

SOUTH PLACER FIRE DISTRICT
BOARD OF DIRECTORS
Regular Board Meeting Minutes
March 18, 2015

REGULAR BUSINESS

The South Placer Fire District Board of Directors regular meeting was called to order on Wednesday, March 18, 2015 at 7:00 p.m. by President, Mike DeLaurentis.

Present:

Mike DeLaurentis, President
Dave Harris, Vice President
Gary Grenfell, Director
Terri Ryland, Director

Absent:

Sean Mullin, Clerk

Staff in Attendance:

Fire Chief, Lawrence Bettencourt
Board Secretary, Kathy Medeiros
Deputy Chief, Eric Walder
Captain, Matt Feeley
Captain, Kelly Moretti

Special Presentation: Chief Bettencourt introduced the District's new Paramedic/Firefighter, Cameron Banks, hired on 2/7/2015. Chief Bettencourt commended his work and presented him with an official badge. His family was invited to step forward, take pictures and pin the official badge on his uniform. Chief Bettencourt congratulated him and his family for his accomplishment and dedication to the fire service.

Public Comment: None

Closed Session: A closed session meeting to interview Fire Chief Candidate Eric Walder took place at 5:00 pm. An additional closed session meeting was held at 6:30 p.m. to discuss current contract negotiations between the South Placer Firefighters Local 3809 and the negotiating team as well as the Fire Chief Selection process. President DeLaurentis reported that there was nothing to report at this time. He continued that the board has received input from both the Local 3809 and the negotiating team and has given direction to the negotiating team agency representatives.

Consent Agenda: Director Grenfell made a motion to approve the consent agenda; seconded by Director Harris. Carried

Ayes: Grenfell, Ryland, Harris, DeLaurentis Noes: None Abstain: None Absent: Mullin

OLD BUSINESS

Ambulance Rate Review: Staff recommends review and action on the current ambulance rate schedule. Chief Bettencourt recommended to the Board that both ambulance rates and drug charges remain

unchanged for 2015/16. He continued that the topic should return for information purposes at the April Board meeting to further investigate the 1st responder fee and non-transport fees. The Board agreed that more information will be presented regarding non-transport and assessment fees at the next meeting. The Board unanimously agreed to keep ambulance rates and drug charges unchanged. Carried

Ayes: Grenfell, Ryland, Harris, DeLaurentis Noes: None Abstain: None Absent: Mullin

NEW BUSINESS

Cal PERS Contract Amendment: Staff recommends approval of the Resolution of Intention to amend Section 21574 (Fourth Level of 1959 Survivor Benefits) for local miscellaneous and safety members. The current benefit level has remained unchanged since 1975 when the District joined Cal PERS. This benefit coverage is available by contract amendment for those members who are not covered by Social Security with their employer. The 1959 Survivor Benefit Level 4 provides a monthly allowance of \$950, \$1,900, and \$2,280 for one, two, and three eligible survivors of members respectively, who die before retirement. Chief Bettencourt explained that the District will incur a cost of approximately \$3,000 annually for all employees. Every five years a new actuary of all participating agencies will be completed. The current program is over 100% funded.

Chief Bettencourt noted that he is requesting Board approval of the Resolution of Intention at this time. The issue will return next month with a final Resolution for approval.

Director Ryland made a motion to approve the Resolution of Intention to Approve an Amendment to Contract between the Board of Administration California Public Employees Retirement System and the Board of Director South Placer Fire District. Seconded by Director Harris. Carried

Roll Call:

Ayes: Grenfell, Ryland, Harris, DeLaurentis Noes: None Abstain: None Absent: Mullin

Contract with Sacramento Metropolitan Fire District for Helicopter and Dozer Response on Emergency Incidents: Staff requests direction to complete the contract with Sacramento Metropolitan Fire District for helicopter and dozer response on emergency incidents. Cal Fire responds with dozers and helicopters to all State Responsibility Areas (SRA) and areas that represent a significant threat to SRA land. South Placer Fire District is responsible for all Local Responsibility Areas (LRA). The contract with Sacramento County would provide helicopter and dozer response when needed. The helicopter would work in conjunction with fire crews on the ground. Cal Fire would also have ability to use the resources if Cal Fire resources were depleted due to multiple emergency incidents. Staff has negotiated a \$5,000 fee for both South Placer and Loomis Fire Districts. South Placer Fire District would pay \$4,000 per year, Loomis Fire would pay \$1,000 per year. Chief Bettencourt continued that the helicopter was used last summer on the vegetation fire at Barton Road and Santa Juanita Avenue. It used water from backyard pools to assist with firefighting operations.

Chief Bettencourt requested authorization to complete the contract with Sacramento Metropolitan Fire district. Director Ryland made a motion to authorize Chief Bettencourt to sign the contract between Sacramento Metropolitan Fire Protection District and the South Placer Fire Protection District for helicopter and dozer response. Seconded by Director Grenfell. Carried

Ayes: Grenfell, Ryland, Harris, DeLaurentis Noes: None Abstain: None Absent: Mullin

Engine 20 Surplus Authorization: Staff requests authorization to surplus Engine 20. This engine was scheduled to be replaced in 2014. It is the oldest engine in the District. It is a 1989 Seagrave Custom Pumper that has served the District for 26 years. Sierra College Fire Academy had expressed interest in purchasing the engine for \$10,000. The engine was replaced 5 years ago. Although it does not meet current NFPA requirements, it would be good for training purposes. The engine has exceeded the expected life span of 20 years.

Director Ryland made a motion to authorize Chief Bettencourt to surplus Engine 20. Seconded by Director Grenfell. Carried

Ayes: Grenfell, Ryland, Harris, DeLaurentis Noes: None Abstain: None Absent: Mullin

INFORMATION AND DISCUSSION

Funding Options of Cal PERS Pension Obligations: Staff recommends a presentation and discussion on financing the Cal PERS Side Fund and a share of the Unfunded Actuarial Liability of Classic Miscellaneous and Safety employees. Directors Mullin and Ryland have been meeting with representatives from the Capital Public Finance Group and staff to discuss reducing Cal PERS future costs and preventing future yearly spikes in the Fire District employer contribution rates. Chief Bettencourt discussed the current state of the District's Other Post Employment Benefit (OPEB) plan and PERS retirement plan. The current OPEB benefit began in 1975 and allocates \$858 per month to employee and survivor health benefits. In 2012, there were 10 retirees utilizing the OPEB benefit. By 2015, there will be 13 retirees and by 2020 there is expected to be an additional 13 retirees. The 2012 OPEB actuary forecasted a liability of \$90,600 for 2013 increasing to \$224,393 for year 2021/22. In the last four years, the District has contributed \$440,000 to a trust fund to mitigate this increasing liability.

In 2003, Cal PERS began pooling all employer accounts under 100 employees by their retirement formula. Due to the plan being underfunded, the District acquired a side fund liability to Cal PERS. Cal PERS gave the District a loan at 7.5% to repay the side fund. Payments were spread over 18 years and are included with a percentage of payroll.

Pension reform in 2013 caused all employers to adopt new retirement formulas for miscellaneous and safety members. The new formulas place all new members into a new pool, therefore no new members were contributing to the older retirement plan. Cal PERS made changes to contribution rates to collect for the underfunding. Retirement contributions will be submitted as a percentage of payroll in addition to a large lump sum that escalates each year. In just five years, Safety plan rates would increase from current rates of 16.5% to 17.4%, and the lump sum required of \$401,000 would be increasing to \$678,000. Chief Bettencourt concluded that doing nothing is not an option.

Jeff Small of Capital Public Finance Group (CPFG) presented the Board with a power point presentation discussing the options for refinancing the District's pre-2013 unfunded actuarial liability (UAL) and side fund for the classic and miscellaneous employees. He continued that the District can refinance the two components of the Cal PERS liabilities by borrowing taxable Pension Obligation Bonds at a rate of 5.4% including costs. At this time he did not recommend refinancing the Asset Gain/Loss payment component of the liability since there is uncertainty to the debt which could cause the District to over borrow.

If the District takes no action, once the side fund is retired, payments for the safety plan would reach almost \$900,000 by the year 2029/30. Payments for the miscellaneous plan will reach almost \$100,000 by the year 2023/24. Refinancing the two pension obligations would save the District \$95,000 - \$130,000 per year. Savings from this “smoothed out” refinance would be best served by direct allocation to the OPEB trust fund or the Asset and Non-Asset Gain/Loss balance. Currently, the District only funds ½ of the annual OPEB obligation each year.

The District would pay \$5,054,958 to Cal PERS for payoff of the Side fund and UAL. The par amount of the bonds will be \$5,420,000 including the costs to borrow the funds. They will be 22-year amortizing bonds with 3 years of escalating payments with call options to prepay/refinance after 10 years.

He recommended the District utilize the smoothed out refinance and develop a business plan for allocating the savings between the OPEB Trust and the Asset and Non-Asset Gain/Loss Balance. Cal PERS will re-calibrate the District’s share of the pool’s assets at the end of this fiscal year, but the payment schedule will not be adjusted until 2016/17. He continued that it is important to close any financing and pay off the balances in the Side Fund and the Pre-2013 UAL before the end of this fiscal year.

Chief Bettencourt noted that the Board would need a super majority vote at the next board meeting held in April to approve the refinance of Cal PERS pension obligations. Due to schedule conflicts, the regular April Board meeting was then rescheduled to Monday, April 20, 2015 to bring the issue back for board approval.

Correspondence: A letter from the general liability insurer, FAIRA, noting the 26th anniversary of the JPA (Joint Powers Authority).

Chief’s Report:

- Submission for the Safer Grant would fund 6 new medics.
- The FDAC Conference is scheduled for April 8-10 in Napa. Deputy Chief Walder and Chief Bettencourt are scheduled to attend along with any interested board members.
- All five Board members have submitted their Form 700, Conflict of Interest Forms.
- Two employees have been cleared for full duty this week.
- Testing for the qualified Firefighter Paramedic candidates will be held on April 16th.
- Regional training has been completed, along with high rise training in Sacramento. Battalion Chief McMillin to coordinate auto extrication training in April for Loomis and South Placer Fire.


Functions: None

Board/Staff Comments: Captain Kelly Moretti reported two separate near drowning’s of toddlers in residential pools. He asked the board and public to be vigilant about securing all access to swimming pools.

Future Agenda Items: 3rd Quarter Budget Report with potential revisions, Non-Transport fees and First Responder Fees

There being no further business to come before the Board, the meeting adjourned at 8:25 p.m. The next regular meeting will be held on Wednesday, April 15, 2015.

Respectfully submitted,

A handwritten signature in black ink that reads "Kathy Medeiros". The signature is written in a cursive, flowing style with a horizontal line at the end.

Recording Secretary, Kathy Medeiros