



KURT P. HENKE
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Sacramento Metropolitan Fire District

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BOARD OF DIRECTORS – ACTION SUMMARY Thursday, March 8, 2012 – 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 Jones. Board Members present: Goold, Jones, Kelly, Monk, Newcomer, Pierson, Scheidegger. Director Clark, Orzalli, absent. Staff: Fire Chief Henke, Board Clerk Tilson, General Counsel John Lavra.

PLEDGE TO FLAG Led by the Girl Scouts

METRO CABLE 14 ANNOUNCEMENT

The open session meeting is videotaped for cablecast on Metro Cable 14. Replay on Saturday, February 25 at 1:00 PM and Monday, February 27 at 6:00 PM on Channel 14; Webcast at www.sacmetrofire.ca.gov. A DVD copy is also available for checkout from any library branch.

The open session meetings are also available for viewing on the District website at www.sacmetrofire.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 – February 23, 2012

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

ACTION ITEM(S):**1. Resolution #2012-52 – Amending Resolution 07-07, Sections 2, 3, 4, 6, 9, 10, 13 & 14 Affecting Non-Safety Senior Management, Management and Unrepresented Confidential Employees—(Deputy Chief Mark Wells)**

Summary of changes affecting Senior Management only in both the following Non-Safety and Safety Resolutions:

- ✓ Decrease sell back of vacation leave from 240 to 120 hours
- ✓ Decrease administrative leave from 80 to 40 hours
- ✓ 25% cut in sick leave on adoption of the Resolution
25% cut in sick leave effective October 1, 2013 for a total of 50%
- ✓ On January 1, 2014, Senior Management sick leave accrual will match the accrual levels of Local 522
- ✓ Contribution of \$100 per month to establish a Senior Management Account for Other Post Employment Benefits (OPEB)
- ✓ Only the Safety Resolution contains a severance and/or bump back provision for Safety Senior Management

- Fire Chief Henke stated this sets a standard for senior management with reductions in sick leave, administrative leave, and elimination of all pay incentives. It is a first step toward prefunding the retiree medical. The Senior Management team set the mark and hopefully it can be expanded throughout the District.

- Director Goold suggested a grammatical change to the Non-Safety Resolution on Page 4, Section 14, at the end of the second sentence to read, . . . employment to ~~Board~~ *“the Board of Directors.”*

- Staff recommended adoption of the Resolution.

- **Board Action:**
Goold/Pierson—Adopt the resolution. Directors Goold, Jones, Kelly, Monk, Newcomer, Pierson, Scheidegger, AYE. Directors Clark, Orzalli, absent. Motion passed.

2. **Resolution #2012-53 – Amending Resolution 08-07, Section 2, 3, 4, 6, 7, 9, 10, 12, & 13 Affecting Safety Senior Management, Management and Unrepresented Confidential Employees—(Deputy Chief Mark Wells)**
- Staff recommended adoption of the Resolution.
 - **Board Action:**
Scheidegger/Goold—Adopt the resolution. Directors Goold, Jones, Kelly, Monk, Newcomer, Pierson, Scheidegger, AYE. Directors Clark, Orzalli, absent. Motion passed.
3. **FISCAL YEAR 2011/2012 MID-YEAR BUDGET ADJUSTMENTS—(Henke/McFarlane)**
- Fire Chief Henke stated the District has experienced aggressive decreases in property tax revenue of around \$22 - 23 million on an annualized basis over the last two years. The ability to estimate is difficult. The County advised an anticipated drop of 3.3% for this year. The District budgeted a 4% drop but the actual figure was almost 1% higher. The new Finance staff studied the issues and hired HdL and it is felt the data for the new year will be more accurate than in recent years. This year the EMS revenues will reflect a great improvement of around \$3.8 million more than projected because of redeployments. Prudent adjustments have been made to move forward for the remainder of this year.
 - The significant changes to District operations and the current budget are:
 - General Fund Revenue increase of \$1.6 million due to significant increase in medic fee revenue.
 - Labor cost increase of \$1.953 million due to constant staffing overtime to maintain current levels of service resulting from the significant increase in the number of retirements.
 - Non-labor cost increase of \$1.1 million
 - Brownout of a third engine company being implemented March 1, 2012 (initially scheduled for Nov., 2011). The impact of the delay was about \$340,000 of the \$2 million projected increase.
 - Redeployment of the staff captain from administration to line operations
 - Delaying deployment of air operations by one month to July 1st
 - Use of \$962,534 in reserves to close the budget gap

Discussion

- Before purchasing the present Headquarters building, the General Fund loaned \$6 million to the Capital Facilities Fund. The original budget called for repayment of \$5.5 million. Due to stronger development fee revenue and lower debt service cost on the new building, the transfer was increased by \$500,000 which completes repayment of the full \$6 million to the General Fund.
- Reviewed the Mid-Year adjustments in the General Operating Fund 212-A revenue and expenditure detail reflecting an increase in the final budget from \$134,621,510 to \$137,684,798.
- Revenues are now projected to be \$1.6 million higher than originally budgeted due to a significant increase in medic fee revenue. A number of other key revenues, however, are now expected to come in below budget. Based on collections through mid-year, property tax revenues are projected to be \$892,000 less than budgeted; payments from other agencies (McClellan) is being lowered by \$953,046; and redevelopment pass-through revenue is expected to be \$160,000 below the budgeted level.
- The budget for fuel and utilities increased by around \$400,000 each, due in large part to the substantial increase in gas and energy costs, but also from higher usage attributable to a change in deployment of apparatus on emergency medical calls and the move to the new Armstrong headquarters building. The District was also hit with an unexpected \$97,000 surcharge on our self-insured workers' compensation program by the State of California and \$48,000 more in state mandated property tax administration fees charged by the County. Conversely, expenditures for legal services, training, the recruit academy and general administration were reduced by \$238,000 due to management efficiencies, resulting in an overall net increase of \$1.1 million in operating costs of the District.
- Budgeted expenditures for the Capital Facilities Fund (212-D) have been reduced by \$610,000. The initial budget included a full year's debt service on the revenue bonds issued last December. However, only a partial year payment was actually required due to the timing of the bond issuance, which reduced debt service on the bonds by \$1.1 million.
- An additional transfer of \$110,000 to the newly established Leased Property Fund (212-L) is also needed to cover higher than expected building utility costs.

Fire Chief Henke added that Station 33 will be leased out to the Bureau of Land Management (BLM) for two BLM hand crews; the California Fire & Rescue Training JPA is in the process of leasing 3121 Gold Canal for EMT and Paramedic Classes until the portable classrooms are in place at Zinfandel with lease revenue of approximately \$2,000 per month which will increase with further expansion; and in discussion for leasing Hurley Way to tenants. Moving quickly to lease out all of our vacant buildings. Also in the process of finalizing a lease with the County for the use of Station 102 for a lay down yard with k-rails and equipment storage. This will result in changes in revenue for this fund.

- Adjustments to the Grant Fund (212-G) are needed to formally move the \$4,000,000 simulator grant to the newly established Simulator Grant Fund (212-S), and to reflect that \$4,000 of the FY09 SHSGP grant funds related to Leadership Training was returned for reallocation because we were unable to utilize the funds within the time permitted by the grant. The Simulator Grant Fund budget is being further adjusted to reflect only the portion of the grant spending that will occur in the current year.

Reviewed the Grants Award detail schedule including the Simulator and a breakdown of the other grants. The District has benefitted by a total of \$13,074,638.

Fire Chief Henke stated the District just received an additional regional grant of \$1 million for thermal imaging cameras.

- Adoption of the Mid-Year adjustments by the Board of Directors will impact the General Fund reserves by \$962,000. Fiscal year-end General Fund Reserves are estimated to be about \$14.9 million after the mid-year budget adjustments.
- Staff recommended the Board of Directors adopt the Mid-Year Budget Adjustment Resolutions for the fiscal year ended June 30, 2012.

A. Resolution #2012-54 – Adopting the Mid-Year Budget for the General Operating Fund 212-A

Budget requirement of \$131,722,798.

- **Board Action:**
Goold/Scheidegger—Adopt the resolution. Directors Goold, Jones, Kelly, Monk, Newcomer, Pierson, Scheidegger, AYE. Directors Clark, Orzalli, absent. Motion passed.

B. Resolution #2012-55 – Adopting the Mid-Year Budget for the Capital Facilities Fund 212-D

Budget requirement of \$14,244,353.

- **Board Action:**
Scheidegger/Newcomer—Adopt the resolution. Directors Goold, Jones, Kelly, Monk, Newcomer, Pierson, Scheidegger, AYE. Directors Clark, Orzalli, absent. Motion passed.

C. Resolution #2012-56 – Adopting the Mid-Year Budget for the Grants Fund 212-G

Budget requirement of \$3,386,601.

- **Board Action:**
Scheidegger/Monk—Adopt the resolution. Directors Goold, Jones, Kelly, Monk, Newcomer, Pierson, Scheidegger, AYE. Directors Clark, Orzalli, absent. Motion passed.

D. Resolution #2012-57 – Adopting the Mid-Year Budget for the Leased Properties Fund 212-L

Budget requirement of \$428,868.

- **Board Action:**
Kelly/Monk—Adopt the resolution. Directors Goold, Jones, Kelly, Monk, Newcomer, Pierson, Scheidegger, AYE. Directors Clark, Orzalli, absent. Motion passed.

E. Resolution #2012-58 – Adopting the Mid-Year Budget for the Simulator Grant Fund 212-S

Budget requirement of \$1,535,000.

- **Board Action:**
Pierson/Kelly—Adopt the resolution. Directors Goold, Jones, Kelly, Monk, Newcomer, Pierson, Scheidegger, AYE. Directors Clark, Orzalli, absent. Motion passed.

PRESENTATION ITEM(S):**1. Consideration of On-Line Agendas—(Jones)**

- President Jones stated this item was requested by Director Orzalli. In his absence, it will be continued to the next Board meeting. Encouraged Board members to consider pros and cons on the implementation of this issue.

PRESIDENT'S REPORT—(Gay Jones) None

FIRE CHIEF'S REPORT—(Fire Chief Henke)

- Thanked Congresswoman Doris Matsui for her support in obtaining the \$1 million regional grant for the thermal imaging cameras. She also obtained the cardiac monitors and the Health and Wellness grants for the District and helped with the SAFER Grant.
- Thanked Scott Cockrum. Channel 13 ran a story February 29, 2012 on the Lucas Device. Thanked Ric Maloney and Station 61 C shift for their presentation. The District has applied for a grant for the Lucas Device.
- February 24, 2012 – Attended the JPA Governing Council meeting regarding the Regional Training Center. Proceeding on the project with fencing bids; four portable classrooms were donated by the Cordova School District; pushing to be open for business around July 1.
- February 24, 2012 – 13th Annual Community Volunteer Awards – Metro Community Emergency Response Team (CERT) will be receiving the 2012 Distinguished Community Service Organization Award from the Cordova Community Council.
- February 28 – 29, 2012 – Held the Senior and Command Staff Management Retreat. Listed 38 accomplishments over the last several months and recommendations for review at the Board of Directors Planning Session with management and labor. Identified about eight focused areas to bring to the Board of Directors.
- March 1, 2012 – Attended the Sacramento Metro Chamber State Legislative Summit Luncheon.
- March 3, 2012 – Attended the Firefighters Burn Institute 2012 Crab Feed.

- March 6 & 7, 2012 – Two WebEx meetings were held sending out video messages as well as updates to keep personnel informed on District issues. Another two scheduled this month.
- March 8, 2012 – League of Cities monthly conference call. Issue of illegal fireworks in California. The fireworks industry is proposing that Safe and Sane Fireworks be legalized between Christmas and New Years. Instead of constantly fighting the fireworks industry and hurting the charitable institutions that derive revenue from that, there was a general consensus in the northern part of the State to allow Safe and Sane Fireworks during this period.

He will be on a League of Cities panel in San Diego for a presentation to the City Managers and elected officials on Emergency Medical Services delivery to show why we do emergency service delivery in California and do it better with quicker response. There also will be a panel with opposing views so both sides will be well represented. It is important to get our view out there on why we have this service.

- March 11 – 14, 2012 – Members of staff will be attending the CFCA 2012 Leadership Summit in Monterey, California.
- March 15, 2012 – Reminder – OPEB Workshop for staff at District Headquarters, 9:00 AM – 12 Noon.
- March 20, 2012 – Fiscal Year 2013 Budget Planning Meeting.
- March 21, 2012 – Metro Revenue Meeting
- March 23, 2012 – SMFA Retirement Dinner – Croatian Cultural Center @ 6:00 PM

Retirements – Effective March 7, 2012

- Captain Roger Ferenc with 28 years of service

[Director Goold departed at 7:45 p.m.]

OPERATIONS REPORT – D/C Chris Holbrook**EMS –**

- Gave a slide presentation relative to the percentage of transports to dispatches per agency for AMR and Metro Fire since 2010. EMS revenues trended upward in 2011 due to Metro Fire gaining efficiencies in all of its medics relative to the percentage of transports. This increase is attributable to a higher percentage of transports and to the hard work of the men and women at Metro Fire who make it happen.

Statistics since the last Board meeting:

- Metro – 1,832 EMS dispatches – transported 75% of the time.
- AMR – 577 EMS dispatches – transported 74% of the time.

Fire Incidents –

- 19 structure fires since the last meeting.

Women’s History Month with Panel Discussion of Women Working in Non-Traditional Roles

- Personally thanked Captain Barbara Law and Fire Inspector Wendy Roof who served today on a panel at Folsom Lake College regarding Women Working in Non-Traditional Roles in the Workplace. This is the kind of outreach and professionalism that the Operations group puts out every day representing the Agency.

GENERAL COUNSEL’S REPORT – John Lavra

- Thanked Ms. McFarlane for comments made in respect to the adjustment of legal fees. The senior management and their staff that he deals with on a daily basis do a lot of the legwork to facilitate his job so when it comes time for him to give advice, things are in place. This results in less time and hopefully in the long run will keep the attorney fees under control.

LOCAL 522 REPORT – Maurice Johnson

- Introduced Ty Bailey, the new Vice President of Local 522.
- Captain Bailey stated he was looking forward to the open communications and the future with Metro Fire.

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

- Next Meeting: TBD

Communications Center Delegate—(Deputy Chief Duane Arend)

- Reported on the last meeting. A new position of Program Manager was approved with special projects oversight for the Dispatch Center – Glenn Swarner was appointed.
- Next Meeting: March 27, 2012 – 9:00 AM
Location: 2101 Hurley Way, Sacramento CA

California Fire & Rescue Training Authority—(Kelly)

- Reported on the last meeting. The Zinfandel Training site progress was discussed to include perimeter fencing on the property and portable classrooms. He will express the District's thanks to the Cordova School District Board for their donation. Looking forward to watching the property take shape.
- Next Meeting: April 18, 2012 – 10:00 AM
Location: California Emergency Management Agency, Media Room
3650 Schriever Avenue, Mather CA 95655

Finance Committee—(Jones)

- Discussed rotation of Chair and Vice Chair positions. Starting next meeting, Director Gary Monk – Chair; Director Jack Scheidegger – Vice Chair.
- Next Meeting: April 12, 2012 – 5:00 PM

Policy Committee—(Orzalli)

- Next Meeting: March 22, 2012 – 5:00 PM
Location: City of Rancho Cordova City Hall – Council Chambers
2729 Prospect Park Drive
Rancho Cordova, CA

BOARD MEMBER QUESTIONS AND COMMENTS:**Monk:**

- Congratulated Wendy Roof and Barbie Law for their participation on the Women's Committee.
- Congratulated the Board and Fire Chief for the continuing fiscal responsibility towards the budget and moving the District in the right direction.

Pierson:

- Thanked Senior Staff for taking the lead (on benefits).
- He spent the last week back East with many firefighters. We are doing well in comparison to others. Hats off to Larry Davis for leading the charge on grants. In talking with others, some large departments are not knowledgeable about the grant system and are surprised at what we have accomplished.

Scheidegger:

- In reference to the resolutions passed tonight, thanked Senior Staff for making the concessions. We need to record what we have done during the past year.

Fire Chief Henke stated Director Orzalli made the same request and provided a format. We are taking that project underway.

Newcomer:

- Thanked Wendy Roof and Barbie Law for their time spent today on the Women's panel.
- Thanked Mr. Davis for his work on the grants.
- Thanked Ms. McFarlane and staff for the presentation tonight.

Kelly:

- Attended the Firefighters Burn Institute Crab Feed.
- He has seen the sophistication of the Finance Division increase greatly in the past several months. Appreciates and trusts the information we are receiving.
- The Senior Staff concessions are another example of the staff's commitment to this District and it is very much appreciated.

Jones:

- Acknowledged members of Metro Fire for their continuing support, community outreach, and hard work, including Captain Law, Inspector Roof, CFO McFarlane and her entire staff for the gargantuan task of reining in our finances.
- Thanked the Senior Staff for achieving so many of the goals for fiscal responsibility and accountability in the public service sector.
- Planned on attending the OPEB workshop and the Metro Revenue meeting.
- Thanked Fire Chief Henke for discussing the fireworks issue. As a founding member of the Sacramento County Fireworks Safety Task Force that was initiated, it is very important that we sustain all of our charitable organizations and support responsible use of fireworks.

- Attended the Annual Community Volunteer Awards and congratulated the members of the Community Emergency Response Team (CERT) for receiving the 2012 Distinguished Community Service Organization Award from the Cordova Community Council.
- Thanked everyone who supported the recent Firefighters Burn Institute Crab Feed.
- A continuing thank you to the City of Rancho Cordova for the use of their facilities.

CLOSED SESSION 6:10 PM

[Taken out of Order]

RECONVENE TO OPEN SESSION 6:25 PM

Report by General Counsel John Lavra:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to California Government Code Section 54956.6 (a) – One (1) matter of Workers' Compensation Settlement Authority—(Attorney Colin Connor)

Paul Greeson v Sacramento Metropolitan Fire District
Claim #SMDG -- 542242

By a 7-0 vote, with Directors Clark and Orzalli absent, the Board gave authority to the District's Third Party Administrator to effectuate settlement of the claim.

ADJOURNMENT –The meeting was adjourned at 8:00 p.m.

Gay Jones, President

Randy Orzalli, Secretary

Charlotte Tilson, Clerk of the Board