

**KENTFIELD FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS MEETING**

MEETING TYPE: Regular

DATE: January 25, 2017

CALL TO ORDER: 6:30 p.m. by Chairman Naso. Director Corbet led the assembly in the Pledge of Allegiance.

ROLL CALL: All Directors were present. Director Gerbsman joined the meeting remotely from Cabo San Lucas. Also in attendance were Chief Pomi, Accountant Hom and Recording Secretary Mulkeen.

APPROVAL OF PRIOR MONTH'S MINUTES: Directors M/S Murray/Corbet to approve the minutes of December 21, 2016.

OPPORTUNITY FOR PUBLIC COMMENT: There were no public comments made.

Ayes: Corbet, Evergettis, Gerbsman, Murray, Naso.

PUBLIC COMMENT PERIOD: As there were no members of the public in attendance, no comments were received.

SPECIAL ANNOUNCEMENTS/PRESENTATIONS: None

UNFINISHED BUSINESS:

- a. 2015/16 Independent Audit Report: Director Naso explained the official audit reports have been received and filed. Chief Pomi distributed the final audit reports to the Board members.

OPPORTUNITY FOR PUBLIC COMMENT: There were no public comments made.

NEW BUSINESS:

- a. Form 700/Statement of Economic Interest: Director Naso explained that Form 700 was in the Board packet and asked members to complete the form and return it to Secretary Mulkeen. Chief Pomi added these forms are required as part of our policy and refers back to the political reform act of 1974. Secretary Mulkeen will mail the forms to the appropriate entities.

OPPORTUNITY FOR PUBLIC COMMENT: There were no public comments made.

- b. F/Y 2016/17 Budget Mid-Year Review: Chief Pomi referred to the mid-year report in the board packet and asked Accountant Hom to present the report to the Board. Accountant Hom reported the following budget highlights, which covers July 1 through December 31, 2016. He stated it is important to report in January because the District receives taxes in December-55%, April-40% and June-5%.

District Revenues: *Category 9001/Property Tax Current Secured*-the District has received \$2.3 million of the \$4 million budgeted, with the category reporting at 56% of budget. This comes out to \$4.1 million based upon on what we have actually received. That is a positive variance. Accountant Hom expects secured property taxes to come in higher this year by at least \$100,000. *Category 9007/Special Assessment Current*-the District collected \$300,000 and is right on budget at 55%. *Category 9046/Excess ERAF*-has received \$134,000, with a budget of \$225,000. Based on this figure Accountant Hom projects the amount to total \$235,000 by end of the fiscal year, \$10,000 to the good. *Category 9925/Other Income* – at \$26,000, \$22,000 received due to auto insurance reimbursement of vehicle totaled in 2015. *Category 9950/State Fires* – The District has received \$54,000 as of December, an additional \$50,000 arrived in January from the Chimney fire; Sobranes and Little Valley fires are still outstanding. Accountant Hom stated that once these fire reimbursements come in he anticipates the budget will be in line. This revenue source coincides with *OT Expenses/Category 1030*, which the budget shows at 70%. Total Revenues just shy of \$3 million, at 55% of budget, right on target.

Salaries & Benefits: *Category 1005/Admin salaries* at 50%. *Category 1030/OT* is at 70% due to fire season overtime that will be reimbursed by OES. *Category 1050/Safety-Regular Pay* currently at 48%. *Category 1530/Retirement* – looks like it is over budget but is not. The District elected to make a lump sum payment of \$168,000 at the beginning of the year to pay down the unfunded safety side fund liability. *Category 1560/OPEB* – the budget at 36%, the District will be making two more payments totaling \$175,000 this fiscal year to meet the total budgeted contribution of \$275,000. Salaries & Benefits currently at \$1.8 million at 48%, the biggest expenditure in the budget.

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Services & Supplies: Total expenses are at \$300,000 or 42% of the annual budget. *Category 2080/Workers Comp Insurance* is paid quarterly currently at 49%. *Category 2105/Dispatch*-the District has only been invoiced for one quarter, at 25% of budget.

Capital Outlay: expenses total \$24,000 of budget; *Category 4050/Building Renovation* has not been spent yet.

Debt Service: *Category 3110 Debt Service-Principal* and *Category 3120 Debt Service-Interest* is at 51%. *Category 3130 Debt Service-Solar* at 100%, the District only pays solar debt once a year.

As of the end of December, the budget is at \$670,000 to the positive in terms of revenues over expenditures. Accountant Hom commented the budget is in good shape and has no reason for concern. Director Naso commented the District is in good financial shape. Chief Pomi requested the Board accept the mid-year review.

OPPORTUNITY FOR PUBLIC COMMENT: There were no public comments made.

Directors Murray/Evergettis M/S to approve the fiscal year 2016/17 midyear budget review as reported. Ayes: Corbet, Evergettis, Gerbsman, Murray, Naso. Motion passes.

- c. Assigned and Unassigned Fund Balances Review – Chief Pomi explained to the Board that after the independent audit the board has the opportunity to review and/or realign the assigned/unassigned fund balances from F/Y 2015/16. Chief Pomi referred to page 11 of the Audited Basic Financial Statements F/Y ending 6/30/16 noting the current balance in the assigned reserve fund is \$2,609,568 and \$806,353 in the unassigned reserve fund. He distributed a 2016/17 Proposed Reserve Allocation worksheet to Board members for discussion. He explained that the Board has the discretion to re-allocate the \$806,353 from the unassigned reserve fund into any of the assigned reserve funds. Chief Pomi in discussion with Accountant Hom propose keeping \$200,000 in the unassigned reserve fund to cover unexpected expenses and recommend moving \$600,000 into assigned reserved funds as follows:

Move \$395,000 into Category 6910/Apparatus Replacement increasing Category 6910 fund balance to \$987,000 to replace a fire engine. Monies remaining in the account after the purchase of the fire engine will be saved for future apparatus replacement.

Move \$130,000 to Category 6915/Building Replacement (Renovation) to start funding the HVAC replacement due in ten years, bringing that fund balance to \$200,000.

Move \$75,000 to Category 6942/OPEB to cover our annual required contribution, for a total balance of \$275,000 in that fund. If for some reason, we are unable to budget for OPEB the District would have funds in reserve either to supplement or make that payment.

Accountant Hom added the other reserve fund allocations are in good positions and currently meet our future needs. Under board policy, we have the ability to move funds around. Director Naso asked if anyone had questions. No questions from the Board.

OPPORTUNITY FOR PUBLIC COMMENT: There were no public comments made.

Directors Evergettis/Gerbsman M/S to accept the assigned/unassigned fund balances and fund transfers as presented by Chief Pomi. Ayes: Corbet, Evergettis, Gerbsman, Murray, Naso. Motion passes.

- d. Proposal for Replacement of Engine 17 – Chief Pomi presented the proposal to replace Engine 17A (circa 1995), our reserve engine, after twenty-two years of service. Chief Pomi noted the District recommends a 20-year replacement schedule and he agrees it is the right time to evaluate the equipment. Engine 17A has performed on the front lines for 10 years and 10 years on reserve. The District is at the threshold to evaluate replacing it. Chief Pomi asked Engineer Johnston midyear 2016 to work with Firefighter Nelson and put specs together for a Type 1 vehicle. Throughout the process, Engineer Johnston gathered feedback from all engineers, firefighters, and captains, developing a comprehensive spec with Pierce Manufacturing, to build an Engine the District will use in our community. Chief Pomi commented that Engineer Johnston is very detailed oriented and had done a terrific job. Chief Pomi added our Truck and Engine 17 are Pierces and that the District is not required to go out to public bid for engines. Chief Pomi asked if there were any questions on the equipment. Chief Pomi presented and reviewed the proposal price for the 2017 Pierce Type 1 Engine by item announcing if the District enters into contract before January 30 the District can avoid a 3% increase, saving the District \$19,069. Pierce also offers a \$30,105.96 discount if the District makes a 100% pre-payment by the due date making the total purchase price \$662,071. The approximate savings to the District would be \$49,000. Chief Pomi recommends we enter into contract

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with Pierce for the fire apparatus and pay 100% of the cost to save the District \$49,000. Chief Pomi acknowledged we know the District will need to replace the fire apparatus in the very near future. The District has the revenue. Reserve accounts are only accruing minimum interest, at a quarter of 1%. Director Murray commented it is good the Board and the District had the foresight to start these reserve fund categories and create a strategic timeline.

OPPORTUNITY FOR PUBLIC COMMENT: There were no public comments made.

Director Murray/Evergettis M/S to enter contract with Pierce for the fire apparatus and make the 100% pre-payment. Ayes: Corbet, Evergettis, Gerbsman, Murray, Naso. Motion passes.

- e. Mid-Year Budget Adjustment – Chief Pomi requested a budget adjustment in order to cover the purchase of the new fire apparatus by transferring \$662,071.42 from reserve category 6910/Apparatus Replacement to capital outlay category 4070/Apparatus Replacement.

OPPORTUNITY FOR PUBLIC COMMENT: There were no public comments made.

Directors Murray/Corbet M/S to make a budget adjustment by moving \$662,071.42 from reserve category 6910/Apparatus Replacement to category 4070/Capital Outlay-Apparatus Replacement to purchase the apparatus. Ayes: Corbet, Evergettis, Gerbsman, Murray, Naso. Motion passes.

Chief Pomi explained that he and Accountant Hom have collaborated to get this process in line so the District's audit procedures are in place. Strategically the ladder truck will reach the 20-year mark in 2022, six years from now. Currently the District has about \$325,000 left in the Apparatus Replacement reserve fund. Chief Pomi recommends placing \$100,000 in the reserve category 6910/Apparatus Replacement for the next seven years. The District will have about \$700,000 in this fund ready to purchase/replace the ladder truck. He commented ladder trucks are used 10% of the time vs. an engine so their resale value is higher. Chief Pomi recommends staying on this replacement schedule putting the District in better financial status.

CORRESPONDENCE: Director Murray thanked Director Naso and Chief Pomi for producing the thank you letter to Mr. Humber.

Director Gerbsman left the meeting at 7:25 p.m.

DISTRICT OPERATIONS: The Incident Log and Overtime Report were reviewed.

CHIEF'S REPORT:

- a. Winter Storms of 2017 – Chief Pomi gave an overview of the winter storms. He reported that since October 1 the District has had 46.5 inches of rain to date. The atmospheric rivers that came through on the west coast/bay area caused storms from January 5-11. The District recorded 12 inches of rain in that period with 15-17 inches in the Mt Tam watershed. That is why we saw the elevation in the Corte Madera creek. Chief Pomi advised that during these events the National Weather Service out of the bay area had been giving daily weather briefings. They now have models that are able to provide a hydraulic type of prediction. For example, they can predict when the Russian River will crest due to the rain volume and the lag time involved from rain coming from the mountains, through Cloverdale and Healdsburg then to the Russian River. They made a similar type of prediction for the Corte Madera Creek and advised that from the time the rainwater arrives in the Tam Watershed it takes two hours to reach Corte Madera Creek. A very quick response. Therefore, while we may receive 12 inches of rain we know that in 2 hours all that water is going to be in our creek. Chief Pomi shared the following facts from the storm on Sunday, January 8: Marin County Dispatch processed 1,496 calls in a 24-hour period (1 every minute), our District responded to approximately 60 calls including mutual aid calls, we up staffed the engine and pickup truck, and had the swift water team stationed here. Chief Pomi announced since the Governor declared a state of disaster declaration he will submit an invoice to see if the District can be reimbursed. Over the storm period, the District overtime totaled 178 hours. The District maintained a sand filling station at the College of Marin Lot 15 and collaborated with the college to allow residents in low-lining neighborhoods to use their parking lots during the storm. We entered a new partnership with Marin Catholic High School to use their gym for evacuees as a stand-by if necessary. Although the District had some minor flooding in the certain locations, there was no significant loss. Chief Pomi surveyed the District following the storm and checked in with residents and businesses.
- b. FDAC Conference Registration (April 5-7, 2017) – Chief Pomi announced the annual conference will be held in Monterey, April 5 through 7, 2017 and encouraged board members to attend. He noted information on the conference is in your board packet although presentation topics are unknown at this time. If interested contact Secretary

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Mulkeen. She will handle conference registration and room reservations. The Fire District will cover the cost. Chief Pomi encouraged Directors to attend.

DIRECTOR MATTERS:

Director Naso commented he and Chief Pomi attend MERA meetings. MERA is trying to upgrade and fine-tune the system while keeping the costs down. Chief Pomi added the new system might be ready by 2018.

Director Evergettis stated he attended the Board of Directors orientation presented by Chief Pearce last week. The presentation was excellent. He also commented that Chief Pomi attended the KWPOA annual meeting last Wednesday and gave an excellent presentation. It was Director Evergettis' last meeting as an officer of the Association.

APPROVAL OF WARRANTS:

Directors Murray/Evergettis M/S to approve December warrants 805300520 to and including 805300577 in the amount of \$491,441.13. All Ayes

The next regular meeting will be held on February 15, 2017.

A moment of silence was held for departed members.

M/S Murray/Naso to adjourn this meeting at 7:40 p.m. Ayes: Corbet, Evergettis, Murray, Naso

Respectfully submitted,

Sharon Mulkeen
Recording Secretary