



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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MINUTES OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REGULAR MEETING OF August 14, 2019

1. Call to Order

The Regular Meeting of the Board of Directors of the Scotts Valley Fire Protection District (SVFPD) was held on Wednesday, August 14, 2019 at the City of Scotts Valley Council Chambers. President Patterson called the meeting to order at 6:30 p.m. and thanked Community Television for Broadcasting the Meeting.

1.1 Pledge of Allegiance and Moment of Silence

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

1.2 Roll Call

A. Directors Present:	Directors Campbell, Harmon, Parker, Patterson and Pisciotta
B. Directors Absent:	None
C. Fire District Staff:	Chief Kovacs, Battalion Chiefs McNeil and Theilen and Administrative Secretary Walton

2. Public Comment (GC §54954.3)

None

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

None

4. Consent Calendar

4.1 Minutes: Approve Regular Board Meeting Minutes of July 10, 2019

4.2 Payroll: Approve July Payroll 14 and 15 in the amount of: \$309,862.58

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

<u>General Fund:</u>	\$215,103.62
<u>SCHMIT:</u>	\$ 6,179.30
<u>TOTAL:</u>	\$221,282.92

4.4 Certify the Firefighter/Paramedic Eligibility List, per Policy 1501

On motion of Director Campbell seconded by Director Pisciotta to Approve the Consent Calendar Items 4.1 thru 4.4 was approved by the following vote:

AYES:	Campbell, Harmon, Parker, Patterson and Pisciotta
NOES:	None
ABSENT:	None
ABSTAIN:	None

5. Discussion

5.1 Merge the Zone A Fund (685020) into the Capital Outlay Budget (685030)

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Chief Kovacs stated that Zone A was created in 1969 as a Special Fire Protection Zone for the purpose of paying for the installation and related maintenance of fire mains, fire hydrants and similar improvements to benefit the Zone A territory. Since then, the Zone A water system has been annexed to Santa Cruz City Water and the water improvements have been done. Zone A is currently a Special Revenue Fund and not intended to be a Capital Project Fund. Merging the Zone A Fund with Capital Outlay will comply with accounting standards for revenue and expenditures, which has been reflected in the Final Budget. The County gave direction on preparing the Final Budget Resolution to transfer the Zone A Fund into Capital Outlay and the Funds will be tracked separately.

5.2 Payoff the CalPERS Side Fund Loan Balance from Santa Cruz County Bank

Chief Kovacs reported that in January 2011, the SVFPD entered into a loan agreement with Santa Cruz County Bank in the amount of \$3,227,158 to pay the CalPERS Side Fund Liability. Since the loan inception, the SVFPD has been paying two payments each fiscal year. The CalPERS Side Fund principle balance is \$1,684,177 as of August 1, 2019 and an interest payment of approximately \$80,000. The Reserve Fund Policy adopted by the Board last fiscal year, requires \$1M remain in the General Fund Reserve Account. With a beginning Fund Balance of \$2.3M, this leave approximately \$1.3M for the Board to allocate to pay the Side Fund, the budgeted payment of \$326K and \$200K not transferred due to the merging of the Zone A and Capital Outlay Funds, will pay off and close the CalPERS Side Fund Loan, which concludes this financial liability for the SVFPD. This will save the SVFPD approximately \$338K in interest if the loan had been taken to maturity in December 2025.

6. Public Hearing/Action Item

Scheduled Public Hearing for the SVFPD Final Budget for Fiscal Year 2019/2020:

<u>685010 General Fund:</u>	\$10,225,463
<u>685030 Capital Outlay/Zone A:</u>	\$ 1,579,349
<u>685040 SCHMIT:</u>	\$ 235,000

6.1 Receive Public Comment and Adopt Resolution 2019-4: Resolution Adopting Final Budget for Fiscal Year 2019/2020, Discussion/Action

Chief Kovacs reviewed the Final Budget and noted the following:

General Fund – 685010

- The beginning fund balance is \$2,351,126. The surplus is attributed to a 5.67% increase in Secured Property Tax, the Branciforte Administrative Services Agreement and approximately \$740K in Strike Team reimbursement.
- As recommended by the County Auditor's Office, an estimated 4.5% increase in property tax has been included in the Final Budget.
- The Salaries and Benefits budget includes a Cost of Living Adjustment based on the current MOU's.
- The retirement account represents a budgeted amount of \$1,264,763 payable to CalPERS, \$324,241 loan payment for the Side Fund for a total of \$1,589,004. There is an additional payment of \$1,467,759 from the Reserve Fund payable to Santa Cruz County Bank to pay off the Side Fund after December 15, 2019.
- Workers Comp insurance is \$232,500, which is an increase of \$37,655 over last FY.
- The required \$1M Reserves per Policy 1608 and \$50,000 for Contingencies has been budgeted.

Capital Outlay/Zone A – 685030

The beginning fund balance for Zone A is \$1,218,592 and for Capital Outlay \$225,479. Capital Outlay and Zone A have been merged into the Capital Outlay Fund but the Revenue and Expenditures have been listed separately.

SCHMIT – 685040

The beginning fund balance for the Santa Cruz Hazardous Materials Interagency Team is \$52,188. The management and differential costs have been increased from \$4,500 to \$5,000 per member.

Director Campbell thanked Chief Kovacs and Administrative Secretary Walton for all the work they did completing the Final Budget.

At 6:43 p.m., President Patterson opened the Public Hearing. With no Public comment presented, the Public Hearing was closed.

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On motion of Director Parker seconded by Director Campbell to *Adopt Resolution 2019-4 Adopting the Final Budget and Merge the Zone A and Capital Outlay Fund* was approved by the following vote:

AYES: Campbell, Harmon, Parker, Patterson and Pisciotta
NOES: None
ABSENT: None
ABSTAIN: None

7. Action Items

7.1 Scotts Valley Fire Protection District Fire Code Adoption, Discussion/Action

Chief Kovacs reported that every three years the Fire Code is updated. CSG was hired by the Santa Cruz County Fire Chiefs Association to facilitate the Fire Code update for all Santa County Fire Agencies. The Staff Report lists the significant changes from the previous Fire Code. Administrative Captain Greg Vandervoort has been working on the Fire Code update and is here to answer any questions.

Director Harmon inquired about the Police Powers and if there was any cost associated with requesting assistance. Administrative Captain Vandervoort stated that this was just a title change to Law Enforcement Powers and there is no cost if assistance is needed.

Director Campbell inquired about the Negative Delectation. Chief Kovacs stated that to support fuel reduction programs, the Negative Delectation is required due to the California Environmental Quality Act (CEQA).

Approve Resolution 2019-5, "Notice of Intent to Adopt the California Fire Codes with Amendments," and set a public hearing for October 9, 2019 at 6:30 p.m.

On motion of Director Harmon seconded by Director Pisciotta to *Approve Resolution 2019-5, Notice of Intent to Adopt the California Fire Codes with Amendments and Set a Public Hearing for October 9, 2019 at 6:30 p.m.* was approved by the following vote:

AYES: Campbell, Harmon, Parker, Patterson and Pisciotta
NOES: None
ABSENT: None
ABSTAIN: None

Approve Resolution 2019-6, "Resolution Finding a need for Modification of State Housing Law."

On motion of Director Pisciotta seconded by Director Campbell to *Approve Resolution 2019-6, Finding a Need for Modification of State Housing Law* was approved by the following vote:

AYES: Campbell, Harmon, Parker, Patterson and Pisciotta
NOES: None
ABSENT: None
ABSTAIN: None

Approve Resolution 2019-7, "Notice of Intent to Consider a Negative Declaration for an Ordinance Adopting the 2019 California Fire Code with Amendments."

On motion of Director Campbell seconded by Director Parker to *Approve Resolution 2019-7, Notice of Intent to Consider a Negative Declaration for an Ordinance Adopting the 2019 Fire Code with Amendments* was approved by the following vote:

AYES: Campbell, Harmon, Parker, Patterson and Pisciotta
NOES: None
ABSENT: None
ABSTAIN: None

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Conduct the first reading of Ordinance 2019-1 Adopting the Fire Code for the Scotts Valley Fire Protection District and Waive the Reading of the Actual Text.

Direct Staff to Prepare an Environmental Checklist (EIR).

Direct staff to forward a copy of the proposed ordinance with amendments to the Clerk of the Board for the Santa Cruz County Board of Supervisors and the City Clerk for the City of Scotts Valley allowing 30 days for comments, which should be submitted to the Scotts Valley Fire Protection District Board of Directors to be incorporated into the public hearing record on October 9, 2019.

Direct staff to advertise the public hearing in the local newspaper consistent with the California Government Code, Section 6066.

On motion of Director Pisciotta seconded by Director Harmon to Approve the Last Four Bullet Items as Written and Waive the First Reading of Ordinance 2019-1 approved by the following vote:

AYES: Campbell, Harmon, Parker, Patterson and Pisciotta
NOES: None
ABSENT: None
ABSTAIN: None

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

8.1 Board of Directors Report – Directors

Director Pisciotta reported that he, Director Patterson and Chief Kovacs attended a meeting with Teall Messer, the original architect for the La Madrona Station to review the plans. There will be a Board Workshop on September 28th to discuss the Facilities Study and options for Facility improvements.

Director Campbell stated that he and President Patterson attended the Finance Committee Meeting and discussed the Final Budget and CalPERS Side Fund Loan.

8.2 Administrative Report – Chief Officers

The full Administrative Report was included in the Board Packet and Chief Kovacs added the following:

- Two Personnel attended the Personal Protective Clothing (PPE) update class
- We will have a medical booth at the Art and Wine Festival
- The annual financial audit will be the first of September
- The next Interagency Committee Meeting will be October 3, 2019

9. Correspondence – Information

None

10. Request for Future Agenda Items

Chief Kovacs stated that we will need to schedule a Special Meeting next week for an Industrial Disability Retirement (IDR).

11. Adjournment

The meeting was adjourned at 7:07 p.m.

ATTEST


Russ Patterson
Board President


Steve M. Kovacs
Board Secretary