

MINUTES OF REGULAR MEETING OF
BOARD OF DIRECTORS
OF THE
SLEEPY HOLLOW FIRE PROTECTION DISTRICT

June 13, 2016

A duly noticed Regular Meeting of the Board of Directors of the Sleepy Hollow Fire Protection District was convened at 7:00 p.m. on June 13, 2016 at 1317 Butterfield Road, San Anselmo, California. A quorum was achieved by the presence of each of the three Directors of the District, namely, Frank Berto, Thomas Finn, and Christopher Warner. Richard Shortall, as Interim President, presided as Chairman and called the meeting to order. Thomas Finn, as Secretary, recorded the proceedings.

Swearing In of Director Warner

Chairman Shortall requested the Board's consent to conduct the swearing in of Director Warner (Agenda Item No. 4) as the first order of business so that the Meeting could be conducted from the outset with all Directors participating. Chairman Shortall stated that the Board would then return to the Agenda sequence as published. The Board unanimously approved the re-ordering of the Agenda as requested.

Secretary Finn then administered the Oath of Office to Director Warner. Director Warner expressed his thanks to Board and the Directors congratulated and welcomed him to the Board. The Board instructed Secretary Finn to make all required filings and appropriate updates to reflect Director Warner's membership on the Board. The Chairman then resumed consideration of the Agenda items in sequence.

Public Discussion

No member of the public requested to address the Board on matters not on the Agenda.

Consent Calendar: Approval of Prior Meeting Minutes

The Minutes of the Board's January 6, 2016 Regular Meeting, April 12, 2016 Special Meeting, and May 18, 2016 Special Meeting were unanimously approved. Copies of each of the Minutes were available to the public at the Meeting and time was taken to allow those in attendance to review the draft Minutes prior to approval. Secretary Finn noted an erroneous date in the January 6, 2016 Minutes to be corrected.

No member of the public requested to address the Board with respect to the draft Minutes.

Nomination and Appointment of District Officers

Chairman Shortall requested from the Board nominations for the appointment of Directors to the offices of President, Secretary, and Treasurer, respectively. Director Finn nominated Director Shortall to serve as President and Director Warner to serve as Treasurer. Director Shortall nominated Director Finn to serve as Secretary. Upon motion made and seconded, the nominations were unanimously approved.

Financial and Operations Reports: Adoption of FYE2015-16 Budget, Fund Balance Policy, and FY2016-17 Budget

Chairman Shortall requested that, due to their interrelationship and for purposes of efficiency, Agenda Item Nos. 6 through 8 be considered jointly. Chairman Shortall noted that he served as District Treasurer until the immediately preceding appointment of Director Warner as Treasurer, and therefore Director Shortall would present the Financial and Operations Reports prepared by him in his capacity as Treasurer. The Board unanimously approved Chairman Shortall's presentation of the reports and their joint consideration.

FYE2015-16 Financial Report

Chairman Shortall presented the fiscal year end FY2015-16 Budget, updated as of the Meeting date, together with a corresponding Profit & Loss Statement and check register. He also presented an updated District Balance Sheet as of the Meeting date. Copies of each of the documents were available to the public at the Meeting and time was taken to allow those in attendance to review the materials. Upon motion made and seconded, the FYE2015-16 Report was unanimously approved.

Adoption of Fund Balance Policy

Chairman Shortall next presented for the Board's consideration a draft Resolution for the Classification of Fund Balances as Required by GASB 54 and Adoption of the Fund Balance Policy. He reviewed the purposes of GASB 54, its application to the District, and the categories and types of fund balances available to be utilized. With respect to the Assigned Fund Balance category, Director Shortall recommended that the following three classes of funds be established and designated as:

- *An Underfunded Pension Liability Fund* to meet underfunded pension and other post-employment benefit liabilities of the Ross Valley Fire Department Joint Powers Authority ("JPA") should such liabilities be calculated by CalPERS for the JPA members individually (rather than for the JPA as a whole as is CalPERS' practice);

- A *Firewise* Program Fund to implement recommendations contained in the Wildfire Hazard & Wildland Risk Mitigation Assessment upon its completion; and
- An *Operational Reserve Fund* to ensure that the District has sufficient working capital on hand to meet the District's needs.

Director Warner noted an apparent error in the second to last paragraph of the proposed Fund Balance Policy resolution in that it called for the spending of restricted funds before unrestricted funds, and expressed opinion that the reverse was what was intended. Director Finn requested that the final paragraph be modified to state that the Policy may be revisited at any time (in addition to "at the time of budget adoption") and proposed appropriate wording to that effect.

Resident Connie Berto expressed objection to the possibility that the District might "someday, somehow" be required by CalPERS to "pick up the slack" with respect to pension liabilities for which the District is not individually obligated. She also expressed her frustration with the lack of reliable cell phone reception in Sleepy Hollow and stated that the fire road adjacent to the San Domenico equestrian facility is in need of repair, characterizing both as "public safety matters" that the District may wish to consider addressing. With respect to both matters, Director Warner stated that the District lacked the authority to impose improvements but could "push for changes via constituent initiative" and District outreach to the proper parties.

Resident Garril Page asked if the District's reserves were "at risk of being taken by CalPERS" in connection with the JPA's pension liabilities. Director Finn stated that it was his understanding that insofar as CalPERS is concerned, the JPA's pension liabilities are "joint and several" obligations of the JPA as an entity and are not allocable on an individual basis for purposes of being discharged separately by the respective members. Director Shortall noted that the Amended and Restated Joint Powers Agreement ("the JPA Agreement") precludes the JPA's invasion of the District's reserves. He also stated that the JPA was in the process of exploring the possibility of addressing the JPA's pension liabilities through the issuance of a pension bond, taking advantage of the low current interest rates.

Upon motion made and seconded, the Fund Balance Policy Resolution was unanimously approved as modified.

Adoption of FY2016-17 Budget

Director Shortall next presented for the Board's consideration a proposed FY2016-17 Budget which included the three classes of fund balances adopted above. He characterized the Budget as "mostly *status quo* except for the ongoing *Firewise* initiative, which will include those items covered under 'Community Preparedness'." He

called the Board's attention to the projected FY2016-17 revenues and expenses and the amounts proposed to be allocated to the various reserve accounts.

Director Shortall noted that the the *Firewise* initiative's cost is "currently unknowable until the community gets involved." Director Finn stated that any budget line item designated as a "*Firewise* account" might be more appropriately designated as a "Hazard and Risk Mitigation account".

Director Warner stated that the Budget was, in his opinion, "prudent and fiscally conservative" and expressed his support for it as proposed. He also stated his support for Budget's use of the reserves accounts.

Resident Garril Page asked if the District's 16.7% share of the JPA's pension obligations is incapable of being changed. Director Shortall responded that, absent the consent of the other JPA members, it was not per the JPA Agreement.

Resident Evelyn Messinger asked if any allocation had been made for public outreach in connection with the *Firewise* initiative. Director Shortall stated that numerous publicly noticed meetings have been held to discuss the *Firewise* process and its implementation, including the June 11, 2016 *Firewise* workshop held at the Community Center which was attended by approximately two dozen homeowners, firefighters, and elected officials. Director Shortall stated that when the draft Wildfire Hazard Mitigation Assessment being prepared by XMR Fire LLC is complete, the District will be in position to allocate funding to the implementation of the *Firewise* initiative, including additional outreach.

Director Warner stated that any resident is welcome to submit ideas or suggestions to the District with respect to the *Firewise* initiative. Director Finn stated that the draft Assessment expressly contemplates "Outreach and Education" as one of the components of the *Firewise* initiative's implementation. Todd Lando of XMR Fire stated that all implementation issues will be raised in the draft Assessment.

Resident Connie Berto requested that a specific allocation be made for cell phone service improvements when the *Firewise* initiative is implemented. Director Shortall stated that the District lacks the power to compel carriers to make cell phone service improvements. Director Warner stated that cell phone service matters are not a budget issue but that the District could consider stating an official position urging the carriers to improve coverage in the District. Director Shortall concurred that cell phone service is an important issue going forward.

Upon motion made and seconded, the FY2016-17 Budget was unanimously approved as proposed.

Paramedic Tax Confirmation

Director Finn, as the District's representative on the Board of Directors of the Ross Valley Paramedic Authority ("RVPA"), presented a proposed Resolution confirming the FY2016-17 parcel tax for RVPA services per the previously approved rate structure. Copies of the Resolution were available to the public at the Meeting and time was taken to allow those in attendance to review the materials. No member of the public requested to address the Board on the proposed Resolution. Upon motion made and seconded, the RVPA Tax Resolution was unanimously approved.

Firewise Initiative/Wildfire Hazard & Wildland Risk Mitigation Assessment Update

At the request of Chairman Shortall, Todd Lando of XMR Fire LLC presented an update on the *Firewise* initiative and the Assessment. He stated that the Assessment was substantially complete but not yet ready for public release. He summarized their status as follows:

The *Firewise Community* process is taking place side-by-side with the District's Assessment process. The District met the *Firewise* funding standard as of June 5, 2016 as a result of having conducted a Chipper Day. The next step is to complete and submit the *Firewise* application necessary to receive certification as a *Firewise Community*. Finalization and submission of the Assessment is part of that process.

Director Warner asked if the Board could review the draft Assessment prior to its finalization and submission. Mr. Lando said "yes". He noted that *Firewise* is a "community-based" certification, not a certification of an entity such as the District. In this context, the District Board functions as the *Firewise* Board for the community. Mr. Lando recommended that the Board submit its application as soon as practicable due to the possibility that obtaining *Firewise* certification may make District residents eligible for reduced homeowners insurance rates depending on their carrier.

Director Warner characterized the Assessment as a potential "springboard", not only for the *Firewise* certification but also for complementary initiatives that the District may wish to pursue in the future. Director Warner suggested that the Board delegate to Director Shortall responsibility for collaborating with Mr. Lando on the Assessment and authorize Mr. Lando to submit a draft *Firewise* application and report back to the Board should any issues arise. Upon motion made and seconded, the delegation and authorization were unanimously approved.

Resident Connie Berto asked if and how the Assessment's policy recommendations address the County's proposed Roads and Trails Management Plan ("RTMP") for County Open Space and parklands. Mr. Lando stated that it is premature to address the RTMP's rules until both the RTMP and the Assessment have been adopted by their respective agencies. Director Shortall stated his opinion that the District should consider the RTMP's impacts on the District once the RTMP is adopted.

Resident Evelyn Messinger asked if the Assessment will result in a plan that will contain specifics. Director Shortall said that, as the Assessment evolves, it will include specific recommendations for homeowners and for the community.

Director Warner stated that he was impressed by the draft Assessment thus far and characterized it as “akin to a preview of next season’s TV shows.”

The Board thanked Mr. Lando for his presentation and his efforts.

Program Updates

Director Finn provided an update on the District’s Fire Pumps Program. He stated that one pump has recently been surrendered because the custodian-resident has moved out of the District and the new homeowner did not wish to participate in the Program. A potential new location for that pump has been identified, subject to RVFD approval.

Director Shortall stated that the Sandbag Station would be restricted to District residents only in the future due to pilferage by non-residents.

Director Shortall reported that the June 5, 2016 Drop-Off Chipper Day was a success and “a learning experience” regarding utilization via single location drop-off versus door-to-door pickup. Mr. Lando quantified the 40 cubic yards of chipped material as the equivalent of 400 cubic yards of unchipped material and said it was “impressive”

Resident Garril Page stated that future Chipper Days should include recommendations to residents as to best practices when managing their vegetation such as the importance of “limbing up” their trees.

Resident Connie Berto stated that participants’ addresses should be checked at future Drop-Off Chipper Days to ensure that non-residents do not unfairly avail themselves of the District’s services.

Grand Jury and Census Bureau Surveys

The Board approved and instructed Secretary Finn to submit the District’s responses to the latest surveys received from the Marin County Civil Grand Jury (re: agency websites) and U.S. Census Bureau (population data).

Agency Updates

Director Shortall provided a brief update on the RVFD FY2016-17 budget process.

Director Finn reported on the RVPA FY2016-17 budget process and the activities of the RVPA Finance Committee, of which he is a member.

Chairman Shortall invited Mr. Lando to provide an update on the County Wildfire Protection Plan and he did so. Mr. Lando reported that the Plan is in draft form, which will be published for public comment in the coming months. ____

Since there was no further business to come before the meeting, upon motion made and seconded, the Meeting was adjourned at 8:40 p.m.

Thomas J. Finn, Secretary