

TAHOE DOUGLAS FIRE PROTECTION DISTRICT  
BOARD OF TRUSTEES MEETING  
March 15, 2023

Those Present:

Chairman Larry Schussel  
Vice Chair Greg Felton  
Trustee Janet Murphy (virtual)

Trustee Ben Johnson  
Fire Chief Scott Lindgren  
Legal Counsel Alex Velto

**1. Call to Order.**

Meeting was called to order at 2:30 pm.

**2. Pledge of Allegiance.**

The Pledge of Allegiance was led by Chairman Schussel.

**3. Roll Call.**

Chairman Schussel, Vice Chair Felton and Trustee Johnson were present. Trustee Murphy attended virtually.  
A quorum was met.

**4. Approval of the Agenda.**

Vice Chair Felton made a motion to approve the agenda as presented. Second: Trustee Johnson.  
Motion approved 4-0.

**5. Public Comment:** None.

**6. Trustee Comments:**

Vice Chair Felton requested a moment of silence for the REMSA Care Flight Crew Members who were lost in the recent plane crash.

**7. Approval of the Consent Calendar.**

- a. Board Meeting Minutes 02/22/2023
- b. Monthly Expenditures
- c. Personnel Policy – 1.0 General Provisions
- d. Personnel Policy – 2.19 Social Media

Vice Chair Felton made a motion to approve the Consent Calendar as presented.  
Second: Trustee Johnson.  
Motion approved 4-0.

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**8. Consent items moved forward.**

None.

**9. Special Recognition**

Fire Chief Scott Lindgren

**Service Recognition:**

Chief Chris Lucas	19 years
Chief Bryce Cranch	19 years
Captain Chris Peterson	18 years
Captain Nate Johnson	13 years
Captain Will Morgan	11 years Perm (14 years of service)
Engineer Ryan Sanders	10 years Perm (17 years of service)
Firefighter Benjamin Arrate	10 years Perm (14 years of service)
Engineer Ryan Pruitt	10 years Perm (13 years of service)
Engineer Kurt Hamann	10 years Perm (13 years of service)
Captain Mark Norwood	10 years
Engineer Jesse McDonald	10 years
Captain William Darr	10 years
Engineer Chad Baker	10 years
Firefighter/Paramedic Shane Gump	4 years
Firefighter/Paramedic Jacob Looney	4 years
FF/PM Andy Isenberg	2 years
Captain/Crew Foreman Michael Wicks	2 years Perm (10 years of service)
Captain/Crew Foreman Jared Correll	2 years Perm (9 years of service)
Captain/Crew Foreman/Mechanic Brody Zink	2 years Perm (9 years of service)
Engineer/Squad Leader Drew Hughes	2 years Perm (5 years of service)
Firefighter Josh Wesson	2 years Perm (5 years of service)
Firefighter Kevin Schoonmaker	2 years Perm (3 years of service)
Captain/Crew Foreman Blake Bishop	2 years

Vice Chair Felton acknowledged the staff and the significant number of Wildland Fire & Fuels employees who have advanced to full-time positions.

**10. Presentation by Liberty Benefits Group (LBG) recommending a change in medical insurance from fully insured to partially self-insured.**

Blair Panzer and Jason Jakobsen (Virtual)

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Chief Lindgren summarized that the medical carriers have been quoting significant increases for several years now, with the 2023 renewal initially coming in at 24% which was negotiated down to 17%. These increases are not sustainable, and our brokers have been recommending self-insured for several years now, and the District is now at the point where it is our best option.

Senior Consultant Panzer noted that Liberty Benefits Group (LBG) has been the Broker for Tahoe Douglas Fire for many years. LBG represents first responder organizations across multiple states including Washington, Oregon, Texas, Arizona and Nevada and are compensated on a flat fee per member basis.

Major issues faced by the District are:

1. Lack of Competition in the Northern Nevada Market - Currently medical benefits for the District are provided by Aetna, however in recent years there has been a significant reduction in the carrier market and it has been increasingly difficult to get carriers to provide the District with pricing.
2. Incomplete Data - Panzer discussed issues with incomplete or delayed data, large claim impacts, limited markets, provider/network contracting problems, annual renewal premiums with 100% fixed costs and an annual increase including a forecasted 2024 increase of at least 20%.

The recommendation is to transition to a Self-Funded Medical Plan.

A Self-Funded Medical Plan provides control and more flexibility. All health plans are built the same, however in a Self-Funded Medical Plan, the District can purchase what they need and design the benefit program to meet the needs of our firefighters, their families and the retirees. LBG's goal is to give the District control of all the revenue centers where the District holds the contracts. This control would give the District access to accurate data, control over expenses, ability to keep any unspent reserves, flexibility for programs and services to enhance the plan.

Panzer continued discussing pharmaceutical concerns. There are 180,000 pharmacies nationwide, but the pricing of drugs is the main problem. *Payer Matrix* is a vendor who can assist with significant reductions in pharmacy costs. Jakobsen stressed that current benefits will be mirrored for the members, and calendar year deductibles paid to date will be transferred to the new plan. This recommendation will eliminate carrier and network changes for District members in the future.

Trustee Johnson asked Panzer to elaborate on the network administrator. Panzer emphasized that each administrator will be set up with negotiated prices. Trustee Johnson also expressed concern about customer service for members and their ability to get approvals for procedures etc.. LBG is hoping for an "any doctor, anywhere" set up: a process where members show their new card to the provider and then make sure the facility understands where to send the billing and a concierge service will take over.

Panzer mentioned a figure of \$85,000 per member for reinsurance, and Trustee Johnson asked where that figure came from and will it vary. New groups are based on size, but the District has

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long standing history and for an agency of this size it could range from \$75,000 to \$250,000. Aetna currently has stop loss set at \$150,000, based on large claims and experience data which LBG believes to be inflated industry wide.

Pre-existing conditions are covered, no issues.

Vice Chair Felton requested more information from Panzer about what the cost is for the employee versus retired employees. Panzer advised that it is not possible to split the data between the two because we cannot access the data. The Trust is fully funded and growing faster than expected. Panzer encouraged the Trustees, leadership and the union to tell LBG what the District wants to see happen. If there is a lot of funding for the retirees, then there is potential to bring the rate down for the active employees. Once there is more data, it will be looked into. It was clarified that the Board's intent is to maintain coverage levels for all, but with a more fiscally sound plan.

Trustee Felton asked about a comment made pertaining to replacing expensive procedures. Panzer clarified that treatment decisions will continue to be up to the members and their physicians, however, self-funding could provide more options. Trustee Felton asked what is the bottom line? What is the District spending now? What will the District spend with the new plan if approved? Chief Lindgren stated that this fiscal year \$2.4 million was budgeted for health insurance (a 10% increase over prior year), but he anticipates being a little under that. The January 1 renewal resulted in a 17% increase. Chief Lindgren is anticipating that the first year of self-insured will be very close to the exact same number with the anticipation that by having our own data the District will start saving and building a reserve account. This budget figure does not include the retiree expense.

Trustee Felton moved on to the worst case scenario. Chief Lindgren advised this is partially self-insured, so within that \$2.4 million, there is going to be reserve built into that, so even if the District has a bad year, there should still be a saving overall. Trustee Johnson asked if there is an overall stop loss. Panzer explained there is an umbrella, everything that is not paid goes towards the aggregate liability deductible.

Chief Lindgren added that the reserve is built into the fiscal year number. So the District should have that coverage within that year, but will also have a little reserve in the health insurance fund to buy time to get our own data, that in theory eliminates the false data the District is currently getting.

Trustee Felton also asked about estimated Admin costs. Panzer estimated \$107 per member per month and stressed this is not finalized yet. Chief Lindgren confirmed that there is \$45,000 in administrative fees in the current budget. Trustee Johnson expressed concern regarding new demands on staff. Panzer stated that additional demands should not be significant.

Chairman Schussel acknowledged the union, as well as the Board, wants what is best for everyone. He asked Retiree Chief Sharit to confirm the reason the District discontinued self-funding in the past. Sharit stated that was a very different plan and with no stop loss coverage.

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Jakobsen elaborated that initially, self-funded plans were required to be prefunded, no stop loss components and no safe guards.

Trustee Murphy asked about other LBG clients who are self-funded, which was provided: Gig Harbor Fire, Bullhead City Fire, Fort Worth Fire.

Jakobsen responded that LBG has 60-70 total clients similar to TDFPD or bigger. Most are 120 members or more. Gig Harbor Fire and Vancouver Fire are similar. Most clients have been successful in controlling cost, and improving benefits when they get the data and then use that to shop the market and make better decisions. LBG's role is to educate and give guidance. Their compensation is a \$44 flat fee per month, per member, not a commission bonus which can run 15% of premium.

Trustee Murphy inquired if the District has spoken to any of LBG's other clients, and if so and what was the feedback? Post-retirement Board Chairman/Retiree Sharit responded that this has been a long process. The District started out with LBG 12 years ago. Sharit advised that he personally has talked to several self-funded agencies with good feedback, and expressed his support to go forward with it.

Local 2441 President/Insurance Advisory Committee Chairman/Captain Darr advised he's been going to LBG's annual symposiums since 2014 which introduced the District to numerous agencies who are self-funded. He confirmed that these other agencies are happy with their decisions and the cost savings they were able to put in place,

Captain Darr added that the District's Insurance Advisory Committee, created by the Collective Bargaining Agreement has 2 union employees, 1 retiree and 2 members of management, who have been monitoring self-insurance options for a while. All parties now realize the District is at a crossroads. He stated that the Insurance Advisory Committee has made a formal recommendation to Chief Lindgren in support of self-funded insurance. It's important for the District to take control of it and to bring the benefit cost down for our members.

Chief Lindgren advised that he has been discussing self-funding since he joined TDF about 2 years ago. The tipping point for him was that the market indicators supported a budget increase of 10%, and Aetna came back with 24%, and only one other carrier would provide a bid. Our Brokers negotiated it down to 16.9%, but we don't want that year after year. The District has been doing great with our budget, our reserves and our Trust, but we can't let our reserves go. If that happens, the only other options the District will have to provide less healthcare to our employee families and our retirees or we have is to have fewer employees. Chief Lindgren advised this is the next best step.

Trustee Felton inquired as to what the next steps entail. Chief Lindgren confirmed that he will update the Board on the District's options in order to provide an opportunity to address concerns. The final decision will not be an action item as the funds are in the budget that the Trustees approved.

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Trustee Felton stressed his desire that the District continue to investigate the viability of ensuring the retiree costs are paid by the Trust, not the District. He added that if the District has a mechanism that is a reasonable route to dial the costs in, the sooner Chief can get it done, the better.

Jakobsen indicated that data from their other clients shows that retiree costs average 1.5 times the active costs. Trustee Murphy advised she supports the Chief, it's a good time to try it and we can revisit it later.

Trustee Johnson asked for confirmation that the Trust Board has been advised of the situation and the recommendation as well. Sharit, Chairman of the Trust Board, expressed support, on behalf of the Trust, of the self-funding plan. Chief Lindgren concluded that the time to do it is now, since District has the reserves to back it.

**11. Report Item: Review Division Reports**  
Fire Chief Scott Lindgren

There have been a lot of building collapses in the District over the past few days: three commercial and seven residential, partial and complete collapses. The District has been educating the public through AA Turner's radio messages and also through the District's social media pages.

Trustee Murphy brought up concerns about the location of fire hydrants versus where the sign for the hydrant is located are sometimes 2-3 feet away. Chairman Schussel clarified the signs are not in a specific place, they are just within the area of the hydrant. This makes it harder to find the hydrants when they're buried in snow, however there is no policy on how many feet away the sign should be due to the flexibility needed in the District.

Chief Brady also added that the hydrant wrenches are 2' long and the firefighters (FF) need clear access to rotate them 13 turns to open. The FFs are utilizing Google Earth (street view) to mark and locate the hydrants in the District. Fire Inspector Rowlett is working on creating a standard code for clearance around the hydrant.

Vice Chair Felton thanked the crews for their support of Green Eggs and Ham for Zephyr Cove Elementary (Literacy Week and Dr. Suess' birthday).

Vice Chair Felton asked why on 20% of the response calls (Operations Report) the crews were, cancelled and why more in 2023 than 2022. Chief Cranch explained crews get cancelled while enroute to calls mostly due to the boundary zones and severe weather conditions. For example, one of the zones is on Hwy 50, just east of Spooner Summit. If Carson City Fire Department gets on scene first and it's in their jurisdiction, then they take the call and TDF units cancel.

He also noted District support of the REMSA Careflight Memorial Service. Chief Lindgren expressed it was an extraordinary service to see how all neighboring agencies came together. TDF sent an ambulance to cover calls in Reno so that the REMSA Ambulances could attend the

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service. Chief Fogarty took the Zephyr Crew to assist with ushering. Chief Brady assisted with counseling services.

**12. Nevada Code of Ethics**

Alex Velto – Legal Counsel, Hutchison & Steffen

Legal Counsel Velto provided *Ethics as Fire District* training to Trustees and staff.

• **Prohibited Conduct:**

1. Accepting gifts, services, favors, employment or economic opportunities which would tend to improperly influence a reasonable person.
2. Using a public office to secure unwarranted privileges, preferences, exemptions, or advantages for self or others.
3. Participating as an agent of government to negotiate or execute contracts with a business in which one has a pecuniary interest.
4. Accepting a salary or other compensation from a private source for performing public duties.

• **Disclosure and Abstention for Public Officers**

**Conflict of interest:** “A real or seeming incompatibility between one’s private interests and one’s public or fiduciary duties.”

**Appearance of Impropriety:** All prohibited conduct needs to be looked at from the “reasonable person test”. The purpose of the reasonable person test is to see the situation from a reasonable person’s perspective. What would a reasonable person of ordinary prudence have done in the situation? One important practice is to disclose everything. Any appearance could require you to disclose. Could a reasonable person have a perception...?

**Campaign Contributions:** As long as they’re disclosed.

How to avoid conflict? The most important thing to do is disclose.

**Abstention:** where independence of judgment of a reasonable person in the public officers situation would be materially affected.

Example: Trustee lives near a park in neighborhood

The Trustee should explain why they are abstaining and then leave the meeting entirely for the full agenda item.

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**Discretion is Permissible:**

Example: Trustee now lives 5 miles from park... notify public of potential conflict and advise you don't believe that it affects your opinion.

In this example, the Trustee has discretion to vote, but it is also advisable to disclose.

Disclosure should include:

1. Sufficient information
2. Apply the reasonable person standard/material effect
3. Explain why the standard does or does not apply

**Penalties for Failure to Disclose:**

Nevada's Ethics Commission is authorized to impose civil penalties for willful violations of ethics in government law. Under the law, if the public officer or employee has imputed knowledge violations are considered "willful".

Monetary sanctions ranging from \$5,000 - \$25,000 and removal from position

**Safe Harbor Provision:** No violation of the chapter if there is evidence that you as a public officer acted on good faith upon advice by legal counsel retained by the public agency and the act was not contrary to a prior published opinion by the Ethics Commission. Asking your counsel gives you the availability to have a remedy available in the event your legal counsel gave you bad advice. Second component is important, as it should prompt thorough research and protection from bad advice.

When in doubt, abstain if there is a potential conflict.

Example: Ethics Commission decision about Washoe County regarding land use decisions, within 1000 of property he owned. A commissioner did not disclose that he owned part of the land and he voted no against the land use. He went through an Ethics Commission investigation and it was determined that there was no issue. The Ethics Commission can make recommendations and can ultimately remove someone from office.

Open Meeting Law training will be scheduled for the May 17th meeting.

**13. Report Item: Review of Monthly Fire District Activities**  
Fire Chief Scott Lindgren.

**14. Public Comment:** None.

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- 15. Discussion: Confirm next meeting, with a proposed date of Wednesday, April 26, 2023, with a start time of 2:30 pm and possible agenda items.**

Meeting Adjourned: 5:10 PM

Submitted by:  
Amanda Keeton  
Fire Board Clerk

APPROVED