



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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MINUTES OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REGULAR MEETING OF June 14, 2017

1. Call to Order - 7:00 P.M.

The regular meeting of the Board of Directors of the Scotts Valley Fire Protection District (SVFPD) was held on Wednesday, June 14, 2017 at the City of Scotts Valley Council Chambers. President Smith called the meeting to order at 7:00 p.m.

1.1 Pledge of Allegiance and Moment of Silence

President Smith called for the Pledge of Allegiance and a Moment of Silence to follow.

- A. Directors Present: Directors Campbell, Patterson, Pisciotta, Smith and Warren
- B. Directors Absent: None
- C. Fire District Staff: Chief Grebil, Battalion Chief Whittle and Administrative Secretary Walton

2. Public Comment (GC §54954.3)

None

3. Agenda Amendments (GC §54954.2) – Discussion/Action

President Smith stated that a Special Meeting was posted to run concurrent with the Regular Board Meeting to add an additional item for Labor Negotiations to the Closed Session.

4. Consent Calendar

4.1 Minutes: Approve Regular Board Meeting Minutes of May 10, 2017

4.2 Payroll: Approve May Payroll 10 and 11 in the amount of: \$280,640.93

4.3 Expenditures: Approve Expenditures for May in the Amount of:

<u>General Fund:</u>	\$137,317.89
<u>Zone A:</u>	\$ 1,045.00
<u>SCHMIT:</u>	\$ 808.09
<u>TOTAL:</u>	\$139,170.98

4.4 Approve Surplus Equipment List and Authorize Disposal of Surplus Items

4.6 Authorize Payment to CalPERS in the amount of \$390,957.00, for the Safety Plan's Unfunded Liability Annual Lump Sum Prepayment Option to be Paid After July 1, 2017, for the 2017/2018 Fiscal Year

President Smith removed the following Item from the Consent Calendar and moved it to Action Item 5.5 for discussion:

4.5 Authorize Payment to Santa Cruz County Fire Agencies Insurance Group in the amount of \$195,000.00, for Workers Compensation Insurance to be Paid After July 1, 2017, for the 2017/2018 Fiscal Year

The Consent Calendar was enacted upon by one motion.

On motion of Director Patterson seconded by Director Warren to Approve the Consent Calendar as Presented was approved by the following vote:

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AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

5. Action Items

5.1 Facilities Master Plan Request for Proposals/Authorize Consultant Contract - Discussion/Action

Chief Grebil stated that last month, the Facilities Committee presented a review of the facilities to the Board and recommended hiring a Facilities Consultant. A Request for Proposal (RFP) for Consulting Services including the operational analysis and development of a space needs and facilities master plan was sent to six firms and two proposals were received back. Chief Grebil stated that in general, he doesn't usually recommend using consulting services, but in this case, it is necessary to determine the facility needs moving forward. The Consultant fees may seem expensive but considering the cost for Architects and Engineers, the fee appropriately reflects the high level of expertise that will be provided.

Director Patterson stated that he knows the proposals were expensive, but well worth the cost to accurately identify the facility needs moving forward. Director Patterson stated that based on the Facilities Committee review, he is concerned that the facilities may not meet the current Essential Services Building Standards so there is an immediate need to select one of the proposals. Director Patterson stated that based on his review of the proposals, he would recommend the higher cost proposal as they have worked locally on projects with Santa Clara, Santa Rosa and the Scotts Valley Library.

Director Pisciotta stated that this will be money well spent in providing a facilities road map to where we currently are and where we should be.

President Smith stated that he was not in favor of hiring a Facilities Consultant due to the high cost.

Director Pisciotta suggested the Board interview both Consultant Firms before making a decision. Chief Grebil will schedule a Special Meeting for the Board to interview the Consultant Firms.

Director Warren stated that he was not originally in favor of hiring a Facilities Consultant but after discussion, did see the benefit and wanted to establish how much Zone A would fund. Director Warren stated that he would recommend 49% or less funded by Zone A.

Director Campbell stated that he is in favor of hiring a Facilities Consultant but wanted to be mindful of using Zone A Funds. Director Campbell requested that the Facilities Committee meet to review data on what percent Zone A represents of the SVFPD.

Chief Grebil stated that based on square miles of the District, Zone A represented approximately 25% and station serving that area could be 50%. Depending on what criteria is used, between 25% and 50% could be funded by Zone A. The Board was provided with the original Zone A documents and the Resolution from 2003 expanding the use of the Zone A Fund, which was used to purchase a Fire Engine.

Director Patterson stated that Zone A is a funding source with over a million dollars and this would be a good use of the funds to benefit the Zone A residents. Director Patterson recommended using Zone A to fund 50% of the Facilities study.

On motion of Director Patterson seconded by Director Smith to *Fund 50% from Zone A for Budget Purposes* was approved by the following vote:

AYES: Patterson, Pisciotta and Smith
NOES: Campbell and Warren
ABSENT: None
ABSTAIN: None

5.2 Review/Amend the Administration of Fire Services Agreement with the Branciforte Fire Protection District - Discussion/Action

Chief Grebil stated that the SVFPD began managing the Branciforte Fire Protection District (BFPD) on October 1, 2015 under the terms of an Administration of Fire Services Agreement. At that time, the only reimbursement was \$715 per month (estimated at five hours per week) for accounts payable, deposits and payroll support. After

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one year, a second agreement was executed and an additional reimbursement of \$2,200 was added for Fire Chief services, which was provided at no charge for the first twelve months. Now after twelve months and the addition of administering the BFPD active personnel files, including new hire paperwork and submitting required annual reports, staff has determined that the actual average weekly commitment of the front office is eight hours per week. The amended agreement increase the clerical reimbursement from \$715 to \$1,144 per month.

On motion of Director Campbell seconded by Director Warren to *Approve the Administration of Fire Services Agreement with the Branciforte Fire Protection District as Presented* was approved by the following vote:

AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

5.3 Adopt the 2017/2018 FY Preliminary Budgets as Presented - Discussion/Action

<u>685010 General Fund:</u>	\$6,944,858
<u>685020 Zone A:</u>	\$1,096,233
<u>685030 Capital Outlay:</u>	\$ 562,833
<u>685040 SCHMIT:</u>	\$ 182,200

Set public hearing for adoption of the final budget for the August 9, 2017, Regular Board Meeting: 7:10 P.M.

Direct staff to publish a notice for the public hearing and make the budget available for public review.

Chief Grebil stated that the Board of Directors must pass a Preliminary Budget before June 30th and a Final Budget by October 1st of each year. Chief Grebil presented the following Preliminary Budget:

General Fund – 685010

- The estimated unassigned beginning fund balance is \$1,105,675, which is an increase of \$133,489 from last Fiscal Year (FY) and includes a \$200,000 transfer to Capital Outlay. In addition, there is a \$200,000 Assigned Fund Balance for Future Retiree Medical.
- The estimated surplus is due to a 5.55% increase in Secured Property Tax, increased Plan Check/Inspection fee activity, the BFPD Administrative Services Agreement and over \$439,000 in Strike Team revenue.
- An estimated 5% increase in property tax has been budgeted.
- Revenue from Plan Check/Inspection Fees for the 2016/2017 FY are estimated at \$79,000 while the estimated expenditures for contract plan check and inspection services are \$15,000. The net cost recovery is \$64,000 to offset staff time for those services and for future contract plan check/inspection services. For the 2017/2018 FY, \$30,000 has been budgeted for Plan Check/Inspection Fees and the amount will be amended to \$50,000 for the Final Budget.
- Strike Team Revenue is budgeted at \$50,000 and offset in the Budget as an overtime expenditure.
- The Salary and Benefits budget includes a modest Cost of Living Adjustment (COLA), although labor contract negotiations are on-going and should be completed for the Final Budget.
- Overtime and Callback are budgeted to reflect the trend over the last few years, which when compared from year to year illustrates the difficulty in budgeting. Years with high fire activity have increased overtime, most of which is reimbursed by forest agencies and shown as revenue during those years. For the 2016/2017 FY, there was an increase in Callback Pay due to the vacant positions and both on and off duty injuries. All allocated positions are funded including 1.25 Full-Time Employee for the Secretary/Receptionist position. The additional 10 hours per week is supported by the BFPD Administrative Services Agreement and Plan Check/Inspection fees. There is \$50,000 of overtime budgeted for strike team assignments.
- The CalPERS Safety Retirement Plan is 17.875% of payroll, which is up from the 2016/2017 FY amount of 17.689%. The Unfunded Accrued Liability (UAL) annual lump sum prepayment option for the Safety Plan is \$390,957, which is up from the 2016/2017 payment of \$310,714. The Safety side fund is captured as a loan payment to the Santa Cruz County Bank under “Other Charges”.

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- The CalPERS Miscellaneous Plan is 8.921% of payroll, which is up from the 2016/2017 FY amount of 8.88%. The UAL annual lump sum prepayment option for the Miscellaneous Plan is \$9,824, which is up from the 2016/2017 payment of \$8,323.
- The employer rate for new CalPERS safety employees hired after January 1, 2013 is 11.99% of payroll, down from the 2016/2017 rate of 12.082%. Non-safety employees are 6.533% of payroll, down from the 2016/2017 rate of 6.555%.
- This represents a budgeted amount of \$936,657 payable to CalPERS and a loan payment for the side fund in the amount of \$324,236 for a total of \$1,260,893 in retirement liability, which represents an increase of \$96,657 from the 2016/2017 FY, which is lower than expected due to vacant positions in 2016/2017.
- An estimated 10% health insurance increase effective January 1, 2018 was budgeted. Based on the preliminary CalPERS health insurance rates, the SVFPD benchmark plan will decrease by 2.266%. This represents a decrease, including retirees, of \$24,782 in health insurance from last FY and will be adjusted for the Final Budget.
- The estimated Workers Comp insurance was \$195,000. The actual amount will be \$163,000, which is a \$2,090 increase from last FY and will be adjusted for the Final Budget.
- The Services and Supplies budget is \$596,650.
- The Contributions to Other Agencies is for the District's share of the LAFCO and estimated at \$10,000.
- The Fixed Asset budget is \$46,000 and includes computer replacements, a fire sprinkler/alarm plan scanner, mobile data equipment, radio replacements, replacement of multi-gas monitors, an engine scan tool, narcotics vaults for the engines and appliance replacements as needed.
- A \$200,000 transfer to Capital Outlay and \$50,000 for Contingencies has been budgeted.
- The General Fund Preliminary Budget is balanced by using \$291,806 for the Unassigned Fund Balance. With the \$200,000 Transfer to Capital Outlay and \$50,000 in Contingencies, the estimated use of the Unassigned Fund Balance is approximately \$50,000.

Zone A – 685020

- The beginning fund balance is estimated at \$986,808.
- A 5% increase in property tax revenue is estimated for the 2017/2018 FY.
- Besides Auditing and Accounting costs, \$20,000 is budgeted for the Fire Facilities Master Plan.
- For future projects, \$400,000 is budgeted and \$74,533 for Contingencies.

Capital Outlay – 685030

- The beginning fund balance is estimated at \$312,333.
- Revenue consists of a \$200,000 transfer from the General Fund, \$50,000 for the sale of E2513 and \$500 in interest.
- Fleet replacement is budgeted at \$475,000 (Type 3 Engine and Staff Vehicle), \$35,000 for replacement of auto extrication equipment, \$50,000 for future capital outlay expenses and \$2,833 for Contingencies.

SCHMIT – 685040

- The beginning fund balance is estimated at \$39,050.
- The Service and Supplies budget is \$43,700, which includes a \$4,500 charge for management of the program.
- The budget includes \$20,000 to reimburse response agencies in the event of an activation.
- The Differential cost for the response agencies is budgeted at \$112,500 (\$4,500 per team member), which accounts for 25 total members.
- The SCHMIT report has been delayed this year as the Hazardous Response Vehicle is out of service due to an engine issue. For the first time, the funding agencies may be assessed an additional fee for the Vehicle repairs.

On motion of Director Smith seconded by Director Warren to Adopt the 2017/2018 Preliminary Budget as Discussed, Set the Public Hearing for Adoption of the Final Budget for the August 9, 2017 Regular Board Meeting and Direct Staff to Publish a Notice for the Public Hearing and make the Preliminary Budget Available for Public Review was approved by the following vote:

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AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

- 5.4 Cancellation of the Regular Board Meeting on July 12, 2017, in Lieu of a Special Meeting, on that date, for the Purpose of Interviewing Fire Chief Candidates - Discussion/Action

On motion of Director Pisciotta seconded by Director Warren to *Cancel the Regular Board Meeting on July 12, 2017 in Lieu of the Special Meeting for the Purpose of Interviewing Fire Chief Candidates* was approved by the following vote:

AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

- 5.5 Authorize Payment to Santa Cruz County Fire Agencies Insurance Group in the amount of \$195,000.00, for Workers Compensation Insurance to be Paid After July 1, 2017, for the 2017/2018 Fiscal Year

Chief Grebil stated that the Workers Compensation Insurance came in less than the \$195,000 estimate and the actual invoice will be approximately \$163,000.

On motion of Director Patterson seconded by Director Pisciotta to *Approve the Workers Compensation Insurance Payment not to Exceed \$163,000* was approved by the following vote:

AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

6. Board of Directors and Chief Officers Reports – Information/Discussion
(No action will be taken on any questions raised by the Board at this time.)

6.1 Board of Directors Report – Directors

Director Patterson reported that he attended the Scotts Valley General Planning Meeting on June 3, 2017. Battalion Chief Whittle was in attendance and over 100 community members. Public comments were received and the next meeting will be June 26, 2017.

6.2 Chief Officers Report – Chief Officers

Chief Grebil reported that a new hire firefighter started June 10th and a second will start July 1st or 15th and we will be back to full staffing including 16 Paramedics and 6 Haz Mat Techs.

Battalion Chief Whittle reported on the following:

- The 1440 Foundation is open and starting to hold classes at the new facility.
- The Grove Project is moving forward and once the all-weather road is complete, the Marriott Hotel project will start. The Polo Ranch project is moving forward.
- Battalion Chief McNeil and I attended the 4-County Chiefs Meeting.
- Congratulations to the two Probationary Firefighters who completed probationary testing and are new drivers.
- Wildland training is the topic for June including RT130 Training and a Wildland Movement Drill. Three new drivers went to Hunter Liggett for 4-wheel drive training.
- There was a controlled burn training at Hill Crest Vineyards.
- Battalion Chiefs McNeil and Theilen, T., Captain Theilen, B. and Engineer LoFranco are attending the Rattle Snake staff ride today. This fire was in 1953 in Mendocino and 15 firefighters were killed.

6.3 Report from IAFF Local 3577

None

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7. Correspondence – Information

None

8. Request for Future Agenda Items

None

9. Closed Session: Government Code §54957.7

9.1 Fire Chief Employment: Government Code §54957.(b)(1)

Dotty Metcalf with Crabtree Consulting Services, LLC was present to meet with the Board in Closed Session.

Special Meeting Agenda Item:

3.1 Conference with Labor Negotiators: Government Code §54957.6

Agency Designated Representatives: Robert Campbell and Daron Pisciotta

Employee Organization: Scotts Valley Firefighters I.A.F.F. Local 3577

At 7:58 p.m., President Smith announced that the Board would be going in to Closed Session for the purpose listed above.

10. Open Session

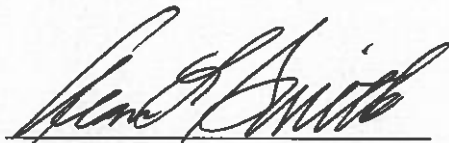
10.1 Report on Closed Session: Government Code §54957.1

At 10:10 p.m., the Board reconvened to Open Session. President Smith reported that the Board reviewed the Fire Chief applications and gave direction to the Labor Negotiators with no action taken.

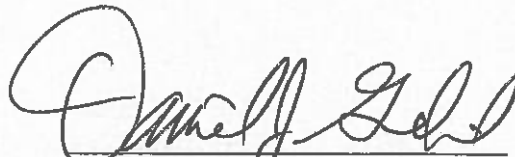
11. Adjournment

The meeting was adjourned at 10:12 p.m.

ATTEST



Alan Smith
Board President



Daniel J. Grebil
Board Secretary