

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

MEETING TYPE: Regular

DATE: Thursday, April 16, 2015

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

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

APPROVAL OF PRIOR MONTH'S MINUTES: Directors Naso/McLeran M/S to approve the minutes of the March 18, 2015 regular meeting. All ayes. Directors Naso/McLeran M/S to approve the minutes of March 26, 2015 special meeting. All ayes.

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

UNFINISHED BUSINESS:

- a. **HVAC Roof:** B/C Hadfield reported he met with Mr. Lefler and walked through the building. Mr. Lefler made suggestions on how to improve the HVAC balancing and approaches to reduce the noise level. B/C Hadfield received his letter which did not offer any recommendations. Mr. Lefler did, however, put the District in contact with the manufacturer representative of the mastic to do the ducting. Mr. Lefler added the contractor may have used interior mastic instead of exterior mastic on the roof ducting resulting in the current deterioration of the mastic from the sun. B/C Hadfield had a meeting scheduled on Wednesday with the mastic manufacturer and he did not show. B/C Hadfield advised the Board he will continue to search for a mechanical engineering firm that will be interested in performing the work. Director Naso apprised the Board that he had spoken with John Oldham of Berkeley and informed the Board that Mr. Oldham thought the District job was too small for his firm. A short discussion ensued regarding how to resource an engineer that will take the job. B/C Hadfield commented he has asked Mr. Oldham to recommend another mechanical engineering firm and has not heard from him. He will contact Mr. Oldham again on Friday, April 17.
- b. **2015 District Fiscal Priorities:** Chief Smith thanked Accountant Hom for attending this meeting and informed the Board that they worked together on a number of scenarios. The Chief reflected on last month's meeting where the Board had asked him to prepare recommendations for the reserve and underfunded categories. He referred the Board members to the Assigned Reserve Category Considerations document in the Board packet as he reviewed the District's current balances and options. The following fund balance changes were proposed in Option 1:

Reduce reserve category 6901/Unreserved from \$270,975.71 to \$50,000
Increase reserve category 6910/Apparatus Replacement from \$652,643 to \$800,000
Reduce reserve category 6935/MERA from \$37,580 to 0
Reduce reserve category 6940/PERS from \$800,490 to \$680,000
Reduce reserve category 6942/OPEB from \$199,983 to 0
All other fund balances remain constant
With this option the District can pay down the CalPERS liability by \$680,000 this F/Y

The following fund balance changes were proposed in Option 2:

Reduce reserve category 6901/Unreserved from \$270,975.71 to \$50,000
Increase reserve category 6910/Apparatus Replacement from \$652,643 to \$760,000
Increase reserve category 6915/Building Replacement from \$72,899 to \$172,899
Reduce reserve category 6935/MERA from \$37,580 to 0
Reduce reserve category 6940/PERS from \$800,490 to \$680,000
All other fund balances remain constant
With this option the District can pay down the CalPERS liability by \$420,000 this F/Y

The Chief reported the District currently has \$2.9 million in reserves. Option 1 would allow the District to make one extra payment of \$680,000 this fiscal year to immediately reduce the balance due to CalPERS and then aggressively pay off the debt in three years, or, up to six years. Option 2, a more conservative approach, has two scenarios. The first scenario shows the District with one extra payment of \$420,000 this fiscal year to reduce the debt amount and pay off the remaining liability in six years. The second scenario reflects a \$420,000 payment this fiscal year with additional \$100,000 payments in subsequent F/Y 2015/16, 2016/17, 2017/18, and 2018/19 paying off the debt in three to four years.

Director Gerbsman asked Chief Smith which option he would choose. The Chief replied the decision was not his to make but commented he was conservative. He suggested the District make the lump sum payment this fiscal year, before August 1, additionally, the District will experience a 50% reduction in classic members' pension contributions due to a recalculation by CalPERS saving the District \$300,000. Chairman Murray added the District was in this good position due to our conservative approach. Director McLeran commented all three scenarios were well thought out.

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The Board asked Accountant Hom for his perspective. Accountant Hom remarked the District is on target to fund the retiree healthcare liability category 6942/OPEB. The District is contributing \$200,000 a year towards OPEB. The District could consider increasing the reserve account to pay down the pension unfunded liability. He reported the District will have a new evaluation by early June and would be able to project the incoming tax basis then. From his perspective if the District could maintain a six month reserve in comparison to one year's budget that is a financially sound position. As of June 2014 the District had more than six months of reserve funds. Accountant Hom recommended the Board look at Option 1 and have the CalPERS unfunded liability paid off in less than six years.

Both Chief Smith and Accountant Hom recommended the Board set a policy or guidelines on funding the assigned reserve accounts, i.e., how to fund them, identify funds to be funded and set priorities. They both agreed this discussion should take place on a future agenda.

After a lengthy Board discussion Chairman Murray/Director Naso M/S to reallocate the funds in the assigned reserve categories as identified in Option 1 of the Assigned Reserve Category Considerations Report. All Ayes.

The Chief commented this has been a lengthy process and thanked the Board for their direction the last few months.

- c. **Closed Session-Public Employee Labor Negotiation and Public Employee Benefit Negotiation:** The Board moved into closed session at 7:20 pm. The Board returned into open session at 7:50 pm. Chairman Murray advised there is nothing to report at this time.

NEW BUSINESS:

- a. **Hazardous Materials Spills Management JPA:** Chief Smith explained the District is a member in this JPA with other 13 other agencies in Marin County for hazardous materials spills. The current Agreement expires June 30, 2015. Fire Chief Jason Weber, representing the MCFCA, is in the process of reviewing the Agreement. He is requesting all agencies, in the interim to extend the Agreement for one more year, till June 30, 2016. He will work with the Fire Chiefs to make the necessary changes to the new Agreement. Chairman Murray/Director Naso M/S to agree with the extension of all terms of the JPA for Hazardous Materials Spills Management. All Ayes.
- b. **FASIS Board of Directors Election:** Chairman Murray opened discussion on the candidates running for FASIS Board of Director positions. Upon conclusion of the discussion Chairman Murray/Director McLeran M/S to support the FASIS Board selection of the following candidates: Mr. Ted Peterson/Novato Fire District, Mr. Gary Grenfell/South Placer Fire District, Mr. Tom Perazzo/Southern Marin Fire District and Mr. Richard Pearce/Tiburon Fire District. All Ayes.
- c. **Resolution 2-2015:** After discussion Directors McLeran/Gerbsman M/S to support Resolution 2-2015 in support of the Ross Valley Paramedic Tax Rate for Fiscal Year 2015-2016. Roll call vote: Corbet/Aye, Gerbsman/Aye, McLeran, Aye, Murray/Aye, Naso, Aye. Resolution passes.
- d. **Resolution 3-2015:** After discussion, Chairman Murray/Director McLeran M/S Resolution 3-2015 of the Kentfield Fire District proposing an election be held in its jurisdiction; requesting the Board of Supervisors to consolidate with any other election conducted on said date, and requesting election services by the Marin County Elections Department. Roll call vote: Corbet/Aye, Gerbsman/Aye, McLeran, Aye, Murray/Aye, Naso, Aye. Resolution passes.
- e. All Ayes.

REPORTS:

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

CHIEF'S REPORT:

- a. **April FDAC Report:** Chief Smith reported he and Director Naso attended the conference. Some of the topics presented included legal and political issues, SRA fee, legalized use of marijuana, and the Napa earthquake. Director Naso commented all the topics were interesting and he enjoyed attending. Chief Smith added it was a very worthwhile conference.

APPROVAL OF WARRANTS: Directors Naso/Murray M/S to approve March warrants no. 6906 to and including 6963 in the amount of \$311,553.54. All ayes.

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

Chairman Gerbsman/McLeran M/S to adjourn the meeting at 8:11 pm. All Ayes.

Respectfully submitted,

Sharon Mulkeen
Recording Secretary