

Rancho Adobe Fire Protection District

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**MINUTES OF THE REGULAR BOARD MEETING
SEPTEMBER 20, 2023 — 7:00 P.M.
COTATI FIRE STATION - #1 EAST COTATI AVE.
COTATI, CALIFORNIA**

I. CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE

President Brian Proteau, called the Regular Board Meeting to order at 7:00 p.m. The agenda for this meeting was posted on September 15, 2023.

Directors Present: Mark Hemmendinger, Michael Gadoua, Bob Moretti, Sage Howell, Ray Peterson, Bret Herman, Brian Proteau

Minutes Conducted by: Jennifer Bechtold

The Pledge of Allegiance was said.

II. ORAL AND WRITTEN COMMUNICATIONS

A. Citizen Business/Public Comments on Items not appearing on Agenda

There was no public comment.

B. Correspondence and/or Presentations

There was no correspondence.

III. APPROVAL OF MINUTES

A. Regular Meeting of August 16, 2023

Motion moved by Mr. Moretti to approve the minutes of August 16, 2023, and seconded by Mr. Hemmendinger.

Motion Carried: Aye 6 No 0 Abstain 1 (Mr. Proteau) Absent 0

IV. CONSENT CALENDAR

A. Ratification of Checks Issued

Motion moved by Mr. Herman to approve the consent calendar and seconded by Mr. Hemmendinger.

Motion Carried: Aye 7 No 0 Abstain 0 Absent 0

V. **ADMINISTRATIVE COMMUNICATIONS**

A. Firefighter's Union Report

No report was filed.

B. Firefighters' Association Report

Firefighter Matt Achen noted there was a quarterly dinner hosted tonight at Penngrove Park. The Association is working with the District on purchasing appliances and furniture for the station remodel.

C. Chief's Report

Chief Veliquette reported on the following items:

- 1.) All four new part-time firefighters have completed their training. We have one full-time firefighter/EMT who has completed the pre-employment process and will begin work on October 1.
- 2.) Major focus this past month has been on facilities and recruitment.
- 3.) Penngrove station remodel is near completion – final inspection and punch list completed this evening.
- 4.) Vegetation management inspections are wrapping up for the season. Almost 500 inspections were completed this year.
- 5.) 9/11 Patriots Day ceremony was held at La Plaza Park. Constituents from neighboring agencies joined the District staff.
- 6.) August calls for service - 110, EMS, 65 good intent, 21 fire, 18 service, 11 false calls, 9 hazmat, 1 overpressure.

D. Director Reports

Mr. Hemmendinger commented that he is aware that North Sonoma County Fire District is taking the lead on vegetation management processes and working to become the lead agency in the county. They have invited County Board Of Supervisors to become involved, but they have not received any response from them.

E. Committee Reports

a. Finance/Budget

Mr. Hemmendinger said the year-to-date wages and benefits are on target and supplies and services are a bit over because some items are paid in full up front. Accounts 6140, 6155 and 6461 are a bit higher than anticipated at this time of the year and may go over budget by the end of the fiscal year. Chief Veliquette said apparatus maintenance becomes very unpredictable, as engines go out of service and need to be fixed. However, the District saves money because staff can fix about 80% of the problems.

b. Long Range Planning

No report was filed.

VI. **UNFINISHED BUSINESS**

A. Discussion on Proposed Sales Tax

Chief Veliquette commented that the sales tax measure has completed the signature verification process and the Board of Supervisors has voted unanimously to place this on the March 2024 ballot. There will be one more hearing in October.

FSWG has been working on the one-page educational documents and those should be completed soon. They are also continuing their presentations to city councils and

mayors in the County. The presentation to Petaluma's City Council will be October 2 and Cotati's is set for November. The Union continues their work on the campaign portion of the sales tax.

The Public Hearing was opened at 7:23 p.m.

VII. PUBLIC HEARING

A. Ordinance 2023-01: Fee Schedule (2nd Reading)

Chief Veliquette noted this is the second public hearing on the fee schedule. The last update to the schedule of fees was in 2013 and since then, the cost of doing business has gone up. The District is entitled to bill and be reimbursed for services provided through Government Codes 13916 and 53150. There is also a yearly CPI built into the fee schedule. The schedule of fees has been compared to neighboring agencies and our fees fall in the middle of them.

The Public Hearing was adjourned at 7:28 p.m.

VIII. NEW BUSINESS

A. Resolution R-3: Adopting a Final Budget for FY 2023/2024

Chief Veliquette reviewed the final budget totaling \$7,739,497. Mr. Hemmendinger mentioned that the pension obligation bonds required a 1.10 debt service ratio, but our policy has set forth a 1.25 ratio. We need to maintain the 1.25 ratio which is required of us until we update the policy. Mr. Hemmendinger would like to see the policy corrected at the October Board meeting.

Motion moved by Mr. Hemmendinger to approve Resolution R-1, adopting a final budget for FY 2023/2024 and seconded by Mr. Gadoua.

Motion Carried: Aye 7 No 0 Abstain 0 Absent 0

Roll Call:

Mr. Proteau – aye
Mr. Howell – aye
Mr. Peterson – aye
Mr. Gadoua – aye
Mr. Moretti – aye
Mr. Hemmendinger – aye
Mr. Herman – aye

B. Adoption of Ordinance 2023-01: Fee Schedule

Motion moved by Mr. Howell to adopt Ordinance 2023-01, Schedule of Fees, and seconded by Mr. Gadoua.

Motion Carried: Aye 7 No 0 Abstain 0 Absent 0

Roll Call:

Mr. Proteau – aye
Mr. Howell – aye
Mr. Peterson – aye
Mr. Gadoua – aye
Mr. Moretti – aye
Mr. Hemmendinger – aye
Mr. Herman – aye

C. Discussion of Lease/Lease-Back Restructuring on 2023 Financing Arrangement with Westamerica Bank

Chief Veliquette commented that we took out a lease/lease-back loan in June 2023 for \$550K through Municipal Finance Corporation, who was recommended to us by the CSDA. All lease documents were sent for review and comment by our district counsel. About a week after signing the lease, Attorney Cameron Weiss, who helped us with the pension obligation bonds, pointed out there were some conflicts with the parity debt covenants in the new lease/lease-back loan. The new lease is silent on the covenants, which poses a problem for the pension obligation bonds because they are set up to be senior to any other loan we may enter into. Mr. Weiss has spoken with Westamerica Bank, and they have come up with two options to fix this issue. One option is referred to as the “fresh start” which would ensure the parity covenants are adhered to also remove the existing lease/lease-back provision and allow a “fresh-start with a loan from Westamerica. The second is to correct the language in the lease/lease-back agreement to address the parity issue and re-record the agreements with the County Recorder. Mr. Weiss recommends the fresh start option as this removes the lease/lease-back lien option.

Motion moved by Mr. Hemmendinger to approve the “fresh start option” to restructure our financing arrangement with Westamerica Bank and seconded by Mr. Peterson.

Motion Carried: Aye 7 No 0 Abstain 0 Absent 0

D. Discussion on Designation of Fiscal Year 2022/2023 Carry-Over Funds to Reserve Capital Accounts

Chief Veliquette commented that we have \$970,717 in rollover funds from the close of FY 22/23. This comes from not spending what we budgeted and additional revenues over what we anticipated. An allocation scenario was handed out to the Board and to the public.

Mr. Hemmendinger asked the cost of replacing 9160 and Chief Veliquette replied \$575K. Should the sales tax measure pass, we would receive 3.5% of funds collected or approximately \$2.1 million per year. These funds could be used to pay for personnel, infrastructure, facilities, apparatus, etc.

After further discussion, the Board agrees with the following reserve allocations as forth by Chief Veliquette. Those transfers are:

9132 Chassis - \$130,000
9160 Replacement (2025) - \$275,000
Station 2 Security Fencing - \$18,000
Station 2 Construction Soft Costs - \$10,000
Future Liabilities – CalPERS UAL - \$300,000
Total Allocated - \$733,000
Total Unrestricted - \$ 14,888

Motion moved by Mr. Gadoua to approve the designation of reserves and seconded by Mr. Herman.

Motion Carried: Aye 7 No 0 Abstain 0 Absent 0

E. Discussion and Approval of Change Orders for Station 2 Remodel

Chief Veliquette commented that this is the final change order for the station remodel. The prime contract change order is for \$31,340.24 which revises the full contract total to \$1,182,323.23. This series of change orders includes drywall modifications to the sleeping quarter walls, additional electrical work to meet code and functionality requirements, ADA signage and solid core door modifications.

New Business Continued:

Motion moved by Mr. Herman to approve the change orders for Station 2's remodel and seconded by Mr. Moretti.

Motion Carried: Aye 7 No 0 Abstain 0 Absent 0

IX. DIRECTION ON FUTURE AGENDA ITEMS

- Review of Board Financial Policies

X. ADJOURNMENT

With no further business to discuss, the Regular Board meeting was adjourned at 8:20 p.m.

Motion moved by Mr. Howell and seconded by Mr. Herman.

Motion Carried: Aye 7 No 0 Abstain 0 Absent 0

Respectfully submitted,



Jennifer Bechtold, Board Clerk

Date Approved by Board: October 18, 2023