

MOUNT SHASTA FIRE PROTECTION DISTRICT
600 MICHELE DRIVE

STATION 1
REGULAR BOARD MEETING MINUTES
10:00 A.M.

CHAIRMAN JACK MILLER

VICE-CHAIRMAN JOHN ANDERSON

DIRECTOR HOYT

DIRECTOR LIBBY

DIRECTOR KLIEWER

CHIEF RICK JOYCE

ASST. CHIEF JOHNATHAN DUNCAN

SECRETARY SARAH PATANIA

MONDAY, MARCH 10, 2014

ITEM

1. **Call to Order and Flag Salute.**

10:03 a.m.

2. **Roll Call.**

Director Libby, Director Hoyt, Director Anderson, and Director Miller present. Director Kliewer is absent.

3. **Approval of Minutes for the Regular Board Meeting of February 10th, 2014.**

Motion to approve the minutes by Director Anderson. Director Hoyt seconds the motion. Motion carries 3-0 with Directors Hoyt, Anderson, and Miller participating. Director Libby abstains.

4. **Public Comment on Open/Closed Session Items: This is an opportunity for members of the public to address the Board on subjects within its jurisdiction, whether or not on the agenda for this meeting. The Board reserves the right to reasonably limit the length of individual comments and/or the total amount of time allotted to public comments. Speakers may request their comments be heard during Public Comment instead of the time when the item is to be acted upon by the Board. The Board may ask questions but may take no action on items addressed during the Public Comment period except to direct staff to prepare a report or to place the item on a future agenda. If you desire a written response, please provide the secretary with your mailing address.**

Bob Ashworth is present in the audience and has prepared a slip to speak on the Brown Act/Special Assessments.

Director Miller acknowledges Bob Ashworth, and gives him the floor.

Bob comments that in 2003 that County Counsel asked that the agenda be posted 72 hours in advance in two locations. He went to Station#2 and there was no agenda there. He was curious if we have changed our postings, or if it was just missed.

Director Libby asks what the rules are for this.

Chief Joyce states that the agenda also placed on the internet on our website and is posted here at station #1. We plan on keeping it at Station #2 as well. So we do have it posted in two places, but the volunteer that was going to station two forgot, and this was the first time that this has ever happened.

Director Libby states that he would like to see that it continue to be posted at Station #2.

Chief Joyce confirms that they will continue to post the agenda at Station #2 as well.

Director Miller gives Mr. Ashworth the option to comment on the special assessments now, or during the agenda item.

Bob continues regarding the assessments, and feels that this needs to be discussed. His concern that before we do the assessments, we need to make sure that everyone pays that is within the current District boundaries.

Director Libby responds that everything in the district is being assessed. The district is looking at including items that we service that are not included on the district map. He continues that he found out from a Greg Plucker at the planning department. It is our responsibility to review this annually. He has been assured by their department that if it is in our district boundaries that it *is* being assessed.

Director Anderson states that he has spoken with Wayne Hammer, and the District gets between 97-99% of the taxes paid, and we always get the full allotment. He confirms that we are moving forward with the special assessment and that he has had many meetings with county members.

5. **Cash Report**

\$86,880.86 Total Interfund Cash as of 02/28/2014

6. **Old Business and Board Directives from Previous Meetings**

6a. Discussion and Possible Action on reviewing progress to-date on Stale-Dated Warrants.—Chairman Miller/Secretary Patania

A total of six stale-dated warrants have been re-issued during February.

These include two to Chris DeForest, two to Lathan Sidebottom, and one for Charles McDonald. There was also a payroll check that was lost in the mail to Steven McCall from a strike team that was re-issued after he completed an affidavit and returned it.

6b. Discussion and Possible Action of IRS Payroll Tax Issues that occurred in 2002-2004.—Chairman Miller/Secretary Patania

Director Miller states that he found a W2 from the 2004 period that states that it was redone in the year following 2004. He is not sure where it comes from. He is fairly certain that it did not come from the county, but rather a bookkeeper. He is not certain of this. He is hoping that it sheds some light on the tax issue. He asks Secretary Patania to add some additional information.

Secretary Patania directs the board to an email entitled “6b” from Jennie Ebejer. We are still facing the issue of the Civil Penalty. The warrants listed in the email can be re-issued to the IRS, and the ones that require affidavits’ will be sent with the letter to the IRS. She has confirmed with Jennie Ebejer that these can be re-issued into one check, in a conversation by phone just prior to the Board meeting. They will need to list out the old warrants for historical purposes. She also passes around the Request for Abatement form that lists all the penalties from this period, and interest that amount to approximately \$23,000. She asks the Board if it would be advisable to send a the lump sum check and also ask that once the penalties are abated that we set up a quarterly payment schedule until the total amount is paid off. She also notes that she has contacted County Counsel to see if there was a way to determine “reasonable cause” that the 843 form asks for, and he sent a letter from 2007 showing that it was a national problem for fire departments deciding whether to file W2s or 1099s. We may want to include this with our letter to the IRS. She continues that she would like to talk to them on the phone to confirm that this process will work.

Director Anderson asks what the schedule is for the abatement.

Secretary Patania confirms that she will send in the form 843 with the letter showing “reasonable cause” after she has talked to the IRS on the phone to determine that this is

the correct order to do this in. She wanted to bring this before the Board before proceeding, and decide what the payment plan would be once we get the penalties abated.

Bob Ashworth states that a gentlemen “Freeman” had to go before the grand jury regarding these issues.

Director Libby asks if they need a motion.

Director Anderson states that it is not a new issue.

Director Miller asks that Secretary Patania continue with these issues and report back to the Board at the next meeting.

6c. Discussion and Possible Action on extending the borders of the MSFPD, with a report from LAFCO regarding District Boundary adjustments.—Director Libby

Director Libby states that he had a meeting with Greg Plucker from the planning department. All the parcels within our district boundaries are assessed. If we have a problem “within our district” we need to make sure by consulting plot maps and confirm the plot number with the disk, since it is our responsibility.

Chief Joyce distributes a map.

Director Libby then continues about areas outside of our district. He was informed that there is a process of gaining the parcels and incorporating them into our district. First we have to discover which parcels we would want to include. Then go to the planning department and have them look them up. Then we have to go before the Board of Supervisors to ask permission. Then we have to have two meetings inviting the public to comment on being included in the district, and then once public opinion was included, we could do this for a fee. We need to go to the planning department to complete this. First we must identify the areas we are looking at—it is not an easy process and not cheap. We will need to see how many parcels we are thinking of including.

Director Anderson defers to Chief Joyce to see if there is enough revenue within those boundaries to include it.

Chief Joyce states that they are in our district, but they are not included on the boundary map. He points out that we respond to Plum and Quail Meadow, but only half of Quail Meadow is included in the map.

Director Miller allows Mr. Ashworth to comment.

Bob Ashworth comments on a section near Dunsmuir where this splits.

Chief Joyce states that he had someone from Cal Fire print him the map that he distributed, and there are even areas on North Shore that they respond to that should be included. It may not seem that it would be beneficial for the first few years.

Director Anderson has a larger map that shows Quail Meadow.

Director Libby states that we need to look at parcel numbers and see if they are in our map and do this all at once, rather than a few sections at a time.

Bob Ashworth states that it is like beating a dead horse. Several Chiefs were going to do this, and nothing has been done.

Director Libby states that it has been a cost issue.

Director Anderson states that we need to find out what the cost is prior to proceeding. If we had not had the strike teams this past year, we would not be able to operate. We need to figure out how to increase revenue.

Director Miller asks Director Libby to continue looking into this.

6d. Discussion and Possible Action on Special Assessment (Measure G).—Vice-Chair Anderson

Director Anderson has met with Colleen Setzer, Jennie Ebejer, and Bob Cummins about this issue. He has divided it into several different property types. Bob is recommending that we do not proceed according to the draft that he provided to the auditor's office, since it may be very cumbersome to administer. If we want to go forward with it, he recommended that we keep it simple. Prior to this, Charlie Mauck wanted to increase it by 500%. It passed the majority, but not the 2/3rds. The last time the majority was passed was when Evelyn was chairman in 1990, and that was the last time the special assessment was done. He has gone through multiple resolutions from the county, and at this point his recommendation upon review is to level it out with SFR, Multi-Family, and

Commercial and increase it by 40%. If we increase the base by 40%, that would take our revenue from about \$303,000 to \$420,000. The \$8 would become \$11, the \$24 would become \$33, would become \$34 would become \$50. If we did 30% we would receive about \$390,000.

Tom Hastings does not agree with Director Anderson's numbers. He asks what the total revenue is for Measure G.

Chief Joyce states that it is \$57,238.

Mr. Hastings states that if you add 40% to the above amount, you would only get a small amount of revenue. Measure G is a just a small portion of our revenue, secondary revenue. What we really need to look to is the property tax for increase.

Director Anderson asks for a suggestion.

Tom Hastings states that we need to see what portion comes from the state, county etc...he is not sure what comes directly to the District. The supplemental amount of money doesn't add up to the amount that is being projected.

Director Anderson is curious why they would give him this number then of \$303,000. Director Libby states that that they need to determine what number they are talking about which corresponds to Measure G.

Chief Joyce states that he is not sure about the secured income, and where it comes from, and what percentage that is, and if it is something that you can raise.

Director Anderson suggests that we curtail this at this point and he will go back to the auditor's office to discuss this, and he will report it next month.

Director Libby states that this is a bit of a Pandora's Box, and that state legislature will be interesting. He states that the tax collector's office is the place to start and find out how to move forward with this.

Tom Hastings states that we should try at the county level.

Chief Joyce is not sure what the percentage is that makes up the \$220,000 that we receive from secured taxes.

Bob Ashworth states that we should talk to Ed Valenzuela.

Tom Haistings in wondering how much additional revenue we are trying to generate.

Director Anderson states that we are trying to raise between \$90-120,000. We may have strike teams this summer, but are not sure.

Chief Joyce states that we cannot budget off of strike teams. The problem that we are running into is that we are running 500 calls a year as opposed to 150 again. Volunteers are harder and harder to come by, and we are going to possibly have to go to a paid department.

Chief Joyce states that he agrees with what Director Anderson is trying to do.

Tom Haistings states that there are 1,700 lots in the district, which is about \$70 per lot. Chief Joyce states that we have approximately 3,000 lots in the district. He refers to the paper on Measure G that Director Anderson gave to him. Chief Joyce plugged in the numbers of \$25 for open land, \$50 for SFR, and \$100 for commercial and came up with a projection of \$128,900 from \$57,238.60.

Director Anderson says this is a significant increase. Director Anderson asks if he can get together with Chief Joyce this week. He is concerned that Bob Cummins asked him to figure this off of total revenue.

Chief Joyce states that he based this off of the parcel sheet from the special assessment. We need to find out what **percentage** we are getting—especially in relation to Director Libby's project. What percentage of the taxes are we going to get off of this? Is it another \$10 per parcel, or...?

7. NEW BOARD BUSINESS AND POSSIBLE ACTION

7a. CLOSED SESSION: Performance Evaluation of public employee Assistant Chief Johnathan Duncan. This item is pursuant to the personnel exception found at Government Code Section 54957.—Board of Directors

Recess at 10:51 a.m.

Meeting resumes at 11:14 a.m. It was a positive review.

7b. Discussion and Possible Action regarding potential adjustment in compensation for Assistant Chief Position.—Board of Directors

Director Miller states that the Board has offered Johnathan Duncan a 4% increase in pay. He was given 30 days to think about this, but has accepted this offer today.

Director Libby motions to increase Duncan’s salary 4% based on his positive review. Director Hoyt seconds the motion. The motion carries 4-0 with full Board participation. This includes Director Libby, Director Hoyt, Director Anderson, and Director Miller.

7c. Discussion and Possible Action on salary increases to take effect mid-budget year vs. new fiscal year.—Chief Joyce/Vice-Chair Anderson/Director Kliewer

Director Miller hands the discussion over to Chief Joyce.

Chief Joyce directs the Board to the existing Salary and Benefits policy (7c) for *Chapter XI-Code 1-XI-2*. He states that it has specified when the reviews take place, and when the salary would be increased, if the Board has determined that the employee would receive a raise. The review would take place annually from the date of hire, and the increase would take place at the beginning of the fiscal year in July. The employees who are hourly and receive an increase will take place immediately.

Director Libby makes a motion to approve the policy as written, and Director Hoyt seconds the motion. The motion carries 4-0, with full Board participation.

7d. Discussion and Possible Action regarding Grant Application with the Shasta Regional Foundation for rescue equipment.—Director Anderson

Director Anderson states that we missed the window to pursue this grant. It was a local grant for non-essential equipment. Most likely this grant will be available next year, for non-essential equipment.

Secretary Patania comments, through the chair, that to be able to move forward on a grant, we will have to approve it in a Board Meeting by resolution with the specific amounts and equipment we are looking at obtaining so that it can be approved by a majority of the Board.

Director Anderson states to calendar it for next January.

Director Miller asks if we can call a Special Board Meeting for this type of item.

Director Libby confirms that this is correct; we could not call an emergency meeting.

Chief Joyce also mentions that they will not fund it if it is essential.

Director Anderson confirms that Shasta Regional is the umbrella corporation for all of the different endowments, which includes the McConnell foundation. They have grants from \$5,000 to \$50,000 as he recalls.

7e. Discussion and Possible Action regarding Resolution 03102014-A pursuant to GASB 54 and pertaining policy/procedure as advised by county auditor.—Secretary Patania

Secretary Patania points to item 7c in the packet and discusses the reason for the GASB 54. This was brought up by the County Auditor at the Special District Seminar, and that we need to have a resolution on file to be compliant. It pertains to establishing a fund for a specific purpose, and that we would have to re-establish that fund on a yearly basis. After our audit last year, Mr. Dragaset actually warned against doing this, but we still need to have it on file should the need arise. For example, if we had a fund for special equipment needs, we would need to re-establish on a yearly basis from the auditor's standpoint.

Chief Joyce states that the only time he sees this applying would be setting aside a certain amount of money for a new engine.

Director Anderson states that lots of people set this money aside and then lose it.

Secretary Patania states that the Board can review this and pass it at another time, or it can be passed today.

Director Libby makes a motion to approve Resolution 03102014-A pursuant to GASB 54, and Director Hoyt seconds the motion.

Secretary Patania performs the roll-call vote, and Director Libby vote's aye, Director Hoyt vote's aye, Director Anderson vote's aye, and Director Miller vote's aye. The motion carries with full Board participation.

7f. Discussion and Possible Action regarding placing GANN initiative on the November 2014 ballot.—Director Kliewer

Director Miller introduces the topic since Director Kliewer is absent.

Director Anderson shows that under 7f we have the 2011 Resolution that they had for the previous GANN.

Secretary Patania offers to read from the email from Bob Cummins regarding this issue.

Director Anderson doesn't think this is necessary, since he has read it. The caveat is that we will need to make sure we have determined how the special assessment increase will affect the GANN limit.

Chief Joyce states that the reason we are doing this early is so that we are not on a ballot all by ourselves. The last time we spent almost \$10,000 to put this on a special ballot because the GANN limit was up. We need to determine what we are receiving here, and what we will project it out at. They are stating this is what we need to run.

Director Libby states that the GANN initiative is nothing new, it happens every four years, it states that it is what we just need to ask for permission to use the money we receive from the tax roll over a certain amount. Essentially, it allows you to spend what you bring in. It is not as confusing as it seems.

Chief Joyce states that this is hard to explain to citizens, since it is not an increase in taxes; it is just allowing us to spend what we bring in.

Director Anderson states that we have to discuss what we need to do to improve our revenue.

Director Libby states that our ballot measure at this point would be written at \$375,000, but if we choose to increase the Special Assessment, we will need to figure that in.

Director Libby asks to table until we research what is going to be put before the taxpayers; we have to see if we increase it.

Chief Joyce asks if this just includes tax dollars.

Director Libby states that strike teams, grants, etc...are not included. He thinks that we should explain this on our website to get the public prepared, just a sentence or two.

Chief Joyce states that perhaps we can even add it to our newspaper article.

Director Libby is not sure if it is majority or 2/3rds. He asks if we should hold off until we receive the information. We need to act on it by June.

Tom Hastings suggests that the parcel increase, GANN, and the special assessments need to work hand-in-hand so that they can be pursued at the same time.

Chief Joyce suggests making one agenda item for all three.

Director Anderson suggests that we have an Advisory Committee regarding these topics.

Chairman Miller assigns Director Anderson and Director Libby to this advisory committee for all three topics, and asks that they report back next month.

Director Libby is not available the 14th through the 23rd of this month.

8. The next regular scheduled Board Meeting is April 14th, 2014.

Director Anderson is bringing someone who would like to run for the Board at the next vacancy.

9. Chief's Report and MSFPD Information Report to the Board—Chief Joyce

Chief Joyce distributes the Chief's Report, and reads from this report. (See attached for February) They finished up the S-234 course, which was three weeks in February, and includes the fit tests and donning of the SCBA's.

The South County Volunteer Fire Academy has started and will continue through the end of May on Saturday's. There are 26 members, and this is funded through the state grant. Some of these classes will be at C.O.S., Lake Shastina, and Dunsmuir. It started on March 1st.

10. Discussion and Possible Action on Accepting Donations.

No donations.

11. Mt Shasta Fire Protection District Newspaper article—Monthly Review

The Board reviews the article.

Director Anderson asks if we should add a comment stating that we do not receive money from Cal-Fire fee.

Director Libby states that we should keep this non-political, but may address a letter to the editor regarding this topic.

12. Fund Transfers

No fund transfers.

13. Payment of the Bills

Director Miller has a few questions about the bills. He is concerned with the bill for \$97.92 from SJ Denham. Is this the oil change or just to replace a lug-nut?

Assistant Chief Duncan explains that it was for the 2009 Dodge.

Director Libby confirms that it was for an oil change and lug nut.

Director Miller asks about the bill for training manuals.

Chief Joyce states that we will be teaching a class at the station for Fire Investigation IA. The District is sponsoring it, and will have four firefighters that the District will be covering, and Chief Joyce will be reimbursing the District on this. This is for the Investigation 1-A class. Usually it is about \$345 for the class. He will sit down with the Secretary to determine these amounts once all the bills come in. Once the money is recouped from the students, he will reimburse the District for the amount spent up from, less the District volunteers.

Director Miller states that we need to look into recouping some of these funds for the District.

Chief Joyce states that he does not want to charge the locals \$345 for a class, and prefers to just have them pay for materials. We will put it in an invoice form. We will break this down for the Board, and for the County Auditor's office.

Director Hoyt makes a motion to pay the bills, and Director Anderson seconds the motion. The motion carries 4-0 with Director Libby, Director Hoyt, Director Anderson, and Director Miller participating.

- 14. Board Comments and Questions:** At this time, members of the Board may ask questions of staff, request that reports be made at a later date, or ask to place an item on a subsequent agenda on any subject within the Committee's jurisdiction. In addition, the Board members may take this opportunity to make comments on any topic that is not on this agenda; however, no deliberation may be conducted and no decision may be made on such topics.

Director Miller states that last month the Board attended two different meetings in Yreka. The last one was for Special District's. Director Hoyt filled out her form 700 and got this complete. Director Anderson, Hoyt, and Kliewer are up for re-election. Secretary Patania states that the deadline for districts to call their election is July 3, 2014 for the November election. Candidate filing is July 14-August 8, 2014. She has confirmed this with Colleen Setzer.

Director Miller states that his next term is up in 2016 and he does not plan on running again.

- 15. Adjournment** 12:05 p.m.

Respectfully Submitted; Sarah Patania, Secretary