



Sacramento Metropolitan Fire District

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KURT P. HENKE
Fire Chief

BOARD OF DIRECTORS – ACTION SUMMARY Thursday, June 27, 2013 – 6:00 p.m.

City of Rancho Cordova City Hall-Council Chambers
2729 Prospect Park Drive
Rancho Cordova, California

CALL TO ORDER

The meeting was called to order by President Kelly. Board Members present: Clark, Goold, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood. Director Monk, absent. Staff: Deputy Chief Cockrum, Board Clerk Tilson, General Counsel Lavra.

PLEDGE TO FLAG

METRO CABLE 14 ANNOUNCEMENT

The open session meeting is videotaped for cablecast on Metro Cable 14. Replay on Saturday, June 29, 2013 at 1:00 PM and Monday, July 1, 2013 at 6:00 PM on Channel 14; Webcast at www.sacmetro cable.tv.

The open session meetings are also available for viewing on the District website at www.metrofire.ca.gov

PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA

CONSENT AGENDA:

1. Board Meeting Action Summary –June 13, 2013

- **Board Action:**
Scheidegger/Goold—Approve the Consent Agenda item. Roll Call: Directors Clark, Goold, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

ACTION ITEM(S):

1. Elect California Special Districts Association Director, Region 2, Seat B—(Kelly)

- **Board Action:**
Goold/Wood—cast ballot vote to elect Director Pierson. Roll Call: Directors Clark, Goold, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

ACTION ITEM(S) continued:**2. Elect Special District Representative to the Sacramento County Treasury Oversight Committee—(Kelly)****• Board Action:**

Scheidegger/Goold—cast ballot vote to elect Brandon D. Rose. Roll Call: Directors Clark, Goold, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

3. Fiscal Year 2013/2014 Preliminary Budget—(CFO McFarlane)

- At the last Board meeting, Fire Chief Henke presented the Preliminary Budget in detail.
- A PowerPoint presentation was given for further review and opened to questions.
- Financial Consultant Ken Campo responded to Director Wood relative to the status of the study on developer fees. He explained the various stages to include development of a Facilities Master Plan for the District by Citygate that takes into consideration all of the proposed future development and placement of new fire stations to meet response time standards. Expect the final report by next week. The next phase is to figure out the cost for construction of the fire stations and apparatus which becomes the numerator with the denominator being the potential residential and commercial development to determine the capital facilities fee per housing unit or per square foot of commercial development. This study is being done by NBS. Completion expected before this fall. It will then be brought back to the Board by the end of this calendar year. A conservative 5% increase is anticipated based on an increase in the activity and not the rate.
- In response to Director Scheidegger, labor costs for additional personnel included the funding of a Day Staff Captain which was a previously authorized position; Chief Pilot from part-time to full-time; new positions – 4 full-time, 1 part-time Single Role Paramedics, Accounting Specialist-Economic Development, and part-time Radio Shop Clerical Support - total cost of \$822,000.
- Information Technology Director Mat Roseberry explained the Virtual Desktop Infrastructure which relates to the computers at the fire stations. This allows maintenance of the computers to be done at Headquarters instead of driving out to all of the stations and will alleviate the delay in logging onto the computer system.

- CFO McFarlane pointed out that the General Fund – Reserves Ratio based on the reserve balance divided by the total expenditures less capital asset spending has been consistently staying between 7% and 9% as shown on the graph.

A. Resolution No. 2013-79 – 2013/2014 Preliminary Budget for General Operating Fund 212-A -- \$152,471,600

- **Board Action:**
Scheidegger/Wood—Adopt the Resolution. Roll Call: Directors Clark, Goad, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

B. Resolution No. 2013-80 – 2013/2014 Preliminary Budget for the Capital Facilities Fund 212-D -- \$9,328,623

- **Board Action:**
Scheidegger/Clark—Adopt the Resolution. Roll Call: Directors Clark, Goad, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

C. Resolution No. 2013-81 – 2013/2014 Preliminary Budget for the Pension Obligation Bonds (POB) Fund 212-E -- \$14,000

- **Board Action:**
Scheidegger/Wood—Adopt the Resolution. Roll Call: Directors Clark, Goad, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

D. Resolution No. 2013-82 – 2013/2014 Preliminary Budget for the Other Post-Employment Benefits (OPEB) Fund 212-F -- \$1,100

- **Board Action:**
Scheidegger/Clark—Adopt the Resolution. Roll Call: Directors Clark, Goad, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

E. Resolution No. 2013-83 – 2013/2014 Preliminary Budget for the Grants Fund 212-G -- \$4,213,960

- **Board Action:**
Scheidegger/Wood—Adopt the Resolution. Roll Call: Directors Clark, Goad, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

F. Resolution No. 2013-84 – 2013-2014 Preliminary Budget for the Leased Properties Fund 212-L -- \$1,236,098

- **Board Action:**
Scheidegger/Wood—Adopt the Resolution. Roll Call: Directors Clark, Goold, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

G. Resolution No. 2013-85 – 2013/2014 Preliminary Budget for the Simulator Grant Fund 212-S -- \$637,265

- **Board Action:**
Scheidegger/Wood—Adopt the Resolution. Roll Call: Directors Clark, Goold, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

4. Resolution No. 2013-86 – Declaring the Official Intent of the Sacramento Metropolitan Fire District to Reimburse Itself for Certain Capital Expenditures from the Proceeds of Proposed Indebtedness—(McFarlane)

- Staff recommended adoption of the Reimbursement Resolution to repay Metro Fire for monies that *may* be expended prior to issuing tax-exempt capital leases. The capital leases will fund firefighting apparatus and equipment, ambulances, emergency medical service equipment, support vehicles, fire station improvements, and information technology capital assets.
- Pursuant to Treasury Regulation Section 1.150-2, the Reimbursement Resolution legally allows Metro Fire to use its own funds for capital expenditures and later repay itself from capital lease proceeds *if* financing is later put in place. Purchases made 60 days prior to adoption of the Resolution and those made after adoption are eligible for reimbursement.
- The Reimbursement Resolution will allow repayment of qualified Metro Fire expenditures up to \$5 million for firefighting apparatus and equipment, ambulances, emergency medical service equipment, support vehicles, fire station improvements, and information technology capital assets. Metro Fire's proposed Preliminary Budget anticipates related capital spending of about \$3.9 million. Included in that amount are four type two ambulances and two type three wildland engines totaling about \$800,000. Staff anticipates most of the capital outlay will occur *after* the issuance of the capital leases.
- **Board Action:**
Goold/Clark—Adopt the Resolution. Roll Call: Directors Clark, Goold, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

5. Resolution No. 2013-87 – Industrial Disability Retirement – Sheldon Fields—(Wells)

- Application filed with the Public Employees' Retirement System, effective June 28, 2013.
- Findings determine that the disability is a result of injury or disease arising out of and in the course of employment.
- Staff recommended adoption of the Resolution.
- **Board Action:**
Goold/Wood—Adopt the Resolution. Roll Call: Directors Clark, Goold, Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, absent. Motion passed.

PRESENTATION ITEM(S)**1. Reserve Policy Discussion—(CFO McFarlane)**

- A slide was presented outlining a framework of the types of reserves to consider for inclusion in a future Reserve Policy. A draft policy will be brought to the next Finance Committee meeting for discussion and recommendation, followed by the Policy Committee, then back to the full Board.

Discussed the different types of reserves that could be included in the policy within the categories used in the Government Accounting Standards which specifically breaks the numbers out under Unassigned, Committed, and restricted.

The Unassigned Reserves are the Operating Reserves such as Cash Flow and extraordinary occurrences not anticipated. Informally the District has a policy of 5% and 8% is targeted at the end of the year. The Reserve Policy to be adopted by the Board will be incremental as the District has the funding available to meet the targeted numbers. The best practice of the Government Finance Officers Association is to basically have a two months reserve. Recommended having a maximum tied to the financial needs of the organization. Currently the District will have about \$12 million at the end of this fiscal year and looking to move it up to \$23 million. Targeted reserve levels were discussed for a number of outlined reserves.

- The issue of timelines was addressed and CFO McFarlane stated it should be tied to a long-term financial plan but those projections need to be updated and would not be ready for the first meeting in July.

Director Scheidegger recommended timelines for consideration as a goal.

- President Kelly thanked CFO McFarlane for her presentation.

PRESIDENT'S REPORT—(Kelly) None

FIRE CHIEF'S REPORT—(Deputy Chief Cockrum)

- Appreciated the support of the Board tonight on the Preliminary Budget. Target reserves are an important aspect in the health of this organization and will take some time to build these back up.
- June 14, 2013 – FedEx Express donated a retired Boeing 727 aircraft to the Sacramento Metropolitan Fire District. Multiple agencies from a variety of disciplines now have the ability to train locally in a real aircraft. It will be moved to the California Fire & Rescue Training Authority's Regional Training Center in Rancho Cordova.
- Chief Iverson attended a Fireworks Safety Taskforce Press Conference. Received good news coverage. July 4th is coming up next week.
- June 28, 2013 @ 6:00 PM – Fire Academy 13-1 Graduation at Lionsgate Hotel & Conference Center
- July 1, 2013 – Civics Celebration for the City of Rancho Cordova – 10-Year anniversary, 5:30 PM, 2729 Prospect Park Drive, Rancho Cordova
- July 20, 2013 – Fire Station 105, 2691 Northrop Avenue – Open House 10:00 a.m. – 12 Noon
- July 9 – 12, 2013 – Fire Camp, Station 21
- July 14, 2013 – Firefighter Burn Charity Baseball Game and Firefighter Appreciation Night following the River Cats Game at 1:00 PM
- July 26, 2013 – Guns & Hoses 2013 Food Festival, Red Lion Hotel Woodlake, 6:30 PM, tickets through www.pigbowl.com
- July 27, 2013 – State Fair – Firefighter Cooking Challenge (7/28/13 day two if successful on 7/27/13)
- August 30, 2013 – “Swing for Public Safety” – Inaugural Golf Tournament postponed until mid-2014
- **Reassignments:** Captain Ty Bailey will be assigned to Local 522 Day Staff Captain position, effective July 1, 2013
- **Promotions:** Effective July 2, 2013 – Captain Joshua Anderson
Effective July 4, 2013 – Captain Matthew Smotherman
- **Recruitment:** Internal Opportunity Only – Accounting Specialist – Final filing date of July 5, 2013 at 5:00 PM

OPERATIONS REPORT – Deputy Chief Chris Holbrook**EMS –**

Statistics since the last Board meeting:

Metro Fire: 2,387 dispatches; transported 73% of the time.

AMR: two dispatches; transported one time

Fire Incidents –

13 structure fires since the last meeting.

Press Releases

- Dog rescue – 325,000 viewers watched this on TV. A great public relations effort.
- Video was shown of the FedEx cargo plane donated to the Sacramento Metropolitan Fire District. Extended an invitation to everyone here to take a tour of the plane.
- Video – Cal Fire has firefighting training grounds in Lone. He invited the Board members out to the academy in the spring to participate in an enlightening experience on what it means to fight a fire.

Director Orzalli thanked Chief Holbrook for the presentation. When he first came on the Board, he was invited to the training and it was an incredible experience that has forever changed his perception. He encouraged everyone to show up and do this.

GENERAL COUNSEL’S REPORT—(John Lavra) None**LOCAL 522 REPORT: Captain Ty Bailey**

- Congratulated the ten promotions for Captain who made the list.
- Thanked Rhonda McFarlane and the Finance staff for allowing them to participate in the budget process.
- A staff meeting was held for the Single Role Paramedic Program and some adjustments are being made.
- Three-year bid coming up in July with movement to take place in August.
- Regarding the Reserve Policy, with the concessions Local 522 has specific language that addresses any changes to that and needs to be involved in those conversations.

COMMITTEE AND DELEGATE REPORTS:**Executive Committee—(President Kelly)**

- No meetings

Communications Center JPA—(DC Cockrum)

- Reported on the June 24th meeting. Agreed to hire an outside consultant for the CAD project evaluation.

Metro Fire rented a portion of the 3121 Gold Canal building to the Communications Center for dispatch training.

- The Comm Center was approached by the El Dorado Hills Fire Department regarding an interest in establishing where they will be dispatched from. Trying to decide if they will stay with Cal Fire in Camino or go back to the Sheriff's Department or start their own dispatch.
- Next Meeting: July 30, 2013 – 9:00 AM
Cosumnes CSD Board Chambers
8820 Elk Grove Boulevard
Elk Grove, CA

California Fire & Rescue Training Authority—(Kelly)

- Next Meeting: September 4, 2013 – 10:00 AM
Location: 9320 Tech Center Drive
Sacramento, CA

Finance Committee—(Scheidegger)

- Next Meeting: July 11, 2013 – 5:00 PM

Policy Committee—(Pierson)

- No meetings scheduled.

BOARD MEMBER QUESTIONS AND COMMENTS:**Wood:**

- Thanked CFO McFarlane and staff, Command Staff, and Local 522 for their hard work and involvement in putting this budget together. It's exciting to have a responsible budget in light of the news releases relative to some other public entities.
- In the Economic Development Section of the budget, one of the goals is to put together a Fire Museum. Would like to see some work with the people in Rio Linda who are rehabilitating the old Fire Station 111 for the purposes of a museum. That would be a good resource.
- A Community Services Division goal is to continue recognition of citizens. Director Monk raised the issue of recognition for the 12-year old boy who saved his family from a fire in North Highlands and stated he would like to see that come through.

Jones:

- She had the opportunity to see the FedEx plane come in. It was a great reception. Job well done by Senior Staff for coordinating the event.
- As a founding member of the Fireworks Safety Taskforce in 1995-96, thanked Chief Iverson for continuing the good work which is a critical part of safety. Encouraged folks to go out and purchase “Safe and Sane” fireworks and have a delightful time on the 4th of July.
- Wished the City of Rancho Cordova a Happy 10th Birthday.

Scheidegger:

- Commended staff for an excellent job on the preparation of the Preliminary Budget.
- Thanked CFO McFarlane for the progress and development of the Reserves. It’s critical to this Department and our future to have good Reserves.
- Have a Safe and Sane 4th of July.

Goold:

- Thanked Fire Chief Reed from the Roseville Fire Department for the nice letter sent to the District’s Operations Chief in recognition of the massive impact that Metro Fire had on the Maidu Fire on June 21. He stated “Without your assistance the fire loss would have been much worse . . .” Need to commend staff and others in our organization and also the Board for putting assets in the region that continue to go outside of our boundaries to take care of fundamentally critical fire suppression issues.
- Kudos to the men and women in our District for their concessions to help with the financial stability of this agency.

Orzalli:

- Thanked CFO McFarlane for her fine work on the budget.
- Commended the District on its work in creating an Other Post Employment Benefits (OPEB) Fund. It sets the right tone for the rest of the organizations in this area.

Kelly:

- Extended his appreciation for the work of the Finance Department and the employees of this District.
- Enjoyed seeing the “keys” to the Boeing 727 handed over to Deputy Chief Holbrook. That will be an asset to the development at the Zinfandel site that the District can take a lot of pride in.

CLOSED SESSION 6:05 PM**RECONVENE TO OPEN SESSION 7:18 PM**

Report by General Counsel Lavra:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9 (a) – one (1) matter of Workers' Compensation Settlement Authority – one (1) matter of Industrial Disability Retirement

- A. Sheldon Fields and the Sacramento Metropolitan Fire District
Claim #SMDE-453359 & SMDG-538708 – Industrial Disability Retirement—
(Attorney Colin Connor)

By a vote of 8 – 0, (with Director Monk absent), authority was given to the District's Third Party Administrator to settle the Workers' Compensation claim.

In the same session, the Board also considered the Industrial Disability Retirement application of Sheldon Fields. No action was taken and the matter was set for consideration in the public session of tonight's meeting (Action Item No. 5).

2. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION

Pursuant to California Government Code Section 54956.9(a)
Mark Thomsen vs Sacramento Metropolitan Fire District

No action was taken.

3. PERSONNEL MATTER

Pursuant to California Government Code Section 54957(b)(1)
Title: Board Clerk Evaluation

No action was taken.

ADJOURNMENT –The meeting adjourned at 8:35 p.m.

Matt Kelly, President

Grant B. Goold, Secretary

Charlotte Tilson, Clerk of the Board