

Rancho Adobe Fire Protection District

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**MINUTES OF THE REGULAR BOARD MEETING
MAY 17, 2023 — 7:00 P.M.
COTATI FIRE STATION - #1 EAST COTATI AVE.
COTATI, CALIFORNIA**

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

President, Brian Proteau, called the Regular Board Meeting to order at 7:00 p.m. The agenda for this meeting was posted on May 12, 2023.

Directors Present: Mark Hemmendinger, Michael Gadoua, Bret Herman, Brian Proteau, Ray Peterson, Sage Howell

Directors Absent: Bob Moretti

Minutes Conducted by: Jennifer Bechtold

The Pledge of Allegiance was said.

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

There was no correspondence.

III. APPROVAL OF MINUTES

A. Regular Meeting of April 19, 2023

Motion moved by Mr. Herman to approve the minutes of April 19, 2023, and seconded by Mr. Gadoua.

Motion Carried: Aye 5 No 0 Abstain 1 Absent 1

IV. CONSENT CALENDAR

A. Ratification of Checks Issued

Motion moved by Mr. Gadoua to approve the consent calendar and seconded by Mr. Hemmendinger.

Motion Carried: Aye 6 No 0 Abstain 0 Absent 1

V. **ADMINISTRATIVE COMMUNICATIONS**

A. Firefighter's Union Report

Captain Eric Gromala thanked the Board for their work on negotiations.

B. Firefighters' Association Report

Engineer Jake McClendon noted the Association just had a change in officers recently.

C. Chief's Report

Chief reported the following information:

- 1.) One firefighter paramedic is in the background process.
- 2.) One additional internal candidate is now a paramedic.
- 3.) Major focus has been on facilities, recruitment and preliminary budget.
- 4.) RAFD hosted the awards dinner/30th anniversary dinner two weeks ago.
- 5.) Started Penngrove remodel.
- 6.) HVAC work at Liberty and Cotati stations to be completed this week.
- 7.) Hosted the PFD Engineers exam.
- 8.) Tax initiative involvement.
- 9.) Finance committee and preliminary budget.
- 10.) Structure fire last night in Petaluma that our crews assisted with.

D. Director Reports

No report filed.

E. Committee Reports

a. Finance/Budget

Mr. Hemmendinger noted the year-to-date budget is on target with expected reserves that will fall to next year's budget. In July, we will need to move about \$3.8 million to operating reserves to fund 50% of our budget. The rest of the cash will remain in capital reserves.

b. Long Range Planning

No items to report.

VI. **UNFINISHED BUSINESS**

A. Discussion on Proposed Sales Tax

Chief Veliquette discussed the current status of the proposed sales tax measure. On Monday evening, there was a zoom call hosted by the FSWG regarding the final numbers for the sales tax. Three Board members from Rancho Adobe participated in this call. The proposed measure will be placed on the ballot March 2024 with a 50% threshold for passing, though the target is still 66 2/3rds. The measure is estimated to generate \$61-65 million annually, but the plan is to conservatively base figures on \$60 million. Rancho Adobe's critical needs are \$3,449,166/year for capital infrastructure, capital apparatus and personnel. We believe we will be getting around \$2,000,000/year. One of the cuts came at equipment and apparatus requests, which were denied all around. There will be some levels of funding for personnel which include pay parity, ALS of all three engines, new positions (40-hour training captain, fire inspector and 3 engineers) and recruitment. The focus is boots on the ground as opposed to administrative costs. Chief Veliquette did make an

additional request for more funding towards our part-time firefighter program.

As far as governance of the tax measure, an 11-member board oversight committee will be established. This will be made up of 2 labor personnel, 3 people nominated by the fire chief's association (not current staff of any fire agency), 1 or 2 people associated with the mayors and city managers group, 1 or 2 people nominated by the fire districts association (inactive members) and County supervisors also will nominate two people. The group will "audit" the use of the funds to ensure the money is being spent as approved. Audits will not take place until after year three, which will give agencies a chance to set up a good plan for using those funds.

Chief Veliquette noted we should know the final distributions by next week and then work will begin on placing the measure on the ballot.

Mr. Gadoua asked about the mechanic position and whether this person would be working on other districts' vehicles where we could make money. Chief Veliquette said yes. Mr. Gadoua also asked if we have the space for this work. Chief Veliquette said we do not have space at this time, but we have room to build a shop at station 3. The only other agency with a mechanic is Sonoma Valley.

The Board discussed various elements of the tax measure and how this will affect the District.

B. Discussion and Review of CalMuni UAL Policy Compliance Analysis

Item B was discussed prior to Item A.

Andrew Flynn, of CalMuni was introduced and commented on the following items from our the UAL Compliance Analysis.

- 1.) Reviewed 4 key points in our current Pension UAL Policy.
- 2.) Pension plans are currently overfunded at 104.7%, due to the pension obligation bonds we purchased and the fact that CalPERS had 21% growth in assets the year before last.
- 3.) Last year CalPERS lost -7.4%, which will increase our unfunded liability in the next year's report. Because of these losses, our plans will drop to 91% funded.
- 4.) In 2024, we will have no discretionary payments due.
- 5.) Strategies – make additional discretionary payments and \$991K is needed this year to bring plan to 95% funding, which saves \$2.2 million over the 20-year repayment period. Second, eliminate negative amortization by paying \$9500 on the miscellaneous plan, \$149K on the safety plan and \$4500 on the PEPRA plan in 2023 and 2024. This saves about \$705K over the 20-year repayment period. Third option is to fund a 115 Trust. This offsets future liabilities and contribution costs.
- 6.) The District may also want to consider borrowing funds for capital projects and make discretionary payments to CalPERS, as we will save more money doing this overall.

Mr. Hemmendinger said there are two takeaways from this - what to do now and what to do long-term. Unless we borrow money for our capital projects, we may not have enough funds to cover our future needs.

VII. NEW BUSINESS

A. Resolution R-7: Adoption of the Preliminary Budget for FY 2023/2024

Chief Veliquette noted the final preliminary budget shows \$7,894,390 in revenues with an increase of \$125,770 to unassigned capital funds. Total expenditures are \$6,317,948 for salaries and benefits, \$1,002,295 in supplies and services and

New Business Continued:

\$448,377 for debt service.

Mr. Hemmendinger said the preliminary budget has full support by the finance committee who have met twice and reviewed, in detail, this budget. A collection of \$5K-200K in the capital assets operating budget has been moved to the capital budget. Many of the monies allocated in capital expenditures have not been spent over the years and could have been put into labor.

Motion moved by Mr. Peterson to approve the FY 2023/2024 preliminary budget, and seconded by Mr. Howell.

Motion Carried: Aye 6 No 0 Abstain 0 Absent 1

Roll Call:

Mr. Gadoua – aye
Mr. Herman – aye
Mr. Moretti – absent
Mr. Peterson – aye
Mr. Hemmendinger – aye
Mr. Proteau – aye
Mr. Howell – aye

B. Discussion on Dental Plans Effective July 1, 2023

Mrs. Bechtold commented that we were informed a few months ago that Cypress was increasing their premiums by 10%. This resulted in our broker going out to market to see what other plans might be comparable. The two quotes returned were from Met Life with an increase of 37.9% and Guardian at an increase of 76.4%. There were no real benefit increases by switching to one of these plans, so the recommendation is to stay with Cypress.

Mr. Hemmendinger noted the staff report also shows the value of our broker and their ability to go out to market and see available options.

Motion moved by Mr. Hemmendinger to approve the Cypress Dental Plan and seconded by Mr. Herman.

Motion Carried: Aye 6 No 0 Abstain 0 Absent 1

VIII. DIRECTION ON FUTURE AGENDA ITEMS

- Designating a legislative Board member

Closed Session was opened at 8:33 p.m.

IX. CLOSED SESSION

- A. Pursuant to Government Code §54957.6, the Board will hold a closed session for the following reason: CONFERENCE WITH LABOR NEGOTIATORS. District Subcommittee: Mark Hemmendinger, Sage Howell and Ray Peterson
Employee Organization: Paid Firefighters Union
Action Taken: None
- B. Pursuant to Government Code §54957.6, the Board will hold a closed session for the following reason: CONFERENCE WITH LABOR NEGOTIATORS. District Subcommittee: Mark Hemmendinger, Sage Howell and Ray Peterson
Employee Organization: Administrative Manager
Action Taken: None

Closed Session Continued:

C. Pursuant to Government Code §54957.6, the Board will hold a closed session for the following reason: CONFERENCE WITH LABOR NEGOTIATORS. District Subcommittee: Mark Hemmendinger, Sage Howell and Ray Peterson
Employee Organization: Battalion Chief's
Action Taken: None

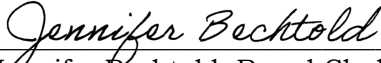
Closed Session was adjourned at 9:11 p.m.

X. ADJOURNMENT

With no further business to discuss, the Regular Board meeting was adjourned at 9:12 p.m.

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

Respectfully submitted,



Jennifer Bechtold, Board Clerk