



Nevada County Consolidated Fire District

"Excellence in Emergency Service"

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BOARD OF DIRECTORS MINUTES, MARCH 05, 2011

Special Meeting & Workshop held in the Conference Room, Station 84,
10135 Coyote Street, Nevada City, CA

PRESENT:

Directors:

David Hanson, Chairman
Warren Knox, Vice Chairman
Mark Bass, Treasurer
Keith Grueneberg
Ralph Hitchcock
John Leonard
Robert Rhodes

Staff:

Tim Fike, Chief
Spike Newby, B. C./Operations
David Ray, B. C./Training & Support
Terry McMahan, FPO
Lisa LaBarbera, HR Administrator

SPECIAL MEETING & WORKSHOP: 9:00 a.m.

STANDING ORDERS:

Chairman Hanson called the meeting to order at 9:00 a.m. at Station 84, 10135 Coyote Street, Nevada City, which was the time and place scheduled for the Special Meeting and Workshop. Chairman Hanson welcomed the directors and guests in the audience, and instructed Workshop presenters on how to keep their presentations brief so as to keep the meeting moving along. He also noted the District Secretary Bennett was absent due to her attendance at the CSDA Board Secretary/Clerk Certification Conference. HR Administrator, Lisa LaBarbera, would be acting in her place at this Special Meeting and Workshop. Director Leonard was unable to attend the Special Meeting and, therefore, was absent from any voting or actions taken by the Board during the Special Meeting. However, Director Leonard did arrive in time for the Workshop and attended through Adjournment.

Chairman Hanson then reported that, prompted by comments recently made to him by various individuals about not really knowing who the Board members were, he had asked the Board members to give brief overviews of their respective backgrounds at various times during the Workshop so that the audience might get to know them better.

Chairman Hanson reported to the Board that Staff had requested an addition to the Consent Calendar of a Chief's Recommendation for an Employee Merit Increase.

ACTION TAKEN: Director Knox moved to add the Chief's Recommendation for an Employee Merit Increase for one Apparatus Engineer – From Level 11B, Entry, and from Probationary to Permanent Appointment, to Level 11 B, 1 Year, bringing the annual salary to \$44,526 effective and retroactive to February 22, 2011. Director Grueneberg seconded. **MOTION** unanimously carried.

Chairman Hanson noted that a few business items needed to be handled before the Workshop and then moved the meeting on the Consent Calendar.

CONSENT CALENDAR

1. Acceptance of Minutes – 01/20/11
2. Fund Balances and Check History Reports
3. Treasurer's Report
4. Chief's Recommendation for Employee Merit Increases:
— One Apparatus Engineer – From Level 11B, Entry, and from Probationary to Permanent Appointment, to Level 11 B, 1 Year, bringing the annual salary to \$44,526 effective and retroactive to February 22, 2011.

ACTION TAKEN: Director Knox moved to approve the Chief's request to add an Employee Merit Increase to the Consent Agenda. Director Grueneberg seconded. **MOTION** unanimously carried. Director Rhodes moved to accept all items on the Consent Calendar, including the newly added item, as presented. Director Grueneberg seconded. **MOTION** unanimously carried.

*PUBLIC COMMENT ON MATTERS NOT ON AGENDA

NONE

COMMITTEE REPORTS

Standing Committees

Finance – Mark Bass, Chair

Operations – Dave Hanson, Chair

Personnel – Bob Rhodes, Chair

Public Relations – Warren Knox, Chair

Ad Hoc Committees

Board Policy and Procedures – Ralph Hitchcock, Chair

Director Knox reported that he and Deputy Fire Marshal McMahan had met with the Fire Safe Council Education Committee. They created a Communications Agenda for the FSC for the next year which was accepted by the FSC Board.

Director Knox continued by reporting that the new website allows streaming information out through both Facebook and Twitter. Anyone can sign up for this and they have Facebook friends from as far away as Idaho and Florida. He attributes the widespread interest to FSC's recent awards, especially for the National Firewise Communities Programs. Executive Director, Joanne Drummond, has received awards due to the five Firewise communities that were created in the last two years. He continued to report details about other possible Nationwide FSC associations. They intend to send out weekly Firewise information alerts for Firewise actions that should be taken now due to seasonal impacts or extreme weather impact, etc.

Chairman Hanson tied this information in with the NCCFD Board's Public Relations Committee report by stating that the Committee is using the FSC as an avenue for District PR. The Committee will make sure the same information at the FSC website is on the District website and noted that this is a good way, with limited funds, to use community resources together to promote the same programs. More about District PR would be covered in the Workshop portion of the meeting.

OLD BUSINESS

NONE

NEW BUSINESS

DISCUSSION AND POSSIBLE ACTION CONCERNING PROPOSED MODIFICATIONS TO THE FINAL BUDGET WITH THE POSSIBLE ADOPTION OF RESOLUTION R11-02, MODIFYING THE FISCAL YEAR 2010-11 FINAL BUDGET, OPERATIONS FUND 722.

Chief Fike reported that, in light of the changes in the District's budget status in the past six months, Staff felt it prudent to modify the Final Budget to get thru the rest of the Fiscal year, to better reflect what those changes were, and to help with the next annual audit. Lastly, it would give the District a better foundation for the next fiscal year's budget. He noted that with the Budget modification, the District is still on target. Staff has been using the modified Budget numbers as a Budget tracking guide, despite very unexpected downturns in our tax revenue.

Chief Fike and Finance Director Henthorn had met that week with Joe Christoffel, the Deputy County Executive Officer for Nevada County. Mr. Christoffel indicated that one of the biggest reasons that we saw such a huge downturn in our tax revenues was because the county tax assessor was kind of betting on the calm that things weren't as bad as they might be looking. Essentially what we got in this fiscal year was two years worth of the declining tax roll. At a prior meeting with Mr. Christoffel in the fall, Staff had been told there would be a 4.5% loss in revenue when in fact it came in just under a 9% decline.

Lastly, in the recent meeting, Mr. Christoffel reported that they are currently seeing a flattening and therefore would be holding the county budget with flat projections. Chief Fike stated that this was relatively good news and then clarified for Chairman Hanson and the board that they are projecting flattening versus declining revenues.

Chief Fike summed up by saying the he and Ms. Henthorn went through the budget category by category and that the proposed modified budget reflects as many cuts as could be made while still maintaining the District's current level of service. He then answered questions from the Board.

In his response, Chief Fike confirmed that there would be deferred maintenance in many areas including building maintenance. As for the cut to the Fuel category, Chief Fike said that they justified it by basing it off of prior FY actual fuels expense and, though the recent increase in cost is causing that category to inch up, they felt that the actual fuel expense at the end of this fiscal year would still be close to the modified projection. The decline in the Prevention Bureau expense is due to the loss of the cost of rent for one office due to the Fire Marshal's retirement, as well as a shaving of subscriptions and other small items now that there is only one person assigned to the Bureau.

Director Hitchcock commented that with the tax revenues down, the special benefit assessment has become a larger percentage of District revenue. Chief Fike confirmed that it had become the most stable funding source.

Director Bass commented on the one important number to always pay attention to which is the percentage of the cost of salary and benefits as compared to total revenue. He noted that, in the prior fiscal year, it was at 82% as compared with this fiscal year at 90%. Chief Fike reminded everyone that the percentage is up because the District's revenues have declined so much this

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PROPOSED MODIFICATIONS TO THE FINAL BUDGET (cont.)

Fiscal Year. Director Bass replied that with the proposed budget cuts, the percentage is going to just get bigger next fiscal year. Director Rhodes clarified that the chief's point was that the number was up, not because salaries are increasing but because revenues are down. Director Bass countered that part of that increase is because benefit costs are continuing to increase, which he felt the District has no control over. Chairman Hanson mentioned the salary increases built into the budget due to step increases, while Chief Fike countered that there had not been a pay raise or cost of living increase in over three years.

ACTION TAKEN: Director Rhodes moved to adopt Resolution R11-02, Modifying the Fiscal Year 2010-11 Final Budget, Operations Fund 722, as outlined in "Exhibit A", and the subsequent decrease of \$168,661 to the bottom line of Fund 722, for a total bottom line of \$4,789,987. Director Knox seconded. **MOTION** unanimously carried after a roll call vote.

PLANNING WORKSHOP

- A.** Last Year's Goals & Objectives Completions & Other Achievements
- B.** District Overview
- C.** Prevention Bureau Overview
- D.** Training Dept. Overview
- E.** JOA Overview
- F.** Specialized Equipment Overview
- G.** HR Corner
- H.** Succession Planning
- I.** Goals for 2011-2012
- J.** Good of the Order

Chief Fike was the Workshop MC and presented the PowerPoint Presentation, created by or in collaboration with District Staff, which followed the outline of topics above. Staff present at the Workshop participated by giving clarification as needed. Chairman Hanson strongly encouraged active participation by all present, adding that he anticipated the creation of possible study groups and/or committees to work together to determine how to overcome some of the challenges facing the District in the next year and beyond.

The entire Workshop PowerPoint Presentation is posted on the District's website in PDF format and the PowerPoint handouts, which condensed the slides on each page with room for notes, were given at the Workshop and are included in the Board Minute Binder. However, the following are important highlights of the Workshop that need to be noted in these written minutes as they may lead to future action by the Board and Staff.

Chief Fike opened by saying that, at the end of past annual Workshops, Staff would provide 5-Year Projections. He explained that, due to the current financial challenges facing the District, only the flat numbers from this Fiscal Year would be used for planning purposes. He anticipated a long discussion period after the Workshop presentation about the financial challenges and how the District would manage them in the coming year.

PLANNING WORKSHOP(cont.)

Next, Chief Fike reviewed the Goals and Objectives from 2010 and explained whether or not they had been met.

2010 Goal or Objective:

1. Administrate within Budget Guidelines
 - ★ Achieved – Again Successfully Stayed within Budget last year
2. Support Fire Safe Council/Fire Prevention Outreach
 - ★ Achieved – Fire Safe Council Deer Creek Fuels Reduction Project
3. Continue Fire Prevention & Public Education Outreach
 - Emergency Preparedness & Evacuation Guides
 - ★ Worked with Fire Safe Council & OES
 - ★ Completed & Distributed for Greater Bloomfield, Cement Hill, Lake Vera, Round MTN, American Hill, Wet Hill, Purdon, Cooper, & Rock Creek

Chief Fike added that these guides have significantly cut down the number of phone calls asking about what to do during a major fire and that Admin has received many positive phone calls whenever a new guide is mailed. The next guide will probably be for the community of Washington. Chairman Hanson added that this is one of the best public relations tool by far. He also noted that "Shelter in Place" has been removed from the guides due to a high number of fatalities that took place in Australia during an extremely bad fire season in the recent past when "Shelter in Place" was used.

4. PENDING:
 - ★ DHS-AFG Grant for Training Center Props - \$254,577 with a 10% Match Required (\$25,4577); NCLE&FP Council has approved Donation of \$12,500 toward our Match Obligation

Although this item was listed as PENDING at the time the Workshop slides were created, Chief Fike was happy to report that this grant had been APPROVED within the prior week. The grant funding will pay for a Live Fire Burn Trainer, a Vehicle Fire Prop, a Propane Tank Fire Prop, and a Public Education Fire Extinguisher Prop.

Chairman Hanson congratulated Chief Fike and thanked him and Board Secretary Bennett for their work in submitting the grant, with a Hats-off to Chief David Ray who has been doing a tremendous job at the Training Center in moving its development process forward. He emphasized that having this grant awarded is a very big deal for the District.

5. PENDING
 - ★ DHS AFG-Fire Prevention & Safety Grant

Chief Fike reported that the grant application for this grant had been submitted in February and that it would be several months before the outcome would be determined. He added that this grant is for \$61,000 worth of Public Education Supplies.

PLANNING WORKSHOP(cont.)

6. WMD Grant - (A Federal grant awarded regionally through the Nevada County Chiefs Association)

Items Purchased for NCCFD:

- ★ 30 Narrowband Capable Pagers – making us Narrowband Compliant
- ★ 2 Handheld BK Commanders
- ★ Over \$8,000 in MCI Supplies for Re-Hab/MCI Trailer

7. PENDING - \$18,000 – A Grant for the Replacement of the Nevada County Dispatch Radio at ECC to meet Narrowband Compliance, sponsored by the Nevada County Fire Agency.

District Overview

Chief Fike reported that the Joint Operation Area (JOA) ran well over 300 incidents in 4 days over the prior week and weekend. They included structure fires, several structures crushed by trees, multiple power lines down, and a few vehicle accidents, which were, by far, less than normal given the conditions. The one Sunday after everything became frozen, the crews began hauling people from their homes with broken arms, broken knees, and a broken back; lots of slip and falls with broken bones. Some calls were very extended where crews had to snowshoe in down long driveways, about a quarter-mile to a half-mile, and then sled the patients back out.

Chief Fike reported that District staffing is reduced; down three firefighters and one Fire Prevention Bureau battalion chief. He next reported that the number of JOA incidents over the last five years has pretty much remained flat at about 5,000 a year, with this year's total number of JOA incidents at 5,344.

Fire Prevention Bureau Overview

Chief Fike reviewed the changes in the Fire Prevention Bureau ("The Bureau") processes taking place since the fire marshal had retired in the Fall; with the streamlining of these processes continuing. Questions were asked about the bullet item regarding a revision of the Bureau's fee schedule.

Director Rhodes asked for clarification and if that applied to the Engine Company Inspections (ECI). Chief Fike replied that businesses are not charge for the ECI. However, fees are charged for inspections for businesses required to have Operation Permits, such as care homes, etc. Also fees are charged for Plan Reviews at an hourly rate. Chief Fike continued by saying that Fire Marshal Canon had, for many years, the goal of updating the fee schedule, but it was not completed before his retirement last fall. Discussion ended with the understanding that the revision was needed to align better with the actual costs of providing certain services by the Bureau.

JOA Overview

The first six slides in the presentation had been presented to the Board in 2010 when the concept of an Administrative Joint Powers Agency (JPA) combined with the current Joint Operations Area (JOA) was agreed on by the NCCFD Board. However, Director Hitchcock, as NCCFD representative on the JPA Steering Committee, repeated the presentation again, for the benefit of newcomers to the concept and as a refresher for others.

The next four slides, summarizing the Advantages & Disadvantages of the concept, were new and were created by Director Hitchcock from his experience on the JPA Steering Committee. His purpose in coming to the Board now was to get a sense from the Board what they thought of the

PLANNING WORKSHOP(cont.)

JOA Overview (cont.)

concept and to give him a sense of how he should continue to proceed in representing them on the Steering Committee. He stated that he did not feel ready to provide the Draft Agreement that the Steering Committee had designed as it was only a first draft and that they had not yet had a follow-up meeting. However, Director Hitchcock stated that finalizing the draft legal agreement would be the next crucial step in the establishing the new JPA.

Director Hitchcock stated that one of the important advantages to him, after the first three, was in getting the correct Cost Allocation Method so that each agency would pay its fair share for services provided. However, he one disadvantage listed, Loss of Control, was a big concern for him and had to do with the fact that the three JPA Board members, made up of one representative from each participating agency, would have one vote each. He felt this would cause the District possible loss of control over crucial decisions that might negatively impact the District both financially and in other District matters. During the discussion that followed, which included active participation by the public, the NCCFD Board concurred that there needed to be a weighted voting system that was more commensurate with the District's larger proportion of projected costs.

Discussion also returned to the option of having the cities contract with the District for fire chief services as opposed to a JPA. Director Hitchcock reminded the Board that contracting between the cities and District was one of the original 6 options provided at the beginning of the JPA concept proposal analysis, but that it had been dropped as an option very early in the process. Director Hitchcock stated that he could bring the contracting option up again, if that was the direction of the Board. He felt the current JPA option was a good one that just needed a few changes to the agreement, but would act upon the Board's direction. Director Hitchcock added that the Steering Committee was not adverse to the idea of weighted voting.

Questions about who the JPA chief would be reporting to and who had the hiring authority for the JPA Chief and other safety personnel. Director Hitchcock replied that all safety positions would remain reporting to their current respective agencies. However, presumably the JPA Chief would report to the JPA Board, as shown in the proposed organization chart. This caused great concern and discussion about whether or not such an arrangement would be fair to the District's constituents and if the District Board would lose control over important decisions pertinent to the District.

There was further discussion about the effect on possible future consolidations and how decisions made in past consolidations were based on the economic feasibility to both parties concerned. Director Grueneberg felt uncomfortable making any decisions without seeing the draft agreement or seeing more regarding the financials related to the JPA. In conclusion, Chairman Hanson suggested putting a Board sub-committee to meet with Director Hitchcock to further review the proposed agreement and to give Director Hitchcock an idea of how to continue. The Board agreed that Director Grueneberg, Chairman Hanson, and a representative from Local 3800 would make up the sub committee to meet with Director Hitchcock.

2011 Goals and Objectives

After presenting his Goals & Objectives for 2011, Chief Fike summed up the impact, of the downturn in revenues and increase in expenses, on the immediate future. He stated that it was clear that the District could not get through the next year without serious cuts; without serious impact to paychecks; without possibly avoiding layoffs; and, at a minimum, browning out stations.

PLANNING WORKSHOP(cont.)

2011 Goals and Objectives (cont.)

Chief Fike continued by giving his ideas on what else could be done:

- Look at passing on the increased cost of the PERS contribution rate to the employees
- Possibly renegotiate the Health Benefit Plan to reduce those premiums

Chief Fike stated that these two steps alone would just keep the doors open. The goal is to take as many steps as we can to absorb the increased costs before laying-off anyone and to keep the engines running.

Another idea, the chief continued, is to cut \$100,000 right off the top of the Overtime Budget. And if we hit the \$150,000 mark. Or we use our employee at Station 54 to cover District sick leave or vacation leave absences, which in turn would cause Nevada City to use their paid-call firefighters to backfill. Or we go to brownouts. Reducing the Overtime Budget would reduce the workers comp cost, etc.

Chief Fike reported that he had held an all hands meeting asking the troops for input on ways that they see that we can save money. He would have Local 3800 President, Wyatt Howell, speak about that.

The last option that the District would need to consider is looking at the assessment again and to let the voters decide to either reduce the level of service or would they be willing to pay another \$30 or \$40 per year to keep fire stations staffed. Chief Fike acknowledged that it would be a hard one to swallow but that we would need to give them that choice. Lastly, the District will need to re-evaluate the replacement of equipment. And, with development fees still flat, meeting the next payment on Station 84 will be a challenge. Therefore, Staff has begun research a possible refinance of the fire station loan. Chairman Hanson has begun to contact the bank about this.

Chief Newby reported that Staff was waiting for the audit to be finalized as the audit report would need to be provided to a lender. He also noted that CA Special Districts are not allowed to extend a loan longer than 10 years; the current loan has about 5 years remaining; without a considerable down payment, lenders have said the savings would probably be minimal when refinanced. Chief Newby has asked them for three options to present to the Board.

Chairman Hanson added that the District has also considered selling the vacant parcel next to Station 84, but that could take three years to sell. He reiterated that everyone needs to work together during these tough times, similar to what HR Administrator LaBarbera is doing by meeting with employees to get their input on solving the Health Benefits Plan problem. Chairman Hanson finished by saying that he thought committees should be formed with the employees to try to solve some of the budget problems with our limited resources. He then turned the floor over to Local 3800 President, Wyatt Howell.

President Howell thanked the Board and Staff for the workshop and that he felt it had been beneficial for all parties. He added that he liked hearing the thought that we needed to work together as a team, rather than an "us versus them" attitude. In these trying times, we all need to stick together. One of the biggest things he hoped to gain was a commitment to allow them to take part at every level as the District goes forward. He noted just how important it was to the employees because of the number of individuals who attended the Workshop.

He continued by saying that the employee groups had been educating themselves to gear up to meet the challenge to defining the fire service and their role in the communities that they serve.

PLANNING WORKSHOP(cont.)

2011 Goals and Objectives (cont.)

President Howell noted that a seminar for labor had been presented the prior week and that he was glad to see Chief Fike attend. They did learn how to better negotiate with their boards or city councils. However, their group has actively tried to find solutions rather than adding to the problems.

He reported on a computer program, found by Captain Funk, where individuals can put in ideas anonymously. They take the raw information to give to the chief. Everyone seems to be brainstorming, with a few ideas being: shopping for health insurance; fuel savings; and to consider station staffing and the subsidies to the cities. He ended by saying that the employee groups want to continue to improve communication and participation with Staff and the Board.

Later, President Howell added a comment regarding the current national attitude toward public employees. He found it very scary during the JOA discussion the idea of pulling out of the JOA. His concern would be that if the District commits to the JPA/JOA and then pulls out later, it would have a very negative effect on public perception. Therefore he feels the District shouldn't commit unless they are absolutely certain.

Chairman Hanson thanked him for the input and then asked Chief Fike about his thought on working groups.

Chief Fike replied

- Negotiation items with the Union. He suggested Director Grueneberg and himself put a working group together with the employee groups.
- An Assessment Committee to analyze the numbers, look at how to inform the public. Director Knox expressed caution about how this is done. Chief Fike would like to start publicizing our budget situation. He has also gotten a former fire incident photographer to come back to cover more of the District's incidents.

HR Administrator LaBarbera suggested a Budget committee to work with employees on controlling and reducing costs.

President Howell suggested putting an anonymous survey ("Survey Monkey") for employees via the website.

Chairman Hanson suggested using social media to get the word out about the District.

Chief Fike thanked all of the firefighters for their work in the last year. Despite the injury claims, the firefighters have worked very safely and he congratulated for that. Chairman Hanson also thanked the firefighters for all they do.

ADJOURNMENT

There were no closed sessions or further Board discussion. The next Regular Board Meeting was confirmed for Thursday, April 21, 2011 at 7:00 p.m. at 10135 Coyote Street, Nevada City. The meeting adjourned at 1:30 p.m.

Attest:

Approved by:

Darlene E. Bennett
District and Board Secretary

David S. Hanson
Chairman of the Board