

MEASURE F CITIZEN ADVISORY COMMITTEE

*August 29, 2022
10:30 a.m.*

*Location: 2149 Central Avenue, McKinleyville
McKinleyville Station Conference Room*

AGENDA

1) CALL TO ORDER

2) APPROVAL OF AGENDA

3) PUBLIC COMMENT

Any person may address the District Board on any subject pertaining to District business, which is not listed on the agenda. This comment is provided by the Ralph M Brown Open Meeting Act (Government Code § 54950 et seq.) and may be limited to three (3) minutes for any person addressing the Board. Any request that requires Board action may be set by the Board for a future agenda or referred to staff.

4) APPROVAL OF MINUTES

4.1 Minutes from August 10, 2022

5) OLD BUSINESS

There is no old business

6) NEW BUSINESS

5.1 Review of Citizen's Advisory Committee Report

5.2 Discuss and Document Findings

7) ADJOURNMENT

Prepared by: *Becky Schuette, Clerk of the Board*

The Arcata Fire Protection District ("District"), in compliance with the Americans with Disabilities Act ("ADA"), individuals who require special accommodations to access, attend and/or participate in District board meetings due to a disability, shall make their request by calling (707)825-2000, no later than 48 hours in advance of the scheduled meeting time. In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board in advance of a meeting may be viewed at 2149 Central Avenue, McKinleyville, California or at the scheduled meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the Board Secretary, at (707) 825-2000.

The meeting agenda is posted at least 72 hours in advance of regular scheduled meetings, at the following locations:

- *District's Headquarters' Building, 2149 Central Avenue, McKinleyville, CA 95519*
- *Arcata Downtown Station, 631 9th Street, Arcata, CA 95521*
- *Mad River Station, 3235 Janes Road, Arcata, CA 95521*
- *The Arcata Fire Protection District website: www.arcatafire.org*

Measure F Advisory Committee Meeting

August 10, 2022

Minutes

1. Call to Order: Chief McDonald called the meeting to order at 10:35 am

The following committee members were present: Chief Justin McDonald, Robin Bailie, Kevin Jenkins and Nancy Reichard. The Business Manager/Board Secretary, Becky Schuette was present for keeping Minutes.

2. Approval of Agenda: There were no update or changes to the agenda.

It was moved to approve the agenda.

Motion: Bailie; Second: Reichard. All ayes.

Motion carries.

3. Public Comment: There were no members of the public present for comment.

4. Old Business: There was no old business.

5. New Business

5.1. FYE 21/22 Review – Chief McDonald presented a PowerPoint (attached) which first reviewed Measure F, its history and goals provided to the public. He then reviewed and discussed the previous fiscal year and what goals were achieved and the ones that were not, as well as explanations about the lack of achievement of the goals. This was followed by questions and answers from the committee to the Chief.

5.2. FY 22/23 Projections – The referenced PowerPoint also included a presentation of the draft 22/23 fiscal year budget which is being presented to the Board at the September regular meeting. More questions and answers were discussed among the group.

5.3. Next Steps – The committee requested that Chief McDonald draft a Committee Report to be reviewed at the next meeting. The Advisory Committee will work with the draft document to prepare a presentation report for the September District Board Meeting.

6. Adjournment: The meeting was adjourned by Chief McDonald at 12:03 pm.

The next Advisory Committee Meeting is scheduled for August 29, 2022 at 10:30 am.



Measure F Citizen Advisory Committee

- 1) CALL TO ORDER
- 2) APPROVAL OF AGENDA
- 3) PUBLIC COMMENT
- 4) OLD BUSINESS There is no old business
- 5) NEW BUSINESS
 - 5.1 FYE 21/22 Review
 - 5.2 FY 22/23 Projections
 - 5.3 Next Steps
- 6) ADJOURNMENT

5 Communities / 3 Stations / 1 District

1



Measure F Review

Important Notes

- Measure F (November 2020) was a repeat of Measure R (March 2020) relating to tax rate and projected revenue
- This was based on district needs and financial projections from FY 19/20
- Tax revenue was expected to generate \$2.2 million
- Tax revenue would be available to the District in FY 21/22, specifically the end of January 2022

5 Communities / 3 Stations / 1 District

2



Measure F Review

Measure F goals were advertised to:

- Restore 8 vacant positions that have been frozen due to budget cuts
- Re-opening the third fire station to ensure safe and rapid emergency, fire and medical responses
- Ensuring there are adequate dollars applied to the Vehicle Replacement Fund to address ageing firefighting equipment as needed
- Replenishing the emergency reserve funds that was spent over the past three budget cycles to maintain three staffed and operational stations 24/7/365




5 Communities / 3 Stations / 1 District

3



5.1 FYE 21/22 Review

Measure F Goals for Year 1 - FY21/22

- Hire and train five firefighters. Conduct promotions to fill two open chief officer positions 
- Re-open closed fire station after new firefighters are trained 
- Set aside \$200,000 for the equipment and vehicle replacement fund 

5 Communities / 3 Stations / 1 District

4



5.1 FYE 21/22 Review

Reality of FY 21/22

- 6 more employees left the District from January 2021 to November 2021
 - Full time staff was down to 10 with 2 chief officers
 - Moved to a 72-96 work schedule
- Interviews were held in January and first round of 5 firefighter/engineers started May 2021
- September 2021 the District refinanced its Unfunded Accrued Liability (UAL) with CalPERS
- November 2021, the Board and Chief agreed to eliminate the 3 Shift Battalion Chief positions and combine duties into 2 Assistant Chief positions

5 Communities / 3 Stations / 1 District

5



5.1 FYE 21/22 Review

- Second round of 2 firefighter/engineers started February 2022
- Assistant Chief interviews were conducted May 2022 with no viable candidate found
- April 2022 shift employees go back to a 48/96 schedule
- April 2022 replacement engine was ordered
- April 2022 all labor contracts finalized*
 - * Hiring of captains & engineers was on hold until contracts were in place

5 Communities / 3 Stations / 1 District

6



5.1 FYE 21/22 Review

Revenue Sources	General Operating Fund	2006 Benefit Assessment ⁽¹⁾	2020 Special Tax ⁽²⁾	Prevention Program ⁽³⁾	Grants	Striketeam Reimburse	TOTAL
County Tax Revenue	\$2,317,421	-	-	-	-	-	\$2,317,421
District Assessment & Tax	-	\$1,463,000	\$2,318,000	-	-	-	\$3,781,000
Interest	\$313	-	-	-	-	-	\$313
Intergovernmental	\$53,605	-	-	-	\$0	\$51,908	\$105,512
Charges for Service	\$11,794	-	-	\$52,232	-	-	\$64,025
Other Revenue	\$19,816	-	-	-	-	-	\$19,816
Total Revenue	\$2,402,947	\$1,463,000	\$2,318,000	\$52,232	\$0	\$51,908	\$6,288,087
Expenditures and Appropriations							
Personnel	\$1,896,000	\$949,172	\$124,597	\$42,174	-	\$10,329	\$3,022,272
Services & Supplies	\$251,559	\$263,069	\$154,797	\$29,468	-	\$0	\$698,893
Debt Service	\$13,078	\$13,000	\$13,000	-	-	-	\$39,078
Capital Expense	\$0	-	\$70,279	-	-	-	\$70,279
Operating Fund Transfers Out	\$39,000	\$227,000	\$492,000	-	-	-	\$758,000
Total Expenditures	\$2,199,637	\$1,452,241	\$854,673	\$71,642	\$0	\$10,329	\$4,588,521
Fund Balance	\$203,311	\$10,759	\$1,463,327	(\$19,410)	\$0	\$41,579	
					Revenue to/from County Treasury Account		\$1,699,565

5 Communities / 3 Stations / 1 District

7



5.1 FYE 21/22 Review

- Questions on FYE 21/22

5 Communities / 3 Stations / 1 District

8



5.2 FY 22/23 Projections

Measure F Goals for Year 2 - FY22/23

- Hire and train three additional firefighters. This will fully restore all vacant positions
- Replace high mileage command vehicle
- Set aside \$200,000 for the equipment and vehicle replacement fund

5 Communities / 3 Stations / 1 District

9



5.2 FY 22/23 Projections

Reality of FY 22/23

- Hiring of 2 Assistant Chief Positions
 - 1 filled as of August 2022
- Hiring of 3 Captains
 - 3 filled as of August 2022
- Hiring of 1 Engineer positions
 - Anticipated to be filled by January 2023
- Open Third Station
 - Anticipated to happen Mid September 2022

5 Communities / 3 Stations / 1 District

10



5.2 FY 22/23 Projections

Reality of FY 22/23

- Unknowns
 - Inflation
 - Fuel Costs
 - CalPERS return on investments
 - Health insurance premiums
 - Impact on District from the Cal Poly expansion
- Will need to revise the goals for this fiscal year

5 Communities / 3 Stations / 1 District

11



5.2 FY 22/23 Projections

Revenue Sources	General Operating Fund	2006 Benefit Assessment ⁽¹⁾	2020 Special Tax ⁽²⁾	Prevention Program ⁽³⁾	Striketeam Reimburse	TOTAL
Tax Revenue	\$2,568,000	-	-	-	-	\$2,568,000
District Assessment & Tax	-	\$1,457,566	\$2,328,052	-	-	\$3,785,618
Interest	\$43,000	-	-	-	-	\$43,000
Intergovernmental	\$71,000	-	-	-	\$0	\$71,000
Charges for Service	\$5,100	-	-	\$58,100	-	\$63,200
Other Revenue	\$700	-	-	-	-	\$700
Total Revenue	\$2,687,800	\$1,457,566	\$2,328,052	\$58,100	\$0	\$6,532,000
Expenditures and Appropriations						
Personnel	\$2,358,000	\$1,000,000	\$927,000	\$103,000	\$0	\$4,388,000
Services & Supplies	\$286,000	\$287,000	\$287,000	\$9,000	\$0	\$869,000
Debt Service	\$129,000	\$129,000	\$244,000	-	-	\$502,000
Capital Expense	-	-	-	-	-	\$0
Operating Fund Transfers	\$62,000	\$62,000	\$324,000	-	-	\$448,000
Total Expenditures	\$2,835,000	\$1,478,000	\$1,782,000	\$112,000	\$0	\$6,207,000
Fund Balance	(\$147,200)	(\$20,434)	\$546,052	(\$53,900)	\$0	
					Revenue to/from County Treasury Account	\$325,000

5 Communities / 3 Stations / 1 District

12



5.2 FY 22/23 Projections

- Questions on FY 22/23

5 Communities / 3 Stations / 1 District

13



5.3 Next Steps

- Questions on FY 22/23

5 Communities / 3 Stations / 1 District

14

Date: September 13, 2022
To: Board of Directors, Arcata Fire District
From: Measure F Citizen's Advisory Committee

HISTORY:

In an effort to increase voter acceptance for Measure "F" the Arcata Fire Protection District recommended provisions establishing and appointing members to a Citizens Advisory Committee to monitor and provide oversight of the voter-approved special tax funds. Upon receipt of the special taxes, the District shall cause those funds to be deposited in a special tax account or such other account established by the District which allows the District to properly account for the special taxes in compliance with the provisions of Government Code Section 50075.1. Funds deposited into this account cannot be used for any other purpose than those outlined in Section 2 of Ordinance 20-20.

The purpose of the Committee shall be to inform the public at least annually in a written report concerning the expenditure of the funds received, or expected to be received, by the District. In carrying out this purpose the Committee shall:

Actively review and report on the proper expenditure of taxpayers' money related to the purpose and intent of Measure F, which is defined in Section 2 of Ordinance 20-20 as: "The proceeds from this special tax shall be used solely for the purpose of providing fire protection, rescue, and emergency medical services within the District. In particular, the special tax will be used to maintain and improve the current level of community-based fire protection services provided by the District. This includes annual budget support to maintain current firefighter positions, and provide for adequate firefighting equipment, apparatus, and necessary capital improvements, consistent with the needs of the residents of the District and the Fire Protection District Law of 1987."

- Become familiar with current and projected District revenues and expenditures;
- Participate in a public forum reviewing expenditures of funds derived from the special tax;
- Advise the public as to whether the District is in compliance with the requirements of Ordinance 20-20;
- Make a determination that funds are expended only for the purpose established by Ordinance 20-20;
- Acknowledge that the Committee shall not have the authority to override, or veto, any District determination to expend or commit funds in a particular manner;
- Ensure that an annual independent financial audit or performance audit is performed that is satisfactory to the Committee.
- Work collaboratively with the District staff and Board and members of the public to address potential public concerns about the expenditure of funds derived from the special tax.

- Provide an annual report of findings of the Committee of expenditures and compliance with Ordinance 20-20.

Measure F, recognized as the 2020 Special Tax, was a repeat of the failed ballot Measure R from March 2020, relating to tax rate and projected revenue, which was based on District needs and financial projections from Fiscal Year 2019/20. At that time, tax revenue was expected to generate \$2.2 million, which would be available to the District in Fiscal Year 2021/22, specifically, the end of January 2022.

Specific goals for the funds produced by Measure F were publicized:

- Restore eight (8) vacant positions that had been frozen due to budget cuts.
- Re-open the third fire station to ensure safe and rapid emergency, fire and medical responses.
- Ensure adequate dollars are applied to the Vehicle Replacement Fund to address ageing firefighting equipment as need.
- Replenish the emergency reserve funds spent over the past three budget cycles to maintain three staffed and operational stations 24/7/365.

Priorities & Goals Year 1 of Tax (Fiscal Year 21/22)

1. Hire and train five firefighters. Conduct promotions to fill two open chief officer positions
2. Re-open closed fire station after new firefighters are trained.
3. Set aside \$200,000 for the equipment and vehicle replacement fund.

The FY 21/22 Realities

The District was successful in setting aside \$200,000 for the equipment and vehicle replacement fund, however, difficulties in staff recruitment resulted in delays in hiring and staffing the third fire station for re-opening.

Between January 2021 and November 2021, six more employees left the District for other agencies, reducing the full time suppression staff to ten with two Chief Officers.

Interviews were held in January 2021 and five firefighter/engineers began training in May 2021 with two more starting February 2022. Also, during this time period, the suppression staff moved their shifts to a 72-96 work schedule, forcing equitable overtime across the labor group and maintaining the minimum staffing levels for two stations. Hiring of Captains and Engineers had been placed on hold until the labor contracts were in place.

Another staffing change occurred in November 2021 when the Board and Chief agreed to eliminate the 3-shift Battalion Chief positions and combine duties into two Assistant Chief positions. Assistant Chief interviews were conducted in May 2022 with no viable candidates found.

In April 2022, labor contracts were finalized, shift employees returned to the 48/96 work schedule and the replacement engine was ordered.

At the June 14, 2022, Regular Board Meeting, the Board adopted the Preliminary Budget for Fiscal Year 2022/23 based on roll-over amounts from the 2021/22 Fiscal Year. To date, staff is still waiting for the current (fiscal year end) account registers from the Humboldt County Auditor-Controller's Office (requested July 27th), which would

provide the ability to close out the previous fiscal year books as well as much stronger projections for the next fiscal year.

The following chart is the draft close out of the Fiscal Year 21/22 budget.

	General Operating Fund	2006 Benefit Assessment ⁽¹⁾	2020 Special Tax ⁽²⁾	Prevention Program ⁽³⁾	Grants	Striketeam Reimburse	TOTAL
Revenue Sources							
County Tax Revenue	\$2,317,421	-	-	-	-	-	\$2,317,421
District Assessment & Tax	-	\$1,463,000	\$2,318,000	-	-	-	\$3,781,000
Use of Money	\$313	-	-	-	-	-	\$313
Intergovernmental	\$53,605	-	-	-	\$0	\$51,908	\$105,512
Charges for Service	\$11,794	-	-	\$52,232	-	-	\$64,025
Other Revenue	\$19,816	-	-	-	-	-	\$19,816
Total Revenue	\$2,402,947	\$1,463,000	\$2,318,000	\$52,232	\$0	\$51,908	\$6,288,087
Expenditures and Appropriations							
Personnel	\$1,896,000	\$949,172	\$124,597	\$42,174	-	\$10,329	\$3,022,272
Services & Supplies	\$251,559	\$263,069	\$154,797	\$29,468	-	\$0	\$698,893
Debt Service	\$13,078	\$13,000	\$13,000	-	-	-	\$39,078
Capital Expense	\$0	-	\$70,279	-	-	-	\$70,279
Operating Fund Transfers Out	\$39,000	\$227,000	\$492,000	-	-	-	\$758,000
Total Expenditures	\$2,199,637	\$1,452,241	\$854,673	\$71,642	\$0	\$10,329	\$4,588,521
Fund Balance	\$203,311	\$10,759	\$1,463,327	(\$19,410)	\$0	\$41,579	
			Revenue to/from County Treasury Account				\$1,699,565

DISCUSSION:

On August 10, 2022 the three current members of the Citizen’s Advisory Committee met with Chief McDonald who provided the review of the funding measures, along with the published year 1 goals. The committee was also presented with a briefing as to the reality of the first year of Measure F funding and allocation. The committee and staff also discussed the status of the projected \$1.5 million in unspent Measure F revenue. The published Year 2 goals from the funding measure were also discussed along with the current reality of hiring employees, ongoing healthcare costs, and the affect that the CalPERS investments are having on the retirement and costs .

FINDINGS:

RECOMMENDATIONS: