

TAHOE DOUGLAS FIRE PREVENTION DISTRICT  
BOARD OF TRUSTEES MEETING  
**January 14, 2020**

**Those Present:**

Chairman Greg Felton

Vice Chairman Larry Schussel

Trustee Kevin Kjer (via phone)

Trustee Ann Grant

Trustee Bill Kirschner

Legal Counsel Jason Guinasso (via phone)

Fire Chief Scott Baker

**1. Call to Order.**

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

**2. Pledge of Allegiance.**

Pledge of allegiance was led by Guest Bob Cook.

**3. Roll Call.**

Chairman Felton, Vice Chairman Schussel, Trustee Grant and Trustee Kirschner were present. Trustee Kjer attended (via conference). A quorum was met.

**4. Approval of the Agenda.**

Trustee Kirschner made a motion to approve the agenda. Trustee Schussel seconded the motion. Motion approved 5-0.

**5. Public Comment.** None.

**6. Board Trustee Comment.**

Trustee Grant – Thanked Chief Todd Moss for assisting with the coordination of grant funding for Kahle Community Center to purchase a much needed generator to power for the Douglas County (Lake) emergency center.

Trustee Kirschner – Reminded the board members that their personal financial statements were due 01/15/20.

**7. Approval of the Consent Calendar.**

Items:

- a. Board Meeting Minutes 12/18/19
- b. Monthly Expenditures
- c. Financials – 07/31/19 & 08/31/19

Trustee Grant motioned to approve the Consent Calendar as presented. Trustee Kirschner seconded the motion. Chairman Felton noted that in the monthly expenditure reports the district provided funding for the Post-Retirement Trust.

Chief Baker confirmed that both the fire board and the Trust board supported the move towards drawing down from the RBIF to begin funding the Trust expenses.  
Motion approved 5-0.

8. **For Possible Action: Consent items moved forward.** None.

9. **Presentation: Employee Recognition**  
Fire Chief Scott Baker

**Service Recognition:**

Captain Brandon Brady	14 Years of Service
Captain Brandon Spry	14 Years of Service
Battalion Chief Steve Prather	14 Years of Service

Captain Kevin Green	13 Years of Service
Captain Justin Rossi	13 Years of Service
Engineer Ben Pratt	13 Years of Service

Firefighter/Paramedic Alex Dennis	4 Years of Service
Firefighter/Paramedic Greg Koeck	4 Years of Service

Firefighter/Paramedic Derrick Bean	3 Years of Service
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Chief Baker announced Mikayla Warner has been hired full-time as the Fire Board Secretary.

10. **Presentation: Update Redevelopment – Event Center**  
Lew Feldman, Developer & Carol Chaplin, President & CEO Tahoe Visitors Authority (TVA)

Feldman provided an update on the Tahoe South Event Center. The TVA is sponsoring the project with the intent to take advantage of underutilized room capacity and parking spaces to positively impact the economy in the off season.

California has made tremendous head way in replacing dilapidated hotels with new attractive centers and successfully updating the tourist track from the “Y” shopping centers all the way to the Heavenly Village.

The Tahoe South Event Center will entice tourists to move through the Heavenly Village area into the Nevada casino core with a contemporary mountain design, and an open green space lawn area that can be used year round with tenting. The design incorporates environmental benefits like the reduction of vehicle miles traveled (estimate 12%), and reduction of land coverage. The total cost of the project is \$90M; the construction timeline is aggressive with ground breaking in May 2020 and a

targeted opening in early 2022. Feldman stated that projected increase in revenue is \$30-\$60M with 70% of that estimated to be in Nevada.

A location has been earmarked for a new fire station to address the likelihood of increased demand on fire district resources, and Feldman proposed the possibility of additional bond funding to finance.

**11. Presentation for possible approval:**

**Update on fire district's financial statements & FY 2018-19 Annual Audit. Prepared by EideBailly LLP.**

Fire Chief Scott Baker, Kurt Schlicker, Audit Senior Manager – EideBailly

Note: The agenda incorrectly identified the audit period as FY 2019-2020.

Kurt Schlicker highlighted the results of the audit:

**Financial Audit Opinion** – balances appear reasonable within a reasonable scope.

**Financial Highlights**

- The liability of the TDFPD exceeded its assets at June 30, 2019 by \$1,377,065 (negative net position).
- As of June 30, 2019, the unrestricted deficit was \$(7,477,007).
- At June 30, 2019, the governmental funds reported combined ending fund balance of \$8,861,077, and increase of \$544,381 in comparison to the prior year.
- At June 30, 2019, the unassigned fund balance of the General Fund was \$4,314,742 or 49% of the total general fund expenditures (including transfer out of \$250,000).
- Total debit remained at zero.

Deficit \$13.8M, net pension liability (NVPERS estimated payouts) and OPEB liability (Post-Retirement Trust) \$17M was related to these two estimates. (P17)

Increase of \$1.4M in total net position. (P19)

**Notes to Financial Statements:**

- 3 – Cash & investment policies - \$1.2M in un-collateralized assets insured by the POOL; Edward Jones investment account not part of the insurance; (P30)
- 8 – NV PERS and pension liability; (P33-38)
- 9 – OPEB for retiree healthcare benefits; (P38-45)
- 13 – Correction of errors – compensated absence balance ending June 30 included a July 1 vacation accrual. The yearend balance has now been cut off on the 30<sup>th</sup> and there was a reverse to a NVPERS related expense. These changes reduced liability by 1/3.

**Internal Control Opinion – 3 material weaknesses:**

- **2019-1 Financial Close and Reporting** – there continues to be a significant cost benefit for the district to hire EideBailly to prepare the financial statements and this was a conscious decision by management and the fire board, as it has been in the past

- **2019-2 Compensated Absences** (explained above)
- **2019-3 Other Post-Employment Benefit Obligation** - a restatement was noted in the Trust 2018 audit, and the actuary did not have this information, so the 2019 actuarial report had to be updated

No single audit was required in this audit period.

Schlicker informed the board of a new standard - GASB 84 - applicable for FY 2019-20 which will significantly impact future audits. GASB 84 defines that the Trust will be a fiduciary component of the district, so discussions will be held to decide if changes to the annual audit schedule will be needed.

Trustee Felton remarked on the following:

Opinion 2019-1 To hire the audit firm to produce the financial statements was a conscious decision of the district which has been in place for years.

Schlicker confirmed the cost benefit was undeniable, as it took EideBaily approximately 250 hours to prepare the financial statements as professionals, so it would definitely be cost prohibitive to have this done internally as GASB recommends.

Opinion 2019-2 The same procedure for calculating the liability had been in place for past years through past audits and had never been reported as a finding.

Schlicker confirmed the compensated absence liability came to light during this audit; a recommendation for a reporting change was implemented and it will be reported appropriately going forward. He could not speak to past auditor's interpretation of the practice.

Opinion 2019-3 This was a one-time situation, and corrective measures have been handled.

Schlicker agreed and added that district staff provided a Corrective Action Plan addressing all of the Opinions, which was not required but documented the steps that would be taken in the future.

He stated that the district does a great job, staff was instrumental in providing the information and it was a team effort to bring the audit to completion.

Legal Counsel Jason Guinasso commented that the fire board relies heavily on the audit firm's expertise and voiced his concerns about Opinion 2019-2 and the inconsistency between the auditor's interpretations of how to account for the absence liability. He stressed that consistency from the auditor year to year is paramount.

Chairman Felton noted that the report states that the district did not have adequate controls when it was actually an audit interpretation.

Schlicker said he understood the trustee's position, but auditors cannot give themselves findings.

Chairman Felton stated his expectation for the next audit is that the only opinion item to carry forward was is 2019-1.

A motion was made by Trustee Kirschner to approve the Financial Statements and FY 2018-19 Annual Audit as presented. Trustee Schussel seconded the motion. The motion was approved 5-0.

**12. For Discussion and Possible Action:**

**Discussion and possible approval of Resolution #01-2020 which designates two (2) Chief Officers the authority to sign an Authorization Request for “Declaration of Emergency”.**

Fire Chief Scott Baker

Chief Baker presented the resolution to assign authority to Assistant Chief Moss, as a back up to himself, to provide the fire district with two Chief Officers to declare a state of emergency.

Trustee Schussel made a motion to approve Resolution #01-2020 as presented. Trustee Grant seconded. Motion was approved 5-0.

**13. For Discussion and Possible Action:**

**Appoint Board of Trustee representatives to assist with the Annual Goals & Objectives (FISCAL YEAR 2020-2021) related to the District’s Goals & Objectives in the Strategic Plan.**

Chairman Greg Felton

Chairman Felton recapped that there would no longer be a separate set of goals and objectives as in the past. The process would now be to review the Strategic Plan and establish which items would move to FY 2019-20 Annual Goals and Objectives. Trustees Grant and Kjer volunteered. A motion was made by Trustee Kirschner to appoint Trustees Grant and Kjer for the project. Trustee Schussel seconded the motion. Motion was approved 5-0.

**14. Report Item: Report on District Activities**

**Fire Chief Scott Baker**

Highlights of the past month as presented in the board books:

- **Operations** – crews did a great job planning for and responding to calls during the holidays; working through a couple of personnel issues; Captain Brady has completed his Acting BC role on A-shift and passed the training opportunity on to Captain Salerno
- **Fuels** – working on existing contracts and grants; pile burning continues
- **Administration** - bringing the audit to completion, transitioning members to the new insurance carriers and training on the insurance websites; planning for the blood drive and fire academy graduation events
- **Fire Academy** - the fire academy is in the final stages and recruits continue to perform very well. Captain Zabel, Regional Training Officer (RTO), has been assisted by the engine companies as well as Crew Supervisor Matt Fogarty and the Zephyr Crew in training at the fire academy.

Congratulations to Recruit Peter Keogan, and his wife Victoria on the birth of baby Charlotte

### **Assistant Chief Todd Moss**

- Pre-disaster Management (PDM) grant funding of \$200,000 can a generator for Kahle recreation center. The application period is only 2 weeks, working with Scott Morgan at the Douglas County Recreation Center to complete the application.

### **Fire Marshal Eric Guevin**

- A new chart was added to the Fire Prevention Division report showing project work for the Captain and Inspector
- Defensible Space Program – ended up with only five (5) cases going to court of the original eleven (11). None of those homeowners appeared before Judge Glassen, or made any attempt to contact TDF, so as no call, no shows they now face potential bench warrants. Work plans for the other six (6) homeowners are being discussed and documented for completion in the spring
- Harvey's Tower - the hotel remodel is moving forward
- Douglas County 9-1-1 - now accepts text messages, TDF will support this feature in our social media

### **Fuels Management Officer Keegan Schafer**

- Acknowledged Damian Rivadeneyra, one of the early Zephyr Crew members (2009-11) who recently passed away in a ski accident. Acknowledged Local 2441 for their presence at the memorial and financial support to the family.

### **Office Manager Kate Warner**

- NVPERS Audit initiated in May, completed Exit Interview in December. Five (5) findings/recommendations were noted. With the assistance of our accountants, most of the items are corrected on the December monthly report.
- POOL/PACT provides several thousand dollars of consulting and training support every year. In January 2020, *Bullying in the Workplace* will be presented for district-wide training and a team building exercise is being piloted with the Fire Prevention Bureau and the ADMIN division.
- Fire Academy Graduation will be held on Friday, January 24, 2020 at the Douglas County Recreation Center in Gardnerville at 6pm. TDF is coordinating the event.

**Public Comment:** None.

**15. Confirm next meeting, with a proposed date of Tuesday, February 11, 2020 with a start time of 2:30 p.m. and possible agenda items.**

Possible agenda items include:

- Closed Session (to be added as a standard agenda item)
- BOT Meeting Technology Demonstration (with post meeting training)
- Governmental Agency Ethics
- Wildland Fire and Fuels – Post Season Recap and Pre-season Plan

**Adjourn.**

Chairman Felton adjourned the meeting at 4:31pm.

Kate Warner  
Board Secretary  
Tahoe Douglas Fire Protection District

Approved