

# Rancho Adobe Fire Protection District

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**NOTICE & AGENDA OF THE REGULAR BOARD MEETING  
APRIL 21, 2021 — 7:00 P.M.  
COTATI FIRE STATION - #1 EAST COTATI AVE.  
COTATI, CALIFORNIA**

**MEETING WAS HELD VIA TELECONFERENCE FOR ALL BOARD DIRECTORS, STAFF AND MEMBERS OF THE PUBLIC**

**I. CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE**

President, Mark Hemmendinger, called the Regular Board Meeting to order at 7:04 p.m. The agenda for this meeting was posted on April 15, 2021.

Roll Call:

Directors Present: Mark Hemmendinger, Brian Proteau, Michael Gadoua, Ray Peterson, Carla Grube, Bret Herman, Leslie Cozad (arrived at 8:01 p.m.)

Minutes Conducted by: Jennifer Bechtold

**II. ORAL AND WRITTEN COMMUNICATIONS**

A. Citizen Business/Public Comments on Items not appearing on Agenda

There was no public comment

B. Correspondence and/or Presentations

Mr. Neil Hancock, a resident of Cotati, commented that he is on the planning commission for Cotati. He would like to know if the fire district is doing anything with structural hardening and education. He feels this is not being very visible to the greater public and would like to know whom from the District he can contact regarding this issue. Mr. Hemmendinger mentioned there is some work starting at the county level now but they have neglected to involve the fire districts thus far. We can address this issue later should it need to be added to the agenda.

**III. APPROVAL OF MINUTES**

A. Regular Meeting of March 17, 2021

Motion moved by Mr. Proteau and seconded by Mr. Gadoua.  
Motion Carried: Aye   5   No   0   Abstain   1   Absent   1

Roll Call:

Mr. Peterson – aye  
Mrs. Cozad – absent  
Mr. Herman – aye  
Mr. Proteau – aye  
Mr. Hemmendinger – aye  
Mr. Gadoua – aye  
Mrs. Grube – abstain

**IV. CONSENT CALENDAR**

A. Ratification of Claims and Journal Vouchers

Motion moved by Mr. Herman and seconded by Mr. Proteau.  
Motion Carried: Aye \_\_5\_\_ No \_\_0\_\_ Abstain \_\_1\_\_ Absent \_\_1\_\_

Roll Call:

Mr. Peterson – aye  
Mrs. Cozad – absent  
Mr. Herman – aye  
Mr. Proteau – aye  
Mr. Hemmendinger – aye  
Mr. Gadoua – aye  
Mrs. Grube - abstain

**V. ADMINISTRATIVE COMMUNICATIONS**

A. Chief's Report

BC Mike Weihman noted that the district had 183 calls for service in March. Since last meeting, we have had three structure fires, two in Penngrove, one on Poplar and another at a business downtown and a fire in Cotati today. BC Weihman also reported the first grass fire of the season in Penngrove and fatal traffic collision on Stony Point Road.

B. Director Reports

Mr. Hemmendinger reported that there is a SCFDA meeting tomorrow night and a committee meeting was held Monday night to discuss the sales tax measure. This meeting brought forth a number of changes the committee would like to see before the tax measure is rolled out. Mr. Hemmendinger noted for the first time the group agrees that there needs to be significant changes to the measure though he is not sure if the Supervisors will listen to those changes.

C. Committee Reports

a. Finance/Budget

Mr. Hemmendinger commented the budget is on target this year and we are spending approximately \$537K per month, which is anticipated. The overtime budget is high and strike teams influence this; however, much of this expense has been reimbursed through strike team revenues.

b. Negotiations

Mr. Hemmendinger said he has had conversations with all three labor groups and will bring proposals to the full board in a closed session next month.

c. Equipment

Mr. Proteau commented the BC pickup is ordered though he is not sure when this will be delivered. He met with Mr. Hemmendinger and BC Wandel in Petaluma to discuss financing options for the new apparatus. More to come on this.

d. Legislative

No report filed.

e. Chief's Evaluation

No report filed.

f. Long Range Planning

No report filed.

g. Capital Improvements

BC Wandel met with the architect to look at various modifications and upgrades at the stations. There will be a committee meeting to review this proposal to see what they will recommend to the Board. Mr. Proteau noted he still has not seen the proposal on the heating plans from 15000 Inc.

D. Firefighters' Association Report

Engineer DeJong noted that on May 7 the Chadwick properties on Ely would be closing. All three bank accounts are in the Associations hands and the total of those is now over \$1 million. The Chadwick committee is trying to determine what to do with those funds. Additionally, the Association is also still working with modifications to the bylaws.

E. Firefighter's Union Report

Captain Gromala commented that Dennis sent an email to Mr. Hemmendinger with comments on the MOU. Mr. Hemmendinger received this and replied that the Board needs a chance to discuss this internally and there is one issue to run by legal. He said we are on target to place a closed session on the May agenda.

**VI. UNFINISHED BUSINESS**

A. Discussion on Revision of Board Policy 5020 (2<sup>nd</sup> Reading)

Mr. Hemmendinger asked for any additional comments and there were none.

Motion moved by Mr. Gadoua and seconded by Mr. Peterson.

Motion Carried: Aye   5   No   0   Abstain   1   Absent   1  

Roll Call:

Mr. Peterson – aye

Mrs. Cozad – absent

Mr. Herman – aye

Mr. Proteau – aye

Mr. Hemmendinger – aye

Mr. Gadoua – aye

Mrs. Grube - abstain

## VII. NEW BUSINESS

### A. California Municipal Advisors (et al) Presentation on CalPERS Unfunded Liability

Mr. Hemmendinger introduced Dmitry Semenov to review his PowerPoint presentation, which was included in its entirety in Board packets. Some of the highlights of the presentation are as follows:

- Total pension obligations is \$22 million.
- Total pension assets: \$16.3 million.
- Shortfall = \$5.6 million.
- CalPERS interest rate is 7%.
- Total pension payments have increased by \$404K over a six-year period from 2017-2022 (87% increase).
- From 2011-2019, the District owed \$3.3 million more and our funding level was 4.7% lower.
- The District bears all the investment risk.
- CalPERS 2020 return estimate is 4.7%. Any return less than 7% is a shortfall and leads to a UAL increase. A 4.7% return is a 2.3% funding shortfall, adding \$375K to our UAL.
- Two approaches to pension cost management; 1.) reduce annual payments – short-term cash flow management; 2.) reduce overall interest cost – long term cost management.
- Three bond options; 15, 20 and 25 year bonds at interest rates averaging between 4.25% and 4.75%.
- Estimate cost of issuance of bonds is \$115K.

Mr. Herman asked what bond term we have considered and Mr. Hemmendinger commented he feels that that savings we get from the 20-year term seems like it might be a good option. Mrs. Cozad mentioned she likes the 15-year option but wondered if that is too aggressive. Mr. Hemmendinger feels the finance committee needs to review these options together.

Mr. Hemmendinger would like to look at Resolution R-4. Mr. Peterson asked if there is a down side of moving forward with this proposal. The obvious downside is that we are likely to see an increase in interest rates. The other downside is handing CalPERS another \$5 million dollars. Depending on the 15 or 20-year bond, we will have the same impact financially either way but will see more leverage with our money in the future than if we do nothing now.

Mr. Jeff Meyers of Hilltop Securities mentioned that the increase of UAL annual payments going from \$400K to \$600K is an issue from his perspective as a budgetary manager. We will have more budget predictability by knowing what our payments will be. This will help us shift our costs now and in the future.

### B. Discussion on Resolution R-4: Intention to Proceed with the Refinancing of Part or All of the Districts Outstanding Unfunded Accrued Liability to CalPERS and Appointing the Necessary Consultants in Connection Therewith

After extensive discussion, the Board felt comfortable moving forward with Resolution R-4 and that this was in the District's best interest.

Motion moved by Mr. Proteau and seconded by Mr. Gadoua.

Motion Carried: Aye   6   No   0   Abstain   1   Absent   0

Roll Call:

Mr. Peterson – aye  
Mrs. Cozad – aye  
Mr. Herman – aye  
Mr. Proteau – aye  
Mr. Hemmendinger – aye  
Mr. Gadoua – aye  
Mrs. Grube – abstain

C. Discussion and Action on California Municipal Advisors LLC Agreement for Financial Advisory Services

**The Board felt that our District attorney should review all the contracts from California Municipal, Weist Firm and Hilltop before moving forward with approving them.**

Item deferred to the May Board meeting.

D. Discussion and Action on Agreement for Bond Counsel Services

Item deferred to the May Board meeting.

E. Discussion on Resolution R-5: Approval and Adoption of Debt Management Policy (Review of Staff Report from California Municipal Advisor's, et al)

Item deferred to the May Board meeting.

F. Discussion on Shared Services Agreement with Petaluma Fire Department

Item deferred to the May Board meeting.

G. Election of Special District Representative to LAFCO

Mr. Hemmendinger called for a vote from the Board on appointing a special district representative to LAFCO. This seat is voted on by about 40 districts in the County but this is a fire district seat. Mr. Hemmendinger commented that he had not initially thought of running for this seat as Ernie Loveless has done a superb job, but he has chosen to not run again.

Motion moved by Mr. Herman to vote for Mark Hemmendinger as the LAFCO representative and seconded by Mr. Gadoua.

Motion Carried: Aye   6   No   0   Abstain   1   Absent   0  

Roll Call:

Mr. Peterson – aye  
Mrs. Cozad – aye  
Mr. Herman – aye  
Mr. Proteau – aye  
Mr. Hemmendinger – aye  
Mr. Gadoua – aye  
Mrs. Grube – abstain

**VIII. DIRECTION ON FUTURE AGENDA ITEMS**

- **Closed Session for Negotiations**
- **Crown Castle Contracts**

**IV. ADJOURNMENT**

With no further business to discuss, the Regular Board meeting was adjourned at 10:16 p.m.

Motion moved by Mrs. Cozad and seconded by Mr. Herman.  
Motion Carried: Aye   6   No   0   Abstain   1   Absent   0  

Roll Call:

Mr. Peterson – aye  
Mrs. Cozad – aye  
Mr. Herman – aye  
Mr. Proteau – aye  
Mr. Hemmendinger – aye  
Mr. Gadoua – aye  
Mrs. Grube – abstain

Date Approved:   5/19/2021