to the joint powers
19 authorization of the California Government Code, the
20 undersigned do hereby federate together in a cooperative
21 agency for the joint and mutual operation of a centralized
22 public safety communication agency and a cooperative program
23 of fire protection and related functions, to be known as the
24 Consolidated Fire Agencies of the East Valley, hereinafter
25 designated as "CONFIRE," which shall be a public entity
26 separate from the parties to the Agreement.

1 2. By-Laws. The Agency shall be subject to, and shall
2 be governed by, those certain By-Laws, a copy of which is
3 attached hereto, marked Exhibit "A" and by this reference made
4 a part of this Agreement.

5 3. Purpose. The purpose of this Agreement shall be as
6 set forth in section 1, above, and Article I of the By-Laws.
7 The purpose shall be accomplished and carried out in the
8 manner set forth in the By-Laws.

9 4. Administration. CONFIRE, as established by this
10 Agreement and as governed by its By-Laws, shall be the
11 "Agency" to administer this Agreement, pursuant to joint
12 powers provisions of the Government Code of California.

13 5. Membership. Each public agency signatory to this
14 Agreement, and each additional public agency which may
15 hereafter sign the Agreement, is a member of the Agency and
16 is entitled to all the rights and privileges and subject to
17 the obligations of membership, as provided in the By-Laws.

18 6. Withdrawal of Membership. This Agreement shall
19 remain in full force and effect as to all member agencies for
20 a minimum of two (2) years from and after the effective date
21 hereof. Thereafter, any party to this Agreement may cease to
22 be a party hereto and may withdraw from membership in the
23 Agency upon the adoption by its legislative body of a
24 resolution of intention to withdraw and the giving of written
25 notice thereof to the Chairman of the Board of Directors of
26 the Agency and to each of the other public agencies signatory

1 to this Agreement at least one hundred eighty (180) days prior
2 to the end of the then current fiscal year.

3 7. Powers and Debts of Authority. Agency shall have
4 the power in its own name, to make and enter into contracts,
5 to employ agents and employees, to acquire, hold and dispose
6 of property, real and personal, to sue and be sued in its own
7 name, and to incur debts, liabilities or obligations necessary
8 for the accomplishment of the purpose of this Agreement.
9 However, the debts, liabilities, and obligations of the Agency
10 shall not constitute any debt, liability or obligation to any
11 of the individual public agencies which are signatory to this
12 Agreement. The Agency shall not have the power of eminent
13 domain nor the power to levy taxes, and its power generally
14 shall be subject to the restrictions applicable to the Central
15 Valley Fire Protection District.

16 8. Amendment. This Agreement may not be amended,
17 except written agreement of all the parties, provided,
18 however, that the By-Laws may be amended from time to time by
19 the method and means provided therein.

20 9. Duration of Agreement. This Agreement shall
21 continue in effect until terminated by unanimous consent of
22 the parties or until dissolution of the Agency in the manner
23 provided in said By-Laws. Upon such termination, or
24 dissolution, the non-grant assets remaining, including any
25 surplus money, shall be disposed of in proportion to
26 contributions made. Grant funded assets shall be disposed of

1 in accordance with Federal and State regulations and
2 instructions.

3 10. Enforcement. Agency is hereby given the power to
4 enforce this Agreement. If suit is necessary to enforce any
5 of the provisions hereof, including any provision of the By-
6 Laws, the defaulting member shall pay reasonable attorney fees
7 to the Agency as adjudicated and determined by the Court.

8 11. Authorization. Upon execution of this Agreement,
9 each member shall deliver to the Agency a certified copy of
10 a governing board action, resolution or minute order
11 authorizing and directing the execution of this Agreement.

12 12. Board of Directors.

13 A. There is established a Board of Directors for the
14 Agency which shall consist of a representative of the
15 governing body of each member agency. The governing body of
16 each member agency shall designate in writing to CONFIRE, the
17 primary and alternate members to serve on the Board of
18 Directors. At its annual meeting, the Board of Directors shall
19 select one of its members to serve as Chairperson of the Board
20 until the next annual meeting. The Chairpersonship of the
21 Board of Directors shall rotate annually in a fixed sequence
22 among the members.

23 B. The Board of Directors shall have the responsibility
24 for the appointment of auditors, approval of new members, and
25 approval of the annual budget and assessment schedule of the
26 Agency, and the exercise of those powers granted to it by the

1 By-Laws.

2 C. Each public agency which is a member of the Agency
3 shall be entitled to one (1) Director on the Board and shall
4 be entitled to one (1) vote thereon. Such one vote may be
5 cast only by the member agency's designated primary or
6 alternate representative in attendance.

7 13. Source of Funds. Any contributions of funds by
8 member agencies shall be apportioned based on the number of
9 fires in each agency's jurisdiction over the immediate
10 preceding two year period.

11 14. Accountability and Audits. The Agency shall be
12 strictly accountable for all funds and shall report all
13 receipts and disbursements, as required by Government Code
14 Section 6505. The Treasurer of San Bernardino County shall
15 act as treasurer and depository for the Agency pursuant to
16 Government Code Section 6505.5, and shall handle and have
17 access to Agency property, under an official bond in an amount
18 fixed by the member agencies. The Agency shall contract for
19 a certified public accountant to perform an annual audit of
20 the accounts and records of the Agency, and a report thereof
21 shall be filed as public record with each of the contracting
22 parties and with the Auditor of the County of San Bernardino
23 within 60 days subsequent to the end of the fiscal year under
24 examination.

25 15. Indemnification. Each party hereby agrees to
26 defend, indemnify, and hold each other party, its elected

1 officials, officers, agents, and employees free and harmless
2 from any and all liability or claims for personal injury,
3 death, and property damage which may arise from the
4 indemnifying party's negligent acts or omissions under this
5 Agreement. None of the parties shall be held responsible or
6 liable to any other party for any loss, damage or delay caused
7 by accidents, strikes, lockouts, fire, flood, act of civil or
8 military authority or by insurrection or riot or by any other
9 cause which is beyond its control.

10 16. Effective Date of Agreement. This Agreement shall
11 become effective upon its execution by the Cities of Colton,
12 Loma Linda, Redlands, and Rialto, the Central Valley Fire
13 Protection District and the San Bernardino County Consolidated
14 Fire Agency. Within 30 days of said date, the Agency shall
15 cause notice of this Agreement to be filed with the Secretary
16 of State of California, pursuant to Government Code Section
17 6503.5.

1 IN WITNESS WHEREOF, the undersigned public agencies have
2 set their signature on the respective dates set forth below.
3 This document may be signed in duplicate originals.

4
5 ATTEST:

CITY OF REBLANDS
A Municipal Corporation

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7
8 *Doris Payne*
City Clerk

By: *[Signature]*
Mayor

9
10 ATTEST:

CITY OF LOMA LINDA
A Municipal Corporation

11
12 *Parish Ryan-O'Connell*
13 City Clerk

By: *[Signature]*
Mayor

14
15 ATTEST:

CITY OF COLTON
A Municipal Corporation

16
17 *Helen A. Kenna*
18 City Clerk

By: *[Signature]*
Mayor

19
20 ATTEST:

CITY OF RIALTO
A Municipal Corporation

21
22 *James S. Sampson*
23 City Clerk

By: *[Signature]*
Mayor

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ATTEST:

Clerk of the Board of Supervisors

APPROVED AS TO FORM
DATE MAY 15 1990
Alan K. Marks, COUNTY COUNSEL
SAN BERNARDINO COUNTY CALIFORNIA
BY _____ DEPUTY

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD



SAN BERNARDINO COUNTY
CONSOLIDATED FIRE AGENCY

By: *Barbara Ann Gish*
Chairman, Board of Supervisors of San Bernardino County, as Governing Body of San Bernardino County Consolidated Fire Agency

CENTRAL VALLEY FIRE PROTECTION DISTRICT

By: *Barbara Ann Gish*
Chairman, Board of Supervisors of San Bernardino County, as Governing Body of Central Valley Fire Protection District

EXHIBIT A

BY-LAWS
CONFIRE

ARTICLE I
PURPOSE

The CONSOLIDATED FIRE AGENCIES OF THE EAST VALLEY (CONFIRE) is a co-operative association voluntarily established by its members pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California for the purpose of providing hardware, software, services, and other items necessary and appropriate for the establishment, operation, and maintenance of a joint centralized public safety communications system and a cooperative program of fire related functions for the mutual benefit of the members of the Agency, to provide such services on a contract basis to other governmental units, and to provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding public safety communications and related matters within member agencies. CONFIRE is sometimes hereinafter referred to as the "Agency."

ARTICLE II
POWERS

The powers of the Agency include, but are not limited to the following:

- a) to enter into contracts, including the performance of services for other governmental units;
- b) to employ agents and employees;
- c) to acquire, lease, hold, and dispose of property, real and personal;
- d) to incur debts, liabilities or obligations;
- e) the purchase or lease of the equipment and machinery necessary;
- f) the employment of the necessary personnel and the operation and maintenance of a communications system;
- g) all powers necessary and incidental to carrying out the purpose set forth in ARTICLE I of these By-Laws; and
- h) the power to sue and be sued in its own name.

ARTICLE III
PARTICIPATION

A. All governmental agencies which provide public safety services are eligible for membership of this Agency, provided the parties to the existing Agency agree and all parties sign an amended Joint Exercise of Powers Agreement.

B. Membership shall be contingent upon the execution of the Joint Powers Agreement creating and establishing this Agency and the payment by each such governmental agency of a fee to be determined and agreed upon by the majority vote of Board of Directors. The Board of Directors may, by a similar vote, impose to the terms, costs, and assessment charges as specified in the Agreement or By-Laws. All fees, costs, and assessment charges shall become the revenue of the Agency.

C. Upon becoming a member, all new members shall become subject to the same financial obligations of CONFIRE as all other members, unless otherwise specifically agreed to in the amended Joint Exercise of Powers Agreement.

ARTICLE IV
BOARD OF DIRECTORS

A. The Board of Directors shall function as set forth in Section 12 of the Joint Powers Agreement and as further set forth herein.

B. The member agency's principal or alternative representative shall serve until a successor is appointed by the appointing powers. A vacancy shall immediately occur in the office of any officer upon the resignation or death of such person holding such office, or upon his ceasing to be an officer or employee of any member government. Upon a vacancy occurring in any office, the Board of Directors may appoint a successor to fill the vacancy until the member agency represented by the officer assigns a new member to represent the governmental agency. The rotation of officers may be advanced one year before the vacancy has been filled if the Board of Directors finds this advisable.

C. The Board of Directors may establish rules governing its own conduct and procedure and have such express or implied powers which are not inconsistent with or contrary to the laws of the State of California, these By-Laws, or Agreement.

D. A quorum for the transaction of all business by such Board of Directors shall consist of a majority of the representative membership.

E. No one serving on the Board of Directors shall receive any salary or compensation from the Agency.

F. The Board, on behalf of the Agency, may accept contributions or donations and may apply for and use grants or loans of money or other property from the state, or any other governmental units, or individuals, foundations or organizations and may enter into agreements required in connection therewith and may hold, use and dispose of such monies or property in accordance with the terms of the grant, donation, loan or agreement relating thereto. However, nothing in this section should be construed to require the participation or financial obligation of any member agency without the express written authorization in the form of a resolution by its legislative body and only to the extent so authorized.

ARTICLE V
BOARD OF DIRECTOR'S MEETINGS

A. Regular public meetings, also termed General Meetings, of the Board of Directors shall be held at least twice a year at a regular date, time and place established by resolution of the Board pursuant to the provisions of Section 54954 of the Government Code. A regular meeting of the Board shall be held in the month of February at which time the Board shall consider and adopt the annual budget for the Agency for the following fiscal year. The annual meeting shall be held in September at which meeting the Board shall elect officers.

B. Special meetings of the Board of Directors may be called by its Chairperson or by the Administrative Committee by its own motion, or shall be called by the Administrative Committee upon written request by any one (1) of its members. Ten (10) days written notice of special meetings shall be given to the official representatives of each member Agency and an agenda specifying the subject of such special meeting shall accompany such notice. Business conducted at said meetings shall be limited to those items specified in the agenda. However, if deemed necessary, due to the urgent nature of the issue, the Chairperson or the administrative Committee, by its own motion, may call for an emergency meeting on a twenty-four (24) hour notice for the purpose of discussion a specific issue.

C. The date, time and location of special, and emergency, meetings of the Board of Directors shall be determined by the Chairperson of the Board of Directors. Regular, special and emergency meetings shall be held within the County of San Bernardino.

D. Notice of the regular meeting of the Board of Directors shall be given to the respective Board Member, Supervisor, Mayor, and Manager of each member Agency at least thirty (30) days prior to such meeting and an agenda for such meeting shall accompany the notice.

E. To the extent not contrary to these By-Laws, Robert's Rules of Order shall govern all meetings of the Board of Directors.

ARTICLE VI
DUTIES OF AGENCY OFFICERS

A. The officers of CONFIRE shall consist of a Chairperson, a Vice-Chairperson, a Secretary and a Treasurer. The Chairperson shall be a member of the Board of Directors.

B. In the absence of a Chairperson, or in the event of his inability or refusal to act, the Vice-Chairperson shall perform the duties of the Chairperson, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairperson.

C. The Coordinator of Communications shall be the Secretary to the Board of Directors, but shall be a non-voting member.

D. The Treasurer shall be the Financial Officer from the Consolidated Fire Agency. He shall be a non-voting member.

E. The Treasurer shall have the powers and duties as set forth in Section 6505 and 6505.5 of the Government Code, any other applicable provisions of State law, the Agreement, these By-Laws, or as may be established by the Board of Directors. The Treasurer shall serve the Agency without charge to the Agency, except for the administrative services charges to the Consolidated Fire Agency.

There shall be strict accountability of all funds of the Agency and a report of all receipts and disbursements as required by Section 6505 of the Government Code.

F. The Treasurer shall give a bond in the amount of \$25,000 for the faithful discharge of his duties, with such surety or sureties as the Board of Directors shall determine. The Treasurer shall: (a) Have charge and custody of and be responsible for all funds, securities and assets of the Agency; receive and give receipts for monies due and payable to the Agency from any source whatsoever, and deposit all such monies in a separate fund in the name of the Agency with the County Auditor/Controller; (b) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

G. The Secretary shall; (a) keep the minutes of the Agency meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with provisions of these By-Laws or as required by law; (c) be custodian of the records of the Agency; (d) in general, perform all duties as, from time to time, may be assigned to him/her by the Board of Directors.

ARTICLE VII
ADMINISTRATIVE COMMITTEE

A. There is hereby established an Administrative Committee of the Agency, which shall be organized and be responsible for functions hereinafter set forth.

B. Each public agency that is a signatory member to the Joint Powers Agreement, or an amended Joint Powers Agreement, shall be entitled to one (1) seat on the Administrative Committee for each Chief Officer or Executive of the public agency's departments which share in the CONFIRE System, and shall be entitled to one (1) vote per Chief Officer or executive thereon. Such vote may be cast only by the official representative to the Committee in physical attendance, or by the designated alternate, if such official representative is absent. No proxy votes or absentee voting will be permitted.

C. Only the Chief Officer or Executive or designated alternate may represent a participating agency on the Administrative Committee. The Chief Officer or Executive of each member government agency will designate, in writing, to CONFIRE an alternate who may serve on the Administrative Committee in the absence of such Chief Officer or Executive.

D. The Coordinator of Communications shall be the Secretary to the Administrative Committee, as a non-voting member.

E. The operations of the Agency shall be conducted under the direction and supervision of the Administrative Committee. Except as specifically excepted herein, no contract or other obligation of this Agency shall be binding unless approved or ratified by the Administrative Committee.

F. The Committee may establish rules for its own procedures and have such express or implied authority as is not inconsistent with or contrary to the laws of California, these By-Laws, or the Joint Exercise of Powers Act of the Government Code of the State of California. A quorum for the transaction of all business by the administrative Committee shall consist of a majority of the official representatives or designated alternates of the member governmental agencies.

G. Regular meetings of the Administrative Committee shall be held as required but not less than quarterly each year. Special meetings of the Administrative Committee may be called by its Chairperson, or by a member of the Administrative Committee. The time, date and location of regular meetings of the Administrative Committee shall be determined by the Administrative Committee. The Secretary shall cause to be delivered to each member agency at least five (5) calendar days prior to the meeting, an agenda and written notice calling a meeting of the Administrative Committee. Meetings of the Administrative Committee must comply with the Brown Act.

H. The Administrative Committee Chairperson shall be the principal executive officer of the Agency and shall be authorized to execute documents and instruments on behalf of the Agency and in general shall perform all duties incident to the office of Chairperson and such other duties as may be prescribed by the Board of Directors. They shall serve a one (1) year term as Chairperson and shall be elected to that position annually by the members of the Administrative Committee.

I. The Administrative Committee shall have the authority to contract with other governmental bodies for use of CONFIRE facilities, equipment, and programs and to establish appropriate charges therefore.

J. The Administrative Committee shall have the following duties:

- 1) Within the limits fixed by an approved budget, the Administrative Committee shall conduct the operation of the Agency.
- 2) Direct the preparation of the proposed annual budget. Following approval thereof by the administrative Committee, the proposed budget shall be submitted to the Board of Directors. After adoption of the annual budget by the Board of Directors, the Administrative Committee shall control all expenditures in accordance with such budget.
- 3) The Administrative Committee shall have the power to expend funds in accordance with the adopted budget.
- 4) At each regular meeting of the Board of Directors, the Administrative Committee shall report budget and financial transactions since the previous regular meeting.

K. The Administrative Committee shall present a full report of its activities at each regular meeting of the Board of Directors.

L. The Administrative Committee shall, as provided by the approved budget, have the authority to hire, fix the salary of, and remove the Coordinator of Communications.

ARTICLE VIII TECHNICAL COMMITTEE

A. There is hereby established a Technical Committee which shall be organized and be responsible for functions as hereinafter set forth.

B. Each public agency that is a member of this Agency shall be entitled to one (1) seat on the Technical Committee for each public-safety department which shares in the use of the CONFIRE System, and shall be entitled to one (1) vote per member thereon. Such vote may be cast only by the official representative to the Technical Committee in physical attendance, or by the designated alternate if such official representative is absent.

C. The Chief Officer or Executive of each member agency shall appoint a representative and alternate representative to the Technical Committee.

D. The Coordinator of Communications shall chair the Technical Committee and report all significant decisions to the Administrative Committee for concurrence.

E. The Technical Committee may establish rules for its own procedures. There shall be regularly scheduled meetings held to consider all matters dealing with liaison between the Agency and department personnel, operation of the Agency, and future planning.

F. The daily operation of the Agency shall be conducted under the direction and supervision of the Coordinator of Communications; however, they shall call emergency meetings of the Technical Committee should the need arise to meet operational requirements.

G. The Technical Committee shall provide to the Administrative Committee recommended solutions to operational problems.

H. Members of the Technical Committee, except for the Coordinator of Communications, shall serve without compensation for their services to the Agency.

ARTICLE IX COORDINATOR OF COMMUNICATIONS

A. The Coordinator of Communications shall perform such duties as shall be delegated by the Administrative Committee.

B. The Coordinator of Communications shall attend all Administrative Committee meetings and give advice on technical matters.

C. The Coordinator of Communications shall be the Chairperson of the Technical Committee. He shall provide to the Administrative Committee recommendations from the Technical Committee on operations and problems associated with the daily operation and maintenance of the Agency.

D. The Coordinator of Communications shall review jointly with the Administrative Committee all bid specifications for the purchase of all communications equipment prior to issuance and equipment modifications by member agencies.

ARTICLE X
FINANCES

- A. The fiscal year of the Agency shall end on June 30.
- B. The Agency budget for the following fiscal year shall be submitted by the Coordinator of Communications to the Administrative Committee on or before January 15 of each year. The Administrative Committee shall adopt a tentative budget on or before February 1 of each year and forwarded the same to the Board of Directors for review. The Board of Directors shall adopt the annual budget for the Agency not later than March 1 of each year; copies shall be mailed immediately to the Chief Administrative Officer of each participating governmental agency.
- C. The annual budget shall include the necessary funds with which the Agency shall obtain and maintain worker's compensation and liability insurance to fully protect the Agency and each of the member agencies. Said insurance shall be obtained and maintained in force at all times during the effective term of this Agreement.
- D. The Consolidated Fire Agency shall provide administrative and support services functions to the Agency consisting of personnel administration, facility site usage, purchasing, payroll and related functions.
- E. Reimbursement to the Consolidated Fire Agency for services in Paragraph D of this Article shall be based upon a cost percentage rate to be determined for the following fiscal year budget. The cost percentage rate shall be given to the Coordinator of Communications in writing from the Consolidated Fire Agency no later than the first day of December preceding the forthcoming fiscal year budget. It is stipulated that the percentage rate charged by the Consolidated Fire Agency shall not be applied to the following expense items of any approved fiscal year budget appropriation:
- 1) The expense of the applied percentage rate.
 - 2) Capital Outlay or improvement items.
 - 3) Contract Maintenance items to include telephone expense items.
- F. The Administrative Committee shall recommend to the Board of Directors cost-sharing charges for all participants in the Agency in an amount sufficient to provide the funds required by the budgets. The Board of Directors shall fix membership assessments and shall advise the Chief Administrative Officer of each participating agency thereof on or before April 1 of each year. Any participating agency whose charges have not been paid within sixty (60) days after billing shall pay interest on unpaid balance, not to exceed one percent (1%) per month. The Agency shall have the power to commence an action in its own name against any member agency in default to recover the amount of the obligation due to the Agency hereunder.

G. The amount of each participant's charges shall be determined in accordance with Paragraph H below.

H. The activities of the Agency shall be financed by a cost-sharing formula which shall require a proration among the participating agencies based on the demand percentage on the system by the agencies to be determined by the Administrative Committee and approved by the Board of Directors. Expenditures made and indebtedness incurred by the Agency relating to special equipment and services shall be paid entirely by such member agency. Facility and rental and/or space utilization shall be a separate item approved in the Agency's annual budget.

I. The CONFIRE System, as a computer-aided system, encompasses the computer-aided dispatch system (CAD), management information system (MIS), and the records management system (RMS). The RMS of the CONFIRE System will be located at the County Office of Management Services. RMS functional management shall be under the Coordinator of Communications, or his designated representative. The overall administration of the RMS shall be under the Coordinator of Communications' duties consistent with these By-Laws. Reimbursable costs to the Consolidated Fire Agency shall be determined by the Board of Directors in accordance with the Joint Powers Agreement and By-Laws.

ARTICLE XI AGENCY EMPLOYEES

A. Agency employees are under the authority of the Agency. As such the Agency retains the authority to approve all benefits and privileges that may accrue to Agency employees. However, Agency employees shall be entitled to all benefits and privileges secured by Special Districts employees as provided by the Personnel Rules and Regulations of the Office of Special Districts, but subject to the approval of, and the organizational lines of authority contained within the Agency as structured by the Joint Powers Agreement and By-Laws.

B. The duties of, and the organizational authority over the Coordinator of Communications are stipulated in previous articles within these By-Laws. The Coordinator of Communications is also authorized to establish a non-management line of supervision to assist him in the day-to-day communications center operations which include delegation of certain personnel management procedures and supervision. Therefore, non-management personnel shall follow the organizational lines of authority as defined by the Coordinator of Communications and set forth within these By-Laws.

C. Benefits and privileges of Agency employees shall be associated with the following representation units for the employees of the Office of Special Districts:

- 1) Coordinator of Communications. A Consolidated Fire Agency recognized Management employee. No representation.
- 2) Administrative Technician and all Communications employees. The same as the Special Districts recognized non-safety group.

D. Paragraph C above does not obligate the agency to recognize the representation units associated with the Office of Special Districts for any separate meet and confer matters. However, should employees exercise their rights to secure separate representation units under Employer/Employee Organizations guidelines as set forth in the Government Code of the State of California, Section 3500 et seq, and such representation units are officially recognized by the Agency, then Paragraph C et al., of this Article shall defer to that agreement between the employees and the Agency.

E. The Office of Special Districts Personnel Office shall immediately provide the Coordinator of Communications with all ratified Memoranda of Understanding (MOU) as affects employees' benefits and privileges. Upon receipt of such MOU(s) the Coordinator of Communications will request a special joint meeting of the Administrative Committee and Board of Directors for determination.

ARTICLE XII AUDIT

The Board of Directors shall request that the Treasurer initiate an annual audit of the financial affairs of the Agency, to be made by an independent Certified public Accountant at the end of each fiscal year in accordance with generally accepted auditing principles and as provided in the Agreement. The annual report shall be delivered to each member agency not later than 60 days subsequent to the end of each fiscal year.

ARTICLE XIII LIABILITY AND PROPERTY

A. Except as otherwise provided by individual contracts, the debts, liabilities, and obligations of the Agency shall not be the debts, liabilities, and obligations of the parties to the Agreement.

B. All property, with the exception of assets funded by grant funds, acquired by the Agency shall be owned in common by the parties to the Joint Powers Agreement, in equal shares, unless otherwise determined in writing by all of the parties hereto. The

Treasurer shall cause an inventory and asset account to be kept current at all times, showing the assets of the Agency. Grant funded equipment or services shall remain the property of the Grantee applicant.

C. Any contributions of equipment by any of the member governmental agencies will be assigned a value by the Administrative Committee and such value will be credited to the account of that member and be a part of and included within any distribution formula in the event of withdrawal, termination or dissolution as provided herein.

D. Each member shall have a vested interest in all capital acquisitions by the Agency in the same ratio as they are obligated to share in the cost-sharing proration. Capital acquisitions from grant funds are excluded.

ARTICLE XIV
WITHDRAWAL, TERMINATION AND DISSOLUTION

A. A member may withdraw from this Agency in the manner prescribed by the Agreement; provided, however, that Agency assets directly attributable to the accumulated capital contribution of the withdrawing party shall remain with the system for use by CONFIRE without compensation to the withdrawing party, until the termination of this Agreement and the distribution of assets to all parties in winding up.

B. If this Agreement is terminated, assigned or transferred in whole or in part, all property and equipment owned by CONFIRE shall be distributed to the parties; distribution to each party shall be made in the same proportion as that reflected in the members' accumulated capital contribution account as shown in the Treasurer's books of account. Cash may be accepted in lieu of property or equipment. Grant assets remain the property of the Grantee.

C. If the parties to the Agreement herein cannot agree as to the valuation and distribution of the property, the valuation and distribution shall be determined by a panel of arbitrators, one being appointed by each agency and one additional arbitrator shall be appointed by a majority of the agencies. All matters relating to valuation and distribution of assets as determined by this panel of arbitrators shall be final and conclusive as to this Agency.

D. This Agreement shall not terminate until all property has been distributed in accordance with these provisions; and the winding up and property distribution hereunder shall be affected in the manner calculated to cause the least disruption of existing public safety communications systems.

E. On withdrawal of members so as to reduce the number of continuing participants to less than the original number of participating numbers, or upon the action of a majority of participating members to dissolve, then this Agreement and such Agency shall be terminated and dissolved. Upon such termination and dissolution (and after payment of all debts), all individual files and documents and documentation shall be distributed to their owners without charge or offset. The remaining assets or liabilities, excluding grant funded assets, of the Agency shall be distributed among the members who had participated in this Agency as set forth above.

F. If the withdrawal of a member causes the remaining members to terminate the Joint Powers Agreement, then the withdrawing member shall participate in the termination of this Agreement as set forth above.

ARTICLE XV
CONTRACTS, LOANS, CHECKS AND DEPOSITS

A. The Board of Directors may authorize any officer or officers, agency or agents, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Agency, and such authority may be general or confined to specific instances.

B. No loans shall be contracted on behalf of the Agency and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

C. All checks, drafts or other orders for the payment of monies, notes or other evidences of indebtedness issued in the name of the Agency shall be signed by such officer or officers, agent or agents, of the Agency and in such manner as shall from time to time be determined by the Board of Directors.

D. All funds of the Agency not otherwise encumbered shall be deposited from time to time to the credit of the Agency in such banks, trust companies or other depositories by the Treasurer with the consent of the Board of Directors.

ARTICLE XVI
AMENDMENT

A. Amendment to these By-Laws may be proposed by any member of the Board of Directors or by the Administrative Committee. The amendment shall be submitted to the Board of Directors.

B. Unanimous approval by the Board of Directors shall be required to adopt any amendment to these By-Laws.

ARTICLE XVII
EFFECTIVE DATE

These By-Laws shall go into effect immediately upon the execution of the Agreement by all of the original participants in the Agency.

Appendix 2
To Second Amended Joint Powers Agreement
[First Amendment to Joint Powers Agreement]

**AMENDMENT TO THE JOINT POWERS AGREEMENT OF THE
CONFIRE JPA APPROVING A NAME CHANGE TO THE
CONSOLIDATED FIRE AGENCIES AND THE ADDITION OF THE
RANCHO CUCAMONGA FIRE PROTECTION DISTRICT AS A
MEMBER AGENCY**

This AMENDMENT to the Joint Powers Agreement of the CONFIRE JPA dated this 3rd day of ~~September~~ 2013, is made by and between the member agencies that comprise the Consolidated Fire Agencies ("CONFIRE"), a joint powers authority of the State of California, and the Rancho Cucamonga Fire Protection District.

WHEREAS, the cities of Redlands, Loma Linda, Colton, Rialto and the San Bernardino County Fire Protection District (formerly known as the San Bernardino County Consolidated Fire Agency) entered into a Joint Powers Agreement on May 15, 1990, and through subsequent programs to form the Consolidated Fire Agencies, also known as CONFIRE; and

WHEREAS, the Rancho Cucamonga Fire Protection District has approached CONFIRE to express its interest in becoming a voting member; and

WHEREAS, Section 5 of the Joint Powers Agreement of CONFIRE ("Agreement") provides that each additional public agency which may hereinafter sign the Agreement is a member of the Agency and is entitled to all the rights and privileges and subject to the obligations of membership, as provided in the Bylaws; and

WHEREAS, Article 3 of the Bylaws states that all governmental agencies which provide public safety services are eligible for membership in CONFIRE, provided in part that all members of CONFIRE sign an amendment to the Joint Exercise of Powers Agreement;

WHEREAS, Article 3 further states that membership shall be contingent upon execution of the Amendment, and the payment of such new member contribution or buy-in; and

WHEREAS, pursuant to Government Code section 6500 et seq., the parties to the Agreement desire to amend the JPA to add the Rancho Cucamonga Fire Protect District as a full voting member of the CONFIRE; and

WHEREAS, to that end, each of the member agencies adopted the Amendment to add the Rancho Cucamonga Fire Protection District to the Agreement; and

WHEREAS, the membership fee for Rancho Cucamonga Fire Protection District has been determined to be FOUR HUNDRED TWENTY THOUSAND DOLLARS SIX HUNDRED THIRTEEN DOLLARS (\$420,613.00);

WHEREAS, these changes and terms are hereby accepted as demonstrated by the execution of the written Amendment to the Agreement agreeing to the new terms as set forth therein.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. The Rancho Cucamonga Fire Protection District has agreed to the terms and conditions of this Amendment. The Rancho Cucamonga Fire Protection District, as a member of CONFIRE, further agrees to abide by any applicable CONFIRE bylaws. The Rancho Cucamonga Fire Protection District will sign an addendum becoming a signatory to the CONFIRE Joint Powers Agreement.
2. Upon execution of this Amendment and Addendum, the Rancho Cucamonga Fire Protection District will become a member of the CONFIRE JPA.
3. Approve the Amendment of the CONFIRE Joint Powers Agreement attached hereto and by this reference incorporated herein as Exhibit "A," adding the Rancho Cucamonga Fire Protection District as a member agency of CONFIRE upon its execution of an addendum becoming a signatory to the Agreement.
4. Approve the name change from Consolidated Fire Agencies of the East Valley to simply the Consolidated Fire Agencies.
5. Approve the membership fee for the Rancho Cucamonga Fire Protection District in the amount of FOUR HUNDRED TWENTY THOUSAND DOLLARS SIX HUNDRED THIRTEEN DOLLARS (\$420,613.00).
6. That the Chairperson of the Board of Directors of CONFIRE is hereby authorized to execute the proposed addendum to the JPA on behalf of CONFIRE.
7. This Amendment may be executed in counterparts.
8. All other provisions of the Agreement are to remain unchanged.
9. This Amendment is to be effective upon execution by all parties that are currently signatories to the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to the CONFIRE Joint Powers Agreement to be executed and attested by their officers thereto duly authorized as of the date first above written.

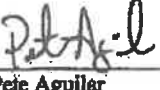
[SIGNATURES ON THE FOLLOWING PAGES]

**SIGNATURE PAGE TO THE
AMENDMENT TO THE CONFIRE JOINT POWERS AGREEMENT**

ATTEST:

CITY OF REDLANDS


By: 
Sam Irwin
City Clerk


By: 
Pete Aguilar
Mayor

Dated: 9/3/13

ATTEST:

CITY OF LOMA LINDA

By: 
Pamela Bymes-D'Amico
City Clerk

By: 
Rhodes Rigsby
Mayor

Dated: 9-17-2013

ATTEST:

CITY OF COLTON

By: 
Eileen Gomez
City Clerk

By: 
Sarah Zamora
Mayor

Dated: 10/1/13

ATTEST:

CITY OF RIALTO

By: 
Barbara McGee
City Clerk

By: 
Deborah Robertson
Mayor

Dated: 10/21/13

**SIGNATURE PAGE TO THE
AMENDMENT TO THE JOINT POWERS AGREEMENT**

ATTEST:

By: _____
Laura H. Welch
Secretary of the Board of Directors

**SAN BERNARDINO COUNTY FIRE
PROTECTION DISTRICT**

By: Janice Rutherford
Janice Rutherford
Chairperson of the Board of Directors

Dated: JUL 09 2013

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIRMAN OF THE BOARD
LAURA H. WELCH
Secretary

By _____



[Addendum to the Joint Powers Agreement]

**ADDENDUM TO THE JOINT POWERS AGREEMENT OF CONFIRE ADDING
THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT AS A MEMBER
AGENCY**

This ADDENDUM to the JOINT POWERS AGREEMENT dated this 7th day of Sept, 2013, is made by and between the Consolidated Fire Agencies ("CONFIRE"), a joint powers authority of the State of California, and the Rancho Cucamonga Fire Protection District.

WHEREAS, Section 5 of the Joint Powers Agreement of CONFIRE ("Agreement"), provides that each additional public agency that becomes a signatory to the Agreement shall become a member who is entitled to all the rights and privileges and subject to the obligations of membership, as provided in the joint powers agreement and the bylaws; and

WHEREAS, Section 8 of the Agreement provides that this Agreement may only be amended by written agreement of all the parties; and

WHEREAS, the Rancho Cucamonga Fire Protection District desires to become a member of CONFIRE; and

WHEREAS, all the member cities and districts of the CONFIRE JPA have unanimously approved by resolution adding the Rancho Cucamonga Fire Protection District as its newest member; and

WHEREAS, TO THAT END, the Board of Directors of the Rancho Cucamonga Fire Protection District has agreed to the District becoming a signatory to the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. The Rancho Cucamonga Fire Protection District agrees to the terms and conditions of the Agreement incorporated herein by reference as Exhibit "A" and any amendments thereto.
2. The Rancho Cucamonga Fire Protection District further agrees to abide by the CONFIRE bylaws incorporated herein by reference as Exhibit "B" and any amendments thereto.
3. Upon execution of this Addendum to the Agreement, the Rancho Cucamonga Fire Protection District will become a member of the CONFIRE, and will add itself as a signatory to the Agreement by executing Exhibit "C".
4. This Addendum shall become effective upon the execution of the signatory page.

[SIGNATURES ON FOLLOWING PAGE]

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**ADDENDUM TO THE JOINT POWERS AGREEMENT OF CONFIRE ADDING
THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT AS A MEMBER
AGENCY**

**CONFIRE, a California joint powers
authority**

BY: R. Z. Rigsby
Dr. Rhodes Rigsby
Chairperson

ATTEST

BY: R. Britt
Rick Britt
Secretary of CONFIRE

**RANCHO CUCAMONGA FIRE
PROTECTION DISTRICT**

BY: [Signature]
President, Board of Directors

ATTEST:

BY: [Signature]
Secretary

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Exhibit "A"

Joint Powers Agreement

[Attached Behind This Page]

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JOINT POWERS AGREEMENT

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THIS AGREEMENT is entered into by and between the public agencies signatory hereto, hereinafter called "public agencies."

WITNESSETH:

WHEREAS, the signatories herein have determined that there is a need by public agencies within the East End cities of San Bernardino County, California, to establish a regional fire agency to best serve the needs of all the citizens of said public agencies; and,

WHEREAS, said public agencies have heretofore determined that the interests of the citizens of each of said public agencies can best be served by the coordinated use of public safety radio channels and centralized regional computer aided communications system; and,

WHEREAS, said public agencies recognize the mutual benefit of a centralized joint effort for the development, implementation, and subsequent operation and maintenance of such a centralized system; and,

WHEREAS, said public agencies desire to centralize and provide safety communication operations; and,

WHEREAS, said public agencies have heretofore determined that it is desirable and necessary to collectively direct the management policies and operational practices of said regional fire agency; and,

WHEREAS, the cost of developing, operating and

1 maintaining said centralized systems is more cost effective
2 to such public agencies; and,

3 WHEREAS, said public agencies operate a cooperative
4 program of fire protection and related functions that are
5 mutually agreed upon; and,

6 WHEREAS, Title 1, Division 7, Chapter 5 of the Government
7 Code of the State of California authorizes public agencies to
8 enter into an agreement for the joint exercise of any power
9 common to them; and,

10 WHEREAS, these public agencies possess the power to
11 consolidate public safety communications and operational
12 programs by the execution and implementation of this
13 Agreement.

14 NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL
15 ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF
16 THE MUTUAL COVENANTS HEREBIN CONTAINED, IT IS AGREED BY AND
17 BETWEEN THE PARTIES HERETO AS FOLLOWS:

18 1. Agency Established. Pursuant to the joint powers
19 authorization of the California Government Code, the
20 undersigned do hereby federate together in a cooperative
21 agency for the joint and mutual operation of a centralized
22 public safety communication agency and a cooperative program
23 of fire protection and related functions, to be known as the
24 Consolidated Fire Agencies of the East Valley, hereinafter
25 designated as "CONFIRE," which shall be a public entity
26 separate from the parties to the Agreement.

1 to this Agreement at least one hundred eighty (180) days prior
2 to the end of the then current fiscal year.

3 7. Powers and Debts of Authority. Agency shall have
4 the power in its own name, to make and enter into contracts,
5 to employ agents and employees, to acquire, hold and dispose
6 of property, real and personal, to sue and be sued in its own
7 name, and to incur debts, liabilities or obligations necessary
8 for the accomplishment of the purpose of this Agreement.
9 However, the debts, liabilities, and obligations of the Agency
10 shall not constitute any debt, liability or obligation to any
11 of the individual public agencies which are signatory to this
12 Agreement. The Agency shall not have the power of eminent
13 domain nor the power to levy taxes, and its power generally
14 shall be subject to the restrictions applicable to the Central
15 Valley Fire Protection District.

16 8. Amendment. This Agreement may not be amended,
17 except written agreement of all the parties, provided,
18 however, that the By-Laws may be amended from time to time by
19 the method and means provided therein.

20 9. Duration of Agreement. This Agreement shall
21 continue in effect until terminated by unanimous consent of
22 the parties or until dissolution of the Agency in the manner
23 provided in said By-Laws. Upon such termination, or
24 dissolution, the non-grant assets remaining, including any
25 surplus money, shall be disposed of in proportion to
26 contributions made. Grant funded assets shall be disposed of

1 in accordance with Federal and State regulations and
2 instructions.

3 10. Enforcement. Agency is hereby given the power to
4 enforce this Agreement. If suit is necessary to enforce any
5 of the provisions hereof, including any provision of the By-
6 Laws, the defaulting member shall pay reasonable attorney fees
7 to the Agency as adjudicated and determined by the Court.

8 11. Authorization. Upon execution of this Agreement,
9 each member shall deliver to the Agency a certified copy of
10 a governing board action, resolution or minute order
11 authorizing and directing the execution of this Agreement.

12 12. Board of Directors.

13 A. There is established a Board of Directors for the
14 Agency which shall consist of a representative of the
15 governing body of each member agency. The governing body of
16 each member agency shall designate in writing to CONFIRE, the
17 primary and alternate members to serve on the Board of
18 Directors. At its annual meeting, the Board of Directors shall
19 select one of its members to serve as Chairperson of the Board
20 until the next annual meeting. The Chairpersonship of the
21 Board of Directors shall rotate annually in a fixed sequence
22 among the members.

23 B. The Board of Directors shall have the responsibility
24 for the appointment of auditors, approval of new members, and
25 approval of the annual budget and assessment schedule of the
26 Agency, and the exercise of those powers granted to it by the

1 By-Laws.

2 C. Each public agency which is a member of the Agency
3 shall be entitled to one (1) Director on the Board and shall
4 be entitled to one (1) vote thereon. Such one vote may be
5 cast only by the member agency's designated primary or
6 alternate representative in attendance.

7 13. Source of Funds. Any contributions of funds by
8 member agencies shall be apportioned based on the number of
9 fires in each agency's jurisdiction over the immediate
10 preceding two year period.

11 14. Accountability and Audits. The Agency shall be ✓
12 strictly accountable for all funds and shall report all
13 receipts and disbursements, as required by Government Code
14 Section 6505. The Treasurer of San Bernardino County shall
15 act as treasurer and depository for the Agency pursuant to
16 Government Code Section 6505.5, and shall handle and have
17 access to Agency property, under an official bond in an amount
18 fixed by the member agencies. The Agency shall contract for ✓
19 a certified public accountant to perform an annual audit of
20 the accounts and records of the Agency, and a report thereof
21 shall be filed as public record with each of the contracting
22 parties and with the Auditor of the County of San Bernardino
23 within 60 days subsequent to the end of the fiscal year under
24 examination.

25 15. Indemnification. Each party hereby agrees to
26 defend, indemnify, and hold each other party, its elected

1 officials, officers, agents, and employees free and harmless
2 from any and all liability or claims for personal injury,
3 death, and property damage which may arise from the
4 indemnifying party's negligent acts or omissions under this
5 Agreement. None of the parties shall be held responsible or
6 liable to any other party for any loss, damage or delay caused
7 by accidents, strikes, lockouts, fire, flood, act of civil or
8 military authority or by insurrection or riot or by any other
9 cause which is beyond its control.

10 16. Effective Date of Agreement. This Agreement shall
11 become effective upon its execution by the Cities of Colton,
12 Loma Linda, Redlands, and Rialto, the Central Valley Fire
13 Protection District and the San Bernardino County Consolidated
14 Fire Agency. Within 30 days of said date, the Agency shall
15 cause notice of this Agreement to be filed with the Secretary
16 of State of California, pursuant to Government Code Section
17 6503.5.

1 IN WITNESS WHEREOF, the undersigned public agencies have
2 set their signature on the respective dates set forth below.
3 This document may be signed in duplicate originals.

4
5 ATTEST: CITY OF REDLANDS
A Municipal Corporation

6
7
8 Devin Payne
City Clerk

By: [Signature]
Mayor

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10 ATTEST: CITY OF LOMA LINDA
A Municipal Corporation

11
12 Parishia Bryan-O'Comb
13 City Clerk

By: [Signature]
Mayor

14
15 ATTEST: CITY OF COLTON
A Municipal Corporation

16
17 Helena A. Kama
18 City Clerk

By: [Signature]
Mayor

19
20 ATTEST: CITY OF RIALTO
A Municipal Corporation

21
22 James H. Sampson
23 City Clerk

By: [Signature]
Mayor

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ATTEST:

Clerk of the Board of Supervisors

APPROVED AS TO FORM
DATE MAY 15 1990

Alan K. Marks, COUNTY COUNSEL
SAN BERNARDINO COUNTY CALIFORNIA
BY _____ DEPUTY

SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE CHAIR-
MAN OF THE BOARD



SAN BERNARDINO COUNTY
CONSOLIDATED FIRE AGENCY

By: *Robert Alan Fisher*
Chairman, Board of Supervisors of San Bernardino County, as Governing Body of San Bernardino County Consolidated Fire Agency

CENTRAL VALLEY FIRE PROTECTION DISTRICT

By: *Robert Alan Fisher*
Chairman, Board of Supervisors of San Bernardino County, as Governing Body of Central Valley Fire Protection District

Exhibit "B"

Bylaws

[Attached Behind This Page]

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BY-LAWS
CONFIRE

ARTICLE I
PURPOSE

The CONSOLIDATED FIRE AGENCIES OF THE EAST VALLEY (CONFIRE) is a co-operative association voluntarily established by its members pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California for the purpose of providing hardware, software, services, and other items necessary and appropriate for the establishment, operation, and maintenance of a joint centralized public safety communications system and a cooperative program of fire related functions for the mutual benefit of the members of the Agency, to provide such services on a contract basis to other governmental units, and to provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding public safety communications and related matters within member agencies. CONFIRE is sometimes hereinafter referred to as the "Agency."

ARTICLE II
POWERS

The powers of the Agency include, but are not limited to the following:

- a) to enter into contracts, including the performance of services for other governmental units;
- b) to employ agents and employees;
- c) to acquire, lease, hold, and dispose of property, real and personal;
- d) to incur debts, liabilities or obligations;
- e) the purchase or lease of the equipment and machinery necessary;
- f) the employment of the necessary personnel and the operation and maintenance of a communications system;
- g) all powers necessary and incidental to carrying out the purpose set forth in ARTICLE I of these By-Laws; and
- h) the power to sue and be sued in its own name.

ARTICLE III
PARTICIPATION

A. All governmental agencies which provide public safety services are eligible for membership of this Agency, provided the parties to the existing Agency agree and all parties sign an amended Joint Exercise of Powers Agreement.

B. Membership shall be contingent upon the execution of the Joint Powers Agreement creating and establishing this Agency and the payment by each such governmental agency of a fee to be determined and agreed upon by the majority vote of Board of Directors. The Board of Directors may, by a similar vote, impose to the terms, costs, and assessment charges as specified in the Agreement or By-Laws. All fees, costs, and assessment charges shall become the revenue of the Agency.

C. Upon becoming a member, all new members shall become subject to the same financial obligations of CONFIRE as all other members, unless otherwise specifically agreed to in the amended Joint Exercise of Powers Agreement.

ARTICLE IV
BOARD OF DIRECTORS

A. The Board of Directors shall function as set forth in Section 12 of the Joint Powers Agreement and as further set forth herein.

B. The member agency's principal or alternative representative shall serve until a successor is appointed by the appointing powers. A vacancy shall immediately occur in the office of any officer upon the resignation or death of such person holding such office, or upon his ceasing to be an officer or employee of any member government. Upon a vacancy occurring in any office, the Board of Directors may appoint a successor to fill the vacancy until the member agency represented by the officer assigns a new member to represent the governmental agency. The rotation of officers may be advanced one year before the vacancy has been filled if the Board of Directors finds this advisable.

C. The Board of Directors may establish rules governing its own conduct and procedure and have such express or implied powers which are not inconsistent with or contrary to the laws of the State of California, these By-Laws, or Agreement.

D. A quorum for the transaction of all business by such Board of Directors shall consist of a majority of the representative membership.

E. No one serving on the Board of Directors shall receive any salary or compensation from the Agency.

F. The Board, on behalf of the Agency, may accept contributions or donations and may apply for and use grants or loans of money or other property from the state, or any other governmental units, or individuals, foundations or organizations and may enter into agreements required in connection therewith and may hold, use and dispose of such monies or property in accordance with the terms of the grant, donation, loan or agreement relating thereto. However, nothing in this section should be construed to require the participation or financial obligation of any member agency without the express written authorization in the form of a resolution by its legislative body and only to the extent so authorized.

ARTICLE V
BOARD OF DIRECTOR'S MEETINGS

A. Regular public meetings, also termed General Meetings, of the Board of Directors shall be held at least twice a year at a regular date, time and place established by resolution of the Board pursuant to the provisions of Section 54954 of the Government Code. A regular meeting of the Board shall be held in the month of February at which time the Board shall consider and adopt the annual budget for the Agency for the following fiscal year. The annual meeting shall be held in September at which meeting the Board shall elect officers.

B. Special meetings of the Board of Directors may be called by its Chairperson or by the Administrative Committee by its own motion, or shall be called by the Administrative Committee upon written request by any one (1) of its members. Ten (10) days written notice of special meetings shall be given to the official representatives of each member Agency and an agenda specifying the subject of such special meeting shall accompany such notice. Business conducted at said meetings shall be limited to those items specified in the agenda. However, if deemed necessary, due to the urgent nature of the issue, the Chairperson or the administrative Committee, by its own motion, may call for an emergency meeting on a twenty-four (24) hour notice for the purpose of discussion a specific issue.

C. The date, time and location of special, and emergency, meetings of the Board of Directors shall be determined by the Chairperson of the Board of Directors. Regular, special and emergency meetings shall be held within the County of San Bernardino.

D. Notice of the regular meeting of the Board of Directors shall be given to the respective Board Member, Supervisor, Mayor, and Manager of each member Agency at least thirty (30) days prior to such meeting and an agenda for such meeting shall accompany the notice.

E. To the extent not contrary to these By-Laws, Robert's Rules of Order shall govern all meetings of the Board of Directors.

ARTICLE VI
DUTIES OF AGENCY OFFICERS

A. The officers of CONFIRE shall consist of a Chairperson, a Vice-Chairperson, a Secretary and a Treasurer. The Chairperson shall be a member of the Board of Directors.

B. In the absence of a Chairperson, or in the event of his inability or refusal to act, the Vice-Chairperson shall perform the duties of the Chairperson, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairperson.

C. The Coordinator of Communications shall be the Secretary to the Board of Directors, but shall be a non-voting member.

D. The Treasurer shall be the Financial Officer from the Consolidated Fire Agency. He shall be a non-voting member.

E. The Treasurer shall have the powers and duties as set forth in Section 6505 and 6505.5 of the Government Code, any other applicable provisions of State law, the Agreement, these By-Laws, or as may be established by the Board of Directors. The Treasurer shall serve the Agency without charge to the Agency, except for the administrative services charges to the Consolidated Fire Agency.

There shall be strict accountability of all funds of the Agency and a report of all receipts and disbursements as required by Section 6505 of the Government Code.

F. The Treasurer shall give a bond in the amount of \$25,000 for the faithful discharge of his duties, with such surety or sureties as the Board of Directors shall determine. The Treasurer shall: (a) Have charge and custody of and be responsible for all funds, securities and assets of the Agency; receive and give receipts for monies due and payable to the Agency from any source whatsoever, and deposit all such monies in a separate fund in the name of the Agency with the County Auditor/Controller; (b) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

G. The Secretary shall; (a) keep the minutes of the Agency meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with provisions of these By-Laws or as required by law; (c) be custodian of the records of the Agency; (d) in general, perform all duties as, from time to time, may be assigned to him/her by the Board of Directors.

ARTICLE VII
ADMINISTRATIVE COMMITTEE

A. There is hereby established an Administrative Committee of the Agency, which shall be organized and be responsible for functions hereinafter set forth.

B. Each public agency that is a signatory member to the Joint Powers Agreement, or an amended Joint Powers Agreement, shall be entitled to one (1) seat on the Administrative Committee for each Chief Officer or Executive of the public agency's departments which share in the CONFIRE System, and shall be entitled to one (1) vote per Chief Officer or executive thereon. Such vote may be cast only by the official representative to the Committee in physical attendance, or by the designated alternate, if such official representative is absent. No proxy votes or absentee voting will be permitted.

C. Only the Chief Officer or Executive or designated alternate may represent a participating agency on the Administrative Committee. The Chief Officer or Executive of each member government agency will designate, in writing, to CONFIRE an alternate who may serve on the Administrative Committee in the absence of such Chief Officer or Executive.

D. The Coordinator of Communications shall be the Secretary to the Administrative Committee, as a non-voting member.

E. The operations of the Agency shall be conducted under the direction and supervision of the Administrative Committee. Except as specifically excepted herein, no contract or other obligation of this Agency shall be binding unless approved or ratified by the Administrative Committee.

F. The Committee may establish rules for its own procedures and have such express or implied authority as is not inconsistent with or contrary to the laws of California, these By-Laws, or the Joint Exercise of Powers Act of the Government Code of the State of California. A quorum for the transaction of all business by the administrative Committee shall consist of a majority of the official representatives or designated alternates of the member governmental agencies.

G. Regular meetings of the Administrative Committee shall be held as required but not less than quarterly each year. Special meetings of the Administrative Committee may be called by its Chairperson, or by a member of the Administrative Committee. The time, date and location of regular meetings of the Administrative Committee shall be determined by the Administrative Committee. The Secretary shall cause to be delivered to each member agency at least five (5) calendar days prior to the meeting, an agenda and written notice calling a meeting of the Administrative Committee. Meetings of the Administrative Committee must comply with the Brown Act.

H. The Administrative Committee Chairperson shall be the principal executive officer of the Agency and shall be authorized to execute documents and instruments on behalf of the Agency and in general shall perform all duties incident to the office of Chairperson and such other duties as may be prescribed by the Board of Directors. They shall serve a one (1) year term as Chairperson and shall be elected to that position annually by the members of the Administrative Committee.

I. The Administrative Committee shall have the authority to contract with other governmental bodies for use of CONFIRE facilities, equipment, and programs and to establish appropriate charges therefor.

J. The Administrative Committee shall have the following duties:

- 1) Within the limits fixed by an approved budget, the Administrative Committee shall conduct the operation of the Agency.
- 2) Direct the preparation of the proposed annual budget. Following approval thereof by the administrative Committee, the proposed budget shall be submitted to the Board of Directors. After adoption of the annual budget by the Board of Directors, the Administrative Committee shall control all expenditures in accordance with such budget.
- 3) The Administrative Committee shall have the power to expend funds in accordance with the adopted budget.
- 4) At each regular meeting of the Board of Directors, the Administrative Committee shall report budget and financial transactions since the previous regular meeting.

K. The Administrative Committee shall present a full report of its activities at each regular meeting of the Board of Directors.

L. The Administrative Committee shall, as provided by the approved budget, have the authority to hire, fix the salary of, and remove the Coordinator of Communications.

ARTICLE VIII TECHNICAL COMMITTEE

A. There is hereby established a Technical Committee which shall be organized and be responsible for functions as hereinafter set forth.

B. Each public agency that is a member of this Agency shall be entitled to one (1) seat on the Technical Committee for each public-safety department which shares in the use of the CONFIRE System, and shall be entitled to one (1) vote per member thereon. Such vote may be cast only by the official representative to the Technical Committee in physical attendance, or by the designated alternate if such official representative is absent.

C. The Chief Officer or Executive of each member agency shall appoint a representative and alternate representative to the Technical Committee.

D. The Coordinator of Communications shall chair the Technical Committee and report all significant decisions to the Administrative Committee for concurrence.

E. The Technical Committee may establish rules for its own procedures. There shall be regularly scheduled meetings held to consider all matters dealing with liaison between the Agency and department personnel, operation of the Agency, and future planning.

F. The daily operation of the Agency shall be conducted under the direction and supervision of the Coordinator of Communications; however, they shall call emergency meetings of the Technical Committee should the need arise to meet operational requirements.

G. The Technical Committee shall provide to the Administrative Committee recommended solutions to operational problems.

H. Members of the Technical Committee, except for the Coordinator of Communications, shall serve without compensation for their services to the Agency.

ARTICLE IX COORDINATOR OF COMMUNICATIONS

A. The Coordinator of Communications shall perform such duties as shall be delegated by the Administrative Committee.

B. The Coordinator of Communications shall attend all Administrative Committee meetings and give advice on technical matters.

C. The Coordinator of Communications shall be the Chairperson of the Technical Committee. He shall provide to the Administrative Committee recommendations from the Technical Committee on operations and problems associated with the daily operation and maintenance of the Agency.

D. The Coordinator of Communications shall review jointly with the Administrative Committee all bid specifications for the purchase of all communications equipment prior to issuance and equipment modifications by member agencies.

ARTICLE X
FINANCES

A. The fiscal year of the Agency shall end on June 30.

B. The Agency budget for the following fiscal year shall be submitted by the Coordinator of Communications to the Administrative Committee on or before January 15 of each year. The Administrative Committee shall adopt a tentative budget on or before February 1 of each year and forwarded the same to the Board of Directors for review. The Board of Directors shall adopt the annual budget for the Agency not later than March 1 of each year; copies shall be mailed immediately to the Chief Administrative Officer of each participating governmental agency.

C. The annual budget shall include the necessary funds with which the Agency shall obtain and maintain worker's compensation and liability insurance to fully protect the Agency and each of the member agencies. Said insurance shall be obtained and maintained in force at all times during the effective term of this Agreement.

D. The Consolidated Fire Agency shall provide administrative and support services functions to the Agency consisting of personnel administration, facility site usage, purchasing, payroll and related functions.

E. Reimbursement to the Consolidated Fire Agency for services in Paragraph D of this Article shall be based upon a cost percentage rate to be determined for the following fiscal year budget. The cost percentage rate shall be given to the Coordinator of Communications in writing from the Consolidated Fire Agency no later than the first day of December preceding the forthcoming fiscal year budget. It is stipulated that the percentage rate charged by the Consolidated Fire Agency shall not be applied to the following expense items of any approved fiscal year budget appropriation:

- 1) The expense of the applied percentage rate.
- 2) Capital Outlay or improvement items.
- 3) Contract Maintenance items to include telephone expense items.

F. The Administrative Committee shall recommend to the Board of Directors cost-sharing charges for all participants in the Agency in an amount sufficient to provide the funds required by the budgets. The Board of Directors shall fix membership assessments and shall advise the Chief Administrative Officer of each participating agency thereof on or before April 1 of each year. Any participating agency whose charges have not been paid within sixty (60) days after billing shall pay interest on unpaid balance, not to exceed one percent (1%) per month. The Agency shall have the power to commence an action in its own name against any member agency in default to recover the amount of the obligation due to the Agency hereunder.

G. The amount of each participant's charges shall be determined in accordance with Paragraph H below.

H. The activities of the Agency shall be financed by a cost-sharing formula which shall require a proration among the participating agencies based on the demand percentage on the system by the agencies to be determined by the Administrative Committee and approved by the Board of Directors. Expenditures made and indebtedness incurred by the Agency relating to special equipment and services shall be paid entirely by such member agency. Facility and rental and/or space utilization shall be a separate item approved in the Agency's annual budget.

I. The CONFIRE System, as a computer-aided system, encompasses the computer-aided dispatch system (CAD), management information system (MIS), and the records management system (RMS). The RMS of the CONFIRE System will be located at the County Office of Management Services. RMS functional management shall be under the Coordinator of Communications, or his designated representative. The overall administration of the RMS shall be under the Coordinator of Communications' duties consistent with these By-Laws. Reimbursable costs to the Consolidated Fire Agency shall be determined by the Board of Directors in accordance with the Joint Powers Agreement and By-Laws.

ARTICLE XI AGENCY EMPLOYEES

A. Agency employees are under the authority of the Agency. As such the Agency retains the authority to approve all benefits and privileges that may accrue to Agency employees. However, Agency employees shall be entitled to all benefits and privileges secured by Special Districts employees as provided by the Personnel Rules and Regulations of the Office of Special Districts, but subject to the approval of, and the organizational lines of authority contained within the Agency as structured by the Joint Powers Agreement and By-Laws.

B. The duties of, and the organizational authority over the Coordinator of Communications are stipulated in previous articles within these By-Laws. The Coordinator of Communications is also authorized to establish a non-management line of supervision to assist him in the day-to-day communications center operations which include delegation of certain personnel management procedures and supervision. Therefore, non-management personnel shall follow the organizational lines of authority as defined by the Coordinator of Communications and set forth within these By-Laws.

C. Benefits and privileges of Agency employees shall be associated with the following representation units for the employees of the Office of Special Districts:

- 1) Coordinator of Communications. A Consolidated Fire Agency recognized Management employee. No representation.
- 2) Administrative Technician and all Communications employees. The same as the Special Districts recognized non-safety group.

D. Paragraph C above does not obligate the agency to recognize the representation units associated with the Office of Special Districts for any separate meet and confer matters. However, should employees exercise their rights to secure separate representation units under Employer/Employee Organizations guidelines as set forth in the Government Code of the State of California, Section 3500 et seq, and such representation units are officially recognized by the Agency, then Paragraph C et al., of this Article shall defer to that agreement between the employees and the Agency.

E. The Office of Special Districts Personnel Office shall immediately provide the Coordinator of Communications with all ratified Memoranda of Understanding (MOU) as affects employees' benefits and privileges. Upon receipt of such MOU(s) the Coordinator of Communications will request a special joint meeting of the Administrative Committee and Board of Directors for determination.

ARTICLE XII AUDIT

The Board of Directors shall request that the Treasurer initiate an annual audit of the financial affairs of the Agency, to be made by an independent Certified public Accountant at the end of each fiscal year in accordance with generally accepted auditing principles and as provided in the Agreement. The annual report shall be delivered to each member agency not later than 60 days subsequent to the end of each fiscal year.

ARTICLE XIII LIABILITY AND PROPERTY

A. Except as otherwise provided by individual contracts, the debts, liabilities, and obligations of the Agency shall not be the debts, liabilities, and obligations of the parties to the Agreement.

B. All property, with the exception of assets funded by grant funds, acquired by the Agency shall be owned in common by the parties to the Joint Powers Agreement, in equal shares, unless otherwise determined in writing by all of the parties hereto. The

Treasurer shall cause an inventory and asset account to be kept current at all times, showing the assets of the Agency. Grant funded equipment or services shall remain the property of the Grantee applicant.

C. Any contributions of equipment by any of the member governmental agencies will be assigned a value by the Administrative Committee and such value will be credited to the account of that member and be a part of and included within any distribution formula in the event of withdrawal, termination or dissolution as provided herein.

D. Each member shall have a vested interest in all capital acquisitions by the Agency in the same ratio as they are obligated to share in the cost-sharing proration. Capital acquisitions from grant funds are excluded.

ARTICLE XIV WITHDRAWAL, TERMINATION AND DISSOLUTION

A. A member may withdraw from this Agency in the manner prescribed by the Agreement; provided, however, that Agency assets directly attributable to the accumulated capital contribution of the withdrawing party shall remain with the system for use by CONFIRE without compensation to the withdrawing party, until the termination of this Agreement and the distribution of assets to all parties in winding up.

B. If this Agreement is terminated, assigned or transferred in whole or in part, all property and equipment owned by CONFIRE shall be distributed to the parties; distribution to each party shall be made in the same proportion as that reflected in the members' accumulated capital contribution account as shown in the Treasurer's books of account. Cash may be accepted in lieu of property or equipment. Grant assets remain the property of the Grantee.

C. If the parties to the Agreement herein cannot agree as to the valuation and distribution of the property, the valuation and distribution shall be determined by a panel of arbitrators, one being appointed by each agency and one additional arbitrator shall be appointed by a majority of the agencies. All matters relating to valuation and distribution of assets as determined by this panel of arbitrators shall be final and conclusive as to this Agency.

D. This Agreement shall not terminate until all property has been distributed in accordance with these provisions; and the winding up and property distribution hereunder shall be affected in the manner calculated to cause the least disruption of existing public safety communications systems.

E. On withdrawal of members so as to reduce the number of continuing participants to less than the original number of participating numbers, or upon the action of a majority of participating members to dissolve, then this Agreement and such Agency shall be terminated and dissolved. Upon such termination and dissolution (and after payment of all debts), all individual files and documents and documentation shall be distributed to their owners without charge or offset. The remaining assets or liabilities, excluding grant funded assets, of the Agency shall be distributed among the members who had participated in this Agency as set forth above.

F. If the withdrawal of a member causes the remaining members to terminate the Joint Powers Agreement, then the withdrawing member shall participate in the termination of this Agreement as set forth above.

ARTICLE XV
CONTRACTS, LOANS, CHECKS AND DEPOSITS

A. The Board of Directors may authorize any officer or officers, agency or agents, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Agency, and such authority may be general or confined to specific instances.

B. No loans shall be contracted on behalf of the Agency and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

C. All checks, drafts or other orders for the payment of monies, notes or other evidences of indebtedness issued in the name of the Agency shall be signed by such officer or officers, agent or agents, of the Agency and in such manner as shall from time to time be determined by the Board of Directors.

D. All funds of the Agency not otherwise encumbered shall be deposited from time to time to the credit of the Agency in such banks, trust companies or other depositories by the Treasurer with the consent of the Board of Directors.

ARTICLE XVI
AMENDMENT

A. Amendment to these By-Laws may be proposed by any member of the Board of Directors or by the Administrative Committee. The amendment shall be submitted to the Board of Directors.

B. Unanimous approval by the Board of Directors shall be required to adopt any amendment to these By-Laws.

ARTICLE XVII
EFFECTIVE DATE

These By-Laws shall go into effect immediately upon the execution of the Agreement by all of the original participants in the Agency.

Exhibit "C"

Signatory Page to the CONFIRE Joint Powers Agreement

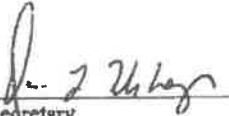
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**ADDENDUM TO JOINT POWERS AGREEMENT
(CONFIRE)**

ATTEST:

Rancho Cucamonga Fire Protection District


Secretary


President, Board of Directors
9-17-13
Date

99999.913548164272.1

Exhibit B
To
Resolution No. [2020-03]

JOINT POWERS AGREEMENT
(Third Amended and Restated)

Exhibit B
Clean copy
SPA Amendment

This Joint Powers Agreement (“Agreement”) is by and between the parties A (individually, a “Party,” and collectively, the “Parties”).

This Agreement is made and entered into as of [insert date] (“Effective Date”).

RECITALS

1. **Prior Agreements.** As authorized by Section 6500 of the Government Code, the Parties previously entered into a joint powers agreement relating to the operation of the Consolidated Fire Agencies of the East Valley (the “Existing Agreement”). The joint powers agreement was:
 - a. Effective on _____; and
 - b. Amended on _____ and _____.
2. **Desire to Amend.** The Parties desire to amend the Existing Agreement.

AGREEMENT

1. **Amendment and Restatement.** This Third Amended and Restated Agreement shall, on the Effective Date, supersede and replace the Existing Agreement.
2. **Agency Established.**
 - a. Pursuant to Section 6500 et seq. of the Government Code, the legislative body of each Party hereby authorizes, by entry into this Agreement, the joint exercise of powers common to the Parties to further the Purpose, defined below.
 - b. This joint exercise of powers shall be conducted by an agency or entity that is separate from the Parties to the Agreement and responsible for the administration of the Agreement.
 - c. The name of that agency or entity created by this Agreement is:

Consolidated Fire Agencies (“CONFIRE”).
3. **Purpose and Method.**
 - a. The purpose of CONFIRE and this Agreement is, for the benefit of those persons served by the Parties and those persons served by other agencies who contract with CONFIRE for services, to engage in any lawful act or activity that arises out of or relates to the operation of a regional public safety communication system and cooperative program of fire protection, rescue and emergency medical services system (the “Purpose”).

- b. By way of illustration and not by limitation, the Purpose includes:
 - (1) the provision of hardware, software, services, and other items necessary and appropriate for the establishment, operation, and maintenance of a regional public safety communications system; and
 - (2) a cooperative program for dispatch of fire and emergency medical services and related functions for the mutual benefit of the members of CONFIRE; and
 - (3) the provision of such services on a contract basis to other governmental agencies and private entities; and
 - (4) the provision of a forum for discussion, study, development and implementation of recommendations of mutual interest regarding public safety, communications, operations and related matters within Parties and contracting agencies.
- c. The method by which the Purpose will be accomplished is any lawful act that arises out of or relates to the Purpose.

4. **Powers of CONFIRE.** CONFIRE shall have:

- a. All of the powers common to the Parties necessary or appropriate to the Purpose except the power of eminent domain (“Powers”).
- b. The Powers include, by way of illustration and not by limitation, the following:
 - (1) To sue and be sued;
 - (2) To acquire, hold, dispose of, convey and encumber the property, real and personal, and to create a leasehold interest in the property for the benefit of the Parties;
 - (3) To appoint and employ necessary employees, to define their qualifications and duties, and to provide a pay schedule for performance of their duties;
 - (4) To employ counsel;
 - (5) To enter into and perform all necessary contracts;
 - (6) To adopt a seal and alter it at its pleasure;
 - (7) To issue revenue bonds pursuant to Government Code section 6540, et seq.; and

- (8) To apply for, receive and disburse grants, loans, or other funds from any private or public entity.

5. **Restriction on Manner of Exercise of Powers of CONFIRE.** The Powers of CONFIRE, such as the powers of CONFIRE relating to bidding, contracting, and procurement, are subject to the restrictions upon the manner of exercising the Powers of the “Restriction Designee” designated below:

- a. By default, San Bernardino County Fire Protection District is the Restriction Designee.
- b. Should San Bernardino County Fire Protection District withdraw or otherwise cease to be a Party to this Agreement, the Restriction Designee shall be Rancho Cucamonga Fire Protection District.
- c. Should both San Bernardino County Fire Protection District and Rancho Cucamonga Fire Protection District withdraw or otherwise cease to be a Party to this Agreement, the Restriction Designee shall be Chino Valley Fire District.
- d. Should San Bernardino County Fire Protection District, Rancho Cucamonga Fire Protection District, and Chino Valley Fire District, withdraw or otherwise cease to be a Party to this Agreement, the Restriction Designee shall be the remaining Party that is first in alphabetical order.

6. **Governance.** CONFIRE shall be governed by a Board of Directors and an Administrative Committee.

a. **Board of Directors.**

- (1) CONFIRE shall have a “Board of Directors,” which is hereby established and governed by the Brown Act.
- (2) The Board of Directors shall consist of one elected official appointed by the legislative body of each Party.
- (3) The legislative body of each Party shall designate in writing to CONFIRE its primary and alternate elected official to serve on the Board of Directors.
- (4) The Board of Directors is responsible for:
 - (a) the appointment of a treasurer;
 - (b) the appointment of an auditor;
 - (c) providing recommendations to the governing bodies of the Parties regarding the addition of new parties to this Agreement; and
 - (d) approval of the annual budget and assessment schedule of CONFIRE.

- (5) The Board of Directors may establish rules governing its own conduct and procedure, including Board Bylaws and Policies that are consistent with this Agreement
- (6) A quorum for the transaction of all business by the Board of Directors shall exist when a simple-majority (50.1%) of the members are present. (or is lawfully present via teleconference).
- (7) No one serving on the Board of Directors shall receive any salary or compensation from CONFIRE.
- (8) At its annual organizational meeting, the Board of Directors shall:
 - (a) select one (1) of its Directors to serve as Chairperson of the Board of Directors and one Director to serve as the Vice Chairperson of the Board until the next annual meeting; and
 - (b) establish a regular meeting schedule for the coming year. Unless waived by the Board of Directors, the Board of Directors shall schedule at least two (2) regular meetings per year.

b. Administrative Committee. The purpose of the Administrative Committee is to meet regularly with the CONFIRE Director (and his/her staff) to provide advice, direction and consent on matters related to operations and administration.

- (1) CONFIRE shall have an “Administrative Committee,” which is hereby established and governed by the Brown Act
- (2) The Administrative Committee shall consist of the Fire Chief of each Party.
- (3) The legislative body of each Party shall designate in writing to CONFIRE its primary, and one (1) alternate individual, to serve on the Administrative Committee.
- (4) At its annual organizational meeting, the Administrative Committee shall:
 - (a) select one (1) of its Chiefs to serve as Chairperson of the Administrative Committee and one Chief to serve as the Vice Chairperson of the Administrative Committee until the next annual meeting; and
 - (b) establish a regular meeting schedule for the coming year.
- (5) The Administrative Committee is responsible for all matters relating to the conduct of CONFIRE as delegated by the Board of Directors.

- (6) The Administrative Committee may establish rules governing its own conduct and procedure.
- (7) A quorum for the transaction of all business by the Administrative Committee shall exist when two-thirds of the members are present (or is lawfully present via teleconference).
- (8) No one serving on the Administrative Committee shall receive any salary or compensation from CONFIRE.
- (9) Policies. The Administrative Committee may establish policies to govern the affairs of CONFIRE that are consistent with this Agreement and applicable law.
- (10) Subsidiary Committees.
 - (a) The Administrative Committee may establish subsidiary committees as it deems fit to:
 - (i) Exercise authority lawfully delegated by the Administrative Committee
 - (ii) Provide advisory recommendations to the Board of Directors or the Administrative Committee.
- (11) Except for those powers expressly reserved to the Board of Directors under this Agreement, the Administrative Committee has all express or implied powers which are consistent with applicable law and this Agreement.

c. Voting.

- (1) Board of Directors
 - (a) Each member of the Board of Directors shall cast one vote.
 - (b) A vote may only be cast by that Party's director (primary or alternate) who is physically present (or is lawfully present via teleconference).
- (2) Administrative Committee
 - (a) A member of the Administrative Committee, shall cast weighted votes set annually, effective July 1 based upon the dispatch incidents in the preceding Calendar Year as follows:
 - (i) A Party that had at least 50% of the dispatch incidents in the preceding Calendar Year, four (4) votes.

- (ii) A Party that had between 15% and 49.9% of the dispatch incidents in the preceding Calendar Year, two (2) votes.
- (iii) All other Parties, one (1) vote.

All transactions of business shall require a majority of eligible votes which may be different than the number of Parties.

Example: Based on eight agencies, if an agency has 50% of the dispatch incidents, they are entitled to four votes, and the remaining agencies are entitled to one vote, the number of eligible votes would be a total of eleven. In this case six votes would be required for a majority.

- (iv) In the event that all agencies are not represented (i.e. full quorum), no two agencies shall be able to authorize the transaction of business on behalf of CONFIRE. If two agencies represent a majority of eligible votes and are the only two agencies voting to authorize action, the Board of Directors shall convene a meeting to consider the proposed action.
- (b) A vote (weighted vote) may only be cast by that Party's Administrative Committee representative (primary or alternate) who is physically present (or is lawfully present via teleconference).
- (c) If a merger of a member agency takes place with another member or contract agency that party shall cast weighted vote/votes according to the criteria noted in Section 6.C.2 above.
- (d) Should the number of Parties decline due to withdrawal, involuntary termination, merger etc. the percentages noted in Section 6.C.2 shall be revisited so that no two members becomes a super majority.

d. Vacancies.

A vacancy shall immediately occur in the office of any director of the Board of Directors, or member of the Administrative Committee, upon the resignation or death of such person holding such office, or upon his/her ceasing to be an officer or employee of the Party that appointed him or her.

7. Fiscal Contributions.

a. Dispatch and Dispatch-Related Services.

- (1) Each Party shall pay its pro-rata share of all capital, operating, and related costs of CONFIRE that benefit all Parties (Universal Service).

- (2) Pro-rata share shall be calculated in the following manner:

All dispatched incidents originating in a Party's respective jurisdiction over the immediately preceding one (1) calendar year

divided by

All dispatched incidents dispatched by CONFIRE over the immediately preceding one (1) calendar year.

- b. **Additional Services.** A Party or Parties shall pay for any additional services that are received or requested by the Party or Parties if those additional services (seat-based) are not also deemed by the Administrative Committee as a Universal Service, of general benefit to CONFIRE and made available to all Parties. Additional services shall be provided by CONFIRE at rates to be determined by the Administrative Committee.
- c. **Other Costs and Expenses.** The Parties recognize that, from time-to-time, CONFIRE may incur costs and expenses which are not directly related to the provision of services to Parties. In addition to the payments specified in Sections 7.a and 7.b above, each Party shall pay its pro-rata share of such costs and expenses upon approval by the Administrative Committee.
- d. **Ongoing Financial Obligations.** Each Party is responsible for its pro-rata share of any obligation which was incurred at a time when that entity was a Party. This shall include, by way of illustration and not limitation: long-term debt and multi-fiscal-year debt related to the above described Services, Costs and Expenses.
- (1) Pro-rata share shall be in the same proportion as that entity's pro-rata share determined pursuant to Section 7.a.2 of the Agreement.
- (2) The pro-rata obligation of each Party is immediately binding on the Party at the time the obligation is incurred.
- e. **Billing.**
- (1) CONFIRE shall bill each Party for its Fiscal Contributions quarterly, unless a request is made and approved for bi-annual billing. The Parties shall pay the bill within sixty (60) days of receipt.
- (2) Any Party whose bill has not been paid within sixty (60) days may be deemed by CONFIRE to be in default and required to pay interest on the unpaid balance, not to exceed one (1) percent per month ("Defaulting Party").
- (3) CONFIRE has the power, at its option, to take the following action against a Defaulting Party:

- (i) commence an action in its own name against the Defaulting Party to recover the amount of the obligation due to CONFIRE hereunder; or
- (ii) suspend the voting rights of the Defaulting Party until all Fiscal Contributions have been paid; or
- (iii) involuntarily terminate the Defaulting Party as set forth in Paragraph 12, below.

8. Accountability and Audits. CONFIRE shall be strictly accountable for all funds and shall report all receipts and disbursements, as required by Government Code section 6505.

- a. Pursuant to Section 6505.6 of the Government Code, the Board of Directors may designate a CONFIRE employee as treasurer and auditor of CONFIRE as set forth in Section 6505.5.
- b. The CONFIRE treasurer and auditor shall perform the duties set forth in Section 6505 of the Government Code.
- c. The CONFIRE treasurer and auditor shall cause an independent audit of CONFIRE to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Government Code.

9. Indemnification.

- a. To the furthest extent permitted by law, each Party, including CONFIRE, hereby agrees to defend, indemnify, and hold CONFIRE and the other Parties, and their respective officials, officers, agents, employees, and volunteers free and harmless from any and all liability or claims for personal injury, death, and property damage to the extent that it may arise from the indemnifying party's breach of this Agreement or negligent or otherwise tortious acts or omissions.
- b. CONFIRE and each Party shall procure and maintain their own general liability, auto, professional, and worker's compensation policies with limits set out in **Exhibit B**, as amended from time to time by the Board of Directors, attached hereto and incorporated herein by reference. To the extent that CONFIRE or any Party does not have an employee, workers compensation coverage shall not be required. CONFIRE and each Party may satisfy the insurance requirement set forth herein with an adequate self-insurance program or participation in a public agency insurance pool.

10. Force Majeure. Neither CONFIRE nor any of the Parties shall be held responsible or liable to any other Party or CONFIRE for any loss, damage or delay caused by accidents, strikes, lockouts, fire, flood, act of civil or military authority or by insurrection or riot or by any other cause which is beyond its control.

11. Withdrawal. Any Party may withdraw as a party to this Agreement as follows:

- a. Notice of Intent to Withdraw shall be given not less than eighteen (18) months prior to the proposed date that the withdrawal shall take effect.
 - (1) Notice of Intent to Withdraw shall be in writing and addressed to the Chairperson of the Board of Directors of CONFIRE at its primary address (currently 1743 Miro Way, Rialto CA 92376).
 - (2) Notice of Intent to Withdraw must be accompanied by a proof of service that notice was sent by certified mail with return receipt requested. Notice shall be considered given on the date of service.
- b. June 30 (11:59 p.m.), annually, shall be the only month and day on which a withdrawal shall take effect.
- c. No withdrawing Party shall be entitled to any payment for its interests or assets in CONFIRE upon withdrawal.
- d. Notwithstanding Paragraph 11.a., no Party may withdraw until they have:
 - (1) Either, paid in full their pro-rata share of all outstanding debts and obligations that were incurred while they were a Party. This shall include, by way of illustration and not limitation: long-term debt, pension obligations and multi-fiscal-year debt.
 - (2) Or, executed a contract with CONFIRE to pay for all outstanding debts and obligations that were incurred while they were a Party.

12. Involuntary Termination.

- a. This Agreement may be terminated with respect to a Party for material non-compliance with provisions of this Agreement upon a no less than a two-thirds vote of the Board of Directors, excluding the vote of the Party subject to possible termination. Prior to any vote to terminate this Agreement with respect to a Party, written notice of the proposed termination shall be provided. The written notice of proposed termination shall identify the specific provisions of this Agreement that the Party has allegedly violated and provide notice of the right to provide a written response within ten (10) business days, either evidencing compliance with the terms of this Agreement or a plan to cure the default and a reasonable timeline acceptable to CONFIRE within which the Party subject to termination will diligently prosecute the same to completion.
- b. In the event that the Party subject to possible termination is unable to provide satisfactory evidence of their compliance with the Agreement or ability to cure the default, the Party subject to possible termination shall have the right to respond to the reasons for the proposed termination at the Board of Directors meeting prior to any vote regarding termination. Any vote for termination by the Board of Directors shall

be at least forty (40) business days after delivery of the written notice identified in Paragraph 12(a), above.

- c. Any Party that is involuntarily terminated in accordance with Paragraph 12(a), above, shall remain responsible for their pro-rata share of all outstanding debts and obligations that were incurred while they were a Party. This shall include, by way of illustration and not limitation: long-term debt, pension obligations and multi-fiscal-year debt.

13. Enforcement.

CONFIRE is hereby given authority to enforce this Agreement. If suit is necessary to enforce any of the provisions of this Agreement, CONFIRE and the Parties shall pay their own reasonable attorney fees, regardless of who is the prevailing party.

14. Dissolution.

- a. This Agreement may be dissolved and terminated, in its entirety, by a Board of Directors' vote to terminate that is not less than ninety percent (90%) of the total number of votes of the then-remaining Parties.
- b. No assets may be distributed (divided or returned) until all outstanding debts and obligations have been resolved. Resolved means that each Party has:
 - (1) Either paid their pro-rata share of all outstanding debts and obligations that were incurred while they were a Party; or
 - (2) Executed a contract with CONFIRE to pay for all outstanding debts and obligations that were incurred while they were a Party.
 - (3) All assets of CONFIRE will be distributed in proportion to the contributions of the Parties during the fiscal year of dissolution.

15. Debts.

- a. To the furthest extent permitted by law, the debts, liabilities and obligations of CONFIRE shall not be the debts, liabilities, and/or obligations of the Parties.
- b. Notwithstanding Paragraph 15.a, with respect to the retirement liabilities of CONFIRE:
 - (1) The debts, liabilities and obligations of CONFIRE shall be the debts, liabilities, and/or obligations of the Parties.
 - (2) Pursuant to Section 6508.2 of the Government Code, the Parties agree to apportion CONFIRE's retirement obligations among themselves as follows:

- (a) Each Party is responsible for its pro-rata share of any retirement obligations of CONFIRE which were incurred at a time when that entity was a Party (“Retirement Obligation”).
- (b) Pro-rata share shall be in the same proportion as that entity’s pro-rata share determined pursuant to Section 7.a.2 of the Agreement.
- (c) The pro-rata obligation of each Party is immediately binding on the Party at the time the obligation is incurred.
- (d) In the event that one Party is forced to pay the Retirement Obligation of another Party by virtue of joint and several liability with respect to retirement liabilities of joint powers authorities under A.B. 1912 (2018), affecting Sections 6508.1, 6508.2, 20574.1, 20575, and 20577.5 of the Government Code effective January 1, 2019:
 - i. The Party that failed to pay its Retirement Obligation (“Defaulting Party”) shall indemnify the Party that paid the Defaulting Party’s Retirement Obligation actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, reasonable attorney’s and consultants’ fees and causes of action to property or persons (each a “Claim”) to the extent that the Claim arises out of, pertains to, or relates to the Defaulting Party’s failure to pay its Retirement Obligation (collectively, the Defaulting Party Indemnity”).
 - ii. Each Party hereby irrevocably waives sovereign immunity with respect to any assets it may have or later acquire to the extent necessary for another Party to recover under the Defaulting Party Indemnity.
 - iii. To the extent that a Defaulting Party is unable to satisfy its obligations under the Defaulting Party Indemnity by virtue of its insolvency (“Defaulting Party Insolvency”), the Retirement Obligation of each Party other than the Defaulting Party shall be increased in the amount of its pro-rata share of the Defaulting Party Insolvency in the same proportion as that entity’s pro-rata share determined pursuant to Section 7.a.2 of the Agreement.

16. Provisions Required by Law Deemed Inserted.

- a. This Agreement is subject to all provisions of the Constitution and laws of California and the United States which: (1) govern, control, or affect CONFIRE and/or the

Parties; or (2) the property, funds, operations, or powers of CONFIRE and/or the Parties.

- b. Such provisions are by this reference made a part of this Agreement.
- c. Any provision required by law to be included in this Agreement shall be deemed to be inserted; and, had that provision been included in the most recent former joint powers agreement of CONFIRE, then such provision shall be deemed inserted in the form set forth in the most recent former joint powers agreement of CONFIRE.

17. Amendment.

- a. This Agreement may be amended as follows:
 - (1) The Board of Directors adopts a Resolution recommending the amendment which will be presented to the governing body of each Party for ratification.
 - (2) The Amendment shall be effective when the required Resolution Recommending Amendment has been ratified by the governing bodies of all Parties. .

IN WITNESS WHEREOF, the undersigned public agencies have set their signature on the respective dates set forth below.

This document may be signed in duplicate originals or counterparts.

ATTEST:

APPLE VALLEY FIRE PROTECTION
DISTRICT
A Fire Protection District

Date:

Date:

Clerk, Board of Directors of Apple
Valley Fire Protection District

By: _____
President, Board of Directors of Apple
Valley Fire Protection District

ATTEST:

CHINO VALLEY FIRE DISTRICT
A Fire Protection District

Date:

Date:

Clerk, Board of Directors of the Chino
Valley Fire District

By: _____
President, Board of Directors of the
Chino Valley Fire District

ATTEST:

CITY OF COLTON
A Municipal Corporation

Date:

Date:

City Clerk

By: _____
Mayor

ATTEST:

CITY OF LOMA LINDA
A Municipal Corporation

Date:

Date:

City Clerk

By: _____
Mayor

ATTEST:

CITY OF REDLANDS
A Municipal Corporation

Date:

Date:

City Clerk

By:
Mayor

ATTEST:

CITY OF RIALTO
A Municipal Corporation

Date:

Date:

City Clerk

By:
Mayor

ATTEST:

CITY OF VICTORVILLE
A Municipal Corporation

Date:

Date:

City Clerk

By:
Mayor

ATTEST:

RANCHO CUCOMONGA FIRE
PROTECTION DISTRICT
A Fire Protection District

Date:

Date:

Secretary, Board of Directors

By:
President, Board of Directors

ATTEST:

SAN BERNARDINO COUNTY FIRE
PROTECTION DISTRICT
A Fire Protection District

Date:

Date:

Secretary of the San Bernardino
County Fire Protection District

By: _____
Chairman, Board of Directors of the San
Bernardino County Fire Protection
District

EXHIBIT A
TO
JOINT POWERS AGREEMENT
(Third Amended and Restated)

The Parties to the Agreement are:

- **Apple Valley Fire Protection District**, a fire protection district duly formed and existing under the Fire Protection District Law of 1987, Government Code section 13800 et seq. (“Apple Valley FPD”); and
- **Chino Valley Fire District**, a fire protection district duly formed and existing under the Fire Protection District Law of 1987, Government Code section 13800 et seq. (“Chino Valley FPD”); and
- **City of Colton**, a general law city duly formed and existing under Art. XI, section 7 of the California Constitution (“Colton”);
- **City of Loma Linda**, a charter city duly formed and existing under Art. XI, section 5 and section 7 of the California Constitution (“Loma Linda”);
- **City of Redlands**, a general law city duly formed and existing under Art. XI, section 7 of the California Constitution (“Redlands”);
- **City of Rialto**, a general law city duly formed and existing under Art. XI, section 7 of the California Constitution (“Rialto”);
- **City of Victorville**, a charter city duly formed and existing under Art. XI, section 5 and section 7 of the California Constitution (“Victorville”).
- **Rancho Cucamonga Fire Protection District**, a fire protection district duly formed and existing under the Fire Protection District Law of 1987, Government Code section 13800 et seq. (“Rancho Cucamonga FPD”); and
- **San Bernardino County Fire Protection District**, a fire protection district duly formed and existing under the Fire Protection District Law of 1987, Government Code section 13800 et seq. (“San Bernardino County FPD”).

EXHIBIT B
TO
JOINT POWERS AGREEMENT
(Third Amended and Restated)

INSURANCE SPECIFICATIONS

1. Workers' Compensation/Employers Liability

A program of Workers' Compensation insurance or a State-approved Self-Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with two hundred and fifty thousand dollar (\$250,000) limits, covering all persons, including volunteers, providing services on behalf of Party and all risks to such persons under this Agreement.

2. Commercial/General Liability Insurance

Party shall carry General Liability Insurance covering all operations performed by or on behalf of Party providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- a. Premises operations and mobile equipment.
- b. Products and completed operations.
- c. Broad form property damage (including completed operations)
- d. Explosion, collapse and underground hazards.
- e. Personal Injury
- f. Contractual liability
- g. \$2,000,000 general aggregate limit

3. Automobile Liability Insurance

Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If Party is transporting one or more non-employee passengers in performance of services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

4. Umbrella Liability Insurance

An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

5. Cyber Liability Insurance - Cyber Liability Insurance with limits of no less than \$1,000,000 for each occurrence or event with an annual aggregate of \$2,000,000 covering privacy violations, information theft, damage to or destruction of electronic information, intentional and/or

unintentional release of private information, alteration of electronic information, extortion, network security, breach response cost, and regulatory fines and penalties.



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
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ramscpa.net

November 30, 2020

To the Board of Directors
Consolidated Fire Agencies
Rialto, California

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST

MANAGERS / STAFF

Charles De Simoní, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Jingjie Wu, CPA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Tara R. Thorp, CPA, MSA
Laura Arvizu, CPA
Louis Fernandez, CPA
Abigail Hernandez Conde, CPA, MSA
Zoe Xinlu Zhang, CPA, MSA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants



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We have audited the financial statements of the Consolidated Fire Agencies (the Agency) as of and for the year ended June 30, 2020, and have issued our report thereon dated November 30, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 16, 2020, our responsibility, as described by professional standards, is to form and express opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of capital asset depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the net pension liability and related deferred outflows and deferred inflows of resources is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Agency's financial statements relate to:

The disclosure of fair value of investments in the financial statements represents amounts susceptible to market fluctuations.

The disclosure of accumulated depreciation in the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosure of net pension liability and related deferred outflows and deferred inflows of resources in the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 30, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the Agency, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

This report is intended solely for the information and use of the Board of Directors, and management of the Agency and is not intended to be and should not be used by anyone other than these specified parties.

Rogers, Anderson, Malody & Scott, LLP.

November 30, 2020
San Bernardino, California



*Apple Valley Fire Protection District
Chino Valley Independent Fire District
Colton Fire Department
Loma Linda Fire Department
Rancho Cucamonga Fire District
Redlands Fire Department
Rialto Fire Department
San Bernardino County Fire District*

Consolidated Fire Agencies

*1743 W. Miro Way, Rialto, CA 92376-8630
Phone 909-356-2302 Fax 909-356-3809*

November 30, 2020

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the basic financial statements of Consolidated Fire Agencies (CONFIRE) as of June 30, 2020 and for the fiscal year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, and results of operations of the various opinion units of CONFIRE in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 30, 2020:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 16, 2020, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.

BOARD OF DIRECTORS

<i>Dan Leary.... Apple Valley</i>	<i>John DeMonaco.... Chino</i>
<i>Ernest R. Cisneros.... Colton</i>	<i>Dr. Rhodes Rigsby.... Loma Linda</i>
<i>Lynne Kennedy.... Rancho Cucamonga</i>	<i>Eddie Tejeda.... Redlands</i>
<i>Andy Carrizales.... Rialto</i>	<i>Dawn Rowe.... San Bernardino County</i>

- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.

- The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to the preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- CONFIRE has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which CONFIRE is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- CONFIRE has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- With respect to the required supplementary information in the financial statements described above:
 - We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with applicable criteria.
 - The methods of measurement of presentation have not changed from those used in prior periods.

Use of a Specialist

We agree with the findings of specialists (SBCERA) in evaluating our pension liability and related deferrals and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.



Arthur Andres

Director



CONSOLIDATED FIRE AGENCIES

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2020



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

Consolidated Fire Agencies (CONFIRE)

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Independent Auditor's Report

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MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
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*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants

**Board of Directors
Consolidated Fire Agencies (CONFIRE)
Rialto, California**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of Consolidated Fire Agencies (the Agency), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Agency, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of the Agency's proportionate share of the plan's net pension liability and related ratios as of the measurement date, and the schedule of the Agency's plan contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 30, 2020

Consolidated Fire Agencies (CONFIRE)

**Statement of Net Position
June 30, 2020**

ASSETS

Cash and investments	\$	11,273,419
Due from other governments		18,373
Interest receivable		49,945
Prepaid expenses		585,897
Capital assets not being depreciated		186,485
Capital assets, net of accumulated depreciation		<u>2,550,511</u>
Total assets		<u>14,664,630</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related		<u>3,023,570</u>
-----------------	--	------------------

LIABILITIES

Current liabilities:

Accounts payable		23,777
Accrued liabilities		<u>485,502</u>

Total current liabilities		<u>509,279</u>
---------------------------	--	----------------

Non-current liabilities:

Compensated absences		474,465
Net pension liability		<u>5,040,151</u>

Total non-current liabilities		<u>5,514,616</u>
-------------------------------	--	------------------

Total liabilities		<u>6,023,895</u>
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DEFERRED INFLOWS OF RESOURCES

Pension related		<u>301,426</u>
-----------------	--	----------------

NET POSITION

Net investment in capital assets		2,736,996
Unrestricted		<u>8,625,883</u>

Total net position	\$	<u><u>11,362,879</u></u>
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The accompanying notes are an integral part of the financial statements.

Consolidated Fire Agencies (CONFIRE)

**Statement of Activities
For the Year Ended June 30, 2020**

PROGRAM EXPENSES

Governmental Activities:

Public Safety - 911 Communications \$ 12,451,964

Total program expenses 12,451,964

PROGRAM REVENUES

Operating grants and contributions 11,500,659

Capital grants and contributions 50,000

Total program revenues 11,550,659

Net Program Revenues (Expense) (901,305)

GENERAL REVENUES

Investment income 399,138

Contributed capital 1,086,599

Total general revenues 1,485,737

CHANGE IN NET POSITION 584,432

NET POSITION, BEGINNING OF YEAR 10,778,447

NET POSITION, END OF YEAR \$ 11,362,879

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

Consolidated Fire Agencies (CONFIRE)

Balance Sheet

June 30, 2020

	General Fund
ASSETS	
Cash and investments	\$ 11,273,419
Due from other governments	18,373
Interest receivable	49,945
Prepaid expenses	<u>585,897</u>
Total assets	<u>\$ 11,927,634</u>
LIABILITIES	
Accounts payable	\$ 23,777
Accrued liabilities	<u>485,502</u>
Total liabilities	<u>509,279</u>
FUND BALANCE	
Nonspendable	585,897
Committed	
Benefits reserve	755,025
Assigned	
Equipment replacement	2,069,645
Unassigned	<u>8,007,788</u>
Total fund balance	<u>11,418,355</u>
Total liabilities and fund balance	<u>\$ 11,927,634</u>

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

Consolidated Fire Agencies (CONFIRE)

**Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position
June 30, 2020**

Fund balance of the governmental fund	\$ 11,418,355
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	2,736,996
Deferred outflows and inflows of resources related to pensions have not been included in the governmental fund activity:	
Deferred outflows of resources	3,023,570
Deferred inflows of resources	(301,426)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(474,465)
Net pension liability	(5,040,151)
Net position of the governmental activities	\$ 11,362,879

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

Consolidated Fire Agencies (CONFIRE)

**Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2020**

	General Fund
REVENUES	
Contributions from agencies	\$ 11,555,662
Investment income	399,138
Intergovernmental - federal and state	50,000
	<hr/>
Total revenues	12,004,800
	<hr/>
EXPENDITURES	
Salaries and benefits	6,615,076
Services and supplies	5,414,357
Capital outlay	428,181
	<hr/>
Total expenditures	12,457,614
	<hr/>
Net change in fund balance	(452,814)
	<hr/>
FUND BALANCE, BEGINNING OF YEAR	11,871,169
	<hr/>
FUND BALANCE, END OF YEAR	<u>\$ 11,418,355</u>

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

Consolidated Fire Agencies (CONFIRE)

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2020**

Net change in fund balance \$ (452,814)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The capital assets activity is reconciled as follows:

Capital additions	428,181
Depreciation expense (net of adjustments)	(219,626)
Contributed assets from the County	1,086,599

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	(67,272)
Net pension related adjustments	(135,633)

Unavailable revenue in the governmental funds in prior period that were classified as operating grants and contributions in the government-wide financial statements are excluded in the Statement of Activities in the current year

(55,003)

Change in net position \$ 584,432

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

Consolidated Fire Agencies (CONFIRE)

Notes to the Basic Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The Consolidated Fire Agencies (CONFIRE) (the Agency) was established pursuant to a Joint Powers Agreement dated August 20, 1990. The Agency is a cooperative association voluntarily established by its members pursuant to the Joint Exercise of Powers Act of Title 1, Division 7, Chapter 5 of the Government Code of the State of California. Its purpose is to provide hardware, software, services, and other items necessary and appropriate for the establishment, operation, and maintenance of a joint centralized public safety communications system and a cooperative program of fire-related functions for the mutual benefit of the members of the Agency; to provide such services on a contract basis to other governmental units; and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding public safety communications and related matters within member agencies.

The Agency has a Board of Directors, which consists of a representative of the governing body of each member city and district.

The activities of the Agency are financed by a cost-sharing formula, which requires a prorating among the participating members and contracted agencies based on the demand percentage on the system by the members to be determined by the Administrative Committee and approved by the Board of Directors.

B. Financial Statement Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The GASB determined that fund accounting is essential in helping governments to achieve fiscal accountability and that government-wide financial statements are needed to allow users of financial reports to assess a government's operational accountability.

The statement of net position and the statement of activities are the government-wide financial statements and report information on the governmental activities of the Agency.

The balance sheet and statement of revenues, expenditures and changes in fund balance report information on the general operating fund of the Agency.

The Agency is engaged in a single-governmental activity and has only a general fund.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets and liabilities, including capital assets and long-term debt, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash receipts and disbursements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred.

The Agency reports one major governmental fund, the General Fund, which is the Agency's primary operating fund. It accounts for all financial resources of the general government.

D. Budgetary Practice

The Agency's budget for the following fiscal year shall be submitted by the Communications Director to the Administrative Committee on or before January 15 of each year. The Administrative Committee shall adopt a tentative budget on or before February 1 of each year and forward the same to the Board of Directors for review. The Board of Directors shall adopt the annual budget for the Agency not later than March 1 of each year.

E. Capital Assets

Capital assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and updated for additions and retirements during the year. The Agency has a capitalization threshold of \$5,000. Donated capital assets are recorded at acquisition value. Improvements that add to the value of the asset or materially extend the asset's life are capitalized. The costs of normal maintenance and repairs are expensed.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Capital Assets (continued)

The cost of capital assets is depreciated over the estimated useful lives of the related assets using the straight-line method. The useful lives of capital assets for purposes of computing depreciation are as follows:

Buildings and leasehold improvements	25 years
Vehicles	5 years
Computer equipment and software	4 years
Radio consoles	10 years

F. Investments

Generally accepted accounting principles requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. Investments are included within the financial statement classifications of "cash and investments" and are stated at fair value.

G. Fund Balance

Generally accepted accounting principles establishes criteria for classification of fund balances into specifically-defined classifications and clarifies definitions for other governmental fund types. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are restricted for specific purposes by external resource providers or by law through constitutional or enabling legislation are reported as restricted fund balance. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority are reported as committed fund balance. The assigned fund balance consists of amounts that the government intends to use for specific purposes, but are neither restricted nor committed. The unassigned fund balance is the residual classification for the General Fund.

The Agency's Board of Directors is the body authorized to establish commitments through a formal action.

Amounts the Board of Directors intends to use for a specific purpose are considered assigned.

For the classification of fund balances, the Agency considers restricted amounts to have been spent before unrestricted if the expenditure meets the criteria for use of restricted funds. Unrestricted funds are used in the following order: committed, assigned, and unassigned funds.

Consolidated Fire Agencies (CONFIRE)

Notes to the Basic Financial Statements

June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Program Revenues

Program revenues consist of three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions.

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Operating grants and contributions include revenues restricted to meeting the requirements of a particular operating function and may include state-shared revenues and grants. Capital grants and contributions include revenues restricted to meeting the requirements of a particular capital function and may include grants or other contributions. Other items not classified as program revenues are reported as general revenues.

I. Deferred Compensation Plan

The Agency offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Agency employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Management believes that the Agency has no fiduciary role under the revised Plan, and Plan funds are not available to the Agency's general creditors. Accordingly, the Agency has not reported Plan assets in the accompanying financial statements.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Pension Plan

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the San Bernardino County Employees' Retirement Association (SBCERA) and additions to/deductions from SBCERA's fiduciary net position have been determined on the same basis as they are reported by SBCERA. For this purpose, employer and employee contributions are recognized in the period the related salaries are earned and become measureable pursuant to formal commitments, statutory or contractual requirements, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms, and investments are reported at fair value.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Pension Plan (continued)

SBCERA's audited financial statements are publicly available reports that can be obtained at SBCERA's website at www.sbcera.org.

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

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

NOTE 2 – CASH AND INVESTMENTS

In accordance with the Agency's bylaws, the treasurer has the ability to deposit funds in banks, trust companies, or other depositories with the consent of the Board of Directors. Currently, all cash held by the Agency is on deposit with the San Bernardino County Treasury Pool.

The County of San Bernardino Treasurer pools its funds with other governmental agencies in the County and invests them as prescribed by the California Government Code and the County of San Bernardino's Investment Policy. The Agency's deposits in the County pool may be accessed at any time. The Agency is allocated interest income on monies deposited with the County based on its proportional share of the pooled investments. All investments are carried at fair value. Cash and investments as of June 30, 2020 consisted of the following:

	Credit Quality Ratings	Amount
Cash and investments	*	\$ 11,273,169
Imprest cash	Not rated	250
Total cash and investments		<u>\$ 11,273,419</u>

* All investments within the pool have a Standard & Poor's Rating of A-1 or higher.

Investments were stated at fair value, resulting in the following investment income:

	Amount
Changes in fair value of investments	\$ 169,073
Interest income	230,065
Total investment income	<u>\$ 399,138</u>

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (continued)

In accordance with generally accepted accounting principles, the portfolio for year-end reporting purposes is treated as if it were sold. Therefore, the fund balance must reflect the portfolio's change in fair value. The Agency relied on information provided by the San Bernardino County Treasurer in estimating the fair value of the Agency's cash and investments at June 30, 2020. The fair value of the Agency's cash and investments totaled \$11,273,419 of which the Agency had a contractual withdrawal value of \$11,442,242 as of June 30, 2020. These portfolio balance changes are unrealized unless sold.

The San Bernardino County Treasurer's Investment Pool is a governmental investment pool managed and directed by the elected San Bernardino County Treasurer. The County Pool is not registered with the Securities and Exchange Commission. An oversight committee comprised of local government officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of the pool fall under the auspices of the County Treasurer's office. The Agency is a voluntary participant in the investment pool.

The Agency is authorized under the California Government Code to make direct investments; however, the Agency has not adopted an investment policy and thus does not maintain policies for exposure to interest rate risk, credit risk, and concentration of credit risk. Investment policies and related credit, custodial credit, concentration of credit, interest rate, and foreign currency risks applicable to the Agency are those of the County and are disclosed in the County's basic financial statements. As of June 30, 2020, the cash and investments with the County Treasury were allocated as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Asset-Backed Security	\$ 288,593
Bank Note	162,334
Certificates of Deposit	1,846,545
Commercial Paper	678,645
Corporate Note	226,591
Federal Agency Bond/Note	3,296,274
Federal Agency Discount Note	375,397
Federal Insured Cash Account	65,384
Joint Powers Authority	493,765
Money Market Mutual Fund	570,422
NOW Account	263,792
Supra-National Agency Bond/Note	338,195
U.S. Treasury Bond/Note	2,394,421
Cash Balance	<u>272,811</u>
Total cash and investments with county treasury pool	<u>\$ 11,273,169</u>

See the County of San Bernardino's Comprehensive Annual Financial Report (CAFR) for details of their investment policy and disclosures related to investment types, credit risk, concentration of credit risk, interest rate risk and custodial credit risk. The County pool is rated AAA by Fitch.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (continued)

The Agency follows the County's investment policy for permitted investments. The bond document allows the fiscal agent to invest in obligations of the United States government obligations, United States Agencies, deposit accounts, federal funds, bankers' acceptances, certificates of deposit, commercial paper, municipal obligations, repurchase agreements, investment agreements and money market funds.

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County Pool values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. The Agency's money market funds are valued at amortized cost. The Agency has no investments subject to the fair value hierarchy established by generally accepted accounting principles.

NOTE 3 – CAPITAL ASSETS

Changes in the capital assets during the year ended June 30, 2020 were as follows:

	Balance as of June 30, 2019	Adjustments *	Additions	Deletions	Balance as of June 30, 2020
Capital assets, not being depreciated					
Construction in Progress	\$ -	\$ -	\$ 186,485	\$ -	\$ 186,485
Capital assets, being depreciated					
Building	460,476	-	-	-	460,476
Leasehold improvements	84,680	-	-	-	84,680
Vehicles	94,527	-	9,500	-	104,027
Computer equipment and software	4,607,927	-	1,318,795	-	5,926,722
Total capital assets being depreciated	5,247,610	-	1,328,295	-	6,575,905
Accumulated depreciation					
Building	(280,891)	-	(18,419)	-	(299,310)
Leasehold improvements	(11,996)	-	(8,468)	-	(20,464)
Vehicles	(12,621)	-	(9,812)	-	(22,433)
Computer equipment and software	(3,500,260)	210,374	(393,301)	-	(3,683,187)
Total accumulated depreciation	(3,805,768)	210,374	(430,000)	-	(4,025,394)
Total capital assets, being depreciated, net	1,441,842	210,374	898,295	-	2,550,511
Total capital assets, net	\$ 1,441,842	\$ 210,374	\$ 1,084,780	\$ -	\$ 2,736,996

* Adjustment to remove the accumulated depreciation on capital assets retired in the prior year.

For the fiscal year ended June 30, 2020, depreciation expense, net of adjustments, of \$219,626 was charged to Public Safety - 911 Communications.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 4 – FUND BALANCE

The Agency's nonspendable fund balance classification consists of prepaid expenses. The committed fund balance consists of a term benefits reserve. The assigned classification consists of the equipment reserve. The unassigned classification includes a general reserve and the balance of the operations fund.

NOTE 5 – RISK MANAGEMENT

The Agency participates in the County of San Bernardino's self-insurance program for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability, and workers' compensation claims. Public liability claims are self-insured for up to \$1 million per occurrence. Excess insurance coverage over the self-insured retention (SIR) up to \$35 million is provided through a risk-pool agreement with California State Association of Counties (CSAC) Excess Insurance Authority (EIA) Liability Program 11.

Workers' compensation claims are self-insured up to \$2 million per occurrence and are covered by CSAC EIA for up to \$10 million for employer's liability and up to \$50 million for workers' compensation per occurrence.

Property damage claims are insured on an occurrence basis over a \$25,000 deductible and are insured with CSAC EIA Property Program.

All public officials and County employees are insured under a blanket comprehensive disappearance, destruction, and dishonesty policy covering County monies and securities, also with CSAC EIA, with excess limits up to \$5 million per occurrence.

The activities related to such programs are accounted for in the County of San Bernardino's Risk Management Fund (an Internal Service Fund). The IBNR and IBNS liabilities included in the Risk Management Fund are based on the results of actuarial studies and include amounts for claims incurred, but not reported, and allocated loss adjustment expense. The liabilities for these claims are reported using a discounted rate of 2.75%. It is the County's practice to obtain actuarial studies on an annual basis.

The Agency also purchases general liability, automobile liability, public official's errors and omissions, employment practices liability, special property insurance coverage and cyber liability coverage. The Agency is covered up to \$5 million per occurrence for general liability, automobile liability, and public officials errors and omissions, up to \$10 million per occurrence for cyber liability, up to \$2 million per occurrence for employment practices liability (with a \$10,000 deductible), and up to \$20 million per occurrence for special property insurance coverage.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 6 – DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Description

The Agency participates in the San Bernardino County Employees' Retirement Association (SBCERA) pension plan – a cost-sharing multiple employer defined benefit retirement plan (the Plan). SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General members. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular position, whose service is greater than fifty percent of the full standard of hours required are members of SBCERA, and are provided with pension benefits pursuant to Plan requirements.

The Plan operates under the provisions of the California County Employees' Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by SBCERA's Board of Retirement (Board). The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the County of San Bernardino Board of Supervisors and/or the SBCERA Board. SBCERA is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

SBCERA is a legally separate entity from the Agency, not a component unit, and there is no financial interdependency with the County of San Bernardino. For these reasons, the Agency's financial statements exclude the SBCERA pension plan as of June 30, 2020. SBCERA publishes its own comprehensive annual financial report that includes its financial statements and required supplementary information, that can be obtained by writing SBCERA at, 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415-0014 or visiting the website at: www.sbcera.org.

Benefits Provided

SBCERA provides retirement, disability, death and survivor benefits. The CERL and PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Benefits Provided (continued)

	General - Tier 1	General - Tier 2
Final average compensation	Highest 12 months	Highest 36 months
Normal retirement age	Age 55	Age 55
Early Retirement: Years of service required and/or age eligible for	Age 70 any years 10 years age 50 30 years any age	Age 70 any years 5 years age 52 N/A
Benefit percent per year of service for normal retirement age	2% per year of final average compensation for every year of service credit	2.5% per year of final average compensation for every year of service credit
Benefit adjustments	Reduced before age 55, increased after 55, up to age 65	Reduced before age 67
Final average compensation limitation	Internal Revenue Code section 401(a)(17)	Government Code section 7522.10

An automatic cost of living adjustment is provided to benefit recipients based on changes in the local region Consumer Price Index (CPI) up to a maximum of 2% per year. Any increase greater than 2% is banked and may be used in years where the CPI is less than 2%. There is a one-time 7% increase at retirement for members hired before August 19, 1975. The Plan also provides disability and death benefits to eligible members and their beneficiaries, respectively. For retired members, the death benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to benefits based on the number of years of service or if the death was caused by employment. General members are also eligible for survivor benefits which are payable upon a member's death.

Contributions

Participating employers and active members are required by statute to contribute a percentage of covered salary to the Plan. This requirement is pursuant to Government Code sections 31453.5 and 31454, for participating employers and Government Code sections 31621.6, 31639.25 and 7522.30 for active members. The contribution requirements are established and may be amended by the SBCERA Board pursuant to Article 1 of the CERL, which is consistent with the Plan's actuarial funding policy. The contribution rates are adopted yearly, based on an annual actuarial valuation, conducted by an independent actuary, that requires actuarial assumptions with regard to mortality, expected future service (including age at entry into the Plan, if applicable and tier), and compensation increases of the members and beneficiaries. The combined active member and employer contribution rates are expected to finance the costs of benefits for employees that are allocated during the year, with an additional amount to finance any unfunded accrued liability. Participating employers may pay a portion of the active members' contributions through negotiations and bargaining agreements.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Contributions (continued)

Employee contribution rates for the fiscal year ended June 30, 2020 ranged between 7.26% and 15.55% for Tier 1 General members and between 7.48% and 9.11% for Tier 2 General members. The required employer contributions and the amount paid to SBCERA by the Agency for the year ended June 30, 2020 was \$1,165,493.

B. Net Pension Liability

At June 30, 2020, the Agency reported a net pension liability of \$5,040,151 for its proportionate share of SBCERA's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The Agency's reported liability at June 30, 2020, increased by \$285,584 from the Agency's prior year liability of \$4,754,567 because of changes in the SBCERA net pension liability and the Agency's proportionate share of that liability. The SBCERA's publicly available financial report provides details on the change in the net pension liability.

The Agency's proportion of the net pension liability at June 30, 2020 was based on the Agency's contributions received by SBCERA during the measurement period for employer payroll paid from dates July 1, 2018 through June 30, 2019, relative to the total contributions received from all of SBCERA's participating employers. At measurement date June 30, 2019, the Agency's proportionate share of total employer contributions was 0.23%, which was a decrease of 0.01% from its proportion measured as of measurement date June 30, 2018. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The significant actuarial assumptions and methods used to measure the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry age normal
Asset Valuation Method	Market Value of Assets
Actuarial assumptions:	
Discount Rate ¹	7.25%
Inflation	3.00%
Salary Increases ²	4.5% - 14.50%
Cost-of-Living-Adjustments	Contingent upon consumer price index with a 2% maximum
Administrative expenses	0.70% of payroll

¹ Includes inflation at 3.00% and is net of pension plan investment expense.

² Includes inflation at 3.00%, real "across the board" salary increases of 0.50%, plus merit and promotional increases. Amounts vary by service.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

B. Net Pension Liability (continued)

Mortality rates used in the June 30, 2019 and 2018 actuarial valuations are based on the RP 2014 Healthy Annuitant Mortality Table projected generationally with the two-dimensional MP-2016 projection scale. For healthy General male members, the ages are set forward one year. No adjustment is made for healthy General female members. For all healthy and disabled Safety members, the ages are set back one year. For all general members that are disabled, the ages are set forward seven years. Beneficiaries are assumed to have the same mortality as a General member of the opposite sex who is receiving a service (non-disability) retirement.

The long-term expected rate of return on Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. This information is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocations approved by the SBCERA Board, and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumptions, are summarized in the following table. This information will change every three years based on the triennial actuarial experience study.

The actuarial assumptions used to determine the TPL as of June 30, 2019 and 2018, were based on the results of the June 30, 2017 Actuarial Experience Study, which covered the periods from July 1, 2013 through June 30, 2016. They are the same assumptions used in the June 30, 2019 and 2018 actuarial valuations. Key assumptions used in the actuarial valuations are presented on the next page.

Change in Assumptions

There were no changes in assumptions.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

B. Net Pension Liability (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

**SBCERA'S Long-Term Expected Real Rate of Return
As of June 30, 2019**

Asset Class	Investment Classification	Target Allocation⁽¹⁾	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	Domestic Common and Preferred Stock	8.00%	5.61%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.00%	6.37%
Developed International Equity	Foreign Common and Preferred Stock	6.00%	6.96%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	9.28%
U.S. Core Fixed Income	U.S. Government and Municipals/ Domestic Bonds	2.00%	1.06%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	3.65%
Global Core Fixed Income	Foreign Bonds	1.00%	0.07%
Emerging Market Debt	Emerging Market Debt	6.00%	3.85%
Real Estate	Real Estate	9.00%	4.37%
International Credit	Foreign Alternatives	11.00%	6.75%
Absolute Return	Domestic Alternative/Foreign Alternatives	13.00%	3.56%
Real Assets	Domestic Alternative/Foreign Alternatives	5.00%	6.35%
Long/Short Equity	Domestic Alternative/Foreign Alternatives	0.00%	0.00%
Private Equity	Domestic Alternative/Foreign Alternatives	16.00%	8.47%
Cash & Equivalents	Short-Term Cash Investment Funds	2.00%	-0.17%
Total		100.00%	

(1) For actuarial purposes, target allocations only change once every three years based on the triennial actuarial experience study.

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the measurement period June 30, 2019. The projection of cash flows used to determine the discount rates assumed that contributions from participating employers and active Plan members are made at the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits of current Plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future members and their beneficiaries, as well as projected contributions from future members, are not included.

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on Plan investments of 7.25% was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2019.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

B. Net Pension Liability (continued)

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Agency's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.25%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1- percentage-point higher (8.25%) than the current rate:

	Discount Rate - 1% (6.25%)	Current Discount Rate (7.25%)	Discount Rate + 1% (8.25%)
Agency's proportionate share of the County's net pension liability	\$ 9,188,739	\$ 5,040,151	\$ 1,638,969

Pension Plan Fiduciary Net Position

Detailed information about the SBCERA's fiduciary net position is available in a separately issued SBCERA comprehensive annual financial report. That report may be obtained on the Internet at www.sbcera.org; by writing to SBCERA at 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415; or by calling (909) 885-7980 or (877) 722-3721.

C. Proportionate Share of Net Pension Liability

The following table shows the Plans proportionate share of the net pension liability over the measurement period.

	Total pension liability	Plan Fiduciary Net Position	Plan Net Pension Liability
Balance at 6/30/2018 (MD)	\$ 29,500,435	\$ 24,745,868	\$ 4,754,567
Balance at 6/30/2019 (MD)	33,675,037	28,634,886	5,040,151
Net change	<u>\$ 4,174,602</u>	<u>\$ 3,889,018</u>	<u>\$ 285,584</u>

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability (continued)

The Agency's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Agency's proportionate share of the net pension liability for the Plan as of June 30, 2020 was as follows:

Proportionate share at June 30, 2020 (measurement date June 30, 2019)	0.23%
Proportionate share at June 30, 2019 (measurement date June 30, 2018)	<u>0.24%</u>
Change – Increase (Decrease)	<u>(0.01%)</u>

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

Under generally accepted accounting principles, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss:

Difference between projected 5 year straight-line amortization and actual earnings	
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) of all employees that are provided with pensions through SBCERA is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Plan. The EARSL for the Plan as of July 1, 2018 (the beginning of the measurement period ended June 30, 2019) is 6.04 years. The EARSL for the Plan as of July 1, 2017 (the beginning of the measurement period ended June 30, 2018) is 6.12 years.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Agency recognized pension expense of \$1,301,126 and reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 67,238	\$ (162,058)
Changes in assumptions	658,260	-
Net difference between projected and actual earnings on pension plan investments	100,350	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,032,229	(139,368)
Employer contributions paid by Agency subsequent to the measurement date	1,165,493	-
Total	<u>\$ 3,023,570</u>	<u>\$ (301,426)</u>

The amounts above are net of outflows and inflows recognized in the 2018-2019 measurement period expense. Deferred outflows of resources related to contributions subsequent to the measurement date of \$1,165,493 will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 506,703
2022	264,561
2023	428,076
2024	281,408
2025	73,386
Thereafter	2,517

E. Payable to the Pension Plan

The Agency reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2020.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 7 – LEASES

The Agency entered into a ten-year operating lease commencing on September 1, 2010 with the County of San Bernardino for a building in Rialto for \$1 per year. The lease agreement was amended beginning November 1, 2018 increasing the rent from \$1 to \$52,034 per year. The space is used to house the administrative, technology, and dispatch personnel for the Agency. The lease expense for the year ended June 30, 2020 was \$34,688. Upon expiration of the initial term of the lease, the Agency is granted two consecutive five-year lease renewal options. The option must be exercised by the Agency, giving the landlord notice before the expiration of the initial term, or any option period, of its intention to exercise the option. The future minimum payments on the lease are as follows:

<u>Fiscal Year Ending</u>	<u>Lease Payments</u>
6/30/2021	\$ 8,672
Total	<u>\$ 8,672</u>

The Agency entered into a three-year operating lease commencing April 2017 with Konica Minolta Business Solutions for two copiers. This lease has ended in March 2020. The Agency entered into another three-year operating lease commencing April 2020 with the same vendor for three copiers. The lease expense for the year ended June 30, 2020 was \$6,393. The future minimum payments on the lease are as follows:

<u>Fiscal Year Ending</u>	<u>Lease Payments</u>
6/30/2021	\$ 7,728
6/30/2022	7,728
6/30/2023	<u>5,796</u>
Total	<u>\$ 21,252</u>

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 7 – LEASES (continued)

The Agency entered into a five-year lease agreement commencing on February 1, 2017 with ModSpace for the lease of modular office space. The lease expense for the year ended June 30, 2020 was \$5,604. The future minimum payments on the lease are as follows:

<u>Fiscal Year Ending</u>	<u>Lease Payments</u>
6/30/2021	\$ 5,604
6/30/2022	3,269
Total	<u>\$ 8,873</u>

The Agency entered into five year lease agreement commencing March 1, 2019 with the County of San Bernardino for the use of a portion of the County's existing rack space within the County-owned equipment shelter located at 1743 W. Miro Way, Rialto, to install and operate electronic server system equipment. The lease expense for the year ended June 30, 2020 was \$33,532. The future minimum payments on the lease are as follows:

<u>Fiscal Year Ending</u>	<u>Lease Payments</u>
6/30/2021	\$ 34,708
6/30/2022	35,924
6/30/2023	37,184
6/30/2024	25,360
Total	<u>\$ 133,176</u>

The Agency entered into a ten-year operating lease commencing on May 1, 2019 with the County of San Bernardino for a building in Hesperia for \$6,251 per month for the first year. The monthly lease payment is subject to an increase on each anniversary of the commencement date during the initial term of 3.5% over the monthly lease payment due immediately prior to each such anniversary date. Upon expiration of the initial term of the lease, the Agency is granted two consecutive five-year lease renewal options. The option must be exercised by the Agency, giving the landlord notice at least six (6) months prior to the expiration of the initial term, or any option period, of its intention to exercise the option.

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 7 – LEASES (continued)

The lease expense for the year ended June 30, 2020 was \$75,450. The future minimum payments on the lease are as follows:

Fiscal Year Ending	Lease Payments
6/30/2021	\$ 78,090
6/30/2022	80,823
6/30/2023	83,651
6/30/2024	86,579
6/30/2025	89,610
6/30/2026 - 6/30/2029	<u>373,052</u>
Total	<u>\$ 791,805</u>

NOTE 8 – COMPENSATED ABSENCES

The following table presents the compensated absences activity for the year ended June 30, 2020:

Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<u>\$ 407,193</u>	<u>\$ 493,671</u>	<u>\$ (426,399)</u>	<u>\$ 474,465</u>

Vacation and sick leave benefits will be recorded as expenditures in the governmental funds when the related expenditure is incurred.

NOTE 9 – COVID-19 CONSIDERATIONS

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. As a result, the outbreak has caused uncertainty in the financial markets. Although the Agency's services are considered essential and its major revenue sources are not directly impacted by these events, it is uncertain whether this matter will negatively impact the Agency. Therefore, the ultimate financial impact and duration cannot be estimated at this time

Consolidated Fire Agencies (CONFIRE)

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 9 – COVID-19 CONSIDERATIONS (continued)

Due to the pandemic, CONFIRE was able to request funds through the CARES Act to reimburse projects that came about due to COVID-19 or where implementations were moved forward to an earlier date. For instance, CONFIRE has opened a second communication center, earlier than expected, to provide staff enough space to social distance. The new location is located in the High Desert Government Center (HDGC). The additional funding allowed the Department to purchase additional workstations, radios, and alerting and call taking equipment. Another project is the Computer Aided Dispatch (CAD) or CAD to CAD project. A regional CAD to CAD solution connect multiple disparate proprietary CAD systems through a hosted interface enabling emergency communications centers to improve interoperability, situational awareness, resource sharing and coordination and system resiliency. This systems will improve response readiness and operational efficiency when resources are needed most. The final project that was onset due to the pandemic is the Emergency Communications Nurse System or ECNS. This interface is required to integrate the Low Code software into COFNIRE's existing Central Square CAD system. This software is integral to expeditious implementation of the ECNS in response to and in preparation for the COVID-19 pandemic.

Other precautions that CONFIRE has put in place to slow down the spread of COVID-19 are:

- Biweekly sanitizing spray by Enviro-Masters.
- Daily temperature check stations.
- Encourage wearing masks, washing of hands, and social distancing.
- The department has provided laptops and hot spots to encourage staff to work remotely.
- The department has reached out to agencies to encourage the use of electronic fund transfers (EFT) when making payments.
- The department is also trying to establish a desktop deposit procedure to avoid physically going to the bank when making deposits.

REQUIRED SUPPLEMENTARY INFORMATION

Consolidated Fire Agencies (CONFIRE)

**Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
For the Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES			
Contributions from agencies	\$ 10,481,868	\$ 11,555,662	\$ 1,073,794
Investment income	-	399,138	399,138
Intergovernmental - federal and state	445,576	50,000	(395,576)
Total operating revenues	10,927,444	12,004,800	1,077,356
EXPENDITURES			
Salaries and employee benefits	7,393,813	6,615,076	778,737
Services and supplies	5,344,631	5,414,357	(69,726)
Capital outlay	-	428,181	(428,181)
Total expenditures	12,738,444	12,457,614	280,830
Net change in fund balance	(1,811,000)	(452,814)	1,358,186
FUND BALANCE, BEGINNING OF YEAR	11,871,169	11,871,169	-
FUND BALANCE, END OF YEAR	<u>\$ 10,060,169</u>	<u>\$ 11,418,355</u>	<u>\$ 1,358,186</u>

See accompanying note to required supplementary information.

Consolidated Fire Agencies (CONFIRE)

**Schedule of the Agency's Proportionate Share of the Plan's Net Pension Liability
and Related Ratios as of the Measurement Date
Last 10 Fiscal Years***

Measurement Date	Agency's proportion of the net pension liability	Agency's proportionate share of the net pension liability	Covered payroll	Agency's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
6/30/2014	0.23%	\$ 3,308,618	\$ 3,100,081	106.73%	82.47%
6/30/2015	0.21%	3,488,800	3,042,104	114.68%	80.98%
6/30/2016	0.22%	4,591,583	3,105,759	147.84%	76.86%
6/30/2017	0.22%	4,752,847	3,201,531	148.46%	77.90%
6/30/2018	0.23%	4,754,567	3,605,489	131.87%	79.89%
6/30/2019	0.23%	5,040,151	3,586,448	140.53%	79.61%

* Historical information is required only for measurement dates for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available. Fiscal Year 2013-14 was the first year of implementation.

Consolidated Fire Agencies (CONFIRE)

**Schedule of the Agency's Plan Contributions
Last 10 Fiscal Years***

<u>Fiscal Year</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
6/30/2015	\$ 596,791	\$ (817,404)	\$ (220,613)	\$ 3,042,104	26.87%
6/30/2016	621,004	(925,430)	(304,426)	3,105,759	29.80%
6/30/2017	705,250	(967,377)	(262,127)	3,201,531	30.22%
6/30/2018	787,889	(1,083,969)	(296,080)	3,605,489	30.06%
6/30/2019	906,488	(1,209,589)	(303,101)	3,586,448	33.73%
6/30/2020	874,979	(1,165,493)	(290,514)	3,610,773	32.28%

* Historical information is required only for measurement dates for which GASB 68 is applicable.

Notes to Schedule:

Change in Benefit Terms: None

Change in Assumptions: The discount rate was lowered from 7.50% to 7.25% in fiscal year 2017-18, which is the measurement period ended June 30, 2017

*Historical information is required only for measurement dates for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available. Fiscal Year 2013-14 was the first year of implementation.

Consolidated Fire Agencies (CONFIRE)

**Note to Required Supplementary Information
June 30, 2020**

BUDGET AND BUDGETARY ACCOUNTING

Consolidated Fire Agencies (Agency) prepares and legally adopts a final budget on or before June 30 of each fiscal year. The Agency's operation, commencing July 1, is governed by the proposed budget, which is adopted by the Agency's Board of Directors before June of the prior year. The legal level of budgetary control is at the fund level.

After the budget is approved, the appropriations can be added to, subtracted from, or changed only by resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Agency.

An operating budget is adopted each fiscal year on the modified accrual basis. Additionally, encumbrance accounting is utilized to assure effective budgetary control.

OTHER REPORTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

Board of Directors
Consolidated Fire Agencies (CONFIRE)
Rialto, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Consolidated Fire Agencies (the Agency), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated November 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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 or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 30, 2020



CONFIRE

STAFF REPORT

DATE: 12/10/2020

FROM: Yvette Calimlim 
Business Management Analyst

TO: CONFIRE Admin Committee

SUBJECT: Special Revenue Fund for CAD to CAD System

RECOMMENDATION

Approval to establish an additional Special Revenue Fund for CAD to CAD System.

FINANCIAL IMPACT

There is no cost associated with accepting the report. Approval of budget adjustments to CONFIRE's budget is not requested at this time but may be included on a future budget report presented to the Board of Directors for approval.

BACKGROUND

CONFIRE is implementing a regional computer aided dispatch (CAD) solution, CAD to CAD, which connects multiple different proprietary CAD systems through a hosted interface enabling emergency communications center. This is to improve interoperability, situational awareness, resource share, and coordination and system resilience.

CONFIRE Fiscal Office is requesting approval to establish an additional Special Revenue Fund specifically for the CAD to CAD revenue that are restricted to be spent for this specific system. A special revenue fund is an account established to collect money that must be used for a specific project. This will provide an extra level of accountability and transparency. The additional Special Revenue Fund will allow CONFIRE to collect revenues for specific expenditures separate from their Operations Fund for the CAD to CAD.

This fund will be used to budget revenues committed to specific expenses for the CAD to CAD system such as salaries and benefits, travel, professional services, computer hardware, software, and maintenance. Revenue sources for this project are currently being funded through the Department's 2021 budget along with the Urban Areas Security Initiative (UASI) grant. CONFIRE has been approved to received \$381,000 from the UASI 2018 grant and \$475,663 from the UASI 2019 grant. The Department has submitted applications for both USAI 2020 and UASI 2021 grant years. CONFIRE has contracted with

two other Agencies and negotiating with two other perspective agencies. The current CAD to CAD Vendor has incorporated up to ten (10) contracted agencies to able to participate in the initial production of the CAD to CAD system. This fund will allow CONFIRE to track revenues from all funding sources for the specific CAD to CAD system expenses.