



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066 (831) 438-0211 Fax (831) 438-0383

MINUTES OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REGULAR MEETING OF June 13, 2018

1. Call to Order

The Regular Meeting of the Board of Directors of the Scotts Valley Fire Protection District (SVFPD) was held on Wednesday, June 13, 2018 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, Patterson, Pisciotta, Smith and Warren
B. Directors Absent:	None
C. Fire District Staff:	Chief Kovacs, Battalion Chief McNeil 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 May 9, 2018

4.2 Payroll: Approve May Payroll 10 and 11 in the amount of: \$ 309,598.87

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

<u>General Fund:</u>	\$ 119,100.19
<u>Zone A:</u>	\$ 6,089.50
<u>Capital Outlay:</u>	\$ 36,867.76
<u>SCHMIT:</u>	\$ 4,042.68
<u>TOTAL:</u>	\$ 166,100.13

4.4 Authorize Payment to Santa Cruz County Fire Agencies Insurance Group not to Exceed \$196,000 for Workers Compensation Insurance to be Paid After July 1, 2018, for the 2018/2019 Fiscal Year

4.5 Authorize Payment to CalPERS in the amount of \$507,715, for the Safety Plan's Unfunded Liability Annual Lump Sum Prepayment Option to be Paid After July 1, 2018, for the 2018/2019 Fiscal Year

4.6 Approve Fee Waiver Request from the City of Scotts Valley for the Fireworks Event 7/4/2018

Director Smith inquired about the CalPERS Unfunded Accrued Liability (UAL) Payment in the amount of \$507,715 and the projected increases in the coming fiscal years. Chief Kovacs stated that it will continue to increase approximately \$150K per fiscal year until it reaches just over a million dollars in the 2022/2023 FY.

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President Patterson stated that the Finance Committee has discussed the rising cost of the UAL and will continue assessing in the future.

Director Warren explained that there was discussion in the past about waiving the fees for the Fireworks Event since the City charges an admission fee. Director Warren stated that years ago with the downturn in the economy, he didn't support waving the fees. Currently Director Warren supports waving the fees, but suggested that the Board review the Fee Waiver Policy in the future to determine the criteria for waiving fees.

On motion of Director Smith seconded by Director Pisciotta to Approve the Consent Calendar Items 4.1 through 4.6 in Full was approved by the following vote:

AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

5. Action Item

5.1 Approve Revision to Policy 1600: Purchasing, Discussion/Action

Chief Kovacs stated that the only revision to Policy 1600 is to increase the fixed asset purchase from \$300 to \$5,000, which is the industry standard. All fixed assets must be included on a depreciation schedule and reported in the annual financial audit, so increasing the threshold will reduce staff time for tracking fixed assets and align the amount with industry standard.

On motion of Director Warren seconded by Director Pisciotta to Approve Item 5.1 Revision to Policy 1600 was approved by the following vote:

AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

5.2 Adopt the 2018/2019 FY Preliminary Budgets as Presented, Discussion/Action

<u>685010 General Fund:</u>	\$8,836,362
<u>685020 Zone A:</u>	\$1,201,959
<u>685030 Capital Outlay:</u>	\$ 321,824
<u>685040 SCHMIT:</u>	\$ 195,851

Set public hearing for adoption of the final budget for the August 8, 2018, Regular Board Meeting: 6:30 p.m.

Direct staff to publish a notice for the public hearing and make the budget available for public review

Chief Kovacs explained that the Preliminary Budget is based on estimates since the FY doesn't end until June 30th. Once the FY closes, the actual figures will be updated in the Final Budget. Chief Kovacs reviewed the Preliminary Budget and noted the following:

General Fund – 685010

- The estimated unassigned beginning fund balance is \$1,492,242, which is an increase of \$197,596 from last Fiscal Year (FY) and includes a \$200,000 transfer to Capital Outlay. In addition, there is a \$200,000 Assigned Fund Balance for Future Retiree Medical.
- An estimated 4% increase in property tax has been budgeted.
- Strike Team Revenue is budgeted at \$125,000 as a Strike Team was sent to San Bernardino County last week.
- The Salary and Benefits budget includes a Cost of Living Adjustment (COLA) based on the current MOU's.
- The CalPERS Safety Retirement Plan is 18.677% of payroll, which is up from the 2017/2018 FY amount of 17.875%. The Unfunded Accrued Liability (UAL) annual lump sum prepayment option for the Safety Plan is \$507,715, which is up from the 2017/2018 payment of \$390,957. The Safety side fund is captured as a loan payment to the Santa Cruz County Bank under "Other Charges".

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- The CalPERS Miscellaneous Plan is 9.409% of payroll, which is up from the 2017/2018 FY amount of 8.921%. The UAL annual lump sum prepayment option for the Miscellaneous Plan is \$12,000, which is up from the 2017/2018 payment of \$9,824.
- The employer rate for new CalPERS safety employees hired after January 1, 2013 is 12.141% of payroll, up from the 2017/2018 rate of 11.99%. Non-safety employees are 6.842% of payroll, up from the 2017/2018 rate of 6.533%.
- This represents a budgeted amount of \$1,094,236 payable to CalPERS and a loan payment for the side fund in the amount of \$324,241 for a total of \$1,418,477 in retirement liability, which represents an increase of \$157,584 from the 2017/2018 FY.
- An estimated 8% health insurance increase effective January 1, 2019 was budgeted. Retiree health insurance is budgeted at \$84,816, which is a decrease of \$6,652 over last FY due to one retiree coming off the plan.
- The estimated Workers Comp insurance was \$196,000, which is an increase of \$33,923 over last FY.
- The Services and Supplies budget is \$740,650.
- A \$200,000 transfer to Capital Outlay and \$50,000 for Contingencies has been budgeted.
- The General Fund Preliminary Budget is balanced by using \$355,692 from the Unassigned Fund Balance.

Zone A – 685020

- The beginning fund balance is estimated at \$1,082,670.
- A 4% increase in property tax revenue is estimated.
- Besides Auditing and Accounting costs, \$18,000 is budgeted to complete the Fire Facilities Master Plan (carried over from the 2017/2018 FY).
- For future projects, \$400,000 is budgeted and \$74,533 for Contingencies.

Capital Outlay – 685030

- The beginning fund balance is estimated at \$121,324.
- Revenue consists of a \$200,000 transfer from the General Fund and \$500 in interest.
- Fleet replacement is budgeted at \$450,000 (staff vehicle carried over from the 2017/2018 FY), \$35,000 for replacement of auto extrication equipment, \$191,324 for future capital outlay expenses and \$5,000 for Contingencies.

SCHMIT – 685040

- The beginning fund balance is estimated at \$47,562.
- The Service and Supplies budget is \$61,351, which includes a \$4,500 charge for management of the program.
- The budget includes \$20,000 to reimburse response agencies in the event of an activation.
- The Differential cost for the response agencies is budgeted at \$112,500 (\$4,500 per team member), which accounts for 25 total members.

Director Smith inquired about the \$18,000 budgeted for the Erba stove replacement and improvements. Chief Kovacs stated that the cost to replace the commercial stove is approximately \$14,000 and the additional money for any necessary improvements related to the stove.

President Patterson confirmed that Staff will set the Public Hearing on August 8th to adopt the Final Budget, publish the notice for the Public Hearing and have the Preliminary Budget available for public review, which Chief Kovacs confirmed will be done.

On motion of Director Campbell seconded by Director Warren to Adopt the 2018/2019 Preliminary Budget as Presented at this time for Public Hearing was approved by the following vote:

AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

5.3 Approve Resolution 2018-5: Resolution Accepting and Allocating Unanticipated Revenue, Discussion/Action

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Chief Kovacs stated that a strike team was sent to San Benito County last week so it is necessary to make an additional transfer to cover the overtime, since the reimbursement will not be received by the end of this FY.

On motion of Director Pisciotta seconded by Director Smith to Approve Resolution 2015-5: Accepting and Allocating Unanticipated Revenue was approved by the following vote:

AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

5.4 Approve the Establishment of an Entry Level Firefighter/Paramedic Eligibility List per Policy 1501, Discussion/Action

Chief Kovacs explained that there is no current eligibility list for Entry Level Firefighter/Paramedic and that we do not have sufficient qualified Paid Call Firefighters or Branciforte Volunteers to conduct a closed testing process, as in the past. Chief Kovacs stated that the recommendation is to establish an Entry Level Firefighter/Paramedic eligibility list through an open recruitment process. The written testing process will be conducted by an outside company and the oral interviews and paramedic assessment will be conducted in-house. The job flyer will be posted early next week.

On motion of Director Warren seconded by Director Pisciotta to Approve the Establishment of an Entry Level Firefighter/Paramedic Eligibility List per Policy 1501 was approved by the following vote:

AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

5.5 Approve Hiring an Additional Firefighter for Retirement Planning, Discussion/Action

Chief Kovacs stated that there are three potential retirements by the end of this year and hiring an additional Firefighter will give some overlap during the transition. The job announcement will be posted on Monday and the testing process should be completed by September. With the overtime savings, having an additional person on shift, there will likely be minimal to no added cost to the budget to hire the additional Firefighter.

On motion of Director Pisciotta seconded by Director Campbell to Approve Hiring an Additional Firefighter for Retirement Planning was approved by the following vote:

AYES: Campbell, Patterson, Pisciotta, Smith and Warren
NOES: None
ABSENT: None
ABSTAIN: None

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

6.1 Board of Directors Report – Directors

President Patterson reported that the Scotts Valley General Planning Meeting is scheduled for next week.

Director Campbell reported that he and President Patterson met with Chief Kovacs and Branciforte Fire Board Directors Austin and O'Connell to discuss the Administrative Agreement. The options discussed for moving forward were disbanding the Agreement, some type of merger or establishing a JPA. No Action is proposed at this time. It appears that the Agreement is more beneficial to Branciforte Fire, so to evaluate actual cost to Scotts Valley Fire, staff will be tracking time. President Patterson stated that the Boards will meet again in the fall after staff time data has been collected to re-evaluate the Agreement.

6.2 Administrative Report – Chief Officers

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

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- There was structure a fire on Quail Ridge Road including a garage, accessory dwelling unit and trailer. The cause is under investigation.
- E2537 responded to a strike team in San Benito County for a week.
- The update from the State Capital for the proposed 100 million dollars to improve the mutual aid system and pre-positing strike team responses was funded at 25 million from the General Fund. We are working on funding the additional 75 million dollars from the Greenhouse Gas Fund.
- The Cummings Dealer in Salinas will be working on E2512 to resolve computer issues.
- The Quarry Fire was contained to 4.9 acres and the cause is under investigation.

6.3 Annual SCHMIT Report – Battalion Chief McNeil

Chief McNeil presented the annual SCHMIT Report and highlighted the following information:

- The SCHMIT Team currently has 24 members.
- There were two activations including a request from Zayante for a diesel spill resulting from an overturned 18 wheeler and a request from Santa Cruz for an unknown liquid spill on Laurel Street.
- The SCHMIT Team completed 24 hours of technician level training with an outside instructor.
- The Goals for 2018 include purchasing equipment using grant funding or prop 172 funding, receive Type 3 classification from State OES and provide Countywide Hazardous Materials related classes with no tuition cost utilizing grant funding.

7. Correspondence – Information

7.1 Thank You Letter from the Ventura Fire Department

The Board received and filed the correspondence.

8. Request for Future Agenda Items

None

9. Closed Session: Government Code §54957.7

9.1 Fire Chief Performance Review: Government Code §54957

At 7:04 p.m., President Patterson announced that the Board would be going in to Closed Session for the Fire Chief Performance Review.

10. Open Session

10.1 Report on Closed Session: Government Code §54957.1

At 7:21 p.m., the Board reconvened to Open Session. President Patterson reported that the Board discussed the Fire Chief Performance Review with no action taken.

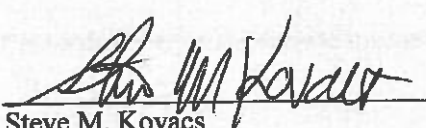
11. Adjournment

The meeting was adjourned at 7:22 p.m.

ATTEST



Russ Patterson
Board President



Steve M. Kovacs
Board Secretary