

Virginia Fire Services Board

Committee on Administration, Policy and Finance

December 1, 2011

Consent Agenda Package

- A. Approval Of The Minutes Of The Previous Meeting
- B. Report From The VDFP Director of Finance
- C. Report From The Burn Building Subcommittee

VIRGINIA FIRE SERVICES BOARD
Administration, Policy and Finance
October 6, 2011

A regular meeting of the Committee on Administration, Policy and Finance was held at the VDFP Headquarters in Glen Allen, VA at 10:30 a.m. Mr. James Armstrong served as chair.

COMMITTEE MEMBERS PRESENT

James Armstrong – Committee Chair – Virginia Chapter of International Society of Fire Service Instructors

Richard E. Burch Jr. – Virginia Fire Services Council

Elaine Gall – Virginia Fire Prevention Association

Thomas Moffett – Virginia Professional Firefighters Association

Felix Sarfo-Kantanka Jr. – General Public

Kenneth J. Brown - Burn Building Subcommittee Chair – Virginia State Firefighter’s Association

COMMITTEE MEMBERS ABSENT

Brian Mullins – Virginia Board of Housing & Community Development

William Kyger – Association of Counties

VFSB MEMBERS PRESENT

James Wheeler – Virginia Municipal League

Michael Reilly – Virginia Chapter of International Association of Arson Investigators

James Wheeler – Virginia Municipal League

Robert Scott – Insurance Industry

AGENCY MEMBERS PRESENT

Brook Pittinger

Angela Thompson

David Jolly

Matthew Smith

Don Hansen

Erin Rice

GUESTS PRESENT

Charlie Singleton

Jeff Flippo

Michael Berg

Steve Cover

PLEDGE OF ALLEGIANCE & MOMENT OF SILENCE

ROLL CALL

CHANGES IN AGENDA

Consent Agenda

A. Approval Of The Minutes Of The Previous Meetings

B. Reports From The VDFP Liaison

i. Director of Administration

a). King George County Fire and EMS Study Report

- b). Washington County Fire and EMS Study Report
 - ii. Director of Finance
- C. Report From The Burn Building Subcommittee

Unfinished Business

- A. No unfinished business

New Business:

- A. No new business

PUBLIC COMMENTS

Brook Pittinger reminded Board members that the Conflict of Interest filing information is being sent and is due by the December Board meeting.

CONSENT AGENDA

James Armstrong requested that Item 2) b) ii) under the Director of Finance's report be pulled from the consent agenda.

Topic: Consent Agenda

Motion: To approve the Consent Agenda, exception of the Grants Report 2) b) ii).

Discussion: All items under the Consent Agenda were approved with the exception of the Item 2) b) ii) under the Director of Finance's report related to the six-month No Cost Time Extension Request by Bristol.

Vote: Unanimous

Action: Motion Carries

Topic: Burn Building Renovation Project No-Cost Time Extension - City of Bristol, Enclosure 9

Motion: To approve the City of Bristol's request for a six-month No-Cost Time Extension on their Burn Building Renovation Project with a new Project Expiration Date as April 30, 2012.

Discussion: The City of Bristol has submitted a request for a six-month No-Cost Time Extension for their Burn Building Renovation Project due to delays explained in their letter, see **Enclosure 9**.

Vote: Unanimous

Action: To present to the Full Board

A. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The Chair asked if there were any additions and/or corrections to the minutes from the August 2011 meeting. With no changes to the minutes from the August 12, 2011 meeting minutes were approved.

B. REPORT FROM THE VDFP LIAISONS Director of Administration

Brook Pittinger provided the following report:

1) Topic: Fire & EMS Studies, Enclosures 1 and 2

Discussion: The fire & EMS studies for the Counties of King George and Washington have been completed.

- a. **County of King George, Enclosure 1** – The four (4) major themes identified were: Personnel; Organizational Development and Operations; Communication; and Training.
- b. **Washington County, Enclosure 2** – The four (4) major themes identified were: Communications; Organizational Development; Fire and Rescue Operations; and Training and Safety.
- c. **Amelia County** – The site visit is scheduled for October 17 & 18, 2011.

Motion 1: To release the Fire & EMS Study for the County of King George, pending finalization by the Study Committee.

Vote: Unanimous, as a part of the Consent Agenda Approval

Action: Motion Carries

Motion 2: To release the Fire & EMS Study for the County of Washington.

Vote: Unanimous, as a part of the Consent Agenda Approval

Action: Motion Carries

Director of Finance

Christine Lopilato provided the following report:

1) Budget Report

- a) FY2012 Financial Reporting
 - i) Statement of Cash – Interest Account as of August 31, 2011, **Enclosure 3**
 - ii) Burn Buildings Cash Obligations and Availability as of August 31, 2011, **Enclosure 4**
 - iii) FY2012 Burn Buildings Spending Plan, **Enclosure 5**

2) Grants & Local Aid Report

- a) Aid to Localities (ATL) Entitlement Program

- i) FY11 ATL Report, **Enclosure 6**
- ii) FY12 ATL Report, **Enclosure 7**

- b) Burn Building Grant Program
 - i) Burn Building Summary Report, **Enclosure 8**
 - ii) Burn Building Renovation Project No-Cost Time Extension – City of Bristol, **Enclosure 9**

C. REPORT FROM THE BURN BUILDING SUBCOMMITTEE

The Burn Building Subcommittee meeting has not met since the last Board meeting.

COMMENTS FROM THE COMMITTEE CHAIRMAN

James Armstrong had no comments for the Committee.

FINANCIAL ISSUES FROM THE COMMITTEE ON FIRE EDUCATION AND TRAINING

No financial issues reported from the Fire Education and Training Committee as the Committee is meeting after this Committee.

FINANCIAL ISSUES FROM THE COMMITTEE ON FIRE PREVENTION AND CONTROL

Topic: VFIRS Hardware Grant Applications, Enclosures 1, 2, and 3

Motion: To approve the applicants for VFIRS as selected by staff for a total of \$25,000.

Discussion: The Committee amended the motion and approved the applicants as selected by staff.

Vote: Unanimous

Action: To present to the Full Board

UNFINISHED BUSINESS

No unfinished business

NEW BUSINESS

No new business

ADJOURNMENT

The Committee adjourned at 10:49 a.m.

Clerk of the Committee
Matthew C. Smith

REVIEWED BY:

Brook M. Pittinger

Brook Pittinger
Branch Director of Administration

October 14, 2011
Date

Angela Thompson

Angela Thompson
Grants and Local Aid Manager

October 14, 2011
Date

Enclosures:

1. Preliminary King George County Fire and EMS Study Report – NOT FOR PUBLIC RELEASE
2. Washington County Fire and EMS Study Report
3. Statement of Cash – Interest Account as of August 31, 2011
4. Burn Building Cash Obligation and Availability as of August 31, 2011
5. FY2012 Burn Building Spending Plan
6. FY11 ATL Report
7. FY12 ATL Report
8. Burn Building Summary Report
9. Letter from the City of Bristol

Virginia Fire Services Board – Administration, Policy and Finance Committee

December 2011

Director of Finance Report – Christine Lopilato

1. Budget Report

- a. FY2012 Financial Reporting
 - i. Statement of Cash – Interest Account as of October 31, 2011, **Enclosure 1**
 - ii. Burn Buildings Cash Obligations and Availability as of October 31, 2011, **Enclosure 2**

2. Grants & Local Aid Report

- a. Aid to Localities (ATL) Entitlement Program
 - i. FY11 ATL Report, **Enclosure 3**
 - ii. FY12 ATL Report, **Enclosure 4**
 - iii. ATL Policy Revision, **Enclosure 5**

- b. Burn Building Grant Program
 - i. Burn Building Summary Report, **Enclosure 6**

FY-2011 Fire Programs Fund Aid to Localities Payments

Pay Cycle	Date Pymt. Requested	No. of Localities	% of Localities	Amount	% of Funds
1	09/01/2010	197	60.8%	\$12,188,177	57.3%
2	12/03/2010	58	17.9%	\$2,200,833	10.3%
3	03/11/2011	22	6.8%	\$1,042,570	4.9%
4	06/27/2011	23	7.1%	\$4,987,621	23.4%
4	06/29/2011	2	0.6%	\$16,000	0.1%
5	09/9/2011	9	2.8%	\$563,717	2.6%
6			0.0%		0.0%
7			0.0%		0.0%
8			0.0%		0.0%
9			0.0%		0.0%
10			0.0%		0.0%
11			0.0%		0.0%
12			0.0%		0.0%
Funds Released		311	96.0%	\$20,998,918	98.7%
Total Funds Not Released		13	4.0%	\$279,584	1.3%
AtL Total		324	100.0%	\$21,278,501	100.0%

Facing Forfeiture as of 6/30/2012:

1	315	Boones Mill (Town)	\$	8,000
2	317	Boyce (Town)	\$	8,000
3	325	Buchanan (Town)	\$	8,000
4	328	Capron (Town)	\$	8,000
5	368	Fries (Town)	\$	8,000
6	423	Occoquan (Town)	\$	8,000
7	448	Saint Paul (Town)	\$	8,000
8	451	Scottsburg (Town)	\$	8,000
9	468	Toms Brook (Town)	\$	8,000
			\$	72,000

FY-2012 Fire Programs Fund Aid to Localities Payments

Pay Cycle	Date Pymt. Requested	No. of Localities	% of Localities	Amount	% of Funds
1	09/09/2011	163	50.3%	\$12,472,809	58.6%
2			0.0%		0.0%
3			0.0%		0.0%
4			0.0%		0.0%
5			0.0%		0.0%
6			0.0%		0.0%
7			0.0%		0.0%
8			0.0%		0.0%
9			0.0%		0.0%
10			0.0%		0.0%
11			0.0%		0.0%
12			0.0%		0.0%
Funds Released		163	50.3%	\$12,472,809	58.6%
Total Funds Not Released		161	49.7%	\$8,805,692	41.4%
AtL Total		324	100.0%	\$21,278,501	100.0%



Virginia Fire Services Board Aid to Localities Policy

**A Mandatory Annual Allocation Disbursed to
Jurisdictions from the Commonwealth's
FIRE PROGRAMS FUND**

Commonwealth of Virginia

Virginia Department of Fire Programs

and the

Virginia Fire Services Board

**Commonwealth of Virginia
Department of Fire Programs
Attn: ATL Administration
1005 Technology Park Drive
Glen Allen, Virginia 23059-4500**

Tel: (804) 371-0220

Fax: (804) 371-3358

A) PURPOSE and AUTHORITY

Pursuant to authority granted by §38.2-401 of the *Code of Virginia* (the Code), the Virginia Fire Services Board (VFSB) adopts this Policy to provide direction for the administration and expenditure of entitlements allocated from the Fire Programs Fund. Each qualifying jurisdiction within the Commonwealth is entitled to an annual allocation based on their population but subject to certain minimum levels. This allocation may only be used for “fire service purposes” and “may not supplant or replace locally appropriated funds”.

B) DEFINITION OF TERMS

Fiscal Period – The Commonwealth’s fiscal periods are inclusive 12-months, from July 1st through and including June 30th of the next calendar year.

Aid to Localities (ATL) – This terminology itself is not actually specified in the language of the *Code*. The concept is however one that is both common within the public sector and in widespread use particularly for fund accounting. As used herein ATL:

- Refers exclusively to the annual allocation specified – §38.2-401.B of the Code, as further addressed by this Policy, including:
 - That allocation’s disbursement to jurisdictions statewide, and...
 - Any forfeiture and subsequent general re-allocation as ATL.

Eligible Jurisdiction – Refers exclusively to each Independent CITY, COUNTY, and TOWN incorporated within the counties, as listed by the SECRETARY OF THE COMMONWEALTH in the Annual Report. This expression is sometimes used interchangeably with “Locality.”

C) PRECEDENCE OF LAW & DISCLAIMER

Nothing contained within this document shall or be construed to supersede the applicable laws and regulations of the COMMONWEALTH OF VIRGINIA. In the event of a conflict, the applicable law shall supersede the conflicting provision of this Policy statement.

D) GENERAL OVERVIEW

The *CODE* provides for the collection of an annual levy each fiscal period from the insurance industry. Such levy is collected by the STATE CORPORATION COMMISSION (SCC) as of March 1st of the next immediate fiscal period. The amounts collected are thereafter reconciled and that reconciled principal is transferred into the FIRE PROGRAMS FUND (FUND) during the latter half of June of that same year.

Consistent with the *CODE*, the ATL total amount for any fiscal period is comprised of two components. The first component represents 75% of that principal amount initially

transferred each year by the SCC as thereafter adjusted. The second component is the total amount of all irrevocable forfeitures by jurisdictions of allocations uncollected by them in a prior fiscal period.

Before any calculation for that 75% of the transferred principal is made, several types of reductions from that principal may first need to be accounted for and set-aside. Reductions may include:

- Any amount so specified in the **present Appropriations Act** as a payment, transfer, or other conveyance from the FIRE PROGRAMS FUND. (In the absence of an Appropriations Act for a given fiscal period, such may then pertain to any active appropriations authorization in place consistent with *CONSTITUTION OF THE COMMONWEALTH OF VIRGINIA*.)
- Any amount specified by **other applicable “Acts of Assembly”** as a payment, transfer, or other conveyance from the FIRE PROGRAMS FUND and not theretofore satisfied.
- Any amount specified by the **CODE** itself as a payment, transfer, or other conveyance from the FIRE PROGRAMS FUND. (i.e., Monies to be set aside for the “Dry Hydrant” Program or “Fire Service Grant Program.”)

Once these amounts have been deducted from that initial principal, 75% of the remaining transfer amount is then set-aside for allocation to jurisdictions as ATL.

In order for jurisdictions to collect their ATL, the *Code* requires that they satisfactorily complete and submit timely two (2) documents to the Virginia Department of Fire Programs (VDFP or Agency) annually:

- An Annual Report in which they must report to the Agency on the prior year’s ATL usage
- A Disbursement Agreement for ATL funds they are presently allocated to receive.

Beginning with FY2012 funding year, all jurisdictions will be required to include with their Annual Report submissions to the Agency accounting documentation (such as General Ledger reports, bank statements, or spreadsheets) demonstrating the following items:

- Cash carry forward from previous funding years (if applicable)
- Current ATL funding for the year being reported
- Interest earned on the ATL funds
- Qualifying expenditures for the current funding year being reported
- Cash carry forward balance into future reporting years (if applicable)

If, at the end of any annual reporting period, the eligible jurisdiction has not submitted to VDFP a satisfactory annual report and a completed agreement form, any ATL funds due to that locality for the next year shall not be retained by the jurisdiction but shall be retained in the Fund. See § 38.2-401.B of the Code. Additionally, jurisdictions that fail to

collect their allocation within two (2) years of funds availability shall irrevocably forfeit that amount, and any such amount is retained in the Fund for distribution to localities in the next allocation cycle. Funds are made available on July 1 of the current fiscal year funding cycle and are available for collection by the locality until June 30 of the second year. For example, funds made available July 1, 2011 for the FY2012 funding cycle will be available for collection by the jurisdictions until June 30, 2013.

The VFSB hereby grants to the VDFP the authority to interpret and administer the ATL Entitlement Program in accordance with the Code and this Policy.

E) STATEMENT OF POLICY DISBURSEMENT OF FIRE FUND

1. Jurisdictions Eligible for ATL – The Code requires at §38.2-401.B that allocations shall be made from the FUND to jurisdictions “...providing fire service operations to be used for the improvement of volunteer and career fire services in each of the receiving localities.” Eligibility is restricted exclusively to those jurisdictions within the Commonwealth of Virginia as provided in the Code. Fire Departments or fire service organizations are **not eligible** to receive ATL funds directly from the Agency.
2. ATL Allocation Period Defined – Funds received by the Agency each June from SCC are used in arrears for ATL in the current fiscal period.

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Beginning July 1, 2010 and continuing every July 1 thereafter, the annual transfer of principal as collected by the SCC for the FIRE PROGRAMS FUND each June shall be the basis for computing ATL allocations to jurisdictions for the current fiscal period commenced the previous July 1st and concluding June 30th of the current fiscal year in which the SCC transfer is received.

3. Minimum Allocations – The Code specifies minimum allocations for Counties, cities, and towns based upon population. Should the calculation of a jurisdiction’s population-based allocation fall below the statutory minimum, then that jurisdiction’s allocation is raised to the statutory minimum for the fiscal period in question. The VFSB shall be authorized to exceed statutory allocations for eligible counties, cities, and towns, but may not reduce allocations below the statutory minimums specified in the Code.

The Board will inform the Agency not more than 90-days nor less than 30-days before the start of a fiscal period the minimums to be so applied; should the Board not so notify the Agency/not elect to change the minimums, the then existing minimums shall remain in effect for the forthcoming fiscal period. (See Exhibit [A])

4. Authorized Use of ATL – Pursuant to § 38.2-401.B. of the Code, ATL funds shall be used for the following purposes:

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Compensation of personnel used to provide fire service training. Instructors may be employed permanently, temporarily part-time or by contract.

Reimbursement of expenses associated with attendance and participation at fire related training, classes or courses, educational conferences, seminars, workshops, and classes held within and outside Virginia.

Cost of construction, improvement and/or expansion of regional or local fire service training facilities. This includes construction of: burn and smoke buildings, flammable liquid pits, SCBA mazes, props for hazardous materials and heavy technical rescue, and classroom space. All construction must be done in accordance with applicable laws, ordinances, policies and procedures governing the zoning of land and construction of buildings.

Purchase of personal protective firefighting equipment, EMS equipment for fire services personnel only, breathing apparatus, tools and vehicles used in the direct commission of firefighting or fire suppression, hazardous materials mitigation, or heavy technical rescue capabilities. NFPA standards shall provide guidance to the appropriateness of the equipment.

Equipment and supplies used to support and expand fire inspection activities and investigations as it relates to fire incidents.

Fire-related coursework leading to a fire-related degree and non-fire-related coursework leading to a fire-related degree,

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Cost of personnel to provide public fire safety education programs. Educators may be employed permanently, temporarily part-time or by contract. Equipment and supplies used to educate the public in fire safety and prevention.

Costs incurred for emergency medical care equipment/supplies for fire services personnel only are permitted as an allowable use of ATL funds.

5. Non-Authorized Use - ATL shall not supplant or replace locally appropriated funds.

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ATL shall not provide compensation for lost wages due to class attendance or participation.

ATL funds may not be used for costs incurred for supplies and equipment used in EMS response or delivery.

Non-fire-related coursework leading to a non-fire-related degree.

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ATL funds may not be used to establish revolving loan programs or lines of credit where ATL funds are used as the principal amount for the loan program or line of credit.

The intent of the ATL Entitlement Program is to provide financial resources to the fire services for acquisitions within the allowable categorical areas as prescribed in the Code and further explained under Authorized Use of ATL with no expectation of repayment to the ATL funding source at the State or Local government level.

6. Appeals Process

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Inquiries regarding the usage of ATL funds are to be sent to VDFP for review and consideration. VDFP will make an evaluation of the inquiry considering COV §38.2-401, ATL Policy, and ATL Practices documents. VDFP will provide a formal decision to localities via certified e-mail with read receipt.

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Localities may appeal decisions about the allowable use of ATL funds. Notices of appeal are to be received by VDFP within 14 business days of the read receipt of the e-mail correspondence. Failure to submit notice of appeal will render VDFP's decision final. Upon receipt of a notice of appeal, VDFP will notify the locality of the next scheduled VFSB meeting, encouraging the locality to be present to discuss its appeal. If the next VFSB meeting occurs in less than seven (7) business days, the appeal will be scheduled for the next subsequently scheduled VFSB meeting. Should the locality fail to appear for its appeal and does not provide adequate advance notice of its absence, VDFP's original decision will stand as final.

Deleted: VDFP will provide formal written denial to localities via an e-mail with read receipt. Localities may submit a notice of appeal

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7. Allowed "carry-forward" of ATL by Jurisdictions – Jurisdictions may conditionally 'carry-forward' ATL funds.

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The allocation of funds is scheduled upon successive 12-month periods coincident with the Commonwealth's fiscal periods. Pursuant to §38.2-401.A, unexpended monies shall not revert to the General Fund or any other Special Revenue Fund, but shall remain in the Fire Programs Fund.

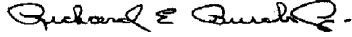
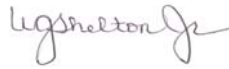
The carry-over by jurisdictions of ATL held by them from one fiscal (Reporting) period to the next shall not generally be abridged. Any such balances carried-forward shall be accounted for by jurisdictions in their Code mandated Annual Reports to the Agency. VDFP shall monitor such balances and shall advise the Board of any irregularity, suspected abuse, or other concerns, so that the Board may review this provision of the Policy and make adjustments as they may thereafter deem necessary.

CERTIFICATION:

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We the undersigned as Chairman of the VIRGINIA FIRE SERVICES BOARD and Executive Director of the VIRGINIA DEPARTMENT OF FIRE PROGRAMS jointly adopt the foregoing Policy which supersedes all prior Policies/Policy Statements effective as of November 1, 2011 and signed this 7th day of October, 2011.

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Richard E. Burch, Jr. Chairman Virginia Fire Services Board	W. G. Shelton, Jr. Executive Director Virginia Department of Fire Programs

History of Applicable ATL Minimums
 Exhibit [A]

Effective	Cities & Counties	Towns	Initial Fiscal Period...
Origin	\$8,000	\$3,000	FY-1984
July 1997 – VGA Action	\$10,000	\$4,000	FY-1997
April 2001 -- BOARD Action	\$12,000	\$6,000	FY-2001
June 2006 - BOARD Action	\$16,000	\$8,000	FY-2007

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