

**TAHOE DOUGLAS FIRE PROTECTION DISTRICT
BOARD OF TRUSTEES MEETING**

July 21, 2010
Regular Meeting

Those Present:

Steve Seibel

R.J. Clason

Brad Dorton

Roy Clason

Chief Guy LeFever

Assistant Chief Mark Novak

Assistant Chief Van Ogami

Battalion Chief Ben Sharit

Battalion Chief Hekhuis

Inspector Leo Horton

Inspector Eric Guevin

Captain Curtis Fields

FF/Paramedic Kevin Green

FF/Paramedic Jesse Rowan

Zephyr Crew Supervisor Keegan Schafer

Zephyr Crew Foreman T.C. Ghisletta

Carrie Nolting, Administrative Aid

Kate Warner, Administrative Assistant

Ann Grant, Guest

Those Absent:

Frank Forvilly

1. Action Item: Call to order.

The meeting was called to order at 4:05 pm by Chairman Roy Clason.

2. Action Item: Pledge of Allegiance.

Pledge of allegiance was led by Kate Warner.

3. Action Item: Roll call.

Chairman Roy Clason, Trustee Steve Seibel, Trustee R.J. Clason, and Trustee Brad Dorton were present. Trustee Frank Forvilly was absent.

4. Action Item: Public comment.

There was none.

5. Action Item: Discussion and possible action: Approval of consent calendar:

Item:

- a. Approval of agenda.
- b. Approval of Minutes 6/30/2010.
- c. Approval of Financial Statements 5/30/2010.

Trustee Siebel moved to approve the consent calendar items. Trustee Dorton seconded the motion.

Motion carried with a vote of 4-0.

Action Item #6: Consent Items moved forward.

There were none.

**Action Item #7: Investment Proposal to invest up to \$1,500,000 into CDs from Edward Jones Money Market Account
Wayne Omel, Financial Advisor – Edward Jones**

Wayne Omel reviewed the TDFD Investment statement. Current investments in the money markets is \$2,864,387; the remaining funds are in five CDs, with 3 maturing in Oct of 2012, and 2 in Nov of 2013 totaling \$1,012,800; and the rest in step up bonds for a total of \$822,200. Total account balance of \$4,699,387.

Future needs for the TDFD were noted:

- a. Purchase of a new fire engine in fiscal 2010-11 estimated at 500K.
- b. Liquidity to pre-fund health insurance funds through PERS/RBIF and gain a 4-8% interest rate. Ultimately working towards 2.5-3M.

Options for investments would be:

- a. Step up Bonds- which pay a small interest each year, best for a commitment of 5-7 yrs or 10 years max and usually experience an early sale at 7 yrs.
- b. CDs – 12 months MAX. As of Jul 22, earning .60%, as compared to local banks which are .05 less. The Jan 30, 2010 rate was .75%.

Trustee Dorton asked if we would get better interest with bond funds for short term. Omel stated that the risk/return is not worth it.

Step up Bonds are paying better interest right now, but the time frame will not work for the District's time needs. Starting at 1.25% now and growing to 3% in 2012, some do get called early, and we have benefited from that in the past, but there is no way to know if that will happen.

Chairman Clason asked for Omel's personal opinion on the regulatory reform recently passed. Omel responded many investment professionals feel it has a 50 % chance of working and doing what is suppose to do. Omel does not recommend. Conservative approach is better to protect our fiduciary responsibility to the District.

Chairperson Clason read the motion as follows: Move that the Board direct the Fire Chief to work with Wayne D. Omel, Investment Representative of Edward Jones, to reinvest up to \$1,500,000 from the Fire District's (Edward Jones) money market account into laddered 6-12 month certificates of deposit.

Trustee Clason so moved the motion. Trustee Seibel seconded the motion.

Motion carried with a vote of 4-0.

**Action Item #8: *Proposal to purchase new Type I fire engine from Ferrara
B/C David Hekhuis***

B/C Hekhuis reviewed the Capital Projects Long Range Purchase Schedule which was established as part of the Fire District Strategic Plan, and forecasts the replacement schedule for fire engines at 1 every 5 years. The Operating Budget includes 510K in Capital Projects Fund for F/Y 2011.

The recommendation is to replace a 1987 Type I engine that is currently used as the reserve engine with a new Type 1 engine @ the cost of \$480,012. Engine-1 and Engine-3 were purchased in 2006. The next engine is tentative scheduled for 2016. For the past 6 months, the Equipment Committee has been putting together the engine specifications for this purchase. The committee is proposing the purchase earlier than planned to take advantage of a savings related to new emissions standards. Price is competitive to other vendors with similar engine size and specifications like 4-wheel drive, running \$450,000 - \$550,000.

We had an opportunity with a Joinder Contract where NRS 332.195 allows us to tag onto other governmental agency projects, in this case Houston-Galveston Area Council of Government (H-GAC) Contract # FS-12-09. This contract is with Ferrara Fire Apparatus, Inc. the vendor we purchased our last two engines from and most closely meets our operational, training and maintenance needs.

B/C Hekhuis outlined several payment options further recommending to pay 100% down and 0% upon acceptance to take advantage of a \$19,200 savings, 4%. Research has been conducted on the solvency of Ferrara to minimize TDFD's risk. Ferrara is one of the leading manufacturers of fire apparatus equipment in the country and produces 1 apparatus per day. They have secured contracts with the City of Knoxville, Indianapolis, and Houston-Galveston and just signed a 16 million dollar contract with the City of New York.

To protect our purchase and the performance on the contract, a performance bond option (NRS 332.105) was presented. This bond would save, indemnify and keep harmless the District

against all loss, damages, claims, liabilities, judgments, costs and expenses which may accrue against the District in consequence of the awarding contact. The performance bond would cost \$4,800, or \$10 per \$1000, 1%.

B/C Hekhuis also noted the Board has the option to request a full financial report from Ferrara for our accountants to review solvency.

Chairman Clason had researched the Dunn/Bradstreet report, and the only notation on Ferrara was that they were slow to pay vendors, but all other indicators appear solvent. No lawsuits pending, no serious outstanding debt. He noted they are a small company, and there could be unforeseen events.

Trustee Dorton raised concern that the NY contact would place our one engine contact as a low priority, and felt that verbiage to protect the delivery date of 9-12 months should be added.

B/C Hekhuis stated that contact verbiage does reduce our discount if the engine is delivered early and we could insert the same protection if it is delivered late. He reiterated that the lack of interest on our investments justify us paying 100% down with the placement of the order and saving 4% of the total cost. He expressed confidence that Ferrara will deliver in the 9-12 month time frame.

Trustee Clason recommends that in light of the poor interest rates on our investments, the District purchase the engine at 100% payment up with the performance bond expense of \$4800. With scarce public funds of half a million dollars at stake, the bond is reasonable.

Trustee Dorton requested that the motion include a “delivery not to exceed 13 months.”

For clarification, Trustee Clason restated the motion as follows:

Move that the Tahoe Douglas Fire Protection District sign a purchase agreement with Ferrara Fire Apparatus, Inc. Model RP 751 Custom Type I Fire Engine in accordance with the Fire Apparatus Proposal dated July 12, 2010. Pay 100% of the purchase price as a down payment, less 4% discount for prepayment upon the signing of the contact. And, to purchase a performance bond @ \$4800 as per NRS 332.105 to ensure the full performance of the contact agreement and to deliver the apparatus within 13 months from the placement of the order.

Trustee Dorton seconded the motion.

Motion carried with a vote of 4-0.

Discussion #9: Review of monthly expenditures.

Chief LeFever noted that since the Board’s last meeting was 06/30/10, and the meeting date changed from the 4th to the 3rd Wednesday of the month, there were fewer checks on this report than normal.

Kevin Green Ambulance Deliver/Pick up \$371.00
FF/Paramedic travel expenses to pick up refurbished ambulance.

Darren Vega Employee Advance \$845.40
Zephyr Crew Member whose direct deposit pay check transfer failed. This is the second check issued to this employee for the same issue. Transfer issue has been resolved. We do not do employee advances; this is the accounts payable software terminology.

North Lake Tahoe Fire New Auto-Defibrillator \$3,496.00
One for our classroom and one placed at Zephyr Cove Park purchased on a grant.

Pine Tree Printing Newsletter Printing \$1385.00
Qrtrly payment.

UNR Studies Paramedic Training \$1,666.00
Two former Zephyr Crew members.

Trustee Clason questioned the \$6000 expense to ERS. Emergency Reporting System, our annual fee for electronic record keeping.

Trustee Dorton inquired about the \$980 expense to Attorney George Echan. Chief LeFever explained that the majority of the expense was for the research on the law surrounding the Fire District’s NRS 318 Status and any interest Douglas County may have in consolidation. Results of that research are on file.

Discussion #10: Fire Chief’s report on previous month’s activities.

Service Recognition

Captain Ralph Jones 11 years
Captain Bill Romanowitz 11 years
F/F- Paramedic Kelly Pettit 11 years

Informational Request – Pending Inquiry

RE: June 30, 2010 Board Meeting

Request for follow up from Trustee Forvilly regarding a request for POOL/PACT investment information by resident Bill Kolstad, Jr.

On July 1, 2010, Chief LeFever forwarded to Bill Kolstad the 2009 management report used in the 2009 audit for POOL/PACT. Requested 10 day response from Mr. Kolstad.

On July 6, Mr. Kolstad e-mailed Chief LeFever requesting the 2008 audit.

On July 12, Chief LeFever sent the 2008 audit. No response as of this date, but Chief LeFever will follow up in 3 weeks, after he has had time to review the reports.

Alarms of June 2010

Total – 106.

Investments

Covered under Wayne Omel's presentation. Noted that there is a lot of money, over \$4,000,000 invested, but those funds are ear marked for various obligations for capital projects and medical insurance that the District has encumbered.

HAZMAT Grant Funds

A summary report was provided by F/F – Paramedic Chris Lucas detailing the radio/HAZMAT equipment the District is purchasing with funds from a State Emergency Response Commission (SERC) grant and *United We Stand* grant we applied for through the Local Emergency Planning Committee (LEPC). Both grants are for \$30,000 each and we share the funds with East Fork Fire and Douglas County Sheriff's Office. Our allocation will be about \$10,000 each.

Ambulance Report

Not available due to a new software issue. Will present at next meeting.

Fire Prevention/ Fuels Management

Trustee Clason noted in Novak's report page 1, section 3 – Defensible Space, his concern that enough was being done to reach out to 2nd homeowners. Supports the ramping up of the effort to inform the public early and often as to the pending mandatory compliance requirements in the future. He wants to stress the purpose of Defensible Space inspections, why they are important and the ultimate mandatory enforcement.

Chairperson Clason passed on a comment from a constituent that they would like acknowledgement of the completion of their Defensible Space Inspection and related corrective action. He also noted that cost and man-power likely prohibit this.

Guest Ann Grant announced that Jim Rice, NV State Fire Marshall will be attending the Nevada Fire Safe Council Board meeting tomorrow at 9:30 am in Carson City. Public is welcome.

Chief LeFever noted on A/C Ogami's report that 32 personnel completed the 2009-10 In-Service Training with Lake Tahoe Community College. Careful documentation by the Captains results in

reimbursements for this training from the State of CA which was approximately \$13,000 last month.

Action Item #11: Confirm next meeting, August 18, 2010, @ 4:00 pm, possible agenda items.

A motion was made by Trustee Seibel to confirm above meeting date and time. Motion seconded by Trustee Clason.

The motion carried with a vote of 4-0.

Action Item #12: Adjourn.

A motion was made by Trustee Seibel to adjourn. Motion seconded by Trustee Clason. The motion carried with a vote of 4-0.

The meeting was adjourned at 4:55 p.m.

This meeting was recorded on audio tape.

Kate Warner
Administrative Assistant
Tahoe Douglas Fire Protection District