

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

MEETING TYPE: Regular

DATE: Wednesday, March 18, 2015

CALL TO ORDER: 6:35 p.m. by Chairman Murray. Director McLeran led the assembly in the Pledge of Allegiance.

ROLL CALL: All Directors were present. Also in attendance were Chief Smith and Recording Secretary Mulkeen.

APPROVAL OF PRIOR MONTH'S MINUTES: Directors Naso/Corbet M/S to approve the minutes of the previous month. All ayes; Directors Gerbsman and McLeran abstain.

PUBLIC COMMENT PERIOD: There were no comments received from the public.

UNFINISHED BUSINESS:

- a. **HVAC Roof:** B/C Hadfield reported he met with one contractor and one engineer. He conducted a walk through with Chris from Allied Heating Contractors. Chris recommended removing and replacing all the ducting, and re-flashing the curbs. He also suggested the District might be able to remove a couple of the units or move them from one curb to another because the size of the unit needs to match the load of the area it is servicing. Chris recommended getting an engineer involved. B/C Hadfield remarked all of the contractors he spoke with kept recommending the same engineering firm, Lefler Engineering. They are the firm that designed our system. With this in mind B/C Hadfield spoke with Chief Smith and suggested giving Lefler an opportunity to look at the job and propose ways to fix the problem outside of litigation. Mr. John Cross was the initial engineer assigned to this job. B/C Hadfield invited the principal of Lefler Engineering, Mr. Michael Lefler to look at our site. On his tour with Mr. Lefler B/C Hadfield described the issues with the roof: leaks, walkway obstructions, and HVAC balancing, etc. B/C Hadfield thought Mr. Lefler sounded like he was interested in fixing the problems. They walked the entire building. Mr. Lefler asked lots of questions and recommended stop gap options with balancing to make the building temperature more comfortable. Mr. Lefler acknowledged this was a difficult job. Mr. Lefler will consult with Mr. Cross and review the original specifications. B/C Hadfield agreed noting the District wants these issues addressed and fixed and that Lefler Engineering continues to be highly recommended. B/C Hadfield recalled when the job was done the contractor was going through a difficult period, had to fire his superintendent and went out of business four months after the job was completed. Chairman Murray advised he had spoken with Paul Thompson and he had highly recommended Lefler Engineering. The Chairman expressed his concern with the expense of totally re-doing the roof vs. an approach to correcting the initial mistakes. B/C Hadfield projected the cost could be \$125,000 to \$175,000 plus depending on how extensive the work may be. He believes the District has to wait until we see the engineer recommendations on what approach the District needs to take to correct the roof problems. B/C Hadfield recommended seeking another engineer recommendation but likes the idea of giving Lefler Engineering another opportunity to work with the District. Director McLeran asked if his referral, Massetti, had called the Chief; the Chief replied no. The Board requested the District seek one more engineer consultation. B/C Hadfield commented he has a call into John Oldham, of Berkeley and is waiting for his return call. Chairman Murray suggested the District wait until the work estimates come in and review the recommendations at that time. B/C Hadfield added he will follow up with Mr. Lefler the end of next week.

- b. **2015 District Fiscal Priorities:** Chief Smith explained that after the Maze & Associates audit in December 2014 the District was in a good position. In January Chief Smith and Accountant Hom presented the financial budget year-end review as of December 31, 2014. At that time he and Accountant Hom agreed with the Board's approval to address the District's unfunded or underfunded liabilities in preparation of the 2015/16 FY budget. Chief Smith referred the Board members to the KFD balance sheet as of March 13, 2015 from the Board packet highlighting **category 6901**, unreserved fund with a balance of \$270,000. He recalled this fund holds the \$200,000 initially budgeted for SCBAs, which was paid for by a federal grant instead. The additional \$70,000 comes from \$40,000 in undesignated reserves and \$30,000 left over from last year's budget. Also **category 6910**, apparatus replacement has a balance of \$652,000. He reported the staff is currently reviewing apparatus replacement and will make a recommendation to the Chief. The lives of the vehicles are as follows: 10 years for utility vehicles, 20 years on the fire engines and 25 years on the ladder truck. Chief Smith recalled he, Chairman Murray, and Director Gerbsman met eighteen months ago and reviewed all the reserve accounts and redirected funds adding \$100,000 to the apparatus replacement fund. This last fiscal year and this fiscal year we have not put any funds into this category as we were dealing with other issues. The debt service sinking fund, **category 6975**, reflects a balance of \$250,000. Back in 2008 the District evaluated the reserve funds and in anticipation of refinancing the building in 2014 had rebalanced the accounts placing \$250,000 in this fund to be used to bring down the principal on the loan. At the time of refinancing the Board decided to hold onto these funds for future consideration because the interest on the new loan decreased from 6.5% to 4%, yet the District was paying 7.5% on the retirement side-fund liability. The Chief reported the District has approximately three million dollars in the reserve accounts. The Chief asked the Board for their

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

input and thoughts on how they would like these funds to be distributed as he prepares the 2015/16 F/Y budget. Reporting out on the CalPERS Investment Trust, the Chief noted the District has been setting aside funds for the post-retirement healthcare liability for several years. The last actuarial reported the total liability is about two million dollars. In this fiscal year the District will deposit \$200,000 into this account using the current strategy which is working well. The CalPERS side fund for safety personnel total this F/Y is about \$1.3 million amortized over six years the District will have paid CalPERS \$1.8 million. The District is currently paying this off at the rate of approximately \$200,000 per year. The Chief thinks if the District makes an additional \$200,000 payment the outstanding balance can be reduced from \$1.869 million to \$1.802 million. In conclusion the Chief stated the District has conservative reserve funds balances. He asked the Board to consider using these reserves for the following issues: pay down the debt, the liabilities of the roof repair, and consider adding to the apparatus replacement fund. Also consider evaluating the increase of the fire special tax assessment for 2016. The Chief is requesting suggestions from the Board on what their priorities are so he can build a budget and/or make recommendations on where to move the reserve funds. Chairman Murray commented in a couple of weeks the District will have rough roof estimates and will make a decision on how to move forward with that project. In his opinion he does not think the fire special tax assessment should be raised as a source of income from the tax payers. Chairman Murray would like the Chief to provide a couple of different scenarios on moving funds and/or paying the debt down for the next Board meeting. A discussion ensued regarding several budget items: apparatus replacement, fire special tax assessment adjustment, and the CalPERS debt reduction. Upon conclusion Chairman Murray directed Chief Smith to create several scenarios, inclusive of budget areas the Chief deems imperative to address, especially if the economy slows, noting it may be a financially sound strategy to plan now before the hardship is upon us. Chief Smith thanked the Board for their direction.

NEW BUSINESS:

- a. **New Vehicle Purchase:** Chief Smith reported our 2001 Ford Expedition was involved in an automobile accident, no one was injured, but the vehicle was totaled. B/C Hadfield has been working with our adjustor, the radio shop and shopping for a new Ford, Chevy or Dodge truck. Chief reported the Ford is past its life cycle (10 years) but the District did not budget to replace it this fiscal year. As a result Chief Smith asked the Board's permission to amend the F/Y 2014/15 budget and take \$60,000 from **reserve category 6910** apparatus replacement and add it to **capital outlay category 4070**, apparatus replacement. As a result of this transfer the reserve category 6910 balance of \$562,643 will be reduced by \$60,000 leaving a remaining balance of \$592,643; capital outlay category 4070, currently without any funds, will have a balance of \$60,000. Chairman Murray/Director Gerbsman M/S to approve the movement of \$60,000 from reserve category 6910, apparatus replacement to capital outlay category 4070, apparatus replacement. All Ayes.
- b. **Marin LAFCO Regular Special District Election Ballot:** Chairman Murray polled the Board on this election. After a brief discussion Chairman Murray/Director McLeran M/S to select Brad Beedle of Novato Fire Protection District #1, Justin Kai of the Marinwood Community Services District #2, and Jack Baker of the North Marin Water District #3 as Regular Special District member. All Ayes.
- c. **Marin LAFCO Special District Alternate Election Ballot:** Chairman Murray polled the Board on this election. After a brief discussion Director McLeran/Chairman Murray M/S to select Brad Beedle of Novato Fire Protection District #1, Justin Kai of the Marinwood Community Services District #2, and Jack Baker of the North Marin Water District #3 as Alternate Special District member. All Ayes.
- d. **FASIS Election Notice/Call for Nominations:** Chief Smith informed the Board that there was an opening on the FASIS Board and asked if any District Board members were interested in running. The term for this position is from July 2015 through June 2018. There was no interest from the Board at this time.
- e. **KAPF 2015/16 Labor Contract:** Engineer Trimble advised the Board that Shift A will be the negotiation team for the KAPF. The KAPF would like to open labor negotiations with the Board and requested a formal meeting with the Board or sub-committee before the April regular Board meeting. In preparation for this negotiation Engineer Trimble referred Board members to a copy of the negotiation ground rules for their review in the Board packet. Chairman Murray polled the Board members and they prefer to set up a special board meeting with the full board to open negotiations and at that time assign a sub-committee to work with the negotiation team and report back to the full board. Chairman Murray instructed Recording Secretary Mulkeen to coordinate a meeting date with all parties.

CORRESPONDENCE: Reviewed

REPORTS:

- a. **Overtime, Incident (February):** Reviewed

CHIEF'S REPORT:

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

- a. **MERA Announcements:** Chief Smith asked Board members to review the two MERA announcements in the board packet: MERA Senior Homeowner Exemption Applications and MERA taking applications for the MERA Citizens Oversight Committee.
- b. **KFD/MAGC Blood Drive 2/10/15:** Chief Smith commented on Eric Humber's great job with this blood drive. The drive had 80 appointments, with 65 donations. The next drive is scheduled for May 12.
- c. **CLOSED SESSION pursuant to Gov't Code §54957 for Public Employment and Public Employee Performance Evaluations:** Annual Fire Chief Performance Review: The Board moved into closed session at 7:30 pm. The Board returned to open session at 8:10 pm. Director Gerbsman reported the Board met a couple of months ago regarding qualifications and paths for succession planning. He explained in the performance review, the Chief presented a detailed report in relation to the District's succession plan to the Board. Engineer Trimble stopped Director Gerbsman's report and expressed concern, noting he had spoken with union counsel prior to the meeting, that succession planning is not part of the personnel review and should have been discussed in open forum. Engineer Trimble continued noting the Union Counsel's recommendation was not to report back in open session on succession planning discussed while in closed session. Director Gerbsman expressed his disagreement with Engineer Trimble's comment. Director Gerbsman continued that during the closed session the Board reviewed Chief Smith's qualifications and conducted an assessment of his job evaluation. As part of the Board's job evaluation Chief Smith shared his leadership succession action plan for 2015/16. Director Gerbsman felt it was more than appropriate that the Board discussed this in the closed session. He added the Chief will distribute detailed information to the staff in about two weeks. Engineer Trimble expressed his ambivalence with this conflict re-stating reporting on the succession planning in open session, on the record may be a Brown Act violation. Chief Smith asked Engineer Trimble what was his concern. Engineer Trimble replied he had not seen succession planning on the agenda that's why he asked Director Gerbsman just before the meeting. Engineer Trimble recalled that the action plan from the Succession planning sub-committee meetings were to communicate a plan for the District to review. Chairman Murray clarified, during the Chief's review the Board has a conversation about financials, talk about quite a few things, in addition to what his plans are going forward. It's not succession planning on closed session it's asking him what he is doing going forward. Director Gerbsman commented he takes personal offense to Engineer Trimble's Brown Act statement and that he had spoken to counsel and did not mention that; it is not appropriate. Director McLeran commented if you want to set the tone of negotiating this is not the way to start. Engineer Trimble continued with his concern with the possible Brown Act violation noting anything that talks about performance are closed session item. Engineer Trimble stepped back and explained his interest stemmed from succession planning meetings and on what the parameters are for a new chief, etc. According to the outcome of the succession planning sub-committee meetings Engineer Trimble, as the KAPF Union Rep, was expecting to get the Chief's succession planning information at this Board meeting but did not see it on the agenda for this meeting. He thought that maybe the Board had discussed it in closed session. Chairman Murray did not believe the Board was in violation of the Brown Act because the Board reviewed the Chief's performance and all of his duties in total. This position was also supported by Directors McLeran and Gerbsman. Director McLeran added you don't seek legal advice unless something is going on. Director Gerbsman informed Engineer Trimble he should have called one of the Directors. Engineer Trimble replied I thought that is what I did in this meeting. Chairman Murray suggested this discussion come to a close. Engineer Trimble requested his comment regarding the Brown Act violation be withdrawn from the record and explained his intent was not to accuse the Board but to clarify what took place and what was the right protocol to get the information. Chief Smith said it would have been best to ask him or the Chair. Chairman Murray noted discussion is healthy but time to move onto the next item.

APPROVAL OF WARRANTS: Directors Naso/McLeran M/S to approve February warrants no. 6854 to and including 6905 in the amount of \$271,554.84. All ayes.

Chairman Murray could not commit to the next regular scheduled meeting on Wednesday, April 15. Chief Smith requested the Recording Secretary contact Board members for their availability for Thursday, April 16 at 6:30 pm and publishes this date if we reach a consensus.

A moment of silence was held for our recently departed members.

Chairman Murray/Director Gerbsman M/S to adjourn the meeting at 8:20 pm. All Ayes.

Respectfully submitted,

Sharon Mulkeen
Recording Secretary