

TAHOE DOUGLAS FIRE PREVENTION DISTRICT
BOARD OF TRUSTEES MEETING
December 14, 2016

Those Present:

Chairman Greg Felton
Vice Chairman Bill Kirschner
Trustee Kevin Kjer
Trustee Steve Seibel
Trustee Larry Schussel
Fire Chief Scott Baker
Legal Counsel Devon Reese
Assistant Chief Jim Antti
Battalion Chief Rich Nalder
Fire Marshal Eric Guevin
Fire Inspector Todd Stroup

Office Manager Kate Warner
Accounting Specialist Carrie Nolting
Administrative Assistant Erin Allison
Forester John Pickett
Captain Bill Romanowitz
Engineer Steve Prather
Engineer Nathan Johnson
Guest Ann Grant (by phone)
Guest Gary Midkiff
Guest Dan Carter
Guest Wayne Omel

1. Call to Order.

Meeting was called to order at 2:30 p.m.

2. Pledge of Allegiance.

Pledge of allegiance was led by Trustee Seibel.

3. Roll Call.

Chairman Felton, Vice Chairman Kirschner, Trustee Kjer, Trustee Seibel, and Trustee Schussel were present. A quorum was present.

Chairman Felton thanked Midkiff & Associates and David & Johnson for supplying the snacks for the meeting.

4. Approval of the Agenda.

Vice-Chairman Kirschner motioned to approve the agenda. Trustee Seibel seconded the motion. Motion approved 5-0.

5. Public Comment.

Guest Ann Grant complimented C-shift at Station 24. On 12/6/16, Ann was taking a friend for a post-op checkup, but the friend was having trouble breathing, so Ann brought her to Station 24

for an evaluation. Firefighter/Paramedics Wade and Koeck were able to evaluate her and convinced her to let them transport her, even though she originally didn't want to go to the hospital. After she was evaluated at the hospital, she was diagnosed with pneumonia. She received early treatment because she was transported to Reno, and it greatly helped with her prognosis. Ann complimented their professionalism and skills and reported that her friend is doing much better.

6. Approval of the Consent Calendar.

Items:

- a. Approval of Minutes 11/16/16
- b. Monthly Expenditures

Trustee Schussel motioned to approve the Consent Calendar as presented. Vice-Chairman Kirschner seconded the motion. Motion approved 5-0.

7. For Possible Action: Consent items moved forward.

None.

- 8. For Discussion and Possible Action: Review and possible acceptance of the audit of the Fire District's financial statements for the fiscal year 2015-2016 prepared by Eide Bailly LLP.**
Dan Carter, Eide Bailly

Carter explained that the audit opinion is an unmodified opinion on the fire district's financial statements and is the highest assurance. No major issues were found with our financial statements.

Carter explained that on page 34 of the audit in the section that discusses compliance with statutes and administrative code, there was one violation. The violation was for an inter-fund loan that wasn't approved by the Board and did not comply with NRS 3543.6118 as clarified by NAC 354.290. The loan was made from the Fire Safe Fund to cover a shortcoming in the Ambulance Fund. There wasn't enough money in the Ambulance Fund to cover the cost, and the loan should have been approved by the Board before it was done.

Carter explained that some Eide Bailly clients have a blanket motion for their Boards, which is a one-time motion that pre-approves all transfers made within the fire district up to a certain amount of money.

Chief Baker asked if the accountant could have left the Ambulance Fund the way it was. Carter responded that it would have had insufficient funds.

One significant finding of the audit was a material weakness, which is not uncommon for small agencies and is because the fire district does not have the internal personnel to create full disclosure financial statements in-house. Administration has talked about getting proper training on preparing financial statements to staff members already in place.

Chief Baker asked if other departments have Eide Bailly do their financials as well as the audit. Carter responded that yes, most of the smaller government entities have Eide Bailly do their financials. They still have the same internal control issues, and it would be better to have someone within the fire district that could prepare them on a regular basis rather than waiting for the accountants. The Board would have more timely information if it was done this way, and it would be easier to address issues that arise more quickly.

Chairman Felton asked about the material weakness and if it is a requirement that sufficient controls and appropriate financials are presented internally by the district, or if it is okay to subcontract this work out to an outside company. He also asked if it is a problem that we contract out for our financial statements rather than doing them in-house.

Carter responded that contracting out for the financial statements is not a problem, but we need to have people on staff that could prepare them if they needed to and some adjustments have had to be made to attempt to do this.

Chairman Felton asked if we would get the same deficiency next year if we don't have someone on staff to complete the financials in-house.

Carter responded that yes, we would still have the deficiency, but it could be a less significant finding.

Chairman Felton asked if we need someone on staff 24/7 to do the financial statements in order to get rid of the deficiency.

Carter responded yes. It would not guarantee that the deficiency would be gone, but it would help.

Chairman Felton asked Carter to confirm that while there were some transfers within funds, we are not missing or losing any money.

Carter responded that there are no concerns of missing funds or inappropriate accounting, just gap results.

Chairman Felton asked that since our process hasn't changed since last year, is it the auditor's interpretation of what we should be doing that has changed and caused the different findings than we have had in the past.

Carter responded that a couple issues or adjustments are based on how things were done in the past that Eide Bailly didn't agree with. In the past, the Ambulance Fund was adjusted by the auditors based on a third party provider lag report. Eide Bailly discontinued this practice.

Prepaid assets in governmental activities should be on a current financial resource basis. Capital

assets are not things that can be quickly turned around to use for other things. Errors that came up in the financial statements were items recorded as revenue that should have been recorded as deferred revenue.

Chairman Felton asked Chief Baker if approving the audit means the district understands the corrections that need to be made so that none of these issues should occur during this process next year.

Chief Baker responded yes, and that we are already making changes.

Vice-Chairman Kirschner commented that the financial highlight on page four that shows that the district has zero total debt is fantastic and thanked everyone who had a hand in creating and maintaining that.

Trustee Kjer commented that moving forward in the future, he wants to make sure we all know where we need to be and what changes need to be made so that things will be lined up for next year.

Vice-Chairman Kirschner motioned to approve the 2015/2016 audit as submitted. Trustee Kjer seconded the motion. Motion approved 5-0.

- 9. For Discussion and Possible Action:** **Discussion and possible action to direct the Fire Chief to enter into an agreement to sell 5,572 square feet of Commercial Floor Area (CFA) acquired with the purchase of the Zephyr Crew Quarters at 205 Kingsbury Grade.**
Gary Midkiff, Midkiff and Associates

Midkiff explained that when the fire district purchased the Zephyr Crew quarters, the property had Commercial Floor Area (CFA) that the fire district does not have a use for as public service agency. The Board gave direction to see if we could sell it. Early in 2016, we ran an ad for 30 days with no response. The CFA is limited to use in Douglas County and the asking price was set based on South Lake transactions. The original asking price might have been a little high. Before former Chief Sharit retired, he instructed staff to drop the price to \$30 per square foot instead of the original asking price of \$35 per square foot. After lowering the cost, there was still no active interest.

A party is now interested, and they have made an offer for the entire space and are prepared to put down a deposit of \$1,000 at the opening of escrow. Once TRPA approves the sale, the interested party will close escrow within 30 days and pay the full \$167,670. We are giving them power of attorney so they don't have to come in for all the signatures here, but they can't finalize anything without the fire district's final agreement.

Chief Baker asked if TRPA will approve more space than what they need and will utilize.

Midkiff responded that no, under TRPA's rules, they will hold the remaining square feet of space until they find a way to use the space or find someone to buy it. Chief Baker commented that the other party will own it, but will not be able to use the space.

Trustee Seibel commented that this is a supply and demand type of issue, so if they don't need floor space, they won't ask for it. It is a great idea to sell this space, and he thinks the money made from the sale should go to the Fire Safe Fund.

Vice-Chairman Kirschner asked what the money will be used for.

Legal Counsel Reese commented that because we have not included this as an action item, we cannot designate where the money will go or what it will be used for. That decision will have to be a future action item.

Chairman Felton asked if selling the CFA is limiting or crippling the use of the space in the future. We have CFA on the property, but because we are a public agency, we don't need it for our own purposes, and there is limited future use. The deed specified that the space was to be used as public space in the future.

Midkiff responded that we are not crippling or limiting the property by selling the CFA because the limitation for use is already in place.

Trustee Seibel motioned to direct the Fire Chief to enter into an agreement to sell 5,572 square feet of Commercial Floor Area (CFA) acquired with the purchase of the Zephyr Crew quarters at 205 Kingsbury Grade at \$30 per square foot, totaling \$167,160. Trustee Kjer seconded the motion. Chairman Felton commented that since Trustee Seibel will no longer be on the board when we are voting for where these funds will go, he will make sure it is on the record that Trustee Seibel wants the money to go to the Fire Safe Fund. Motion approved 5-0.

10. Report Item: Standards of Coverage. No action to be taken.
Fire Chief Scott Baker

In 2012, the district decided to do a Standards of Coverage study, which looked at community needs, assets the district has, and standards for the fire department. It was an audit of how we do business and how we should be doing business in the future. We started on this project, but the I.S.O. audit came along and there have been multiple Assistant Chiefs in the last few years, which has delayed the process, but we are starting to address this again. The Board will be updated when we have more information.

Other major projects for 2017 are the annual budget, annual audits, and the Strategic Plan.

11. For Discussion and Possible Action: Discussion and possible approval of the 2017 Board of Trustees meeting calendar.
Fire Chief Scott Baker

The schedule is still the fourth Wednesday of every month at 2:30 pm. November and December are the only affected months. Trustee Kjer had asked Chief Baker about a specific day in May for a special meeting about the budget, but Chief Baker researched it and that need is not applicable anymore.

Trustee Elect Grant has not seen the schedule, but said the fourth Wednesday of every month should work for her schedule.

Chairman Felton responded that we will presume it is good and can adjust it in the future if needed.

Vice-Chairman Kirschner motioned to approve the 2017 Board of Trustees meeting calendar as presented. Trustee Kjer seconded the motion. Motion approved 5-0.

- 12. For Discussion and Possible Action:** **Discussion and possible adoption of Resolution #13-2016 which designates five (5) Chief Officers authority to enter into a Cost Share Agreement on behalf of Tahoe Douglas Fire Protection District in the event of major wildfire/urban interface fire event or other disaster within the fire district jurisdiction.**
Fire Chief Scott Baker

Chief Baker explained that this resolution is for a cost share agreement with other agencies, and we are adding new Battalion Chief Jones to the list of authorized chief officers. This resolution allows the five chief officers to enter into a cost share agreement with other agencies if we respond to a fire with another district.

Trustee Kjer motioned to adopt Resolution #13-2016 which designates five (5) Chief Officers authority to enter into a Cost Share Agreement on behalf of Tahoe Douglas Fire Protection District in the event of major wildfire/urban interface fire event or other disaster within the fire district jurisdiction. Trustee Seibel seconded the motion. Motion approved 5-0.

- 13. For Discussion and Possible Action:** **Discussion and possible adoption of Resolution #14-2016 which designates five (5) Chief Officers the authority to Sign a Transfer of Authorization “Delegation of Authority” on behalf of the Tahoe Douglas Fire Protection District in the event of a major wildfire/urban interface fire event or other disaster within the fire district jurisdiction.**
Fire Chief Scott Baker

Chief Baker explained that this resolution exists for use in the event of an emergency in the district that would require an Incident Management team, and allows us to delegate authority

to them for incident management strategies. This resolution adds Battalion Chief Jones to the list of authorized chief officers who can issue a Delegation of Authority on behalf of the district.

Vice-Chairman Kirschner motioned to adopt Resolution #14-2016 which designates five (5) Chief Officers the authority to sign a Transfer of Authorization "Delegation of Authority" on behalf of the Tahoe Douglas Fire Protection District in the event of a major wildfire/urban interface fire event or other disaster within the fire district jurisdiction. Trustee Schussel seconded the motion. Motion approved 5-0.

14. Report Item: Review of Fire District Activities.
Fire Chief Scott Baker

Steve Teshara keeps track of the political activity affecting the Basin. The SNPLMA Round 16 grant is finished, and Chief Baker is now working with Forester Pickett on Round 16B. The U.S. Senate passed the Water Resource Development Act, which includes the Senate version of the Lake Tahoe Restoration Act, which is a seven year bill for 415 million dollars in funding. This bill passed the House 360-61, and is now on to be approved by the president. This is great news for us and the rest of the Basin.

Several donors are willing to donate money for the Fire Flow Initiative Program. We are working on getting together a business plan that will be presented to the Board at a later date. We thought the program would be flushed, but it is back on track, just not moving as quickly as originally expected.

Chief Baker, the insurance broker, and the insurance committee have come up with a proposal that meets the current Collective Bargaining Agreement with an 80/20 plan, which will be an increase of around 15%. The district will cover 10% of the increase, but the remaining 5% will be covered through each individual's HSA. There is a 70/30 plan alternative option, which only includes a 10% increase. The district is going with both plans and giving the option to all employees/retirees. We will be coming back to the Board with an MOU once the process has been completed.

Testing for the Academy has been completed. Chief Antti and several employees helped conduct the testing. There are about 23 candidates to interview for one Firefighter/Paramedic spot, as well as Chris Romanowitz, who will be attending paramedic school next year. Interviews will be conducted from December 19-22.

The district is demoing *IncidentView* as a way for us to connect all iPads for automatic vehicle location, preplan for target hazards, suggested routes, hydrants, and other features. We hope to have all of dispatch's information on there in near future as well. This will be at minimal cost to the district and we will update the Board of the progress of this project once we have more information from the demo.

Chairman Felton asked if the Board needs to authorize the spending for this project. Chief Baker responded that no, Board approval is not needed.

Chief Baker thanked all members of the district for the work that has been put in lately. There is not one person in this department that doesn't go above and beyond in their duties. We continue to get more praise for our Explosive Detection Canine program, as was highlighted by the list of events from the Secret Service that they counted on us for this year. We have also had multiple promotions, and Chief Baker thanked Office Manager Warner for all the press release updates as they have come along.

Chief Baker thanked everyone who was involved in Fire Ops 101, particularly Chief Antti for his involvement and help.

Vice-Chairman Kirschner commented that Engineer Johnson put together a wonderful program with the Fire Ops 101 event. It is one of the best things he has done in a long time.

Trustee Kjer commented that it was neat to get to see the different aspects of a firefighter's career, and that it was very informative and well run, and he was glad to be able to go. He also thanked Engineer Johnson for getting it all put together.

Chief Baker commented that Office Manager Warner and Accounting Specialist Nolting also participated in Fire Ops 101, and that our Local 2441 should be thanked for being a main proponent.

Chairman Felton thanked Engineer Johnson his work and for getting our members involved.

Trustee Kjer asked if the prescribed burning in Glenbrook is part of our operations. Forester Pickett responded that yes, the Zephyr Crew is currently burning about 20 acres at Shakespeare Rock. They selected this location during the current windy weather because of the problems with smoke drift. That area is wind protected. We are aware of high winds in the Basin and are keeping track of weather models. Under these conditions, Shakespeare Rock is the right place to be doing this work. There will also be precipitation coming into the Basin tomorrow. This burning operation is going very well so far. We understand that community members are concerned, but we just had several inches of rain in the Basin, so all the fuels the crew is burning are saturated and the area is very wind protected.

Office Manager Warner acknowledged that Chief Baker has now been with TDFPD for one year. He has proven to be a tremendous hire, and we are very happy to have him. She congratulated him on his one year anniversary.

Chief Baker thanked everyone who has supported him and responded well to the changes he has been making in the district thus far.

15. Report Item:

Review of Fire District Division Reports.

Battalion Chief Rich Nalder

Fire Marshal Eric Guevin

Nalder

The past month has been an exciting time for B shift. There is a new feeling in the department that he hasn't felt in a long time, and it is thanks to Chief Baker. The crews are excited to be here and have been working and training hard.

Stagecoach (Heavenly) is now open, so calls will be picking up. We are already ahead of last year by about 75 calls.

The crews have passed the probationary training and are getting into more advanced and challenging trainings, like the water supply drill that was conducted last month. The training was eye-opening for everyone on the challenges they are faced with in supplying adequate water flow in the underserved areas of the district. This training has changed the crew's thinking and has challenged them to figure out new ways to address the issue of inadequate fire flow.

The crews have also been conducting a lot of training on wind driven fires and hillside firefighting, which is a challenge we face in the district.

The chiefs have rearranged responsibilities, and Chief Nalder is now the Administrative Chief. He will be in charge of apparatus and facilities, and is passing safety onto Chief Jones.

Chief Nalder is currently working on outlining facilities projects coming for next year. Right now, we are changing the beds in all the stations to a taller bed frame with storage underneath. He is looking for places to donate the old beds to, but the only shelter in the area is in Carson City and they don't need them. Chief Nalder asked that if anyone has any ideas of what to do with the old beds to please let him know.

Guevin

Fire Prevention is getting geared up for New Year's Eve. They have been getting a lot of permits and events coming through, including a wedding in Glenbrook. They will be busy working on inspecting all the events in the days leading up to New Year's Eve.

December 16th, Fire Marshal Guevin and Fire Inspector Stroup will be working with Red Cross installing smoke alarms in the trailer parks as part of Giving the Gift of Safety. They will also have the vibro-tactile alarms for the deaf and hard of hearing.

Fire Marshal Guevin recognized Fire Inspector Stroup for all the work he put into giving a class in Carson to over 100 individuals in the deaf/hard of hearing community about the vibro-tactile smoke alarms.

Edgewood Lodge is going up very quickly, and the target date is to possibly open in May. Fire Prevention is working with them on the plan to get their system running, operational, and inspected.

Snow lodges are opening, and inspections are being done on all of these as well.

Fire Marshal Guevin serves as the Chair of the Board of Fire Services, and just participated in the selection of the new State Fire Marshal for the State of Nevada. The Board held a meeting this week to discuss candidates, and recommended three names to the director.

Fire Marshal Guevin has been working on the Fire Flow Initiative with Chief Baker, the Commercial Floors Area, and the new development at the Safeway center.

Chairman Felton thanked Fire Inspector Stroup for his presentation to the deaf/hard of hearing community on the vibro-tactile alarms.

16. Report Item: Investment Report.

Wayne Omel, Edward Jones Investment Advisor

Note: This item was moved to after Item 10.

Omel explained that the first page in the packet he handed out is TDFPD's main account with Edward Jones and shows the market value of investment. The current CD with Santander Bank is at .80% right now, and will mature to full value of \$191,000 plus accrued interest before it is due in February 2017.

Money market fund investment share is currently valued at \$1,436,393.77.

The main account has a total account value of \$1,627,405.44.

The way it looks with interest rates, Edward Jones is anticipating a quarter point increase this year, and next year they are expecting more than a quarter point increase. Omel recommended keeping investments and CDs shorter term and to not go out further than a year. He also recommended not going over \$200,000 per CD to catch the higher interest rates as they go up, even though we are insured for \$250,000.

Chief Baker commented that we would like to continue with the same needs of cash for cash flow projections and has talked to Chief Sharit about this. The next six to nine month's cash needs are to be taken into consideration, and Chief Baker has been advised that we will need roughly one million dollars with the future fire season coming up.

Legal Counsel Reese stated we cannot take action on this item because it is on the agenda as report item. On the next agenda there will be a request for approval of one million dollars investment. Chief Baker will meet with Wayne Omel and then the plan will be proposed to the Board for approval.

The second page that was passed out is for the TDFPD Post Retirement Plan and Trust, which is a Defined Benefit Plan. This account was created when investing in stocks and bonds was possible. The flow of funds would go into this account and then be wired to the group that does the management of the stocks and bonds for the fire district. Because of the new Department of Labor rules that mandate firms to diversify these accounts, most brokerage firms aren't handling these accounts anymore. As of February 1st, 2017, Edward Jones will no longer be able to hold this account because of the additional work that accompanies it with the new laws. The Board will need to think about where this fund can go and follow the Department of Labor rules. Omel is unsure if the bank can hold it, or if it can go directly to the people who are managing the district's stocks and bonds (RBIF).

Omel asked the Board if they were okay with Edward Jones continuing to mail the statements for the two accounts we hold with them together until February.

Chief Baker recommended that the Board allow the statements to be mailed together.

U.S. stocks at Empire Today had a DOW industrial average ending fewer than 100 points away from the 20,000 mark with the post-election rally showing no signs of fatigue. Economics News data showed small business index has grown as well, and is significantly exceeding expectations.

Bond yields have risen sharply since the election due to deregulation of certain sectors of the government.

Banks and oil companies are doing better in 2017, and the market has already corrected 28% in the bonds section. Omel recommended diversifying portfolios and staying in the equity market. A correction of 7-10% is expected.

A lot of changes will be coming up with the new President.

- 17. Discussion: Confirm next meeting, with a proposed date of Wednesday December 14, 2016 with a start time of 2:30 p.m. and possible agenda items.**

Chairman Felton congratulated Chief Baker on his one year anniversary with TDFPD.

Chairman Felton thanked everyone who comes to the meetings, and since the Board is here for both the community and the department, the more both are engaged in the meetings, the better.

Chairman Felton also thanked Trustee Seibel for his 10 years of service on the Board. It has been a great 10 years, and it has been a wonderful experience to work with him. His historical perspective and counsel along the way has been great.

Trustee Seibel commented that he has enjoyed being on the board and working with everyone, and the whole district is awesome.

Meeting confirmed for Wednesday, January 25th, 2017 with a start time of 2:30 p.m. in the Station 23 classroom.

Possible agenda items for next meeting are what the Commercial Floor Area money will go towards, the Investment proposal, the Benefit Plan MOU, Board position elections, and a presentation for Trustee Seibel.

Trustee Kjer asked if Board Goals and Objectives would be updated in the first meeting of the year.

Chief Baker confirmed with Office Manager Warner that new Board Goals and Objectives (2017/2018) would begin in February.

Adjourn.

Vice-Chairman Kirschner motioned that the meeting be adjourned. Trustee Seibel seconded the motion. Motion approved 5-0.

Closed Session: Not needed at this meeting.

**Erin Allison
Board Secretary
Tahoe Douglas Fire Protection District**