

TAHOE DOUGLAS FIRE PREVENTION DISTRICT
BOARD OF TRUSTEES MEETING
January 24, 2018

Those Present:

Chairman Bill Kirschner
Vice Chairperson Ann Grant
Trustee Greg Felton
Trustee Kevin Kjer
Trustee Larry Schussel
Legal Counsel Devon Reese (via phone)
Fire Chief Scott Baker
Assistant Chief Jim Antti
Battalion Chief Todd Moss
Battalion Chief Ralph Jones
Battalion Chief Bryce Cranch
Forester John Pickett

Fire Inspector Todd Stroup
Office Manager Kate Warner
Accounting Specialist Carrie Nolting
Administrative Assistant Erin Allison
Accountant Bill Johnson
Guest Dan Carter

1. Call to Order.

Meeting was called to order at 2:30 p.m.

2. Pledge of Allegiance.

Pledge of allegiance was led by Chairman Kirschner.

3. Roll Call.

Chairman Kirschner, Vice Chairperson Grant, Trustee Felton, Trustee Kjer, and Trustee Schussel were present. A quorum was present.

4. Approval of the Agenda.

Vice Chairperson Grant motioned to approve the agenda. Trustee Felton seconded the motion. Motion approved 5-0.

5. Public Comment.

None.

6. Board Trustee Comment.

Vice Chairperson Grant thanked Firefighter/Paramedic Kelly Pettit for teaching CPR to the CERT team. Pettit is so skilled at teaching and really tailored the class for the CERT team to be able to assist first responders.

7. Approval of the Consent Calendar.

Items:

- a. Approval of Minutes 12/20/17
- b. Monthly Expenditures
- c. Financial Statements – 10/31/17
- d. Board Goals & Objectives – 2nd Quarter update

Trustee Schussel motioned to approve the Consent Calendar. Trustee Kjer seconded the motion. Motion approved 5-0.

8. For Possible Action: Consent items moved forward.

None.

9. For Discussion and Possible Action: Appoint Board of Trustees representatives to work on the Board Goals and Objectives for FY 2018-2019.
Chairman Bill Kirschner

Trustees Kirschner and Grant volunteered to work on the Board Goals and Objectives for FY 2018-2019.

10. For Discussion and Possible Action: Review and possible approval of the audit of the Fire District's financial statements for fiscal year 2016-2017 prepared by Eide Bailly LLP.
Dan Carter, Eide Bailly

The audit process transpired as discussed at the December board meeting. PERS and their auditors released updated schedules and modified some of the calculations that affected some of the District's financial statements.

The draft that has been provided includes the adjusted calculations.

Eide Bailly gave an unmodified opinion, which is the highest level of insurance they can provide for the financial statements. They have added the adoption of the new accounting standard of the PERS change to the financial statements. (P2)

The District has a positive net position in government activities. The change from the PERS adjustment brought down the net position in business activities.

The statement of activities had no changes other than the changes for PERS.

The District has positive funds in all categories, and has a strong financial position. There were some negative changes in fund balances, but all funds ended with positive fund balances. (P14)

The proprietary Ambulance Fund has a negative net position, which is due to liability for PERS. Without that, it would be in the positive.

The income statement showed positive income before transfers. Operating and non-operating revenue exceed expenditures.

There has been a positive overall change in cash flow. Some categories are negative, but are offset by the positive categories.

There were not many changes in the notes from last year. No financial administration violations were noted. There was a new note this year in regards to the adoption of GASB 82. (P27)

There was a material weakness finding that relates to Eide Bailly preparing the financial statements for the District, which is the same finding as last year. (P56)

Eide Bailly also completed a single audit of the SAFER grant this year because the District had grant expenditures over the threshold of \$750,000. There was one minor reporting issue in the quarterly reporting that is sent to the federal agency in charge of the grant.

Chief Baker explained that the District has a third party monitoring the grant that wasn't updating the staffing numbers quarterly. We were compliant with the grant, but there was a misunderstanding between the third party and the District. It was discovered and corrected before the audit.

Accountant Johnson clarified that the Health Insurance Fund was grouped within the General Fund in 2017, and asked if it is appropriate to mention the funds or not. (P22)

Carter responded that we report the Health Insurance Fund for budget purposes (for the State) and it is included in the back of the audit as supplemental information. It is still a District fund and is reported on internally, but for financial reporting, externally, it does not meet the definition of a special revenue fund according to GASB 54. It is up to management, it is not wrong either way because the transfers go to the fund internally.

Chief Baker commented that for budgeting purposes, it does need to be mentioned separately, but for the financial statements, it does not.

Options have been discussed as to what to do with the Health Insurance Fund. One of those options is to get it back to being a fund that qualifies as a special revenue fund by designating a

certain revenue source. If that is done, it could be reported as it was in the past. There has been additional discussion as to whether the original purpose of the fund is still necessary.

Accountant Johnson commented that David & Johnson prepares financial statements with the Health Insurance fund by itself and asked if the District would like to continue that practice or combine it as it is in the audit.

Chief Baker responded that he would like to keep it separate and work towards it becoming a special revenue fund.

Trustee Felton asked if the several fund balance reductions were because of the PERS change or because of spending over the year, and if there are any reductions that should cause concern. Chief Baker and Carter both responded there are not any reductions that should cause concern.

Trustee Felton asked if the Ambulance Fund ended with a negative balance because of the PERS accounting change.

Carter responded that it is not a new issue for the Ambulance Fund to have a negative balance, and there is not much the District can do about it. It is caused by the PERS liability, and is not something that can be paid in advance and is consistent with other departments across the state.

Chief Baker commented that for budgeting purposes, the District can't budget it as a negative, which is why we make transfers at the end of the fiscal year.

Accountant Johnson commented that for budget forms, the Ambulance Fund does not have a balance. The negative is not included in the budget. Last year, the District had less revenue than expenditures, so changes were made to ensure it would not happen again. In the audit fund balance, it will probably never go back to positive.

Trustee Felton asked if Eide Bailly found any risks.

Carter responded that any significant finding would be reported and included in the audit document. As stated earlier, no violations were noted. Any issues that were found were reported and have been addressed in internal control.

Trustee Felton asked if Eide Bailly was similar in cost to other entities that complete audits since we completed three audits through them this year.

Carter responded that the single audit is a piece of the general audit if the threshold for federal spending is surpassed. The Post-Retirement Trust and general audit share data and there are efficiencies in the processes that will continue. The District is getting a large amount of work for the fee.

Accountant Johnson commented that the fee is reasonable for what they have done. GASB changes have made an impact and have changed the process dramatically. It is a good product for an appropriate price.

Chief Baker commented that it has been a great partnership.

Vice Chairperson Grant commented that there are still more assets than liabilities and zero debt, and thanked the staff and everyone involved in keeping everything on target for the budget.

Trustee Felton asked about the timing of receiving the monthly financial statements from David & Johnson.

Chief Baker responded that David & Johnson lost an accountant last year which slowed things down, and they need a certain amount of time to compile the information. The goal is to receive them after two months, and we have made great strides on this.

Trustee Felton motioned to approve the audit of the Fire District's financial statements for fiscal year 2016-2017 prepared by Eide Bailly LLP. Vice Chairperson Grant seconded the motion. Motion approved 5-0.

11. For Discussion and Possible Action:

Discussion and possible approval of Resolution #01-2018 which designates five (5) Chief Officers authority to enter into a Cost Share Agreement on behalf of Tahoe Douglas Fire Protection District in the event of major wildfire/urban interface fire event or other disaster within the Fire District jurisdiction.

Fire Chief Scott Baker

Battalion Chief Cranch has been added to the resolution, which grants the authority for him to enter into cost sharing agreements with other jurisdictions in the area as needed. Chief Nalder has been removed.

Trustee Schussel motioned to approve Resolution #01-2018 which designates five (5) Chief Officers authority to enter into a Cost Share Agreement on behalf of Tahoe Douglas Fire Protection District in the event of major wildfire/urban interface fire event or other disaster within the Fire District jurisdiction. Trustee Kjer seconded the motion. Motion approved 5-0.

12. For Discussion and Possible Action:

Discussion and possible approval of Resolution #02-2018 which designates five (5) Chief Officers authority to sign a Transfer of Authorization "Delegation of Authority" on behalf of Tahoe Douglas Fire Protection District in the event of major wildfire/urban interface fire event or other disaster within the Fire District jurisdiction.

Fire Chief Scott Baker

Battalion Chief Cranch has been added, granting him the authority to sign a delegation of authority on a fire for federal incident management teams. Chief Nalder has been removed.

Trustee Schussel motioned to approve Resolution #02-2018 which designates five (5) Chief Officers authority to sign a Transfer of Authorization “Delegation of Authority” on behalf of Tahoe Douglas Fire Protection District in the event of major wildfire/urban interface fire event or other disaster within the Fire District jurisdiction. Trustee Felton seconded the motion. Motion approved 5-0.

13. For Discussion and Possible Action:

Discussion of proposal summaries and possible approval of a contract for Standards of Coverage not to exceed \$50,000.

Fire Chief Scott Baker

One of the Board Goals and Objectives is completion of the Strategic Plan, which includes hiring an outside vendor to complete the Standards of Coverage. The goal is to contract with a third party to complete the Standards of Coverage for 2018 while educating staff about the process to do internal updates in the future.

Proposals were obtained from three vendors: City Gate, ESCI, and Chiefs Martin and Meston.

All of the proposals cover the same type of topics, but some of the proposals are more detailed than the others.

City Gate is a company that operates in the western states and conducts studies outside of fire departments. They are largely based out of central California.

ESCI is a national company that also conducts studies outside of fire departments. Our main vendor would be Kurt Ladipow.

All three vendors are on par with what we are looking for. Chief Baker’s recommendation is City Gate because they are a western region company, they have worked with other fire districts in the area, and they seem very interactive.

There are still some questions that need to be addressed by these companies. ESCI is equally as qualified, but Chief Baker has some concerns based on recommendations he has received.

Chiefs Martin and Meston know the area and the fire departments well, but there would only be two people doing it, and there could be bias because they are locals. The price is very similar to the companies that would be sending in larger teams and completing this faster.

Trustee Schussel asked what the difference in fees between options one and two on the comparison sheet represents.

Chief Baker responded that option one is just the fire department operations and option two includes a review of administration and staff for both City Gate and ESCI. Chief Baker will negotiate with the companies to determine what is needed and attempt to reduce the prices.

Trustee Felton asked if it is worth spending \$50,000 to have an outside company complete this or if we should revisit the idea of completing these internally.

Chief Baker responded that yes, it is worth the money for the expertise and experience that these vendors bring. Once we learn the process, we will complete updates internally. The efficiency these vendors will bring evens out with the time and resources it would take for staff to complete this internally.

Trustee Felton asked if all of the proposal prices are determined at an hourly rate.

Chief Baker responded that they are estimates, and when negotiations happen, he will determine a more accurate price.

Trustee Felton asked if we would be getting what we need with each of the vendors, as they have very different project plans and scopes of work.

Chief Baker responded that each vendor sent us a comprehensive list of what they can deliver. We have an internal list of what we want/need, which will be brought up in negotiations.

Vice Chairperson Grant asked if there is a national standard to abide by.

Chief Baker responded that the Center for Public Safety Excellence and the NFPA set the standards.

Trustee Felton asked if we would have an end result of an assessment of what we currently have in the district and what is needed in the district.

Chief Baker responded yes, it is an audit to determine if we are meeting the standards with what we currently have, recommendations on how to meet standards we are not meeting, or recommendations on things we are over-doing.

All three vendors would bill the District monthly, so some of the cost will be paid in the next fiscal year.

Trustee Felton asked what the likelihood of discovering something we don't already know is by spending \$50,000 in local taxpayer money.

Chief Baker responded that some money could be saved by discovering inefficiencies. We should be doing Standards of Coverage on a regular basis in order to have a Strategic Plan that matches the standards. Some discoveries could be areas that we need to spend money on and some could be areas we could gain money.

This is a one-time cost and process. The District would like to start from a solid ground that is done correctly and thoroughly, and will update internally after staff learns the process and standards.

Vice Chairperson Grant commented that spending this money is assuring local taxpayers that the District is doing things correctly and is at the level that we should be at.

This is similar to the cost of professional fees in this business and in our area. Chief Baker believes that this is the right thing to do and a good place to spend our money.

Trustee Felton asked if the result is an efficiency study or an effectiveness study. Chief Baker responded that it reviews if the District is doing business effectively and meeting the standards.

Trustee Felton asked how far out of the box organizations like this think. Do they suggest new fixes or assess what we have already? Chief Baker responded that they look at trends in fire departments across the state, how we meet the standards, the stakeholders/community, and values/needs. They should be assessing what we already have and suggesting new fixes. The benefit of using a larger organization is that they see and do more studies, which should help with concepts outside of the fire department.

Vice Chairperson Grant motioned to direct the Fire Chief to enter into a contract with one of the consultants as presented to complete the Standards of Coverage at a cost not to exceed \$50,000. Trustee Kjer seconded the motion. Trustee Felton commented that the City Gate total exceeds \$50,000. Chief Baker will address this in negotiations. Motion approved 5-0.

14. Report Item: Review of Monthly Fire District Activities.
Fire Chief Scott Baker

Chief Baker recognized the following employees for their years of service:

- Captain Brandon Brady – 12 years of service
- Captain Brandon Spry – 12 years of service
- Engineer Steve Prather – 12 years of service
- Captain Kevin Green – 11 years of service
- Captain Justin Rossi – 11 years of service
- Engineer Ben Pratt – 11 years of service
- Forester John Pickett – 7 years of service
- Firefighter/Paramedic Alex Dennis – 2 years of service
- Firefighter/Paramedic Greg Koeck – 2 years of service
- Firefighter/Paramedic Scott Vizzusi – 2 years of service
- Firefighter/Paramedic Derrick Bean – 1 year of service

Verizon Wireless will order the title report and the legal description and use it to complete the site survey at Station 25 for the proposed ground lease. They will set up a site walkthrough with the design team and Chief Baker, and then draft a lease for the attorneys to review.

Short term yields for CDs are the same as long term for investments currently, so the District will go into some short term investments.

Staff will be putting together an after action review of the Strategic Plan that will be presented to the board at a later meeting. The District will continue with the goals in the current Strategic Plan until the update is complete.

Steve Prather has been promoted to Captain. We are looking forward to great things from him. There will be an Engineer promotion soon.

Everything has been submitted for the actuarial report. Thank you to Office Manager Warner for the hard work. The process is moving forward and the report should be completed in March. It will be used to determine how much more the District will fund in the RBIF as pre-funding. It will help determine where the District sits in the liability and update to GASB 75 accounting.

The District is working on creating and implementing a Remembering When program in accordance with the current NFPA program that addresses falls and fires in the elderly.

The Ready Set Go program works with Fire Adapted Communities on evacuation.

- Ready – Do you have what you need to get out on a moment's notice?
- Set – Do you have the information available to know evacuation orders and centers?
- Go – Make sure that evacuation centers are set up, people can get to them, and that people are actually leaving their homes and going to the right place.

In response to questions about auditor related expenses, the total audit costs for 2016-17 were \$39,600 for the regular audit, \$5,000 for the single audit, \$9,000 for the Post-Retirement Trust audit, and \$2,900 for tax and presentations.

There was another appeal filed in the Fire Safe Council suit.

Legal Counsel Reese commented that the government leaned hard on their position that they had no obligation to pay, which is true, so we stopped aggressively monitoring their activities. One claimant won't take no for an answer. They have filed an appeal to the Ninth Circuit Court of Appeals. Reese does not believe it will prevail, but it is holding up payments. He has made calls, but there is no way to short circuit the process. He does not anticipate that the District will file briefs in the Ninth Circuit Court.

Trustee Felton asked what the total amount the District can expect to recover if the additional appeal is rejected.

Legal Counsel Reese responded that there is no way to know that right now. The action of this creditor filing the appeal will cost more time, money, and resources, which will come out of the bankruptcy estate.

Forester Pickett commented that our invoices that are involved in the case are untainted invoices, meaning the work has been completed and the funds are available totaling approximately \$390,000. The District would be paid in full if the appeal fails and the claimant takes no further action.

Chief Nalder's retirement went very well. Thank you to everyone who attended and made it special for him. It was a great showing for the District and support for Chief Nalder.

The District responded to two fires in the last month. Both of the fires were extinguished right before our crews arrived and could have caused major damage. The District is working with Douglas County on recurring issues of fires in vacation rentals and potential changes in tracking and recording of vacation rental usage.

Chief Cranch was in charge of the New Year's Eve operations. The new ambulance was in operation for it. The District has also re-organized the Battalion Chief roles with Chief Moss in charge of facilities/administration and Chief Cranch in charge of EMS.

The District has implemented a new paperless inventory/check off program called Halligan. CrewSense has also been implemented to ease the current staffing and callback procedures. Cyber awareness has also been a focus, and Office Manager Warner included a brief training into the insurance information meetings, along with line of duty death information.

The Maritime Academy has been completed for boat operations training. All line personnel can operate the boat. The next phase of training is fire operations. The boat had its one hundred hour service and all maintenance is on schedule.

Captain Morgan has completed one year of probation as a captain.

The ambulance billing reports have been changed for this month to show why transports and billing don't match up with the revenue. We have always had questions on why billing and transports don't match revenue. Insurance adjustments and Medicare don't pay the full price of the bill.

Accounting Specialist Nolting commented that because insurance adjustments aren't received immediately, they are not included in billing for that month, which causes the discrepancy between billing/transports and revenue. There are some times where we have to write off some bills because of insurance issues and statutes that have an effect on them.

Chief Baker commented that it is as close to real time as we can get, but there is always a delay. Payments received are not correlated to what our call volume is during the month we are in. They can be 90 days to one year behind.

Trustee Felton asked if the percentage of gross billing that we believe is gross revenue is about 60%.

Accounting Specialist Nolting responded that she would have to look at it. It has changed somewhat due to Medicare/Medicaid, but that is why we are in the GEMT program.

We are still waiting on payment for a few fire bills, which is nothing out of the ordinary. Chief Baker thanked Accounting Specialist Nolting for staying on top of it and Forester Pickett for the grant work.

15. Report Item: Review of Fire District Division Reports.
Battalion Chief Ralph Jones
Forester John Pickett

Jones

Chief Moss is now in charge of Health and Safety.

The annual training calendar has doubled from what was on there last year based on training that the line personnel are initiating.

Chief Jones is updating the training sections of the Annual Operating Plan.

Crews are conducting operations training for the new boat. Eight employees have completed the Maritime Academy certification. We are still working out getting all equipment ordered and in service.

The District is working on an upgrade to Round Hill Pines pier putting bunker boards on the pier and trying to make sure that the boat gets further behind the breakwater.

HazMat training for the year has been scheduled for line employees and the technicians. New four gas detectors have been installed in all equipment thanks to Captain Lucas, who acquired them through a LEPC grant.

Captain Brady is working on skills/testing for rope rescue and looking into bringing in new rope technicians and creating a succession plan.

Captain Zabel is now in charge of wildland. He has taught RT 130 in the past, which is a federal requirement before going on fires. He will be in reviewing educational and training needs and will compile a plan for each individual based on those.

Crews will be conducting Captain oriented single- and multi-company drills with performance evaluations to see how well the training is actually going and what areas need to be improved.

Engineer Reddig is working on rapid intervention training, which deals with saving our own in emergency situations.

B-Shift and C-Shift have completed ice rescue training with Captain Lucas at the Park Estate. A-Shift will complete it once there is another storm and enough ice.

We are going to bid for fifteen radios from a Homeland Security grant.

We are working to fulfill our AFG grant to get the rest of the radios that we need.

Pickett

The District sent out a letter to Jenny in Glenbrook regarding pile burning that the Zephyr Crew will be doing in Glenbrook. In the past, Glenbrook would not allow any pile burning. Two elderly residents called her regarding the burning to make sure that we would be careful.

The recent storm has allowed the Zephyr Crew to conduct burning operations, which are going very well.

Forester Pickett met with NDF at Lot X about beetle kill. We have made two entries into the lot and haven't been able to treat it. NDF bought a cable yarding system, and we are working with them on developing a grant to treat Lot X in Glenbrook with this cable yarding system. In the demos that have been run, very few trees have been damaged by this system, which is great news.

We are working on grant funding for \$100,000 for Slaughterhouse Canyon to remove willow and dead and down trees. It could have been difficult to make it to Lands' End.

Trustee Kjer commented that he drove past the pile burning in Glenbrook and the piles were manned and everything looked good. Forester Pickett responded that Crew Supervisor Schafer and Crew Foreman Fogarty conducted multiple test fires, and what we do is surgical and careful.

Vice Chairperson Grant asked if the District announces its burning. Chief Baker responded that yes, we do announce it through the radio program, website, press releases, and social media.

16. For Discussion and Possible Action:

Board of Trustees election of officers for 2018, effective at the next Board of Trustees meeting.
Chairman Bill Kirschner

Trustee Schussel motioned for Vice Chairperson Grant to assume the Chairperson position and for Trustee Kjer to assume the Vice Chairperson position. Trustee Felton seconded the motion. Motion approved 5-0.

17. Public Comment:

None.

18. Discussion: Confirm next meeting, with a proposed date of Wednesday, February 28th, 2018 with a start time of 2:30 p.m. and possible agenda items.

Meeting confirmed for Wednesday, February 28th, 2018 with a start time of 2:30 p.m. in the Station 23 classroom.

Possible agenda items include board action to commit revenue sources for the health insurance fund, strategic plan review, and the Verizon Wireless ground lease.

Adjourn.

Chairman Kirschner adjourned the meeting.

Closed Session: Not needed at this meeting.

**Erin Allison
Board Secretary
Tahoe Douglas Fire Protection District**