

**BOARD OF FIRE DIRECTORS, SIERRA FIRE
PROTECTION DISTRICT**

TUESDAY

4:30 P.M.

MARCH 25, 2008

PRESENT:

Bob Larkin, Chairman
Jim Galloway, Director
David Humke, Director
Kitty Jung, Director

Amy Harvey, County Clerk
Katy Singlaub, County Manager
Melanie Foster, Legal Counsel
Michael Greene, Fire Chief

ABSENT:

Bonnie Weber, Director

The Board met in regular session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada, and conducted the following business:

08-06SF AGENDA ITEM 2

Agenda Subject: “Approval of Agenda for March 25, 2008 Board of Directors Meeting.”

Michael Greene, Fire Chief, advised that Agenda Item 4, Adoption of Agreements between the Sierra Fire Protection District and the Verdi, Washoe Valley, Cold Springs, Peavine, and Galena 501(c)(3) non-profit Volunteer Fire Departments, was being pulled.

There was no response to the call for public comment for Agenda Item 4. Director Galloway indicated he did not see a problem with pulling the item since no one had signed up for public comment.

On motion by Director Galloway, seconded by Director Humke, which motion duly carried with Director Weber absent, Chairman Larkin ordered that the Agenda be approved with the deletion of Agenda Item 4.

08-07SF AGENDA ITEM 3

Agenda Subject: “Report of the Fire Chief concerning daily operations and changes including apparatus replacement, volunteer program update and fuels management. (Page 1)”

There was no response to the call for public comment.

On motion by Director Humke, seconded by Director Jung, which motion duly carried with Director Weber absent, Chairman Larkin ordered that Agenda Item 3 be accepted.

08-08SF AGENDA ITEM 5

Agenda Subject: “(A) Update and report to the SFPD Board on community and neighboring agency input into the development of goals, objectives and service delivery alternatives to meet the long term needs and goals of the SFPD including but not limited to maintaining status quo: returning control of the SFPD to the State of Nevada: and/or dissolving the SFPD as an NRS 473 District and reorganizing it as an independent NRS 474 District: and/or considering budget and potential tax rate increase changes within the SFPD to address revenue shortfalls and facility needs: and/or creating a NRS 244 County wide Fire District: and/or merging SFPD into an existing Fire Protection District: and/or directing Staff to arrange for a concurrent meeting of the Sierra Fire Protection District Board of Directors, the Washoe County Board of Directors, and the Truckee Meadows Fire Protection District Board of Fire Directors for the purpose of providing direction related to the development of a comprehensive fire and emergency medical services master plan: and (B) Possible Board direction to staff as to which alternative, if any, the Board desires staff to take steps to initiate. (Pages 4-9)”

Michael Greene, Fire Chief, conducted a PowerPoint presentation that included the Sierra Fire Protection District’s (SFPD’s) history; Board’s direction; summary of input; service, fiscal and governance goals; SFPD Board options; SFPD staff recommendations; and summary. He said the comprehensive nine month planning process clearly identified the immediate and long-term financial and delivery challenges and lead to the development of three recommendations for the Board’s consideration. A copy of the presentation was placed on file with the Clerk.

Chief Greene advised the 2008/09 budget projected an approximate \$500,000 shortfall and the law requiring the SFPD to have a balanced budget would result in a cut to service delivery, a staff reduction, and a fire station closure. He noted the SFPD’s \$0.42 tax rate was lower than that of the Truckee Meadows Fire Protection District (TMFPD) at \$0.47 and the North Lake Tahoe Fire Protection District (NLTFPD) at \$0.52. He advised Nevada law allowed new governments to receive tax revenue without abatements for the first year. He explained a formal written opinion from the Department of Taxation had not been received regarding whether or not creating an independent NRS 474 would provide additional revenue. He said the Attorney General indicated the opinion would be forthcoming, but there was a minor issue concerning the abatement amount that the Department wanted to resolve as part of the whole package.

Chief Greene explained the tax rate being contemplated was 52 cents, but that rate was not formalized because final figures were not available. He noted the SFPD would have an additional \$784,179 in revenue instead of them having a shortfall, which would be due to the increased tax rate and to the SFPD being a new government. He said the 10 cent tax increase would add \$88 to a property's taxable value of \$250,000 and \$175 to a property's taxable value \$500,000.

Chief Greene stated the recommendations addressed the SFPD's immediate needs regarding the budget shortfall along with its long-term needs by developing a master plan. He felt integrating the SFPD into the County's response network was a logical progression to the steps already taken.

Chairman Larkin said the Board appreciated all of Chief Greene's hard work.

Director Humke commented citizens wanted to know what they would get for the 10 cent ad valorem tax rate increase. Chief Greene replied the increase could potentially be up to 10 cents, but the final determination would be made after additional citizen input and the final tax figures were received. He explained the increase in revenue would catch the District up with the other districts and would ensure the current service level. He said the house being on fire right now was the financial issue and putting it out would provide the foundation to homogenize service delivery to eliminate the taxpayer balance question that came up repeatedly. He explained balance would ultimately be achieved by the Truckee Meadows Agreement, which was two years away. He said the law allowed an exchange of territory if the SFPD was a viable entity. He stated the majority of the SFPD's responses in the Washoe Valley were for the TMFPD, while the TMFPD had a career station in the Peavine/Cold Springs area that the SFPD did not have. He advised Washoe Valley could be jointly served or there could be an agreement to balance costs. He felt there was a whole menu of things that could be done by looking to the future and creating a long-term plan.

In response to Director Humke, Chief Greene said the Truckee Meadows Agreement with the City of Reno successfully addressed cost reimbursements as part of the annexation issue.

Director Humke noted that there was no mention in the recommendations of the Regional Emergency Medical Services Authority (REMSA), only emergency medical service (EMS). Chief Greene explained REMSA was a partner in EMS. He advised REMSA responded within a guaranteed response time within its contractual area, but outside of that area it was a best-effort response. He indicated having firefighters cross trained as paramedics enhanced the initial service delivery when minutes meant life in a medical emergency. He said the chances of resuscitating a patient was 80 percent when care was provided in the first two minutes, but that percentage dropped significantly the longer it took for the patient to receive care. He explained increasing the area for the guaranteed response time was not evaluated because the REMSA system was built on population density. He stated that meant REMSA would continually be called to

the City of Reno, which would take resources from outlying areas; but stationing resources in the outlying areas would compliment the service. He said increasing the REMSA service area would increase the density of ambulances, but there would still be the issue of not having a guaranteed response.

Director Galloway asked if there would be an option for a viable territory exchange between the SFPD and the TMFPD after the SFPD was stabilized that would make things more efficient for both fire districts. Chief Greene felt there could be a mutually beneficial exchange because the exchange outlined in the master plan could eliminate the need to build two fire stations. He noted the districts already had successful partnerships in fuels management and paramedic service delivery.

Director Jung commented the SFPD was directed to create a plan that was viable and would bring something to the table, because she was sure the entities involved would rather partner if they felt comfortable with the SFPD's financial situation. She commended Chief Greene for thinking outside the box.

In response to Chairman Larkin, Chief Greene noted there was a meeting with the State Forester to discuss sharing fuels management costs and the Washoe Valley Fire Station being jointly used by the Nevada Division of Forestry (NDF) and the SFPD. He indicated the NDF faced the same challenges as the SFPD, but on a statewide level. He felt NDF had to be stabilized so they could provide the SFPD with wildland fire service. He said NDF currently provided a cost apportionment specialist and the Minden dispatch center. He stated NDF was concerned about keeping the Minden center open because Douglas County and Carson City were also considering making the change to an NRS 474 District. He said NDF was concerned about its long-term survival and was looking for creative ways to partner with other fire districts so they could support one another.

Chairman Larkin said that would be adjunct to any other decisions the Board could make because the SFPD could not rely upon cost saving partnerships to bring the NRS 473 District back in the red next year. Chief Greene said he asked NDF repeatedly that specific question and NDF indicated it could not use State funds to subsidize a local operation. He advised the State had access to a fire fund in case of a catastrophic fire; but, if SFPD were still under NDF, someone from NDF would be present describing the same situation regarding operational expenses. He explained the SFPD was able to recoup money that was previously going to NDF in fire reimbursements, grant revenue and interest on investments.

In response to Chairman Larkin, Chief Greene replied the average response times were skewed because the areas covered were so spread out. He said the response times were based on fire station locations but no fire station had been built south of the McCarran loop since 1982 while the area's population had seen a huge increase. He noted an evaluation of response times in the area saw huge holes, but the six-to-eight minute response time was being met in areas of denser population around the Washoe Valley fire station.

Chairman Larkin commented building a fire station would require issuance of a bond. Chief Greene said the plan was to come to the Board in April with an operational tax rate increase and in May with a facilities plan. Chairman Larkin warned about rushing what should be a deliberate process.

Director Galloway asked if the bond issue would be used to address the repeated requests for better response times from the Arrowcreek area. Chief Greene said phase 1 would be the Board giving direction, phase 2 would be coming back with the tax rate and confirmation from the State that SFPD could receive that full revenue, and phase 3 would be the facilities plan. He explained the Mount Rose area would be looked at in two parts with the goal of identifying where the longest response time was and of providing a second fire engine, which would be another way to improve operations.

In response to Director Galloway, Chief Greene confirmed the bond issue would have to go on a general election ballot. Director Galloway surmised there would not be sufficient time to put the bond issue on the upcoming ballot because the deadline for doing so was mid-July. He said if the deadline could not be met, things could be improved through equipment and the bond issue would have to wait for the next election.

Director Humke asked if the facilities plan would provide something for all of the taxpayers in the District so they would be willing to go to the polls to increase their indebtedness. Chief Greene said if political boundaries were erased and only service delivery needs were looked at, it was clear the Mt. Rose/Arrowcreek area had one of the longest response times. He said it was envisioned there would be one station there and the station on the Mt. Rose Highway would be refurbished. He stated the planning process had to look at, if TMFPD built stations in Washoe Valley and Verdi, what options the SFPD had at both ends of the district besides building duplicate stations. He stated service delivery was being homogenized and areas that needed service regardless of jurisdiction were being identified. He acknowledged asking taxpayers located in Washoe Valley or Verdi to pay for a station in the core area was tough politically. He felt the argument could be that services were being homogenized and those taxpayers would be receiving cost benefits from that homogenization. He stated Washoe Valley was a good example of the equity issue because it made up 5 percent of the District's assessed valuation, but did not support a station by itself. He said any long-term solution for Washoe Valley had to be achieved in conjunction with the TMFPD because that was their border.

Director Humke indicated he was not sure erasing political boundaries and forming collaborative efforts was destined to work. Chief Greene replied taxpayers were not concerned about the color of the responding truck. He indicated the governance model determined the service level and, as the Boards for the SFPD and the TMFPD, the Directors could make decisions that affected both districts. He felt it would be mutually beneficial to look at making adjustments to boundaries in the master plan. Director Humke said that described the dream that was fire consolidation in this County.

In response to Director Galloway, Chief Greene replied building another fire station would also affect fire insurance premiums, which were often based on the property's proximity to the nearest fire station. He said models showed the increase in taxes was offset by the decrease in fire insurance costs.

In response to the call for public comment, Tim Toulouse discussed the evolution of the current fiscal problem and his support of Chief Greene's attempts to solve it. He said making the SFPD sound must be done with a minimum of financial impact on citizens and with absolutely no impact on service delivery. He discussed the District's proposed conversion to a 474 District, the proposed tax rate, the failure of the District's promise to have paramedics, and the necessity to keep the District's career firefighters stationed in the District.

Jim Lauretig said his homeowner's association contacted Chief Greene to find out how to prepare for a disaster and expected a briefing on how things happen, but instead was advised of what was happening within the SFPD in terms of finances, response times, location of services, and staffing. He stated Chief Greene just presented a solution to those issues, and he felt those recommendations should be accepted. He said everyone he talked with felt the issues should be solved now because, if the problem was not attacked today, it would only get worse.

Ms. D. Sheltra said the West Washoe Valley Citizen Advisory Board (CAB) could not agree as to the best approach to take. She stated fire taxes were already \$2,350 for a sampling of homes along Franktown Road and the 10 cents per \$100 would add \$500 per home or a 24 percent increase. She felt the solution was to ask for a 12 percent increase instead of a 24 percent increase, which would put the District in parity with Truckee Meadows. She explained the CAB's Board did not want to lose the Bowers station, the paramedics need to be kept, and they wanted a guarantee on the renegotiation. She said no bond should go forward at this time unless the TMFPD and the SFPD paid it back at the same rate.

Steven Perez discussed where the money came from for the various fire stations and that having a paramedic eliminated the critical time factor regarding REMSA's response. He also discussed the Arrowcreek response times and the need for a new station.

Mike Joseph advised his company, MKJ Property Management, managed Monteux and Saddlehorn. He said the Homeowner's Associations were concerned that the response times would be greatly diminished if Chief Greene's recommendations were not acted on.

Doug Nelson stated he supported Chief Greene's recommendations and the 10 cent tax if it maintained the same level of service. He felt the City of Reno's continual annexations were the cause of the District's current financial condition, so he wondered how the City could demand the District be financially viable before the City would even consider consolidation.

Jim Gubbels, REMSA Vice President, clarified REMSA's response times for the different zones throughout the County and the location of their best-effort zones.

Jay Cwiak, SFPD employee, said the issue was not simply an EMS issue. He said it was also an issue of solving all of the rescue, fire, and technical rescue responses along with anything to do with earthquakes and HAZMAT.

Chairman Larkin closed public comment.

Chief Greene felt this was a logical progression from the State to the County, and he was concerned the District was running against the clock regarding what would be faced in the 2008/09 budget. He stated he wished he had the letter from the Department of Taxation that would confirm the revenue issue, but that answer or another option would be available when the District came forward with the tax rate.

Chairman Larkin acknowledged that the District was up against a ticking clock, but this had to be handled in a deliberate manner. He said this Board had no intention on returning the District to the State, so that option could be taken off the table. He said the County took the District on because it was aware it had the responsibility to the citizens and the State had the responsibility for wildland management.

In response to Director Humke, Chief Greene indicated he did not hear any new citizen testimony today. He explained the rate would reflect the cost of providing services, but the District was looking at ways to make service more economical by homogenizing, which would provide a future opportunity to reduce the tax rate. He stated he had not heard that anyone wanted less service, but there was concern about the tax rate. By the end of April, he noted there would be an answer about the tax rate, what future projections would be, and if there could be future opportunities to lower the rate.

Director Humke felt Chief Greene had a handle on the issues but now it was just a matter of costing and the Chief should be directed to do further costing.

Chairman Larkin felt there was agreement to move forward with the conversion from a 473 to a 474, but there was some questions regarding the refinements.

Director Jung noted the recommendations were not asking that the tax level be set today, but the rate would come back after crunching the numbers. She favored supporting the recommendation.

Director Galloway felt the recommended motion could be passed today because the recommendations stipulated the items being directed had to be brought back to the Board. He indicated Chief Greene had done an excellent job, and he commended the District's crew on making more progress regarding fuels reduction than anyone else he was aware of. He explained the rate could not be raised later if the rate was not set

high enough to start with. Chief Greene agreed the bull's eye had to be hit in the beginning.

Chairman Larkin stated that REMSA's best effort zone was identified by Mr. Gubbels as being up in the national forest and that needed to be clarified. He said he was not prepared to authorize the best efforts because they needed to be within the response times Mr. Gubbels indicated. He felt there needed to be an accurate evaluation regarding the EMS issue.

Katy Singlaub, County Manager, asked the motion recognize that the Board was not specifically approving the formation of the District nor approving the tax rate today. She felt the motion should also direct staff to bring forward Plan B on what the budget would look like if the District was not able to get the wanted benefits from the 474 District.

Director Humke motioned that recommendations 1-3 on page 9 of the staff report be approved with the notation that this action did not specifically approve a tax rate adjustment or increase, or the creation of the 474 District, and that the Chief be directed to work with the County Manager's Office, the SFPD's financial consultant, and, with Board approval, any other consultants necessary to achieve Plan A as well as preparing a fallback position if the revenue would not be sufficient to do what was described. Director Galloway seconded the motion.

Chief Greene clarified the Board was aiming the direction of the 474, but wanted confirmation on the tax issue before that action was formalized. Chairman Larkin said all other options were excluded except for creating a Plan B.

On a call for the question, the vote was 4-0 in favor of the motion with Director Weber absent.

08-09SF AGENDA ITEM 6

Agenda Subject: "Directors'/Manager's Announcements, Requests for Information, Topics for Future Agendas and Statements Relating to Items No on the Agenda. (No discussion among Directors will take place on this item.)"

There were no announcements, requests, topics, or statements.

08-10SF AGENDA ITEM 7

Agenda Subject: Public Comment and discussion thereon. The Sierra Fire Protection District Board of Directors welcomes courteous and respectful public comment and input. Due to the amount of business the District Board conducts, public comment is limited to 2 minutes per person.

There was no response to the call for public comment.

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On motion by Director Humke, seconded by Director Jung, which motion duly carried with Director Weber absent, Chairman Larkin ordered that the meeting be adjourned.

ROBERT M. LARKIN, Chairman
Sierra Fire Protection District

ATTEST:

AMY HARVEY, Washoe County Clerk
and Ex Officio Clerk, Sierra
Fire Protection District

*Minutes Prepared by:
Jan Frazzetta, Deputy Clerk*